



CITY OF
**West
Linn**

City of West Linn 2018-2019 Proposed Biennial Budget

City Manager's Budget Message

April 25, 2017

Acknowledgements



- 🍃 Cathy Brucker, Interim Finance Director
- 🍃 Kathy Mollusky, City Recorder
- 🍃 Dylan Digby, Assistant to the City Manager

What is a Budget? (ORS 294)



- ✦ A financial plan for containing estimates of expenditures and revenues for a fiscal year (or biennium)
- ✦ A way to control the spending authority of the local government
- ✦ A vehicle for obtaining public opinion about proposed programs and fiscal policies of the taxing district



Role of the Budget Committee

- Members of the taxing district's governing body and an equal number of citizens at-large
- Appointed by the governing body for three year terms
- Conducts at least one meeting to:
 - *Receive the budget message and document*
 - *Hear from the public*
- Approve the budget and rate of total ad valorem property taxes to be certified to the assessor

Role of Citizen Members of the Budget Committee



- Review and recommend community grant awards to the City Council.
- The community grant process is done annually
- \$20,000 is currently budgeted annually for community grant awards
- Past grant recipients must complete report back forms to be eligible for future funding



Budget Calendar – Key Events

- ◆ Preliminary budget goals & financial projections
- ◆ City Council sets goals
- ◆ Budget Officer appointed
- ◆ Budget prepared
- ◆ Notice of Budget Committee meeting published
- ◆ Proposed Budget released
- ◆ Budget Committee meets and approves budget
- ◆ City Council approves Final Budget

Budget Book Organization



- 🍃 **Budget Message**
Issues and Options
- 🍃 **West Linn Overview**
Budget Calendar and Goals
- 🍃 **Personnel Overview**
Organization Chart and Positions
- 🍃 **Budget Summary**
- 🍃 **Presentation of Funds**
- 🍃 **Debt Outstanding**
- 🍃 **Appendices**

2017 Adopted City Council Goals



Citizen Engagement

- Implement quarterly Council Town Halls.
- Continue to engage the CCI to address a range of public involvement issues, including land use engagement, CDC and Comprehensive Plan revisions. Improve the land use process and code and increase citizen engagement.

Economic Development

- Participate in Willamette Falls Locks activities according to the governor's task force recommendations.
- Review City zoning to enhance the City's opportunities for economic development in the business districts.

Fiscal Sustainability

- Balance city service needs with fiscal realities over the coming several biennia given the impact of PERS funding on local governments.
- Assess the City's Capital Improvement Plan and options for capital improvement financing.
- Identify ways to increase the General Fund.

Planning/Community Development

- Draft a plan to address waterfront/river corridor master planning along I205/Willamette Falls Drive and engage public as appropriate.
- Complete City properties review and evaluation.
- Participate in Stafford urban rural reserve discussions to protect the City's interest for the Stafford area.
- Assess the appropriateness of zoning in potentially developable areas for consistency with neighborhood plans and city vision.

Transportation

- Continue steps to move forward the Highway 43 Concept Plan project, including citizen outreach and public education.
- Open dialogue with Tri-Met for improved transit services in the City.

