

# Finance Report as of December 31, 2010

Looking at the preliminary year-end numbers, it is apparent that the economic recession has hit home. Revenues are down; however, staff have done a phenomenal job in staying within their budgets and looking for ways to cut costs and do more with less.

Some revenue streams, such as sales tax, exceeded budget expectations, but others such as Real Estate Excise Tax came in 28% less than expected. Cost savings were gained by leaving vacant positions unfilled, and scaling back on part-time and seasonal help.

The first few months of 2011 brought the successful sale of \$5.8m in Revenue Bonds to pay off the Bond Anticipation Note (Wastewater Treatment Plant financing). The City was able to sell that bonds at an average rate of 4.37% due to an upgrade in our rating to AA-.

## GENERAL FUND REVENUES

GENERAL FUND - 001	2010 Budget	12/31/2010 YTD Actuals	% of Budget	12/31/2009 YTD Actuals	%Inc/Dec 09 to 10	Notes
<i>Taxes:</i>						
Property Tax	\$ 2,113,329	\$ 2,076,033	98.2%	\$ 2,081,670	-0.3%	A
Sales Tax	2,000,000	2,022,126	101.1%	1,879,736	7.6%	
Utility Tax	1,801,879	1,785,375	99.1%	1,754,035	1.8%	
All Other Taxes	300,000	260,969	87.0%	255,519	2.1%	
<i>Total Taxes</i>	\$ 6,215,208	\$ 6,144,503	98.9%	\$ 5,970,960	2.9%	
<i>Licenses &amp; Permits</i>	\$ 295,600	\$ 239,778	81.1%	\$ 296,863	-19.2%	
<i>Intergovernmental Rev.:</i>						
State Shared Revenues	\$ 178,728	\$ 169,540	94.9%	\$ 150,646	12.5%	B
Room & Board of Prisoners	\$ 201,000	\$ 232,208	115.5%	\$ 211,335	9.9%	
All Other Intergovt. Rev.	130,519	108,917	83.4%	147,538	-26.2%	
<i>Total Intergovt. Rev.</i>	\$ 510,247	\$ 510,665	100.1%	\$ 509,519	0.2%	
<i>Charges For Services</i>	\$ 1,504,080	\$ 1,415,831	94.1%	\$ 1,514,122	-6.5%	
<i>Fines &amp; Forfeitures</i>	\$ 145,300	\$ 181,560	125.0%	\$ 146,334	24.1%	C
<i>Miscellaneous</i>	\$ 74,403	\$ 57,972	77.9%	\$ 77,995	-25.7%	D
<i>Other Financing Sources</i>	\$ 318,244	\$ 171,343	53.8%	\$ 508,104		E
<b>TOTAL GENERAL FUND</b>	<b>\$ 9,063,082</b>	<b>\$ 8,721,651</b>	<b>96.2%</b>	<b>\$ 9,023,898</b>	<b>-3.3%</b>	

### General Fund Revenue Highlights

- A. Sales Tax came in slightly above budgeted estimates, an indication that the local economy is rebounding.
- B. Room and Board of Prisoners exceeded budgeted estimates due contracting out of vacant space. This revenue directly offsets General Fund financial support.
- C. Court fine revenue took an upswing late in the year when the PD & Court system implemented Sector and E-tickets.
- D. Miscellaneous revenues came in below budget due to lagging interest income and field rentals.
- E. Transfer-in for Wayfinding Signs was to be rolled over to 2011; however, project was reduced in scope for 2011. Cemetery transfer of remaining cash was not done due to cemetery buybacks.

