

City of Bellingham

Financial Report

December 31, 2010

Presented by:

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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:

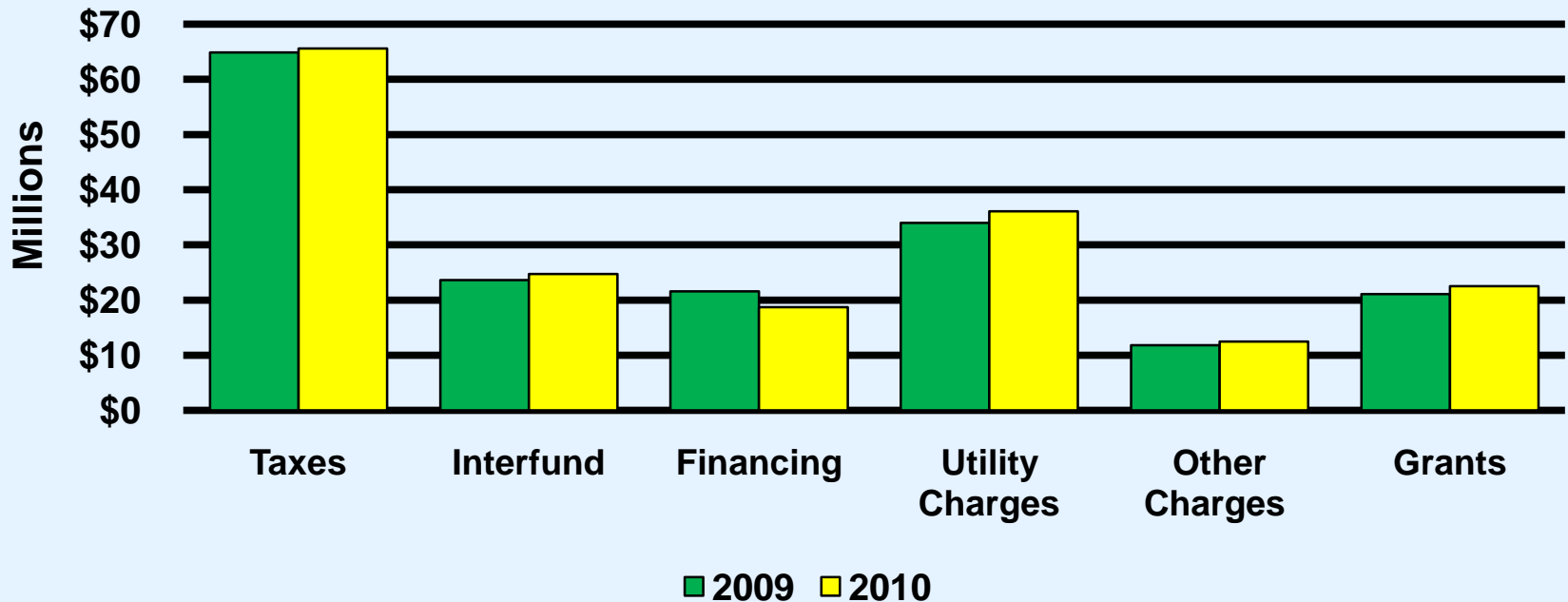
- Tax Revenues in total were up 1%**
- Continued budget cuts**
- Additional reductions in staffing**
- Net Result:**
 - Reduced reserves in most funds**
 - Reduced capital expenditures**
 - Established financial guidelines**

