

**2017 Budget
City of Edmonds
Revenue Overview**

Context

The budget picture for Edmonds has moved from “pretty darn hopeful” for 2016 to one with more caution for 2017

2017 operating revenues see only 0.9% growth over 2016

Increasing property values

Future budgets may become more challenging

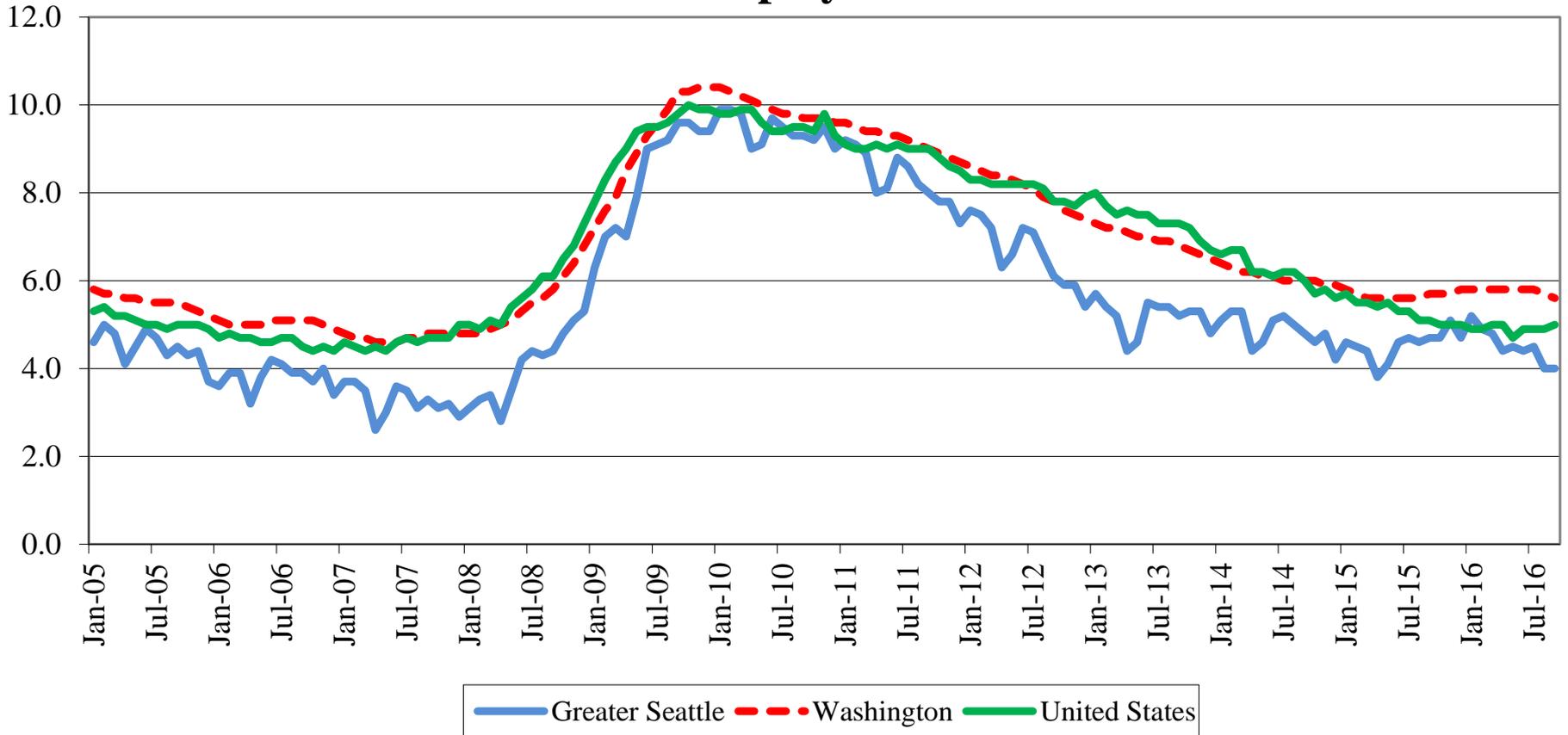
Costs from FD1 are unknown

City will have to look for either new on-going revenues or on-going expenditure savings

