



2019 Budget City of Edmonds Revenue Overview



Recommended Budget Changes

STAFF'S RECOMMENDED PROPOSED BUDGET BOOK CHANGES			
Item #	Budget Book Page #	Description	Cash Increase (Decrease)
GENERAL FUND			
1	New Item 43	City Clerk Benefits Understated	(\$15,125)
2	20	Culture & Recreation - Program Revenue	(\$45,000)
3	New Item 57	SnoCo DEM(Former ESCA)/SERS	(\$5,245)
4	New Item 57	SnoCo 911(former SNOCOM) Merger Savings	\$169,180
5	New Item DP#95	Reduce Contribution to Sno. Health District to \$1/capita	\$42,000
		Impacts to General Fund Ending Cash	<u>\$145,810</u>
Fund 017 Marsh Restoration and Preservation			
6	124	Add Donation Revenues	\$6,800
		Impacts to Fund 017 Ending Cash	<u>\$6,800</u>
Fund 112 Street Construction			
7	DP#97	Correct pavement preservation expense for General Fund Transfer by increasing Fund 112 expense	(\$500,000)
		Impacts to Fund 112 Ending Cash	<u>(\$500,000)</u>
EDMONDS HOMELESSNESS RESPONSE FUND 018			
8	61	Move \$250,000 Transitional Housing budget to REET Fund 125	\$250,000
		Impacts to Fund 018 Ending Cash	<u>\$250,000</u>
REET 2 FUND 125			
8	167	Move \$250,000 Transitional Housing budget from Fund 018	(\$250,000)
		Impacts to Fund 125 Ending Cash	<u>(\$250,000)</u>



Context

- The 2019 Proposed Budget acknowledges that the strong national economy is benefiting Edmonds
- Our estimated 2018 operating revenues are 4.3% higher than 2017
- The 2019 proposed operating revenues will slow to a 3.1% increase over 2018
- Increasing property values
- As 2019 starts to unfold, we will need to closely monitor development related revenues
- November marks the 113th month of sustained economic growth



Economic Environment

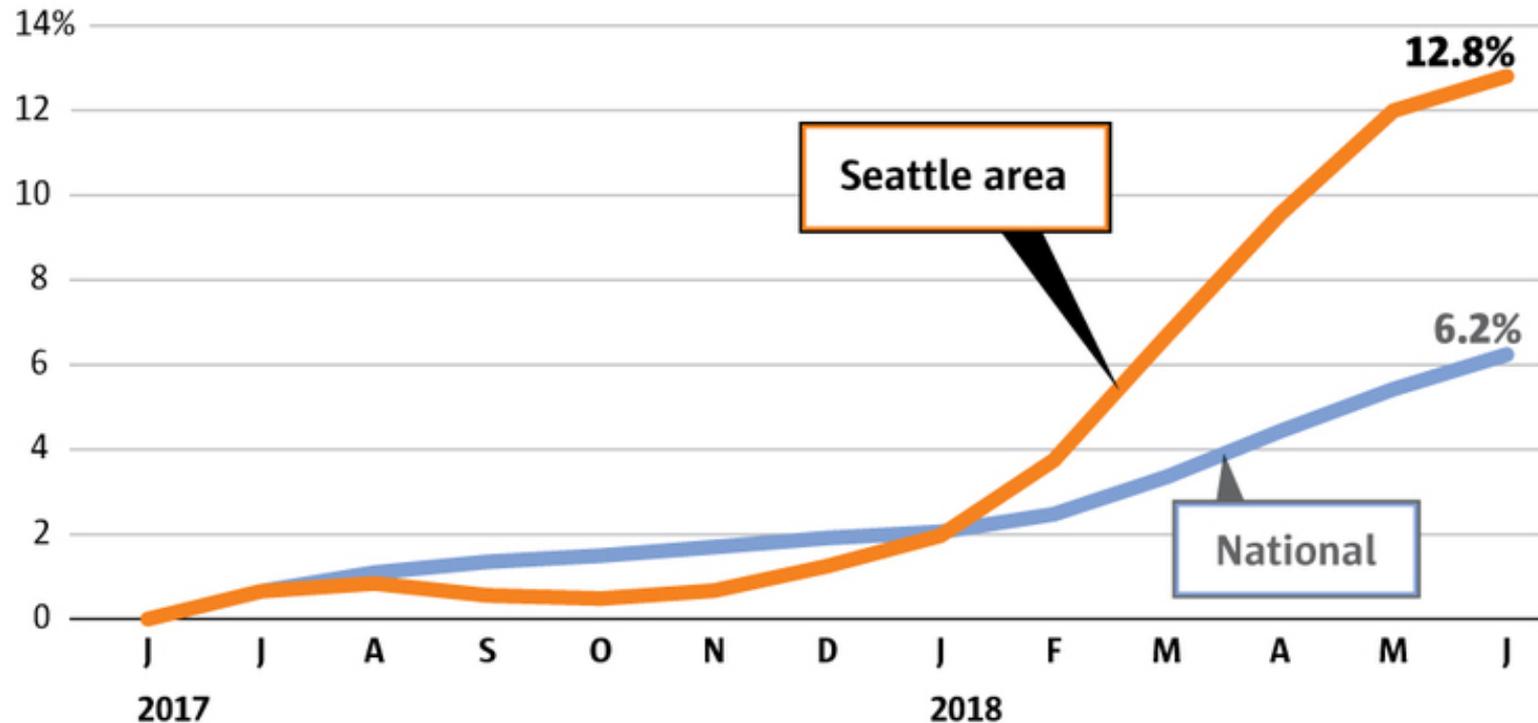
- The Puget Sound economy continues to be one of the healthiest in the country
- Home values are not seeing increases like we were experiencing
- Housing sales remain healthy
- For 2019, we anticipate modest growth now and moderating further over the next couple of years

Seattle dethroned as nation's hottest housing market after nearly two years

Originally published By the Seattle Times on August 28, 2018

Seattle now nation's No. 2 fastest-rising housing market

Although Seattle-area home price increases no longer lead the nation, they continue to outpace the national average in year-over-year change.