Citywide Revenues-2010

All sources

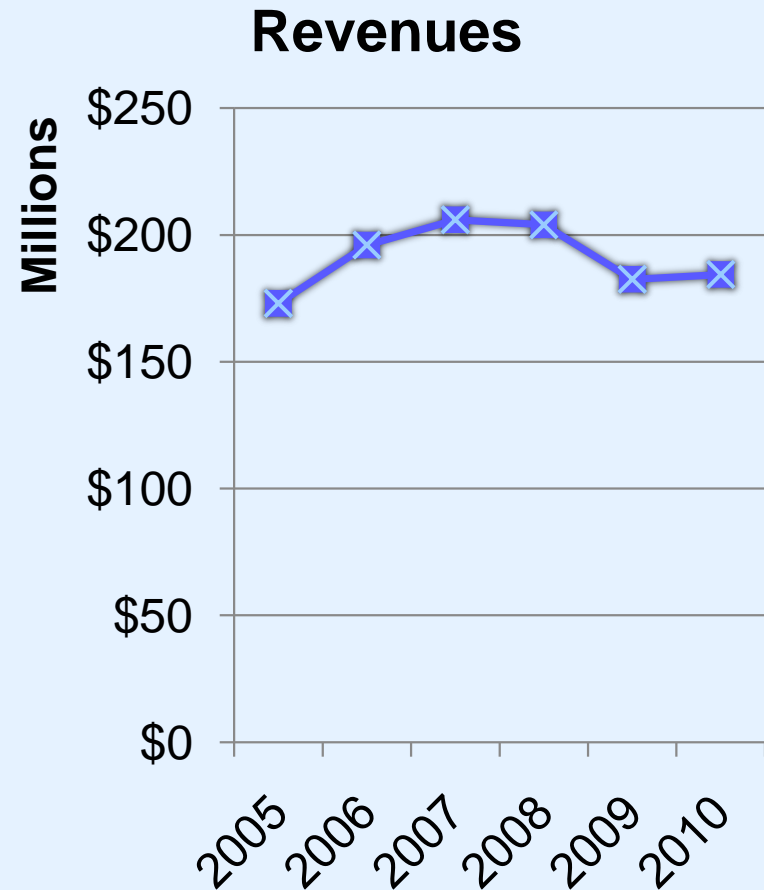
2010 : \$184.4 million

2009 : \$182.5 million

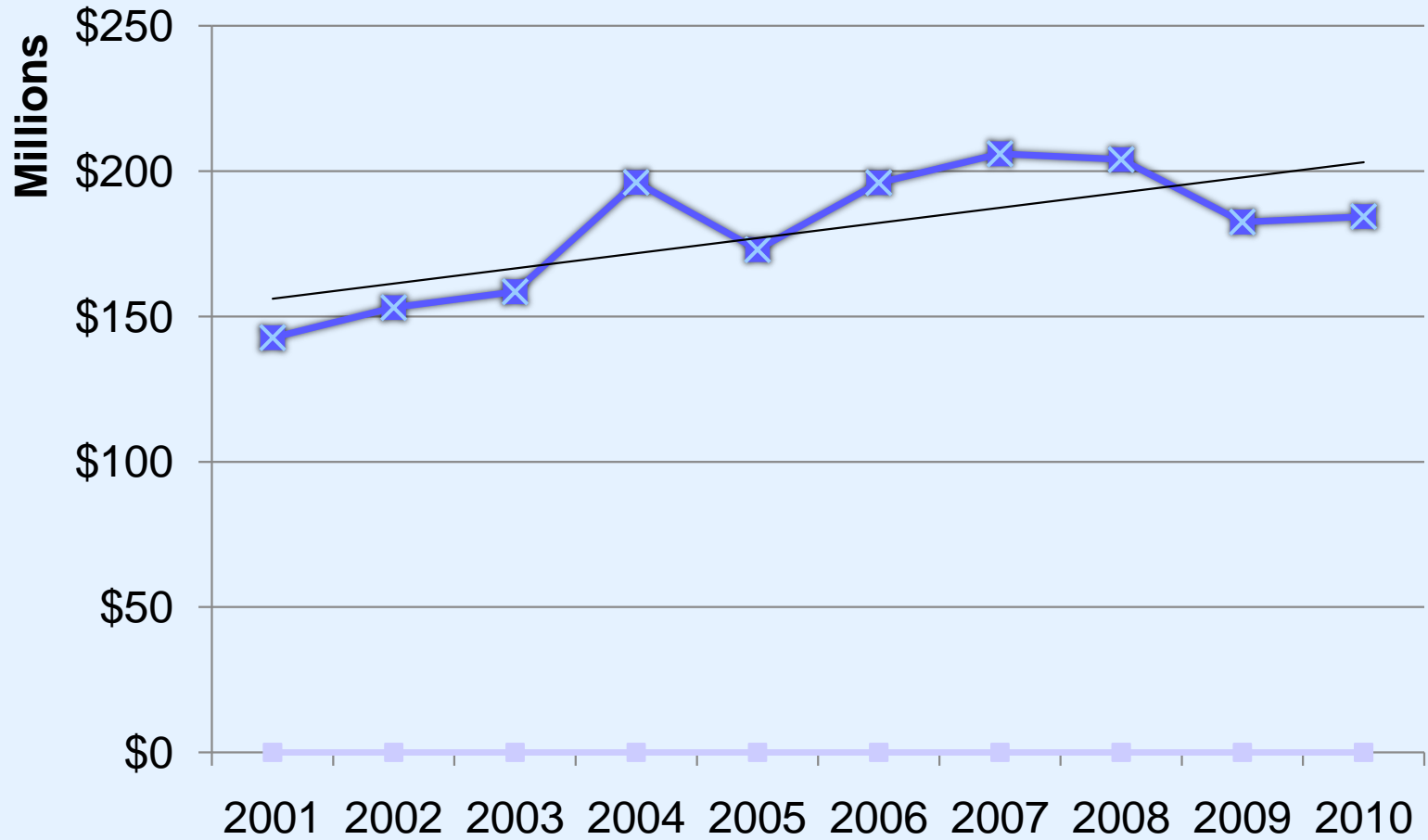


2010 Revenues –Citywide

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



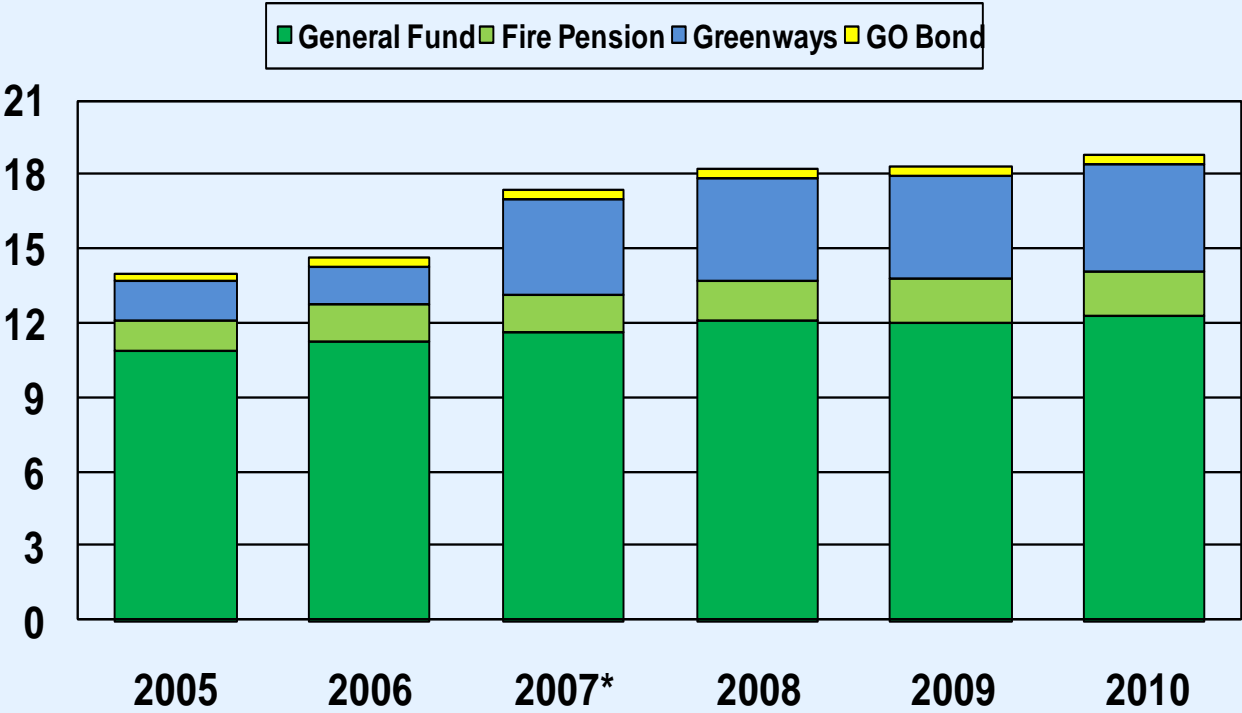
Revenues –Citywide



Citywide Tax Revenues - 2010

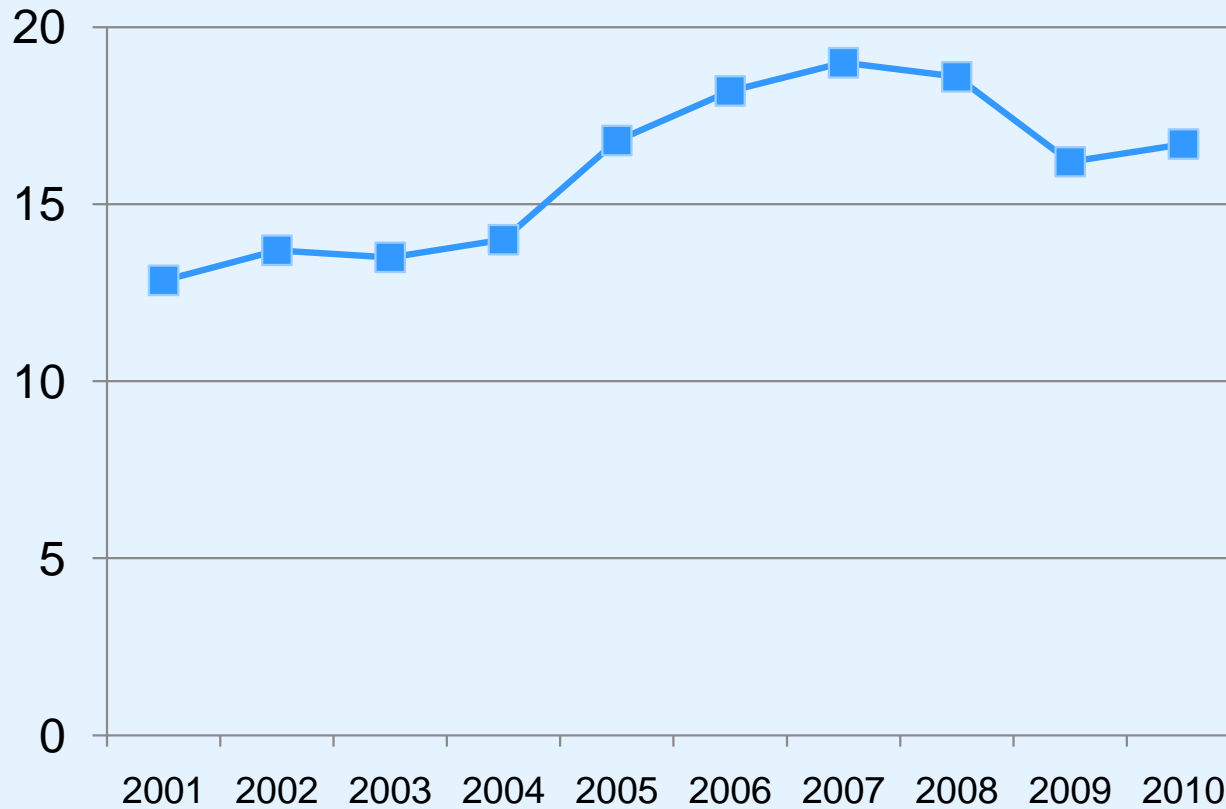
Source	2010	2009	% of chg
Property Tax	\$ 18,868,727	\$ 18,467,124	+ 2%
Sales Tax	16,715,882	16,230,568	+3%
B&O Tax	10,398,742	10,636,045	-2%
Utility Taxes	14,077,409	14,024,030	0%
Tourism	921,176	891,880	3%
REET Taxes	1,707,980	1,878,290	- 9%
All Other Taxes	2,884,492	2,738,101	+5%