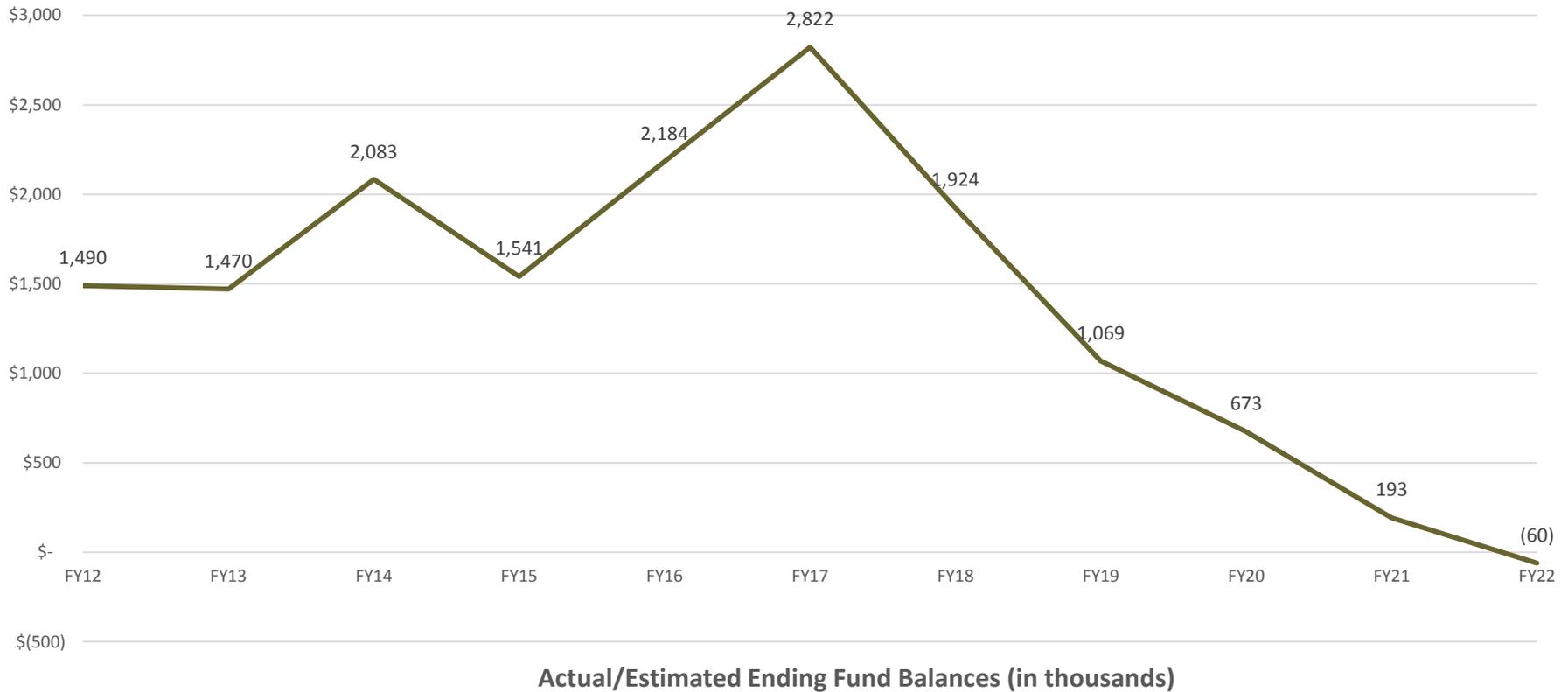
Utilities

- Engage and track the WES governance discussions to protect West Linn ratepayer interests.
- Evaluate fiber feasibility.