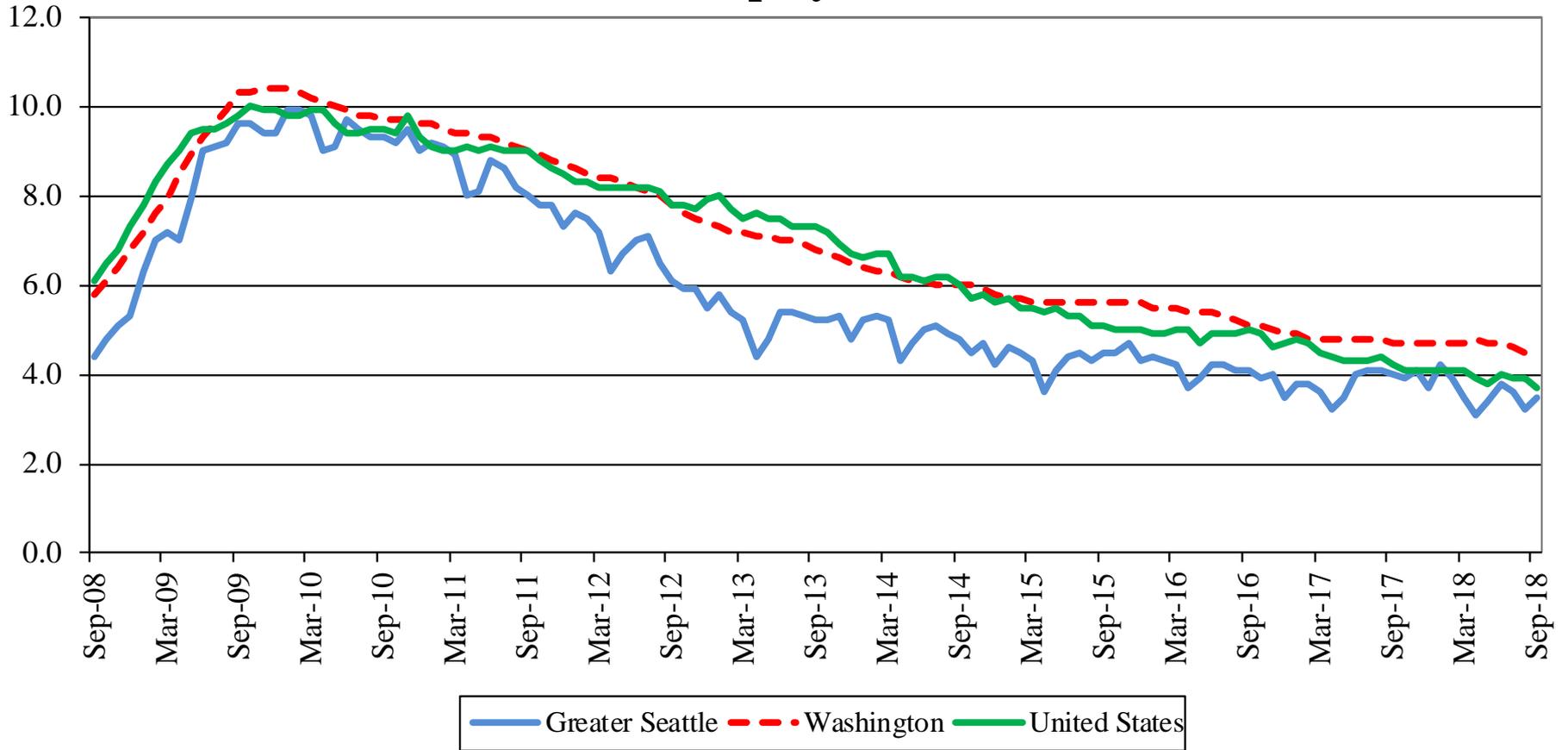


Source: S&P/Case-Shiller Home Price Indices

THE SEATTLE TIMES



Unemployment Rates

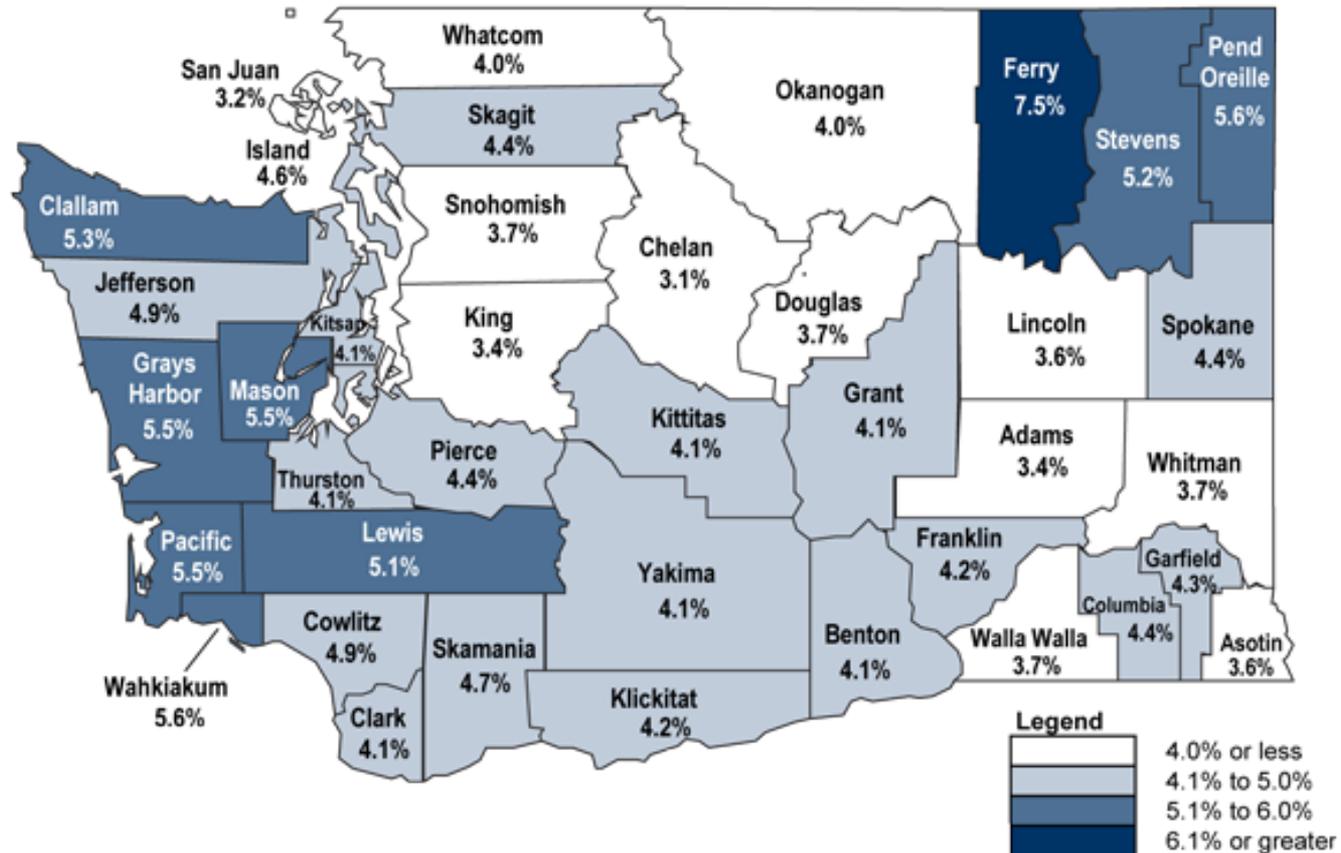




Washington State Unemployment by County

September 2018

County unemployment rates, not seasonally adjusted

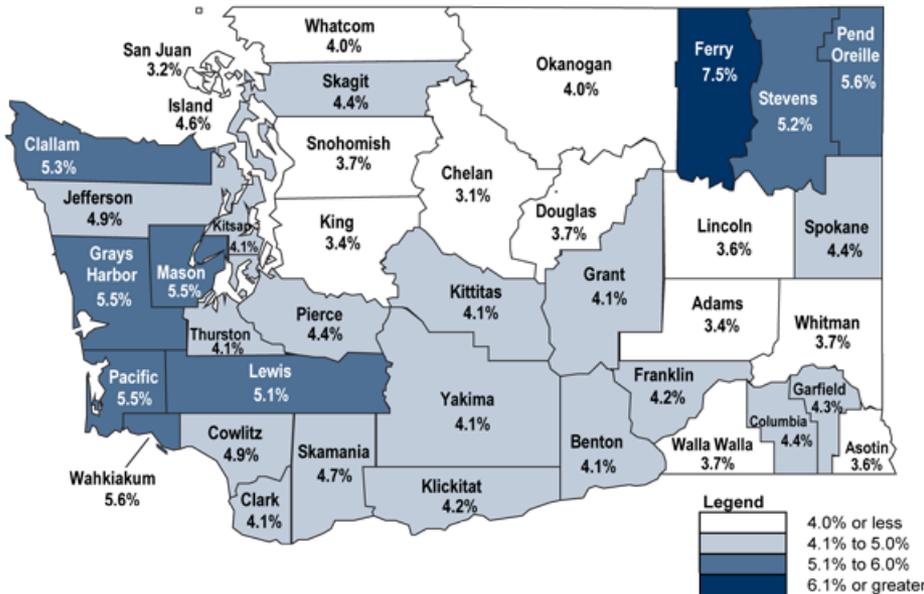




Washington State Unemployment by County