Economic Environment

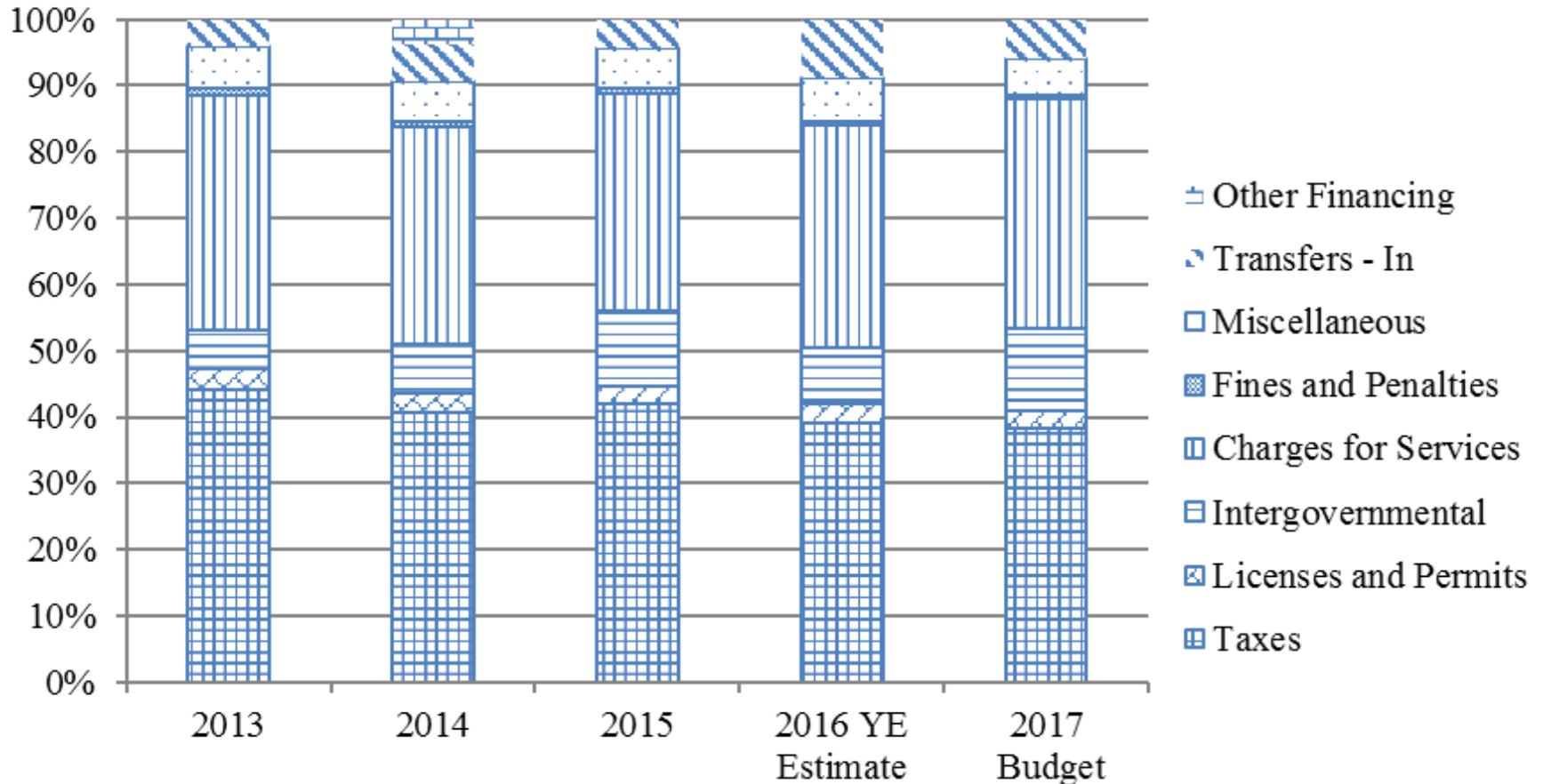
- The Puget Sound economy continues to be one of the healthiest in the country
- Home values continue to increase and housing sales remain healthy
- For 2017, we anticipate modest growth now and moderating further over the next few years

Unemployment Rates



Revenues Trend Analysis (All Funds)

