



CITY OF

West Linn

OREGON

Budget In Brief

A mid-biennium update

2010-2011 Biennium





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of West Linn

Oregon

For the Biennium Beginning

July 1, 2009

President

Executive Director



Message From the City Manager

To the Citizens' Budget Committee:

I am pleased to report that despite the lagging economy, the City of West Linn's financial condition is stable. Other cities in our region are struggling with layoffs, fee increases, and service cuts. In West Linn, we are not immune to some of the same problems that other cities face, but because of our conservative financial forecasting and lean staffing, we are heading into fiscal year 2011 with stability and confidence. The emphasis that staff has placed on financial forecasting has been encouraged by the Citizens' Budget Committee, and we are thankful for the Budget Committee's guidance and support.

At this mid-biennium point, we present "Issues & Options" papers for your consideration. We believe that the choices you make on these topics will affect West Linn livability. As staff, we are always cognizant that the choices we make and the professionalism we exhibit has a direct impact on the quality of life in West Linn. Going forward, City staff will continue several construction projects – new park construction, water infrastructure replacement, and street maintenance, just to name a few. We plan on approaching these projects with the utmost consideration and stewardship of taxpayer monies.

Recently, we were pleased to learn that Moody's credit rating agency upgraded West Linn's credit rating, meaning that the City could see lower interest rates on our general obligation debt. Our debt rating is now Aa2, upgraded from Aa3. And, the Finance Department continues to win accolades for financial reporting by receiving the audit (CAFR) and financial report (PAFR) awards, as well as the budget award from the Government Finance Officers Association (GFOA). The City of West Linn is now the only agency in the State of Oregon to hold all three GFOA awards.

In closing, special thanks to the Citizens' Budget Committee for providing your perspectives to the biennial budget process, and for keeping our focus on long-range financial planning.

Sincerely,



Chris Jordan
City Manager

Council-Manager Form of Government

The council-manager form of government is the system of local government that combines the strong political leadership of a city council with the strong managerial experience of an appointed local government manager. The form establishes a representative system where all power is concentrated in the elected council and where the council hires a professionally trained manager to oversee the delivery of public services. The City Manager serves the Mayor, Council and the community, bringing local government the benefits of training, experience and professionalism in administering projects and programs on behalf of the governing body. Chris Jordan began his tenure as West Linn City Manager in October 2005.



Chris Jordan

West Linn Budgeting

2010-2011 Biennial Budget

The West Linn City Council unanimously adopted the budget for the biennium, beginning July 1, 2009 and ending June 30, 2011, on June 22, 2009. The City of West Linn began budgeting on a biennial basis for the BN 2011 budget. A biennial budget period is a 24-month period beginning July 1 and ending June 30 of the second succeeding year. This document is produced at mid-biennium to provide an update on the adopted budget, and to discuss “Issues & Options” - policy questions posed to the Citizens’ Budget Committee.

The City of West Linn prepares and adopts a budget in accordance with the City Charter and Oregon Revised Statutes (ORS) 294.305 through 294.565. The budget is presented by fund and department categories for a biennial period. Over-expenditures in any category are prohibited and unexpended budget appropriations lapse at biennial period end.

The City Manager is the budget officer for the City, responsible for managing the overall City budget and maintaining budgetary control. Ongoing review and monitoring of revenues and expenditures is performed by the Finance Department and individual departments.

Citizens’ Budget Committee

The Citizens’ Budget Committee consists of the governing body (the City Council) plus an equal number of legal voters (citizen members of the budget committee) appointed by the City Council. Accordingly, West Linn has ten budget committee members, and the votes of all members are equal. State law (ORS 294.336) mandates a budget committee for all Oregon local governments.

Citizens’ Budget Committee

Council Members

Mayor John Kovash
Councilor Scott Burgess
Councilor Jody Carson
Councilor Teri Cummings
Councilor Jim Mattis

Citizen Members

Ralph Ezagui
Thomas Frank
Thomas Griffith
Karen Hensley
Abigail Wojick



Fishing on the Willamette River by Kimberly Elliott
(Cover photography from Mary S. Young Park provided by Kimberly Stone)

Budget Process

The Citizens’ Budget Committee performs the first review of the budget; at that time, the budget is publicly available, and the Committee begins their review of the budget presented by the City Manager. The Committee may approve the proposed budget intact, or change part or all of it prior to final approval. After notices and publications are filed, the budget is forwarded to the Council for adoption.

