

# **City of Bellingham**

# **Financial Report**

## **December 31, 2010**

Presented by:

**John Carter**

**Finance Director**

**March 14, 2011**



# **Financial Report Outline**

- **Summary of Financial Results-2010**
- **Citywide – Revenues & Expenditures**
- **Overview of Specific Funds**
  - **General Fund**
  - **Development Services Fund**
  - **Public Works - Street, Utilities**
- **Investment & Debt Summary**
- **Prognosis for the future**

**2010 was the beginning of a recovery.**

**Summary:**

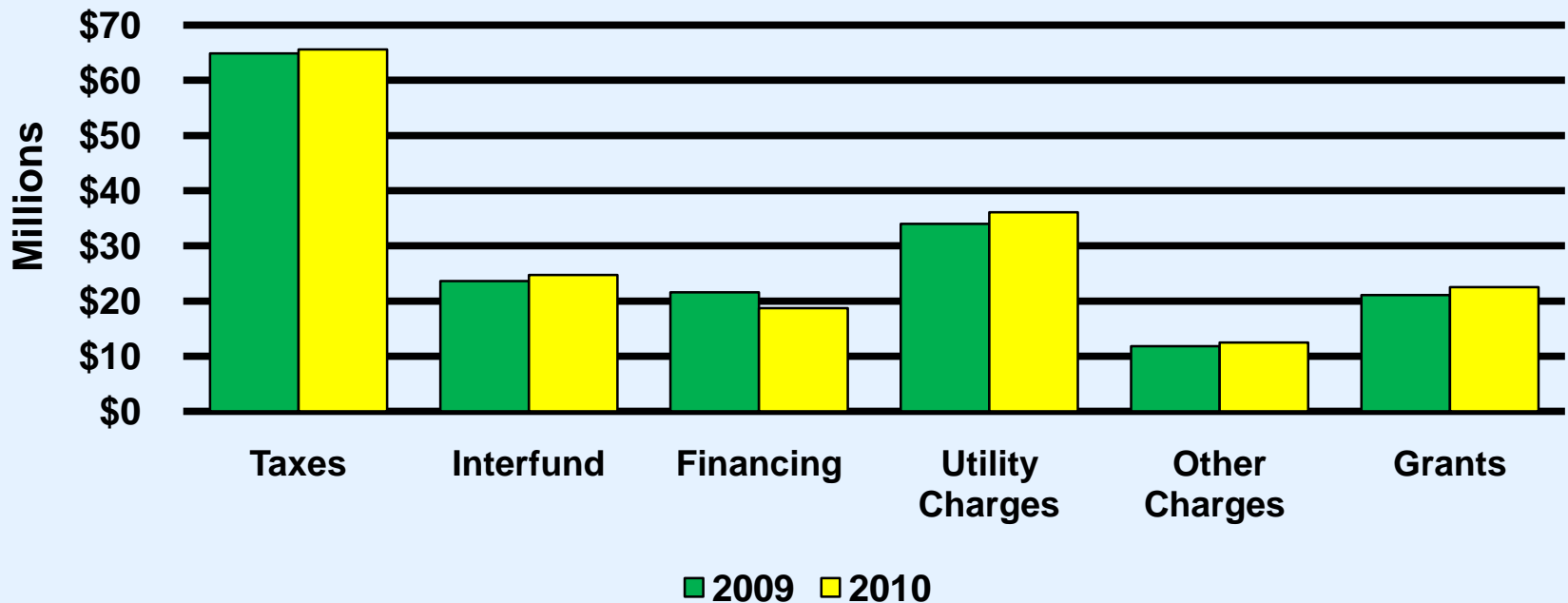
- Tax Revenues in total were up 1%**
- Continued budget cuts**
- Additional reductions in staffing**
- Net Result:**
  - Reduced reserves in most funds**
  - Reduced capital expenditures**
  - Established financial guidelines**

