



CITY OF LAKE STEVENS

2016

1st Quarter Financial Summary



Agenda

- Review of Expenditures
 - *Major Funds, Department Breakdown, Highlights*
- Review of Revenues
 - *Major Sources, Highlights*
- Expenditure Forecast
 - *Changes and Amendments*
- Revenue Forecast
 - *Updates*
- Financial Strategy

Budget vs. Actual Expenditures

■ City Wide Total



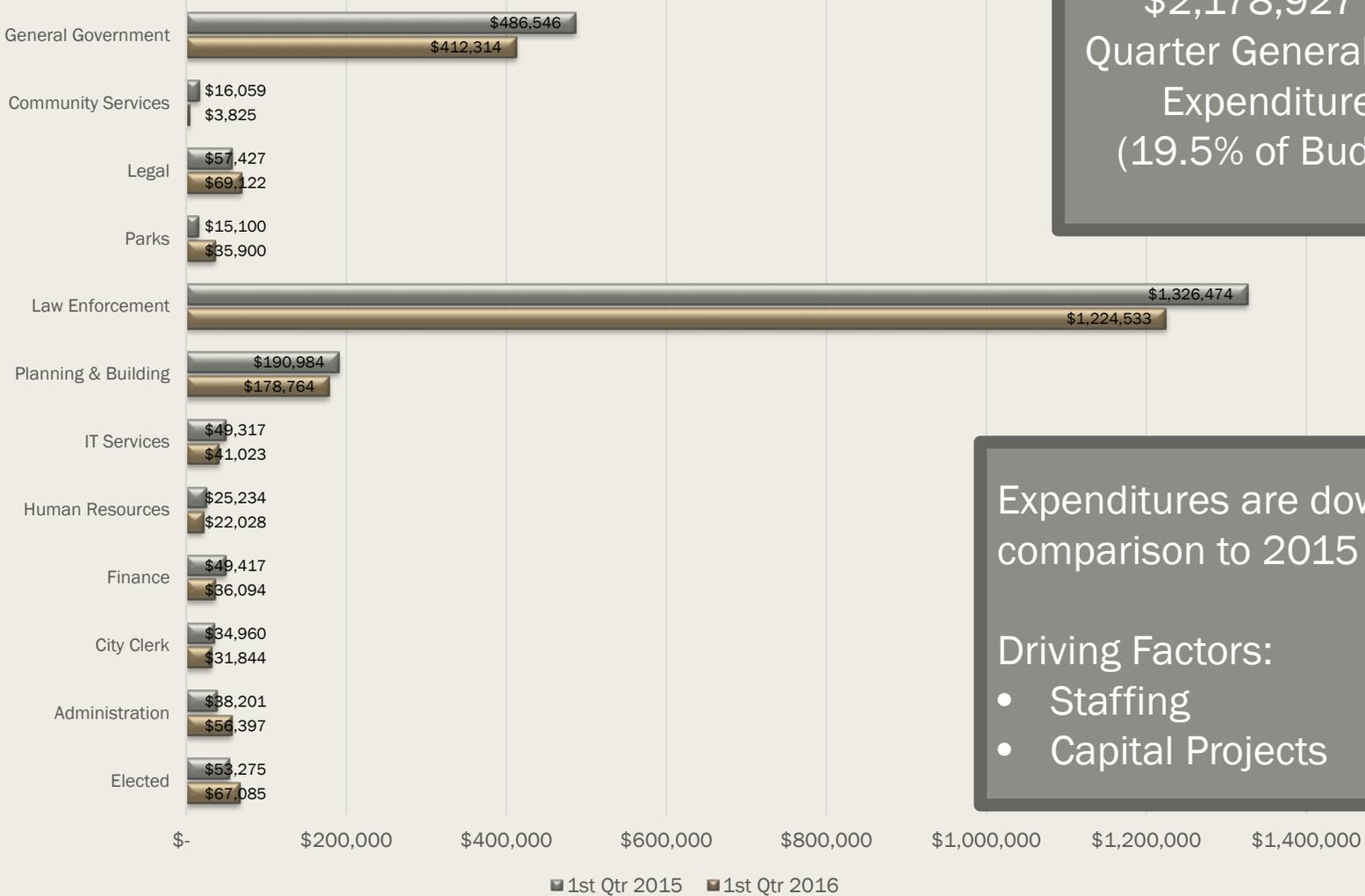
\$3,595,704 total Expenditures (15% of budget)

Expenditures by Type



General Fund Expenditures

\$2,178,927 1st Quarter General Fund Expenditures (19.5% of Budget)



Expenditures are down in comparison to 2015

Driving Factors:

- Staffing
- Capital Projects

Street Fund Expenditures

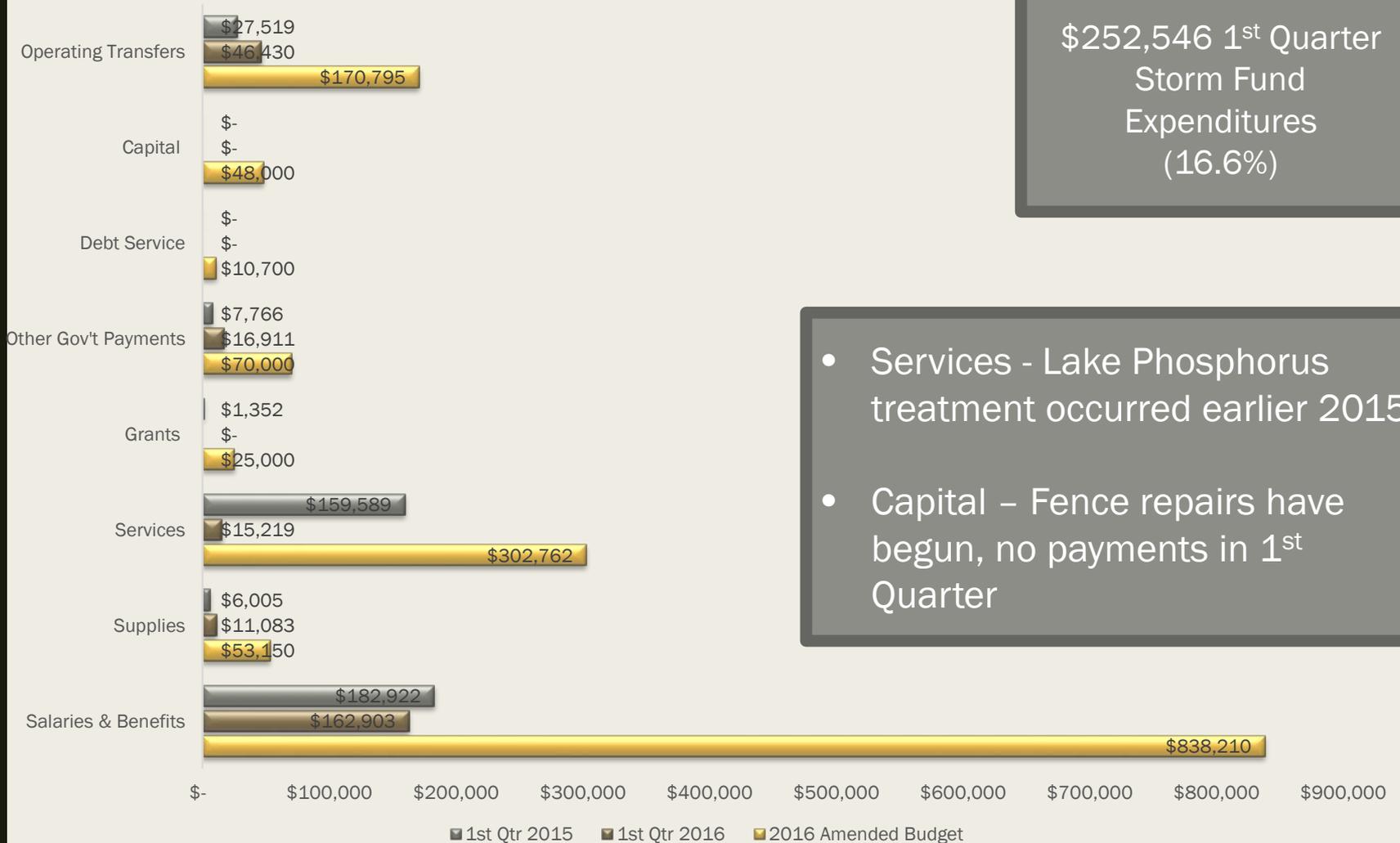
\$861,052 1st Quarter Street Fund Expenditures (24.6%)



Total contribution to the Sidewalk Capital Project Fund was made during 1st quarter to ensure adequate funding source for projects.

Capital and Maintenance projects have begun, majority will occur later in the year.