Property Tax Millions

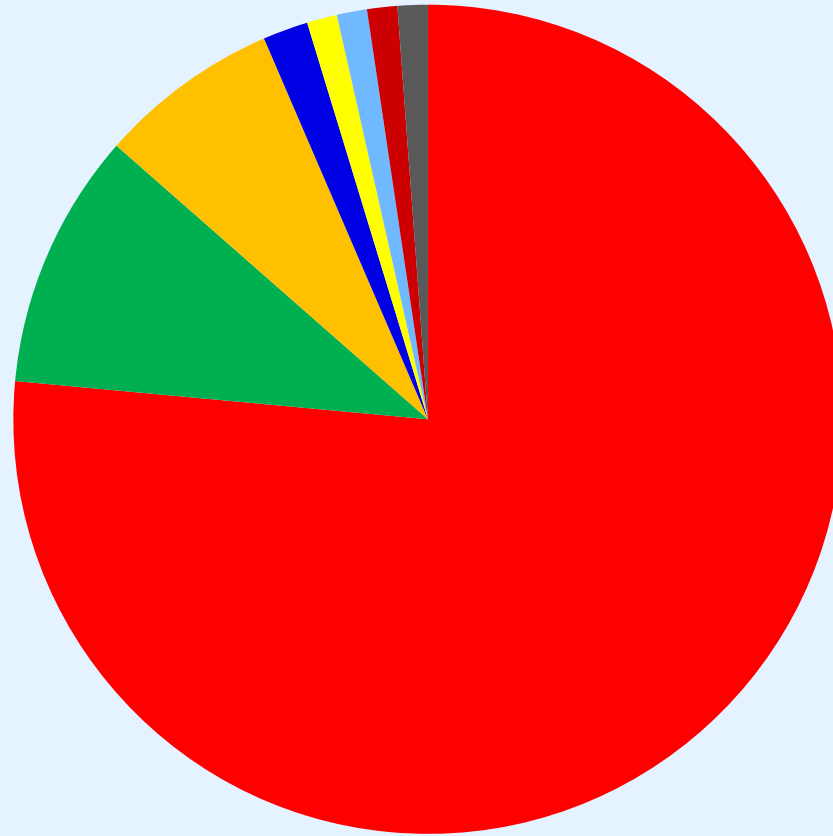


*2007 Greenways III began

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%

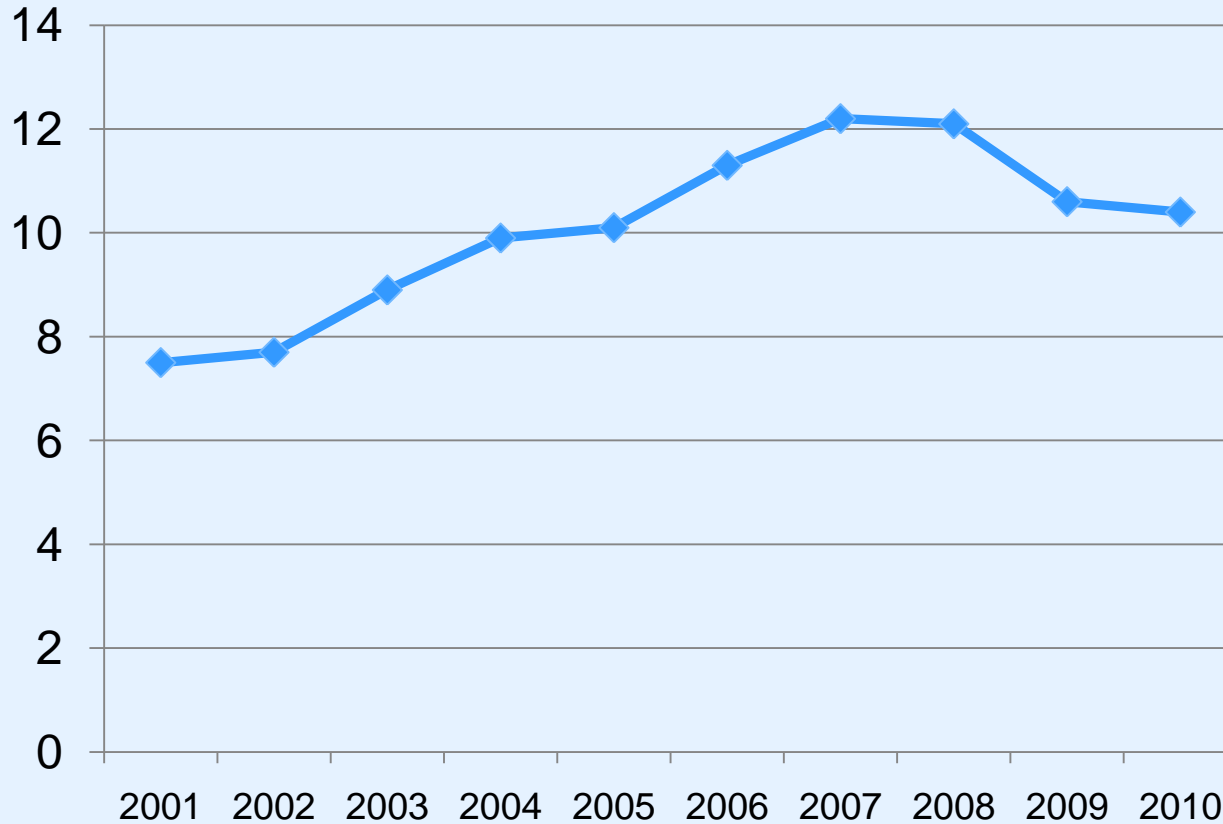
■ County GF-.15%

■ Criminal Justice-.10%

■ Emergency medical system-10%⁰

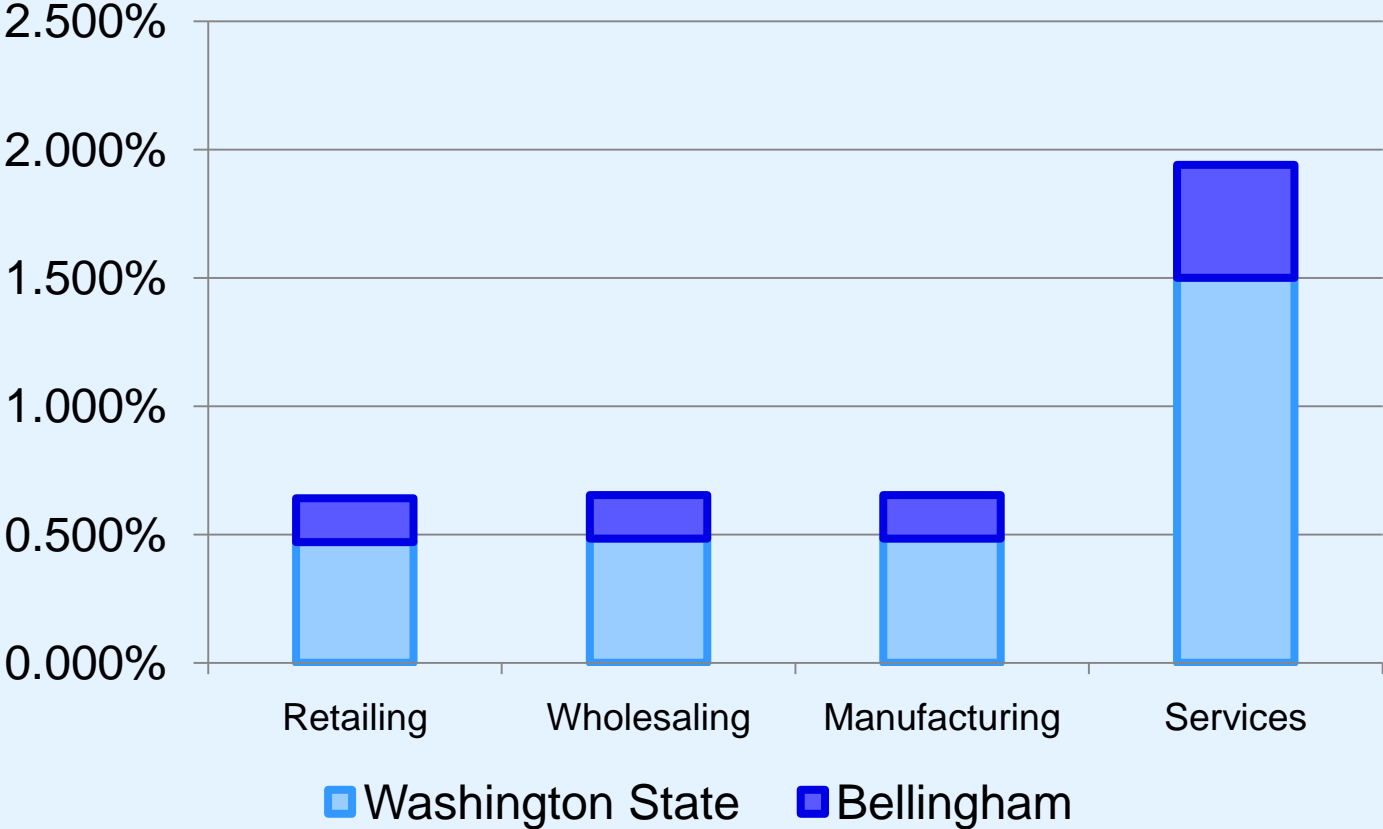
Business & Occupation Tax

(Millions)

