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# 2014 Year-End Financial Review

*These numbers are unaudited and may change.*

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## General Fund

Revenues = \$1,548,580 above budget

Expenditures = \$780,549 below budget

### Summary

- Revenues were 2.4% above budget at \$1.5 million.
- Expenditures were 1.2% below budget at approximately \$800,000.
- Permit revenue was 30% above budget at \$651,363.
  - Surplus predominantly comes from permitted multi-family and commercial buildings.
  - Permit revenue was the single largest increase over budget.

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### Revenues

- Sales and Use Tax – up 2.3% over 2013.
  - Includes general, criminal justice, and the public safety sales taxes.
  - Retail sales, food services, and automotive sales increased in 2014.
  - Sales tax for 2014 puts the City on track to return 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 – down by 1% compared to budget.
  - Assessed value is still below the 2008 high.
- Private Utility Tax – down a little over \$100,000.
  - Electric revenues were slightly above budget.
  - Gas and phone both were below budget with phone showing the largest decline (\$128,000).
  - This revenue continues to decline.

- Business and Occupation Tax – \$314,000 above budget.
  - Reflects the beginning of an improved economy and an audit.
  
- Court Fines – Revenues were below budget for a fifth consecutive year.
  - Expenses were also down compared to budget.
  - Continue to see a reduction in citations and infractions associated with number of Police new hires.
  
- Development-related Activity
  - Usually closely tied to impact fees.
  - 2014 total impact fees were down almost a million dollars.
  - Parks experienced the biggest decline in impact fees.
  - Permit fees were 30% above budget, but still below pre-recession levels. (Chart 4)
  - The 2014 impact fee collection and usage report is shown on Chart 7.

### Major Categories of General Fund Revenue Activity\*

Sales Tax – Regular, Criminal Justice & Safety	\$ 420,558
Property Tax	(\$ 96,300)
Probation / Day Reporting	(\$ 59,330)
Business & Occupation Tax	\$ 314,240
Private Utility Tax	(\$ 107,521)
City Utility Tax	\$ 271,490
Building Permits	\$ 651,363

*\*Numbers are rounded.*

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### Expenditures

- Expenditures under budget in the general fund were able to bolster the year-end savings.
- \$780,549 surplus in expenditures came almost exclusively from salaries and benefits.
- As attrition occurred, departments held positions open or waited to fill positions.

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## 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:

### General Fund 2014 Year-End Activity

Revenue over estimate	\$1,548,580
Expenditures under budget	\$780,549
2014 increase in resources	\$2,329,129
<b>Amount Available</b>	<b>\$2,329,129</b>
<b>Policy assignments:</b>	
Required to maintain 10% reserve	(\$240,790)
Allocation for information technology	(\$200,000)
Parking Unbudgeted gain	(\$90,410)
Used in 2015 budget	(\$43,270)
<b>Balance after policy reduction</b>	<b>\$1,754,659</b>
<b>Recommended assignments:</b>	
Fire Equipment Reserve	(\$450,000)
CFP Contingency	(\$360,000)
Percival Landing	(\$350,000)
Downtown Strategy	(\$250,000)
OPEB – LEOFF I	(\$108,680)
Pedestrian Crossing	(\$70,000)
\$1 per Capita for Arts	(\$50,000)
Holly Landing	(\$50,000)
Sidewalk Repair	(\$40,000)
Interfaith Works Shelter	(\$17,000)
Council Goal Money	(\$8,979)
<b>Resource Balance</b>	<b>-0-</b>

