



2017 Second Quarter Financial Review

August 7, 2017

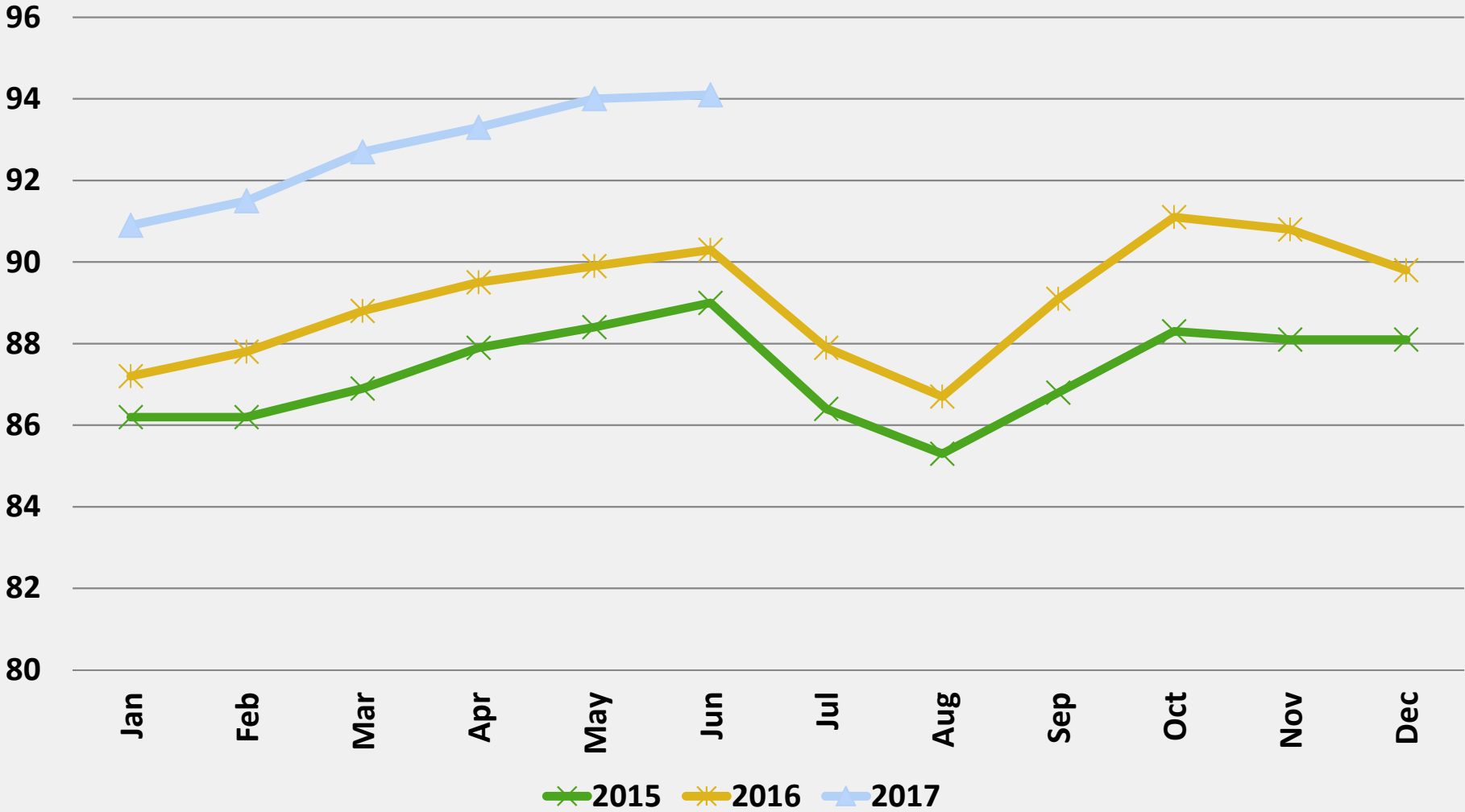


City of
Bellingham

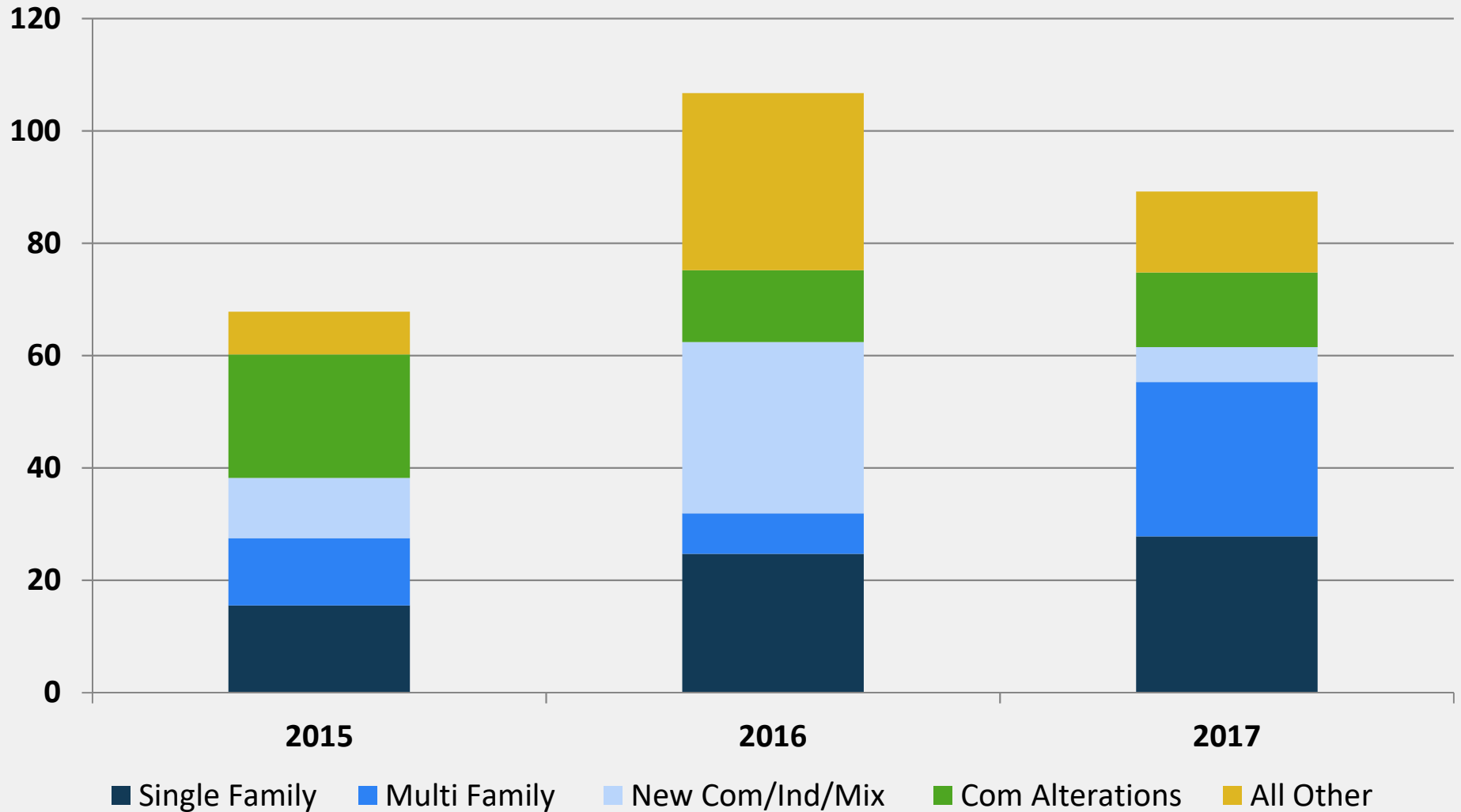
National Numbers

- Inflation
 - CPI = 1.6%
- Unemployment
 - 4.4%
- Labor Force Participation
 - 62.8%
- Federal Reserve Interest Rate
 - Unchanged at 1 - 1.25%