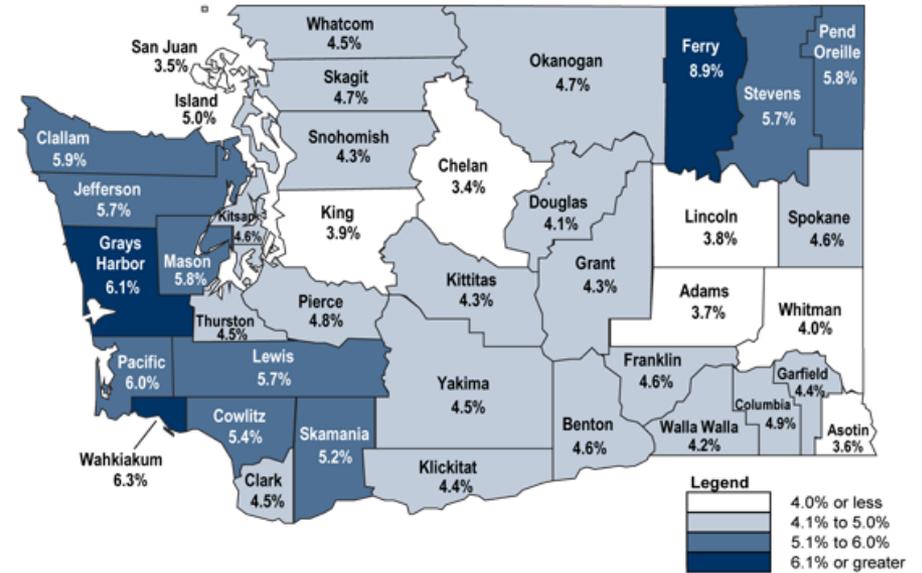
September 2018

County unemployment rates, not seasonally adjusted



September 2017

County unemployment rates, not seasonally adjusted

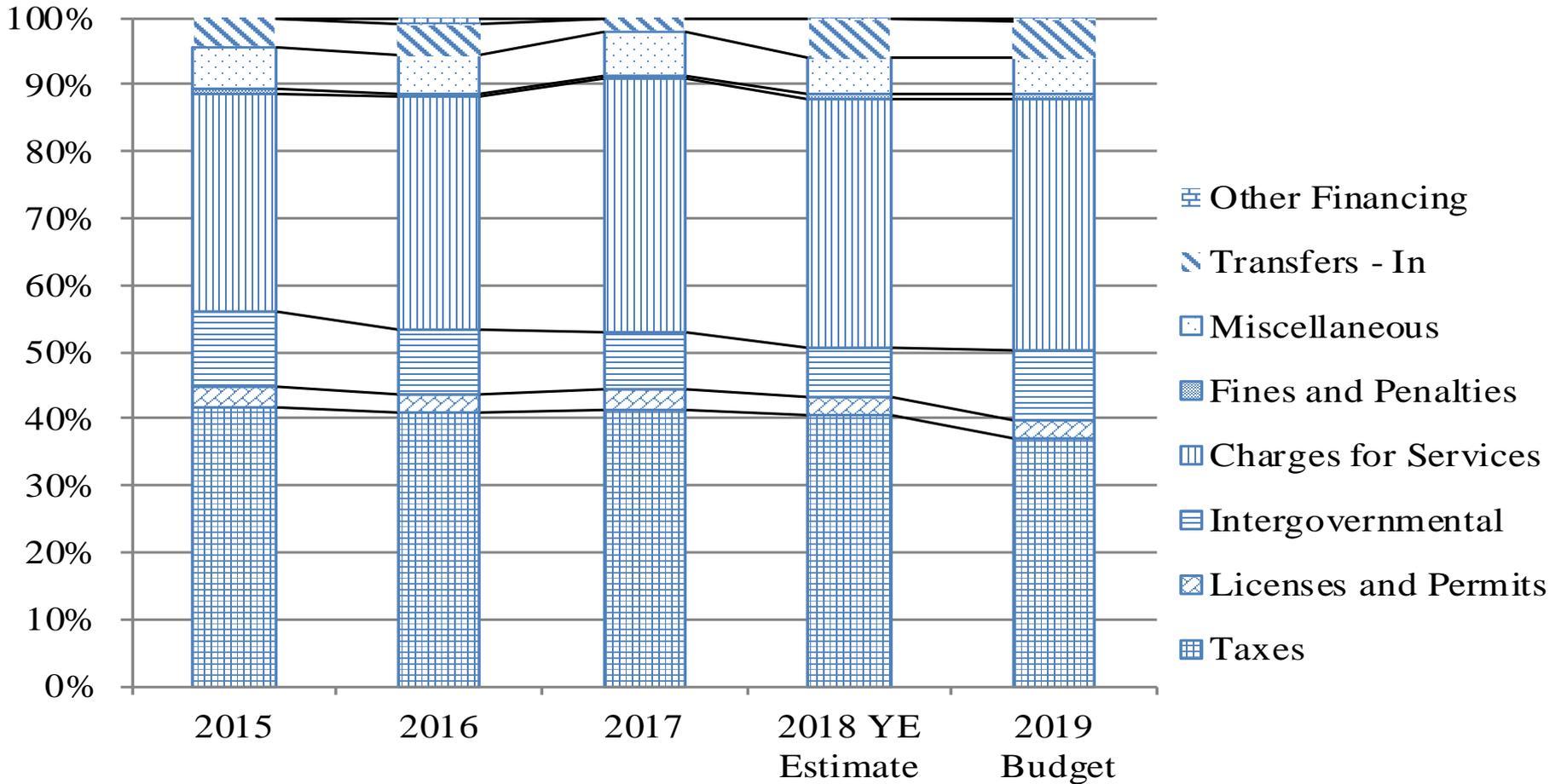




Revenues Trend Analysis

(All Funds)

Comparison of Revenues by Type FY 2015 - FY 2019





Revenues Trend Analysis

(All Funds)