Comparison of Revenues by Type
FY 2013 - FY 2017

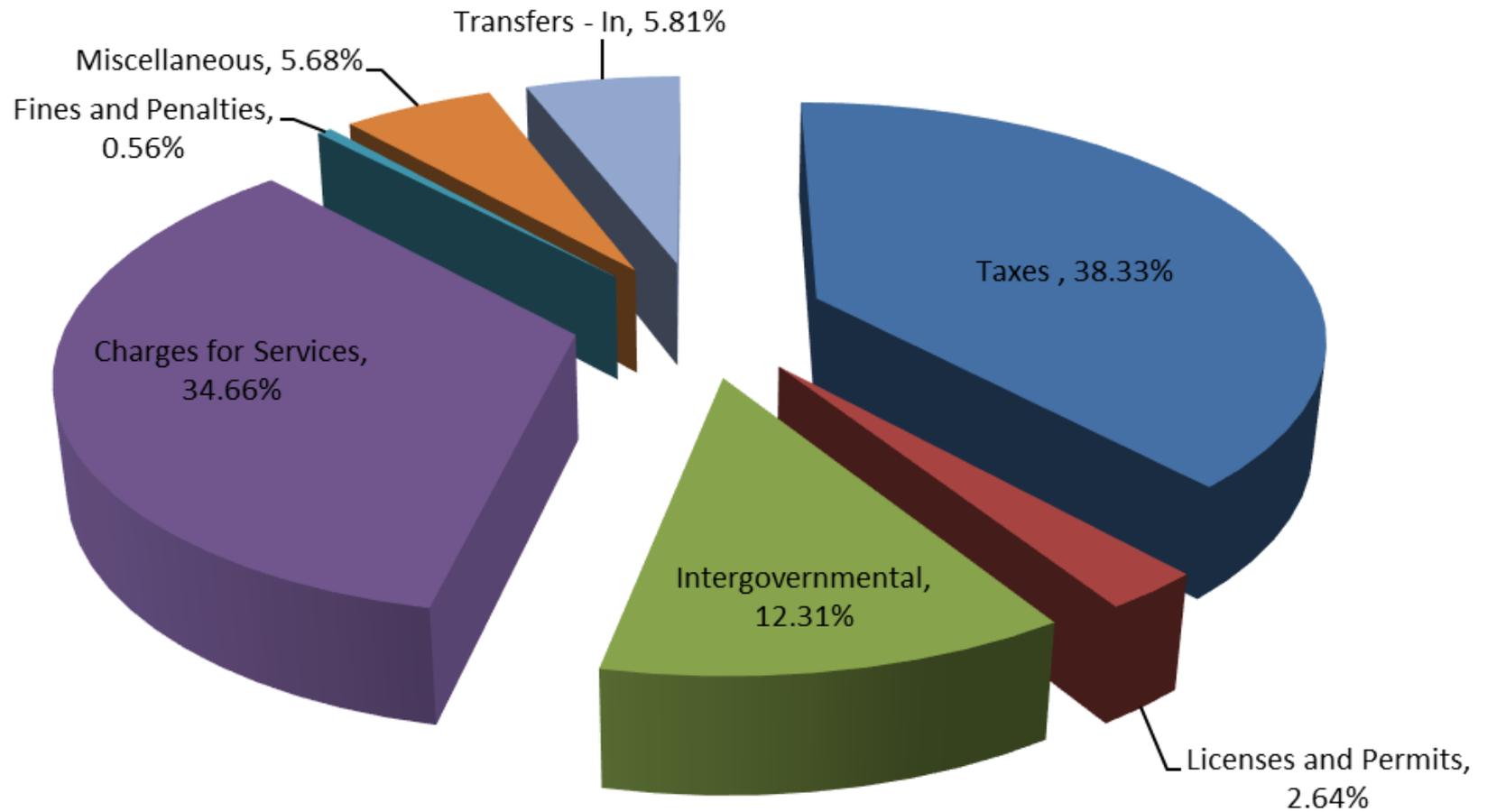


Revenues Trend Analysis (All Funds)

Revenues					
	2013	2014	2015	2016 YE Estimate	2017 Budget
Taxes	\$ 28,221,351	\$ 29,781,498	\$ 32,252,221	\$ 32,834,630	\$ 31,591,930
Licenses and Permits	\$ 1,886,998	\$ 2,223,713	\$ 2,169,852	\$ 2,328,090	\$ 2,178,200
Intergovernmental	\$ 3,793,077	\$ 5,448,527	\$ 8,769,947	\$ 7,245,750	\$ 10,142,010
Charges for Services	\$ 22,588,923	\$ 24,099,617	\$ 25,200,143	\$ 28,020,440	\$ 28,566,500
Fines and Penalties	\$ 647,092	\$ 563,768	\$ 535,834	\$ 474,830	\$ 464,500
Miscellaneous	\$ 4,095,957	\$ 4,561,967	\$ 4,714,757	\$ 5,507,780	\$ 4,679,670
Transfers - In	\$ 2,627,958	\$ 4,031,633	\$ 3,357,683	\$ 7,476,490	\$ 4,788,720
Other Financing	\$ -	\$ 2,763,314	\$ -	\$ -	\$ -
Total	\$ 63,861,357	\$ 73,474,037	\$ 77,000,437	\$ 83,888,010	\$ 82,411,530

Taxes	44%	41%	42%	39%	38%
Licenses and Permits	3%	3%	3%	3%	3%
Intergovernmental	6%	7%	11%	9%	12%
Charges for Services	35%	33%	33%	33%	35%
Fines and Penalties	1%	1%	1%	1%	1%
Miscellaneous	6%	6%	6%	7%	6%
Transfers - In	4%	5%	4%	9%	6%
Other Financing	0%	4%	0%	0%	0%
Total	100%	100%	100%	100%	100%