During the second year of the biennium, staff updates preliminary budget goals, prepares this document, and provides guidance to departments on responsible fiscal management over the biennial period. The Citizens’ Budget Committee meets to review the budget at the mid-biennium point, and to discuss financial policy issues. The City Council adopts the tax rate for the upcoming fiscal year, and passes required budget resolutions including the master fees and charges schedule.

Biennial Budget Responsibilities

Year One:

- City Manager proposes budget
- Citizens’ Budget Committee approves budget
- City Council adopts budget
- City Council approves tax rate
- City Council adopts budget resolutions
- City Council adopts master fees & charges schedule

Year Two:

- Citizens’ Budget Committee reviews “Issues & Options”
- City Council approves tax rate
- City Council adopts budget resolutions
- If needed, Council adopts budget adjustments
- City Council adopts master fees & charges schedule



Planning for the Future

Goal Setting

The West Linn City Council meets annually to develop City Council goals. In October 2009, the City Council developed goals for the upcoming year, with anticipated accomplishments by the end of 2010. The City Council will revisit this goals list periodically to ensure that the goals list is reflective of community needs:

PUBLIC FACILITIES

- Build a new police station
- Build an aquatic center

SUSTAINABILITY

- Update Sustainability Plan
- Include sustainability in policy documents
- Create a model sustainability plan for Facilities Dept.
- Continue solar highway outreach, education

ECONOMIC DEVELOPMENT

- Create an economic development toolkit

COMMUNITY DEVELOPMENT

- Oppose Stafford urbanization
- Work on Comprehensive Plan & CDC Updates
- Promote administrative professionalism

FINANCE

- Promote administrative professionalism
- Continue to complete timely audits

UTILITIES

- Conduct public education & outreach
- Evaluate water rates & SDCs
- Participate in regional wastewater discussions

COMMUNICATIONS

- Continue to provide opportunities for citizen education
- Pursue MOU for WFTV operations
- Adopt new cable franchise agreement

Goal Funding

All identified goals have corresponding funding and staffing available in the adopted biennial budget. The "Issues & Options" papers included for the Citizens' Budget Committee consideration reference Council goals related to administrative professionalism and economic development; all other work on goals is ongoing.

Financial Planning

The City of West Linn is committed to the highest levels of transparency and accountability. West Linn uses a biennial budget because progressive organizations focus on long-term financial planning. West Linn citizens budget their household finances with more than one year in mind, and successful businesses are forward thinking. The City will now do the same, and thus, West Linn offers a budget for a two-year period to better emphasize that the City is planning ahead to ensure that operations are sustainable now and into the future.

Preparing a two-year budget lays the foundation for change beyond this budget period because it furthers the City's focus on long-range financial planning. The City's five-year financial forecast is further refined and updated. Audits were caught up with the filing of the 2008 audit which included the first clean or "unqualified" audit opinion in many years.

The City of West Linn received the "Distinguished Budget Presentation Award" from the Government Finance Officers Association (GFOA) for the 2010-2011 budget document. This award recognizes excellence in local government budgeting and financial planning; West Linn has received this award for the past three budget documents.