Five Year General Fund Financial Projections - Then



Five Year Projections as of January, 2017

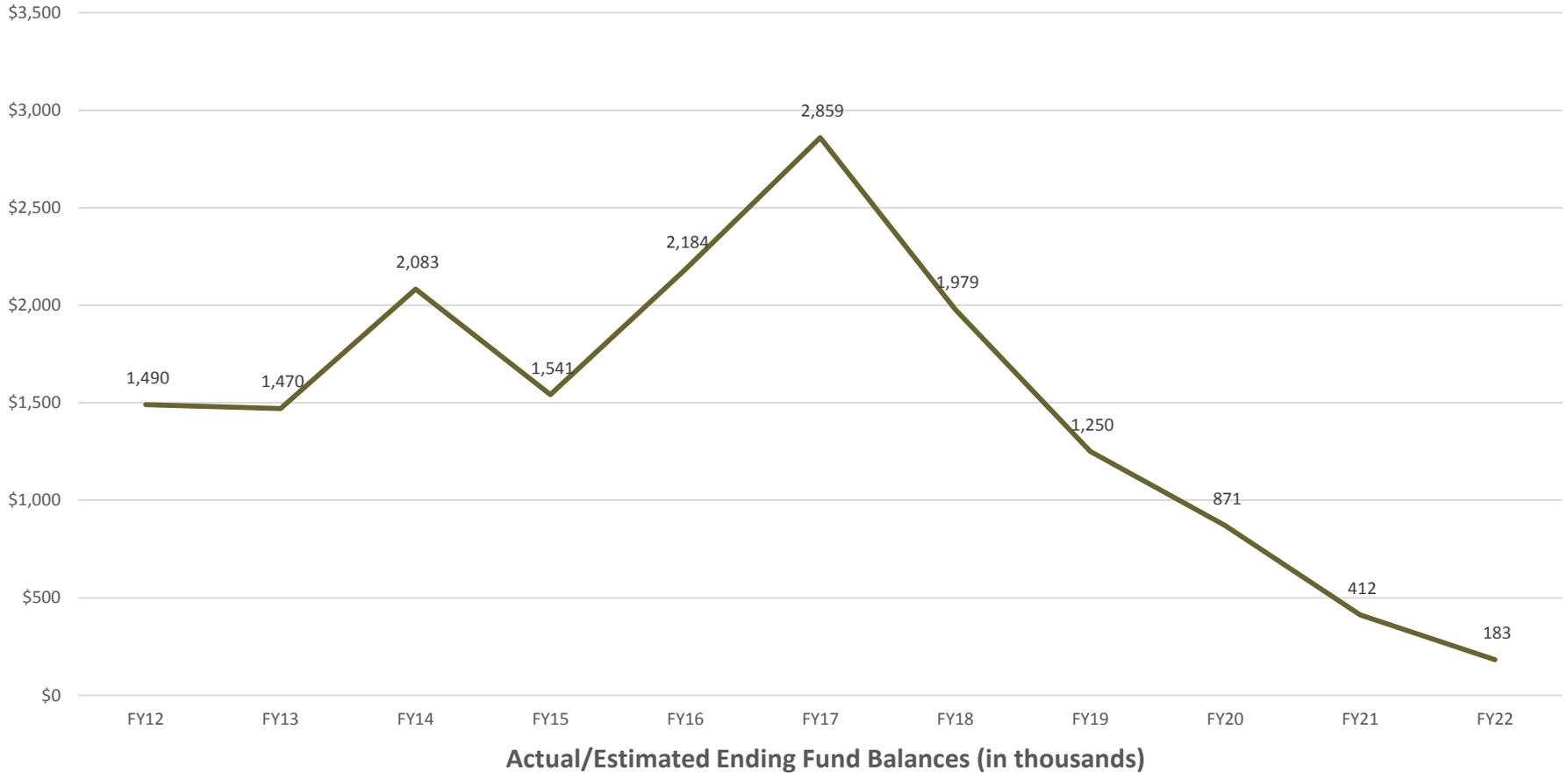


FY 22: \$60,000 deficit

Five Year General Fund Financial Projections - Now



Five Year Projections as of April, 2017



FY 22: \$183,000 ending fund balance, however \$995,000 under ending fund balance policy 10

Budget at a Glance



(Amounts in Thousands: \$87 = \$87,000)

