



CITY OF
**West
Linn**

State of City Finances

City Council Retreat

February 16, 2013

Where we were ...

City of West Linn
Checks listed on Bank of America bank statements not input to HTE system
All made payable to Magkamit Consulting
4/26/2006



The Dark Years 2000 ~ 2005



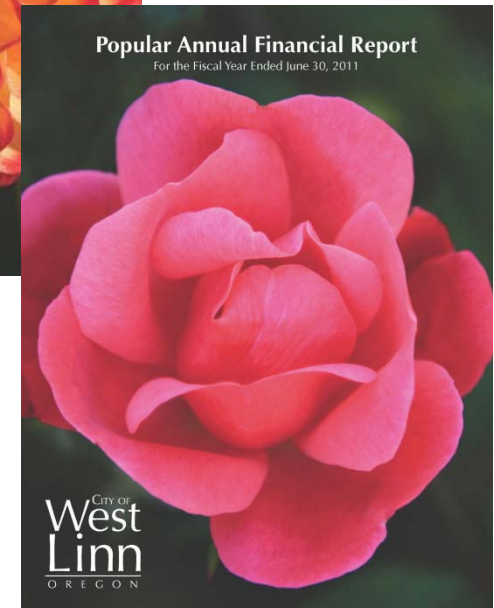
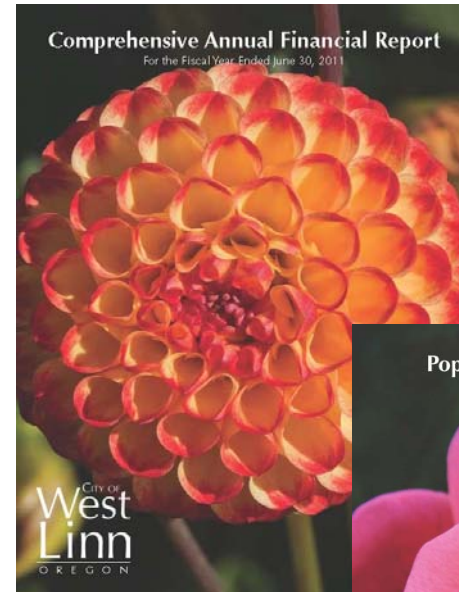
Check Number	Amount	Month Cleared	
16692	4,780.00	09/27/00	FIRST KNOWN CHECK CLEARS
18440	8,892.00	12/26/00	
17314	4,250.00	10/19/00	
17853	4,970.00	11/07/00	
17777	8,780.00	11/20/00	
17867	8,970.00	11/27/00	
18252	14,872.00	01/29/01	
18803	14,920.00	02/20/01	
19432	13,878.00	02/26/01	
19316	18,768.00	03/12/01	
19516	19,360.00	03/13/01	
19696	18,886.00	03/20/01	
19966	18,861.00	04/02/01	FORMER FINANCE DIRECTOR DEPARTS CITY
20086	17,989.00	04/09/01	
20352	17,975.00	04/30/01	
21966	19,881.00	Aug-01	ELNA PROMOTED TO FINANCE DIRECTOR
21341	28,992.00	Sep-01	
21725	18,935.00	Sep-01	
22416	18,963.00	Sep-01	
22717	17,887.00	Sep-01	
23408	23,055.00	Nov-01	
23845	18,468.00	Nov-01	
23949	24,547.00	Dec-01	
24293	19,737.00	Jan-02	
24367	18,658.00	Jan-02	
24488	22,948.00	Jan-02	
24572	15,878.00	Jan-02	
25688	23,473.00	Apr-02	FY01 AUDIT COMPLETED
25804	27,882.00	Apr-02	
25905	22,953.00	Apr-02	
27328	28,733.00	Aug-02	
27477	23,713.00	Aug-02	
27681	25,752.00	Aug-02	
28624	27,833.00	Oct-02	
28742	26,763.00	Oct-02	
29067	28,868.00	Nov-02	
29196	29,398.00	Nov-02	
30407	29,773.00	Feb-03	
30516	31,107.00	Feb-03	
30651	29,887.00	Feb-03	
31186	29,289.00	Apr-03	
31387	30,386.00	Apr-03	
32999	29,931.00	08/04/03	
33114	31,155.00	08/20/03	
33510	31,693.00	08/28/03	
33950	32,112.00	10/07/03	
33625	36,629.00	11/05/03	
32759	34,729.00	11/20/03	
31712	34,413.00	01/20/04	
31896	36,827.00	02/20/04	
31797	35,944.00	02/25/04	
31994	37,363.00	04/28/04	FY02 AUDIT COMPLETED
32177	34,821.00	04/29/04	
29994	36,884.70	09/21/04	
28009	38,922.90	12/10/04	
21321	37,892.00	02/08/05	ACCTG CLERK TERMINATED FOR EMBELLISHING
21322	36,756.20	03/08/05	
21328	34,894.00	03/22/05	LAST KNOWN CHECK CLEARS
	<u>1,420,452.80</u>		

Today – 7 Years Later



- Audits are completed every December
- Credit ratings reinstated and upgraded
- Debt has been refinanced saving \$2M+
- Five Year Financial Forecasting
- Quarterly Reporting
- Audit and Budget Committees Engaged

Products of West Linn Finance



National Award Recognition



Annual Audit (CAFR)

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West Linn
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Dawson

President

Jeffrey R. Egan

Executive Director



Annual Report (PAFR)



Biennial Budget

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

City of West Linn
Oregon

for the Fiscal Year Ended

June 30, 2011



Christopher P. Moirill

President

Jeffrey L. Egan

Executive Director

Audit Committee



Citizen Member

Nikki Koblaha, CPA

Council Members

Thomas Frank

Mike Jones

Auditors

Talbot, Korvola & Warwick, LLP

Robert Moody, Partner



Citizens' Budget Committee



Citizen Members

Karen Hensley – Chair
Bill Hill – Vice Chair
Ann Frazier
Jon Monson
Abigail Wojcik

Council Members

Jody Carson
Thomas Frank
Mike Jones
John Kovash
Jenni Tan

3 Phases of Budget Process



Phase I

City Manager proposed balanced budgets by Fund and delivers to budget message to Budget to Budget Committee

April 2013

Phase II

Budget Committee reviews, deliberates, and then recommends "Approved" Budget to City Council

May 2013

Phase III

City Council reviews, deliberates, and then "Adopts" Budget with certified tax rates and bonded debt levy

Before June 30th

What is in a Fund?



