

2013 Year End Financial Review*

These numbers are **unaudited and may change.*

The City of Olympia spent \$108 million in 2013 and generated \$104 million in revenues.

Revenues in the General Fund were 1.9% above budget (\$1.1 million) and expenditures were less than budget by 2% (\$1.2 million). As in 2012, at the end of December, the City permitted several multi-family buildings. Permit revenue was 49% above budget.

Sales and use tax revenue was 5% more than 2012. Sales and use tax includes general sales tax, criminal justice sales tax and now the public safety sales tax. The public safety portion was collected for six months in 2013. In general, retail sales, construction, and new car sales all increased for 2013. Sales tax for 2013 starts to get the City back to the pre-recession amounts.

Property taxes were on budget for the first time in three years. However the assessed value remains down.

Private Utility taxes were down approximately a half million dollars. This year none of the sectors – gas, electric, or phone – made budget. This continues to be a declining revenue for the City.

Business and Occupation Taxes were \$134 thousand above budget. This reflects the beginning of an improved economy.

Court fines are revenue that we need to continue to monitor. 2013 was the 4th consecutive year revenues were less than budget. However, expenses were also down compared to budget. This is tied to the large number of vacancies in police officers.

Development related activity is usually closely tied to impact fees. 2013 total impact fees were almost double the 2012 amount (\$1,528,081). Park impact fees accounts for almost all of the increase. Although development fees were 49% above budget, they are still below the pre-recession amount. (Chart 8). The 2013 impact fee collection and usage report is shown on Chart 7.

Major Categories of General Fund Revenue Activity*	
Sales Tax – Regular Public Safety and Criminal Justice	\$581,430
Property Taxes	(14,040)
Probation/Day Reporting	(109,150)
Court Fines	(113,290)
Business & Occupation Tax	(113,930)
Private Utility Tax	(467,990)
City Utility Tax	(128,610)
Building Permits	869,732

**Numbers are rounded*

Expenditures under budget in the general fund were able to bolster the year end savings. Most departments in the City had a significant surplus. Of the \$1.2 million under expenditure of budget, almost \$700,000 (54%) came from salaries and benefits. As attrition occurred, departments held positions open or waited to fill positions.

Recommended Year-end Appropriations

Prior to 2009, funds for technology improvements were included in the capital facilities plan. After much debate, money for major technology improvements became an operating budget expense to be funded from year end surplus.

Recommended Uses

During the budget process, Council agreed to use any year end surplus to restore reserves to avoid deeper cuts to the operating budget. Other recommended assignments:

- \$250,000 – 2011 Council set aside
- \$325,000 – Puget Sound Energy streetlight conversion (recommended by both Land Use and Finance committees)

General Fund 2013 Year End Activity

\$1,163,550	Revenue over estimate
<u>\$1,236,910</u>	Expenditures under budget
\$2,400,460	2013 increase in resources
250,370	2011 unallocated amount
\$2,650,830	Amount Available

Policy uses:

(\$262,980)	Required to maintain 10% reserve
(\$73,670)	Used in 2014 budget
(\$88,880)	Parking Unbudgeted gain
(\$200,000)	Allocation for information technology
<u>\$2,025,300</u>	Balance after policy reduction

Recommended uses:

(\$325,000)	PSE street light conversion
<u>(\$1,450,300)</u>	Facilities major repair and maintenance
\$250,000	Resource Balance (unallocated)

Utility Budgets

In general, the utility funds followed the same pattern and trends as the General Fund – slight under-collection of revenues -- offset by under-spending on the expense side. In each of the utilities, when a surplus is generated, the excess remains in the utility. The excess funds must be appropriated by Council to be spent. The indicators below continue to reflect the economy. The number of past due notices and shuts offs for nonpayment are still substantially higher than pre-recession.