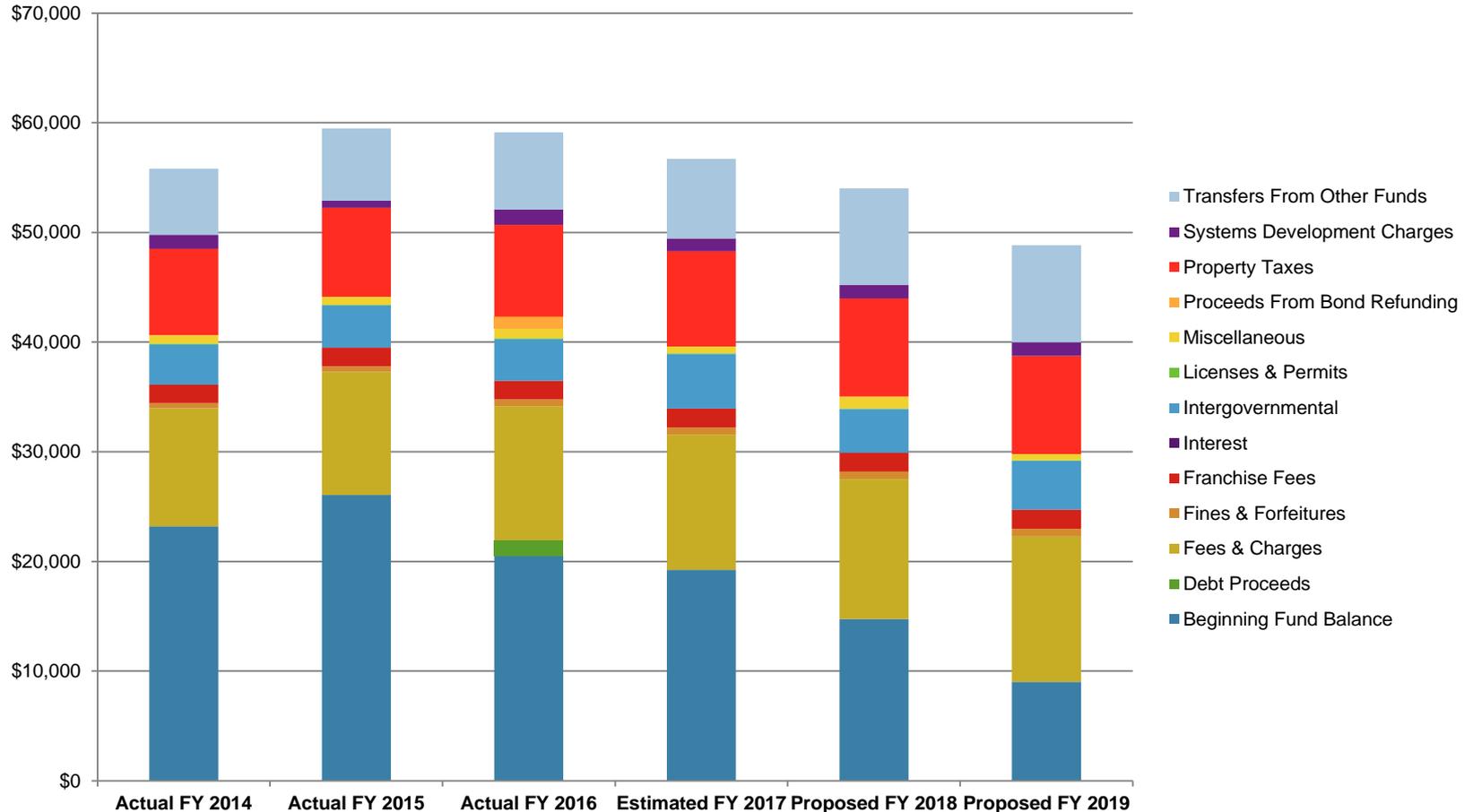
	Actual FY 2014	Actual FY 2015	BN 2017			BN 2019			
			Actual	Estimate	Budget	Proposed Biennial Budget			
			FY 2016	FY 2017	Total	FY 2018	FY 2019	Total	
Resources									
Beginning Fund Balance	\$ 23,212	\$ 26,061	\$ 20,516	\$ 19,250	\$ 20,516	\$ 21,149	\$ 14,751	\$ 9,034	\$ 14,751
Property Taxes	7,875	8,115	8,365	8,668	17,033	16,970	8,957	8,952	17,909
Fees & Charges	13,823	13,658	15,416	15,296	30,712	30,265	15,840	16,342	32,182
Intergovernmental	9,160	3,958	3,877	7,376	11,253	11,045	3,969	4,433	8,402
Fines & Forfeitures	477	483	627	645	1,272	1,086	661	680	1,341
Interest	7	14	16	10	26	10	10	10	20
Miscellaneous	732	721	883	601	1,484	1,018	1,039	530	1,569
Proceeds from bond issues	-	-	5,649	-	5,649	2,000	-	-	-
Transfers from Other Funds	6,351	7,024	7,138	7,490	14,628	14,703	8,777	8,859	17,636
Total Resources	\$ 61,637	\$ 60,034	\$ 62,487	\$ 59,336	\$ 102,573	\$ 98,246	\$ 54,004	\$ 48,840	\$ 93,810
Requirements									
Personnel Services	\$ 12,388	\$ 13,454	\$ 14,664	\$ 15,222	\$ 29,886	\$ 30,447	\$ 16,090	\$ 16,731	\$ 32,821
Materials & Services	6,276	6,554	6,852	7,031	13,883	15,624	7,997	7,364	15,361
Debt Service	2,073	2,111	5,631	2,291	7,922	4,493	2,312	2,003	4,315
Operations before other items	20,737	22,119	27,147	24,544	51,691	50,564	26,399	26,098	52,497
Transfers to Other Funds	6,351	7,024	7,138	7,490	14,628	14,653	8,777	8,859	17,636
Capital Outlay	8,488	10,375	8,952	12,551	21,503	21,276	9,794	5,600	15,394
Operations, Transfers and Capital	35,576	39,518	43,237	44,585	87,822	86,493	44,970	40,557	85,527
Reserves:									
Contingency	-	-	-	-	-	5,122	5,572	5,338	5,338
Restricted	5,151	4,150	2,974	-	-	154	-	-	-
Unappropriated Ending Fund Balance	20,910	16,366	16,276	14,751	14,751	6,477	3,462	2,945	2,945
Total Reserves	26,061	20,516	19,250	14,751	14,751	11,753	9,034	8,283	8,283
Total Requirements	\$ 61,637	\$ 60,034	\$ 62,487	\$ 59,336	\$ 102,573	\$ 98,246	\$ 54,004	\$ 48,840	\$ 93,810
Budgeted Positions (in FTEs)	123.58	124.43	127.18	129.68	129.68	127.18	130.48	130.48	130.48
Monthly Operating Costs per Capita	\$68	\$73	\$89	\$80	\$85	\$83	\$86	\$85	\$85

BN19: \$4,436,000 reduction

Budget Highlights



Total Resources, FY 2014 - FY 2019



Declining Fund Balances – Even with Reduced Spending

Budget Highlights



Major Revenue Sources:

– Fees and Charges	33%
– Property Taxes	23%
– Intergovernmental	11%
– Transfers from Other Funds	22%
– Franchise Fees	4%
– Miscellaneous	<u>7%</u>
	100%