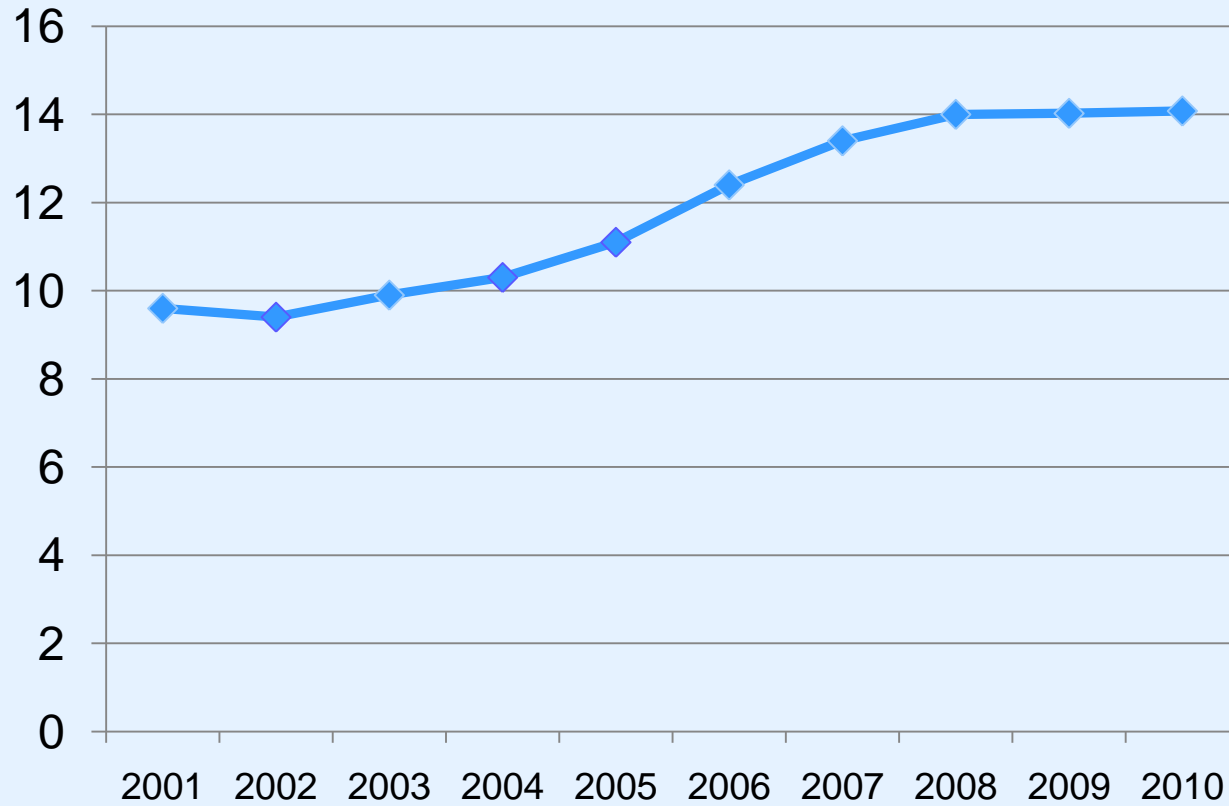


Business & Occupation Tax

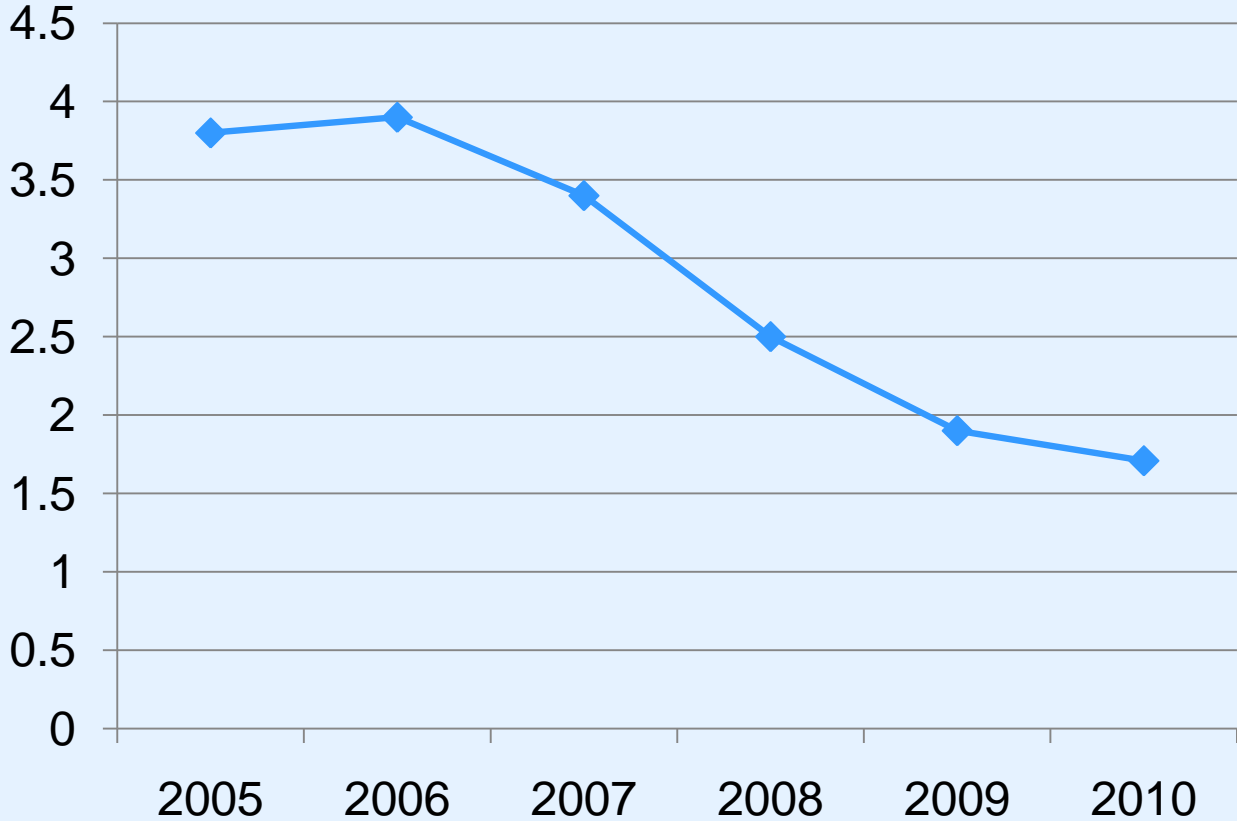
(Rate by type of activity)



Utility Taxes (Millions)



Real Estate Excise Tax (Millions)



Percent Change	2005	2006	2007	2008	2009	2010
	8.6%	2.6%	-12.8%	-26.5%	-24.0%	-9.1%

