2016 Fiscal Year End Review

1. Economic Indicators
2. Investment Portfolio
3. Citywide Revenues
4. Major Enterprise Funds
5. General Fund
WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Upside:
– U.S. economy continues to grow at moderate pace
– WA. economy will outperform national economy
– Fed. Reserve likely increase rates twice in 2017

Downside:
– Slowing global economy
– Slower U.S. GDP growth
– Negative impact of stronger dollar on exports
– Uncertainty regarding federal fiscal & trade policy
– Stock market volatility

February 16
2016 Building Permit Activity - $189 M

Millions


Commercial Alterations
Single Family - New
Com / Ind. / Mixed Use - New
Five or more Apts. - New
All Other

5
Investments - $187 M

- Federal Agency 74%
- State Investment Pool 15%
- Municipal Bonds 8%
- US Treasury Notes 3%

Portfolio
- State Pool
- Benchmark

2010: Portfolio, State Pool, Benchmark
2011: Portfolio, State Pool, Benchmark
2012: Portfolio, State Pool, Benchmark
2013: Portfolio, State Pool, Benchmark
2014: Portfolio, State Pool, Benchmark
2015: Portfolio, State Pool, Benchmark
2016: Portfolio, State Pool, Benchmark
Citywide Revenues - $268 M

- Fines & Penalties
- Interfund Loans
- Licenses & Permits
- Capital Cont. & Loans
- Int. & Rent & Misc.
- Intergov. Rev
- Health Benefits
- LT Debt & Transfers
- Goods & Services
- Utilities
- Taxes

Budget 2016 2015
Citywide Expenditures - $244 M

- Integovt.
- Transfers
- Supplies
- Capital
- Benefits
- Debt Service
- Salaries
- Goods & Services

Budget, 2016, 2015
Street Fund Revenues - $13.6 M

- Debt, Loans, Transfers
- Impact Fees
- Int. Leases, Misc.
- Grants
- Fuel Tax
- Sales Tax

Budget 2016 2015
Street Fund Expenses - $13.8 M

- GOODS & SERVICES: 8.5 M
- SALARIES: 1.5 M
- BENEFITS: 0.2 M
- TRANSFERS: 0.1 M
- SUPPLIES: 0.05 M
- MISCELLANEOUS: 0.02 M
- CAPITAL: 13.2 M

Comparison of Budget and Actual Expenses for 2015 and 2016.
Water Fund Revenues - $27.7 M

- System Demand
- Other Charges
- Other Financing
- Unmetered
- Watershed
- Metered

Budget 2016 2015

0 5 10 15 20
Water Fund Expenses - $26.5 M

- Int. Gov't Services
- Benefits
- Interfund Loans
- Debt Service
- Salaries
- Supplies
- Capital
- Taxes
- Goods & Services

Budget, 2016, 2015
Sewer Fund Revenues - $25.6 M

- Misc. Int, fines
- System Demand
- LT Debt, Contrib.
- Unmetered
- Metered

Budget, 2016, 2015
Sewer Fund Expenses - $19 M
Storm water Fund Revenues - $9.3 M

- Goods & Services
- Debt & Contribut.
- Misc. Int, fines
- Grants

Budget, 2015, 2016
Storm water Fund Expenses - $10 M
General Fund Revenues $75.3 M

- Fines & Penalties
- Licenses & Permits
- Int. & Rent & Misc.
- Intergov. Rev
- Goods & Services
- Property
- B&O
- Sales
- Utility

Budget: 2015 - 2016
Sale Tax Revenue $13.2 M

- Misc. Retailers
- Clothing
- Specialty Trade
- Wholesale
- Building Mat.
- Construction
- Food & Drink
- Autos & Parts
- Gen. Merch

2015 vs. 2016
<table>
<thead>
<tr>
<th>Description</th>
<th>2015-16 Budget</th>
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<tbody>
<tr>
<td><strong>Beginning Reserve</strong></td>
<td>$ 17,403,746</td>
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<tr>
<td><strong>Revenues</strong></td>
<td>145,240,565</td>
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<td><strong>Expenditures</strong></td>
<td>146,571,730</td>
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<td><strong>Net Surplus / Deficit</strong></td>
<td>(1,331,165)</td>
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<td><strong>Undesignated Reserve</strong></td>
<td>$ 7,572,581</td>
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<tr>
<td><strong>Designated 12% Reserve</strong></td>
<td>$ 8,500,000</td>
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Revenues

– Sales Tax
  • 3.8% vs 3%
– B&O Tax
  • 6.7% vs 3%
– Liquor & marijuana Profits
  • legislatives changes
– Sale of land - $367K
– Hearing Examiner – Savings $240K
Expense Considerations

– Re-appropriations
  • Requests of $1.1 M
– Fire Truck - $750,000
– Incentives - $750,000
## General Fund Biennial Budget

<table>
<thead>
<tr>
<th></th>
<th>2015-16 Actual</th>
<th>2017-18 Budget</th>
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<tbody>
<tr>
<td><strong>Beginning Reserve</strong></td>
<td>$17,725,097</td>
<td>$23,093,000</td>
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<td><strong>Revenues</strong></td>
<td>148,065,649</td>
<td>155,468,511</td>
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<td><strong>Expenditures</strong></td>
<td>142,697,384</td>
<td>159,270,560</td>
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<td><strong>Net Surplus / Deficit</strong></td>
<td>5,368,265</td>
<td>(3,802,049)</td>
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<td><strong>Undesignated Reserve</strong></td>
<td>$13,793,362</td>
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<td><strong>Designated 12% Reserve</strong></td>
<td>$9,300,000</td>
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