

BUDGET IN BRIEF

A MID-BIENNIUM UPDATE
2014-2015 BIENNIUM

CITY OF
**West
Linn**

OREGON

100 Years ♦ 1913 - 2013

Courtesy of Old Oregon Photos

THE CITY OF WEST LINN

About the City

The City of West Linn is a community where citizens, civic organizations, businesses and city government work together to ensure that the community retains its hometown identity, high quality of life and natural beauty. The population is just over 25,000.

The City's economy is linked with that of the entire Portland Metropolitan area, but is more insulated from economic downturns because of the high education and skill level of the population. Per capita income is one of the highest of any city in the State of Oregon. West Linn is primarily a residential community with a low ratio of heavy industry and retail-based commercial activity. The largest non-manufacturing employers are the West Linn-Wilsonville School District and the City itself. The largest manufacturing employer is the West Linn Paper Mill.

West Linn is close to the region's business core and urban amenities, with Portland approximately twenty miles to the north. At the same time, the city provides a small-town atmosphere and distinct neighborhoods that range from the historic Willamette district with its pioneer-era dwellings, to the contemporary architecture of newer homes. West Linn is also approximately twenty miles to the Portland International Airport. West Linn's special assets include dedicated parks and open spaces, panoramic views of the Willamette and Tualatin rivers, with Mount Hood, Mount Adams, Mount St. Helens and the Cascades serving as backdrops.

Form of Government

West Linn operates under a Council-Manager form of government. The Mayor and City Councilors are responsible for establishing policy and providing direction to the City Manager. The Mayor and City Councilors are elected at-large and serve staggered four-year terms. The Mayor presides at official meetings and work sessions. Council meetings are televised live online on Comcast cable channel 30.

Services

The City's administration is committed to professionalism, efficiency, and customer service. The City operates its own police department, municipal court, water, sewer, and surface water utilities; and provides street operations, planning, building inspections, engineering, library, and parks and recreation services.

The Tualatin Valley Fire and Rescue District provides fire and emergency services to the community. West Linn is within Clackamas County, which is headed by a five commissioners based in Oregon City. West Linn is also part of METRO, the tri-county urban services district based in Portland.



BUILDING OUR COMMUNITY

Mayor John Kovash • State of the City • February 12, 2014

To the Great Citizens of West Linn,

Good evening and welcome to the West Linn Library and the State of the City. I would like to thank the library staff for hosting this event in a public place.



In prior years, the State of the City was given during the workday. This year we thought it important to change the time and meet the schedules of more West Linn families.

Tonight I want to talk with you about building our community. Shaping our future; goals and planning.

When I gave my first State of the City in 2010, the city had become rather dysfunctional and I was filling the vacated mayor position on an interim basis; I started with this statement:

“It is the council’s intention to regain our City’s reputation and to demonstrate that the government of West Linn is stable, secure and productive.”

And now, less than four years later, it is widely understood that we have regained West Linn’s reputation, and the government is stable, secure and productive.

And by any measure, be it financial, infrastructure, services provided or staff, West Linn has positioned itself to continue to be one of the best places to live in the nation.

New Police Station

Last year we broke ground for the new West Linn Police Station and before next winter we will move into this critically needed, modern public safety facility which is being paid for by a voter approved bond.

Street Maintenance Projects

A principal function of government is infrastructure... And one of the most visible aspects of our infrastructure is the condition of our streets. At the level of funding established some years ago, our streets have deteriorated.

We intend to make information about road projects available to everyone... so if you look on that map it shows the streets that will be fixed over the next several years. We hope you take a look.

A Council goal is to engage the community on the TSP, and we want to do this by starting a community conversation on transportation issues.

Arch Bridge Project

This “Gateway to West Linn” project will give us the chance to focus on this part of our city, and to develop a plan that sets a course for building community.

It also gives us the opportunity to work with our neighbors in Oregon City to improve both sides of the river in ways that are compatible and complementary.

Water System Needs and Improvements

A reliable water system is essential to every community. Most of you, I am sure have seen the news about California and West Virginia water problems.

There is one other part of the water system that needs attention. Our water pipes – take a look at some of them before you leave tonight and you will see why we all need to commit to improving that part of our vital infrastructure.

So we have a ways to go but the steps we have taken to secure and build a water system at bargain rates are incredibly important to building community and making our future sustainable and affordable.

Parks & Trails

This year we will be working with the Transportation Advisory Board on a capital improvement plan and once we have identified the most critical projects and a funding source... we hope to begin design and construction.

Citizen Engagement

In the future, West Linn will need strong leaders. Like any good business; we would like to foster a culture of competence, reason and dedication; we would like to foster a cadre of individuals who will lead West Linn in future years.