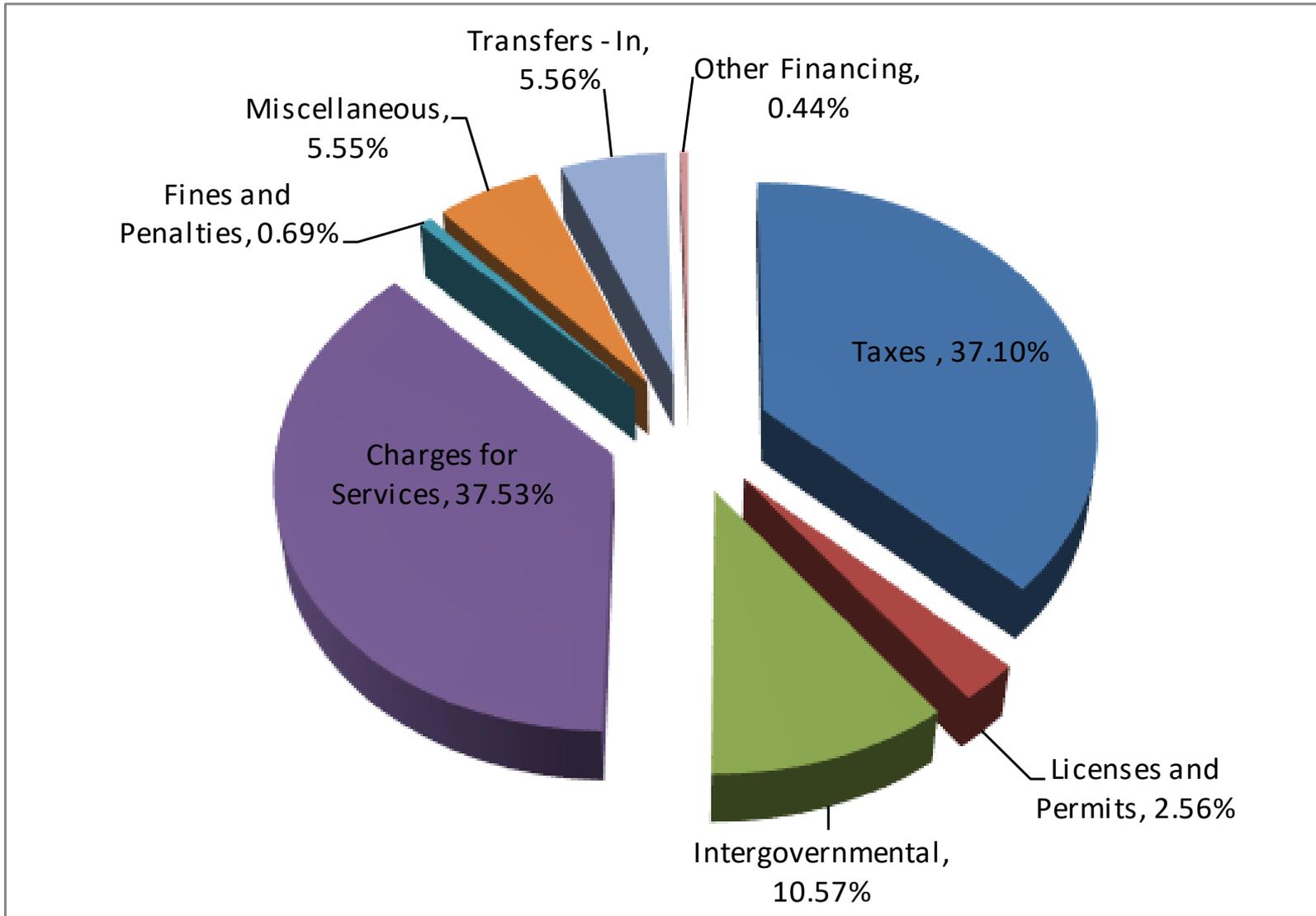
Revenues					
	2015	2016	2017	2018 YE Estimate	2019 Budget
Taxes	\$ 32,252,221	\$ 32,867,984	\$ 33,409,082	\$ 34,764,790	\$ 34,419,813
Licenses and Permits	\$ 2,169,852	\$ 2,364,392	\$ 2,558,832	\$ 2,443,680	\$ 2,374,830
Intergovernmental	\$ 8,769,947	\$ 7,646,401	\$ 7,028,929	\$ 6,118,837	\$ 9,805,211
Charges for Services	\$ 25,200,143	\$ 28,011,702	\$ 30,680,145	\$ 32,082,831	\$ 34,810,346
Fines and Penalties	\$ 535,834	\$ 522,803	\$ 460,531	\$ 638,535	\$ 636,035
Miscellaneous	\$ 4,714,757	\$ 4,410,128	\$ 5,458,710	\$ 4,525,776	\$ 5,151,697