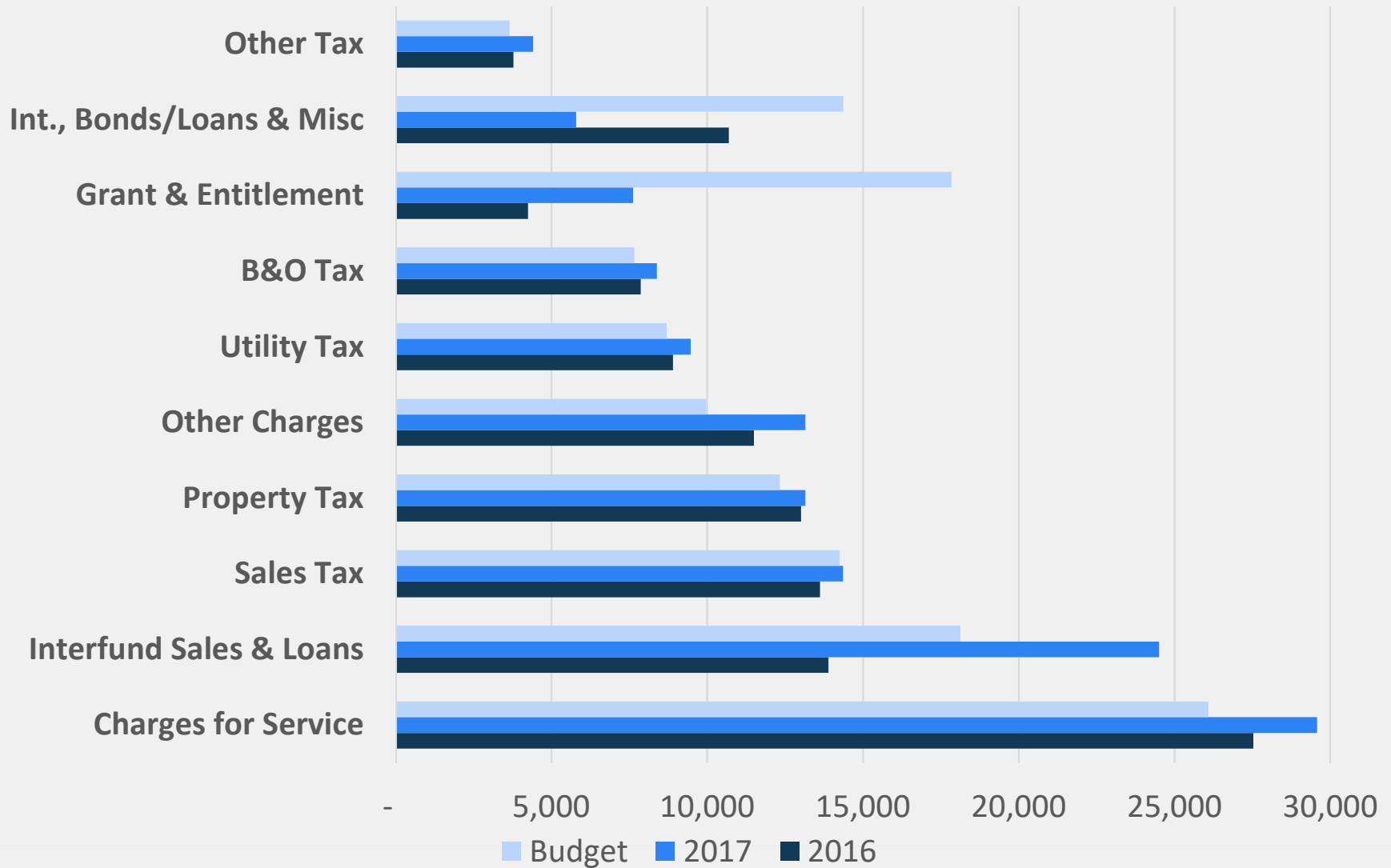
Whatcom County Non-Farm Jobs – 94,000



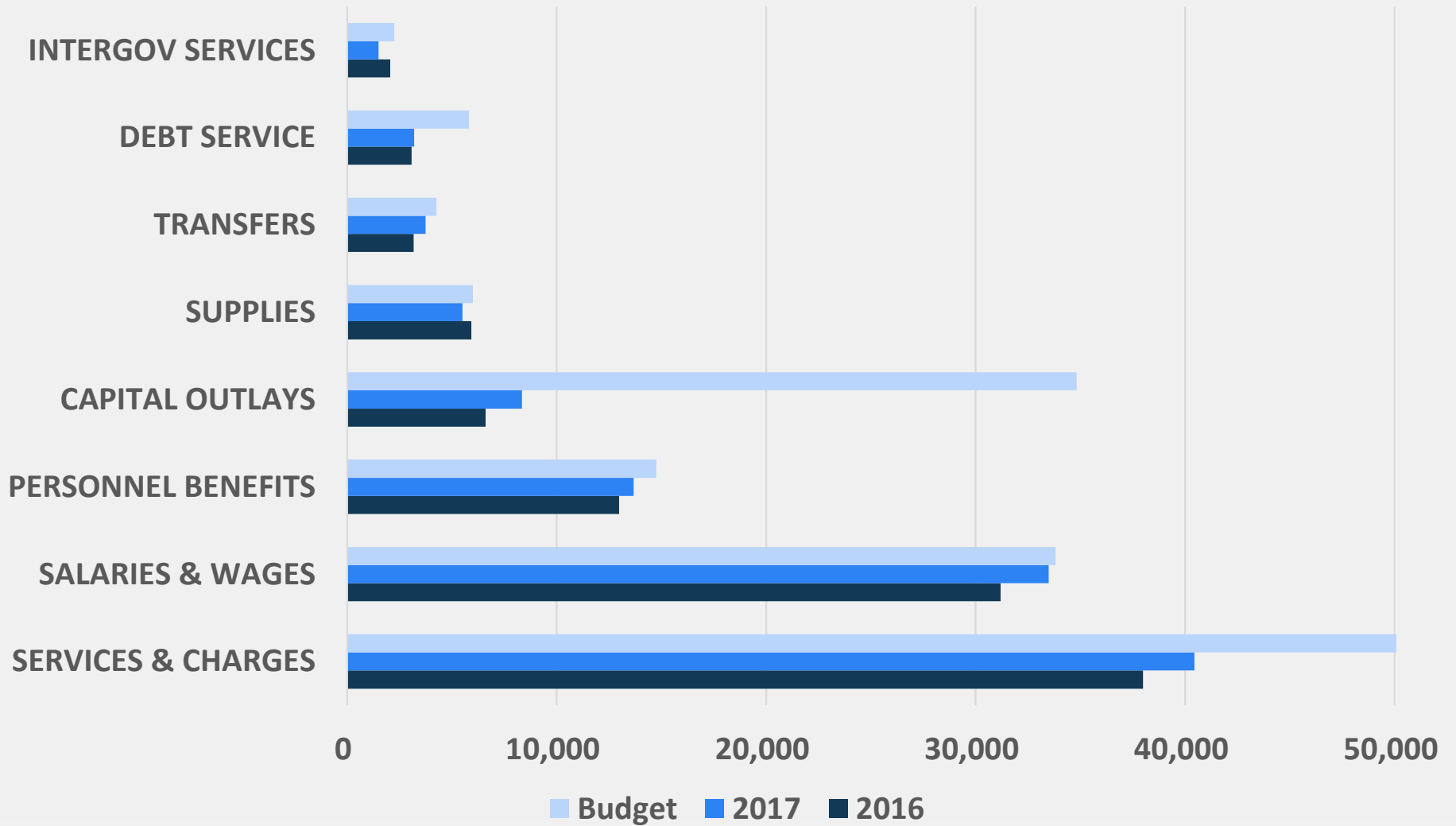
2017 YTD Building Activity - \$89 M



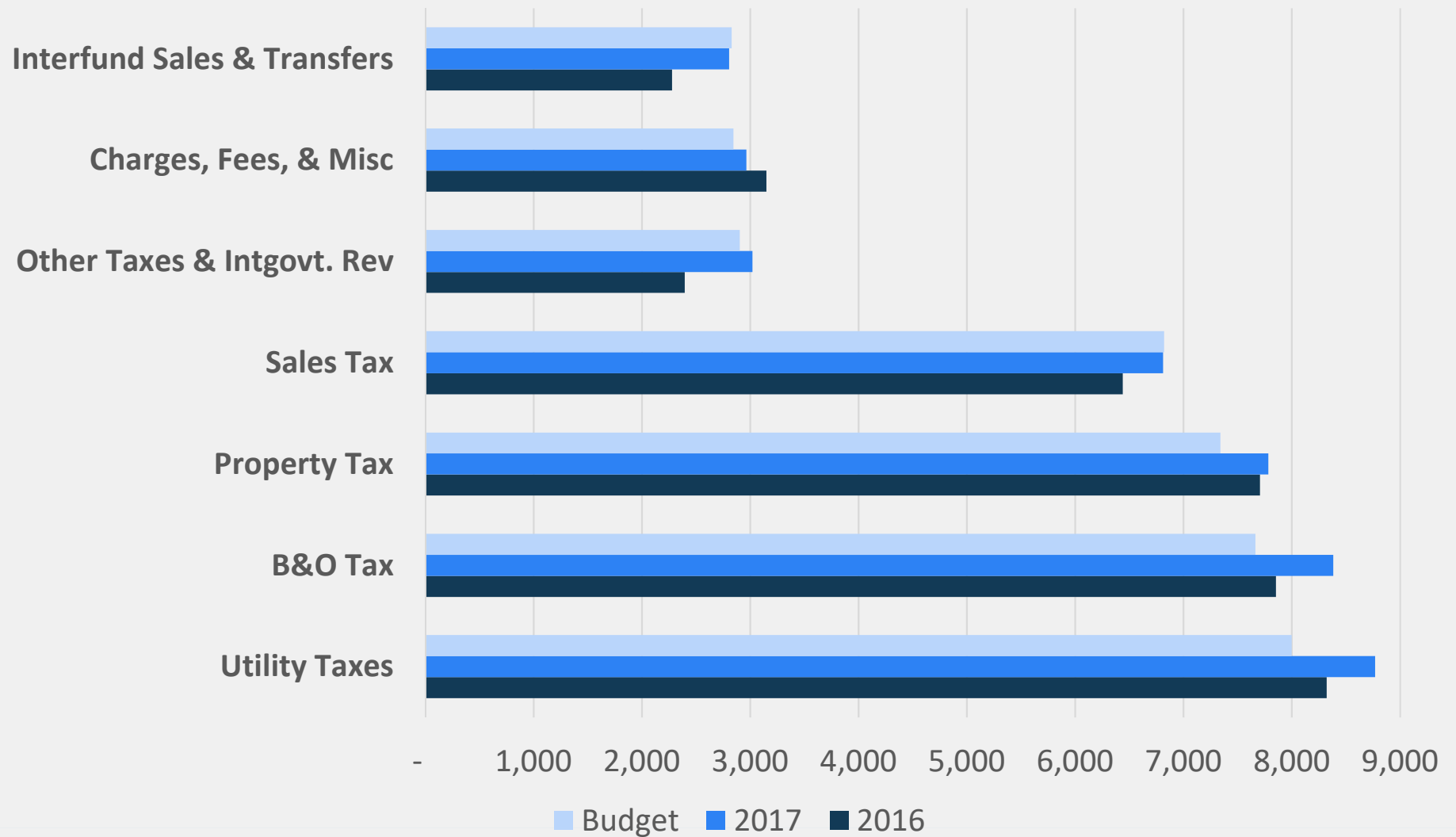
Citywide Revenues - \$130.4 M



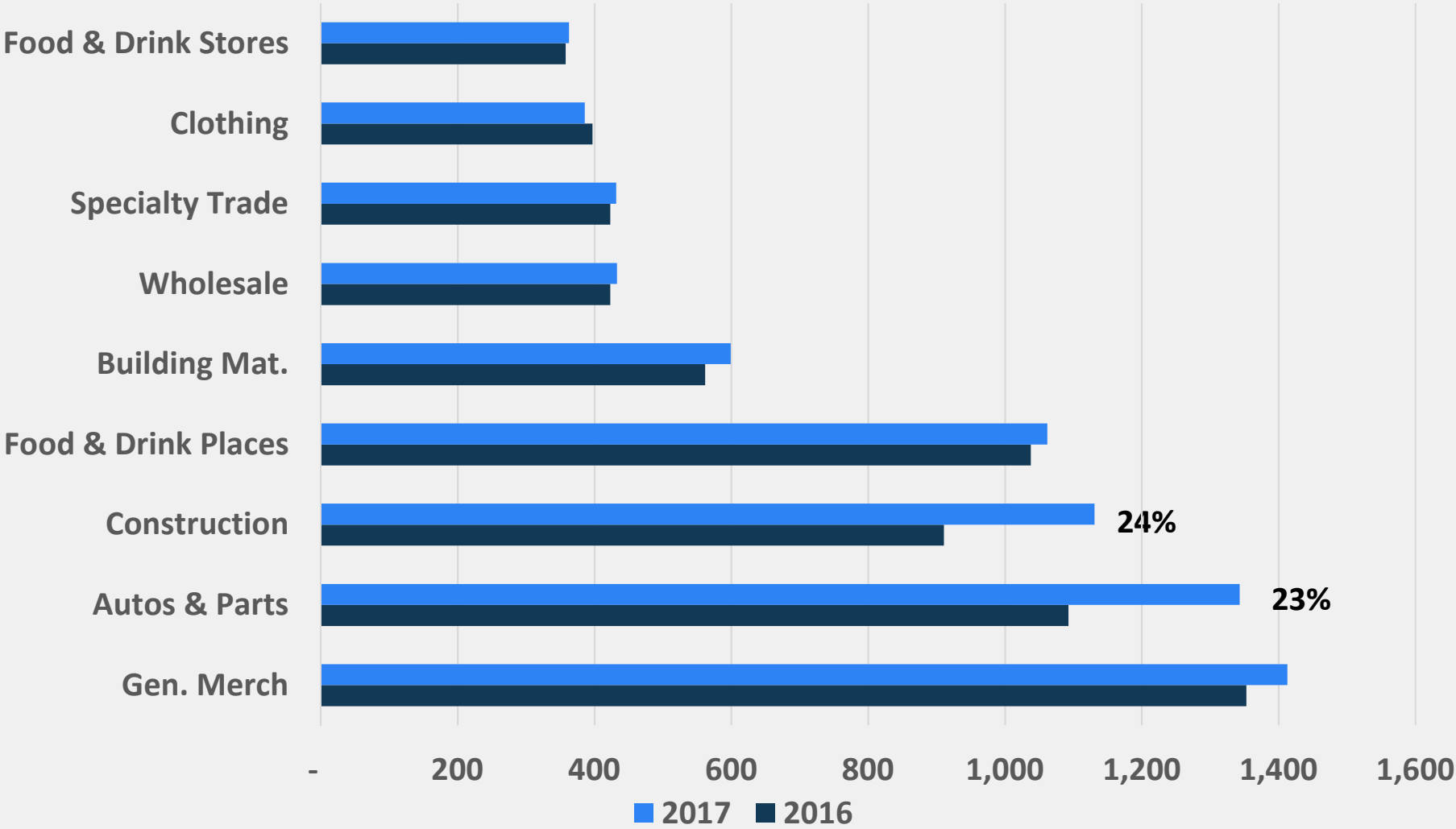
Citywide Expenditures - \$109.5 M



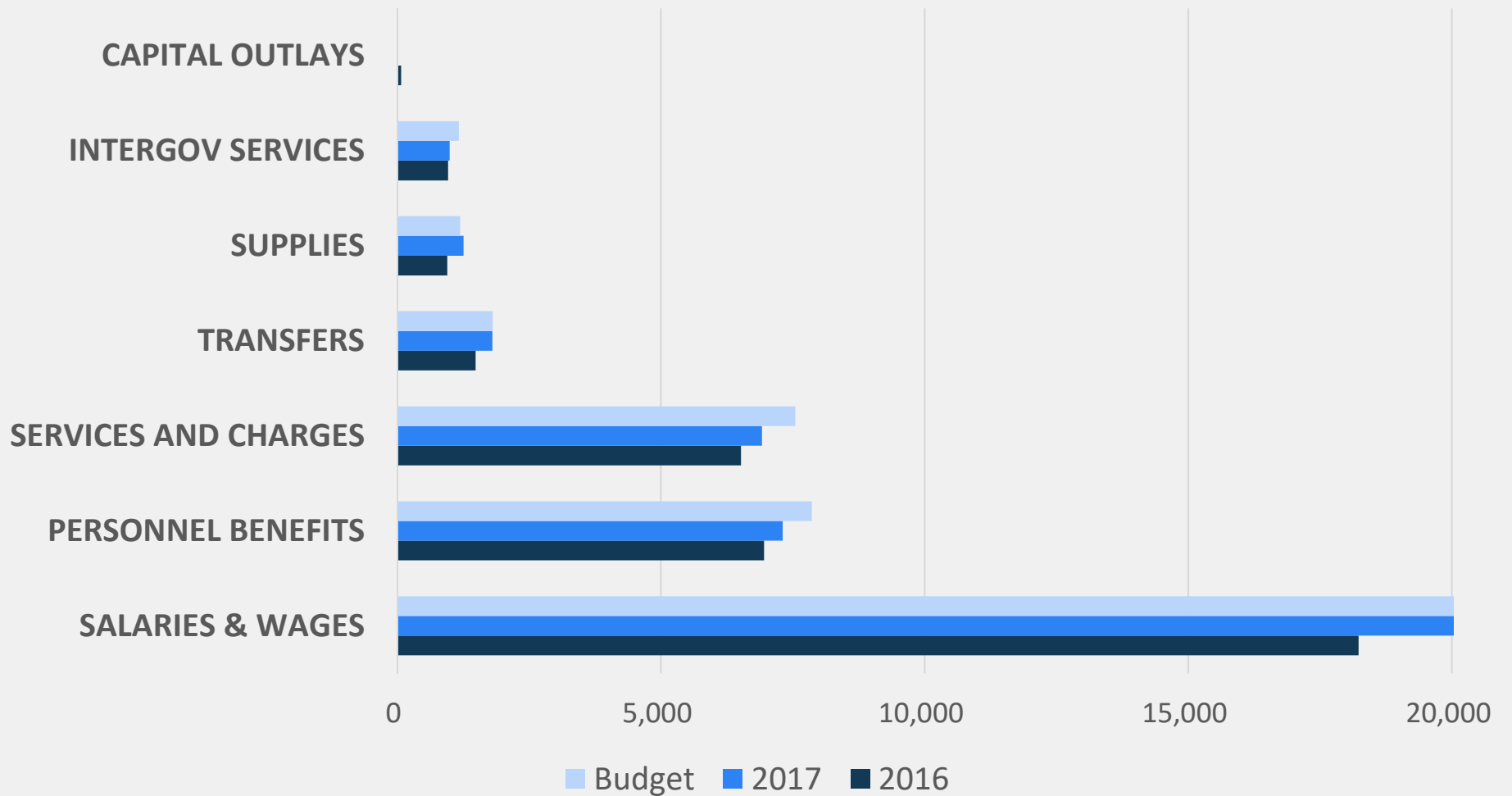
General Fund Revenues - \$40.5 M



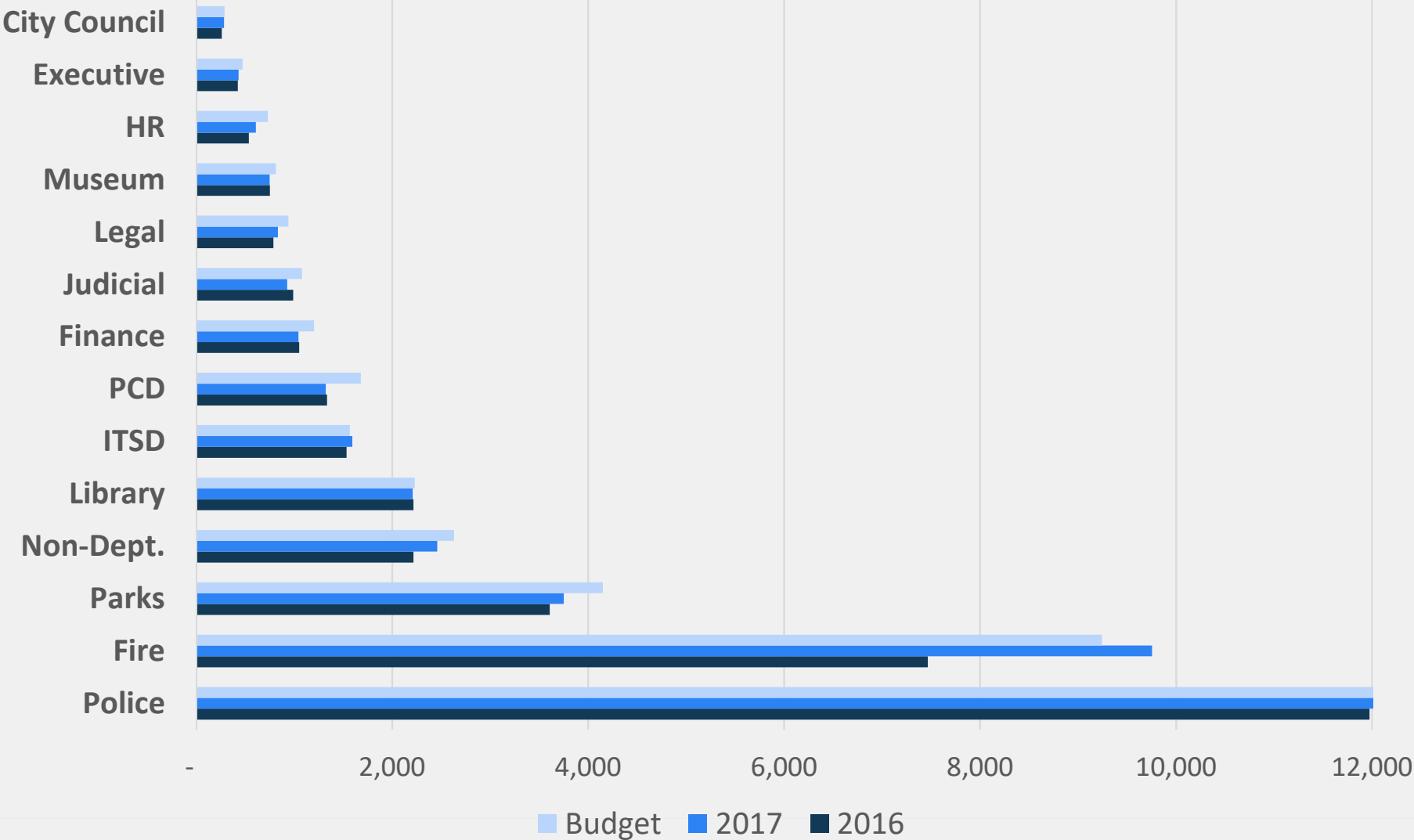
Sales Tax By Industry



GF Expenses - \$38.5 M