🌿 Resources:

- Beginning Fund Balance
- Estimated Revenues

🌿 Requirements

- Expenditures
 - *Categories – Personnel Services, M&S, Debt, Transfers, Capital*
 - *Debt - City obligations for debt payments (i.e., bond issues)*
 - *Transfers - Payments to other funds for supporting services.*
 - *Capital Improvements – Capital projects included in the 5-Year CIP*
 - *Contingency – appropriation set aside for unplanned occurrences*
- Reserve for Future Expenditures – left over balance

🌿 ***Resources [must] = Requirements***

Many Financial Needs Exist Today



Aging Water Pipes

Water System Map Pipe Age

Map Legend

West LinnWater Mains

Age in Years*

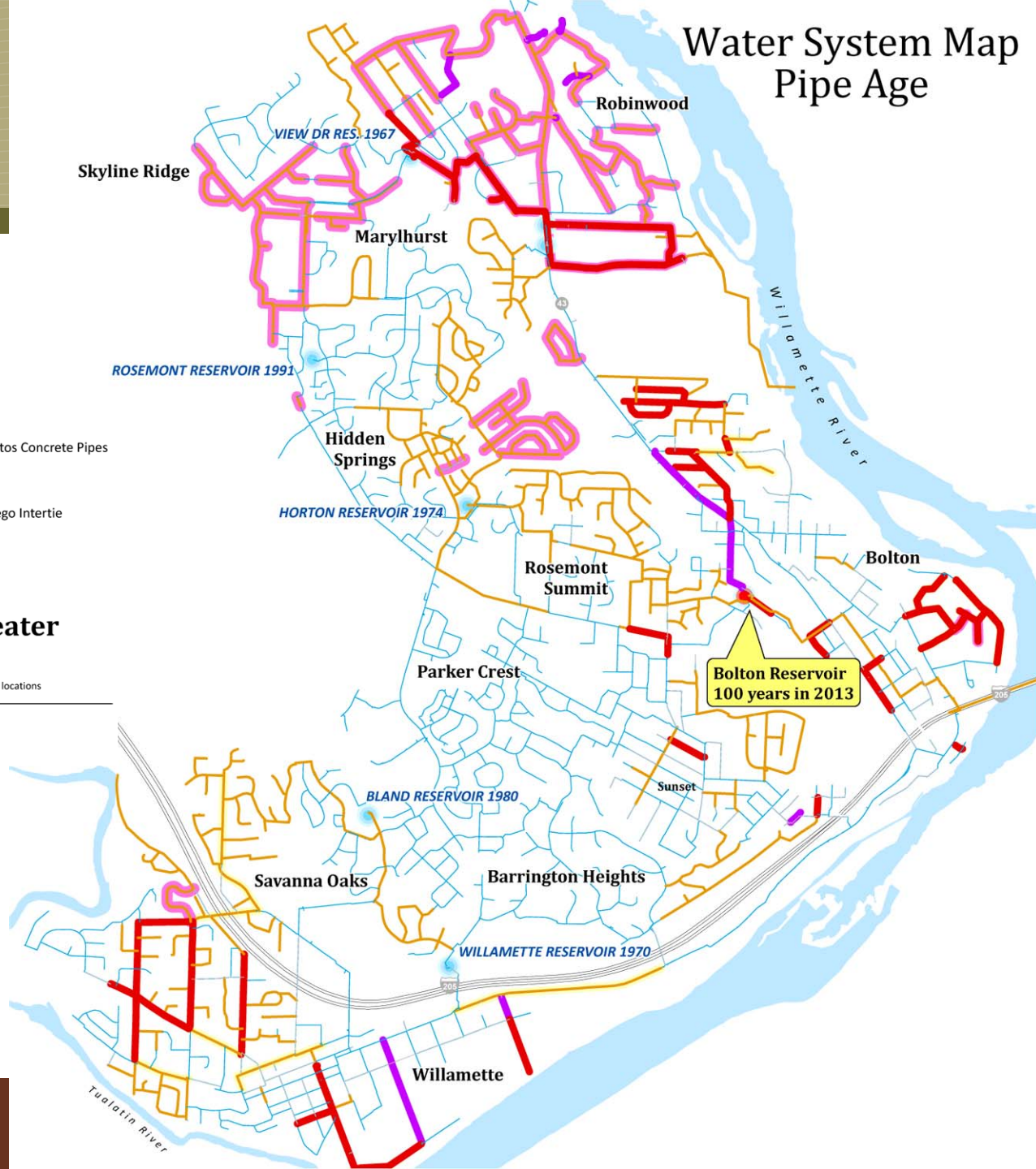
- 1981-2010 (1-29 years old)
- 1961-1980 (30-49 years old)
- 1951-1960 (50-59 years old)
- 1929-1950 (60-81 years old)
- Unspecified Age
- Range Estimated

