



2015 Year-End Financial Review

These numbers are unaudited and may change.

General Fund

Revenues = \$1,738,100 above budget

Expenditures = \$284,364 below budget

Total = \$2,022,464 less amounts needed for 10% operating reserve
plus amounts used in 2016 budget = \$1.6 million

Summary

- Revenues were 2.5% above budget.
- Expenditures were 4/10 of 1% below budget.

Revenues

- Sales and Use Tax – 28% of the total revenue surplus.
 - \$479,000 over budget estimate.
 - Includes general, criminal justice, and the public safety sales taxes.
 - Automotive sales have the highest increase. Food services also showed an increase. Retail sales were flat.
 - Sales tax for 2015 finally puts the City back to pre-recession levels.
 - For analytical purposes, only general sales tax is used. It provides the best indicator of how the local economy is doing. The criminal justice sales tax is distributed to the cities based on population and the public safety sales tax excludes car sales/leases.
- Property Tax – up \$202,256 compared to budget.
 - Assessed value (AV) is still below the 2008 high.
 - AV for State-assessed utilities increased **after** we adopted the budget.
 - Delinquencies have declined.

- Private Utility Tax – down approximately \$275,000.
 - Electric revenues were \$207,371 below budget.
 - Gas was \$91,220 below budget.
 - Telephone revenues were on budget for the first time in several years.
 - 2015 was a very mild, dry spring and summer – accounting for the deficit in gas and electric

- Public Utility Tax – up \$420,000 compared to budget
 - Water accounted for the largest surplus (\$350,000) compared to budget.
 - Stormwater actually showed a slight deficit compared to budget (\$26,000).
 - The long dry summer generated excess water revenues

- Business and Occupation Tax – also 28% of the total revenue surplus.
 - Reflects the removal of exemption on nonprofit medical facilities.
 - Reflects the beginning of an improved economy.
 - \$483,475 more than budgeted.

- Development-related Activity
 - Adopted an ordinance at the end of 2015 transferring these revenues out of the General Fund.

Major Categories of General Fund Revenue Activity*

Sales Tax – Regular, Criminal Justice & Safety	\$ 479,000
Property Tax	\$ 202,250
Business & Occupation Tax	\$ 483,475
Private Utility Tax	(\$ 224,925)
City Utility Tax	\$ 421,000

**Numbers are rounded.*

Expenditures

- Expenditures were slightly under budget in the General Fund.
- Surplus in expenditures came almost exclusively from salaries and benefits.

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. In 2015, the Finance Committee recommended the technology improvements be included in the base budget. Beginning in 2016, \$200,000 is included in the base operating budget.

Recommended Uses

During the budget process, Council discussed using any year-end surplus for hazard trees and community sanitation project. Other recommendations from the Finance Committee are outlined below. This uses all of the projected available balance.

2015 General Fund Activity Appropriation Recommendations (as of 2/5/2016)

Available for Appropriation	\$1,600,000	
Other Uses	Request	Committee Recommendation
ADA	\$50,000	\$50,000
Transfer to CFP Contingency	\$650,000	\$150,000
Implement DT Strategy/Comp Plan	\$360,000	\$300,000
Hazard Trees	\$150,000	\$150,000
East Bay Erosion Design & Permits	\$200,000	\$200,000
Sidewalk Repair	\$50,000	\$50,000
Ranger/Well Host	\$35,000	\$35,000
Canoe Journey	\$50,000	\$50,000
Emergency Preparedness	\$70,000	\$70,000
CERC	\$75,000	\$75,000
Sea Level Rise	\$100,000	\$0
Blighted property acquisition	\$75,000	\$75,000
Police MCTs	\$50,000	\$50,000
Police Body Cameras	\$450,000 (est)	\$0
PUD Wireless Pilot Project	\$500,000	\$0
Fire PPG	\$182,000	\$0
Parking P3	\$500,000	\$0
DT Sanitation Plan	\$85,000	\$300,000
Ambassador/Clean Team expansion	\$45,000	\$45,000
Branch Library Tenant Improvement	\$350,000	\$0
Technology Solution for Court/ Probation/Public Defense	Unknown	\$0
Total	\$ 4,027,000	\$ 1,600,000