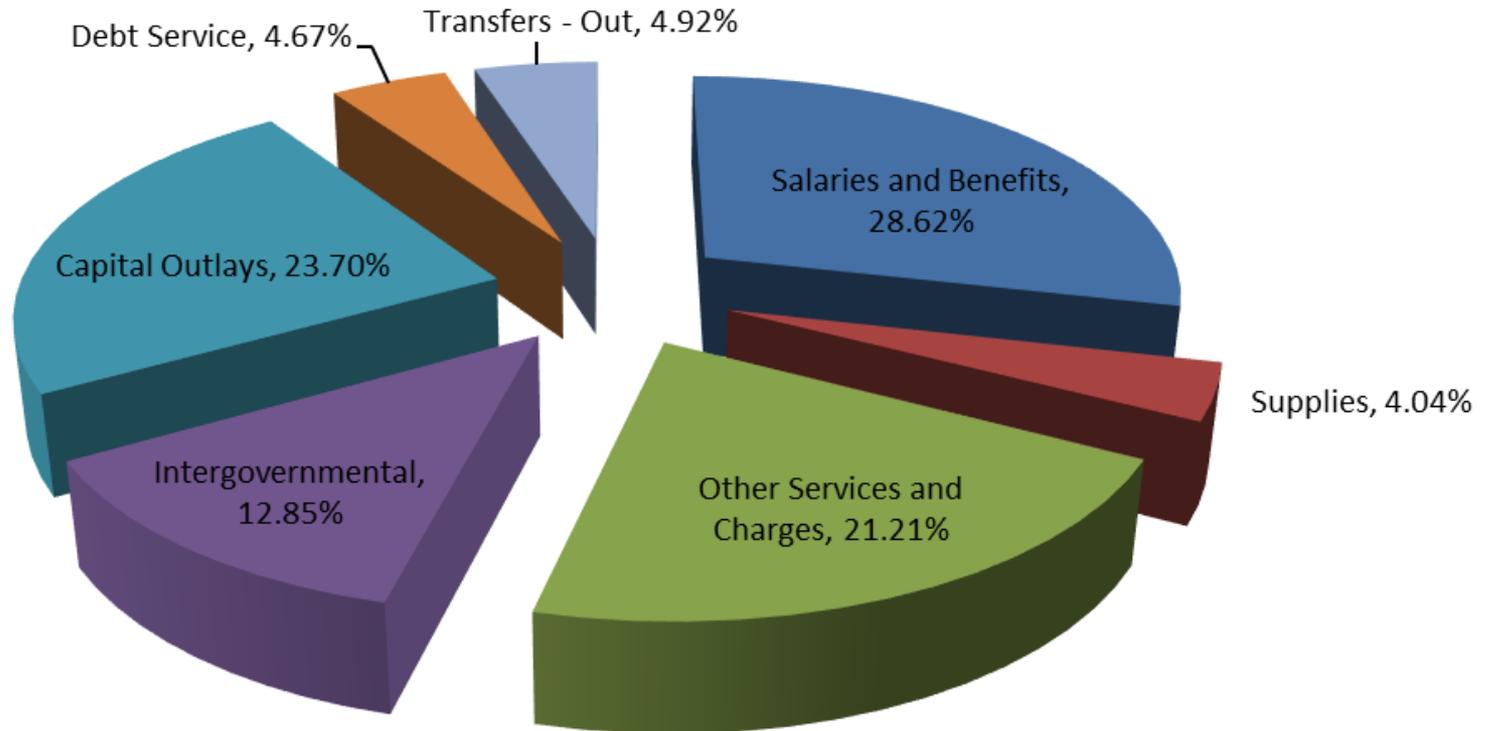
Revenues by Type (All Funds)



Expenditure Comparison All Funds

	2015 Actuals	2016 Budget	2016 Estimate	2017 Budget	Change 17-16 Estimate	Change 17-16 Estimate
General Funds	37,306,840	44,491,167	43,447,990	40,439,600	(3,008,390)	-6.92%
Special Revenue Funds	12,135,142	17,734,327	10,228,780	16,154,970	5,926,190	57.94%
Debt Service Funds	1,621,068	1,641,320	1,754,070	712,280	(1,041,790)	-59.39%
Enterprise Funds	22,537,350	40,686,525	34,211,150	37,226,090	3,014,940	8.81%
Internal Service Funds	1,251,543	1,971,820	1,840,690	2,763,430	922,740	50.13%
Firemen's Pension Fund	50,849	59,610	59,610	72,070	12,460	20.90%
TOTAL BUDGET	74,902,793	106,584,769	91,542,290	97,368,440	5,826,150	6.36%