- Council Goal: Fiscal Sustainability
 - Annual Master Fee Schedule Update
 - Possible New Revenue Sources
 - *Parks Maintenance Fee Increase beyond 5%*
 - *Fees and Charges Cost Indexing*
 - *South Fork Water Cost Decoupling from Utility Rates*
 - *Transient Lodging Tax Expansion*
 - *Sell City Services to other municipalities (e.g. IT)*
 - *Expand Revenue Programs (e.g. ODOT truck inspection)*

Budget Highlights - Personnel



Personnel

	<u>FY 2016-17</u>	<u>FY 2018-19</u>
Budget	\$30,447,000	\$32,821,000
FTE Count	127.18	130.48

- *3.3 FTE stated increase.*
- *Actual change is a net reduction of .20 FTE*



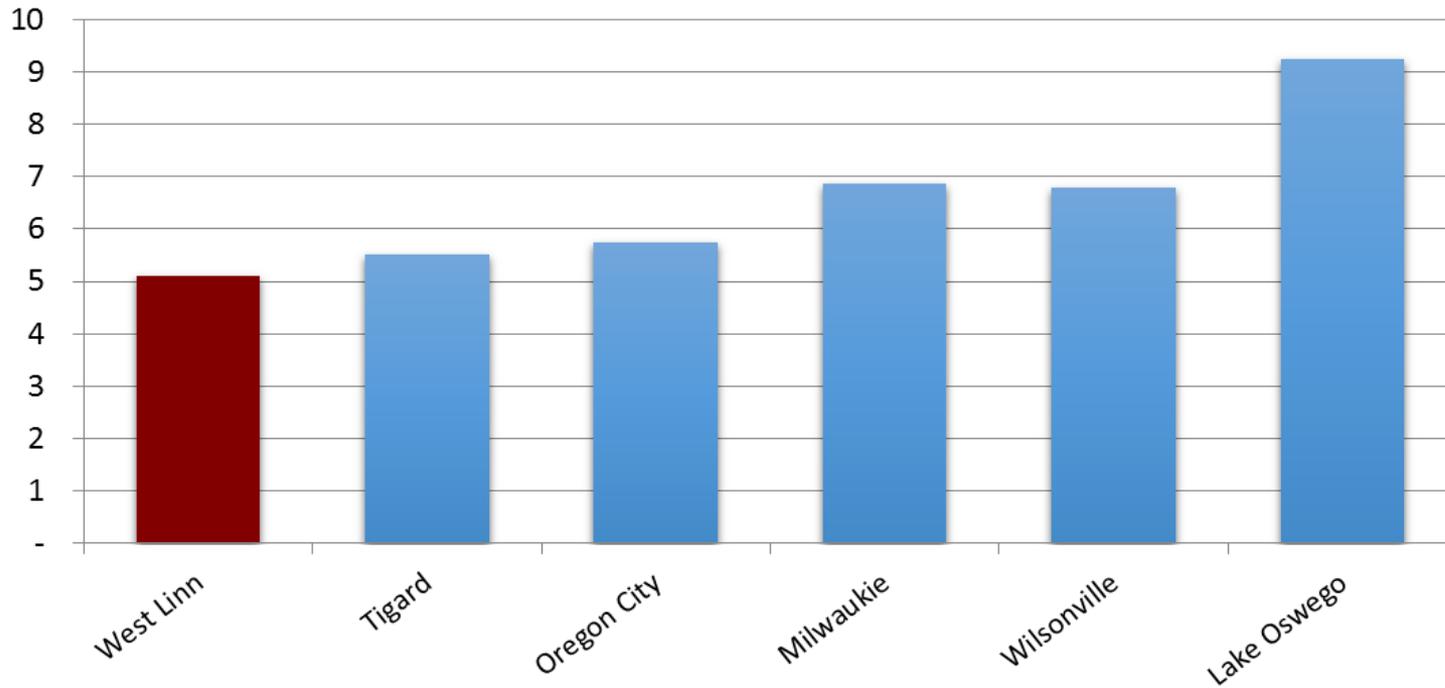
Personnel: Labor Cost Drivers

- Service Needs → FTEs
- Benefit Costs
- Market Comparators
- Policies Regarding Compensation Practices
- Collective Bargaining Agreements

Budget Highlights - Personnel



Full Time Equivalents (FTEs) per Capita (per 1,000 Population)





Materials & Services

	<u>FY 2016-17</u>	<u>FY 2018-19</u>
Budget	\$15,624,000	\$15,361,000

- *Continuance of current service levels*
- *Parks & Recreation/Library programming vs. maintenance*
- *Non-capitalized equipment is budgeted in M&S*
 - *Emergency radio and information technology upgrades*
- *Surface Water and Sanitary Sewer Master Plans*