General Fund Expenses - \$38.5 M



Street Fund

Revenues		Prior YTD	Current YTD	%	Rev. Budget	% Budget
Sales Tax		3,870,761	4,093,214	6	7,800,000	52
Federal/State Grants		469,692	723,261	54	8,057,000	9
Entitlements, Revenue Sharing		922,621	883,261	-4	1,707,750	52
Other Revenues	(1)	252,465	1,509,490	498	1,323,157	114
Misc.		17,562	46,311	164	-	0
Total Revenues		5,533,101	7,255,537	31	18,887,907	38
Operating Expenditures						
Salaries, Wages & Benefits		1,365,770	1,112,226	-19	2,400,715	46
Supplies		230,768	339,310	47	599,651	57
Services-Professional, Repairs, Utilities		3,080,921	2,906,273	-6	8,051,321	36
Intergovernmental Services, Taxes, & Fees		47,379	49,213	4	105,000	47
Total Operating Expenditures		4,724,838	4,407,022	-7	11,156,687	40
Capital Outlay		812,512	983,702	21	10,597,351	9
Debt Service, Loans, Transfers		335,617	295,321	-12	590,949	50
Total Capital and Debt Expenditures		1,148,129	1,279,023	11	11,188,300	11
Total Expenditures		5,872,968	5,686,045	-3	22,344,987	25

