

REPORT TO THE FINANCE BUDGET SUBCOMMITTEE

City of Lake Stevens, WA

www.lakestevenswa.gov



TO: Finance Budget Subcommittee

FROM: Barbara Stevens, Finance Director/City Clerk

DATE: 9/30/2016

SUBJECT: Operating Funds Financial report as of August 30, 2016

General Fund:

Fund Balance:

General Fund ending fund balance as of August 30, 2016 was \$6,122,349. Revenues are at \$7,533,315 and expenses are at \$9,333,076. Revenues are tracking well overall and expenditures are under budget.

REVENUES: (Also see Monthly General Fund Revenue Graphs)

Total General Fund revenues are at 56% of budget. The benchmark is 66.7% for August. This is somewhat misleading due to the large interfund transfer for property in the budget which will occur in September. Without the interfund transfer, revenues are 68.5% of budget. This amounts to \$727,883 ahead of budget.

Taxes over all are 63% of budget. This includes property tax, sales tax, utility tax, and other taxes.

Sales tax continues to be strong and is at 71% of budget, or \$161,000 over budget.

Building permits in Lake Stevens continue to pour in. Permits are \$570,768 ahead of budget with an expectation that things will slow down as we enter fall.

Intergovernmental revenues are at 51% of budget. These revenues remain on track. The budget includes a \$290,000 grant for City Hall that will not likely happen in 2016.

Charges for Services are at 91% of budget. Zoning and subdivision fees continue to be strong as well as passports services.

Fines & forfeits are at 61% of budget. The main revenue here is district court revenues from traffic violations.

Miscellaneous revenues are head of budget at 76%. This includes police donations, and interest earnings. This is expected to remain in budget.

Expenditures: (Also see Monthly General Fund Expenditure Graphs)

Total General Fund expenditures are at 63.6% of budget. Overall, General Fund expenditures are tracking below budget which is \$443,991 under spend through August.

Overall, all departments are tracking under budget with the exception of General Government. This department is at 79.5% of budget. This is due to the land purchase.

Street Fund:

The Street Maintenance Division maintains the City’s public roadway system in a safe and passable condition. Maintenance activities include pothole repair; traffic signal maintenance and operation; installation and replacement of traffic control signs and pavement markings; vegetation control and maintenance; sidewalk repair; street sweeping; snow and ice removal; and street lighting.

Revenues:

Total Street Fund revenues are 60% of budget. The main revenue sources are property tax, Motor Vehicle Fuel Tax and 50% of utility taxes.

Expenditures:

Total Street Fund expenditures are 59% of budget. Expenditures continue to track below budget but is likely to be on budget by year end.

Storm and Surface Water Fund:

The Storm and Surface Water Fund maintains the City’s storm system conveyance, detention, and retention systems, which includes; drainage pipes and ditches, catch basins, storm detention vaults and ponds, and water filtering systems.

Revenues:

The Storm and Surface Water Fund revenues are 57.25% through August. The main revenue source is from storm drainage charges, which we contract payment processing through Snohomish County. These payments are included on property tax statements and are received mostly in April and October.

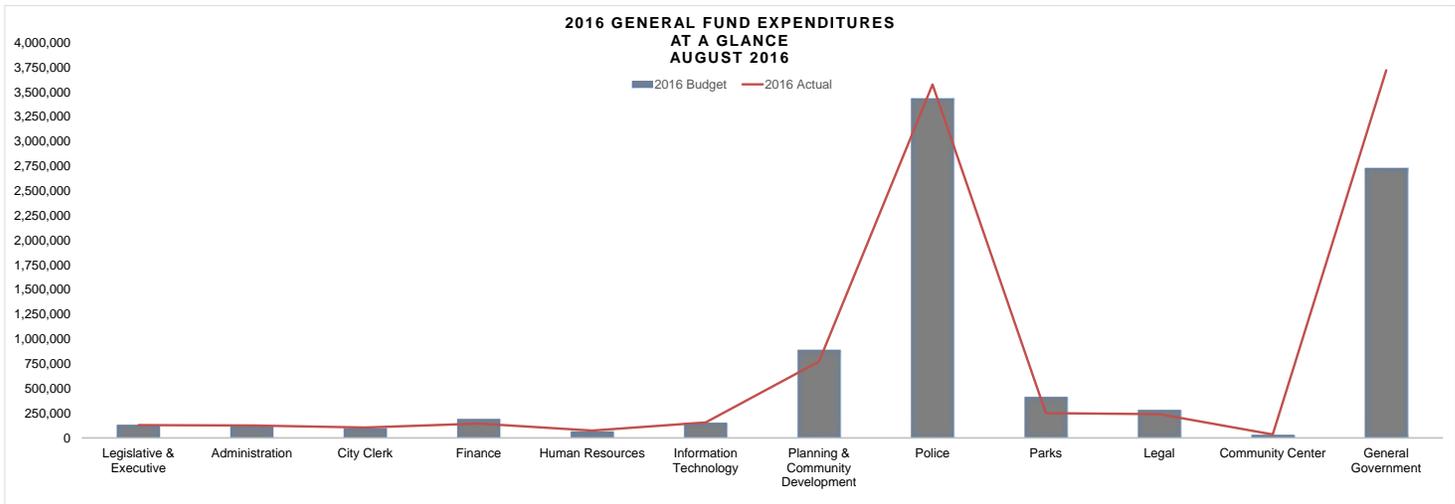
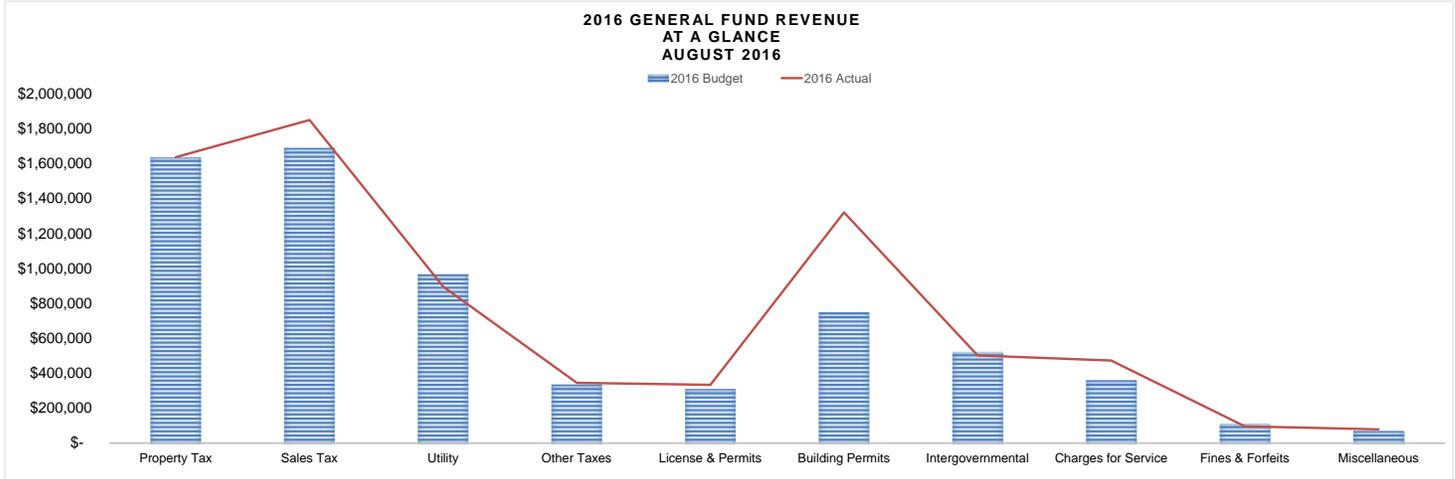
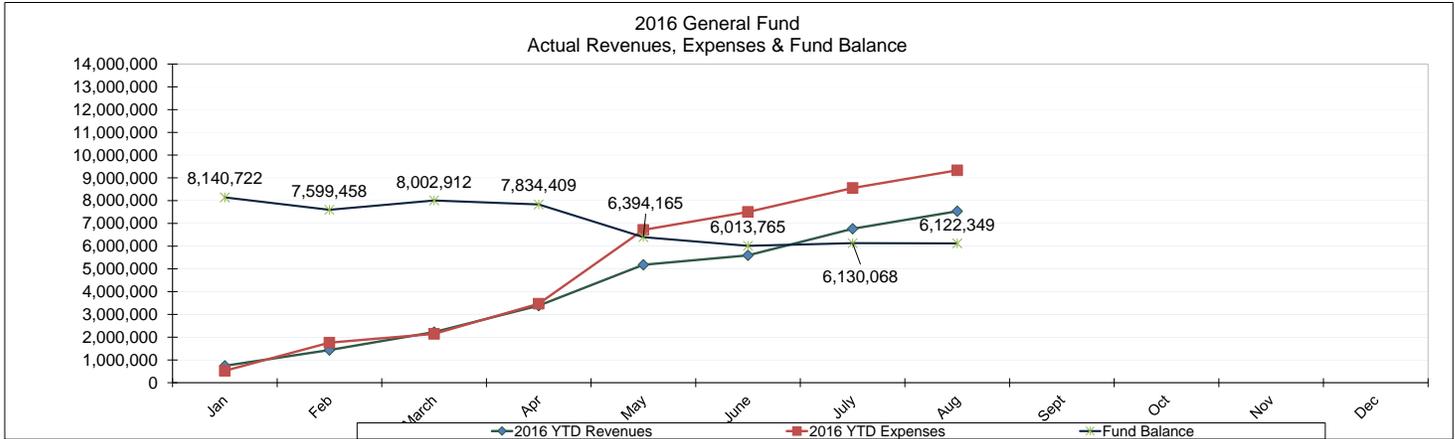
Expenditures:

The Funds Expenditures are 62.5% of budget. Phosphorus treatments have started and Milfoil treatments will start soon.

Monthly Financial Report
As of August 30th, 2016



Month	2016 YTD Revenues	2016 YTD Expenses	Fund Balance
Jan	741,592	522,981	8,140,722
Feb	1,437,152	1,759,804	7,599,458
March	2,223,544	2,142,743	8,002,912
Apr	3,383,880	3,471,582	7,834,409
May	5,183,323	6,711,268	6,394,165
June	5,593,472	7,501,818	6,013,765
July	6,763,220	8,555,263	6,130,068
Aug	7,533,315	9,333,076	6,122,349
Sept			
Oct			
Nov			
Dec			



**General Fund Operating Revenues and Expenditures
Budget to Actual**



As of August 30th, 2016

REVENUE SOURCES	2016 BUDGET	THRU AUGUST 2016	% OF BUDGET
Taxes:			
-Property Tax-Regular	\$ 3,114,290	\$ 1,637,610	52.6%
-Sales -1%	2,591,431	1,850,123	71.4%
-Criminal Justice Sales - 0.1%	492,373	327,176	66.4%
-Utility	1,324,574	896,113	67.7%
-Gambling tax/leasehold excise	19,600	17,831	91.0%
Licenses & Permits	427,000	333,475	78.1%
Building Permits	1,261,910	1,320,750	104.7%
Intergovernmental	986,687	502,135	50.9%
Charges for services	520,435	473,056	90.9%
Fines & Forfeitures	157,100	96,127	61.2%
Miscellaneous	94,643	77,072	81.4%
Other financial sources/Transfers	2,470,824	1,269	0.1%
Non-Revenues	500	579	115.7%
Total Revenues	\$ 13,461,367	\$ 7,533,315	56.0%
Beginning Fund Balance	\$ 7,570,987	\$ 7,922,111	104.6%
Total Resources	\$ 21,032,354	\$ 15,455,426	73.50%

EXPENDITURES	2016 BUDGET	THRU AUGUST 2016	% OF BUDGET
Legislative & Executive	\$ 229,696	\$ 130,071	56.6%
Administration	206,684	126,235	61.1%
City Clerk	169,269	105,821	62.5%
Finance	330,848	145,271	43.9%
Human Resources	114,582	74,794	65.3%
Information Technology	265,297	156,789	59.1%
Planning & Community Development	1,528,804	773,392	50.6%
Law Enforcement	5,887,039	3,575,007	60.7%
Parks	711,501	250,145	35.2%
Legal	487,000	240,682	49.4%
Community	54,377	34,991	64.3%
General Government	4,680,504	3,719,879	79.5%
Total Expenditures	\$ 14,665,601	\$ 9,333,076	64%
Total Increase (Decrease) to Resources	\$ (1,204,234)	\$ (1,799,761)	149.5%
Ending Fund Balance	\$ 6,366,753	\$ 6,122,349	96.20%

**Street Fund Operating Revenues and Expenditures
Budget to Actual**



As of August 30th, 2016

REVENUE SOURCES	2016 BUDGET	THRU AUGUST 2016	% OF BUDGET
Taxes:			
-Property Tax-Regular	\$ 1,211,113	\$ 636,848	52.6%
-Utility	390,000	272,330	69.8%
Licenses & Permits	20,000	16,812	84.1%
Intergovernmental	652,600	436,836	66.9%
Charges for services	1,500	-	0.0%
Miscellaneous	17,800	17,828	100.2%
Other financial sources/Transfers	5,000	4,095	81.9%
Total Revenues	\$ 2,298,013	\$ 1,384,748	60.3%
Beginning Fund Balance	\$ 3,617,169	\$ 3,617,169	100.0%
Total Resources	\$ 5,915,182	\$ 5,001,917	84.60%

EXPENDITURES	2016 BUDGET	THRU AUGUST 2016	% OF BUDGET
Salaries	\$ 667,365	\$ 427,434	64.0%
Benefits	293,754	212,533	72.4%
Supplies	194,067	63,826	32.9%
Professional Services	949,297	562,197	59.2%
Inter Govt	9,063	7,861	86.7%
Capital Outlays	720,250	163,765	22.7%
Debt Service	920	919	99.9%
Interfund Transfers	688,865	641,308	93.1%
Total Expenditures	\$ 3,523,581	\$ 2,079,843	59%
Total Increase (Decrease) to Resources	\$ (1,225,568)	\$ (695,095)	56.7%
Ending Fund Balance	\$ 2,391,601	\$ 2,922,074	122.20%

**Storm & Surface Water Fund Operating Revenues and Expenditures
Budget to Actual**



As of August 30th, 2016

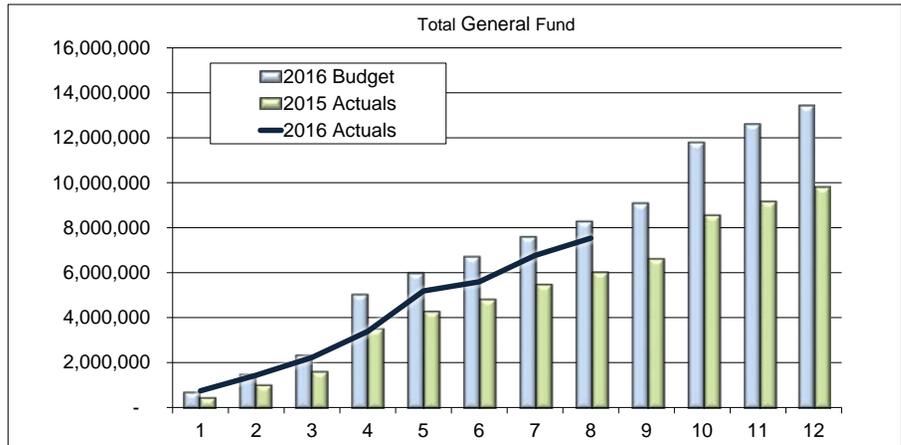
REVENUE SOURCES	2016 BUDGET	THRU AUGUST 2016	% OF BUDGET
Taxes:			
Intergovernmental	25,000	-	0.0%
Charges for services	1,486,396	864,325	58.1%
Miscellaneous	6,700	4,835	72.2%
Total Revenues	\$ 1,518,096	\$ 869,160	57.3%
Beginning Fund Balance	\$ 1,573,505	\$ 1,573,505	100.0%
Total Resources	\$ 3,091,601	\$ 2,442,665	79.00%
EXPENDITURES	2016 BUDGET	THRU AUGUST 2016	% OF BUDGET
Salaries	\$ 586,682	\$ 392,253	66.9%
Benefits	260,195	156,271	60.1%
Supplies	98,817	45,653	46.2%
Professional Services	316,762	123,999	39.1%
Inter Govt	70,000	83,104	118.7%
Capital Outlays	48,000	44,572	92.9%
Debt Service	10,700	-	0.0%
Interfund Transfers	170,795	129,988	76.1%
Total Expenditures	\$ 1,561,951	\$ 975,840	63%
Total Increase (Decrease) to Resources	\$ (43,855)	\$ (106,679)	243.3%
Ending Fund Balance	\$ 1,529,650	\$ 1,466,826	95.90%