Currently we are conducting our second leadership Academy andwe have added a Youth Leadership Academy comprised of 20 middle school students.

Summary

West Linn is one of the best places to live in the country. No doubt about that.

We also have a good balance sheet and low debt but we do have a level of income that put pressure on staffing levels and limits some services.

We have a great source of water and a secure backup system is being built that will not increase our rates.

We have great parks; the means to maintain our streets; a new police station under construction; an incredible library; talented staff; reliable public utilities; wonderful schools and we are fostering good leaders.

West Linn is well positioned for the future and I think we are the premier community in the Portland Metro area, and we have a lot to be proud of.

Financial Accolades

The City receives the Distinguished Budget Presentation Award for its budget document from the Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a governmental entity, its financial staff, and its management. They rate a budget's proficiency in four major categories: as a policy document, an operations guide, a financial plan, and a communications device.

The City receives the Certificate of Achievement for Excellence in Financial Reporting award from the GFOA for its Comprehensive Annual Financial Report (CAFR). The certificate is a prestigious national award that recognizes conformance with the highest standards for preparation of financial audit reports.

The City also receives the Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for its Popular Annual Financial Reports (PAFR). This award is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government unit must publish a report, with contents that conform to standards of creativity, presentation, understandability, and reader appeal.

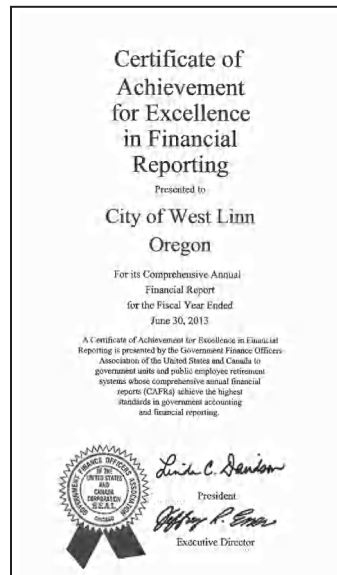
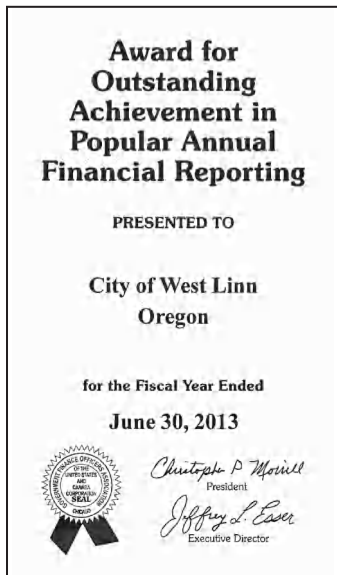