Budget Highlights – Capital Outlay

Capital Outlay

	<u>FY 2016-17</u>	<u>FY 2018-19</u>
Budget	\$21,276,000	\$15,394,000

- *Capital Outlay items are planned for in the City's Six Year Capital Improvement Plan (CIP) (See appendix)*
- *Needs always outweigh funding so careful consideration for highest priority projects is paramount (\$99 million all funds)*



Budget Highlights – Capital Outlay

- Highway 43 improvements
- Bolton Reservoir completion
- Radio Frequency Identification (RFID) project
- Street and Water System maintenance projects
- Sanitary Sewer and Surface Water improvement projects
- Parks improvements
- Vehicle replacements
- Information Technology improvements



Budget Highlights – Contingencies and Reserves

Summary of Budgeted Reserves

(Amounts in Thousands: \$87 = \$87,000)

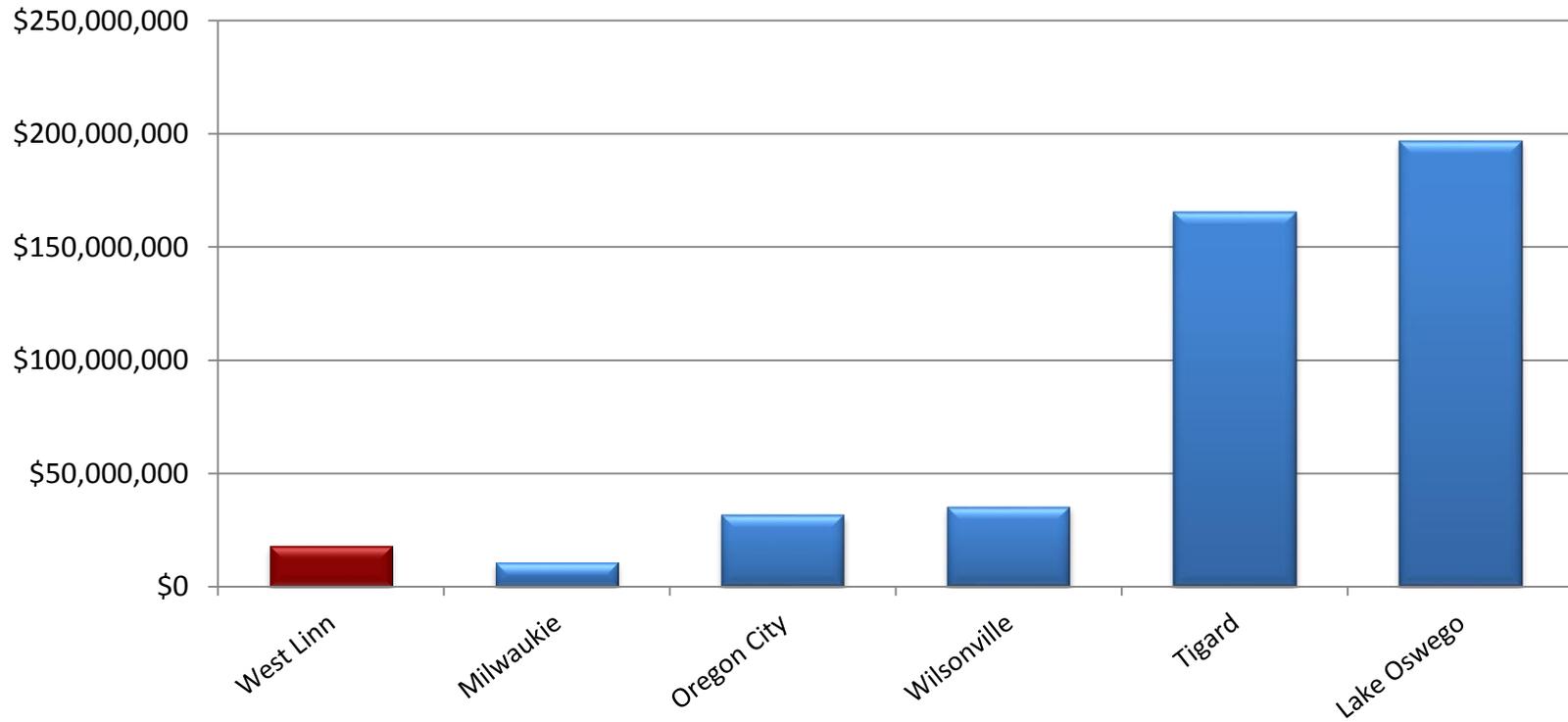
	FY 2019 Personal Materials & Services Services Total (subject to reserve calculation)			Reserve Policy Minimum						Proposed Budget	
				Contingency		Unappropriated EFB		Total		Reserves per Proposed Budget	Over(under) Policy Minimum
				%	Policy Minimum	%	Policy Minimum	%	Policy Minimum		
1 General Fund	\$ 4,617	\$ 2,363	\$ 6,980	10%	\$ 698	5%	\$ 349	15%	\$ 1,047	\$ 1,250	\$ 203
2 Public Safety Fund	5,459	821	6,280	15%	942	5%	314	20%	1,256	1,121	(135)
3 Library Fund	1,621	227	1,848	15%	277	5%	92	20%	369	333	(36)
4 Parks & Recreation	1,803	926	2,729	15%	409	5%	136	20%	545	361	(184)
5 Building Inspectio	492	45	537	10%	54	5%	27	15%	81	129	48
6 Planning Fund	596	58	654	10%	65	5%	33	15%	98	121	23
7 Street Fund	628	540	1,168	10%	117	5%	58	15%	175	536	361
8 Water Fund	717	1,926	2,643	10%	264	5%	132	15%	396	695	299
9 Environmental	798	435	1,233	10%	123	5%	62	15%	185	396	211
10 SDC Fund	-	23	-	-	-	-	-	-	-	3,206	3,206
11 Parks Bond Fund	-	-	-	-	-	-	-	-	-	-	-
12 Debt Service Fund	-	-	-	-	-	-	-	-	-	135	135
	<u>\$16,731</u>	<u>\$ 7,364</u>	<u>\$ 24,072</u>		<u>\$ 2,949</u>		<u>\$ 1,203</u>		<u>\$ 4,152</u>	<u>\$ 8,283</u>	<u>\$ 4,131</u>