Monthly General Fund Revenue Graphs
As of August 30th, 2016

% thru year 66.7%

Total General Fund Revenues

	2016 Budget	2016 Actuals
January	731,002	741,592
February	1,533,439	1,437,152
March	2,390,475	2,223,544
April	5,077,337	3,383,880
May	6,033,919	5,183,323
June	6,764,450	5,593,472
July	7,644,506	6,763,220
August	8,328,566	7,533,315
September	9,124,154	
October	11,824,030	
November	12,639,518	
December	13,461,367	
Percent collected to date		55.96%

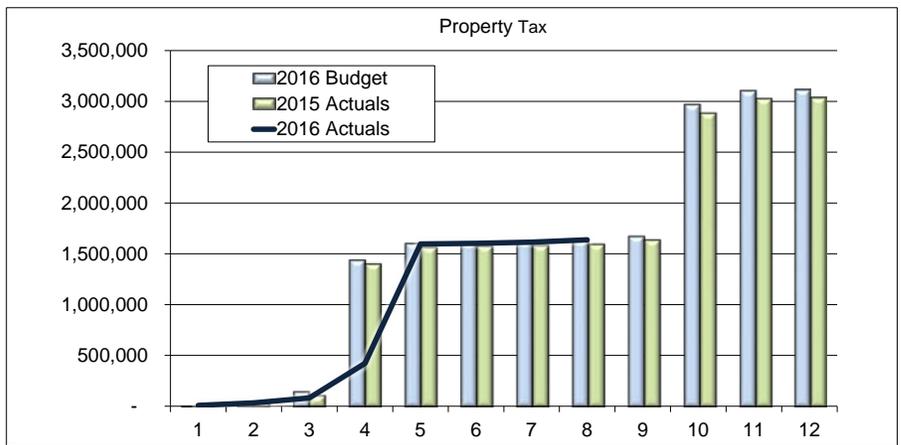


Total General Fund revenues.

Property Tax

23.14% of total GF Revenues

	2016 Budget	2016 Actuals
January	7,510	8,244
February	25,883	32,989
March	150,161	81,229
April	1,442,629	421,710
May	1,604,982	1,597,120
June	1,615,080	1,603,645
July	1,626,408	1,614,935
August	1,635,752	1,637,610
September	1,674,640	
October	2,968,631	
November	3,104,458	
December	3,114,290	
Percent collected to date		52.6%

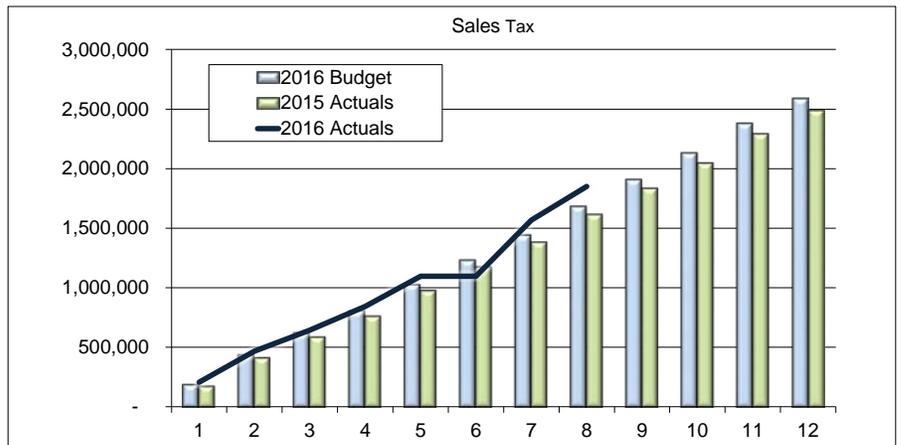


Property Tax are paid twice a year (in May and November). Most of the property taxes are accounting for in the General Fund, however property taxes are also found in Fund 101 - Street, where 28% of property taxes are received.

Sales Tax

19.25% of total GF Revenues

	2016 Budget	2016 Actuals
January	194,036	205,902
February	446,373	467,096
March	631,663	643,365
April	815,167	842,380
May	1,034,072	1,096,292
June	1,238,550	1,096,292
July	1,449,052	1,566,635
August	1,689,084	1,850,123
September	1,912,894	
October	2,135,889	
November	2,383,832	
December	2,591,431	
Percent collected to date		71.39%



The total sales tax rate is 8.9% of the value of the sale of which .85% comes to the city. Most of the rest - 6.5% - goes to the State. Taxes are collected by the state and sent to the city about two months after the actual transaction. \$300,000 of new construction related sales tax is transferred into the reserve account and is accounting for in General Government expenditures.

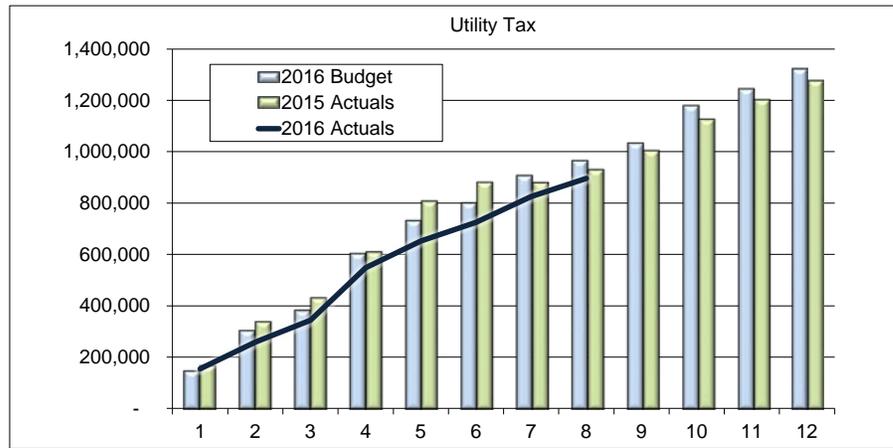
Monthly General Fund Revenue Graphs
As of August 30th, 2016

% thru year 66.7%

Utility

9.84% of total GF Revenues

	2016 Budget	2016 Actuals
January	149,960	154,350
February	306,593	258,175
March	385,210	343,906
April	606,261	547,715
May	733,340	652,059
June	802,424	724,751
July	908,968	825,583
August	966,615	896,113
September	1,034,908	
October	1,181,005	
November	1,245,941	
December	1,324,574	
Percent collected to date		67.65%

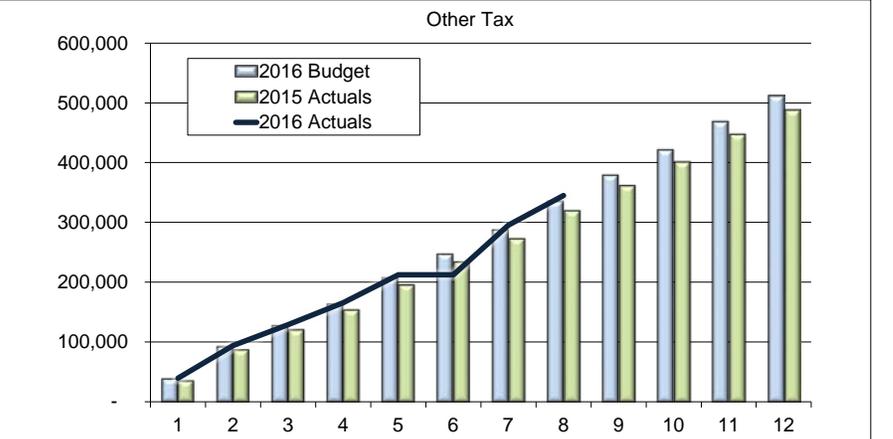


The utility tax rate is 6% on the gross revenue of telephone, and 5% on gross revenues of gas and electric. The City does not have a utility tax on cable, instead using a franchise fee.