Asbestos Pipe

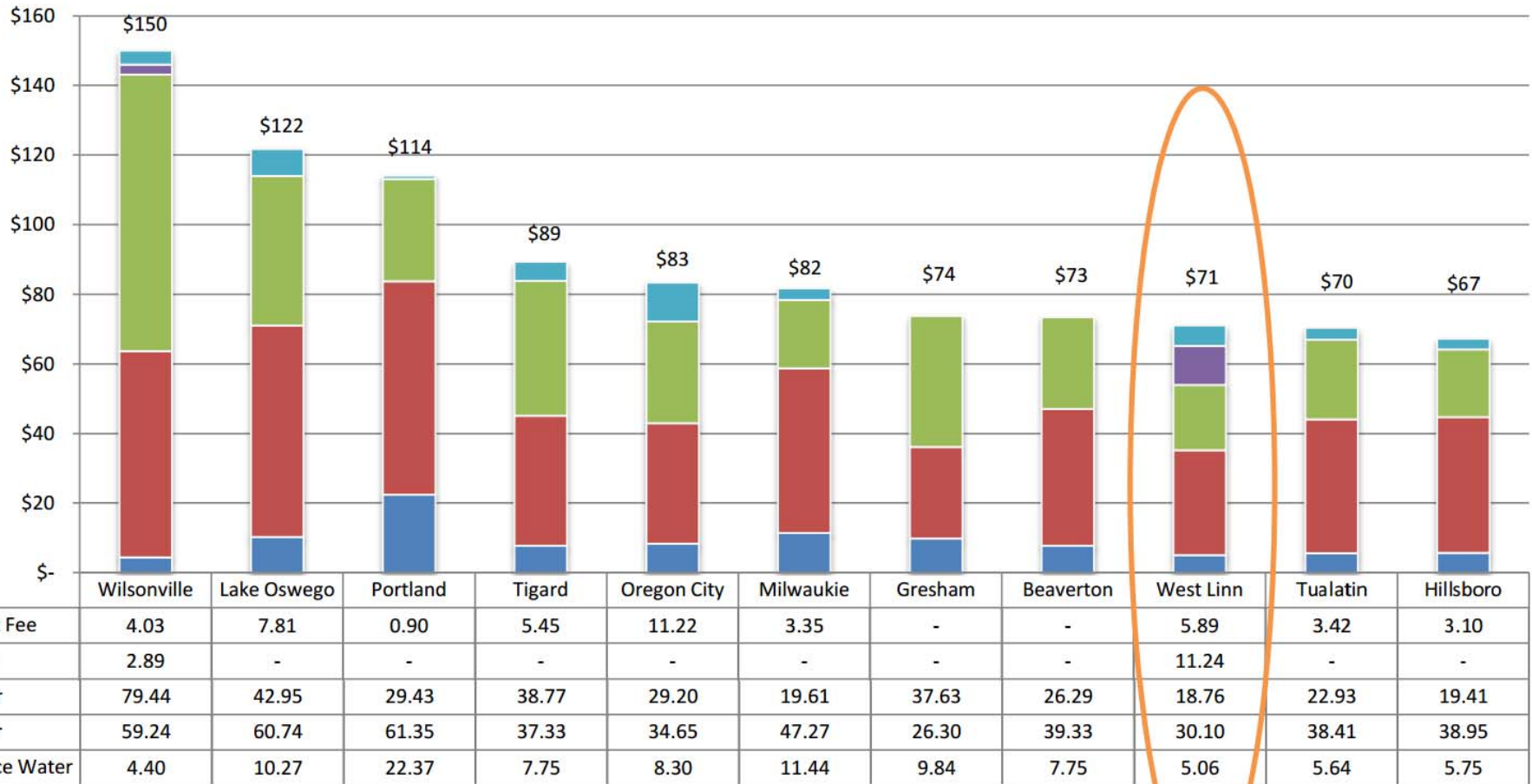
- Areas in the City with Asbestos Concrete Pipes
- Bolton Reservoir 100 years
- City Reservoirs & Lake Oswego Intertie
- Major Streets

Age of Pipe Greater than 50 Years

*Year of installation is approximate in some locations



Comparing Average Utility Bills



Debt Outstanding



City has **\$22 million** of debt outstanding:

- General obligation bonds \$15 million
- Full Faith & Credit Obligations \$ 6 million
- Water Revenue bonds \$ 1 million