Reserves budgeted as Contingency	\$ 5,338
Reserves budgeted as Unappropriated	<u>2,945</u>
Total Reserves in Proposed Budget	<u>\$ 8,283</u>

Budget Highlights – Debt



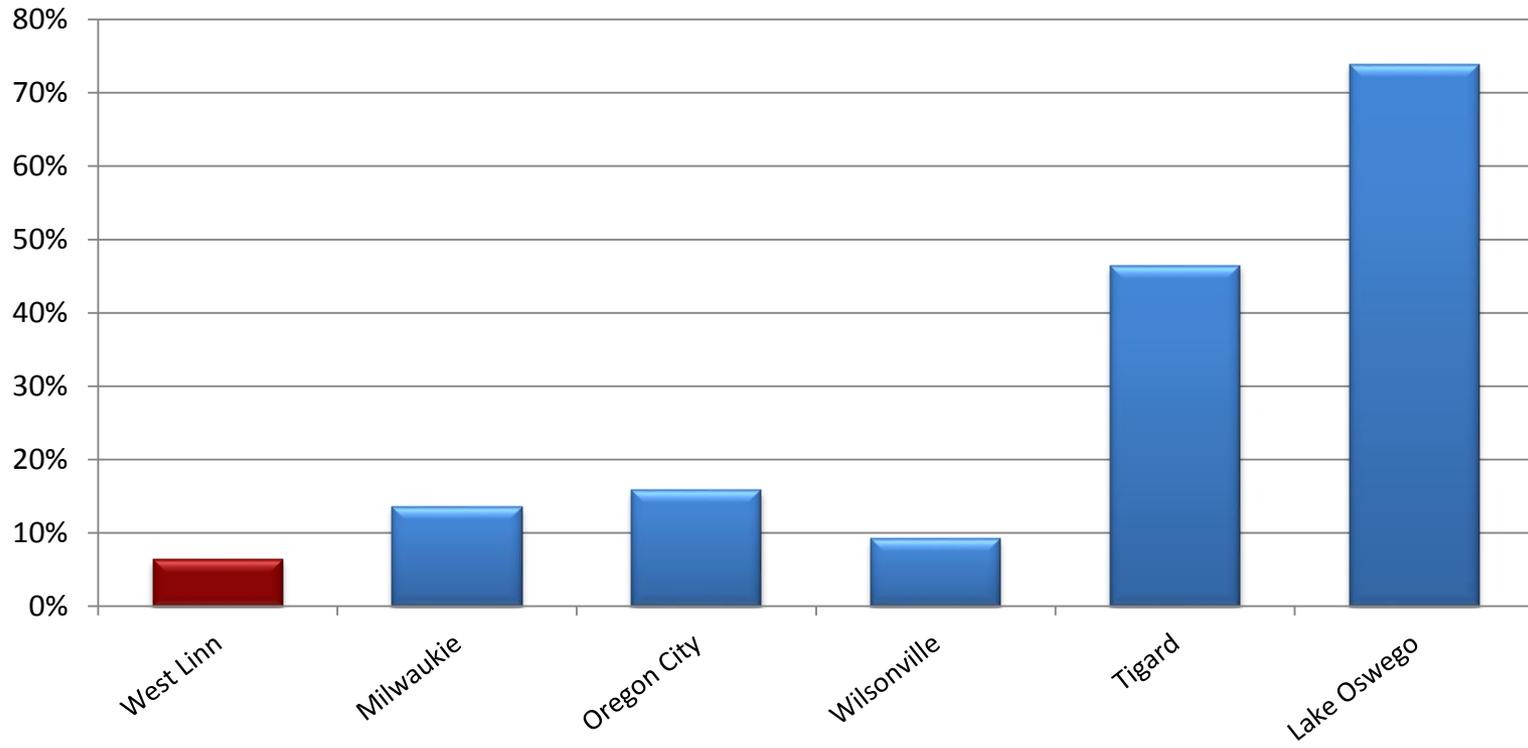
Total Long-term Debt by City



Budget Highlights – Debt



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





General Obligation Bond Levy Renewal?

- ◆ Current tax levy expires in FY 2019
- ◆ Approximately \$18M possible to maintain level tax rate.
- ◆ Possible project categories:
 - *Parks*
 - *City Facilities*
 - *Street Improvements*
 - *Utility Improvements*

Issues & Options (ver. 2)



Issues and Options Items	Source	Estimated Cost	City Manager Proposed	Budget Committee Approved	City Council Approved
Revenue					
Park Maintenance Fee Increase per Muni Code	<i>Exclude from 5% utility cap</i>	n/a	Recommended		
Fees and Charges Cost Indexing	<i>Raise by CPI factor annually</i>	n/a	Recommended		
South Fork Water Costs Decoupling	<i>Exclude from 5% utility cap</i>	n/a	Recommended		
Transient Lodging Tax Expansion	<i>Remove exemption</i>	n/a	Recommended		
Sell City Services to Other Municipalities (e.g. IT)	<i>Intergovernmental agreement</i>	n/a	Recommended		
Expand Revenue Programs (e.g. ODOT truck inspection)	<i>Intergovernmental agreement</i>	n/a	Recommended		
Expenditure					
City Administration Intern(s)	<i>Administration</i>	\$ 10,000	\$ 10,000		
Code Updates (Expedite Docket)	<i>Planning</i>	\$ 100,000	\$ -		
Community Grants (additional funding)	<i>Non-Departmental</i>	\$ 20,000	\$ -		