Other Taxes

3.80% of total GF Revenues

	2016 Budget	2016 Actuals
January	39,133	39,398
February	93,310	93,996
March	128,524	129,022
April	164,484	165,578
May	208,100	212,400
June	247,812	212,400
July	288,162	295,474
August	335,771	345,007
September	379,485	
October	421,878	
November	469,012	
December	511,973	
Percent collected to date		67.39%

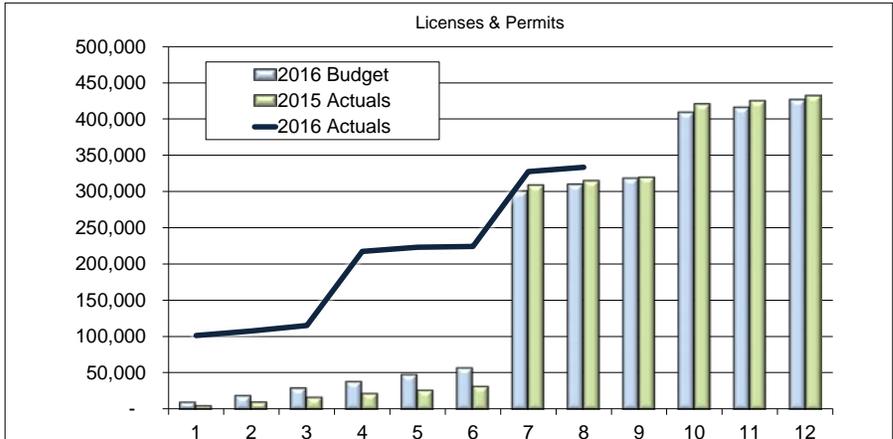


This account has Criminal justice sales tax, which is 1/10 of 1% or .1% of sales in the city. (10 cents per \$100 in sales). Also included are gambling taxes which include pull tabs and amusement games. The tax is 5% of gross sales.

Licenses & Permits / Other Licenses

3.17% of total GF Revenues

	2016 Budget	2016 Actuals
January	10,223	101,244
February	19,219	107,543
March	29,776	114,977
April	38,574	217,383
May	48,263	223,170
June	57,291	224,146
July	300,937	327,565
August	310,263	333,475
September	318,519	
October	409,633	
November	416,402	
December	427,000	
Percent collected to date		78.10%



This account has Business Licenses, and Cable Franchise fees.

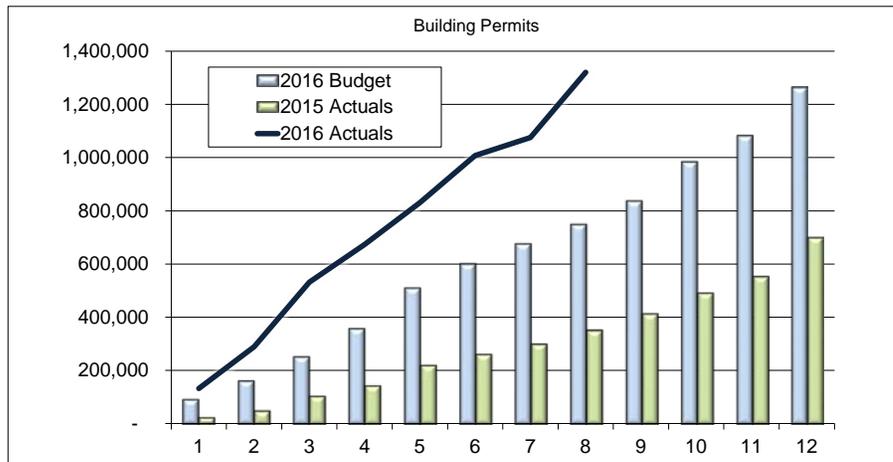
Monthly General Fund Revenue Graphs
As of August 30th, 2016

% thru year 66.7%

Building Permits

9.37% of total GF Revenues

	2016 Budget	2016 Actuals
January	94,560	131,822
February	164,544	288,747
March	255,164	531,637
April	360,248	673,421
May	512,095	830,711
June	602,475	1,008,063
July	677,385	1,075,573
August	749,981	1,320,750
September	837,333	
October	983,661	
November	1,081,587	
December	1,261,910	
Percent collected to date		104.66%

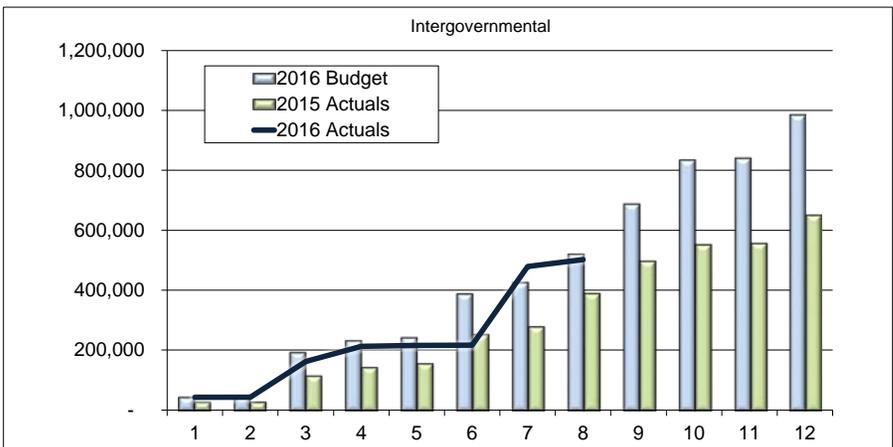


Permits related to development.

Intergovernmental

7.33% of total GF Revenues

	2016 Budget	2016 Actuals
January	45,743	42,572
February	49,316	42,707
March	194,561	162,236
April	234,127	212,408
May	244,201	215,582
June	390,379	216,562
July	428,147	479,010
August	522,758	502,135
September	689,655	
October	836,647	
November	842,448	
December	986,687	
Percent collected to date		50.89%

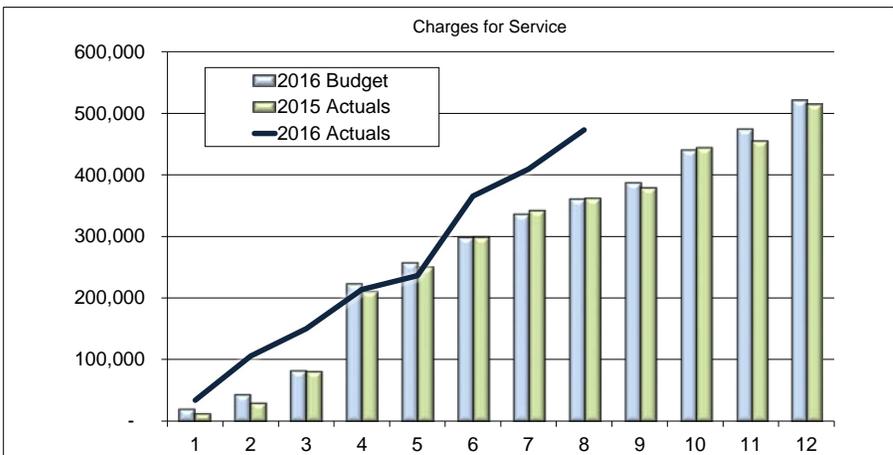


Intergovernmental revenues include state support for criminal justice, state shared revenues for liquor taxes, liquor profits, and marijuana enforcement. Also included are PUD privilege taxes, and City-County assistance. Various types of grants are also included.

Charges for Service

3.87% of total GF Revenues

	2016 Budget	2016 Actuals
January	20,205	33,791
February	43,731	105,547
March	82,540	150,077
April	223,273	213,706
May	257,400	236,247
June	298,496	365,478
July	336,064	409,266
August	360,698	473,056
September	386,925	
October	439,810	
November	473,815	
December	520,435	
Percent collected to date		91%



Charges for service include development services, passport services and law enforcement services mainly the School Resource Officer.