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

## Fund Balance Analysis – Chart 2

	2009	2010	2011	2012	2013	Prelim. 2014
<b>Revenues</b>	(\$1,746,560)	\$2,230,030	\$737,650	(\$1,124,860)	\$1,163,330	\$1,548,580
<b>Expenditures</b>	\$3,368,630	\$1,245,595	\$1,634,670	\$1,866,100	\$1,236,910	\$780,549
<b>Totals</b>	\$1,622,070	\$3,475,625	\$2,372,320	\$741,240	\$2,400,240	\$2,329,129
<b>Uses:</b>						
<b>Allocated to Next Year's Budget</b>	\$52,500	\$554,000		\$174,460	\$73,670	\$43,270
<b>Growth in 10% Reserve</b>	(\$118,140)	\$195,830		\$14,340	\$262,980	\$240,790
<b>Building Repair</b>		\$414,000	\$1,450,000	\$319,440	\$836,300	
<b>City Hall Loans</b>	\$1,193,070 (Environ. Clean up)	\$1,720,000 (Remainder of loan)				
<b>CJC Improve-ments</b>		\$138,000 (Renovations)	\$44,000 (Fencing & Lighting)	\$23,000 (Jail remodel)		
<b>CRA</b>			\$80,000			
<b>Downtown Plan</b>						\$250,000
<b>EDC</b>				\$10,000		
<b>Fire Equipment Reserve</b>		\$88,500				\$450,000
<b>Isthmus</b>					\$500,000	
<b>LEOFF I</b>		\$50,000	\$50,000			\$108,680
<b>Parking Unbudgeted Gain</b>	\$32,295	\$96,660	\$168,000		\$88,880	\$90,410
<b>Probation RMS</b>			\$36,000			
<b>Percival Landing</b>						\$350,000
<b>PSE Lights</b>					\$325,000	
<b>Technology</b>	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000