Council Meeting Closed Captioning	<i>City Council</i>				
<i>Capital Outlay (one time)</i>		\$ 30,000	\$ -		
<i>Services (annual, \$110 x 108 hrs)</i>		\$ 12,000	\$ -		
Council and CAG Minutes Transcription	<i>City Council</i>				
<i>US based (\$210 x 476 hrs)</i>		\$ 100,000	\$ -		
<i>Offshore provider (\$90 x 476 hrs)</i>		\$ 43,000	\$ -		
<i>Part-time employee (\$49 x 476 hrs)</i>		\$ 23,000	\$ 23,000		
GIS Mapping Support (1.0 FTE)	<i>Planning, Public Works</i>	\$ 100,000	\$ -		
Waterfront Plan Consultants (BN 2018-19 only)	<i>Planning</i>	\$ 100,000	\$ 100,000		
Possible Additional Items:					
Grant to Business Districts	<i>Non-Departmental</i>	\$ 20,000			
Grant to Main Street	<i>Non-Departmental</i>	\$ 40,000			
Library Roof Repair*	<i>City Facilities</i>	\$ 300,000	\$ 300,000		
Robinwood Conditional Use Permitting	<i>Robinwood NA</i>	\$ 40,000			
Robinwood Station Building Improvements	<i>Robinwood NA</i>	\$ 750,000			
Sustainability Initiatives	<i>Non-Departmental</i>	\$ 20,000			
WF Heritage Area Coalition	<i>Non-Departmental</i>	\$ 40,000			
Willamette Falls Task Force	<i>Non-Departmental</i>	\$ 60,000			
TOTAL:		\$ 1,808,000	\$ 433,000	\$ -	\$ -



Budget Committee Schedule

🍃 **April 25**

Budget Message Delivery

🍃 **May 4**

Personnel, General, Police, Library, Park, and Debt Funds

🍃 **May 11**

Utility and SDC Funds, Capital Outlay

🍃 **May 18**

Issues & Options Discussion

Community Grant Recommendation

Budget & Tax Rate Approval

Questions?



Questions?