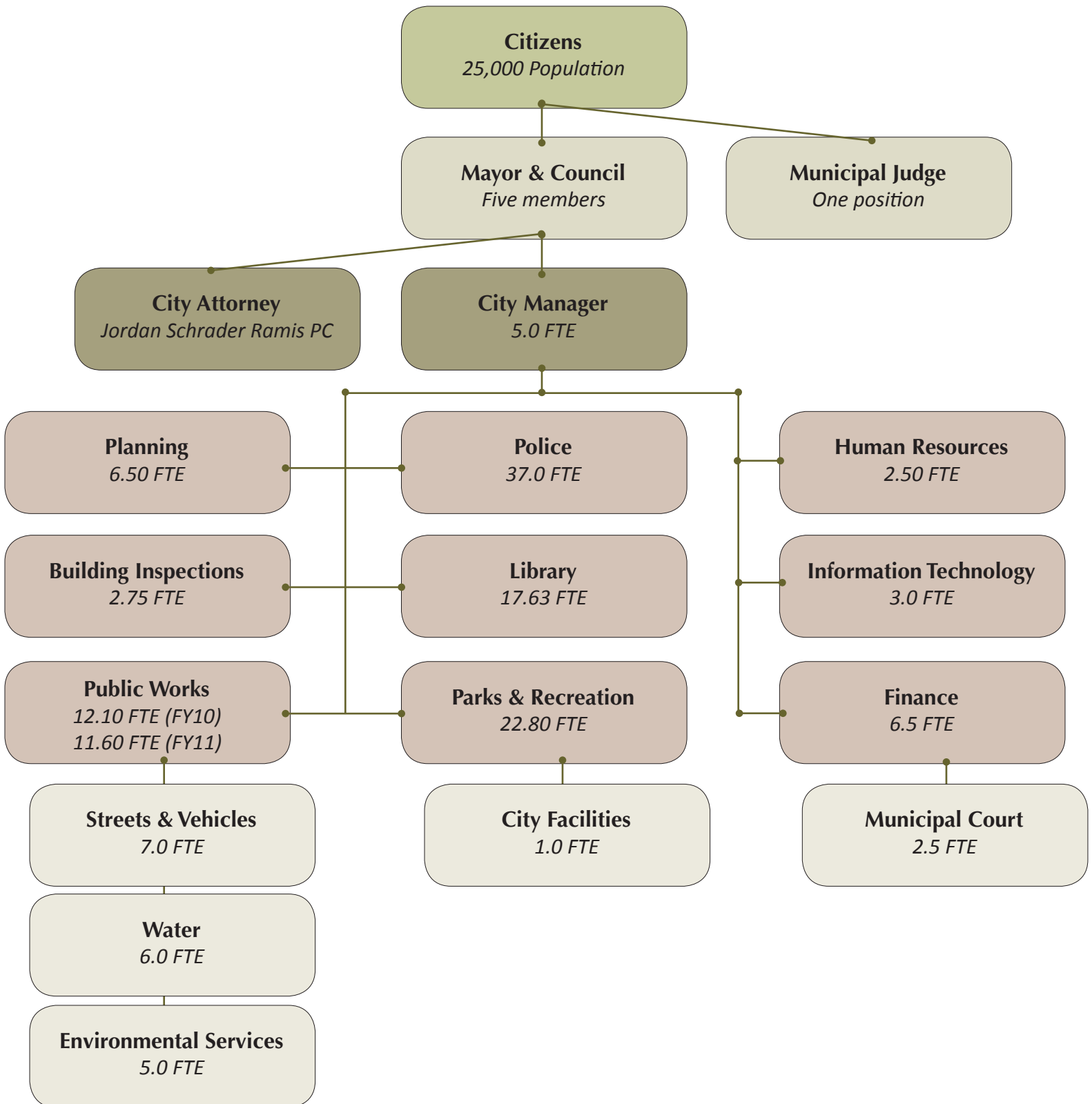
In addition to the "Distinguished Budget Presentation Award," the City of West Linn has also received accolades from the GFOA for its audit (CAFR) and popular annual financial report (PAFR). West Linn is now the only city in the State of Oregon that currently holds all three national awards (Budget, CAFR, and PAFR) from the GFOA.



West Linn Staffing

2010-2011 Personal Services Budget & Organizational Chart

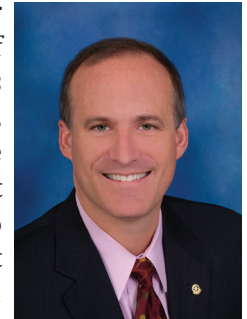
The adopted biennial budget includes authorization for 139.13 full time equivalent (FTE) positions. This is an overall decrease of 0.5 FTE from fiscal year 2009. One FTE equals 2,080 hours of work.



Budget Summary

Budget Summary From Finance Director Richard Seals

Below are the City's revenue and expenditure budget summaries showing all City financial activity for the current period's year-to-date activity compared with the prior three fiscal year's activity. This type of high-level format helps relate the current period's year-to-date figures to historical figures and highlights trends over time. These two summaries reflect the first nine months of the 2010 fiscal year, or 75 percent. The last column shows the actual percentage of each revenue and expenditure category which can be compared against this 75 percent mark. Overall operating revenues are tracking at 75 percent of budget estimates. Property taxes are at 94 percent of our budget estimates and utility billing fees are at 76 percent. Overall operating expenditures are tracking at 71 percent of our budget estimates, four percent under budget. Personnel services, which make up the majority of the City's budget, are tracking at 71 percent overall. In conclusion, we plan to continue our strong monitoring and control over expenditures and we anticipate that no supplemental budget adjustments will be needed in FY 2010.