Chart 3

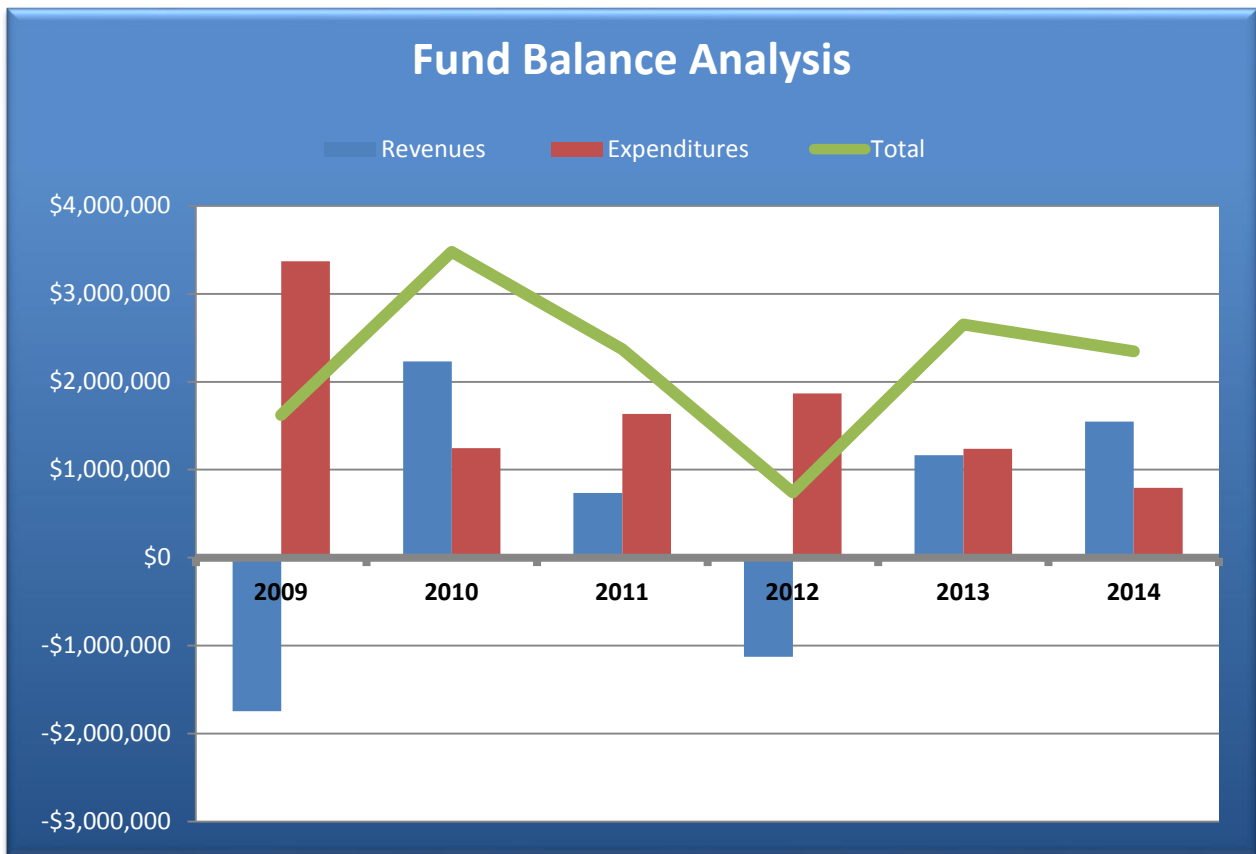


Chart 4

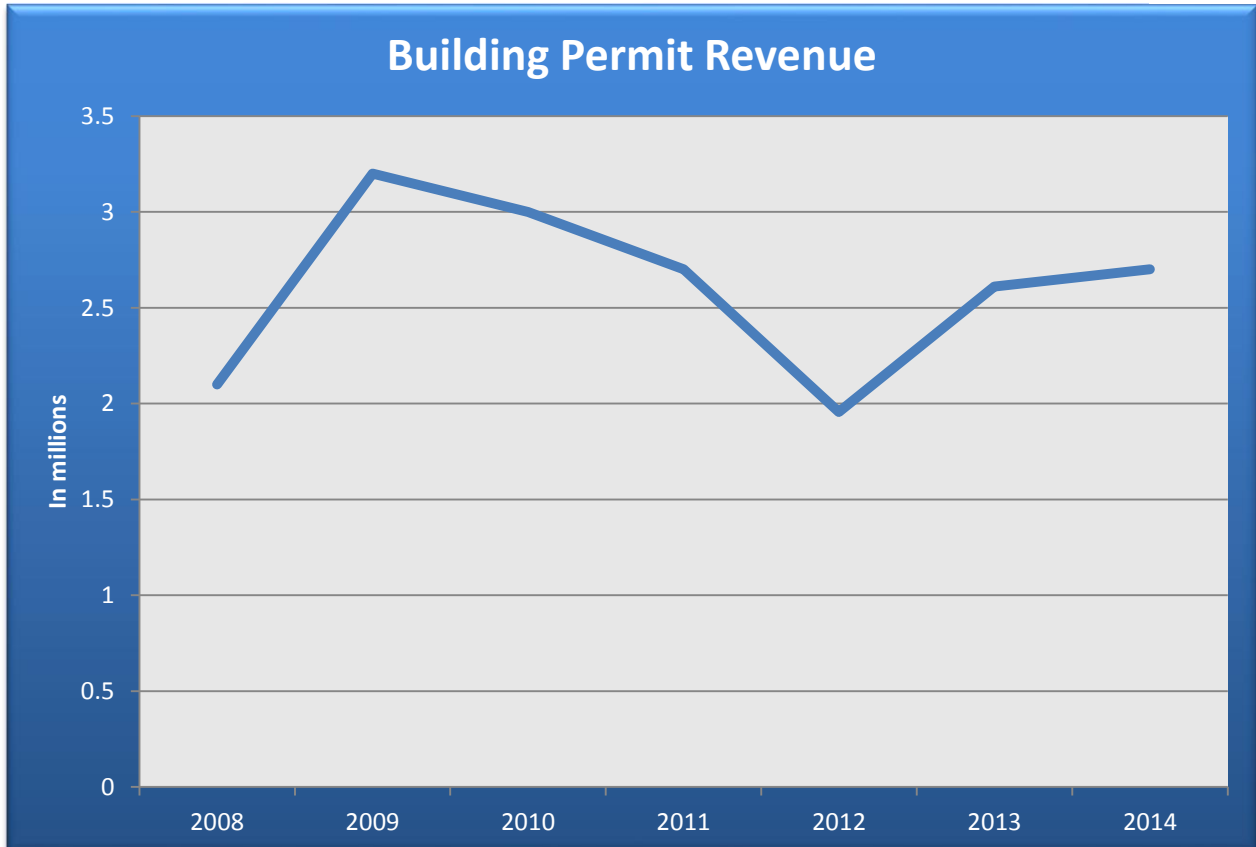