Expenditure By Type

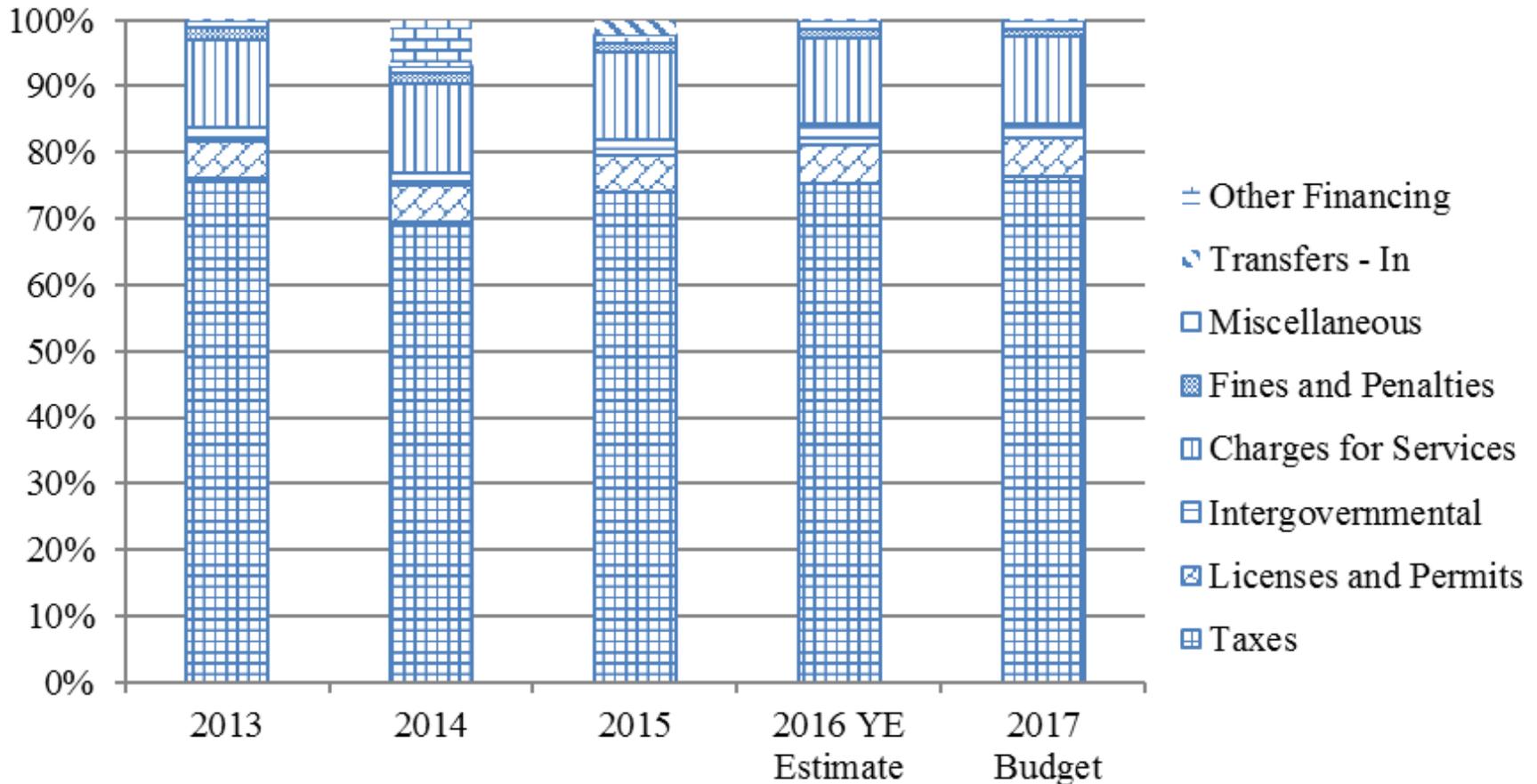


2016 - 2017 Comparison General Fund Revenues

- 2017 General Fund revenue estimates are projected to decline by 3.22% or \$1,254,720 over budgeted revenues for 2016

Revenues Trend Analysis (General Fund)

Comparison of Revenues by Type
FY 2013 - FY 2017



Revenues Trend Analysis (General Fund)

General Fund Revenues					
	2013	2014	2015	2016 YE Estimate	2017 Budget
Taxes	\$ 26,297,393	\$ 27,194,895	\$ 28,714,539	\$ 29,365,130	\$ 28,871,930
Licenses and Permits	\$ 1,858,866	\$ 2,176,493	\$ 2,132,897	\$ 2,286,940	\$ 2,138,700
Intergovernmental	\$ 723,731	\$ 766,365	\$ 977,585	\$ 1,208,360	\$ 853,010
Charges for Services	\$ 4,571,966	\$ 5,309,297	\$ 5,150,816	\$ 5,107,520	\$ 4,931,340
Fines and Penalties	\$ 639,896	\$ 558,427	\$ 535,078	\$ 473,230	\$ 460,400
Miscellaneous	\$ 422,754	\$ 412,890	\$ 505,459	\$ 484,320	\$ 471,800
Transfers - In	\$ 12,797	\$ -	\$ 822,175	\$ 82,700	\$ 26,300
Other Financing	\$ -	\$ 2,763,314	\$ -	\$ -	\$ -
Total	\$ 34,527,403	\$ 39,181,681	\$ 38,838,549	\$ 39,008,200	\$ 37,753,480

Taxes	76%	69%	74%	75%	76%
Licenses and Permits	5%	6%	5%	6%	6%
Intergovernmental	2%	2%	3%	3%	2%
Charges for Services	13%	14%	13%	13%	13%
Fines and Penalties	2%	1%	1%	1%	1%
Miscellaneous	1%	1%	1%	1%	1%
Transfers - In	0%	0%	2%	0%	0%
Other Financing	0%	7%	0%	0%	0%
Total	100%	100%	100%	100%	100%