Best Practices Financial Model

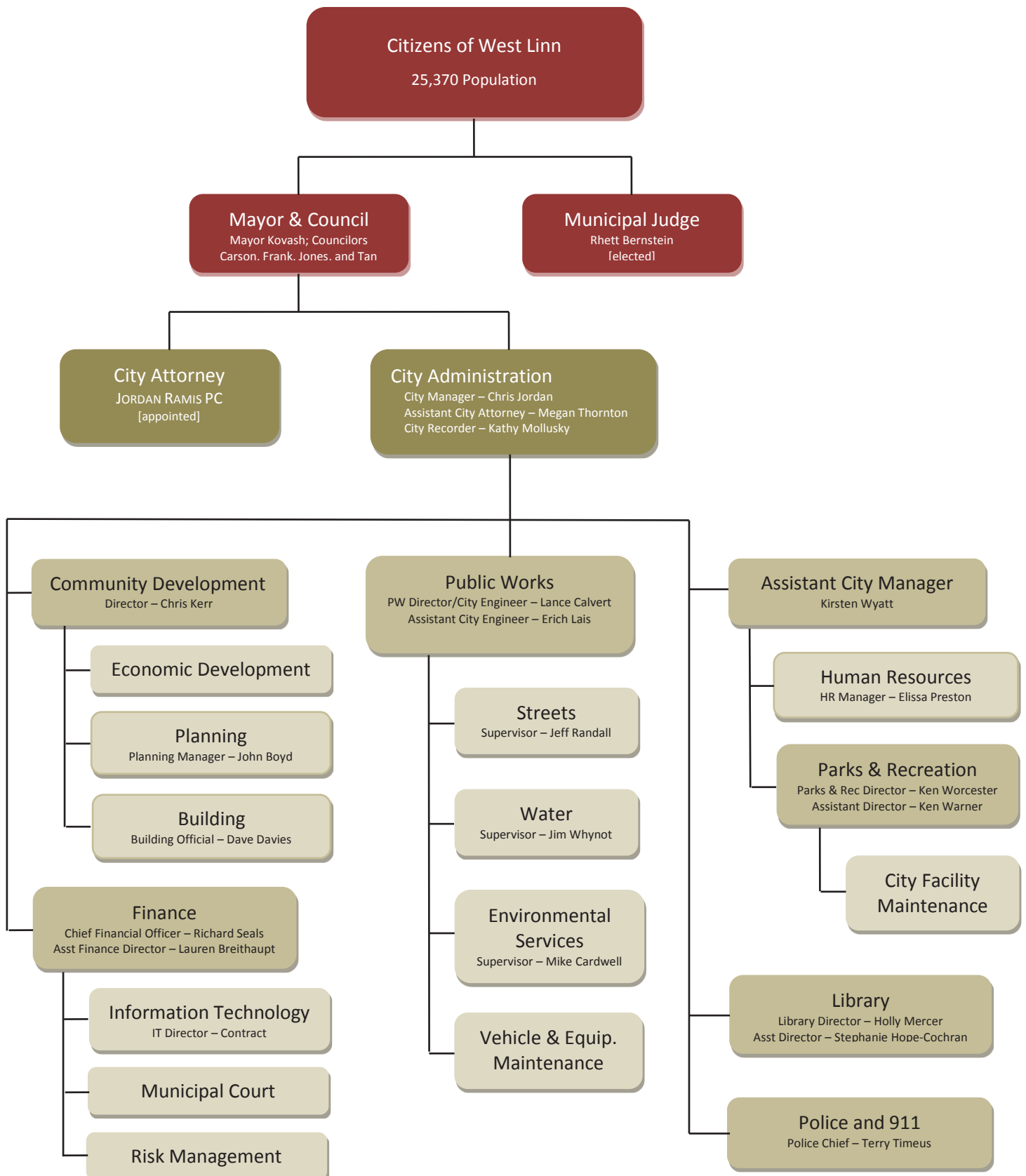
GFOA has developed a new financial management tool, called the "FM Model". It invites users to test their own financial management practices against public sector financial management best practices. FM Model contains over 50 "Good Practice Statements," which are fundamental statements of how a government organization should operate its finances. Each Good Practice Statement is supported by a series of detailed evaluation questions – it is at this level that the self-assessment takes place.

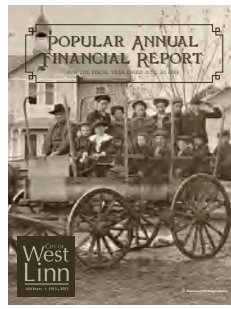
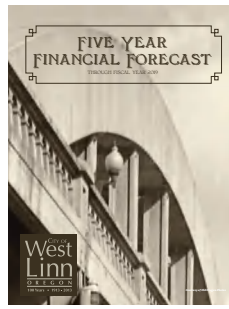
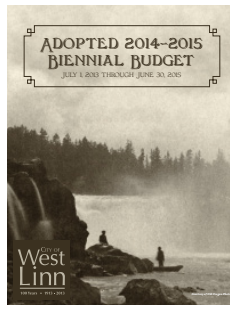
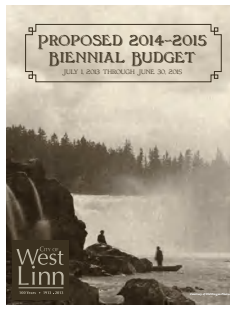
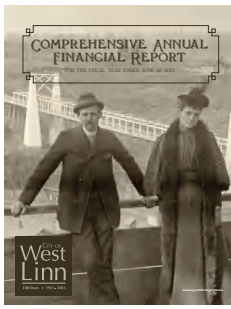
West Linn Finance is participating in this new program with the goal of using this FM Model to assess their financial management practices against the best of the best. The FM Model provides governments with a detailed set of self-assessment questions including:

- Assessing every major area of financial management — budgeting, debt management, financial planning, and more.
- Covering additional issues such as transparency, citizen engagement, and use of technology.
- Facilitating an evidence-based approach to self-assessment.
- Summarizing responses and identifying overall competencies and areas that need attention.
- Providing a wealth of data governments can use for continuous improvement of their financial management.
- Helping improve the functioning of the entire organization by strengthening financial management capacity.



ORGANIZATIONAL CHART





Multiple Document Transparency

Transparency is a word that is used far too frequently in today's government parlance without a common definition. Dictionary.com's fifth definition of transparent is "open; frank, candid."