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 with the exception of Water. The long dry summer increased revenues. 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	2010	2011	2012	2013	2014	2015
Final Bill Requests	1,125	639	270	828	1,145	1,101	1,166
New Services Added	315	239	202	184	229	201	194
Past Due Notices	13,725	16,560	16,567	16,761	16,632	17,173	16,260
Final Delinquency Notices	4,250	5,239	4,832	4,678	5,521	5,609	5,423
Shut-offs Performed	600	1,961	1,849	1,913	1,744	1,995	1,647
Returned Checks/Drafts	170	206	182	197	253	252	240
Total Utility Customers	18,500	19,218	19,274	19,471	19,760	20,036	20,251
Utility Revenues (In millions)		\$34.7	\$35.4	\$36.9	41.7	44.8	43.7

Fund Balance Analysis – Chart 2

	2009	2010	2011	2012	2013	2014	2015
Revenues	(\$1,746,560)	\$2,230,030	\$737,650	(\$1,124,860)	\$1,163,330	\$1,548,580	\$1,738,100
Expenditures	\$3,368,630	\$1,245,595	\$1,634,670	\$1,866,100	\$1,236,910	\$780,549	\$284,364
Totals	\$1,622,070	\$3,475,625	\$2,372,320	\$741,240	\$2,400,240	\$2,329,129	\$2,022,464