Historic cost of Total Assets **\$295 million**

Total Debt to Total Assets Ratio **7.5%**



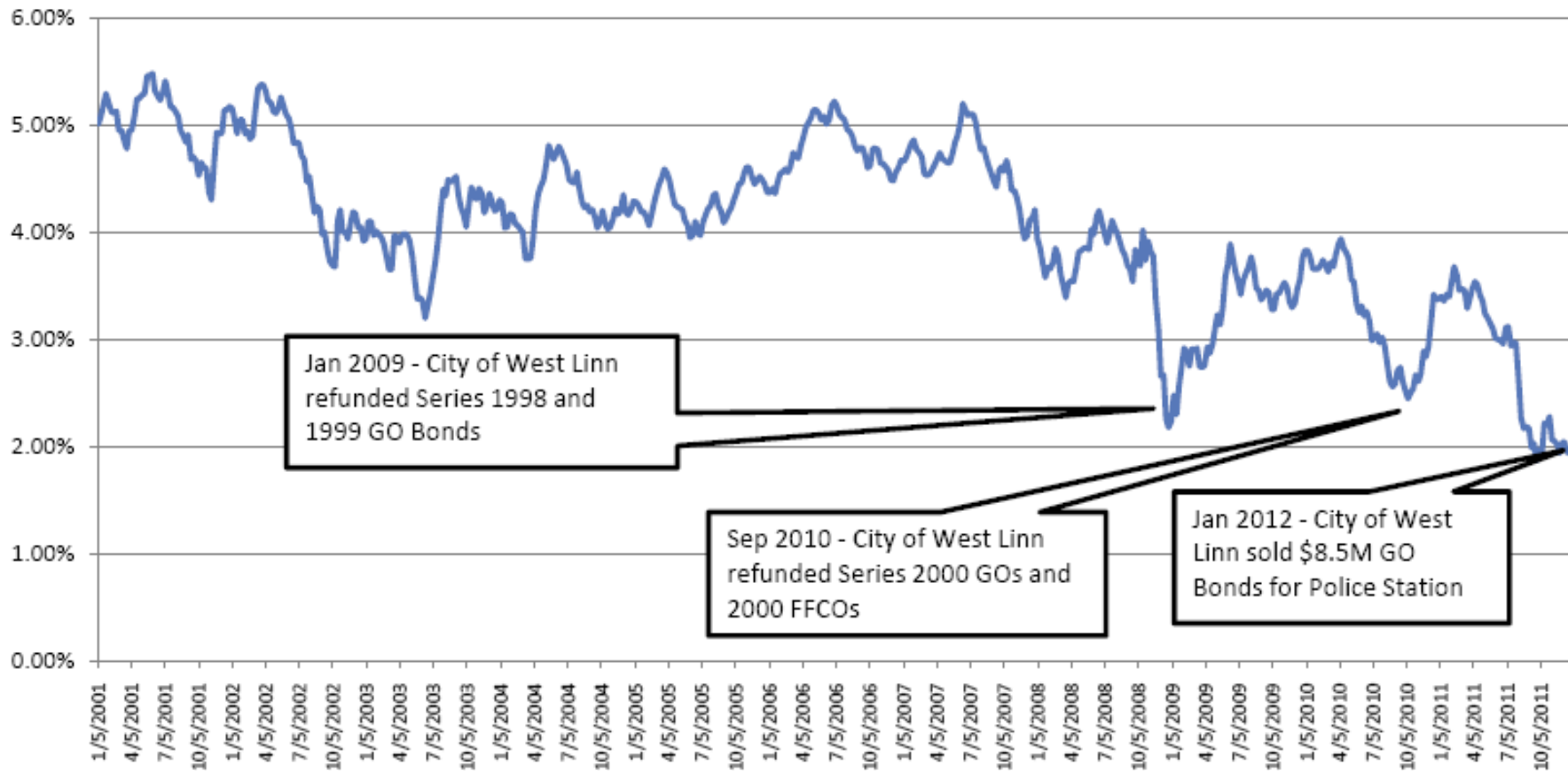
Credit Rating **AA/Aa2**