Chart 5

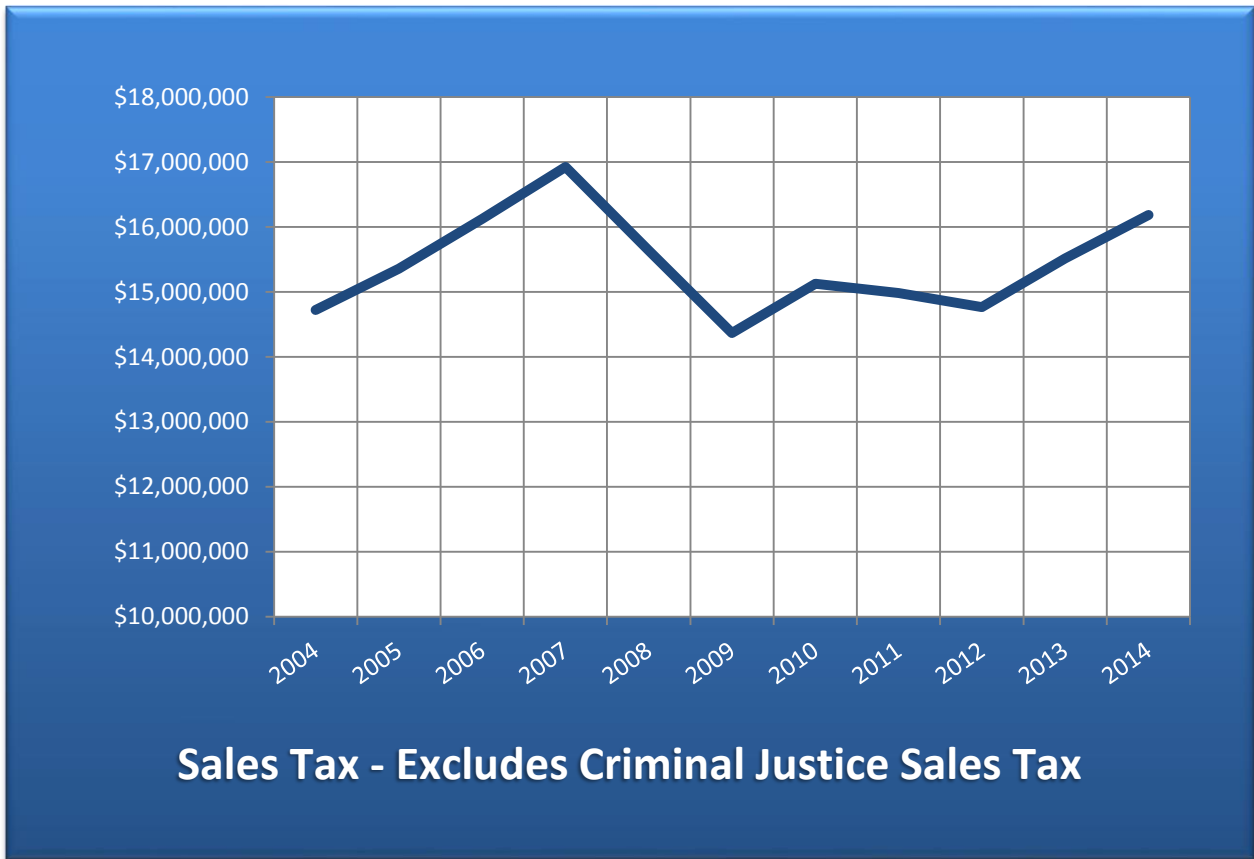
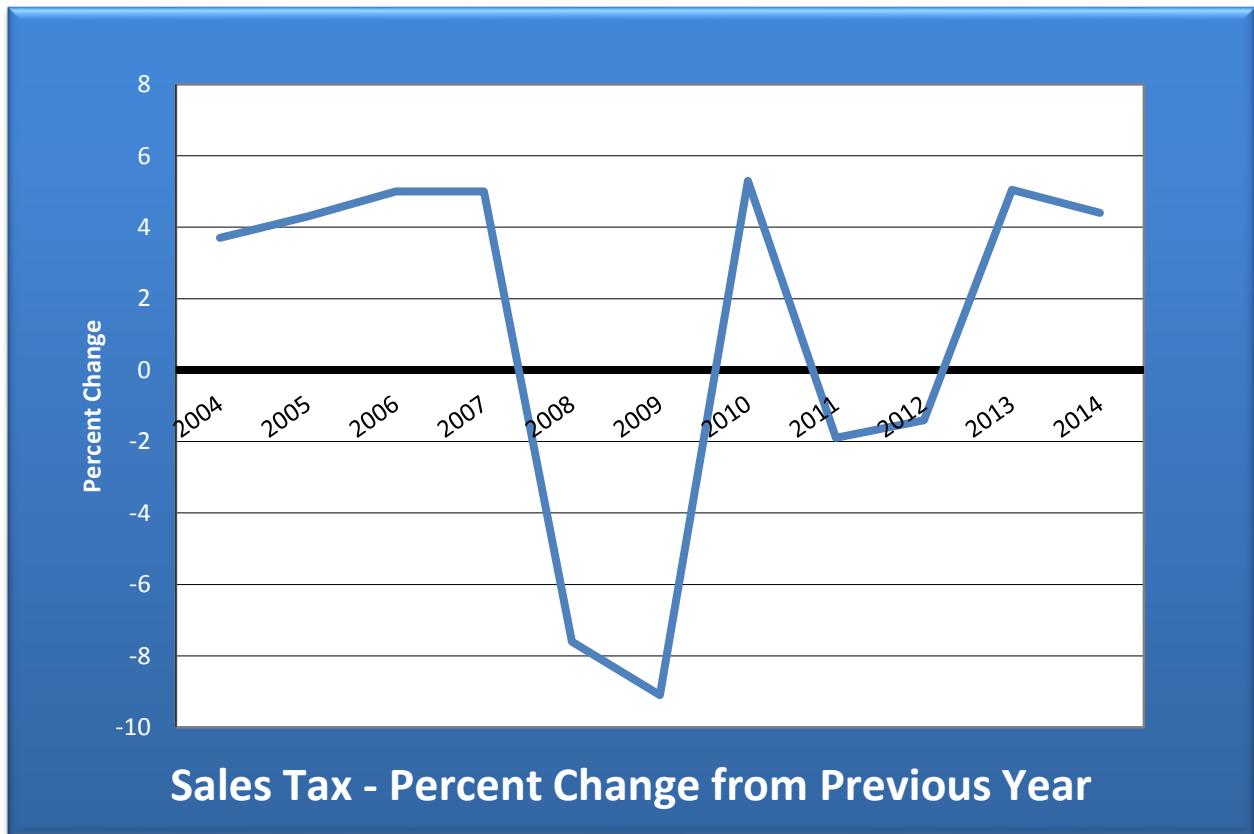