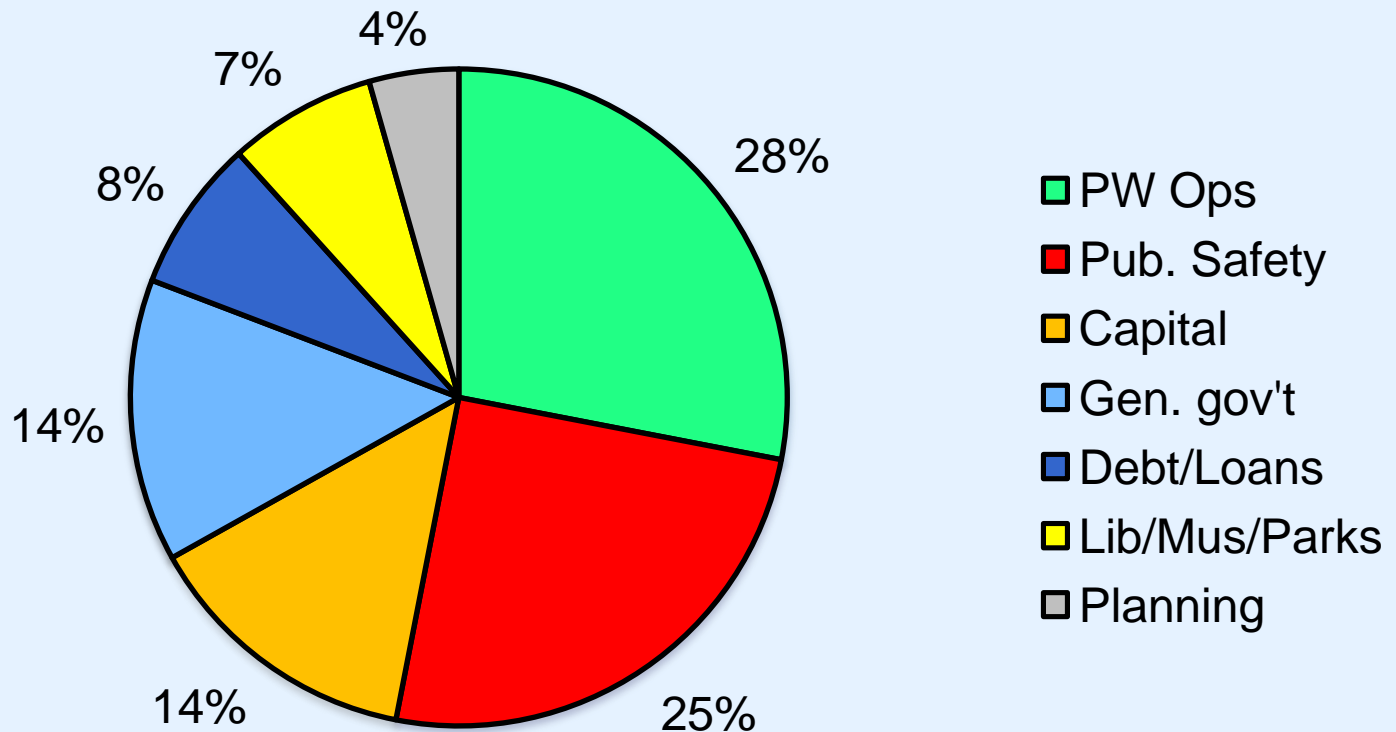
Expenditures - Citywide

- **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



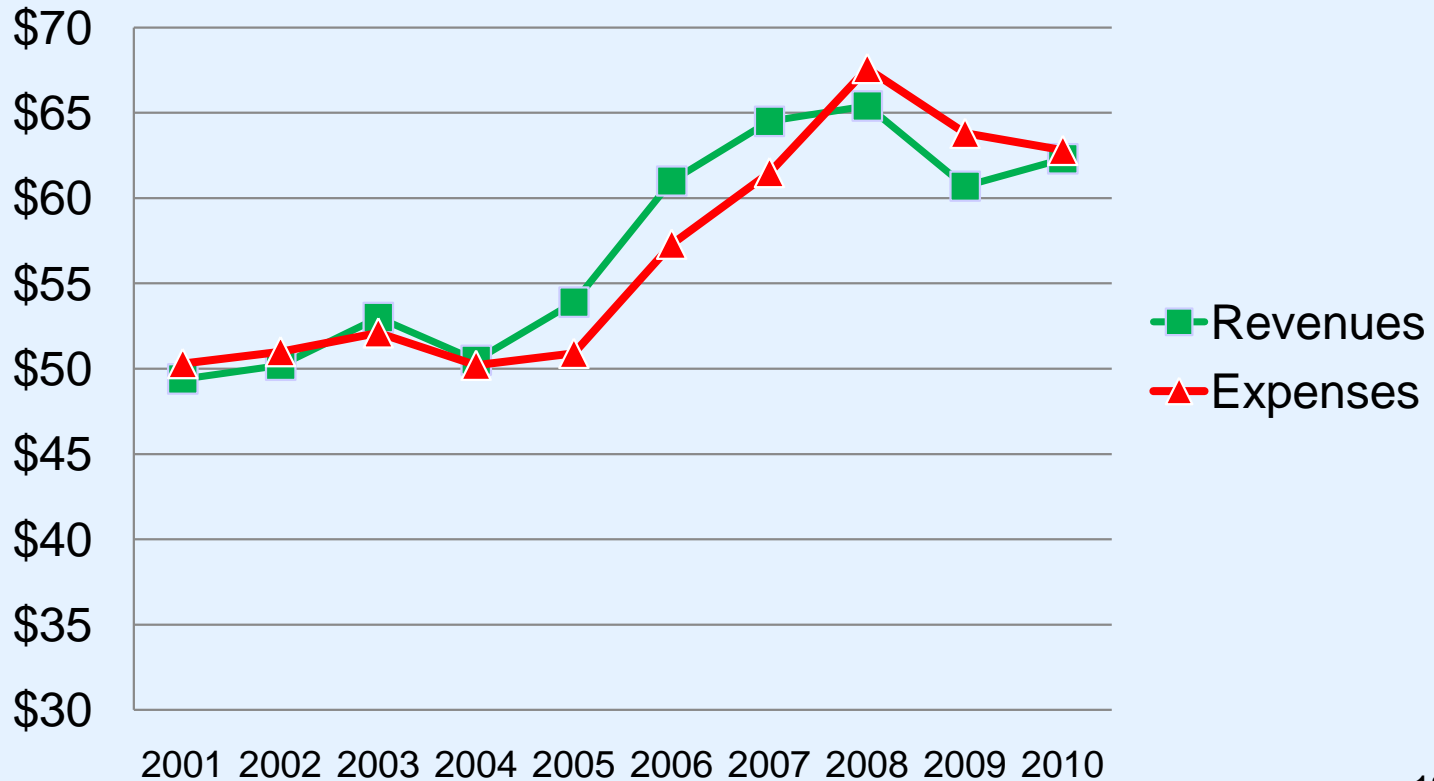
General Fund Status

- **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