In government, many people mistake accessibility for transparency. We have always strived for both: by televising city meetings and providing 9,300 pages of information on the city's website, we are trying to make our information as accessible to the public as possible (when the City's site launched in 2008, we offered only 500 pages of information). Today, our efforts are both transparent and accessible by providing as much as documentation regarding the city's finances as possible, and doing so in the most "open, frank" means we can.

We developed a five year financial forecast and also developed the Capital Improvement Plan which takes the dollars allocated for capital projects in the five year forecast and defines the projects that will be accomplished with those funds. The Citizens' Budget Committee receives the Proposed Budget for review. The budget takes the five year forecast and balances the first two years as required by law, while incorporating the Council and community's priorities.

Many other financial documents are prepared and shared with the Citizens' Budget Committee and the community which describe our financial progress, setting the stage for future financial planning.

2014-2015 Biennial Budget

The West Linn City Council unanimously adopted the budget for the biennium, beginning July 1, 2013 and ending June 30, 2015, on June 17, 2013. The City of West Linn started budgeting on a biennial basis in 2010. 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 any 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. 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 mandates a budget committee for all Oregon local governments.

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:

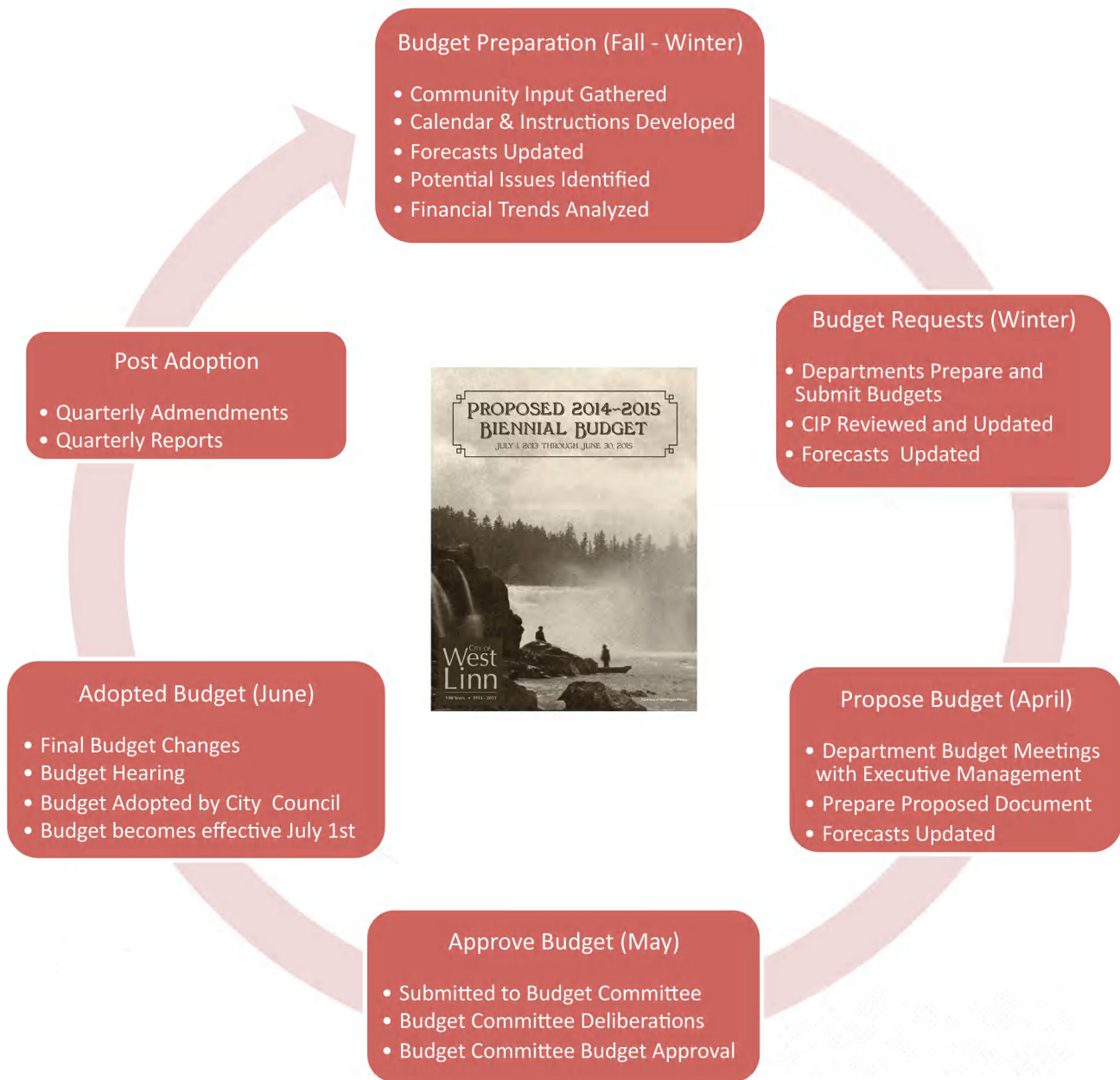
- Citizens' Budget Committee reviews budget at mid-biennium
- Council adopts budget adjustments, if needed
- City Council adopts master fees & charges schedule