Utility Indicators

Chart 1

	Pre-Recession Average	2009	2010	2011	2012	2013
Title Company F/B Requests	1125	522	639	270	828	1145
New Services Added	315	165	239	202	184	229
Past Due Notices	13,725	14,958	16,560	16,567	16,761	16,632
Final Delinquency Notices	4250	4,816	5,239	4,832	4,678	5,521
Shut Offs Performed	600	1,923	1,961	1,849	1,913	1,744
Returned Checks/Drafts	170	194	206	182	197	253
Total Utility Customers	18,500	18,996	19,218	19,274	19,471	19,760
Utility Revenues (In millions)		\$32.5	\$32.9	\$35.4	\$36.9	\$37.9

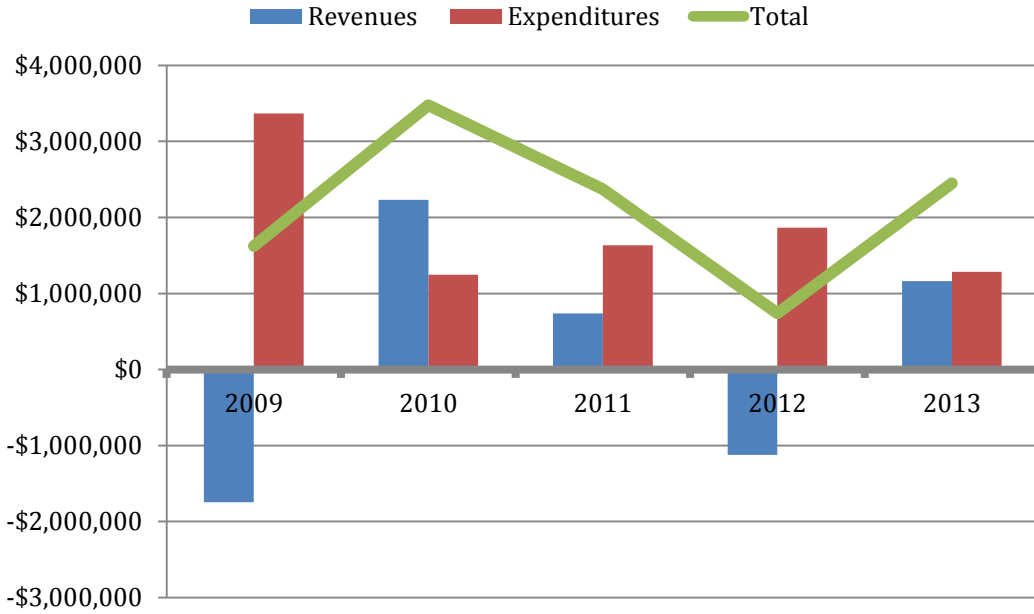
Fund Balance Analysis

Chart 2

	2008	2009	2010	2011	2012	2013
Revenues		(\$1,746,560)	\$2,230,030	\$737,650	(\$1,124,860)	\$1,163,550
Expenditures		\$3,368,630	\$1,245,595	\$1,634,670	\$1,866,100	\$1,236,910
Council set aside						\$250,370
Totals	\$806,200	\$1,622,070	\$3,475,625	\$2,372,320	\$741,240	\$2,650,830
Uses	Left in fund Balance for use in 2009 budget	\$200,000 for Technology \$229,000 for Building Repair The remainder went to pay down the loan for environmental cleanup on City Hall site	\$554,000 for 2011 budget \$1,720,000 to pay off remainder of City Hall loan \$138,000 for Justice Center renovations \$414,000 for Building Repair \$50,000 for LEOFF \$88,500 for fire equipment reserve	\$200,000 for technology \$1,632,282 for Building Repair \$50,000 for LEOFF \$168,000 for parking \$44,000 for Justice Center fencing, lighting \$36,000 for probation RMS \$80,000 for CRA	(\$14,340) Growth in 10% reserve (\$174,460) used in 2013 budget \$200,000 for Technology \$23,000 for Jail Remodel \$10,000 for EDC \$319,440 for Building Repair	(\$262,980) Growth in 10% reserve (\$73,670) used in 2014 budget \$200,000 for Technology \$88,880 parking unbudgeted gain \$325,00 for PSE lights \$1,450,300 for Building Repair \$250,000 for Council set aside