Chart 3

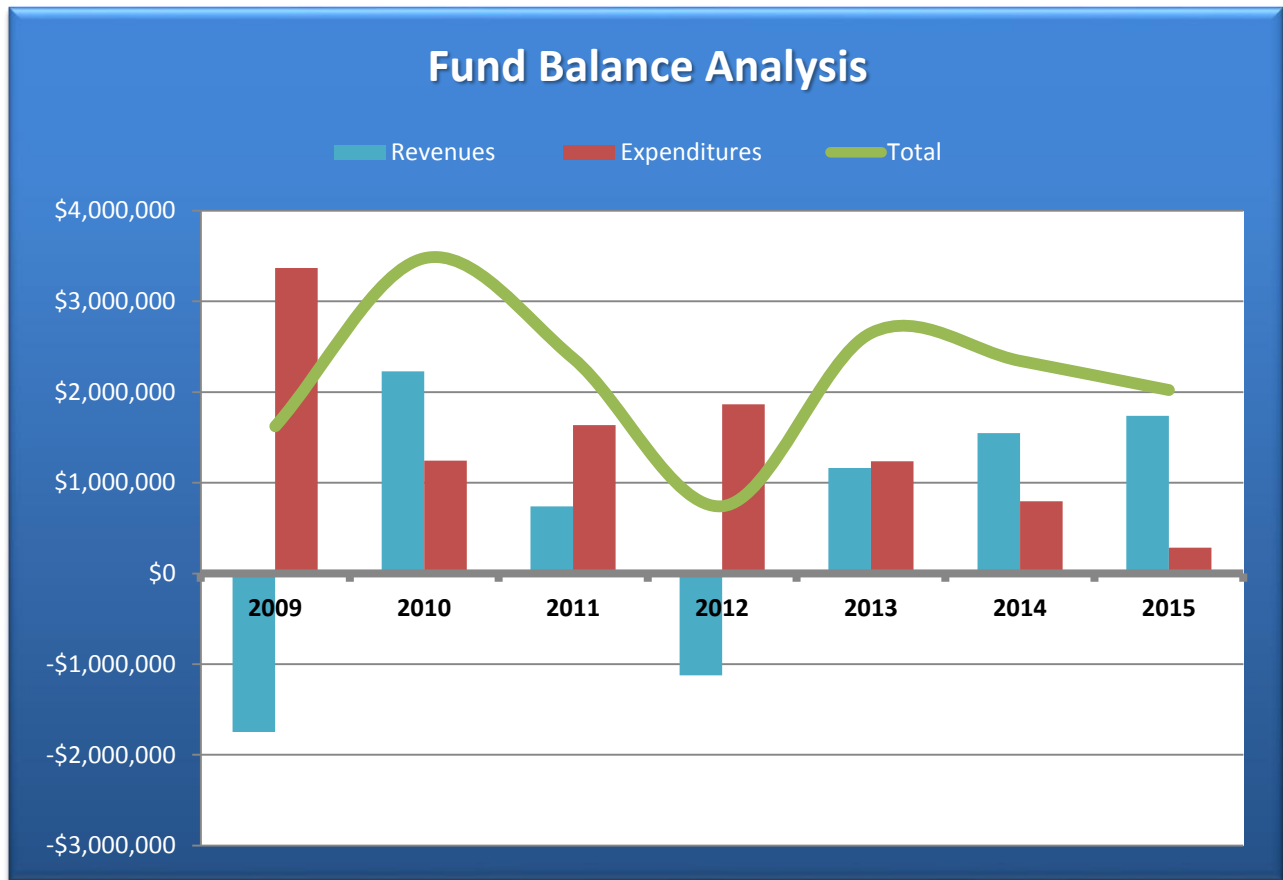


Chart 4