Citizens' Budget Committee

<p>Council Members</p> <ul style="list-style-type: none"> Mayor John Kovash Councilor Jody Carson Councilor Thomas Frank Councilor Mike Jones Councilor Jenni Tan 	<p>Citizen Members</p> <ul style="list-style-type: none"> Bill Hill, Chair Karen Hensley, Vice Chair Ann Frazier Mike Lindner Erik Simshauser
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THE BUDGET PROCESS

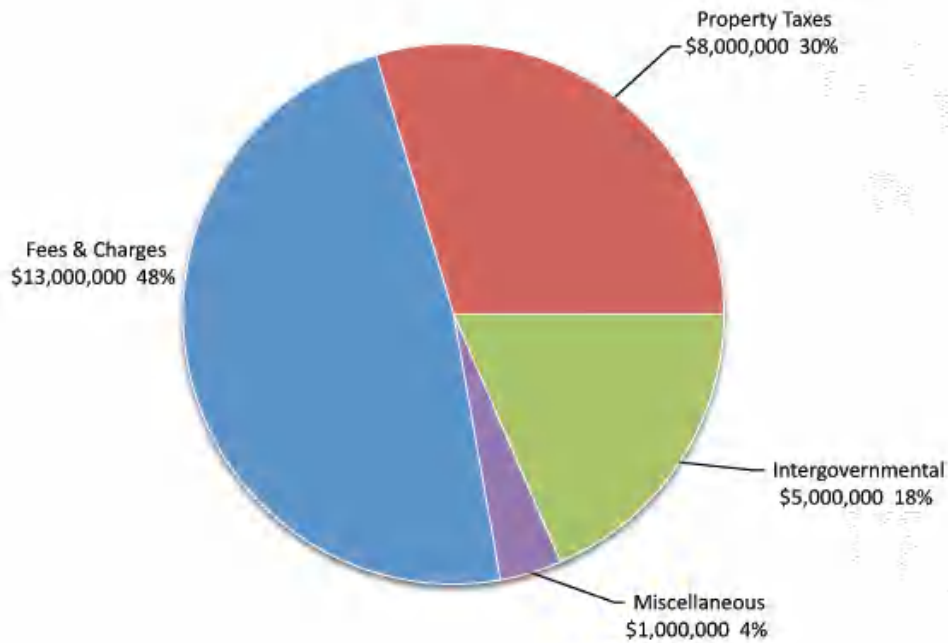


The process followed in the preparation of the budget complies with Oregon Local Budget Law established by Oregon Revised Statutes. City management seeks and welcomes public input, participation and deliberation throughout the process. Budget Committee meetings are open to the public and are advertised on the City’s website and in West Linn’s local newspapers.

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 proposed 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.

