

Research Update:

# West Linn, OR Series 2026 Full Faith And Credit Obligations Assigned 'AA+' Rating

May 20, 2026

## Overview

- S&P Global Ratings assigned its 'AA+' long-term rating to [West Linn](#), Oregon's estimated \$44 million series 2026 full faith and credit obligations.
- At the same time, S&P Global Ratings affirmed its 'AA+' long-term rating on the city's general obligations and full faith and credit obligations outstanding.
- The outlook is stable.

## Rationale

### Security

Both the city's GO bonds and full faith and credit obligations are payable from the city's general, nonrestricted revenue and other lawfully available funds, including revenue from the city's operating ad valorem tax. The GO bonds outstanding are secured by a dedicated property tax for debt service and are not subject to constitutional or statutory property tax limitations. We rate the full faith and credit obligations on par with our view of the city's general creditworthiness given the fungibility of the city's resources and because pledged revenue is not measurably narrower or subject to disproportionate risks relative to the obligor's overall revenue.

Proceeds from the series 2026 full faith and credits obligations are being used to finance the costs related to the development, construction, and equipping of a centralized Operations Center and related improvements. The new operations center will serve as a hub for all the city's utilities and parks and facilities maintenance services.

We note that the city plans to use revenue from five departments expected to be housed in the new operations centers (streets, sewer, stormwater, water, and parks) to pay for its series 2026 obligations. The street fund is expected to be responsible for 30.0% of the annual financing payments, while the other departments are each responsible for 17.5%. The park fund is now a component of the general fund, but the other revenue is accounted for outside of the general fund. The city's council recently approved an increase in the parks maintenance for fee on utility bills to help cover the parks component of the financing agreement. However, such amounts are not pledged as a security for the obligations and are not guaranteed to be available.

### Primary Contact

**Treasure D Walker**  
Englewood  
303-721-4531  
treasure.walker  
@spglobal.com

### Secondary Contact

**Kyron Smith**  
Chicago  
4649271564  
kyron.smith  
@spglobal.com

## Credit highlights

The 'AA+' rating reflects our view of West Linn's large and diversified economic base, robust financial management practices, and stable financial performance. Partly offsetting these credit strengths, in our view, are its elevated debt burden and the expectation that the city plans to spend down \$8 million of its fund balance to help fund the project related to the issuance of its series 2026 obligation.

For accounting purposes, the city separates functions that we have found are typically combined in the general fund among other cities in the state and has, through formal resolution, continued this approach under Government Accounting Standard Board (GASB) Statement No. 54 guidelines. Accordingly, we have applied our criteria applicable to general fund ratios for the combined operations of the following funds: general, parks, library, and public safety. In cases where we view the city as having sufficient legal and political flexibility to transfer reserves classified as "committed" under GASB guidelines to other funds, we have included such reserves in our calculation of available balances. The funds we have considered analogous to a general fund on a combined basis include general, parks, library, and public safety. We note as of fiscal year-end 2025, the city closed its parks and recreation, public safety, library, and planning funds, and transferred remaining fund balances to the general fund.

The city has finished two of the past three audited fiscal years with positive operating results. The deficit in fiscal 2025 was due primarily to increases in public safety and parks and recreation expenditures. The city has adopted a biennial budget that reflects balanced operation results for fiscal years 2026 and fiscal 2027, but has a history of outperforming its adopted budget as a result of conservative budgeting assumptions and practices. Although the city plans to spend down a portion of its available fund balance tied to building its new operational center, officials have no additional plans to utilize available reserve and are committed to keeping reserves above the level of its formal reserve policy, which requires maintaining available reserves of 15% of expenditures in its general fund.

Our view of the city's credit quality over the two-year horizon reflects our expectation that financial performance will hold while reserves and liquidity will decline to about \$12.5 million, or nearly 35% of general fund revenue, based on fiscal 2025 audited revenue.

The rating reflects our view of West Linn's:

- Position as a mostly built-out, affluent suburb of Portland, Oregon, located along the Willamette River. Many residents work in the surrounding metropolitan statistical area, reflecting economic output metrics that are below those of national peers, but economic output metrics, household, and per capita metrics are above those of state and national peers.
- Stable financial performance and healthy operating reserves despite plans to spend down its available reserve position. We expect financial performance to moderate but remain positive in the medium term as a result of conservative budgeting practices and continued growth in core revenue streams. Projections for the current budget (fiscal 2026) show another potential general fund balance increase, to \$17.2 million in total reserves, which would yield a positive operating result. We expect the city's available fund balance to decline to \$12.5 million in fiscal 2027, based on our discussions with the management team, as the city utilizes some fund balance toward building its new operations center.
- Comprehensive financial practices, including a robust budget development process, budget monitoring, (such as quarterly budget-to-actual reports provided to the council), long-term financial and capital planning and risk mitigation efforts, and formalized policies for investments, debt, and reserve. However, the formal debt policy is not robust and focuses

mainly on state statute. The issuer's cyber risk mitigation measures align with our view of its overall risk management policies and practices.