(1) Developer contribution

Water Fund

Revenues		Prior YTD	Current YTD	%	Rev. Budget	% Budget
Unmetered Water	(1)	1,326,859	822,116	-38	3,184,060	26
Metered Water	(1)	6,968,127	7,857,071	13	13,252,959	59
Demand Charges		572,448	678,537	19	1,030,000	66
Other Water System Charges		602,196	643,926	7	1,040,300	62
Other Revenues	(3)	177,677	1,723,808	870	529,300	326
Other Financing Sources & Misc.		301,301	360,987	20	12,685,088	3
Total Revenues		\$ 9,948,608	\$ 12,086,445	21%	\$ 31,721,707	38%
Operating Expenses						
Salaries, Wages & Benefits		2,286,017	2,243,899	-2	4,645,187	48
Supplies & Services	(2)	5,959,598	5,176,482	-13	12,995,943	40
Total Operating Expenses		\$ 8,245,615	\$ 7,420,381	-10%	\$ 17,641,130	42%
Capital Outlay	(3)	841,266	4,442,861	428	20,555,355	22
Debt, Interfund Loans, & Transfers		237,861	219,804	-8	1,747,835	13
Total Capital and Debt Expenses		\$ 1,079,127	\$ 4,662,665	332%	\$ 22,303,189	21%
Total Expenses		\$ 9,324,742	\$ 12,083,046	30%	\$ 39,944,319	30%