Storm Water Fund Expenditures



Budget vs. Actual Revenues

■ City Wide Total



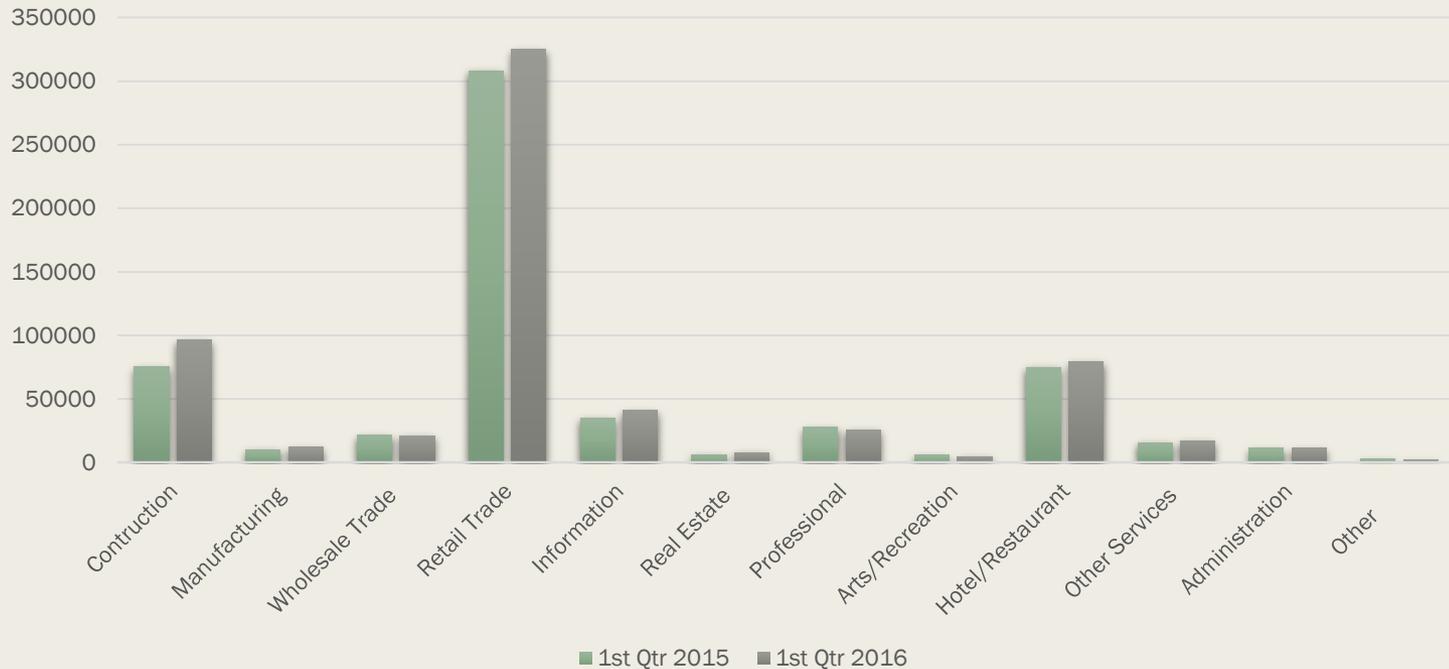
\$4,455,565 total Revenues (21% of budget)

Revenues – Major Sources



- Building Permits are at 70% of the annual budget
- Land Use fees are 66% of the annual budget
- Sales Tax –
50% Retail
16% Construction
12% Food Service
- Property Tax and Surface Water fees - majority are received in May and November

Revenues – Sales Tax



Sales Tax is ahead of last year's 1st Quarter total by 8%. Current projection is on target.

Percentage of total Sales Tax –
 50% Retail
 15% Construction
 12% Food Service

Forecasting - Expenditures

■ Cost Drivers

- *Population Growth due to Building and Annexations*
- *Weather Conditions*
- *Unplanned Projects/Emergencies*
- *Aging Infrastructure and equipment*
- *Information Age*

■ Substitutions

- *Salaries for Professional Service Contracts*
 - Administration
 - Planning & Community Development
- *Lundeen Park Improvement Plan*
 - Visitor Information Center
 - Tree Removal
- *North Lakeshore Drive Sidewalk Project (not grant funded)*

■ Additions

- *Property Acquisitions*
- *City Hall Lease Space*
- *Equipment Rentals/Purchases*
- *Consultants*
- *Department Staffing*
 - Park (Seasonals)
 - Public Works
 - Police
 - Planning & Building
 - Administration

Forecasting - Revenues

- Property Tax - Assessed Value will increase in Lake Stevens due to new construction – limited due to levy caps
- Sales Tax – Increase will be seen in future years due to currently planned construction projects
- Permits - Current developments show sustainability for another 4 month period at current rate, additional commercial and school district permits expected this year
- REET – Future growth due to current building.
- Storm Water – Increase will be seen in future years due to residential and commercial growth within the city
- State Shared – Will increase with population increase as long as kept whole by legislation

Financial Strategy

- Revenue Forecast Model
- Capital and Operating Expenditure Budget & Forecast
- Financial Strategy
 - *Ability to forecast to High, moderate, low risk/expectations*
 - *Debt vs Current Revenue*
 - *Risk Assessment*
 - *Cash Management - Investments*