WHERE THE MONEY COMES FROM



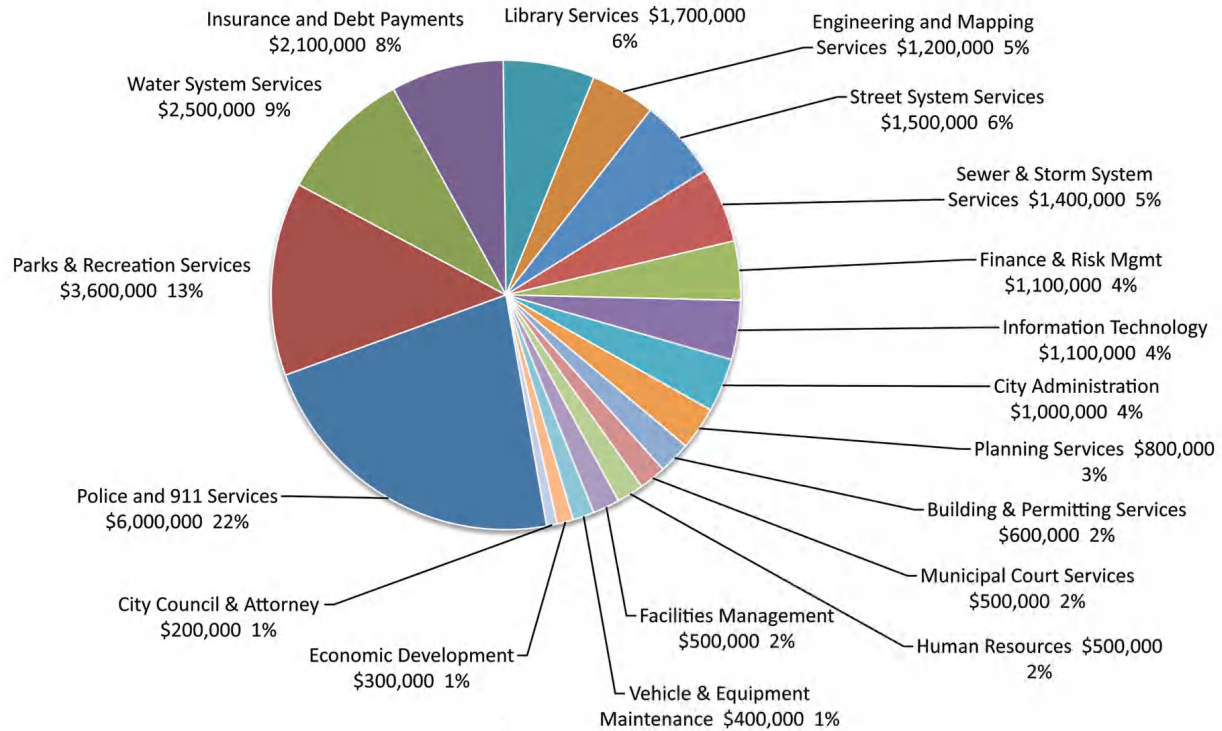
Revenue Category	Annual Revenues	
Fees & Charges	\$ 13,000,000	48%
Property Taxes	8,000,000	30%
Intergovernmental	5,000,000	18%
Miscellaneous	1,000,000	4%
Annual Operating Revenue	27,000,000	100%
Internal Transfers In	6,000,000	
Total Revenues	\$ 33,000,000	

NOTE:

The largest source of annual revenues which the City of West Linn receives, comes from fees & charges from the direct use of City services such as water, sewer, and storm drain charges. The second primary source of revenues comes from property taxes.



WHERE THE MONEY GOES



Expenditure Category	Annual Expenses	
Police and 911 Services	\$ 6,000,000	22%
Parks & Recreation Services	3,600,000	13%
Water System Services	2,500,000	9%
Library Services	1,700,000	6%
Street System Services	1,500,000	6%
Sewer & Storm System Services	1,400,000	5%
Engineering and Mapping Services	1,200,000	5%
Planning Services	800,000	3%
Building & Permitting Services	600,000	2%
Municipal Court Services	500,000	2%
	<u>19,800,000</u>	<u>73%</u>
Mgmt & Overhead Departments:		
Insurance, Grants, & Debt pmts	2,100,000	8%
Finance & Risk Management	1,100,000	4%
Information Technology	1,100,000	4%
City Administration	1,000,000	4%
Human Resources	500,000	2%
Facilities Management	500,000	2%
Vehicle & Equipment Maintenance	400,000	1%
Economic Development	300,000	1%
City Council & City Attorney	200,000	1%
	<u>7,200,000</u>	<u>27%</u>
Annual Operating Expenses	<u>27,000,000</u>	<u>100%</u>
Internal Transfers Out	6,000,000	
Total Expenses	<u>\$ 33,000,000</u>	

NOTE:

The City spends its annual revenues on a variety of public services ranging from public safety, parks, and library to streets, permits and municipal court services. It's largest category is public safety. There are 31 employees protecting the citizens of West Linn, as well as contracted dispatch services for 911 emergencies.