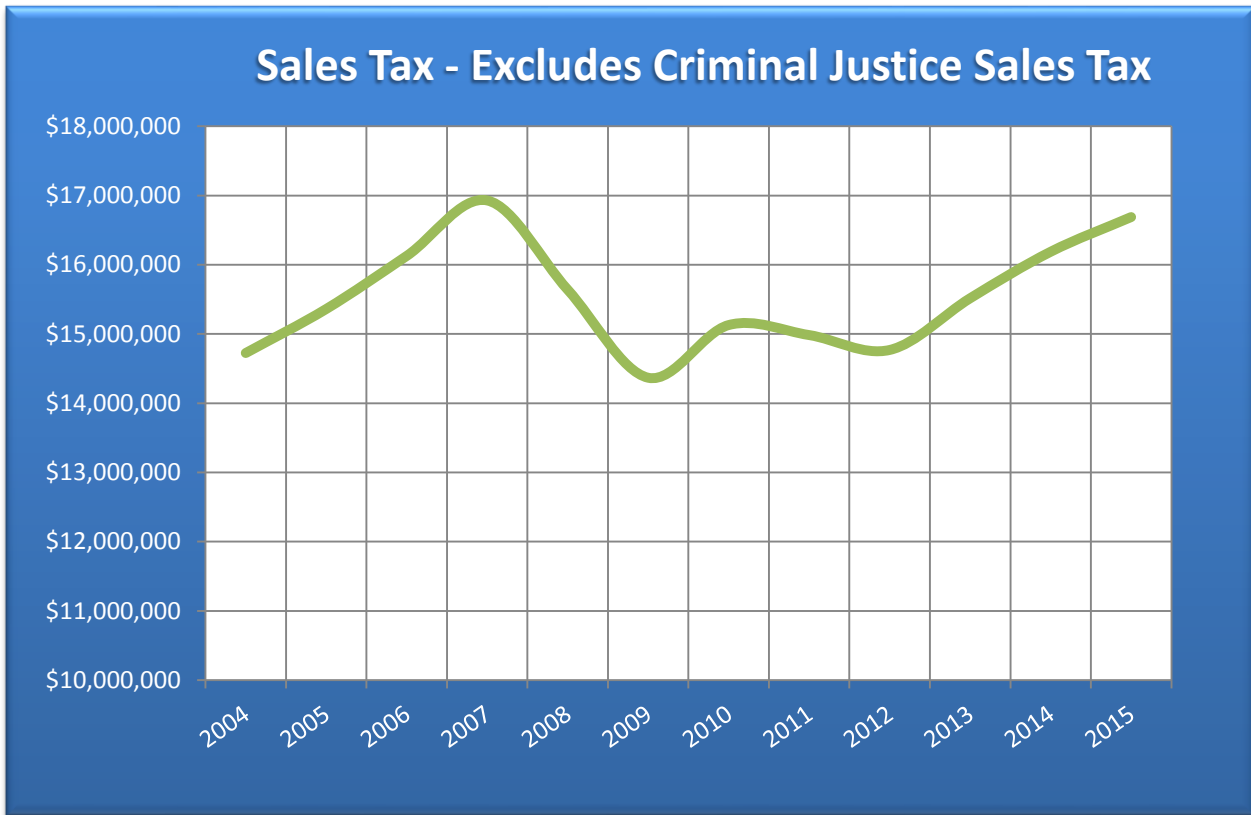
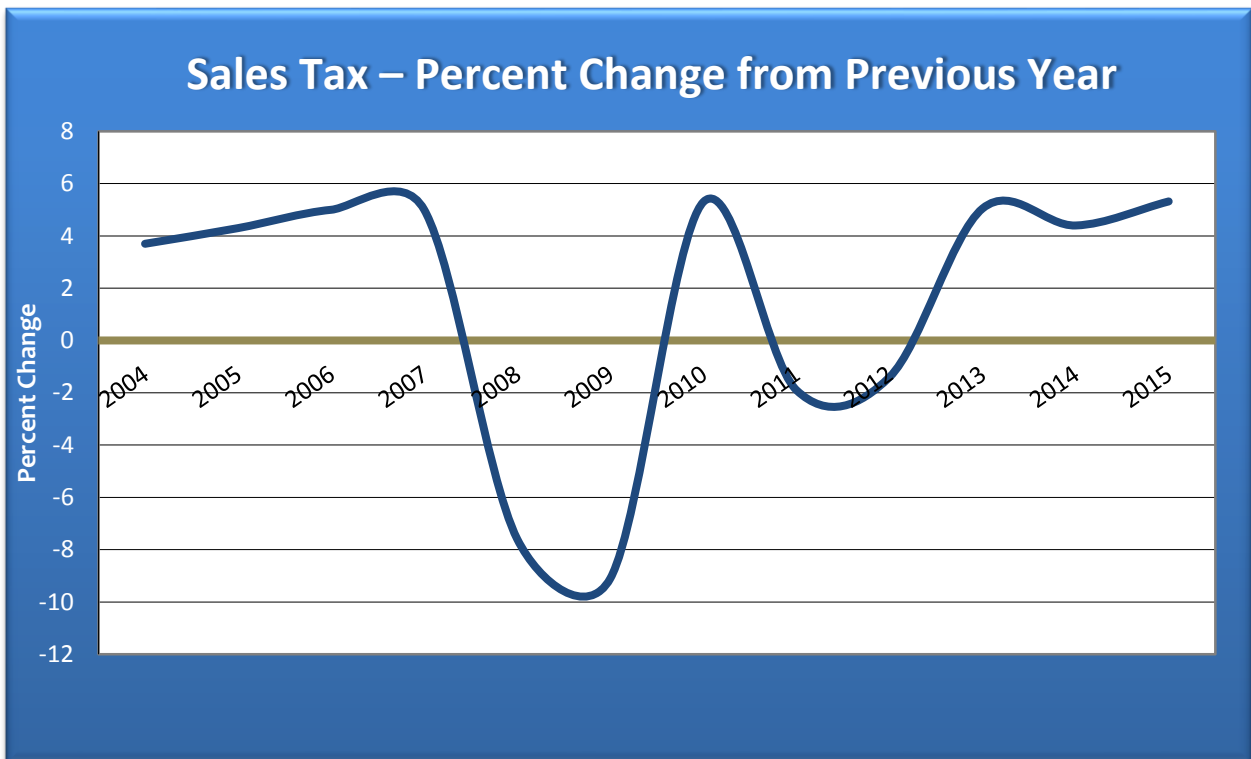