# Citywide Revenues-2010

All sources

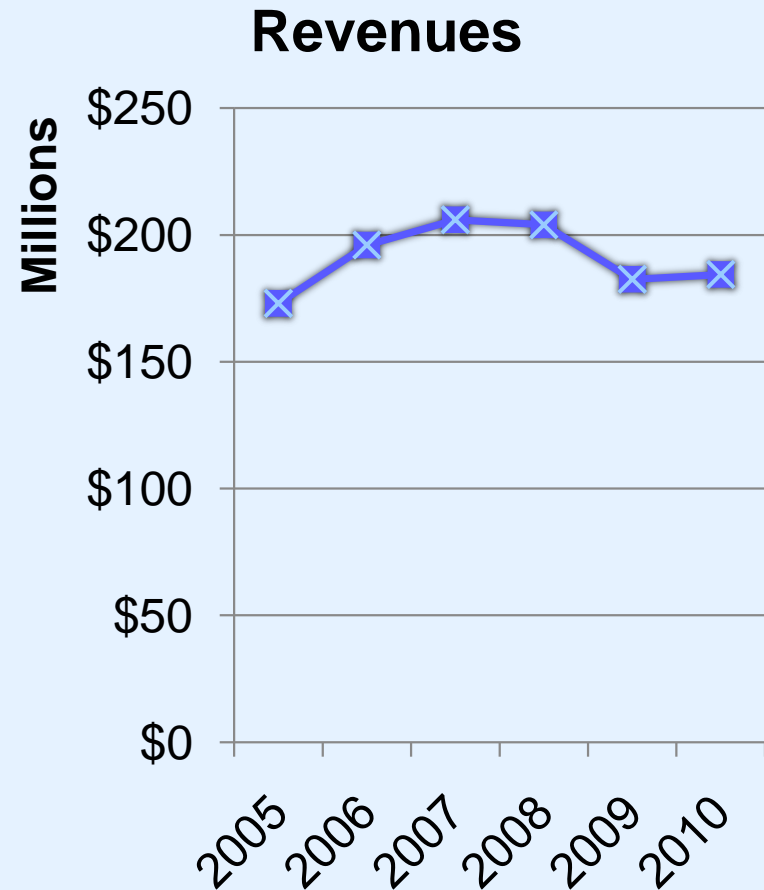
**2010 : \$184.4 million**

**2009 : \$182.5 million**

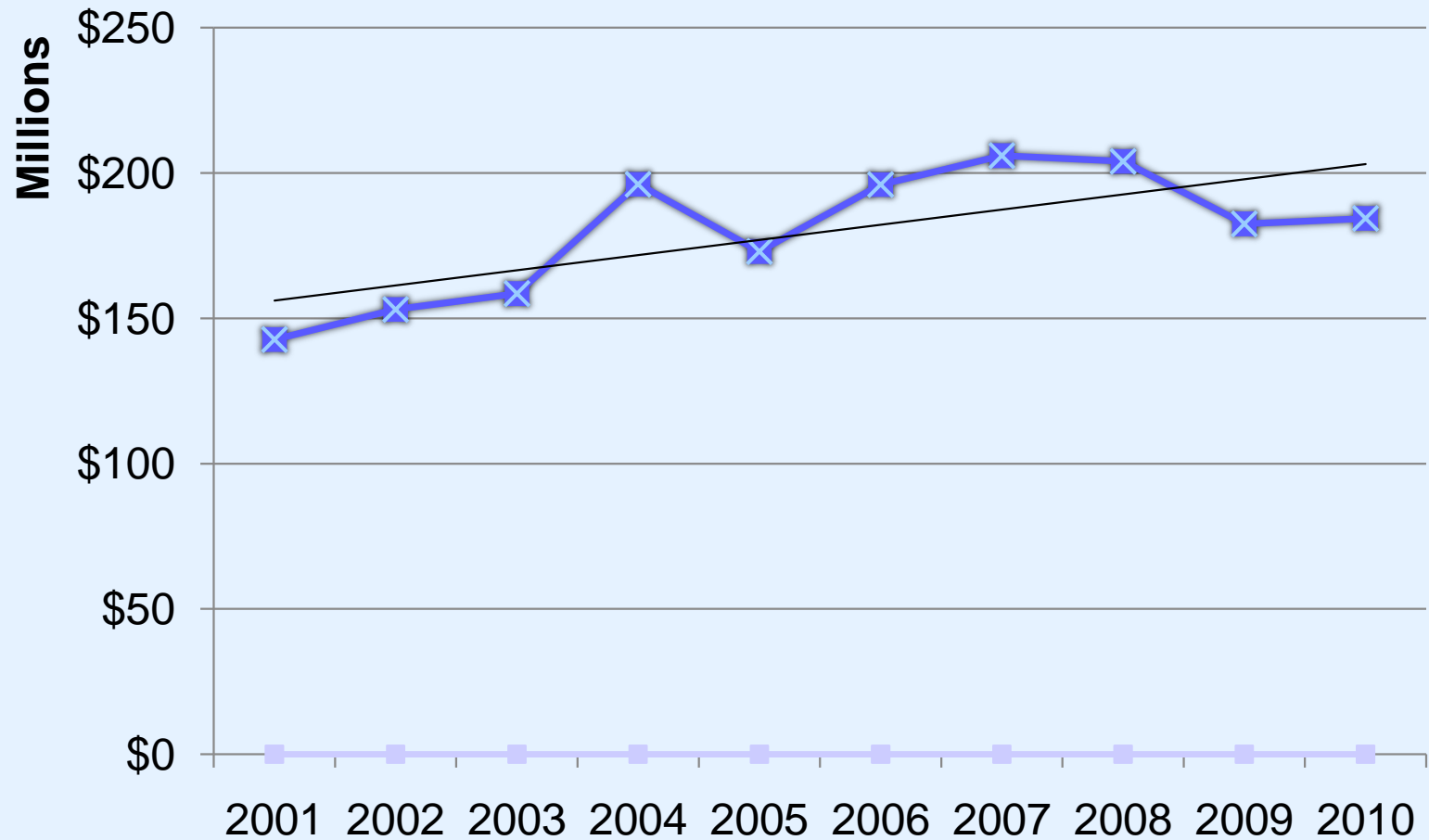


# 2010 Revenues –Citywide

- Revenues totaled **\$184.4 million**
  - Total revenues up 1%
  - Tax receipts up 1%
  - Utilities charges up 6%
  - Grants, entitlements Up 7%
  - Other revenues down



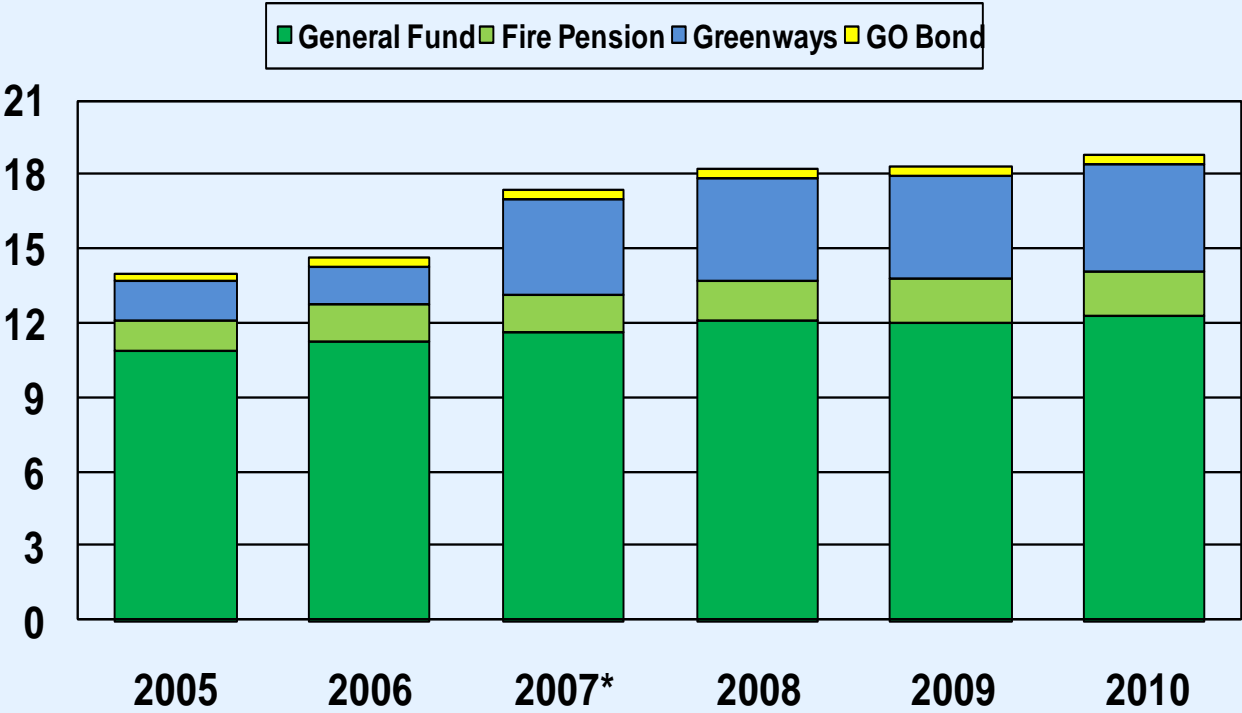
# Revenues –Citywide



# Citywide Tax Revenues - 2010

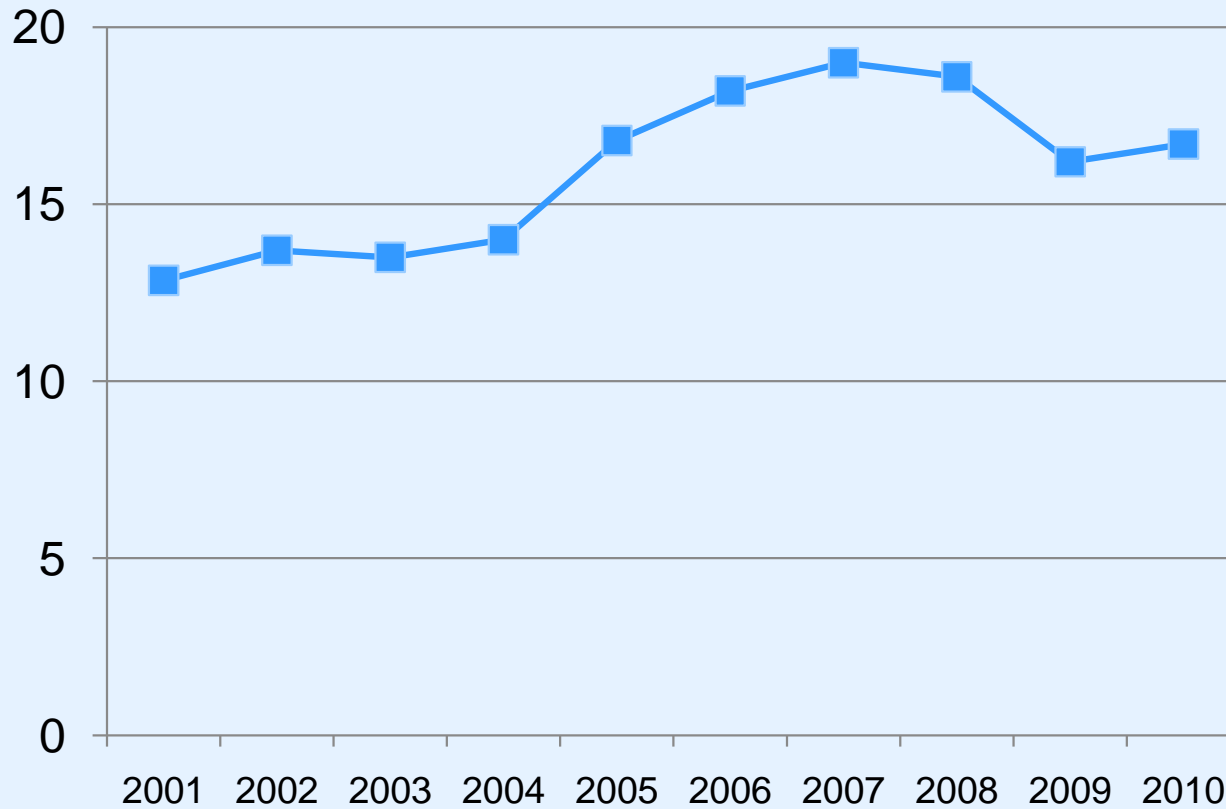
Source	2010	2009	% of chg
Property Tax	\$ 18,868,727	\$ 18,467,124	+ 2%
Sales Tax	16,715,882	16,230,568	+3%
B&O Tax	10,398,742	10,636,045	-2%
Utility Taxes	14,077,409	14,024,030	0%
Tourism	921,176	891,880	3%
REET Taxes	1,707,980	1,878,290	- 9%
All Other Taxes	2,884,492	2,738,101	+5%