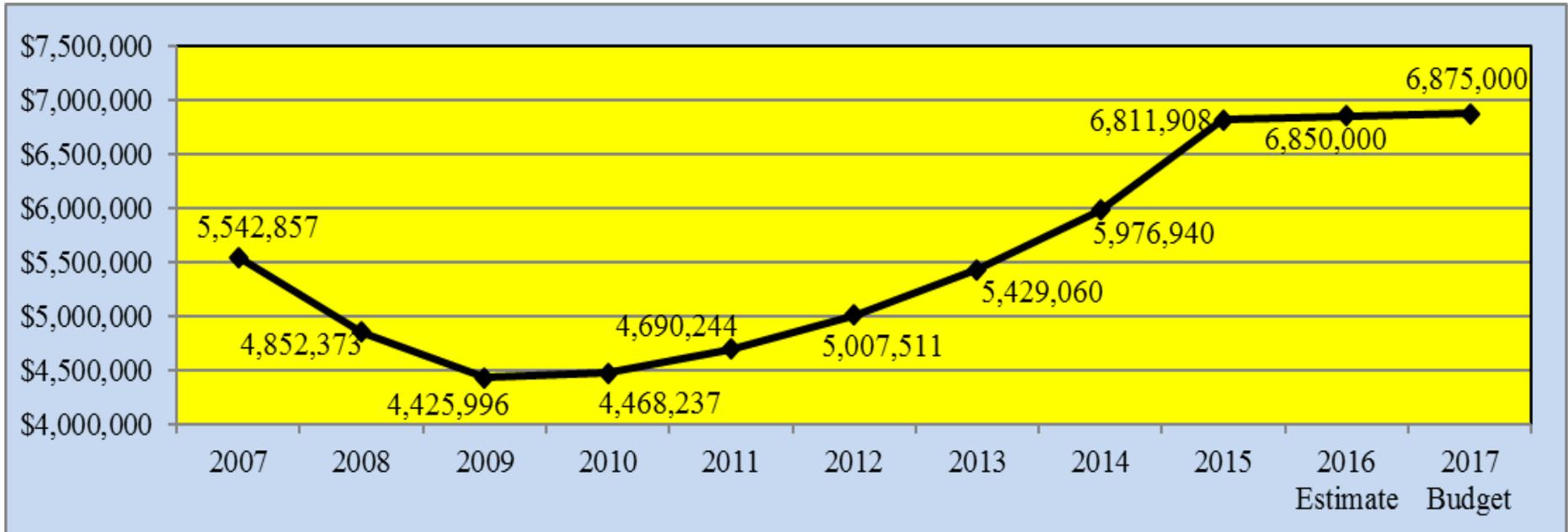
General Fund Key Revenues

Revenue	2016 YE Estimate	2017 Proposed	Variance	%	Discussion
Property Tax	\$10,064,870	\$10,221,670	\$156,800	1.6%	includes 1% increase
EMS Levy Tax	\$3,684,500	\$3,911,080	\$226,580	6.1%	includes \$170,090 banked capacity
Sales Tax	\$6,850,000	\$6,875,000	\$25,000	0.4%	Tax growth stabilizing

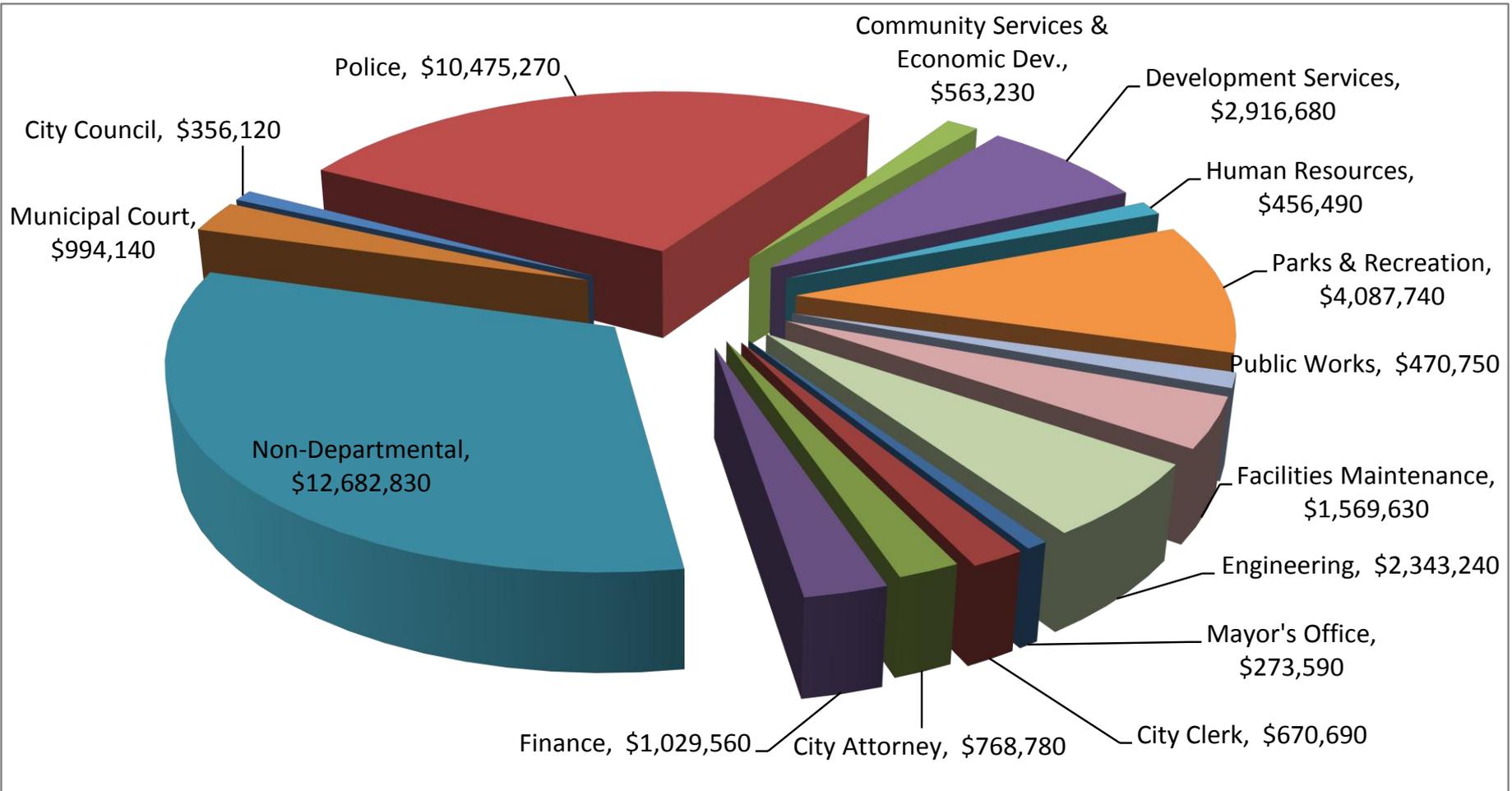
Property Tax

Year	Total Assessed Value (AV)	New Construction Assessment	Regular Property Tax Revenue From New Construction
2017	\$8,208,433,390	\$39,277,000	\$42,321
2016	\$7,369,027,390	\$43,500,982	\$64,017
2015	\$6,775,485,646	\$26,567,300	\$42,748
2014	\$6,102,411,700	\$20,626,738	\$36,334
2013	\$5,545,239,847	\$29,860,169	\$49,592
2012	\$5,794,644,465	\$21,270,476	\$31,409
2011	\$6,433,258,853	\$18,004,460	\$24,288
2010	\$6,955,482,717	\$18,563,567	\$22,274