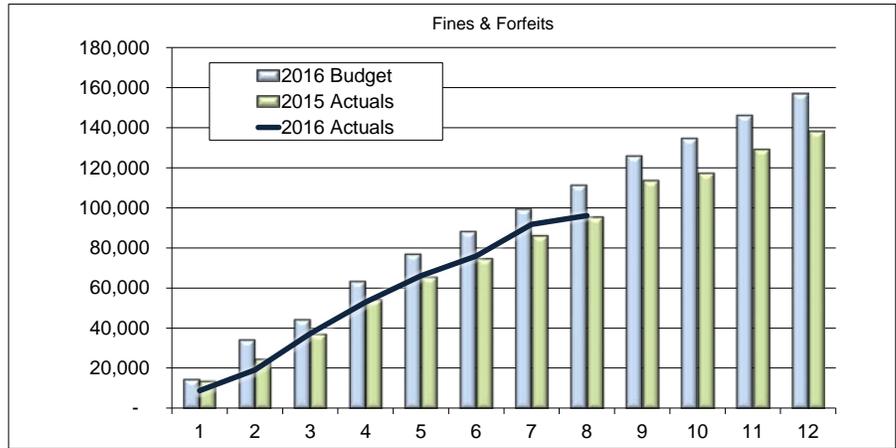
Monthly General Fund Revenue Graphs
As of August 30th, 2016

% thru year 66.7%

Fines & Forfeits

1.17% of total GF Revenues

	2016 Budget	2016 Actuals
January	14,431	8,750
February	34,132	19,100
March	44,191	37,264
April	63,290	52,913
May	76,917	66,131
June	88,242	75,952
July	99,455	91,760
August	111,359	96,127
September	125,934	
October	134,770	
November	146,220	
December	157,100	
Percent collected to date		61%

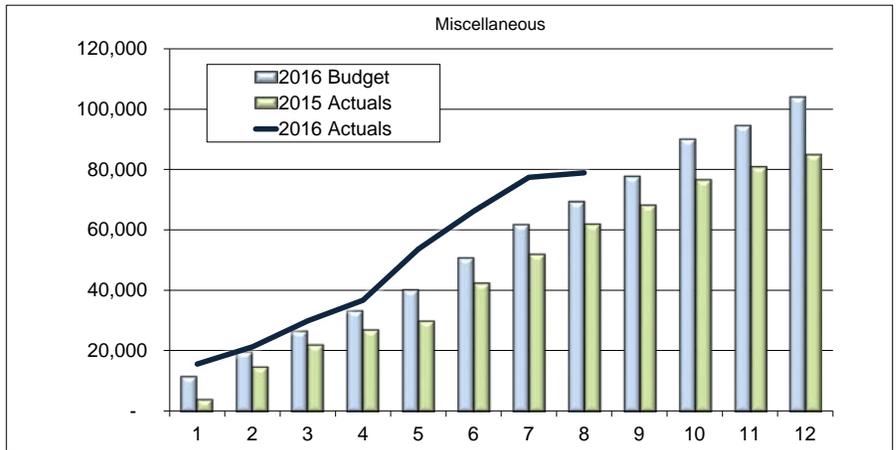


Fines and Forfeits collected by the district court on behalf of the city for violations of city codes (traffic infractions).

Miscellaneous

0.77% of total GF Revenues

	2016 Budget	2016 Actuals
January	11,880	15,520
February	20,067	21,251
March	27,007	29,831
April	33,684	36,668
May	40,509	53,611
June	51,076	66,182
July	62,087	77,419
August	69,632	78,919
September	77,933	
October	90,226	
November	94,706	
December	104,143	
Percent collected to date		76%



Miscellaneous revenues includes interest earnings, lease revenues, insurance recoveries, other smaller revenues that do not fit into one of the above categories.

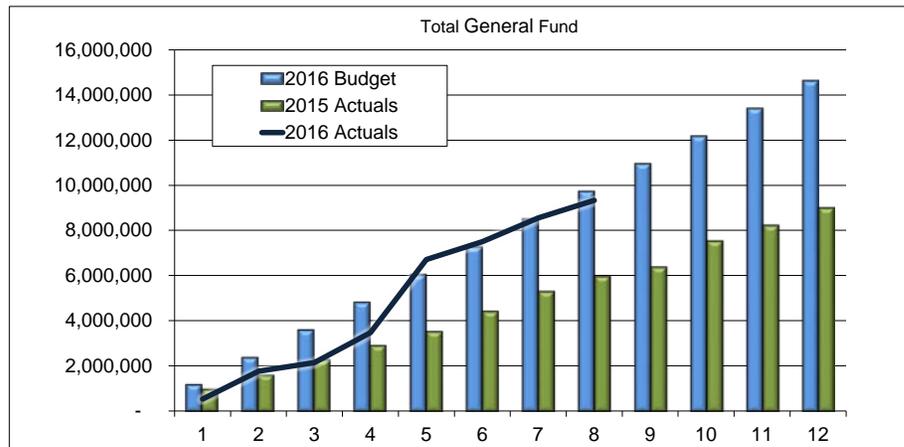
Monthly General Fund Expenditure Graphs
As of August 30th, 2016

% thru year 66.7%

Total General Fund Expenditures

	2016 Budget	2016 Actuals
January	1,222,133	522,981
February	2,444,267	1,759,804
March	3,666,400	2,142,743
April	4,888,534	3,471,582
May	6,110,667	6,711,268
June	7,332,801	7,501,818
July	8,554,934	8,555,263
August	9,777,067	9,333,076
September	10,999,201	
October	12,221,334	
November	13,443,468	
December	14,665,601	

% spent 63.64%



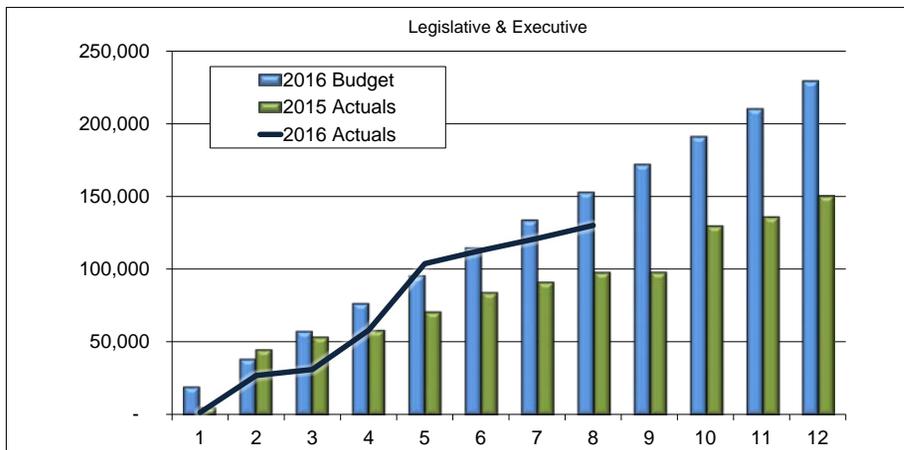
Total General Fund Expenditures.

Legislative & Executive

1.57% of total GF Exp

	2016 Budget	2016 Actuals
January	19,141	1,303
February	38,283	26,742
March	57,424	30,901
April	76,565	57,902
May	95,707	103,721
June	114,848	112,745
July	133,989	121,062
August	153,131	130,071
September	172,272	
October	191,413	
November	210,555	
December	229,696	

% spent 56.63%



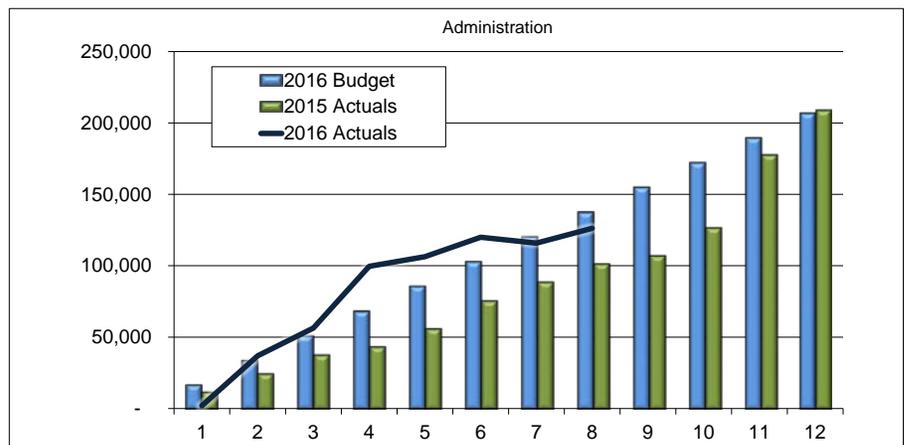
Includes activities related to the legislative and executive departments. Major items include salaries and benefits, travel & meetings, and voter registration fees.