# Property Tax Millions

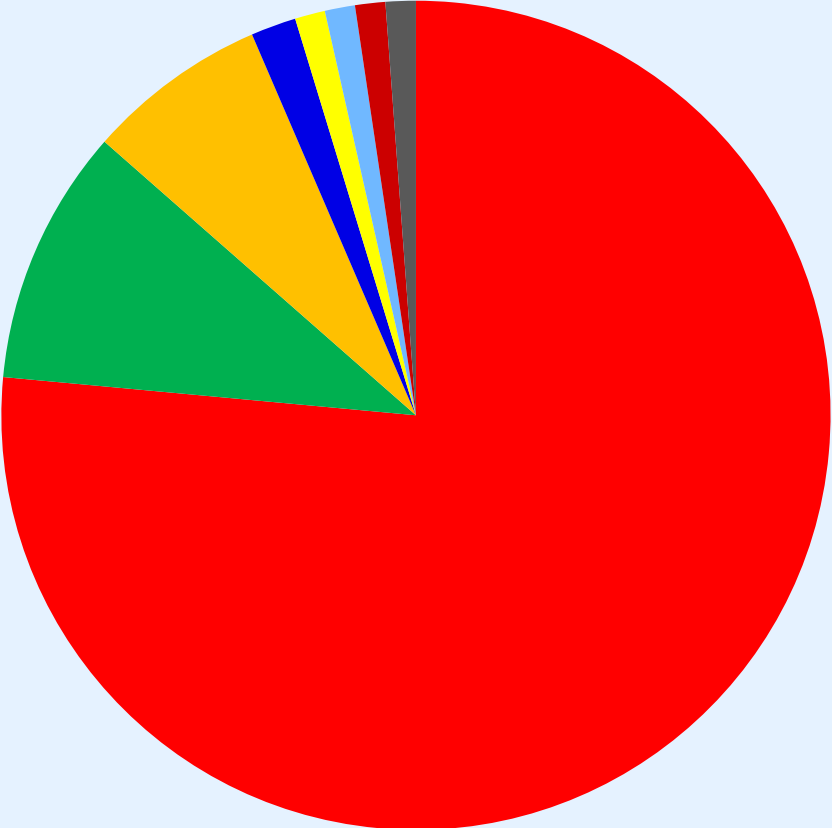


\*2007 Greenways III began

# Sales Tax (Millions)



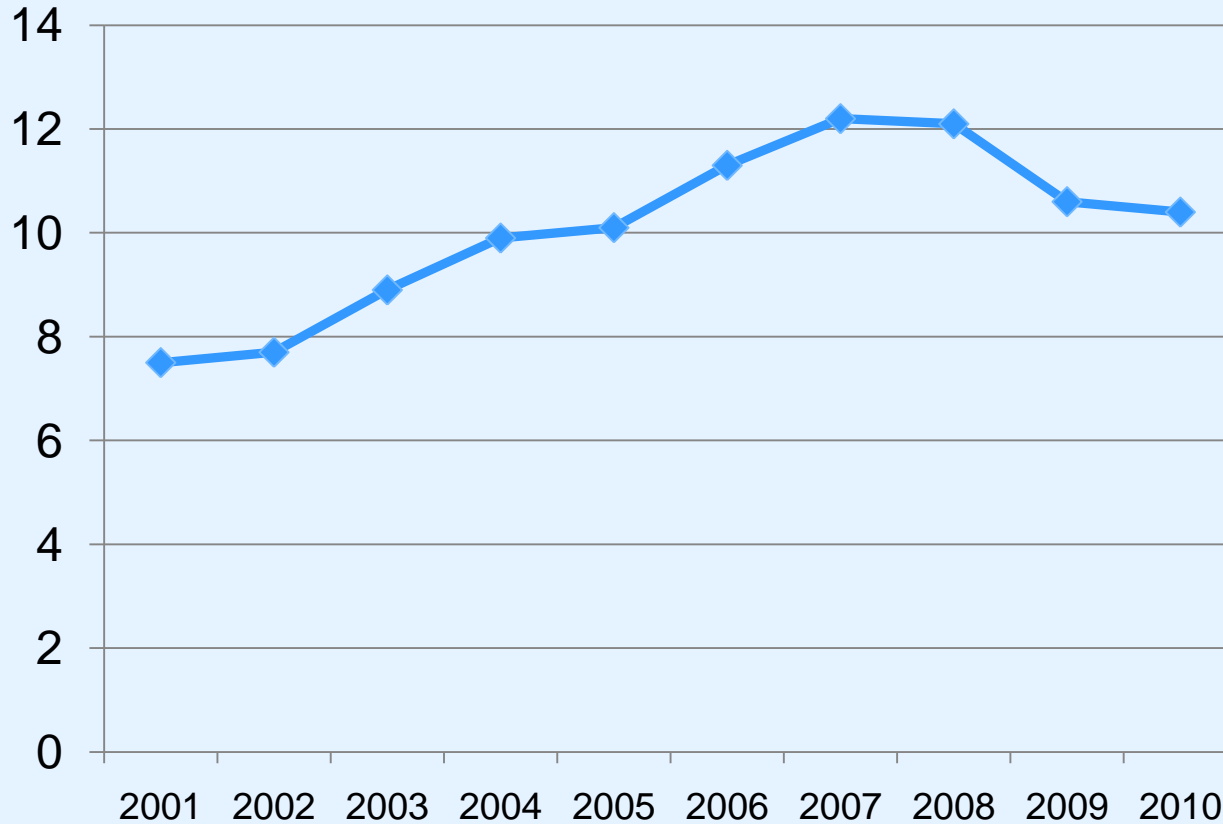
# Sales tax distribution



- State schools-6.5%
- Whatcom Transit Auth.-.60%
- Jail-.10%
- County mental health-10%
- City-GF and Streets-.85%
- County GF-.15%
- Criminal Justice-.10%
- Emergency medical system-10%<sup>0</sup>

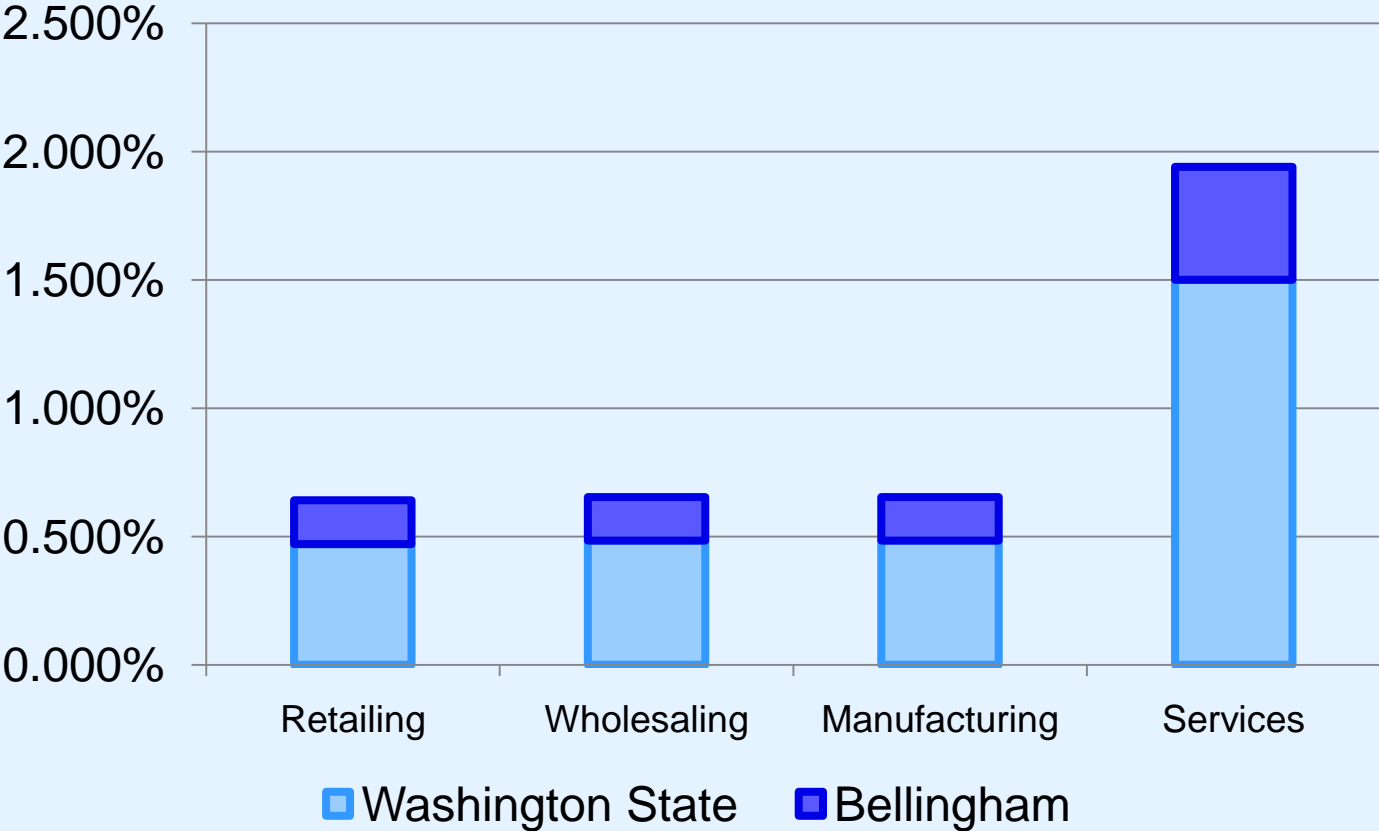
# Business & Occupation Tax

(Millions)