Fund Balance Analysis

Chart 3



Sales Tax

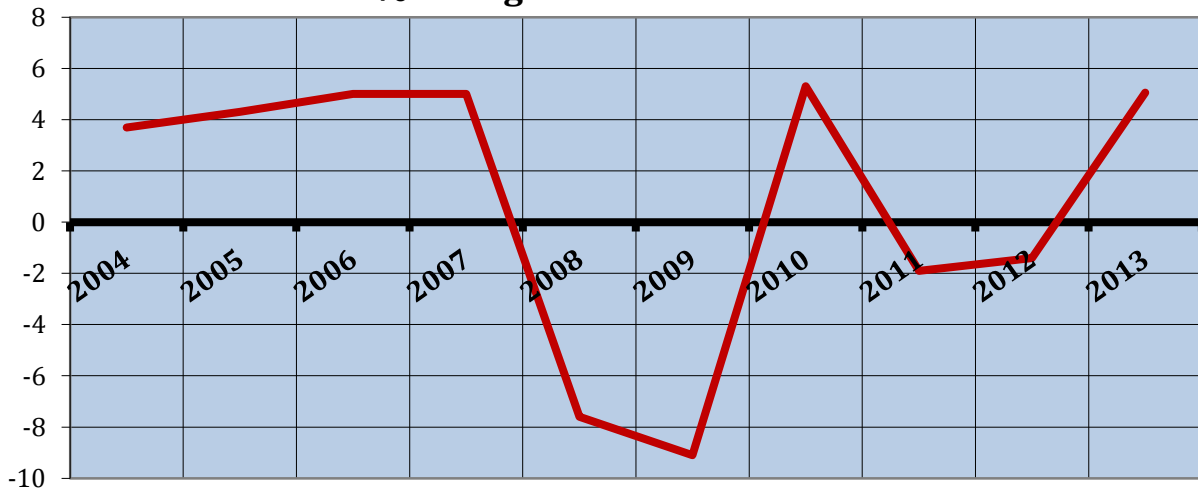
Chart 4



Sales Tax

Chart 5

% Change from Previous Year



Sales Tax

Chart 6

% Change by Month last 12 Month

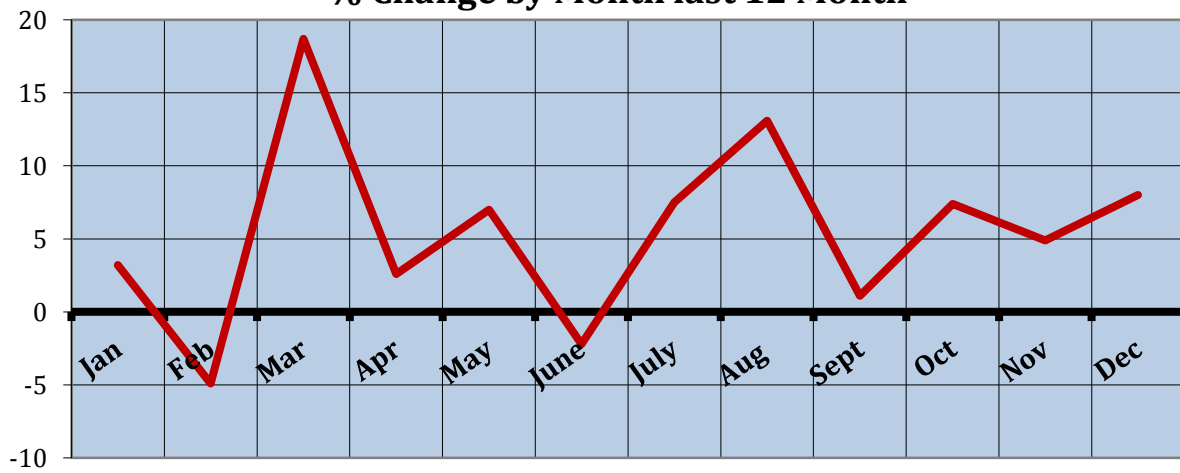


Chart 7

City of Olympia, Washington										
IMPACT FEE COLLECTION AND USAGE										
AMOUNT:	Fire	Transport.	PARKS							Total
			Neigh.	Community	Open	Ball	Tennis	Urban Trails	Special Use & Unallocated	City
1992 - 2004	1,432,297	6,420,717	399,102	257,771	2,159,064	724,903	70,082	268,727	-	11,732,663
2005	215,847	1,270,881	28,694	n/a	335,742	80,707	8,873	44,315	-	1,985,058
2006	153,029	1,086,086	27,569	n/a	322,449	77,458	8,517	42,683	-	1,717,791
2007	83,416	470,653	16,474	n/a	191,883	45,862	5,001	25,886		839,175
2008	95,679	1,128,246	12,329	12,932	68,360	12,155	1,329	6,811	14,151	1,351,992
2009	53,060	2,212,795	61,427	103,981	140,091	299	33	163	114,925	2,686,775
2010	640	821,417	106,335	176,897	196,271	-	-	-	184,936	1,486,495
2011	-	1,124,036	158,551	270,122	324,904	-	-	-	289,306	2,166,919
2012	-	1,065,528	92,875	156,379	173,983	-	-	-	163,461	1,652,226
2013	-	1,371,693	288,671	1,049,649	432,988	-	-	-	37,306	3,180,307
Total Since										
Nov. 1992	2,033,967	16,972,052	1,192,026	2,027,731	4,345,735	941,384	93,835	388,585	804,085	28,799,401
Court Ordered Refunds (fee portion)										
	-	(278,075)	(62,571)	-	(174,169)	(84,087)	(7,857)	(25,707)	-	(632,466)
Use of Impact Fees:										