Administration

1.41% of total GF Exp

	2016 Budget	2016 Actuals
January	17,224	2,011
February	34,447	36,897
March	51,671	56,397
April	68,895	99,596
May	86,118	106,364
June	103,342	119,945
July	120,566	115,837
August	137,789	126,235
September	155,013	
October	172,237	
November	189,460	
December	206,684	

% spent 61.08%



Includes the salary of the City Administrator. Also included are professional services related to Prothman. (City Administrator Salary is 74% General Fund, 15% street, 1% sewer, and 10% to Storm Water)

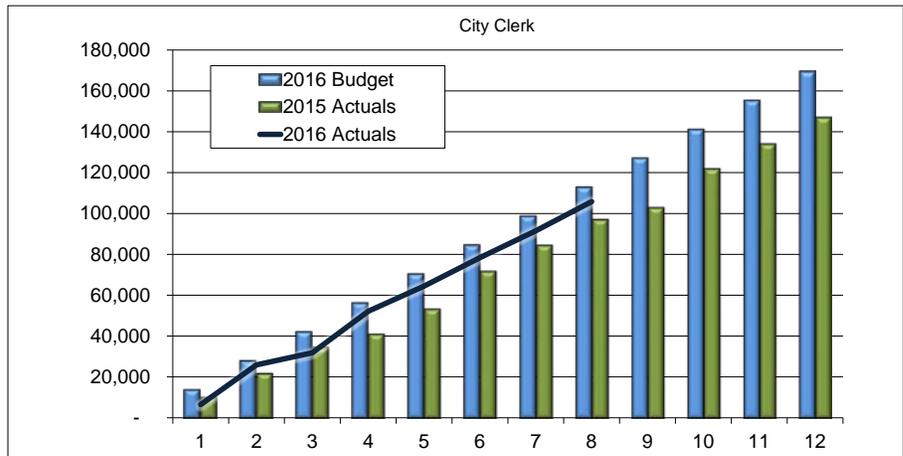
Monthly General Fund Expenditure Graphs
As of August 30th, 2016

% thru year 66.7%

City Clerk

1.15% of total GF Exp

	2016 Budget	2016 Actuals
January	14,106	6,452
February	28,212	25,922
March	42,317	31,844
April	56,423	52,166
May	70,529	64,442
June	84,635	78,361
July	98,740	91,550
August	112,846	105,821
September	126,952	
October	141,058	
November	155,163	
December	169,269	
% spent		62.52%

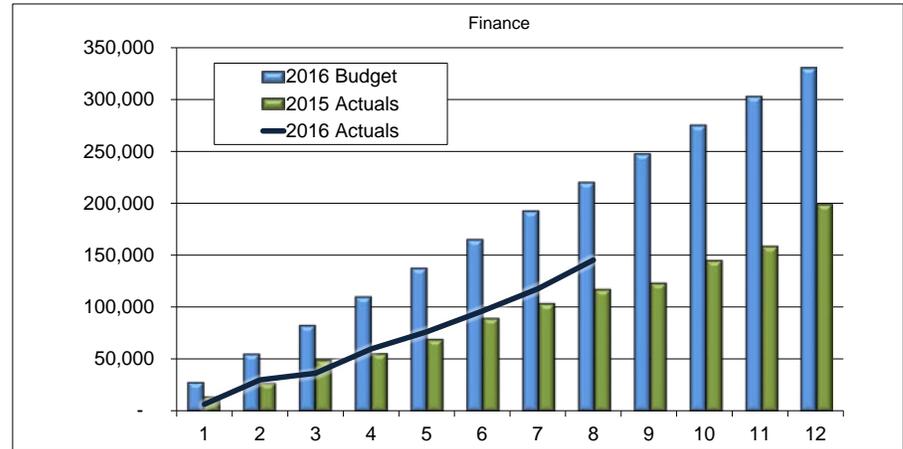


Includes City Clerk Activities. Mainly salaries and benefits.

Finance

2.26% of total GF Exp

	2016 Budget	2016 Actuals
January	27,571	6,261
February	55,141	29,689
March	82,712	36,094
April	110,283	59,548
May	137,853	76,085
June	165,424	96,038
July	192,995	117,538
August	220,565	145,271
September	248,136	
October	275,707	
November	303,277	
December	330,848	
% spent		43.91%

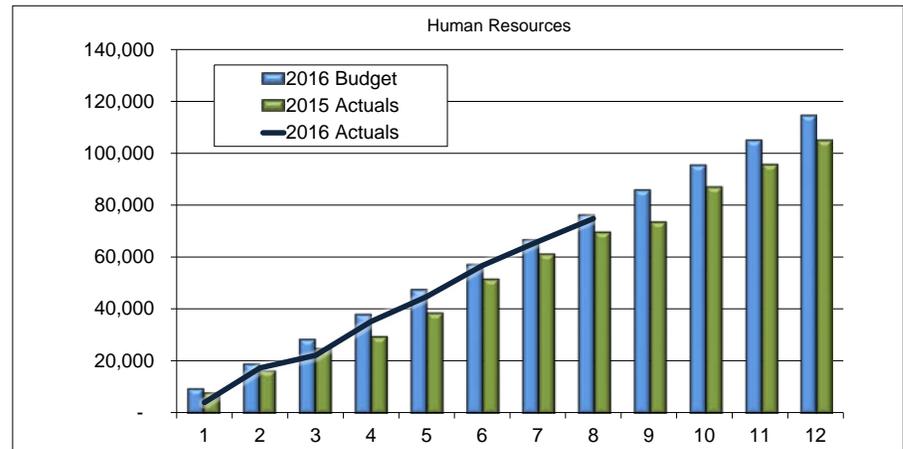


Finance provides for accounting, payroll processing, purchasing/payments, financial planning, and treasury.

Human Resources

0.78% of total GF Exp

	2016 Budget	2016 Actuals
January	9,549	3,876
February	19,097	17,212
March	28,646	22,028
April	38,194	35,114
May	47,743	44,690
June	57,291	56,663
July	66,840	65,909
August	76,388	74,794
September	85,937	
October	95,485	
November	105,034	
December	114,582	
% spent		65.28%



Human Resources accounts for personnel, recruitment and related functions

Monthly General Fund Expenditure Graphs
As of August 30th, 2016

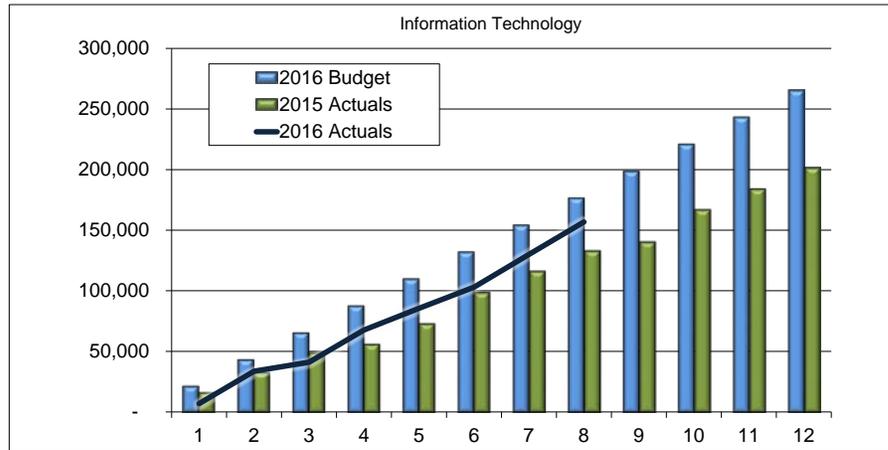
% thru year 66.7%

Information Technology

1.81% of total GF Exp

	2016 Budget	2016 Actuals
January	22,108	6,862
February	44,216	33,633
March	66,324	41,023
April	88,432	67,658
May	110,540	85,498
June	132,649	102,938
July	154,757	129,953
August	176,865	156,789
September	198,973	
October	221,081	
November	243,189	
December	265,297	

% spent 59.10%



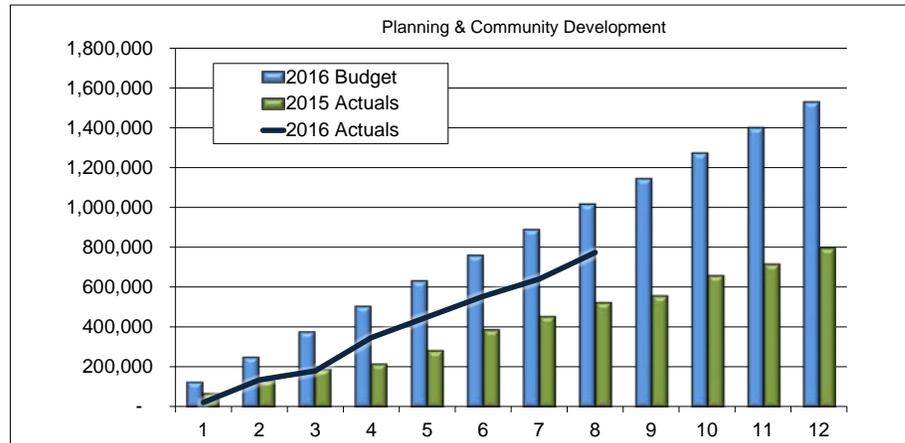
Information Technology provides technical hardware and software support of the City's computer systems and communication systems. Providing technology training, responding to technical support requests, administrating the city website and intranet.