Transfers - In	\$ 3,357,683	\$ 3,763,904	\$ 1,530,474	\$ 4,956,583	\$ 5,159,021
Other Financing	\$ -	\$ 838,526	\$ -	\$ 136,250	\$ 408,750
Total	\$ 77,000,436	\$ 80,425,840	\$ 81,126,703	\$ 85,667,282	\$ 92,765,703

Taxes	42%	41%	41%	41%	37%
Licenses and Permits	3%	3%	3%	3%	3%
Intergovernmental	11%	10%	9%	7%	11%
Charges for Services	33%	35%	38%	37%	38%
Fines and Penalties	1%	1%	1%	1%	1%
Miscellaneous	6%	5%	7%	5%	6%
Transfers - In	4%	5%	2%	6%	6%
Other Financing	0%	1%	0%	0%	0%
Total	100%	100%	100%	100%	100%



Revenues by Type

(All Funds)





Expenditure Comparison

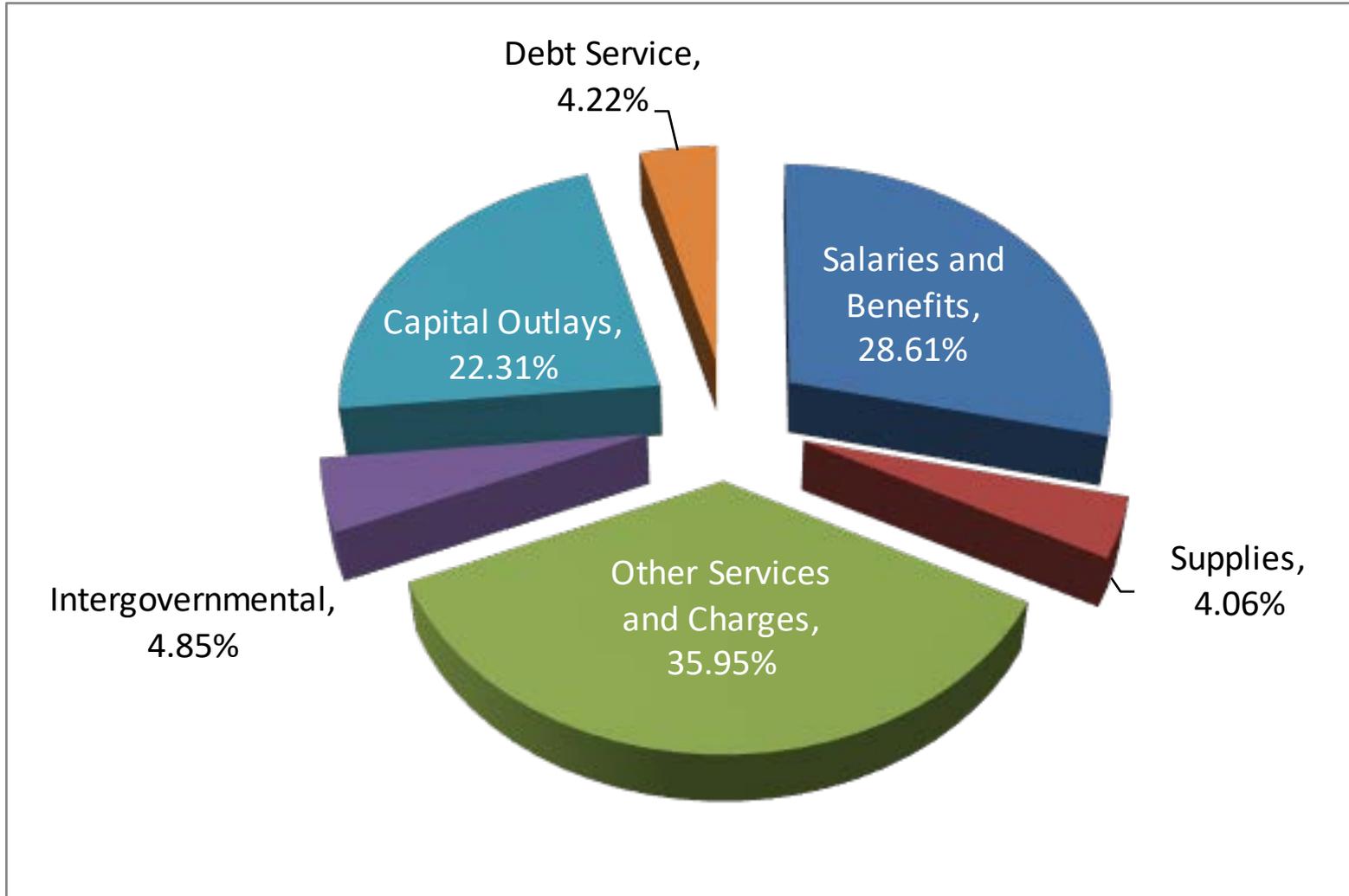
(All Funds)