Chart 5



Impact Fee Collection and Usage

Chart 6

2015 Amount	Fire	Transportation	PARKS							Special Use & Unallocated	Total City
			Neighborhood Parks	Community Parks	Open Space	Ball Parks	Tennis Courts	Urban Trails			
IMPACT FEE COLLECTION AND USAGE, By Year (cash basis)											
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	Special Use	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	
2014	-	1,214,136	161,957	513,478	257,152	-	-	-	85,447	2,232,169	
2015	-	1,241,584	178,022	676,853	261,943	-	-	-	467	2,358,863	
Total Since Nov. 1992	\$2,033,967	\$19,427,772	\$1,532,005	\$3,218,062	\$4,864,830	\$941,384	\$93,835	\$388,585	\$889,999	\$33,390,439	
Court Ordered Refunds (fee portion)	\$-	\$ (278,075)	\$ (62,571)	\$-	\$ (174,169)	\$ (84,087)	\$ (7,857)	\$ (25,707)	\$-	\$ (632,466)	
Use of Impact Fees: (-) neg = usage											
1993 - 2004	\$ (720,493)	\$ (5,104,777)	\$ (360,127)	\$ (263,276)	\$ (1,342,703)	\$ (459,015)	\$ (47,376)	\$ (136,671)	\$-	\$ (8,434,439)	
2005	(48,374)	(179,571)	(27,471)	-	(37,929)	(2,852)	-	(14,037)	-	(310,234)	
2006	(4,300)	(321,895)	(422)	-	(263,541)	(212)	-	(18,337)	-	(608,708)	
2007	(46,048)	(73,826)	74	-	(873,336)	(136)	-	(34,497)	-	(1,027,769)	
2008	(646,837)	(69,821)	-	-	(119,644)	(1,548)	(238)	(100,930)	-	(939,017)	
2009	(675,430)	(1,063,672)	(8,228)	-	-	-	-	(32,723)	-	(1,780,052)	
2010	(225,582)	(3,726,910)	(84,348)	-	(253,192)	(76,215)	-	(21,201)	(119,200)	(4,506,648)	
2011	-	(2,221,697)	(27,781)	(95,000)	(515,494)	(357,550)	(58,132)	-	(91,011)	(3,366,665)	
2012	-	(1,204,603)	(15,279)	-	(80,042)	(1,139)	(34)	(9,320)	(166)	(1,310,581)	
2013	-	(149,994)	(120,145)	(626,760)	-	-	-	(9,749)	(289,000)	(1,195,648)	
2014	-	(1,606,447)	(44,414)	(293,337)	-	-	-	(4,664)	(25,000)	(1,973,861)	
2015	-	(601,310)	(43,555)	(58,415)	(177,999)	-	-	(13,033)	(16,431)	(910,743)	
Total Usage	\$(2,367,064)	\$(16,324,523)	\$(731,697)	\$(1,336,787)	\$(3,663,879)	\$(898,668)	\$(105,779)	\$(395,161)	\$(540,808)	\$(26,364,366)	
Note: Usage is as of process date; if accounting month is not closed, amount may vary.											
Balance	\$ (333,097)	\$2,825,174	\$ 737,738	\$ 1,881,275	\$ 1,026,781	\$ (41,370)	\$ (19,801)	\$ (32,284)	\$ 349,191	\$ 6,393,607	
Interest	\$ 333,097	\$ 991,233	\$ 33,323	\$ 14,431	\$ 459,254	\$ 198,934	\$ 19,801	\$ 47,104	\$ 4,310	\$ 2,101,538	
Balance w/Interest	\$-	\$ 3,816,407	\$ 771,110	\$ 1,895,707	\$ 1,486,036	\$ 157,564	\$-	\$ 14,820	\$ 353,501	\$ 8,495,144	
Budget Balance	\$-	\$ 1,382,526	\$ 206,689	\$ 873,949	\$ 395,759	\$ 156,686	\$-	\$ 3,130	\$ 351,916	\$ 3,370,655	
Balance Available For Appropriations	\$-	\$ 2,433,881	\$ 564,421	\$ 1,021,758	\$ 1,090,277	\$ 878	\$-	\$ 11,690	\$ 1,585	\$ 5,124,490	