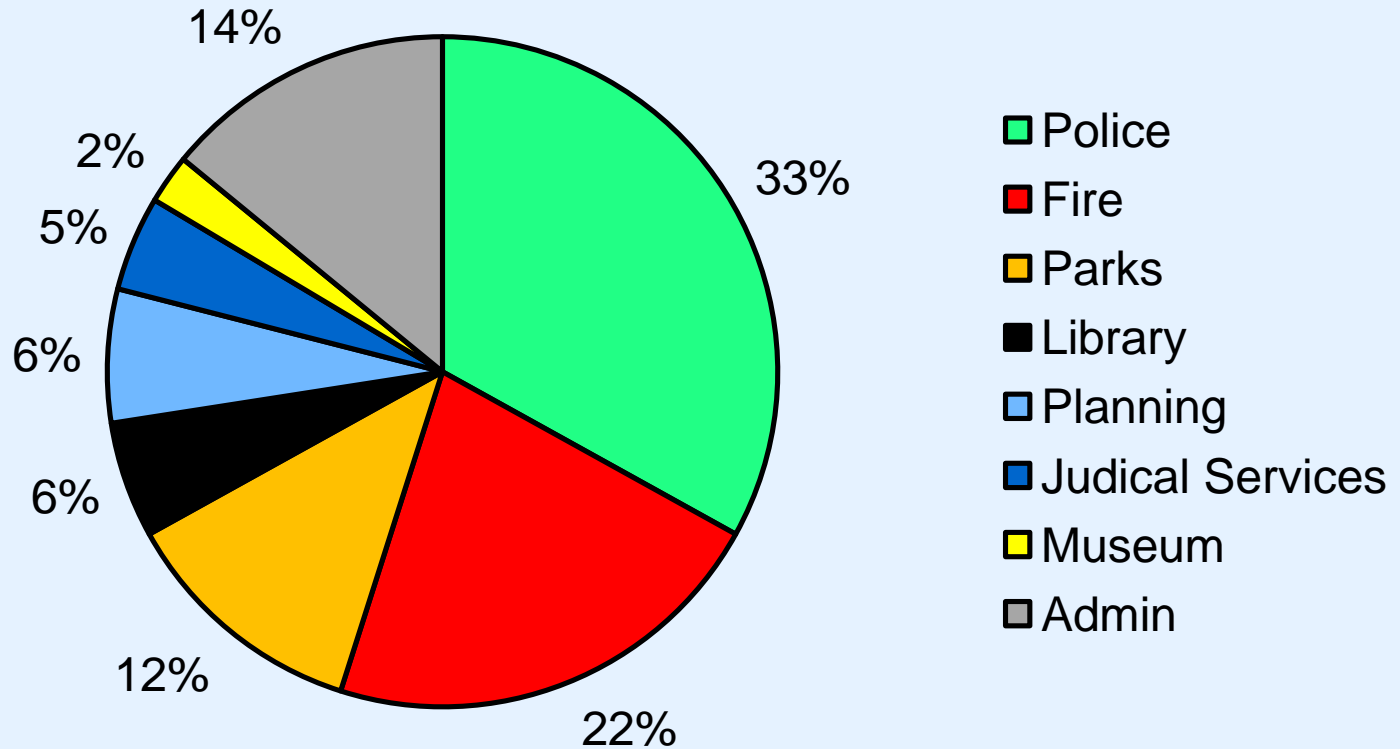


General Fund

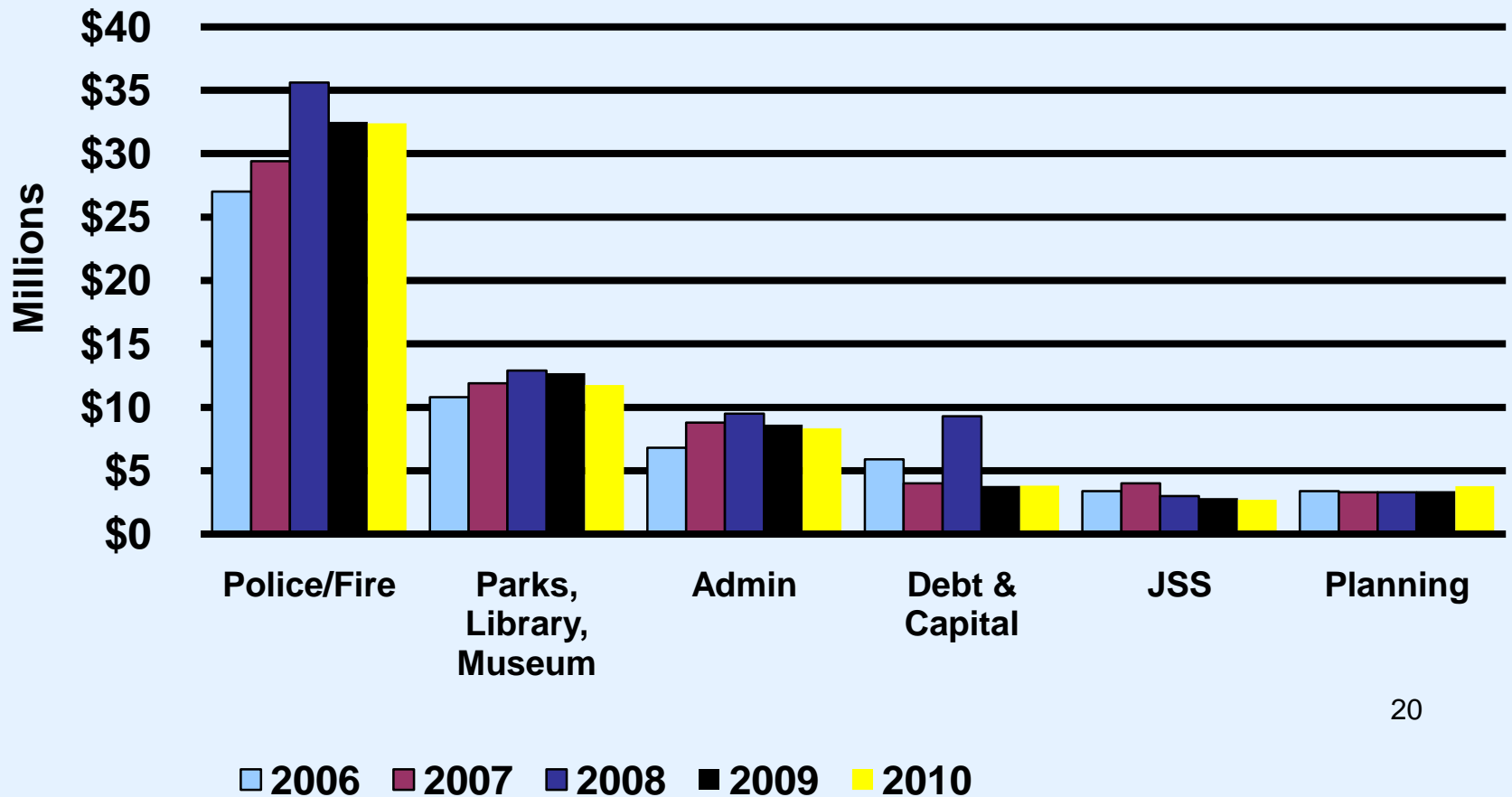
Operating Expenditures

2010 \$58.9 million

2009 \$59.9 million

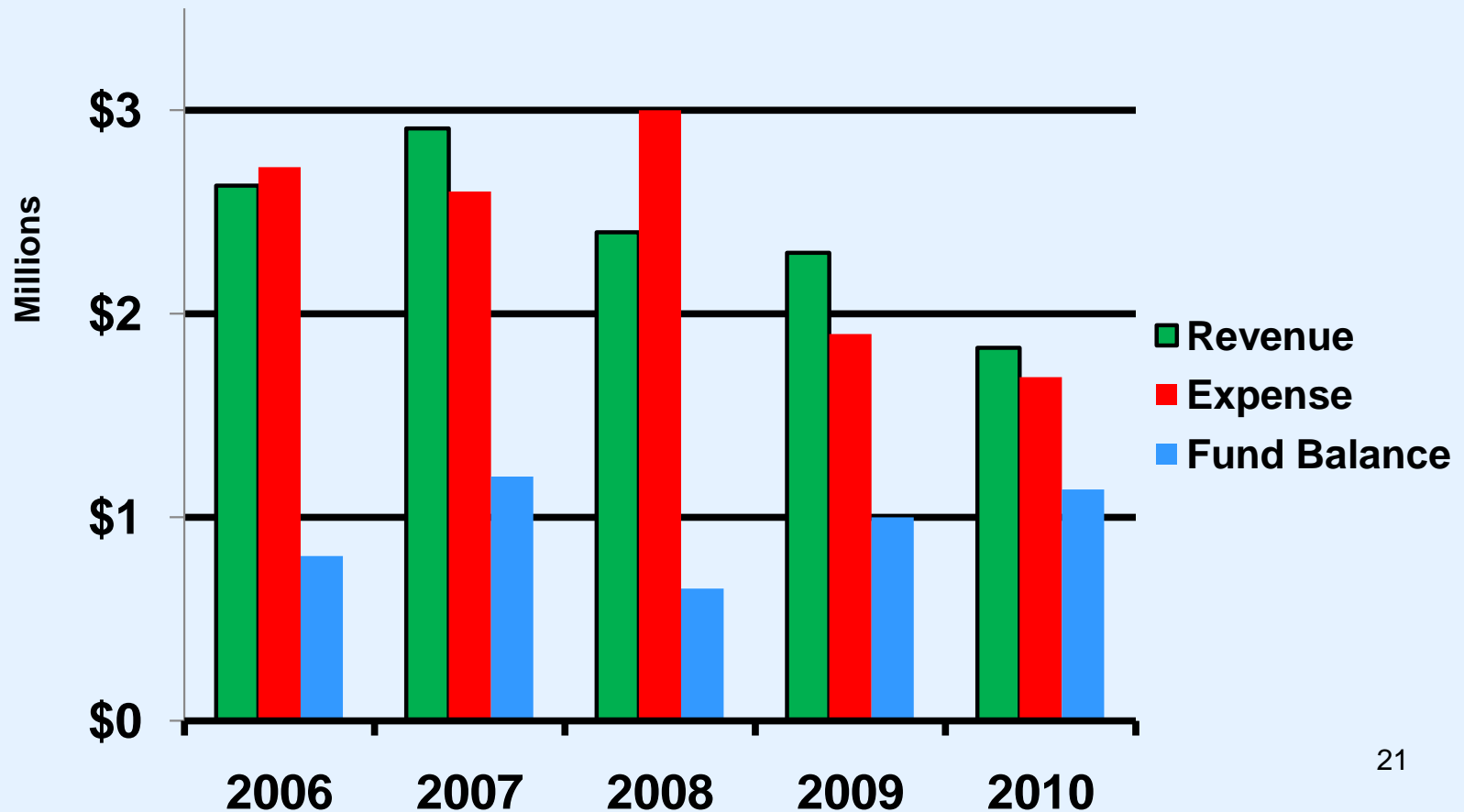