	2017	2018	2018	2019	Change	Change
	Actuals	Budget	Estimate	Budget	19-18	19-18
					Estimate	Estimate
General Funds	39,816,199	44,753,082	42,868,905	44,829,615	1,960,710	4.57%
Special Revenue Funds	10,673,124	11,719,395	9,798,920	13,919,411	4,120,491	42.05%
Debt Service Funds	711,771	725,150	724,912	728,810	3,898	0.54%
Capital Funds	317,016	2,346,881	422,462	3,763,628	3,341,166	790.88%
Enterprise Funds	21,086,543	36,545,857	33,991,519	41,240,123	7,248,604	21.32%
Internal Service Funds	1,929,548	3,005,495	2,953,984	3,457,342	503,358	17.04%
Firemen's Pension Fund	67,640	75,218	75,218	78,627	3,409	4.53%
TOTAL BUDGET	74,601,841	99,171,078	90,835,920	108,017,556	17,181,636	18.92%



Expenditure By Type

(All Funds)





2018 - 2019 Comparison

General Fund Revenues

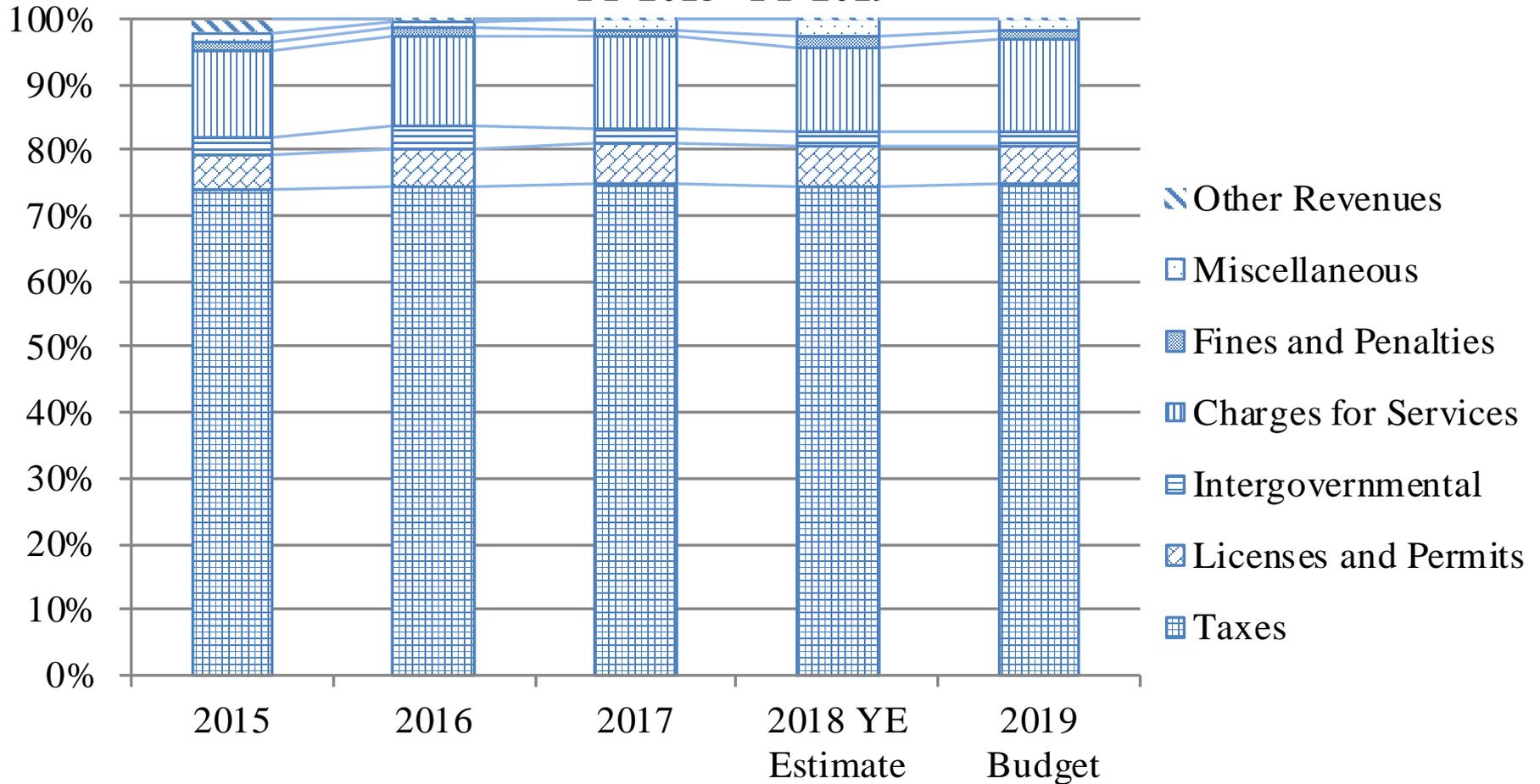
- 2018 General Fund operating revenues are projected to increase by 3.2% over 2017
- 2019 General Fund operating revenues are projected to increase by 0.3% over 2018