Planning & Community Development

10.42% of total GF Exp

	2016 Budget	2016 Actuals
January	127,400	20,364
February	254,801	133,526
March	382,201	178,764
April	509,601	345,653
May	637,002	449,504
June	764,402	553,138
July	891,802	640,137
August	1,019,203	773,392
September	1,146,603	
October	1,274,003	
November	1,401,404	
December	1,528,804	

% spent 50.59%



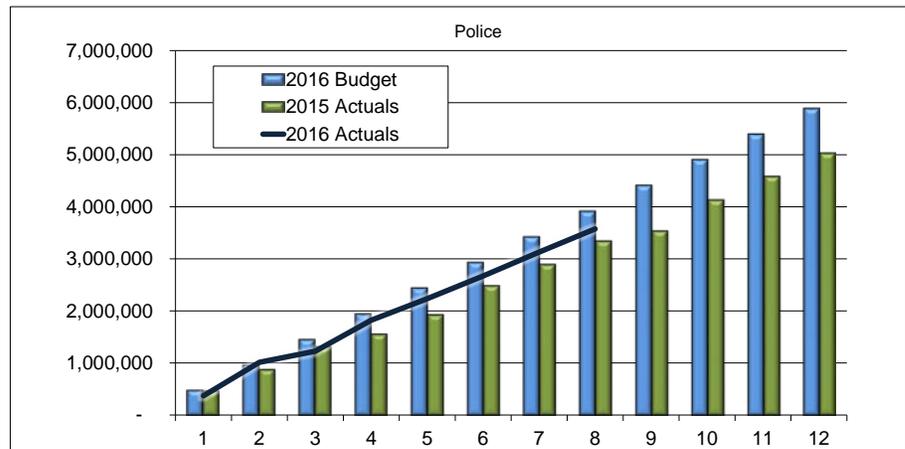
Largely accounts for the planning department which includes the permit center, long-range and short-range planning, and plan review. Also includes building official and building inspections.

Police

40.14% of total GF Exp

	2016 Budget	2016 Actuals
January	490,587	369,105
February	981,173	1,012,254
March	1,471,760	1,224,533
April	1,962,346	1,821,048
May	2,452,933	2,235,922
June	2,943,520	2,671,927
July	3,434,106	3,129,793
August	3,924,693	3,575,007
September	4,415,279	
October	4,905,866	
November	5,396,452	
December	5,887,039	

% spent 60.73%



The Police Department Services.

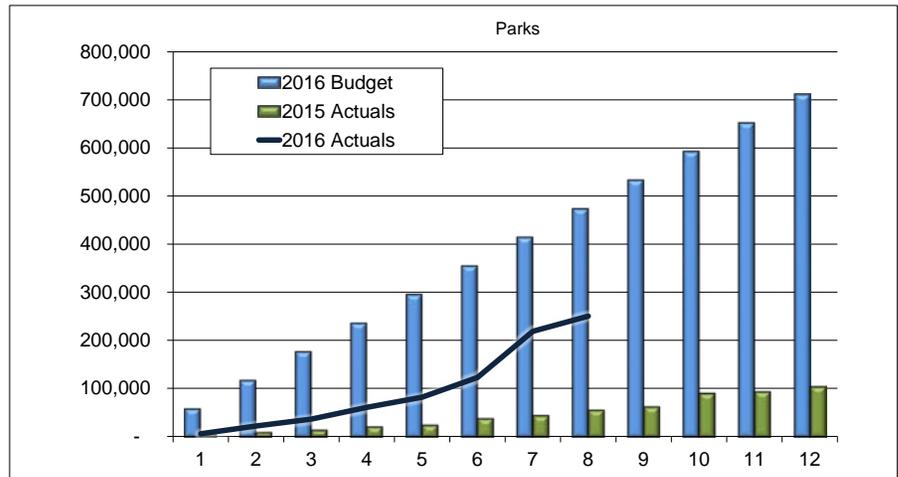
Monthly General Fund Expenditure Graphs
As of August 30th, 2016

% thru year 66.7%

Parks

4.85% of total GF Exp

	2016 Budget	2016 Actuals
January	59,292	5,461
February	118,584	21,731
March	177,875	35,900
April	237,167	60,433
May	296,459	81,618
June	355,751	122,607
July	415,042	218,710
August	474,334	250,145
September	533,626	
October	592,918	
November	652,209	
December	711,501	
% spent		35.16%

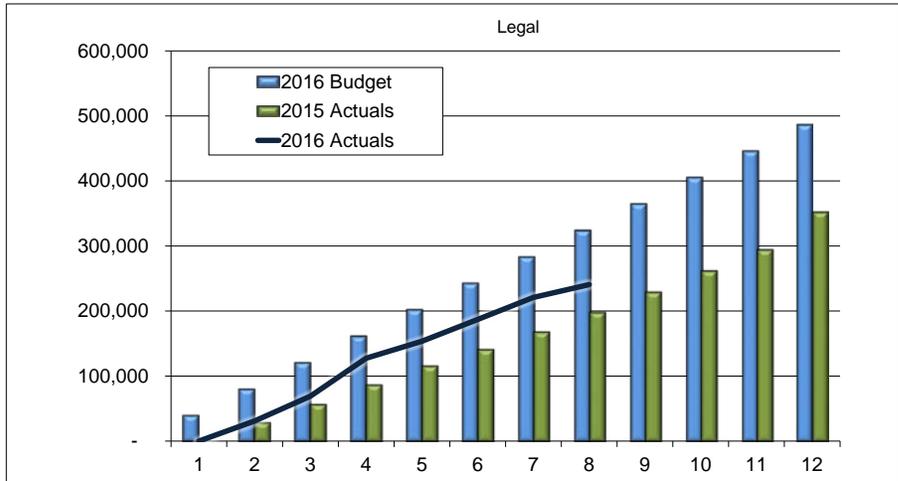


Parks within the General Fund includes personnel, park maintenance, and some capital outlay

Legal

3.32% of total GF Exp

	2016 Budget	2016 Actuals
January	40,583	-
February	81,167	31,003
March	121,750	69,122
April	162,333	127,418
May	202,917	153,475
June	243,500	186,970
July	284,083	220,887
August	324,667	240,682
September	365,250	
October	405,833	
November	446,417	
December	487,000	
% spent		49.42%



Includes our contracted City Attorney with Weed Graafstra & Associates, Prosecuting Attorney with Zachor and Thomas, and General Indigent Defense (public defender) with Feldman and Lee

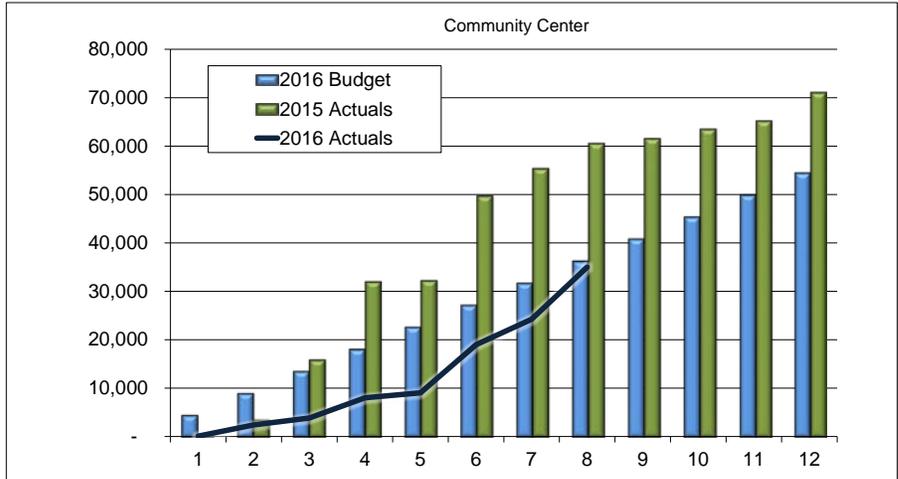
Monthly General Fund Expenditure Graphs
As of August 30th, 2016