- Elevated but manageable debt burden and a relatively affordable pension and other postemployment benefits burden. The city has no additional debt plans within the next two fiscal years.
- Institutional framework that incorporates the city's history of producing annual generally-accepted-accounting-principles-based audits, statutory limitations on revenue raising, and a relatively predictable operating environment without a history of voter initiative activity or frequent state-level changes that materially affect local government revenue-raising opportunities or expenditure requirements. For more information on our institutional framework assessment for Oregon municipalities, see: "[Institutional Framework Assessment: Oregon Local Governments](#)," Sept. 11, 2024.

## Environmental, social, and governance

The city is exposed to acute physical risks in the form of potential seismic activity, drought, flooding, and wildfires; we view these events as introducing risk to property values and operating revenue by extension. We consider social and governance factors neutral in our credit analysis.

## Outlook

The stable outlook reflects our expectation that the tax base will continue to expand. In addition, the outlook reflects our expectation that operations will remain structurally balanced and that available reserves will remain robust. Therefore, we do not expect to change the rating within the two-year outlook horizon.

## Downside scenario

We could lower the rating if a slowdown in revenue growth and/or an acceleration of operating costs led us to believe the city had entered a period of structural imbalance or if the city used a larger -than-expected portion of its available general fund position to finance current or upcoming capital projects. In addition, we could lower the rating if its debt burden materially weakens.

## Upside scenario

We could raise the rating in the unlikely event that financial performance remained robust rather than moderated, especially if we thought its available reserve position were likely to increase and be maintained at levels comparable to those of higher-rated peers instead of decrease as management expects.

## West Linn, Oregon--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.63
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	1.65
Debt and liabilities	2.50

## West Linn, Oregon--key credit metrics

	Most recent	2025	2024	2023
<b>Economy</b>				
Real GCP per capita as % of U.S.	83	--	83	82
County PCPI as % of U.S.	115	--	115	115
Market value (\$000s)	8,160,179	7,952,999	7,743,395	7,400,275
Market value per capita (\$)	298,078	290,510	282,853	269,650
Top 10 taxpayers as % of taxable value	5.8	5.7	5.4	5.5
County unemployment rate (%)	4.4	4.4	3.9	3.4
Local median household EBI as % of U.S.	156	--	156	159
Local per capita EBI as % of U.S.	149	--	149	147
Local population	27,376	--	27,376	27,444
<b>Financial performance</b>				
Operating fund revenue (\$000s)	--	35,969	27,458	29,802
Operating fund expenditures (\$000s)	--	36,493	26,900	26,893
Net transfers and other adjustments (\$000s)	--	440	272	290
Operating result (\$000s)	--	(84)	830	3,199
Operating result as % of revenue	--	(0.2)	3.0	10.7
Operating result three-year average %	--	4.5	10.0	9.7
<b>Reserves and liquidity</b>				
Available reserves as % of operating revenue	--	41.0	32.2	30.3
Available reserves (\$000s)	--	14,736	8,844	9,033
<b>Debt and liabilities</b>				
Debt service cost as % of revenue	--	5.3	6.2	5.1
Net direct debt per capita (\$)	2,916	1,306	1,366	1,413
Net direct debt (\$000s)	79,837	35,742	37,382	38,792
Direct debt 10-year amortization (%)	42	64	59	--
Pension and OPEB cost as % of revenue	--	5	6	5
NPLs per capita (\$)	--	685	685	645
Combined NPLs (\$000s)	--	18,740	18,740	17,700

Financial data may reflect analytical adjustments and is sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. EBI--Effective buying income. GCP--Gross county product. NPL--Net pension liability. OPEB--Other postemployment benefits. PCPI--Per capita personal income.

## Ratings List

## New Issue Ratings

US\$44,095,000 City Of West Linn, Oregon, Full Faith And Credit Obligation, Series 2026, dated: Date of Delivery, due: June 1, 2051

Long Term Rating AA+/Stable

## Ratings Affirmed

## Local Government

West Linn, OR Limited Tax General Operating Pledge AA+/Stable

## West Linn, OR Series 2026 Full Faith And Credit Obligations Assigned 'AA+' Rating

### Ratings List

West Linn, OR Unlimited Tax General Obligation	AA+/Stable
--	------------

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

## West Linn, OR Series 2026 Full Faith And Credit Obligations Assigned 'AA+' Rating

Copyright ©2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software, or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced, or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees, or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness, or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment, and experience of the user, its management, employees, advisors, and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.spglobal.com/ratings](http://www.spglobal.com/ratings) (free of charge) and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.spglobal.com/usratingsfees](http://www.spglobal.com/usratingsfees).