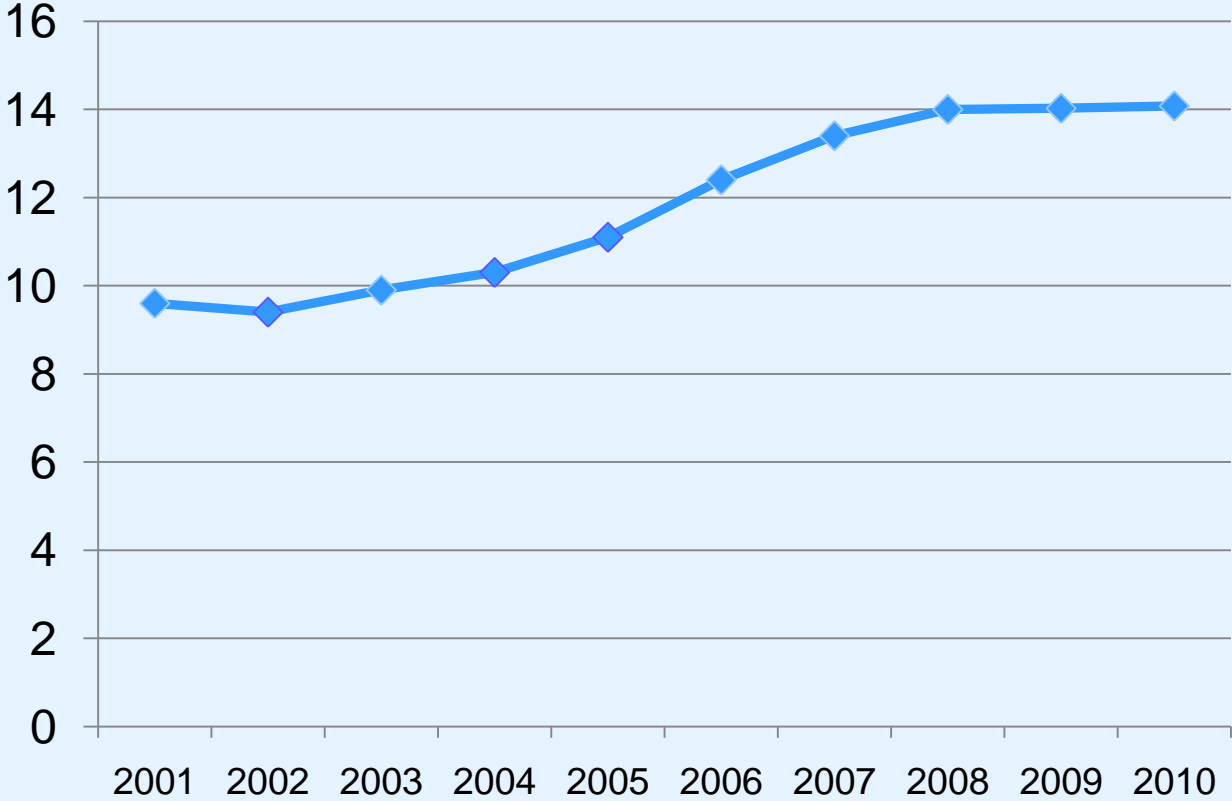


# Business & Occupation Tax

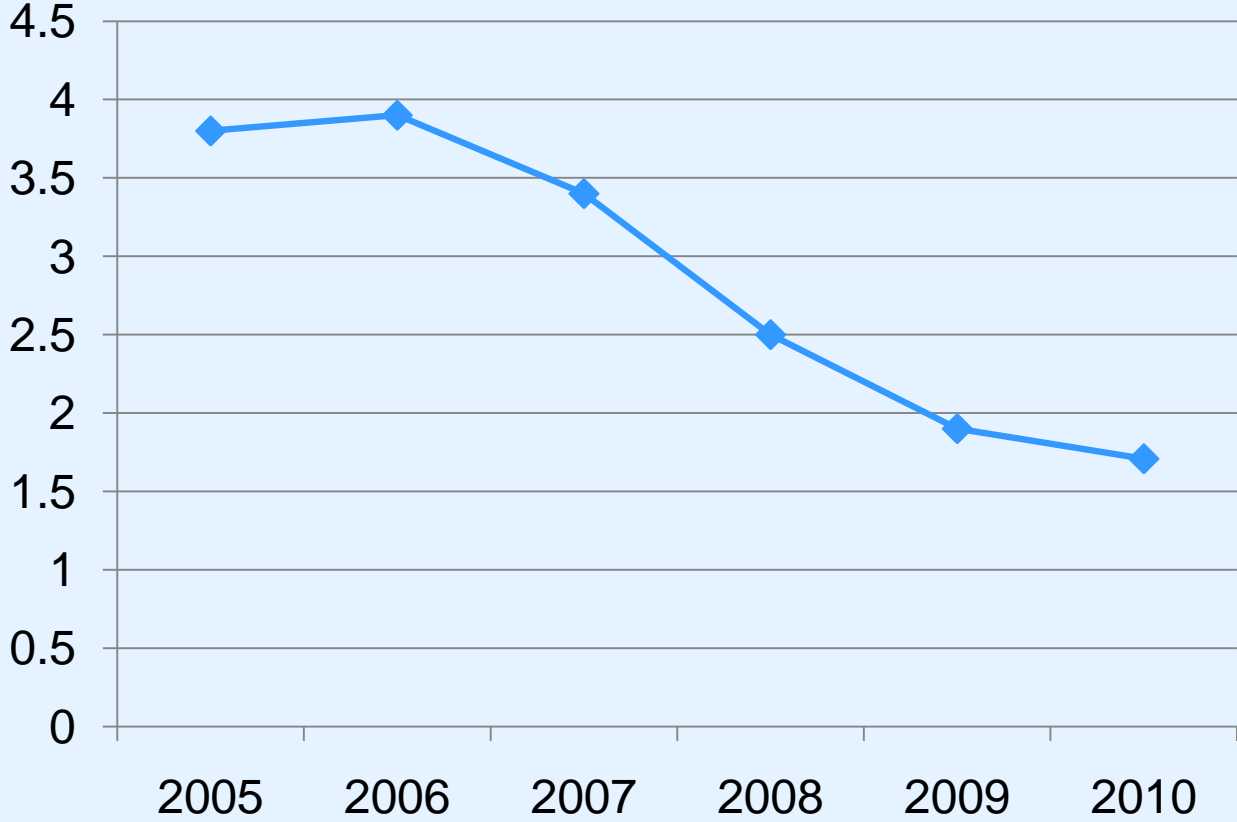
(Rate by type of activity)