General Fund Expenditures

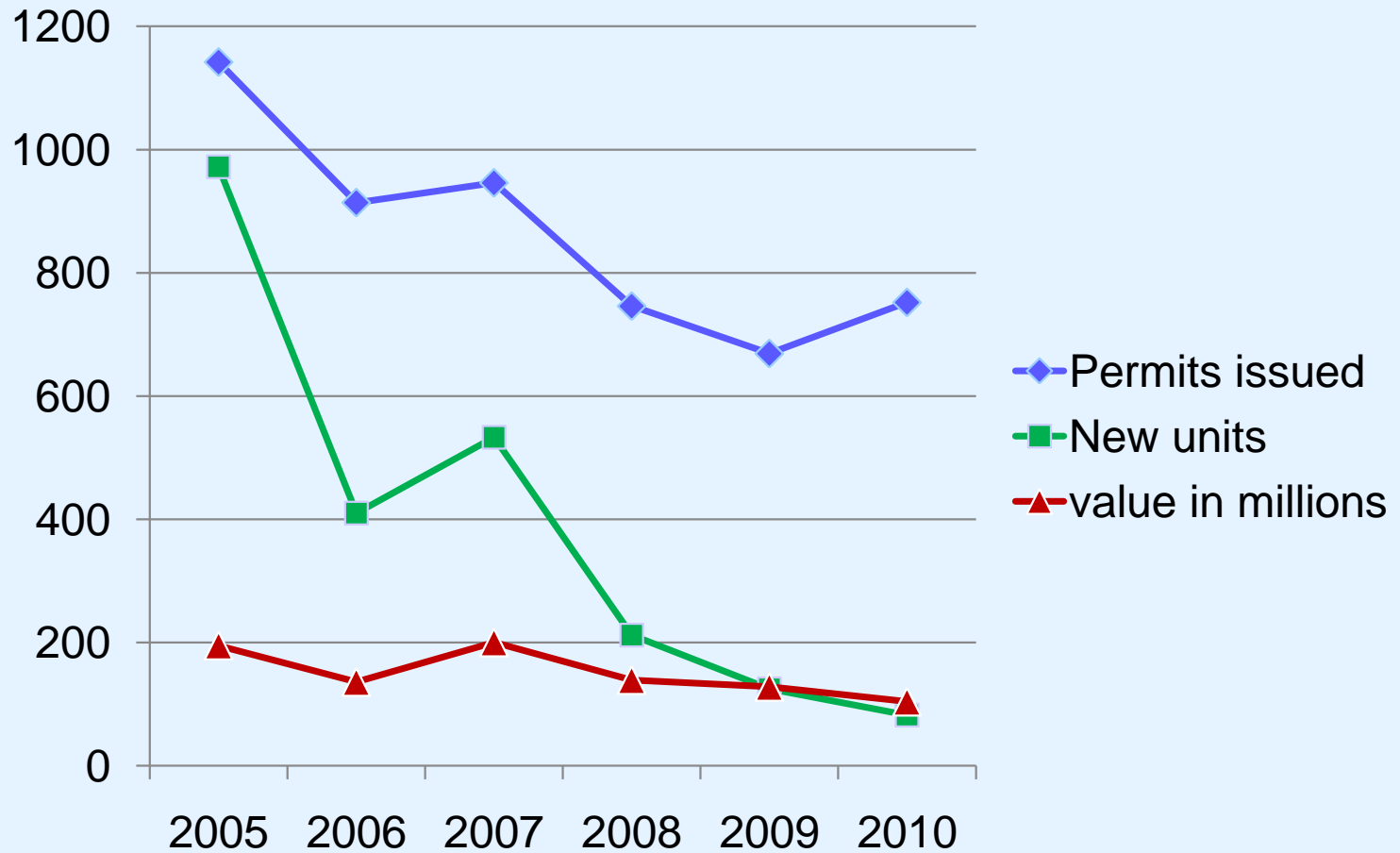


Development Services Fund

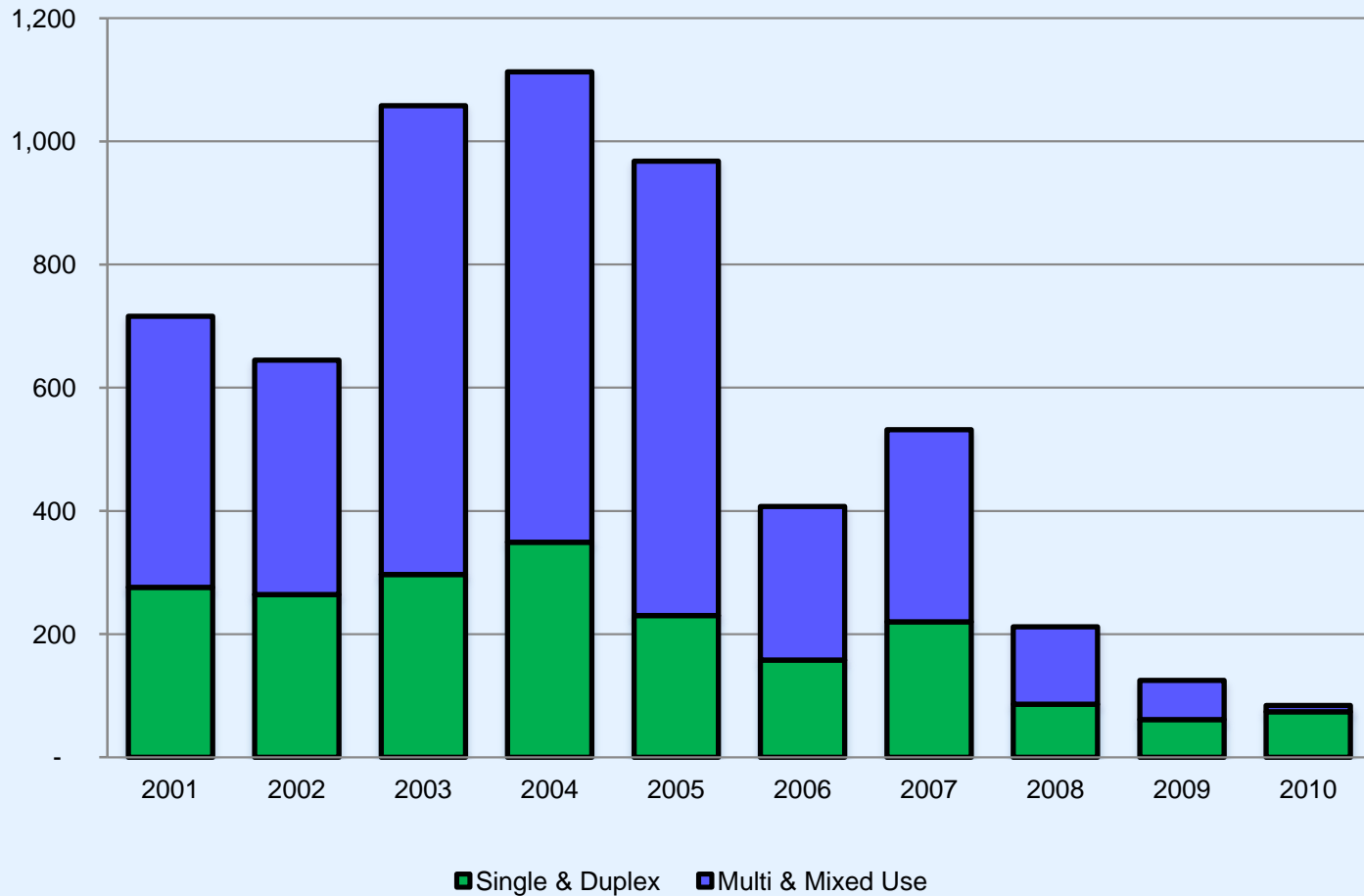
Revenue, Expense, & Fund Balance



Construction Permit activity

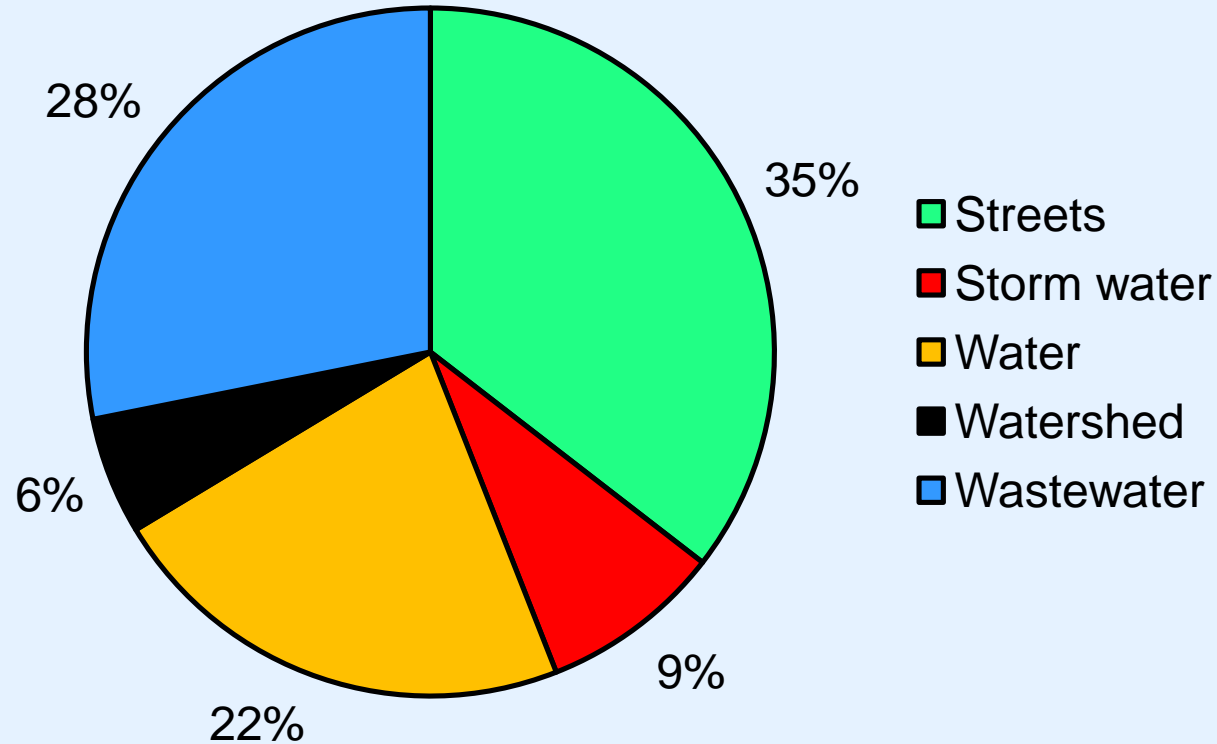