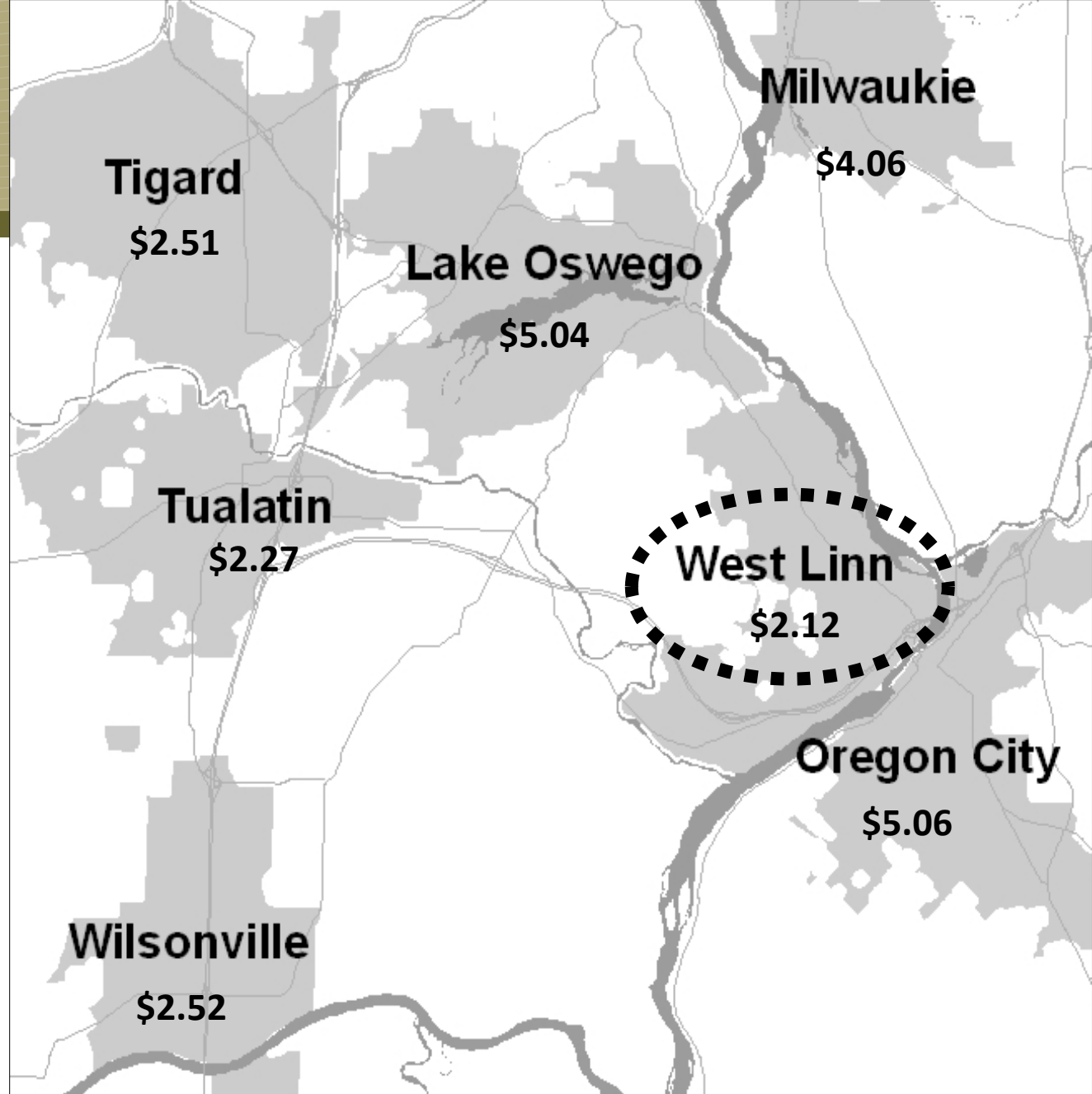
Debt Refinanced at Historic Lows



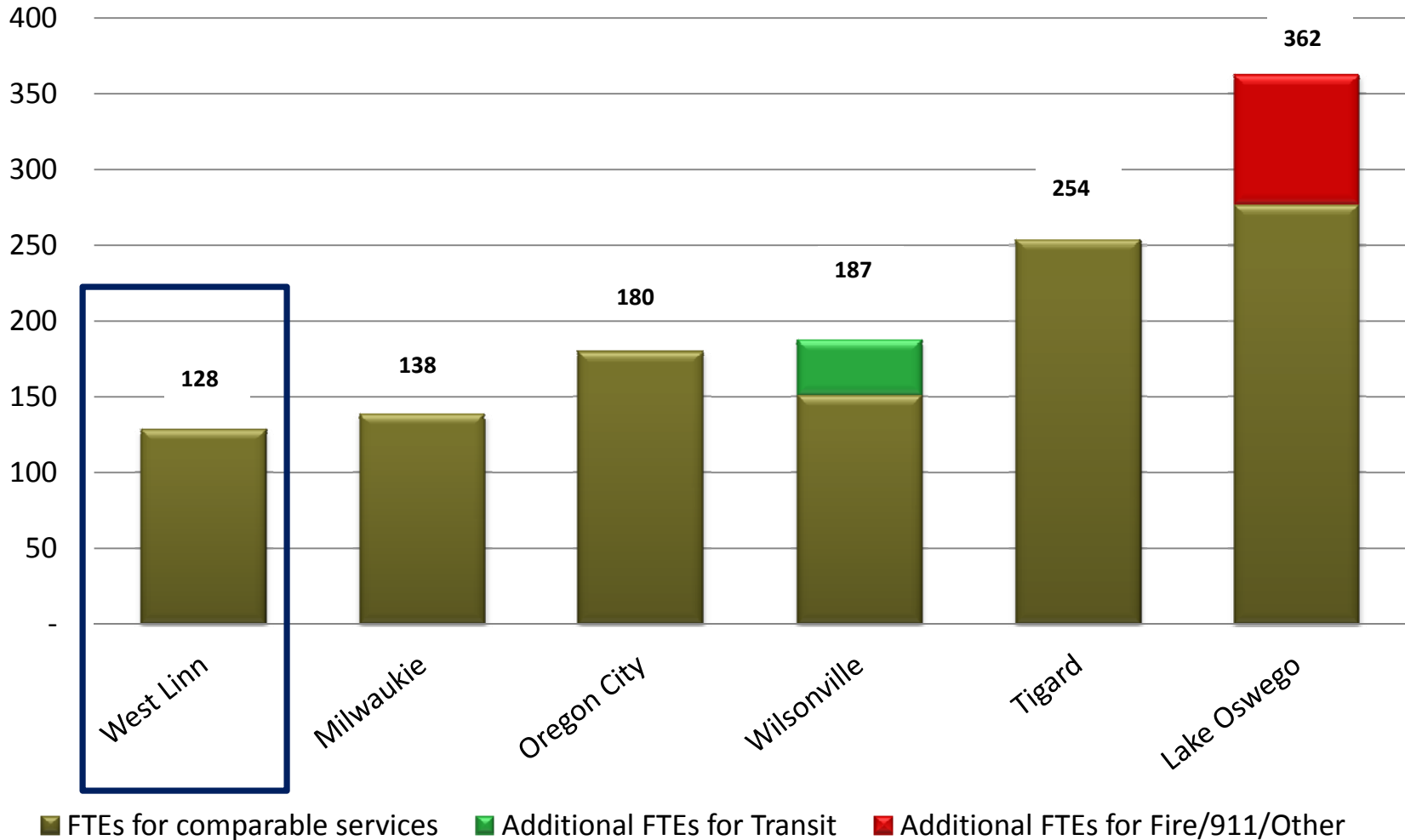
History of Bond Yields



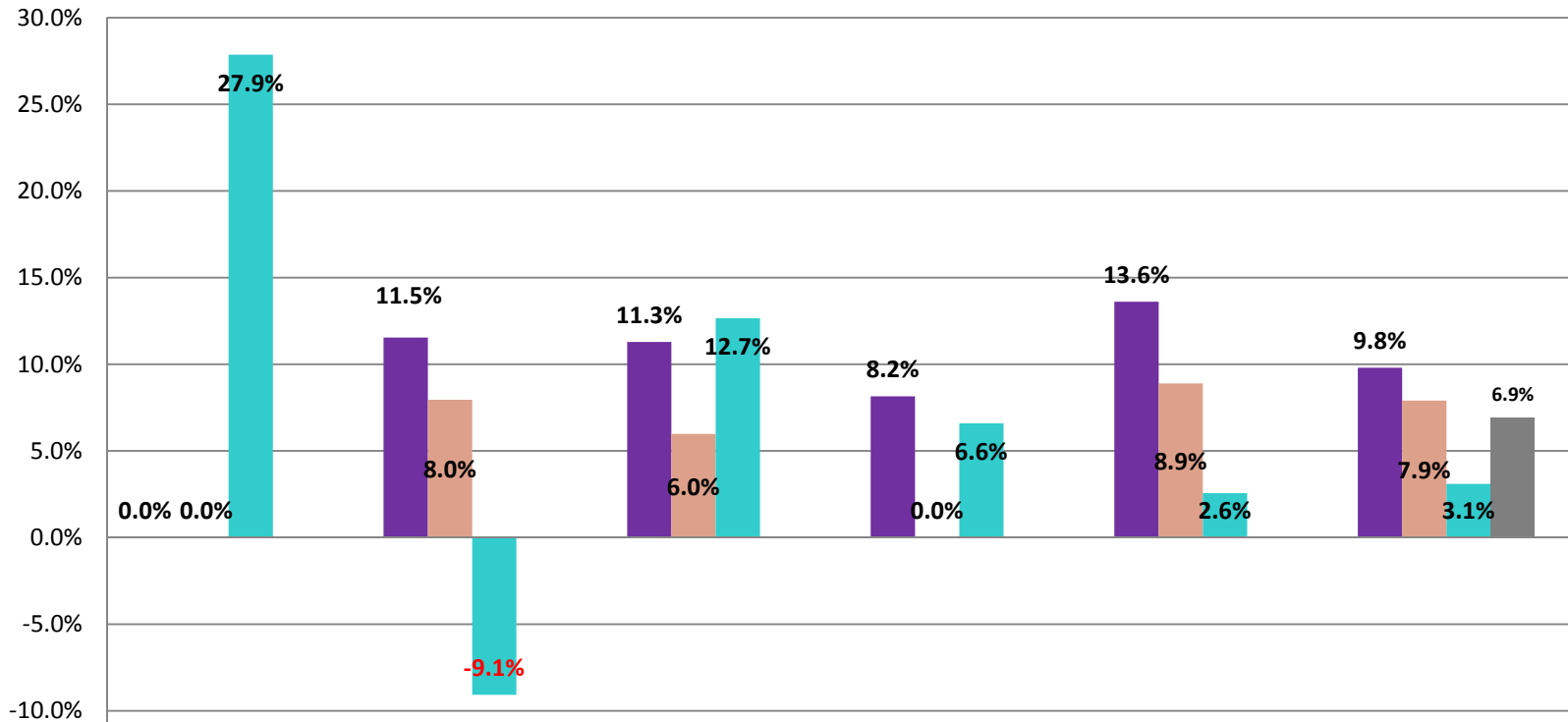