# Utility Taxes (Millions)



# Real Estate Excise Tax (Millions)



<b>Percent Change</b>	8.6%	2.6%	-12.8%	-26.5%	-24.0%	-9.1%
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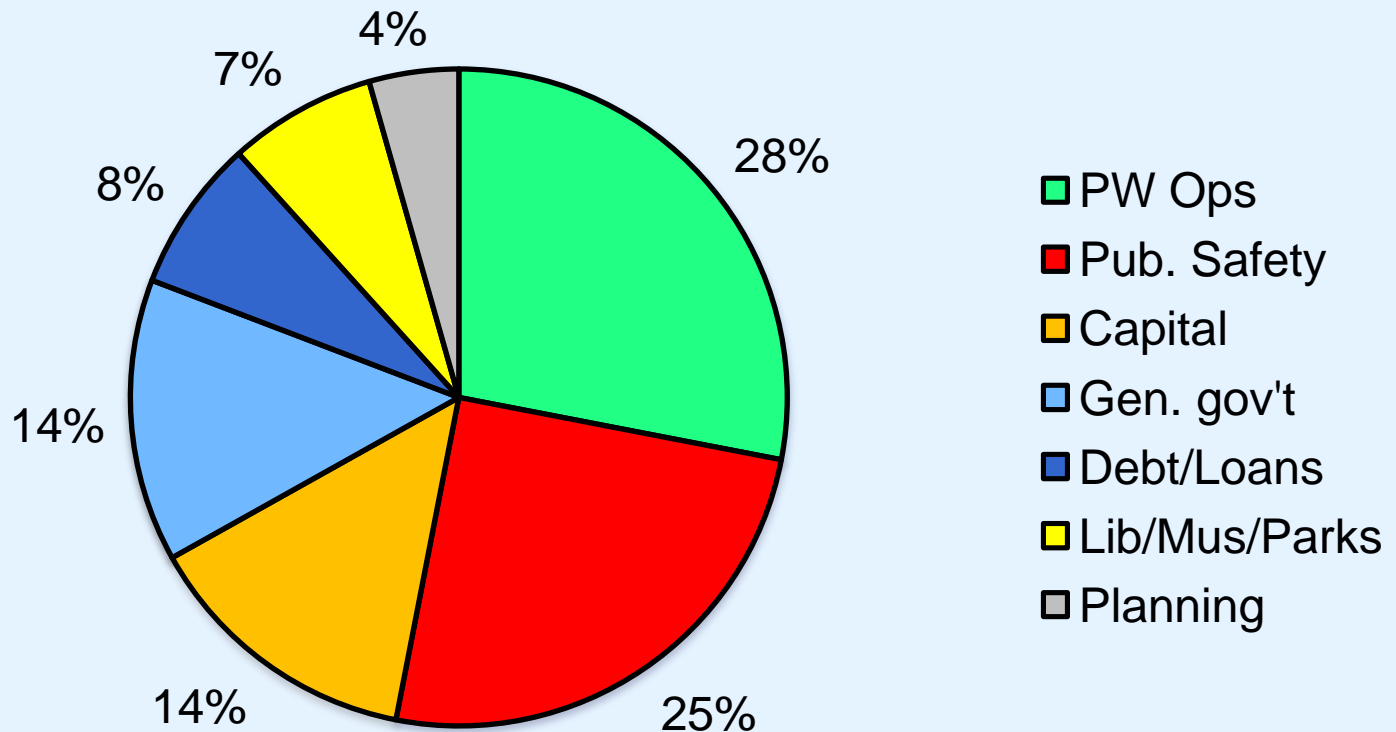
# Expenditures - Citywide

- **Expenditures totaled \$184.3 million**
  - **Operational expenses totaled \$145.1 million**
    - **Down 4% from prior year**
    - **All departments below budget**
  - **Capital Expenditures down**
    - **\$25.4 million spent, only 34% of budget**
    - **\$40.5 million spent in 08'**
  - **Total expenditures down \$25.3 million from 2008**

# Citywide Expenditures

2010 Actual - \$184.3 million

2009 Actual - \$198.7 million



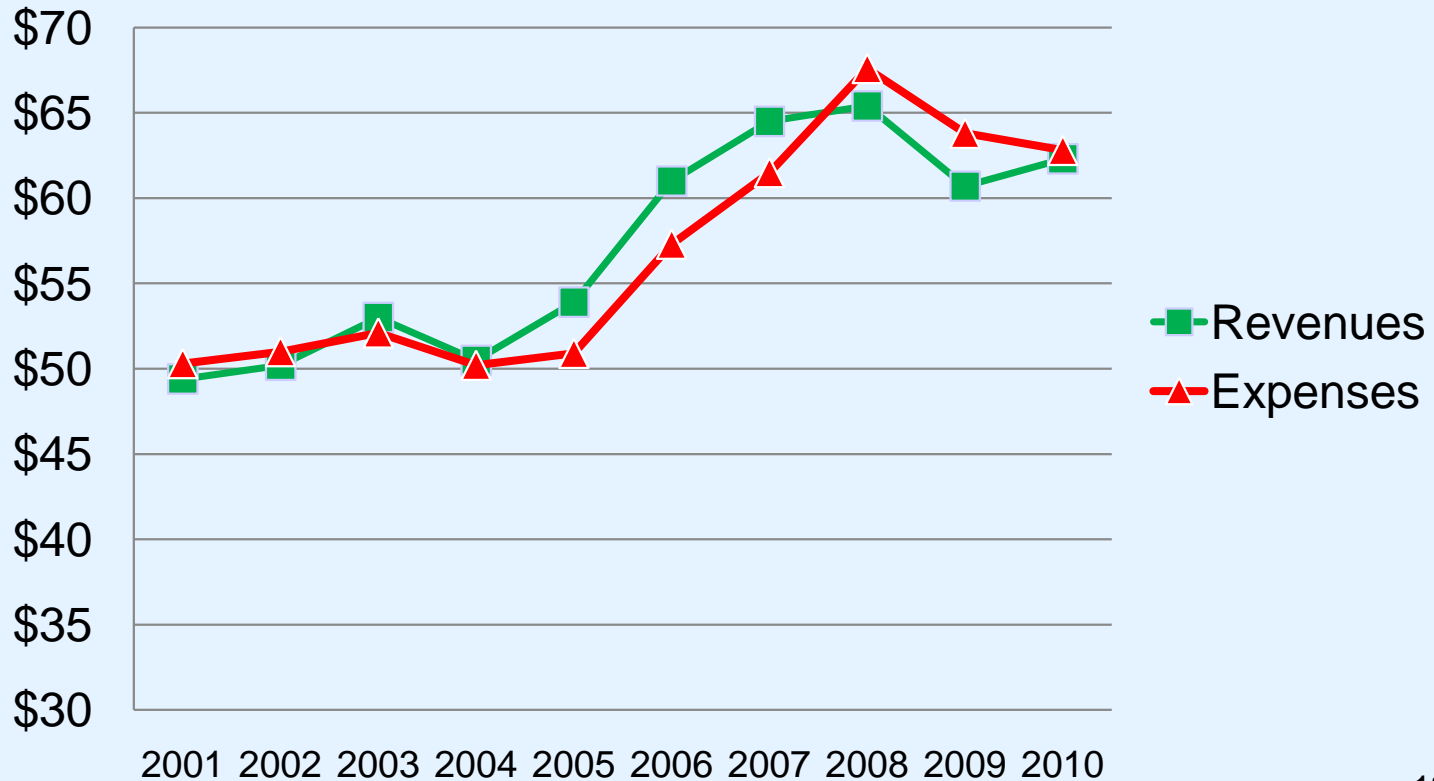
# General Fund Status

- **2010 Budget anticipated**
  - **1.8% Increase in Tax receipts**
  - **Assumed using \$2.1 million of reserves**
- **Revenues only 96% of budget**
- **Expense savings from budget of \$4.1 million**
- **Operating Costs down \$5 million from 2008**
- **Net deficit of \$1.2 million after reappropriations**