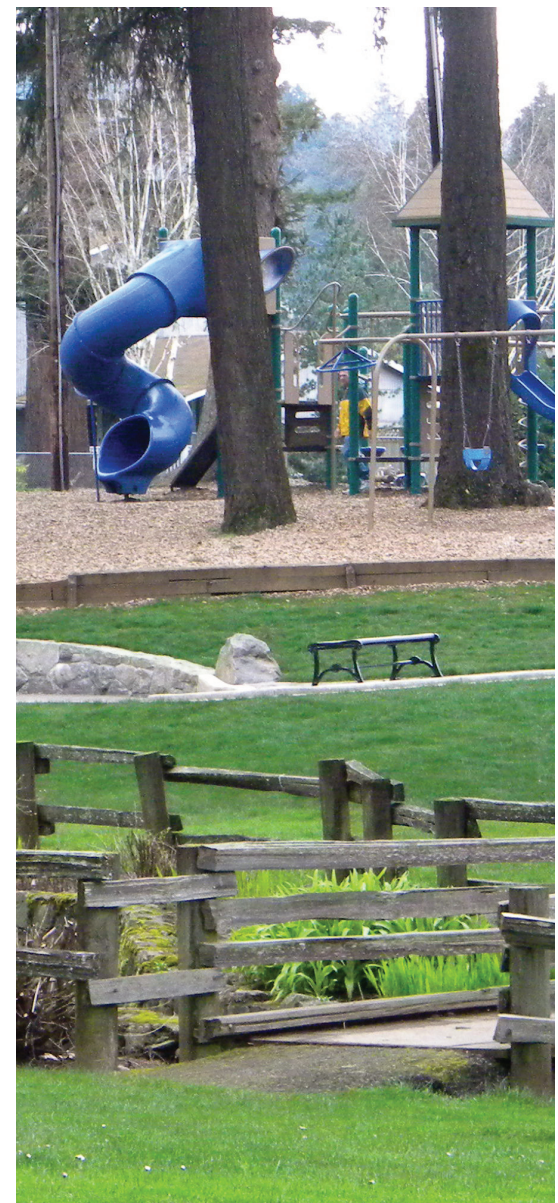
Richard Seals

City of West Linn Revenue Budget (shown in 1,000s)

	Actual			FY 2010		
	FY 2007	FY 2008	FY 2009	Budget (12 months)	Actual (9 months)	% of budget
Property taxes	\$7,531	\$5,966	\$6,393	\$6,620	\$6,246	94%
Intergovernmental revenue	2,362	2,370	2,506	6,495	3,183	49%
Utility fees & charges	5,064	5,556	7,066	7,165	5,436	76%
Other fees & charges	5,462	4,804	4,441	4,153	3,641	88%
Transfers from other funds	4,529	5,652	5,206	5,995	4,336	72%
Operating revenues	24,948	24,348	25,612	30,428	22,842	75%
Other revenue:						
Interest	579	531	240	343	32	9%
Miscellaneous	186	771	789	314	303	97%
Debt proceeds	0	175	9,122	0	0	
	765	1,477	10,151	657	335	51%
TOTAL REVENUE	\$25,713	\$25,825	\$35,763	\$31,085	\$23,177	75%

City of West Linn Expenditure Budget (shown in 1,000s)

	Actual			FY 2010		
	FY 2007	FY 2008	FY 2009	Budget (12 months)	Actual (9 months)	% of budget
Personal services	\$10,083	\$10,999	\$12,175	\$12,447	\$8,884	71%
Materials & services	6,057	6,022	5,976	6,228	4,369	70%
Transfers to other funds	4,274	5,565	5,207	5,995	4,336	72%
Operating expenditures	20,414	22,586	23,358	24,670	17,589	71%
Debt service	1,427	1,698	6,377	1,847	857	46%
Capital outlay	1,682	1,666	3,311	10,005	2,265	23%
TOTAL EXPENDITURES	\$23,523	\$25,950	\$33,046	\$36,522	\$20,711	57%



Willamette Park by Kendra Frankle

City Finance Staff:

Finance Director

Richard Seals, CPA, CMA, CFM
rseals@westlinnoregon.gov

Contact Richard with general questions about City finances, audits, budgets, taxes, and debt.

Assistant Finance Director

Casey Camors, CPA
ccamors@westlinnoregon.gov

Contact Casey with questions about the City's audits and accounting processes.

Business Analyst

Elissa Preston
epreston@westlinnoregon.gov
Contact Elissa with questions about utility bills.

City Finance Department:

City Hall
22500 Salamo Road
West Linn, Oregon
97068

<http://westlinnoregon.gov/finance>

phone: 503-657-0331

fax: 503-650-9041