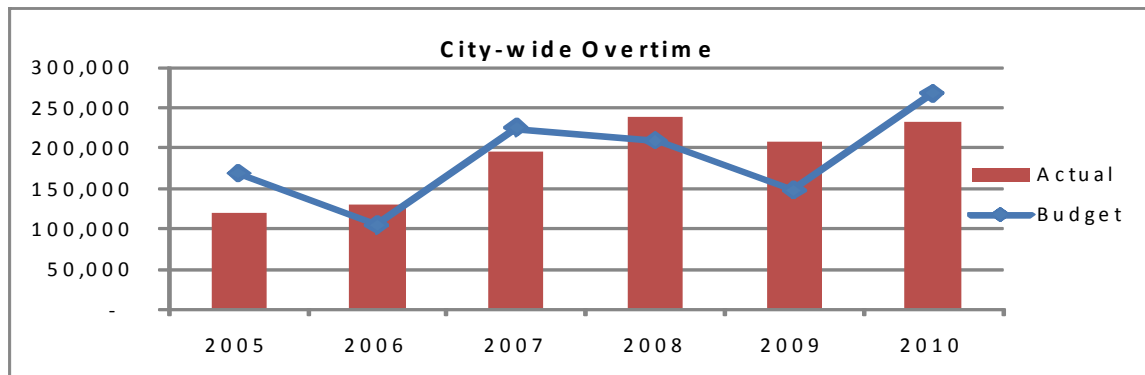
## General Fund Expenditures

Departments	2010 Budget	12/31/2010 YTD Actuals	% of Budget	12/31/2009 YTD Actuals	% Inc/Dec 09 to 10	Notes
City Council	\$ 30,591	\$ 29,724	97.2%	\$ 30,669	-3.1%	
Municipal Court	395,185	370,195	93.7%	375,579	-1.4%	
Administrative	574,461	507,243	88.3%	589,146	-13.9%	
Finance	680,294	640,322	94.1%	770,978	-16.9%	
City Attorney	129,610	117,195	90.4%	123,953	-5.5%	
Police	3,507,022	3,332,204	95.0%	3,211,277	3.8%	
Comm. Development	501,194	430,311	85.9%	559,666	-23.1%	
Parks & Recreation	790,371	600,382	76.0%	878,009	-31.6%	
Non-Departmental	426,753	159,051	37.3%	424,694	-62.5%	
<b>Total Expenses</b>	<b>\$ 7,035,481</b>	<b>\$ 6,186,627</b>	<b>87.9%</b>	<b>\$ 6,963,971</b>	<b>-11.2%</b>	<b>A</b>
Transfers-out:						
Fire #160	768,103	722,000	94.0%	658,928	9.6%	
Street #110	365,000	365,000	100.0%	270,000	35.2%	
Human Services #185	405,000	390,000	96.3%	433,500	-10.0%	
Library #120	575,000	575,000	100.0%	630,999	-8.9%	
Arts #162	-	-		50,000	-100.0%	
Pool #170	120,000	120,000	100.0%	183,065	-34.4%	
LID GO Bond #213	66,000	66,000	100.0%	65,760	0.4%	
<b>Total Transfers-out</b>	<b>\$ 2,299,103</b>	<b>\$ 2,238,000</b>	<b>97.3%</b>	<b>\$ 2,292,252</b>	<b>-2.4%</b>	
Capital Projects	\$ 191,612	\$ 24,421	12.7%	\$ 55,212	-55.8%	B
<b>Total General Fund</b>	<b>\$ 9,526,196</b>	<b>\$ 8,449,048</b>	<b>88.7%</b>	<b>\$ 9,311,435</b>	<b>-9.3%</b>	<b>C</b>

**Ending Fund Balances are not included.**

### General Fund Expenditure Highlights

- A. Salary and benefit savings from vacant positions, and low LEOFF 1 benefit payments.
- B. Shoreline master program carries over to 2011, CD comp plan update was delayed. Wayfind ing sign project carried over and reduced in scope in 2011.
- C. Overall general fund expenditures are well below budget (9.3%)



## OTHER FUND REVENUES

The funds listed below represent operating activities of the city; both governmental and business-type activities.