- (1) Water Meter Conversion
- (2) Supplies for meter conversion
- (3) Water pre-treatment funding & capital

Watershed Fund

Revenues		Prior YTD	Current YTD	%	Rev. Budget	% Budget
Watershed Charges		2,438,728	2,509,578	3	4,918,703	51
Demand Charges	(1)	98,851	363,841	268	101,650	358
Investment Interest		2,279	25,342	1012	19,246	132
Other Revenues		12,236	9,088	-26	570,984	2
Total Revenues		\$ 2,552,094	\$ 2,907,848	14%	\$ 5,610,583	52%
Operating Expenses						
Salaries, Wages & Benefits		28,453	55,558	95	115,657	48
Supplies & Services		479,245	515,956	8	1,171,060	44
Total Operating Expenses		\$ 507,698	\$ 571,514	13%	\$ 1,286,717	44%
Capital Outlay		256,735	192,173	-25	2,120,470	9
Debt, Interfund Loans, & Transfers		723,262	524,067	-28	2,198,533	24
Total Capital and Debt Expense		\$ 979,997	\$ 716,240	-27%	\$ 4,319,003	17%
Total Expenses		\$ 1,487,695	\$ 1,287,754	-13%	\$ 5,605,720	23%

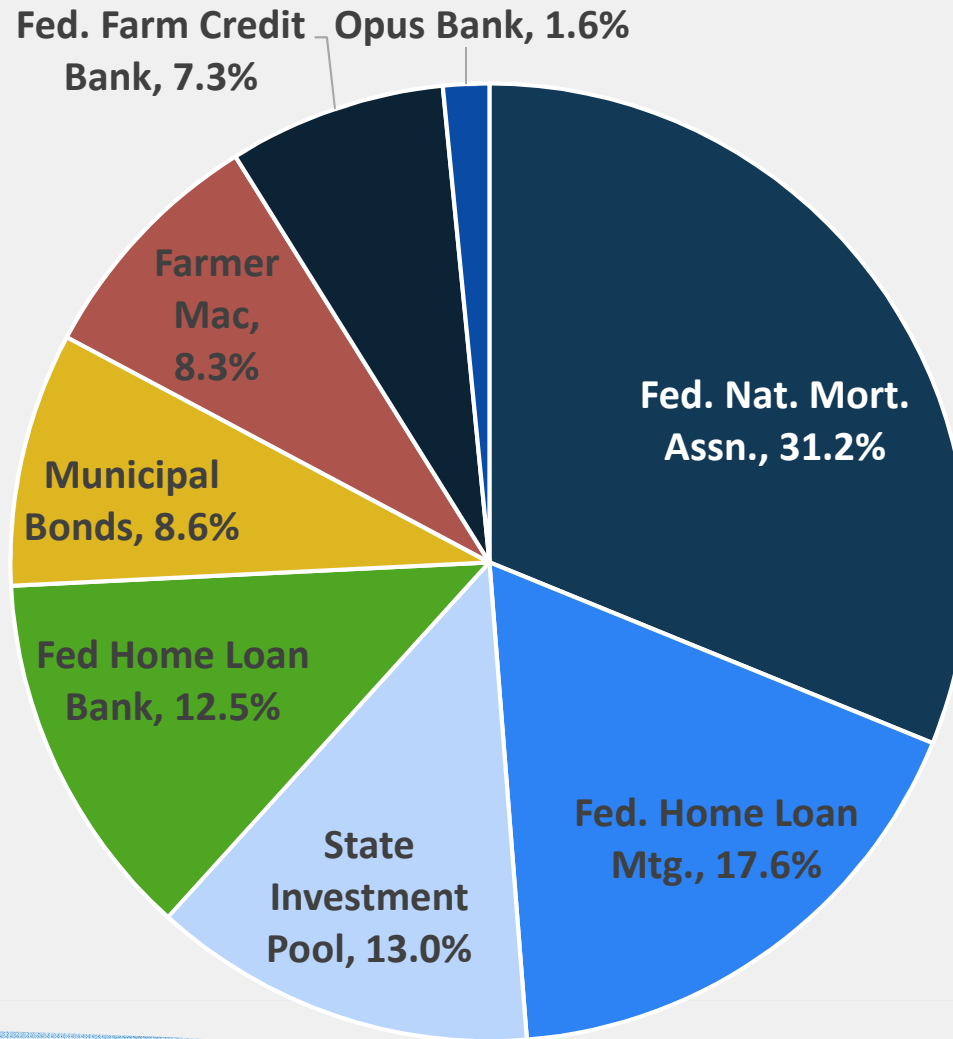
(1) Density Bonus Purchased

Wastewater Fund

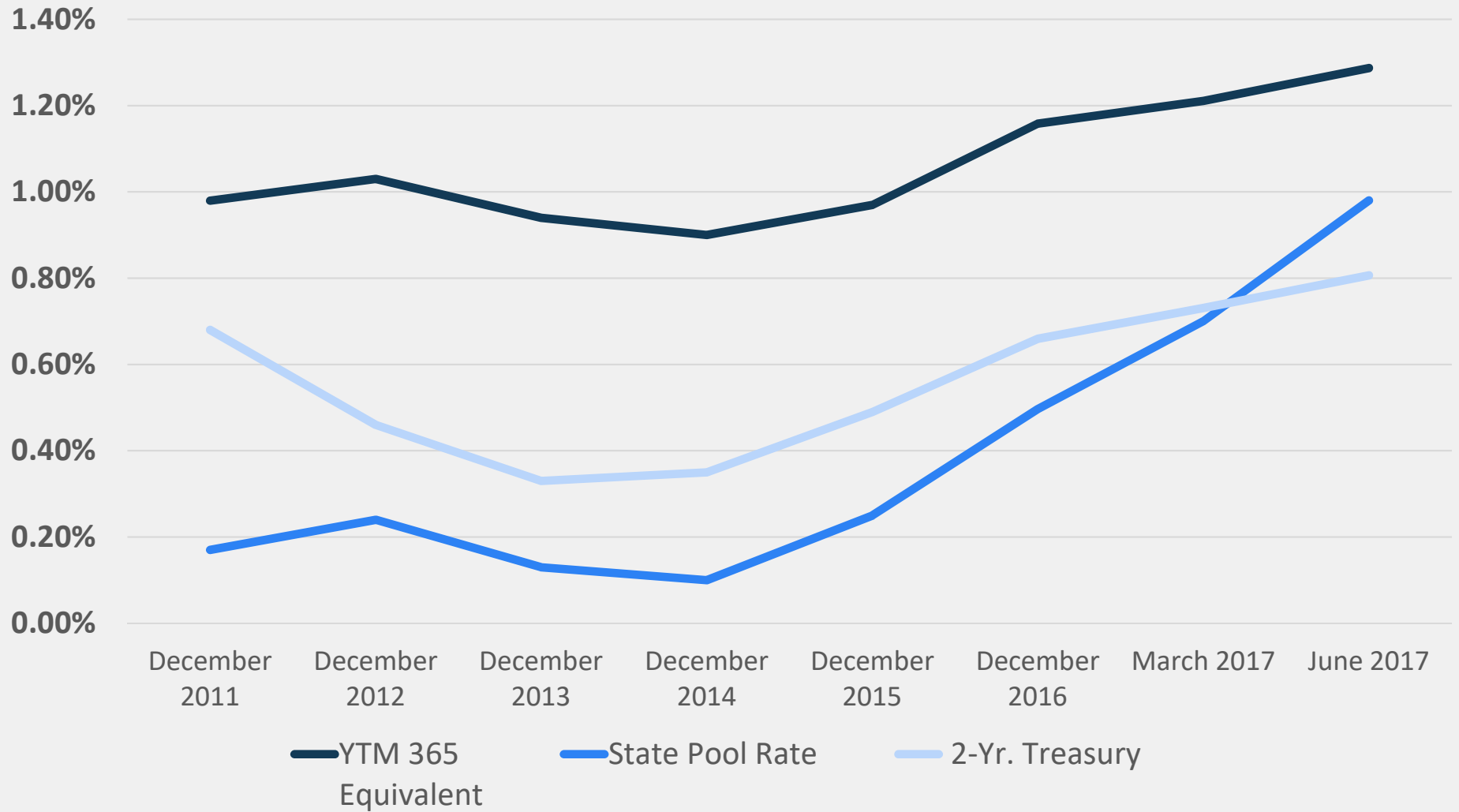
Revenues		Prior YTD	Current YTD	%	Rev. Budget	% Budget
Unmetered Sewer	(1)	4,663,008	4,953,463	6	8,602,247	58
Metered Sewer	(1)	5,149,815	5,650,982	10	10,348,500	55
Investment Interest		27,517	156,009	467	172,632	90
Other Revenues		1,633,356	1,473,236	-10	2,143,140	69
Total Revenues		11,473,697	12,233,691	7	21,266,519	58
Operating Expenses						
Salaries, Wages & Benefits		2,093,836	2,069,465	-1	4,176,930	50