Revenues Trend Analysis

(General Fund)

Comparison of Revenues by Type FY 2015 - FY 2019





Revenues Trend Analysis

(General Fund)

General Fund Revenues					
	2015	2016	2017	2018 YE Estimate	2019 Budget
Taxes	\$ 28,714,539	\$ 29,403,794	\$ 29,572,204	\$ 30,439,790	\$ 30,508,063
Licenses and Permits	\$ 2,132,897	\$ 2,269,313	\$ 2,506,802	\$ 2,396,680	\$ 2,333,830
Intergovernmental	\$ 977,585	\$ 1,261,998	\$ 890,571	\$ 949,534	\$ 918,722
Charges for Services	\$ 5,150,816	\$ 5,403,786	\$ 5,463,913	\$ 5,303,782	\$ 5,772,819
Fines and Penalties	\$ 535,078	\$ 522,051	\$ 459,931	\$ 637,535	\$ 635,135
Miscellaneous	\$ 505,459	\$ 473,171	\$ 633,560	\$ 1,027,350	\$ 634,570
Transfers - In	\$ 822,175	\$ 82,695	\$ 26,300	\$ 75,884	\$ 26,300
Other Financing	\$ -	\$ 549,095	\$ -	\$ -	
Total	\$ 38,838,549	\$ 39,965,902	\$ 39,553,281	\$ 40,830,555	\$ 40,829,439

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



General Fund Key Revenues

Revenue	2018 YE Estimate	2019 Proposed	Variance	%	Discussion
Property Tax	\$10,368,000	\$10,548,203	\$180,203	1.7%	includes 1% increase
EMS Levy Tax	\$3,975,000	\$4,044,220	\$69,220	1.7%	includes 1% increase
Sales Tax	\$8,100,000	\$7,825,000	(\$275,000)	-3.4%	Record growth moderating

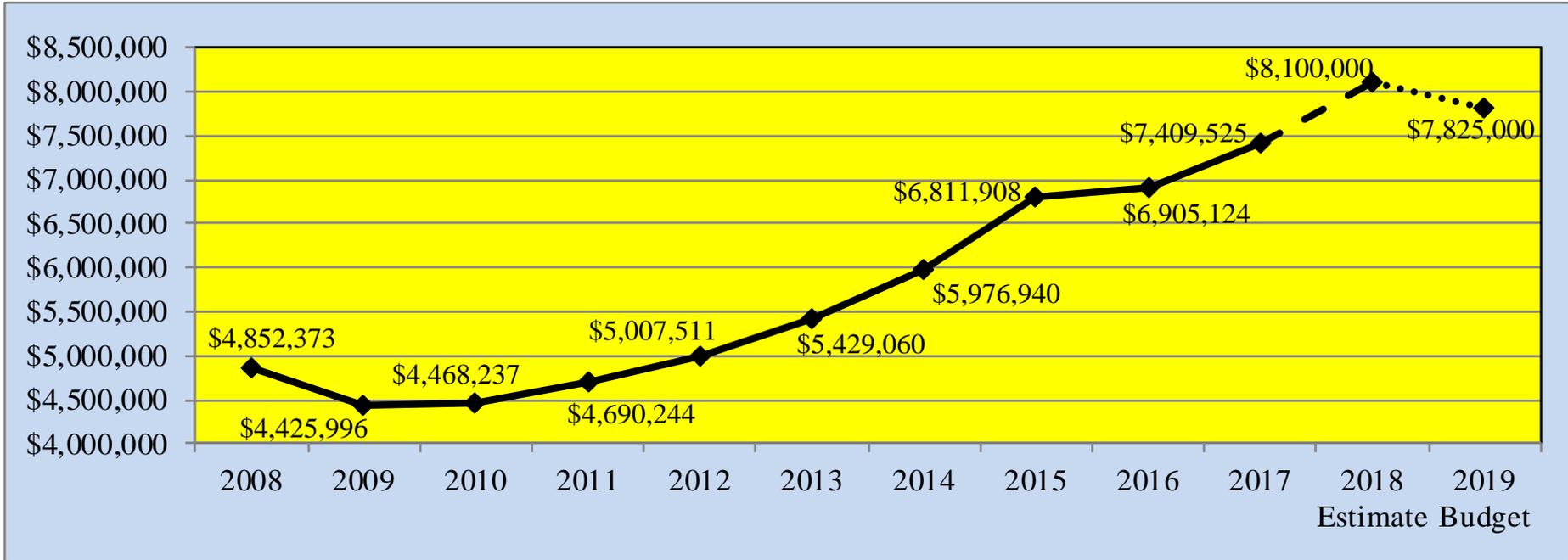


Property Tax Revenues

Year	Total Assessed Value (AV)	New Construction Assessment	Regular Property Tax Revenue From New Construction
2019	\$10,250,720,519	\$67,202,400	\$76,510
2018	\$9,118,234,897	\$38,266,907	\$47,819
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