Chart 6



# Impact Fee Collection and Usage

Chart 7

Year	Fire	Transportation	Neighborhood Parks	Community Parks	Open Space	Ball Parks	Tennis Courts	Urban Trails	Special Use & Unallocated	Total 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	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

Total Since Nov. 1992	\$ 2,033,967	\$ 18,186,188	\$ 1,353,983	\$ 2,541,209	\$ 4,602,887	\$ 941,384	\$ 93,835	\$ 388,585	\$ 889,532	\$ 31,031,570
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Court Ordered Refunds (fee portion)	\$ -	\$ (278,075)	\$ (62,571)	\$ -	\$ (174,169)	\$ (84,087)	\$ (7,857)	\$ (25,707)	\$ -	\$ (632,466)
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## 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	-	(1,488,852)	(5,019)	(272,620)	-	-	-	(3,113)	(6,909)	(1,776,513)

Total Usage	\$ (2,367,064)	\$ (15,605,618)	\$ (648,746)	\$ (1,257,656)	\$ (3,485,881)	\$ (898,668)	\$ (105,779)	\$ (380,577)	\$ (506,286)	\$ (25,256,274)
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Note: Usage is as of Process date; if accounting month is not closed, amount may vary.

Balance	\$ (333,097)	\$ 2,302,495	\$ 642,666	\$ 1,283,553	\$ 942,837	\$ (41,370)	\$ (19,801)	\$ (17,700)	\$ 383,246	\$ 5,142,830
Interest	\$ 333,097	\$ 981,456	\$ 31,502	\$ 10,075	\$ 455,248	\$ 198,518	\$ 19,801	\$ 47,051	\$ 3,355	\$ 2,080,104
Fund Bal. w/Interest	\$ -	\$ 3,283,951	\$ 674,169	\$ 1,293,629	\$ 1,398,085	\$ 157,148	\$ -	\$ 29,351	\$ 386,602	\$ 7,222,934
Budget Balance	\$ -	\$ 1,876,641	\$ 324,484	\$ 190,596	\$ 423,758	\$ 156,686	\$ -	\$ 17,714	\$ 186,438	\$ 3,176,317
Balance Available to Appropriate	\$ -	\$ 1,407,310	\$ 349,685	\$ 1,103,033	\$ 974,327	\$ 462	\$ -	\$ 11,637	\$ 200,163	\$ 4,046,617

Updated 3/4/2015