Lowest City Tax Rate



Comparing Personnel

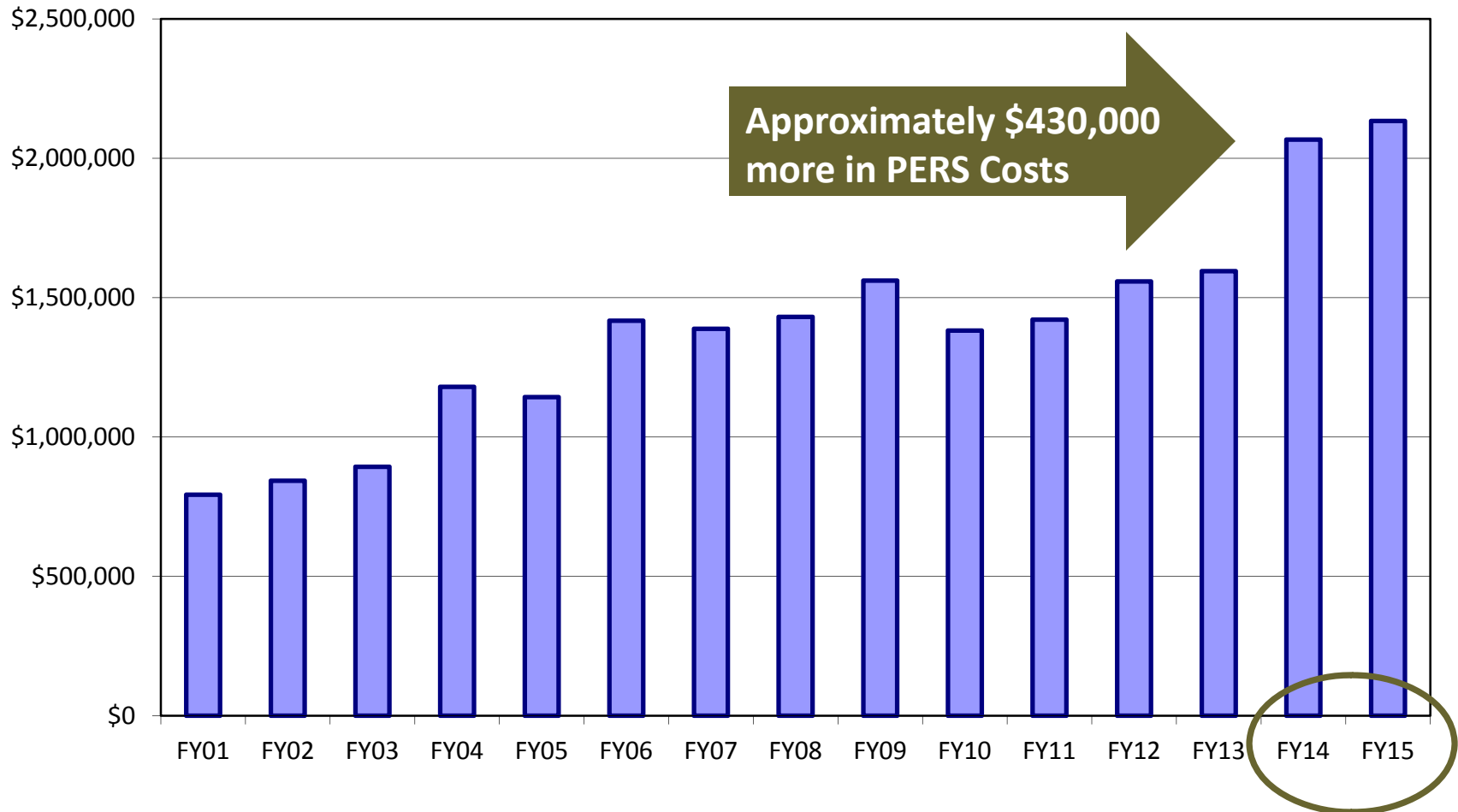


Controlling Health Care Costs

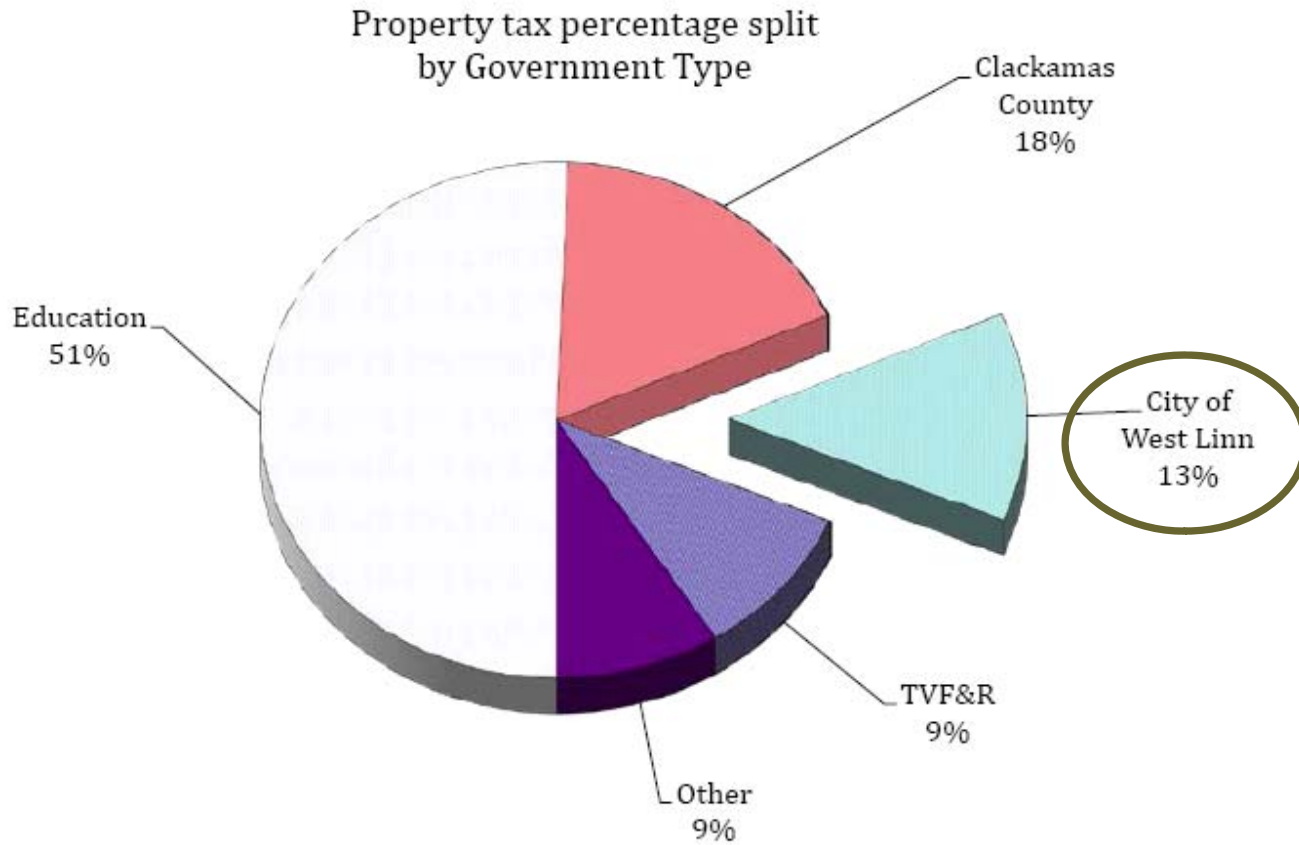


	06-07	07-08	08-09	09-10	10-11	11-12
HealthNet	0.0%	11.5%	11.3%	8.2%	13.6%	9.8%
Kaiser	0.0%	8.0%	6.0%	0.0%	8.9%	7.9%
Standard/ODS	27.9%	-9.1%	12.7%	6.6%	2.6%	3.1%
Kaiser Dental						6.9%