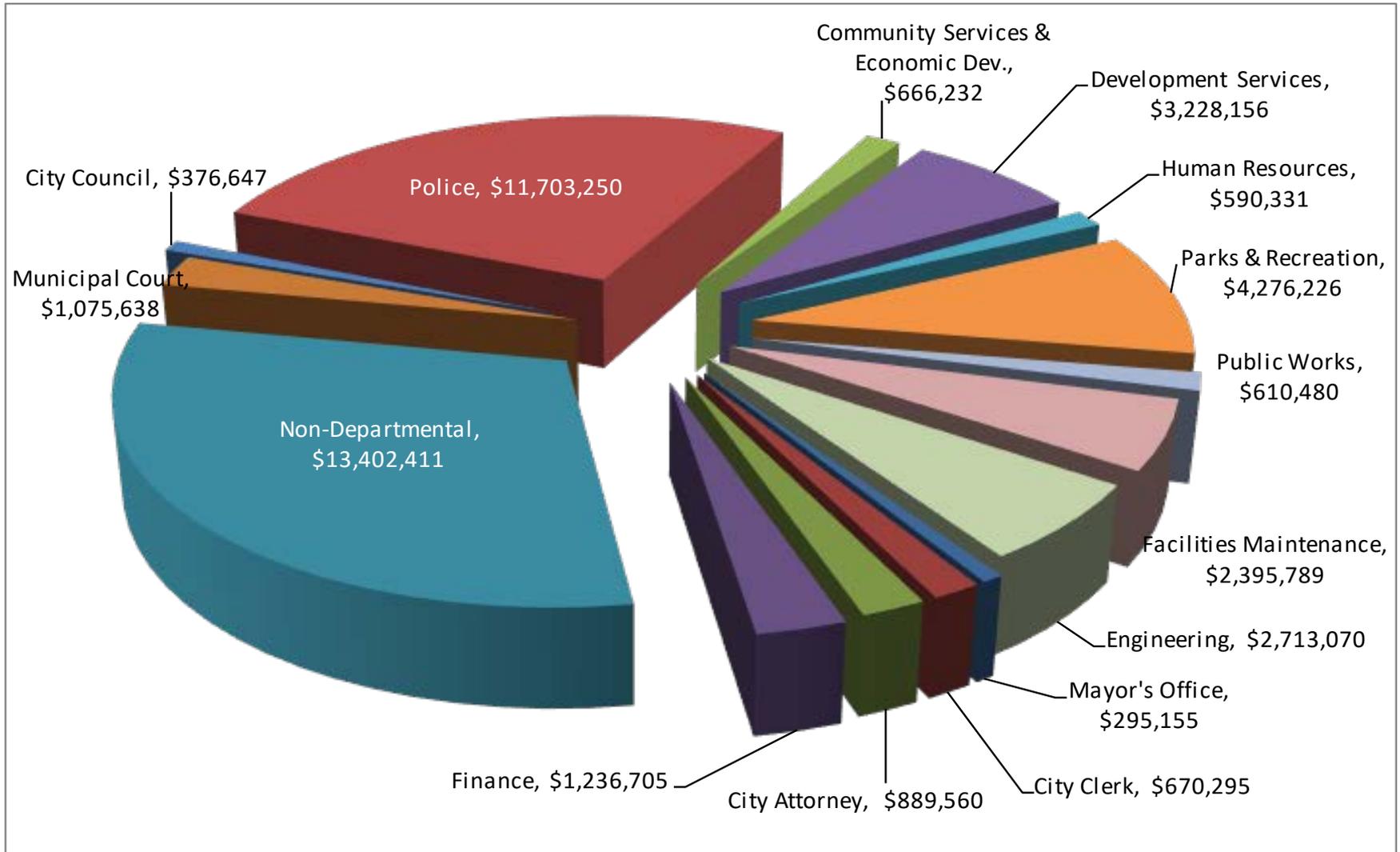


Sales Tax Revenues



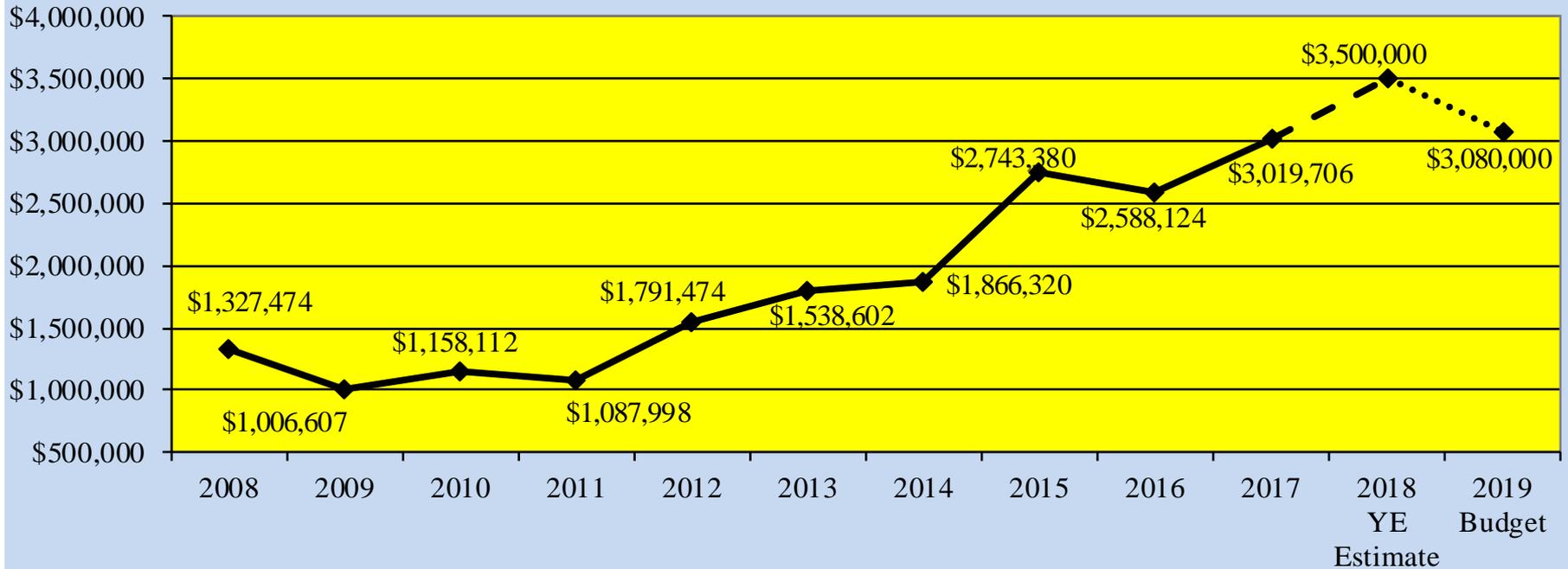


General Fund Expenditures





REET Revenues





Questions?