# General Fund

**Revenues \$62.3 million- 96% of budget**

**Expenses \$62.8 million- 93% of budget**

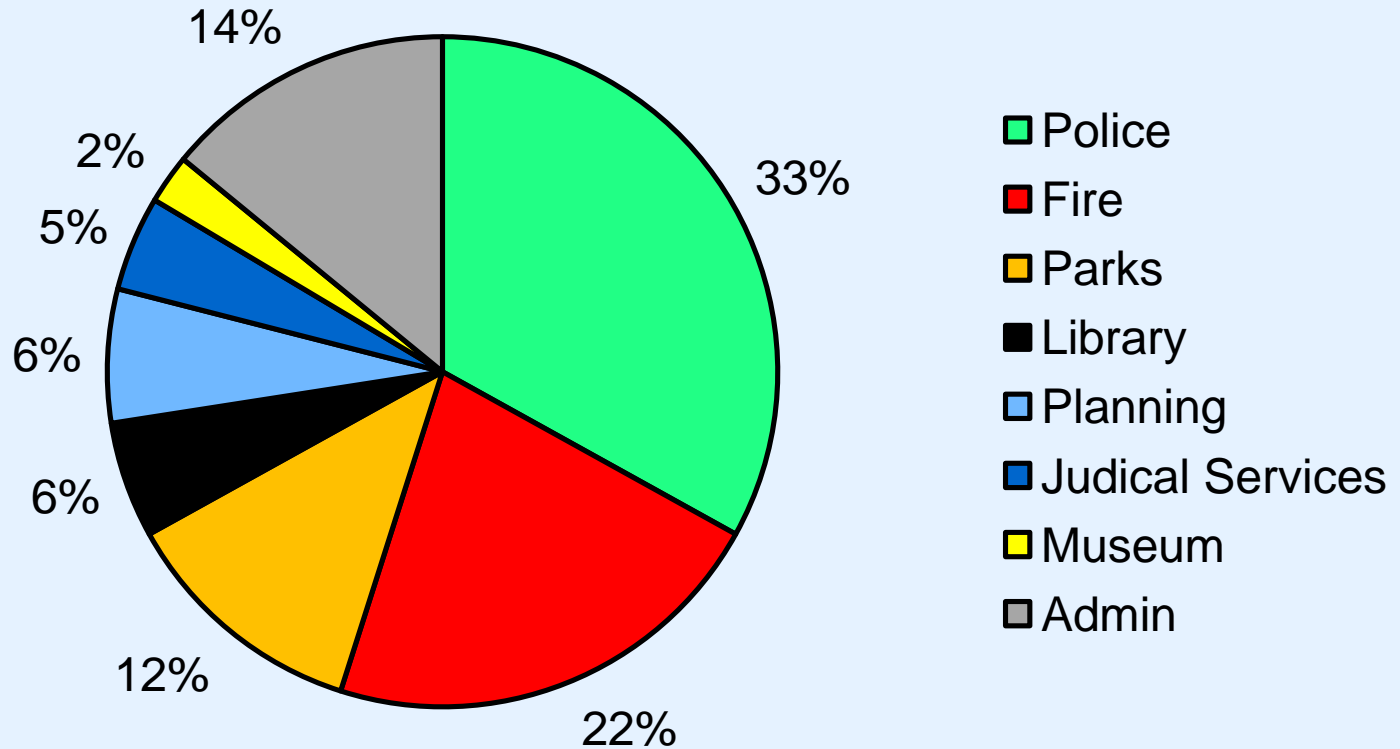


# General Fund

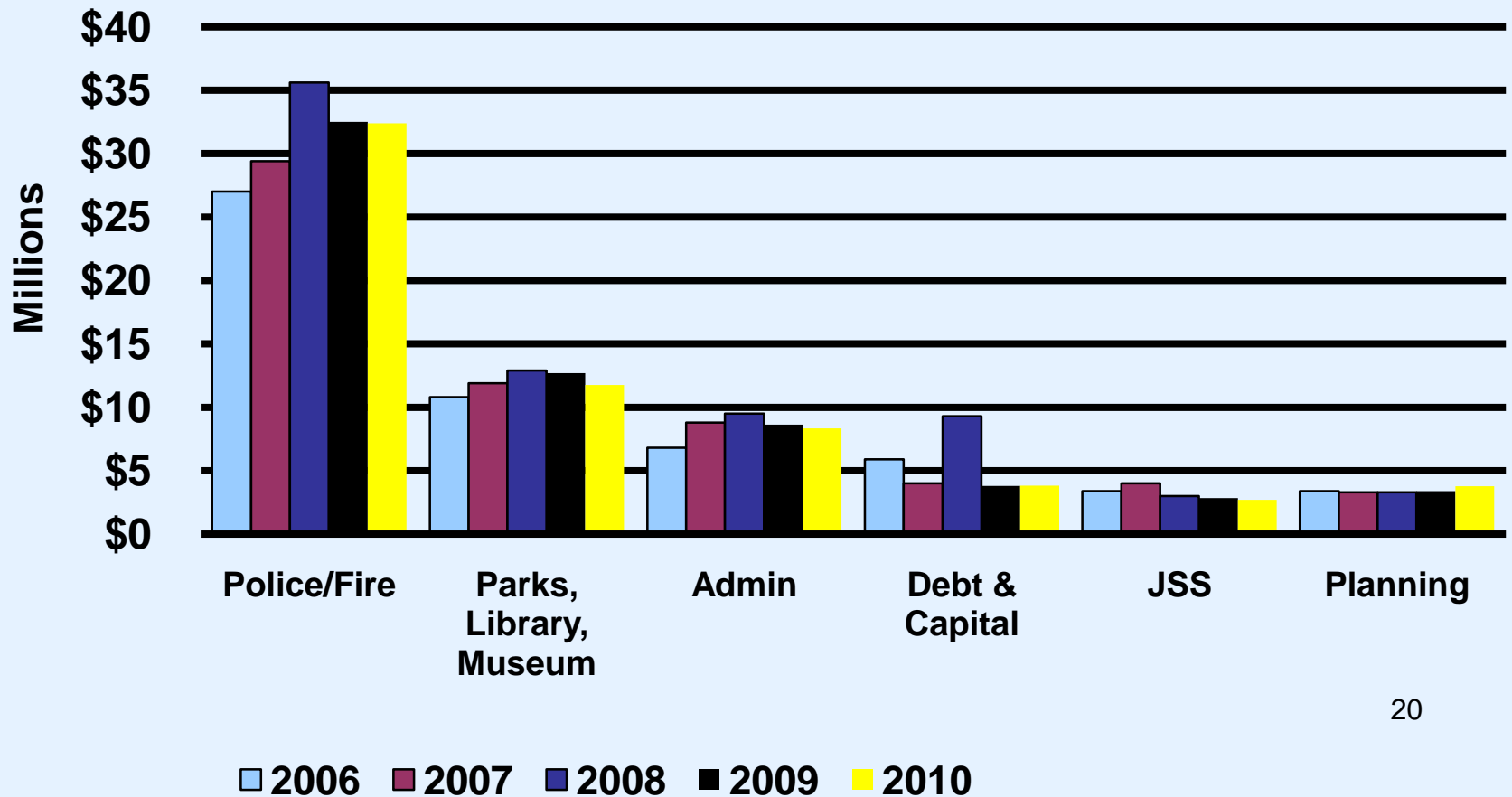
## Operating Expenditures

2010 \$58.9 million

2009 \$59.9 million

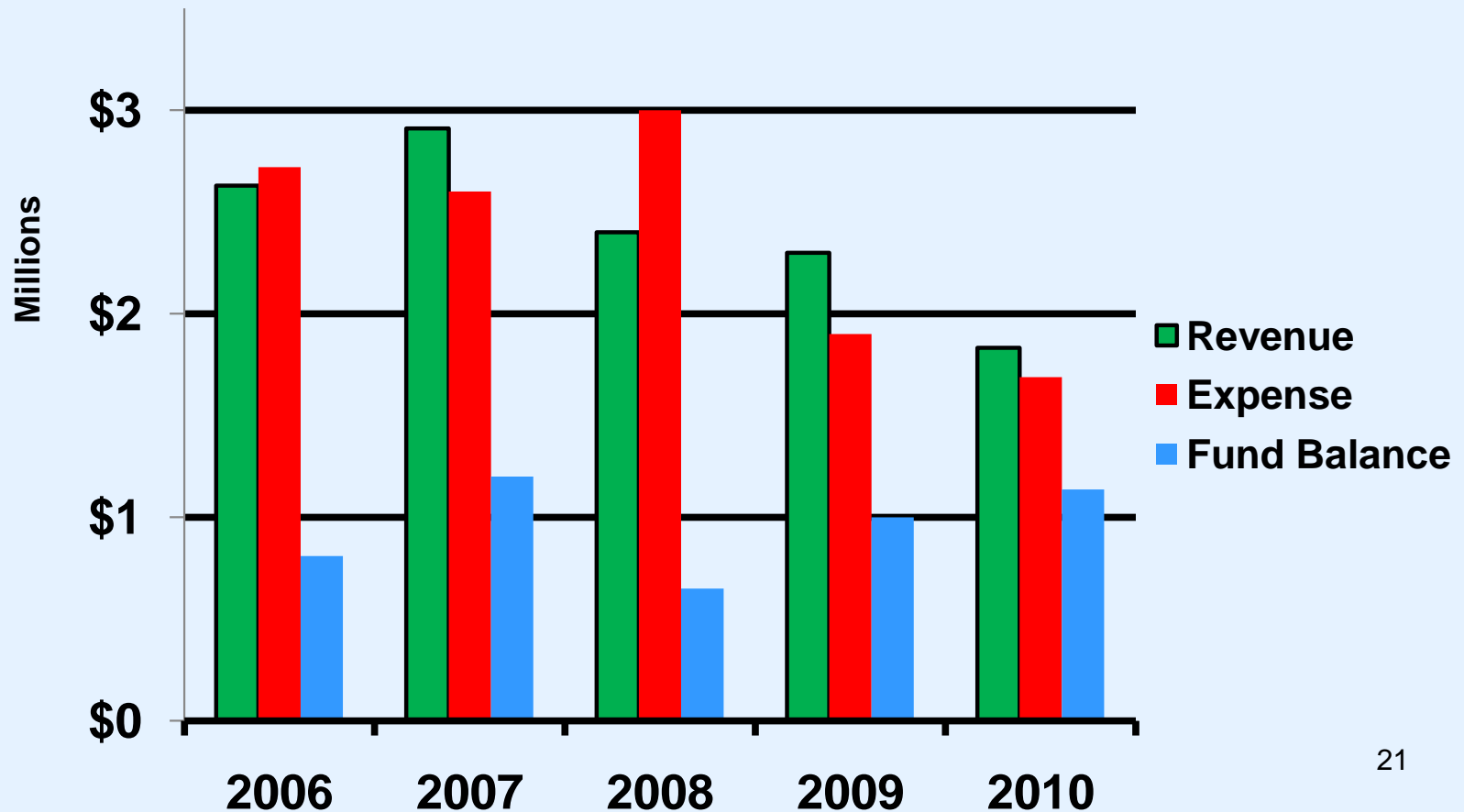


# General Fund Expenditures

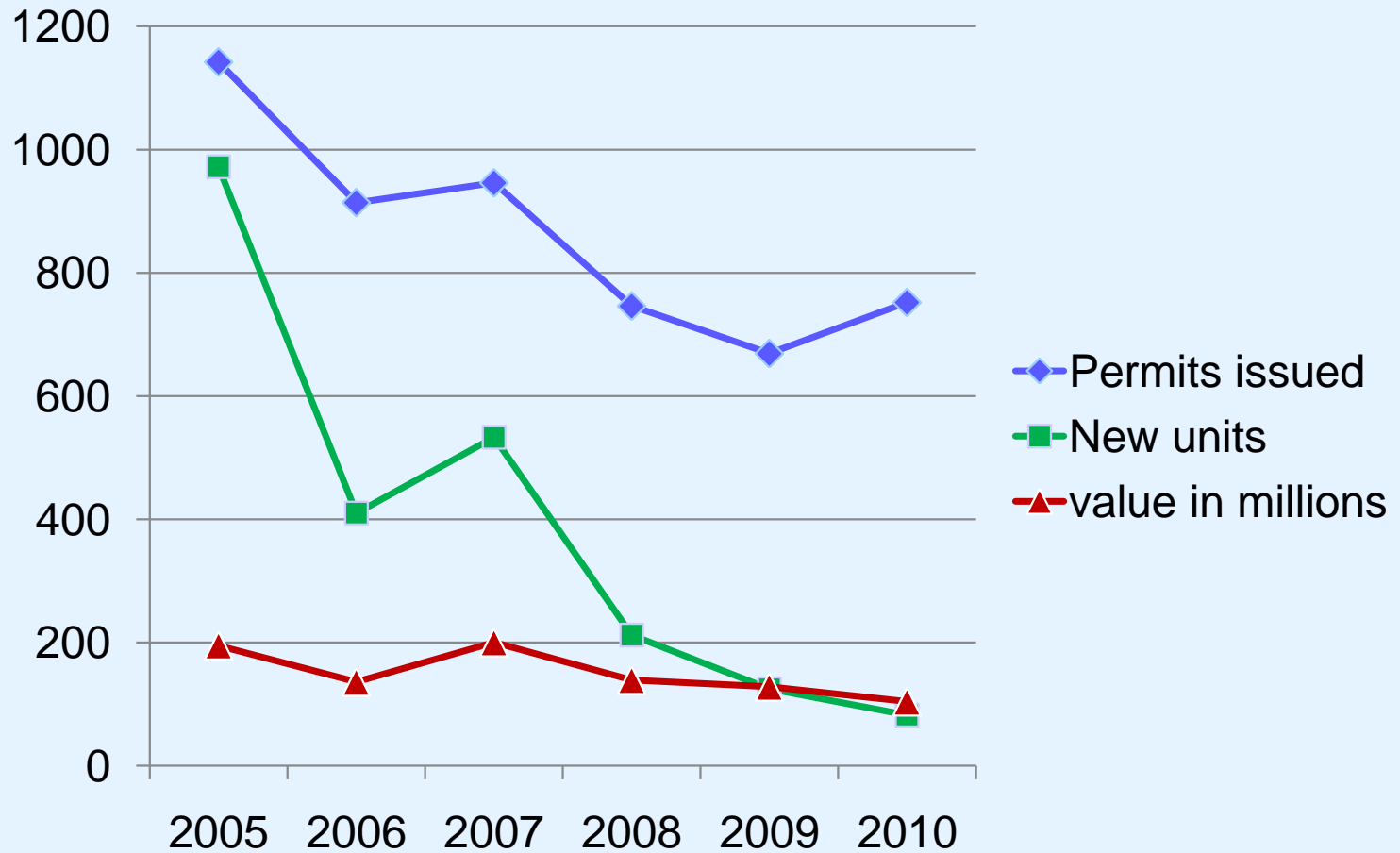


# Development Services Fund

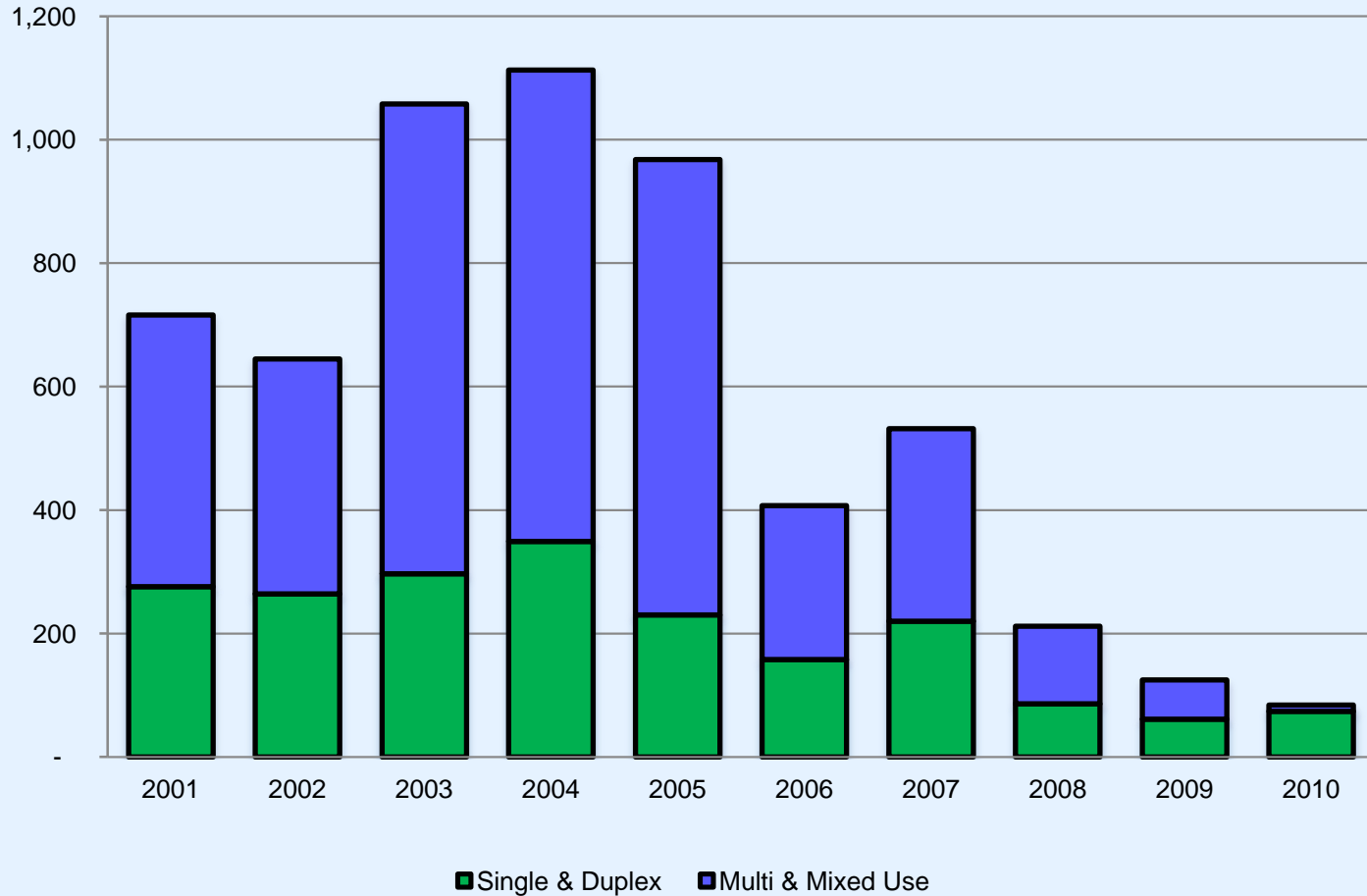
## Revenue, Expense, & Fund Balance



# Construction Permit activity

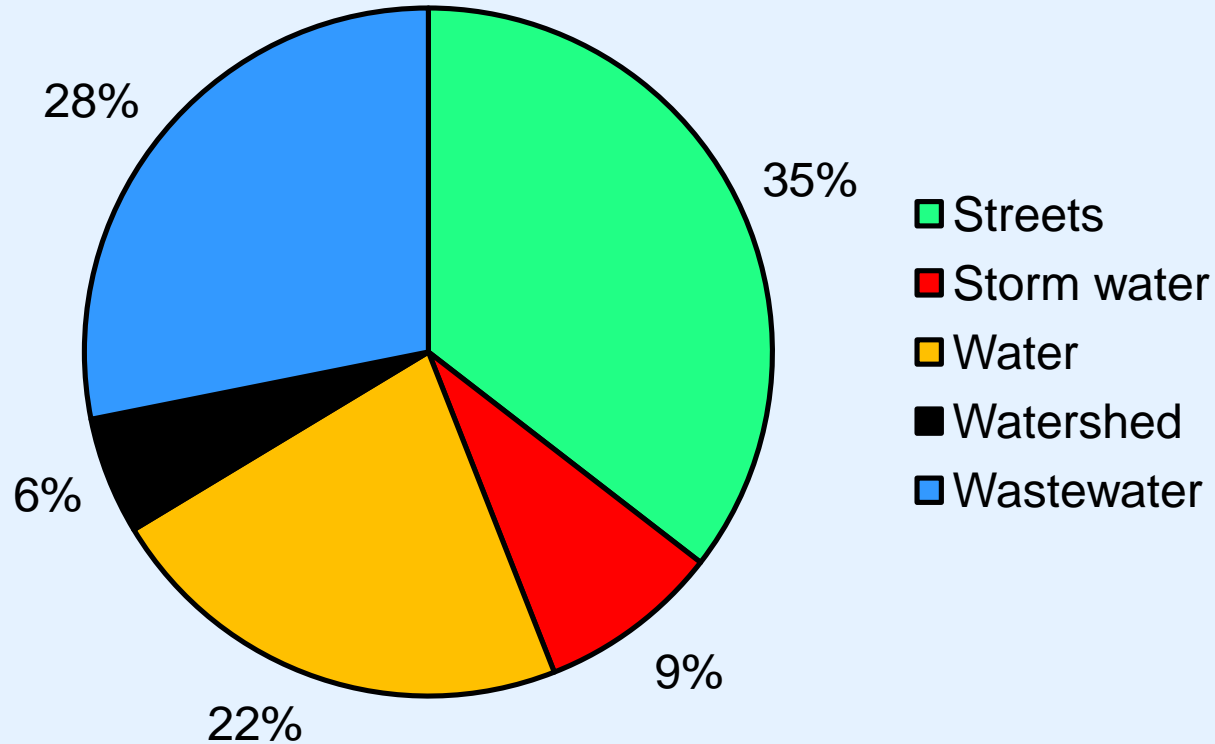


# Number of residential units added



# Public Works Funds

Total Expenditures-\$65.4 million