Controlling PERS Costs



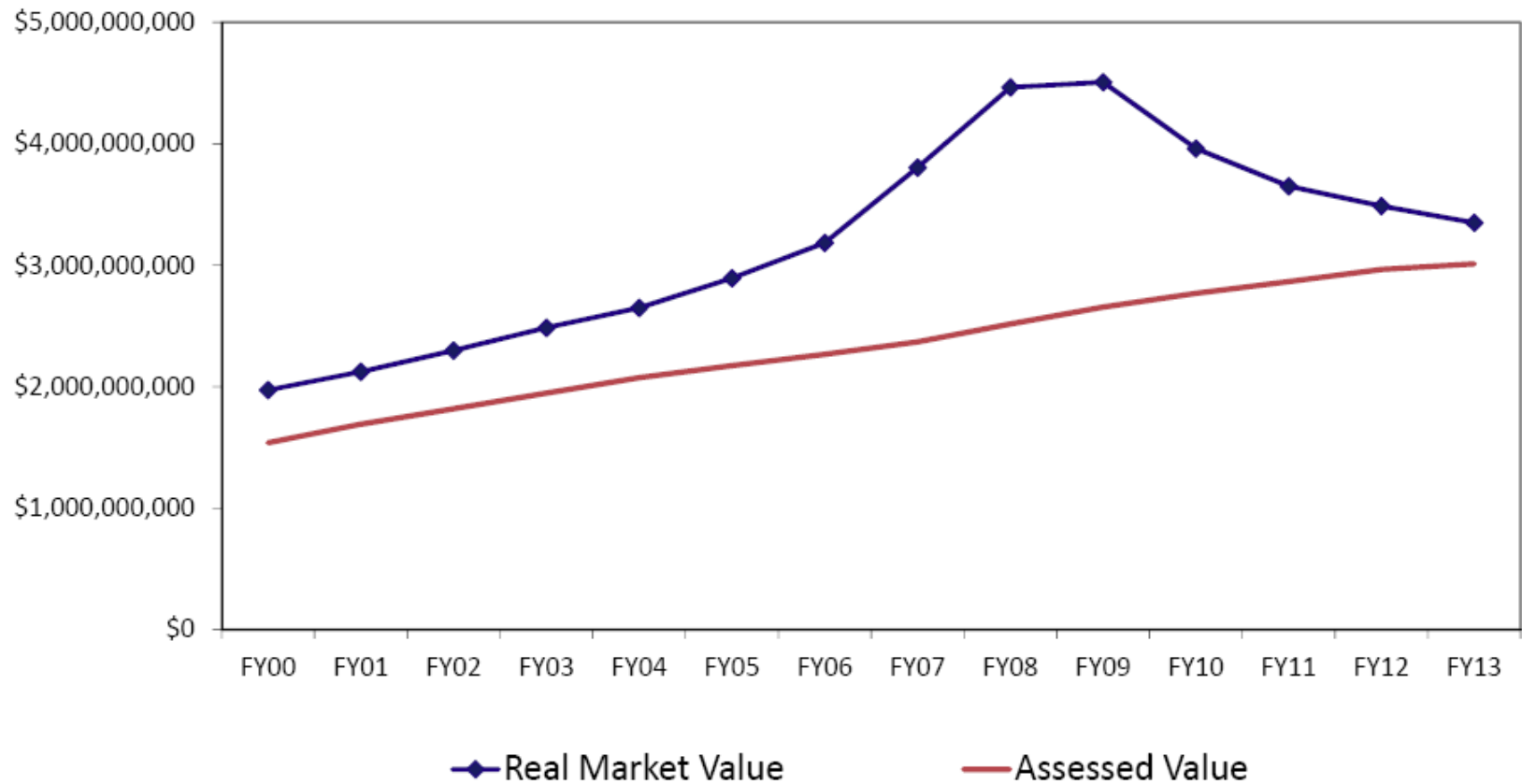
Tracking Property Taxes



RMV approaching AV



City of West Linn Real Market Value versus Assessed Value



Updated Five Year Forecasts



City of West Linn

Total of 12 Funds (amounts in thousands)

	ACTUALS					Current Year	+ 1	+ 2	+ 3	+ 4	+ 5	% of Total
	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	
Requirements												% of Total
Personal services	\$10,120		\$12,048	\$12,465	\$13,073	\$13,886	\$14,906	\$15,496	\$16,112	\$16,752	\$17,418	45%
Materials & services	5,596	5,741	5,608	5,754	5,743	6,431	7,028	7,062	7,331	7,608	7,896	20%
Debt service	1,448	6,378	1,839	7,572	1,641	2,052	2,080	2,114	2,162	2,181	2,206	6%
Transfers to other funds	5,173	5,207	5,355	5,428	5,647	6,034	6,567	6,558	6,756	6,958	7,167	18%
Capital outlay	1,815	3,578	2,643	4,805	3,410	3,815	11,648	6,988	4,430	4,378	4,404	11%
Total expenditures	24,152	20,904	27,493	36,024	29,514	32,218	42,229	38,218	36,791	37,877	39,091	100%
Ending Fund Balance	10,245	25,102	13,298	12,882	23,672	22,460	13,080	8,140	5,719	3,361	990	
Total Requirements	\$34,397	\$46,006	\$40,791	\$48,906	\$53,186	\$54,678	\$55,309	\$46,358	\$42,510	\$41,238	\$40,081	



Reserves are essentially the amount of funds that are left over after all revenues and expenditures are projected for budget purposes.

There are essentially three different types of reserves for different reasons:

- Contingency Reserves
- Unappropriated Ending Fund Balance Reserves
- Debt Covenant Reserves

The Biennium Financial Challenge



	Reserves per 1st Draft 5 Yr Forecast	Over (under) Policy Minimum	
1 General Fund	\$ 574,000	\$ (500,000)	} \$(1,868,000)
2 Public Safety Fund	765,000	(328,000)	
3 Library Fund	203,000	(141,000)	
4 Parks & Recreation	277,000	(236,000)	
5 Parks Bond Fund	-	-	
6 Building Inspections	76,000	4,000	
7 Planning Fund	(555,000)	(667,000)	
8 Street Fund	649,000	474,000	
9 Water Fund	750,000	414,000	
10 Environmental	1,707,000	1,560,000	
11 SDC Fund	1,715,000	1,715,000	
12 Debt Service Fund	136,000	136,000	
	<u>\$ 6,297,000</u>	<u>\$ 2,431,000</u>	

Submit your Budget Ideas



Use the QandA Forum at <http://westlinnideas.com>



Discussion and Questions



City Council Retreat

February 16, 2013

Richard W. Seals, CPA CMA CFM CFE

Chief Financial Officer

City of West Linn