% thru year 66.7%

Community Center

0.37% of total GF Exp

	2016 Budget	2016 Actuals
January	4,531	83
February	9,063	2,394
March	13,594	3,825
April	18,126	7,999
May	22,657	9,033
June	27,189	18,965
July	31,720	24,222
August	36,251	34,991
September	40,783	
October	45,314	
November	49,846	
December	54,377	
% spent		64.35%

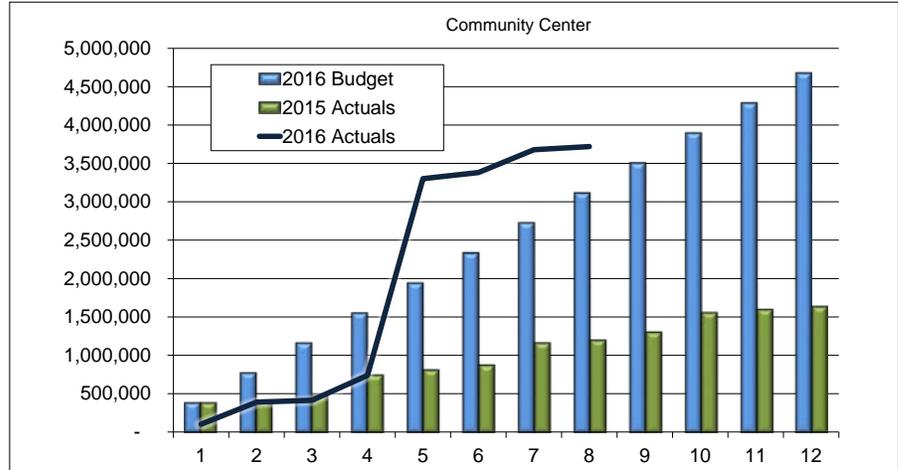


Includes the Visitor Information Center (VIC), Library operating costs, Art Commission, and Community Center operating costs.

General Government

31.91% of total GF Exp

	2016 Budget	2016 Actuals
January	390,042	101,202
February	780,084	388,802
March	1,170,126	412,314
April	1,560,168	737,046
May	1,950,210	3,300,916
June	2,340,252	3,381,521
July	2,730,294	3,679,663
August	3,120,336	3,719,879
September	3,510,378	
October	3,900,420	
November	4,290,462	
December	4,680,504	
% spent		79.48%

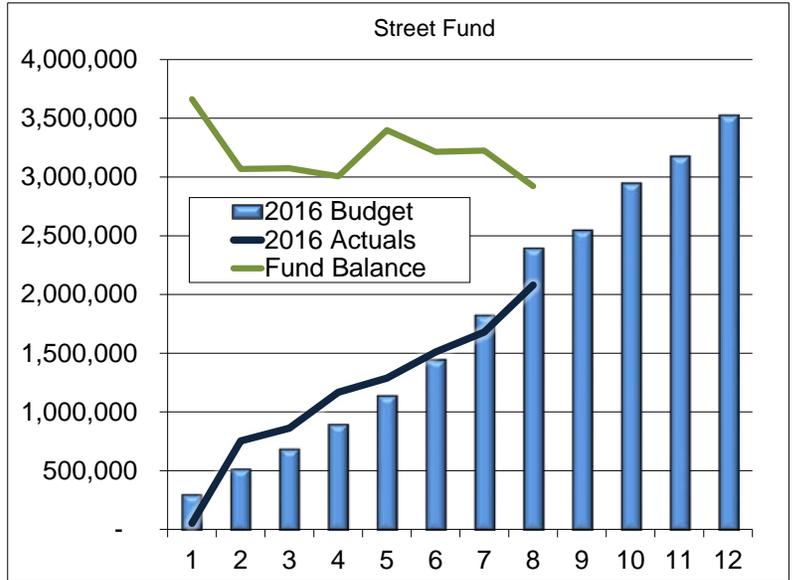


General Government includes insurance payments, transfers to reserve, payment to the district court, and other general city payments, as well as the Soper Hill property purchase.

Monthly Other Fund Graphs
As of August 30th, 2016

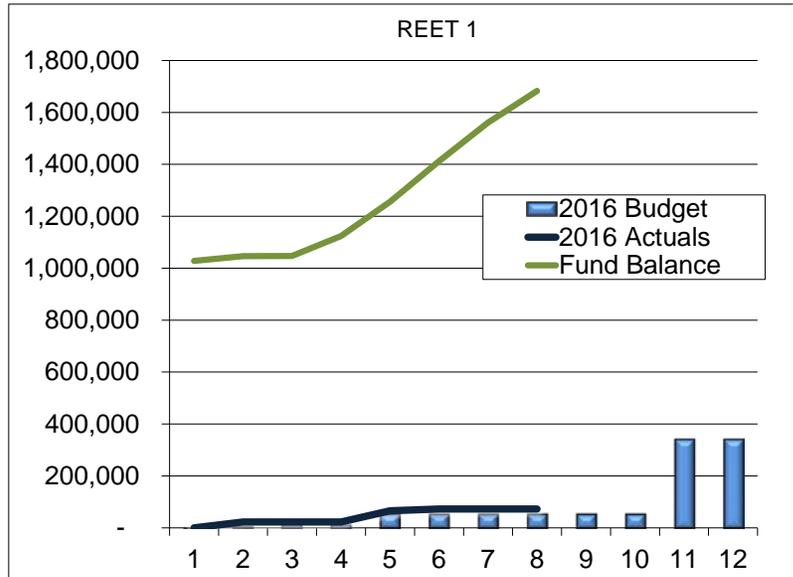
Street (Fund 101)

	Biennial Budget	Actual
January	301,526	50,944
February	519,360	752,409
March	687,269	861,052
April	897,308	1,166,887
May	1,141,755	1,288,264
June	1,447,194	1,510,207
July	1,824,208	1,679,949
August	2,393,349	2,079,843
September	2,545,485	
October	2,945,972	
November	3,173,823	
December	3,523,581	
BTD Status		59.03%



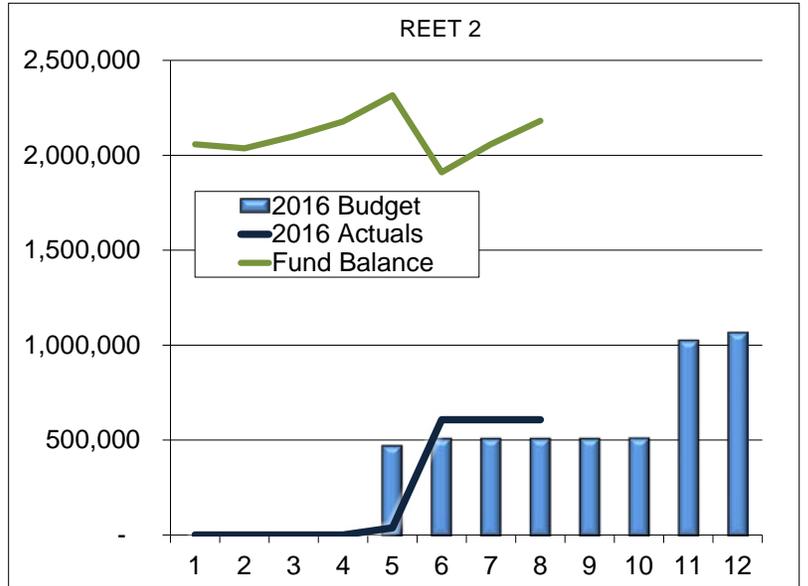
Real Estate Excise Tax I (Fund 303)

	Biennial Budget	Actual
January	202	150
February	6,653	22,768
March	13,104	22,768
April	13,104	22,768
May	55,099	65,539
June	55,099	72,689
July	55,099	72,689
August	55,099	72,689
September	55,099	
October	55,099	
November	340,649	
December	340,842	
BTD Status		21.33%



Real Estate Excise Tax II (Fund 304)

	Biennial Budget	Actual
January	-	-
February	-	-
March	-	-
April	-	-
May	475,336	37,082
June	512,611	607,083
July	512,611	607,083
August	512,611	607,083
September	513,188	
October	515,094	
November	1,025,276	
December	1,067,164	
BTD Status		56.89%



Storm & Surface Water (Fund 410)

	Biennial Budget	Actual
January	195,436	2,219
February	295,970	218,515
March	410,758	252,546
April	507,294	442,299
May	621,662	531,318
June	820,922	686,444
July	950,377	833,927
August	1,075,766	975,840
September	1,134,558	
October	1,304,206	
November	1,421,016	
December	1,561,951	
BTD Status		62.48%