BUDGET TABLES

City's Revenue Budget

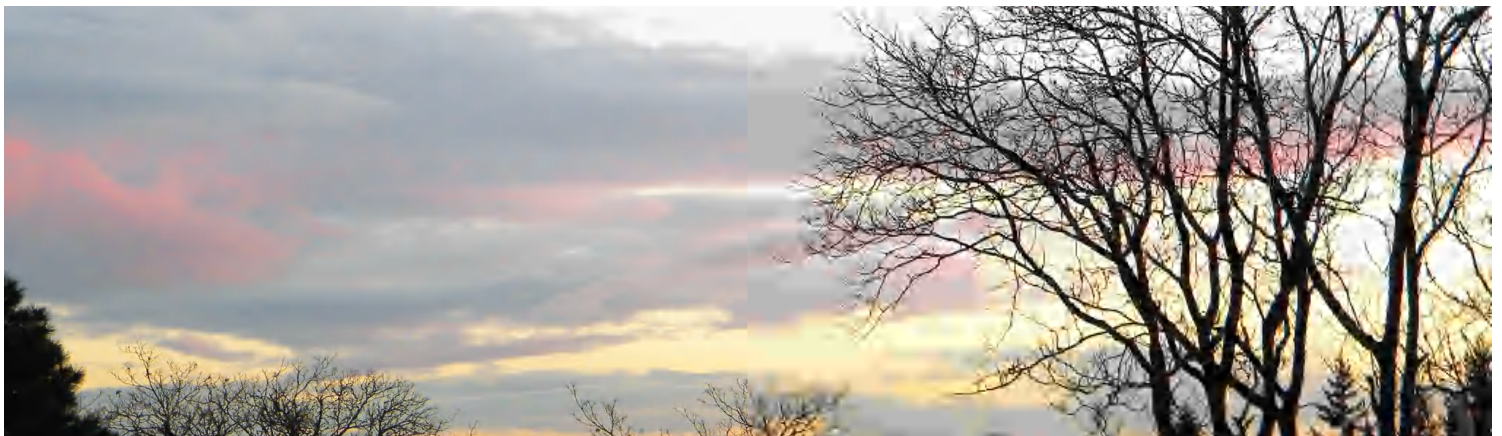
[shown in \$1,000s]

	FY 2011	FY 2012	FY 2013	FY 2014		
	Actual (12 months)	Actual (12 months)	Actual (12 months)	Budget (12 months)	Actual (9 months)	% of budget
Property taxes	\$ 6,834	\$ 6,958	\$ 7,497	\$ 7,727	\$ 7,487	97%
Utility Fees & Charges	7,217	7,913	8,383	8,606	6,798	79%
Other Fees & Charges	4,815	5,762	5,099	5,053	4,143	82%
Intergovernmental	4,070	4,786	3,913	5,661	3,020	53%
Transfers	5,428	5,647	5,996	6,510	4,764	73%
Operating Revenues	28,364	31,066	30,888	33,557	26,212	78%
Other Miscellaneous	1,312	636	561	388	398	103%
Total Revenues	\$ 29,676	\$ 31,702	\$ 31,449	\$ 33,945	\$ 26,610	78%

City's Expenditure Budget

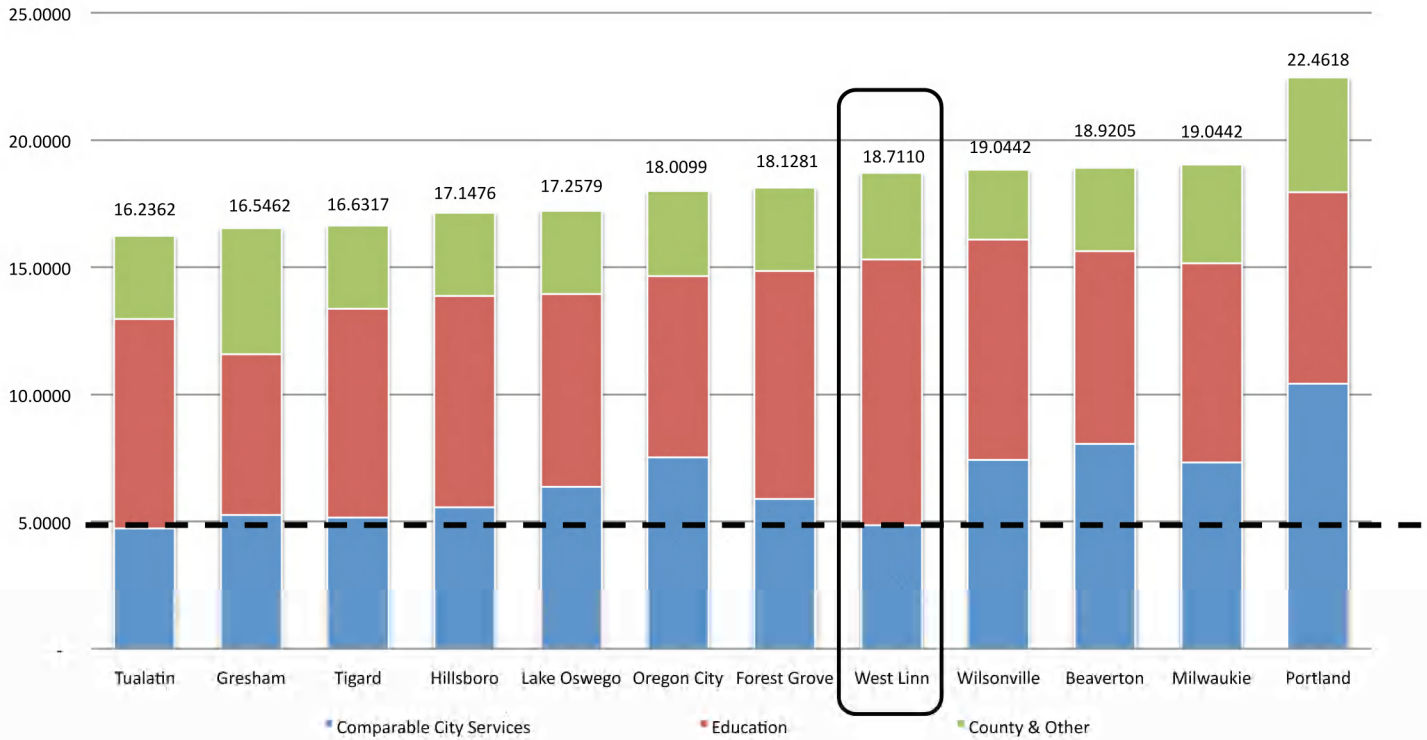
[shown in \$1,000s]