Sales Tax Revenues



General Fund Expenditures



2017 General Fund Expenditures

- The 2017 General Fund Expenditure Budget is 3.46% smaller than the 2016 estimated year end expenditure.

2014-2021 GF Financial Plan

- The 2014-2021 Financial Plan is a combination of:
 - 2014 and 2015 history,
 - 2016 projections,
 - 2017 recommended budget,
 - and 2017-2021 projections.
- The plan gives us a high level view of where we are and where we are going from a financial perspective if there are no major unanticipated changes in the economy, revenues or expenditures.
- It is on pages 13 and 14 of the 2017 Proposed Budget book.

**STRATEGIC OUTLOOK
CITY OF EDMONDS
TOTAL REVENUES & EXPENDITURES
2014 - 2021 ANALYSIS**

	2014	2015	2016	2017	2018	2019	2020	2021
General, Risk & Contingency Funds	Actual	Actual	Projection	Outlook	Outlook	Outlook	Outlook	Outlook
Beginning Fund Balances	\$12,598,371	12,916,538	14,997,979	13,671,759	12,592,879	11,541,849	9,785,299	7,414,709
<u>Revenue</u>								
Property Taxes	13,717,961	14,299,299	14,699,370	14,142,750	14,349,430	14,553,030	14,744,120	14,923,500
Retail Sales Taxes	5,976,940	6,811,908	6,850,000	6,875,000	6,827,600	6,728,100	6,630,100	6,533,400
Other Sales Taxes	620,389	642,518	685,000	687,500	682,800	672,800	663,000	653,300
Utility Taxes	6,583,508	6,649,164	6,810,680	6,845,300	6,869,900	6,894,600	6,919,300	6,944,100
Other Taxes	296,098	311,649	320,080	321,380	322,820	324,260	325,700	327,140
Licenses/PermitsFranchise	1,495,093	1,499,993	1,546,940	1,518,100	1,516,470	1,516,530	1,516,590	1,516,750
Construction Permits	681,400	632,904	740,000	620,600	592,500	564,500	536,700	509,000
Grants	80,793	222,593	409,580	21,030	30,000	30,000	30,000	30,000
State Revenues	685,571	754,992	798,780	831,980	834,200	836,420	838,640	849,460
Intergov't Service Charges	188,484	174,325	165,980	158,000	211,280	211,280	211,280	211,280
Interfund Service Charges	2,126,201	2,216,145	2,312,540	2,036,380	2,083,170	2,108,170	2,108,170	2,108,170
Charges for Goods & Services	2,994,612	2,760,347	2,629,000	2,675,520	2,624,050	2,577,950	2,513,500	2,411,500
Fines & Forfeitures	558,427	535,078	473,230	460,400	462,930	465,330	467,730	470,130
Miscellaneous Revenues	483,058	545,373	519,070	504,800	517,800	520,380	522,940	525,520
Other Financing Sources	2,763,314	-	-	63,450	-	-	-	-
Transfers	636,000	822,175	792,140	26,300	26,300	26,300	26,300	26,300
Total Revenues	39,887,849	38,878,463	39,752,390	37,788,490	37,951,250	38,029,650	38,054,070	38,039,550
Revenue Growth / (Decline)	12.9%	-2.5%	2.2%	-4.9%	0.4%	0.2%	0.1%	0.0%
<u>Expenditures</u>								
Labor	12,878,647	13,591,995	14,388,850	14,986,000	15,390,620	15,806,170	16,232,940	16,671,230
Benefits	4,648,533	4,908,547	5,306,790	5,468,000	5,632,040	5,801,000	5,975,030	6,154,280
Supplies	694,757	504,068	547,860	402,000	406,020	410,080	414,180	418,320
Services	4,863,375	5,274,042	6,667,820	6,457,000	6,521,570	6,586,790	6,652,660	6,719,190
Intergovernmental	9,005,004	9,003,586	10,525,120	10,279,300	9,793,970	9,891,910	9,990,830	10,090,740
Capital	161,605	92,202	67,500	47,000	25,000	25,000	25,000	25,000
Debt Service	3,041,080	273,267	205,550	204,870	204,180	204,460	67,150	67,100
Transfers	3,520,377	3,149,315	3,369,120	1,023,200	1,028,880	1,060,790	1,066,870	1,067,710
Total Expenses	38,813,377	36,797,022	41,078,610	38,867,370	39,002,280	39,786,200	40,424,660	41,213,570
Expense Growth / (Decline)	18.5%	-5.2%	11.6%	-5.4%	0.3%	2.0%	1.6%	2.0%
Change in Ending Fund Balance Prior Period Adjustment	1,074,472 (\$756,305)	2,081,441	(1,326,220)	(1,078,880)	(1,051,030)	(1,756,550)	(2,370,590)	(3,174,020)
Ending Fund Balance	12,916,538	14,997,979	13,671,759	12,592,879	11,541,849	9,785,299	7,414,709	4,240,689