Highlights:

- A. Going into the first year of operations for the golf course, 2010 revenues were estimated based on data collected from other golf course operations, etc. Historical data was not available. Bad weather also contributed to low revenues.
- B. Expo Revenues include a \$112,000 King County joint development grants. Rental contracts for large events such as Creation and Highland Games also contributed substantially to 2010 revenues.



FUND	2010 Amend Budget	12/31/2010 YTD Actuals	% of Budget	12/31/2009 YTD Actuals	% Inc/Dec 09 to 10	Notes
FIRE DEPT - 160	\$ 2,122,124	\$ 2,080,248	98.0%	\$ 1,979,233	5.1%	
POOL - 170	\$ 463,000	\$ 422,092	91.2%	\$ 500,375	-15.6%	
PROPERTY MGMT - 180	\$ 122,606	\$ 112,952	92.1%	\$ 150,952	-25.2%	
GOLF COURSE - 190	\$ 706,000	\$ 515,158	73.0%	\$ 135,413	280.4%	A
WATER UTILITY - 410	\$ 3,444,981	\$ 3,074,575	89.2%	\$ 3,294,099	-6.7%	
WASTEWATER - 420	\$ 5,405,340	\$ 5,295,799	98.0%	\$ 6,969,761	-24.0%	
NATURAL GAS - 430	\$ 5,058,100	\$ 4,824,218	95.4%	\$ 5,628,116	-14.3%	
SOLID WASTE - 440	\$ 1,800,500	\$ 1,813,508	100.7%	\$ 1,776,183	2.1%	
EXPOSITION CTR - 490	\$ 622,609	\$ 599,304	96.3%	\$ 787,073	-23.9%	B

**Gas Utility revenues are higher in the winter, when it's colder; Water 's revenues go up in summer when it's dry.**



## OTHER FUND EXPENDITURES

Fund	2010 Budget	12/31/2010 YTD Actuals	% of Budget	12/31/2009 YTD Actuals	% Inc/Dec 09 to 10	Notes
STREET FUND - 110	\$ 1,146,091	\$ 1,096,765	95.7%	\$ 1,466,539	-25.2%	A
FIRE DEPT - 160	\$ 2,163,717	\$ 2,051,936	94.8%	\$ 1,924,072	6.6%	
POOL - 170	\$ 549,563	\$ 497,246	90.5%	\$ 427,303	16.4%	
PROPERTY MGMT - 180	\$ 327,926	\$ 277,005	84.5%	\$ 212,413	30.4%	B
GOLF COURSE - 190	\$ 772,405	\$ 587,069	76.0%	\$ 20,360	2783.4%	C
WATER UTILITY - 410	\$ 3,566,765	\$ 2,932,992	82.2%	\$ 3,498,865	-16.2%	
WASTEWATER - 420	\$ 5,626,198	\$ 4,781,948	85.0%	\$ 4,372,289	9.4%	
NATURAL GAS - 430	\$ 5,614,891	\$ 4,777,211	85.1%	\$ 5,543,334	-13.8%	
SOLID WASTE - 440	\$ 1,778,476	\$ 1,762,344	99.1%	\$ 1,793,430	-1.7%	
EXPOSITION CTR - 490	\$ 858,650	\$ 818,739	95.4%	\$ 1,188,232	-31.1%	D

*Does not include fund balances.*

**Highlights:**

- A The Street Fund’s annual budget in 2010 is 47% less than it was in 2009 because less capital projects have been budgeted for this year.
- B The Property Management Fund’s expenditures include a transfer of \$148,000 to the Fire Fund to cover the third shift, and an interfund transfer of \$119,221 to the General Fund to help fund operations. These amounts are divided into 12 equal monthly transfers.
- C The golf course has incurred remodeling, equipment lease, and inventory startup costs; as well as, salary and benefits for staff.
- D The Exposition Center hosted a pared down version of a fair in 2010, therefore the expenditures were budgeted to be 44% less in 2010 than in 2009.