Number of residential units added



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%**

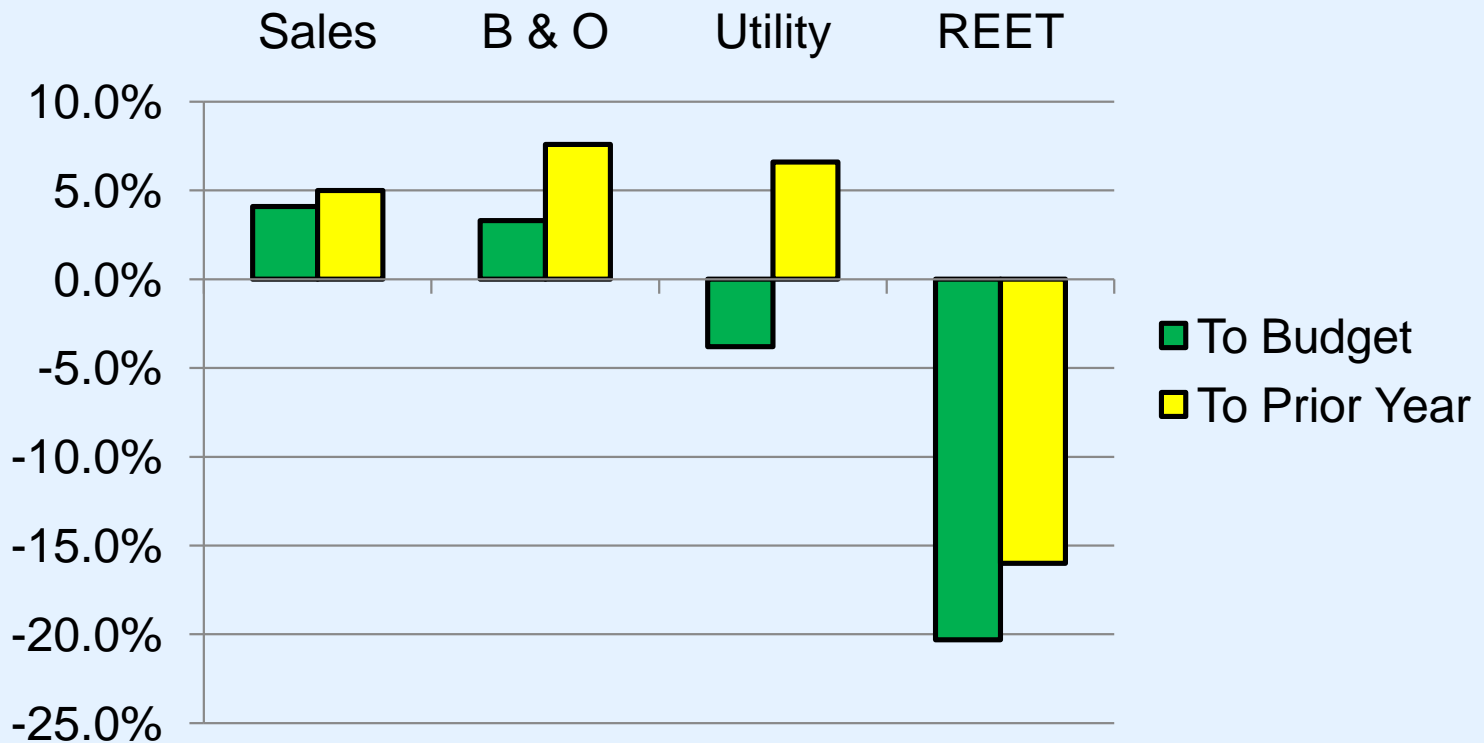
2011 Budget Forecast

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)**