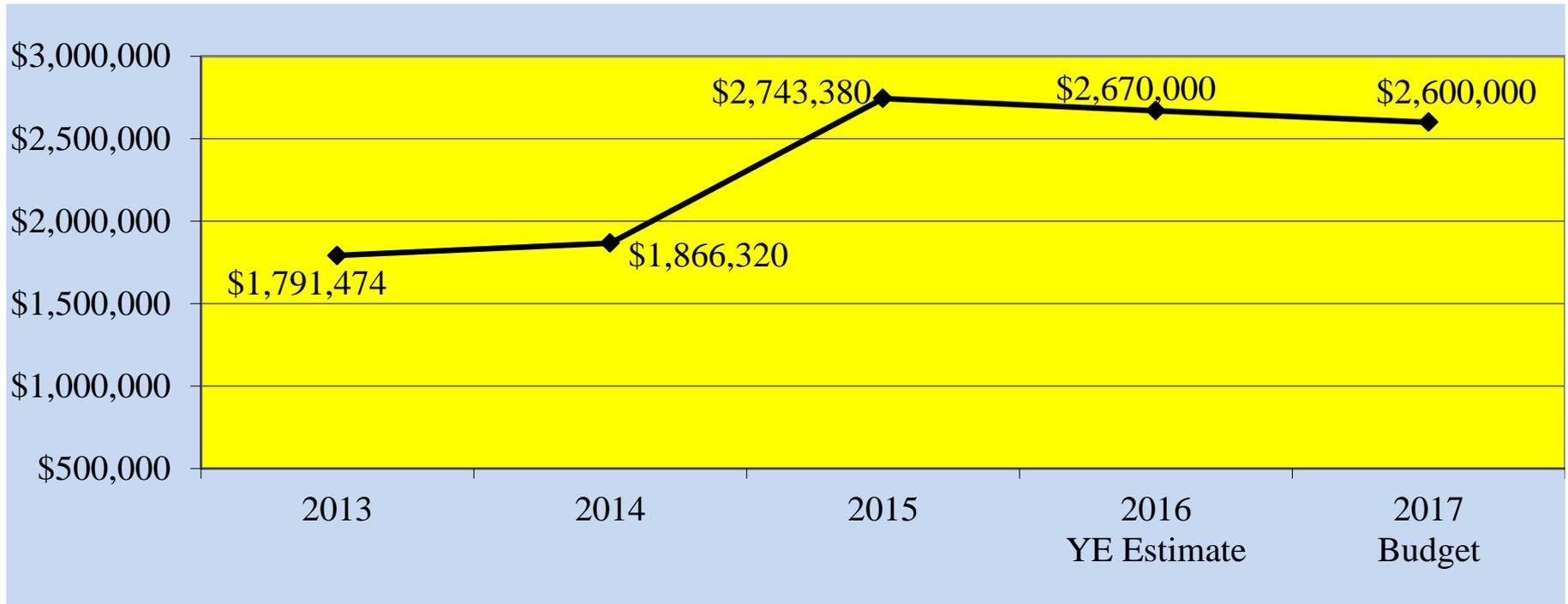
**STRATEGIC OUTLOOK
CITY OF EDMONDS
GENERAL FUND FUND BALANCE
2014 - 2021 ANALYSIS**

	2014	2015	2016	2017	2018	2019	2020	2021
General, Risk & Contingency Funds	Actual	Actual	Projection	Outlook	Outlook	Outlook	Outlook	Outlook
General Operations (001)	6,446,380	9,359,437	7,289,027	6,757,447	5,662,657	3,862,007	1,446,997	(1,771,783)
Risk Management (011)	1,024,822	961,512	968,262	975,062	982,372	989,742	997,162	1,004,642
General Operations Contingency (012)	5,445,337	4,677,030	5,414,470	4,860,370	4,896,820	4,933,550	4,970,550	5,007,830
	12,916,539	14,997,979	13,671,759	12,592,879	11,541,849	9,785,299	7,414,709	4,240,689

	2014	2015	2016	2017	2018	2019	2020	2021
Other General Fund Fund Balances	Actual	Actual	Projection	Outlook	Outlook	Outlook	Outlook	Outlook
LEOFF Medical Insurance Fund (009)	539,044	519,409	518,569	503,739	487,210	456,950	425,960	380,050
Multimodal Transportation Fund (013)	56,023	56,487	56,857	-	-	-	-	-
Historic Preservation Fund (014)	1,066	2,589	2,229	1,859	750	750	750	750
Building Maintenance Fund (016)	141,146	118,085	286,035	256,035	80,000	70,000	60,000	50,000
	737,279	696,570	863,690	761,633	567,960	527,700	486,710	430,800

Total General Fund Fund Balances	13,653,818	15,694,549	14,535,449	13,354,512	12,109,809	10,312,999	7,901,419	4,671,489
<i>Fund Balance as a % of General, Risk & Contingency Fund Revenues</i>	34.23%	40.37%	36.56%	35.34%	31.91%	27.12%	20.76%	12.28%

REET Revenues



Questions?