# **Investment & Debt Summary**

**December 31, 2010**

# Citywide Cash & Investments

- **Total invested \$123.5 million**
- **Investment makeup**
  - **Federal Agencies** **71%**
  - **Municipal Bonds** **5%**
  - **State Investment Pool** **20%**
  - **Other Short-term** **4%**
- **Interest earned** **\$3.2 million**

# Investment yields at 12/31/2010

- **City Portfolio** **1.34%**
- **Comparable benchmarks:**
  - **2 yr U.S. Treasury** (3 yr rolling) **1.18%**
  - **State Investment Pool** **.26%**
  - **Fed funds rate** **.25%**

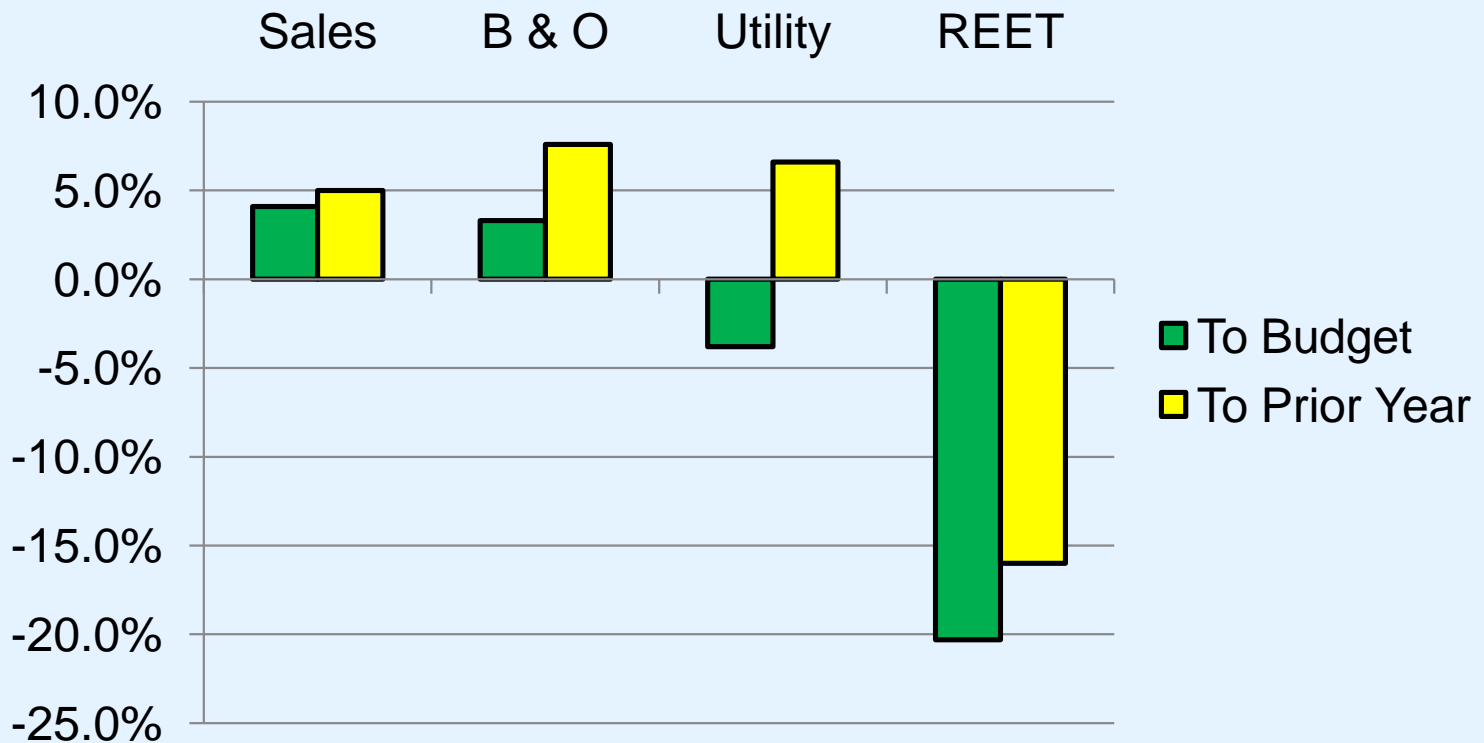
# **2011 Budget Forecast**

# **2011 status**

- **Re-appropriations net of \$36.3 million**
- **2010 General Fund deficit ended at \$1.2 million**
- **2011 General Fund deficit budgeted at \$1.0 million**
- **2011 is budgeted as fourth year of deficit spending**

# Revenues-General fund taxes

**Two month trend forecast indicates General Fund increase to budget of \$300 thousand**



# **2011 Cautions**

- Trends shows improvement**
- Economy is growing, for now**
- Total Jobs in Whatcom County continue to shrink. Total at 04'level**
- Deficits at Federal and State level will result in less funding locally**
- Economic Growth still projected to be about 3% annually for (2011-13)**