Supplies		562,826	709,100	26	1,426,294	50
Services-Professional, Repairs, Utilities		4,543,697	4,077,535	-10	11,282,993	36
Intergovernmental Services, Taxes, & Fees		707	1,037	47	85,000	1
Total Operating Expenses		7,201,065	6,857,138	-5	16,971,216	40
Capital Outlay		1,386,672	53,639	-96	4,956,792	1
Debt Service, Loans, Transfers		1,381,568	1,370,993	-1	3,672,236	37
Total Capital and Debt Expenses		2,768,240	1,424,632	-49	8,629,028	17
Total Expenses		9,969,306	8,281,770	-17	25,600,244	32

(1) Meter conversion project

\$194.4 Invested



Investment Return



State Capital Budget Impacts

- \$12 Million loan on hold – water pre-treatment under construction
- \$10 Million of Water Quality grants on hold – Roeder Lift, Little Squalicum Estuary, Lake Whatcom Phosphorus
- Model Toxic Control Act (MTCA) money not budgeted

2017-18 Revised Budget

(Millions)

	General	All Other	Total
Operating Revenues	155,467	368,009	523,476
Operating Expenditures	159,242	279,094	438,336
Capital Expenses		133,433	133,433
Use of reserve	(3,775)	(44,518)	(48,293)
* Balance reserves, loans, grants, future cash flow			

Budget Schedule

- August 21st - Department requests
- September – Mayor & departments work plan adjustments
- October 9th - Mayor presents biennial budget modifications
- November – Revenue forecasts
- December – Adoption of biennial modifications



Brian Henshaw
Finance Department
778 – 8036
bhenshaw@cob.org



City of
Bellingham