	FY 2011	FY 2012	FY 2013	FY 2014		
	Actual (12 months)	Actual (12 months)	Actual (12 months)	Budget (12 months)	Actual (9 months)	% of budget
Personal Services	\$ 12,465	\$ 13,074	\$ 13,527	\$ 14,138	\$ 9,689	69%
Materials & Services	5,758	5,742	6,262	7,234	4,429	61%
Debt Service	1,637	1,641	2,047	2,080	632	30%
Transfers	5,428	5,647	5,996	6,510	4,764	73%
Operating Expenditures	25,288	26,104	27,832	29,962	19,514	65%
Capital Outlay	4,805	3,410	4,078	13,951	4,486	32%
Total Expenditures	\$ 30,093	\$ 29,514	\$ 31,910	\$ 43,913	\$ 24,000	55%



PROPERTY TAX RATE COMPARISON

The City of West Linn has one of the lowest “base” property tax rates in the area (tax rates in Oregon are measured as a rate per \$1,000 of Taxable Assessed Value). When including all comparable City services, the City of West Linn’s tax rate is the second lowest next to the City of Tualatin. When considering the total overall property tax rate, which includes all taxing districts such as education and County services, the City is in the middle.



Name	City Property Tax Rate			Total City	Special Districts			Comparable City Services tax rate	Other Districts		Total Overall Property tax rate
	Base	Urban Renewal	Bonded Debt		Library	Fire	Parks		Education	County & Other	
Tualatin	2.2665	-	0.2924	2.5589	0.1700	1.9145	0.0900	4.7334	8.2283	3.2745	16.2362
West Linn	2.1200	-	0.4429	2.5629	0.3908	1.9145	-	4.8682	10.4475	3.3953	18.7110
Tigard	2.5019	0.0616	0.4413	3.0048	0.1700	1.9077	0.0896	5.1721	8.1970	3.2626	16.6317
Gresham	3.5111	0.8715	-	4.3826	0.8900	-	-	5.2726	6.3036	4.9700	16.5462
Hillsboro	5.3815	0.0187	-	5.4002	0.1700	-	-	5.5702	8.3063	3.2711	17.1476
Forest Grove	5.3054	-	0.4134	5.7188	0.1700	-	-	5.8888	8.9648	3.2745	18.1281
Lake Oswego	4.7918	0.6121	0.5796	5.9835	0.3765	-	-	6.3600	7.5929	3.2630	17.2159
Milwaukie	4.0661	-	-	4.0661	0.3908	2.3636	0.5062	7.3267	7.8379	3.8796	19.0442
Wilsonville	1.9953	3.4057	0.1292	5.5302	0.2988	1.5967	-	7.4257	8.6612	2.7449	18.8318
Oregon City	3.9558	0.8538	0.1129	4.9225	0.3714	2.2432	-	7.5371	7.1142	3.3586	18.0099
Beaverton	4.0122	0.0113	0.2228	4.2463	0.1700	1.9135	1.7289	8.0587	7.5890	3.2728	18.9205
Portland	6.8522	2.4827	0.2036	9.5385	0.8900	-	-	10.4285	7.5267	4.5066	22.4618

Note: the above table of FY 2014 tax rates are sorted in order of "Comparable City Services tax rate", lowest to highest.



CITY OF
**West
Linn**

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