1993- 2004	(720,493)	(5,104,777)	(360,127)	(263,276)	(1,342,703)	(459,015)	(47,376)	(136,671)	0	(8,434,439)
2005	(48,374)	(179,571)	(27,471)	0	(37,929)	(2,852)	0	(14,037)	0	(310,234)
2006	(4,300)	(321,895)	(422)	0	(263,541)	(212)	0	(18,337)	0	(608,708)
2007	(46,048)	(73,826)	74	0	(873,336)	(136)	0	(34,497)	0	(1,027,769)
2008	(646,837)	(69,821)	0	0	(119,644)	(1,548)	(238)	(100,930)	0	(939,017)
2009	(675,430)	(1,063,672)	(8,228)	0	0	0	0	(32,723)	0	(1,780,052)
2010	(225,582)	(3,726,910)	(84,348)	0	(253,192)	(76,215)	0	(21,201)	(119,200)	(4,506,648)
2011	0	(2,221,697)	(27,781)	(95,000)	(515,494)	(357,550)	(58,132)	0	(91,011)	(3,366,665)
2012	0	(1,204,603)	(15,279)	0	(80,042)	(1,139)	(34)	(9,320)	(166)	(1,310,581)
2013	0	(149,994)	(120,145)	(626,760)	0	0	0	(9,749)	(289,000)	(1,195,648)
Total Usage	(2,367,064)	(14,116,766)	(643,727)	(985,036)	(3,485,881)	(898,668)	(105,779)	(377,465)	(499,377)	(23,479,761)
Note: usage is as of process date, if accounting month not closed amount may vary.										
Balance	(333,097)	2,577,210	485,728	1,042,696	685,686	(41,370)	(19,801)	(14,587)	304,708	4,687,173
Interest	333,097	978,059	30,986	9,028	454,153	198,384	19,801	47,024	3,042	2,073,575
Bal. w/Interest		3,555,270	516,715	1,051,723	1,139,839	157,014	0	32,437	307,750	6,760,748
Budget Balance	-	2,650,280	259,503	128,216	413,758	156,686	0	20,827	193,347	3,822,617
Balance Available for										
Appropriation	0	904,990	257,212	923,507	726,081	328	0	11,611	114,403	2,938,131

Building Permit Revenue

Chart 8

