



**proud past, promising future**

**CLARK COUNTY**  
WASHINGTON

# Quarterly Finance Report

## 2015 Fourth Quarter

Preliminary  
March 02, 2016

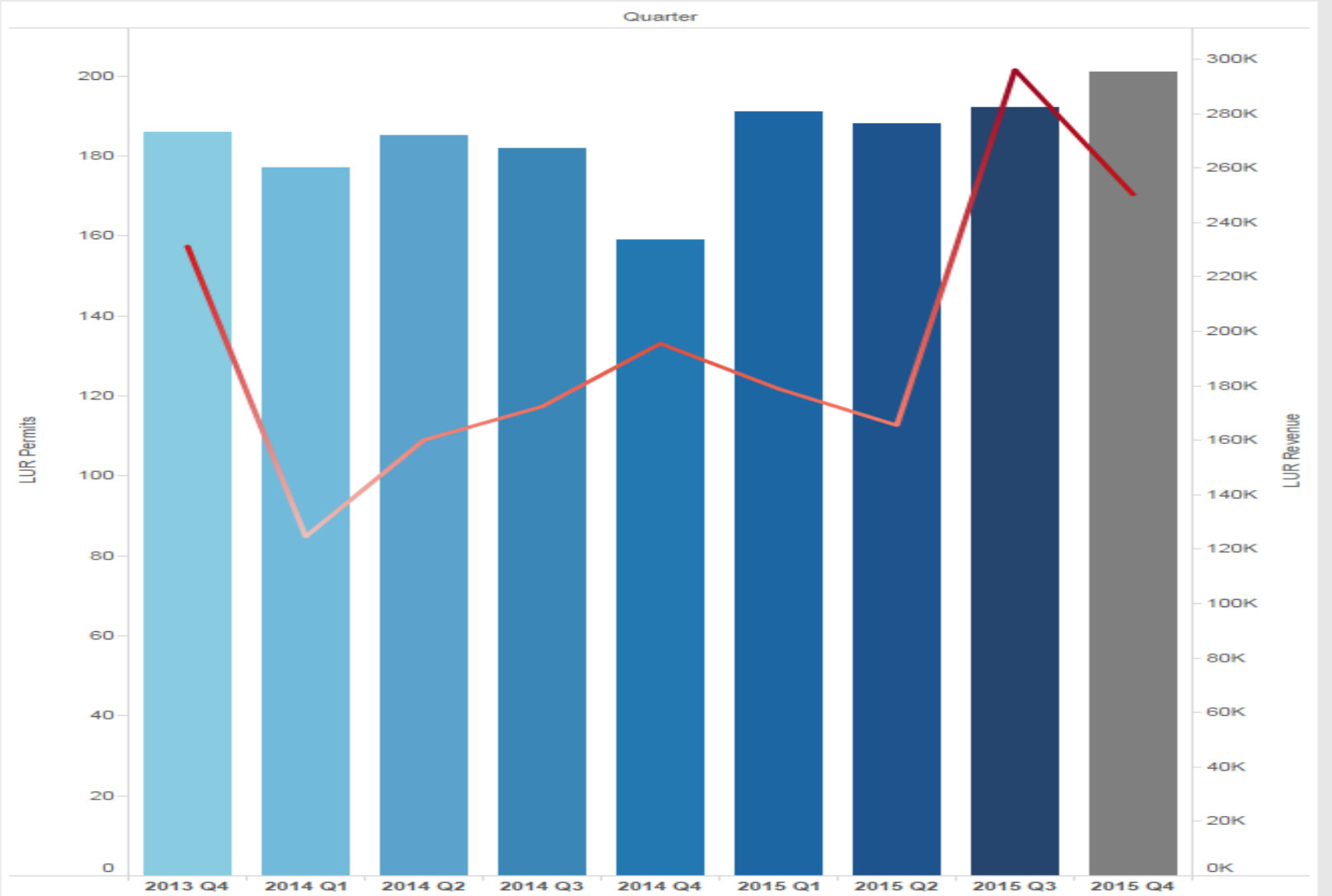
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- Other Major Funds
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  - Community Development-Land Use Review
  - Central Support Services (Facilities)

# Leading Indicators

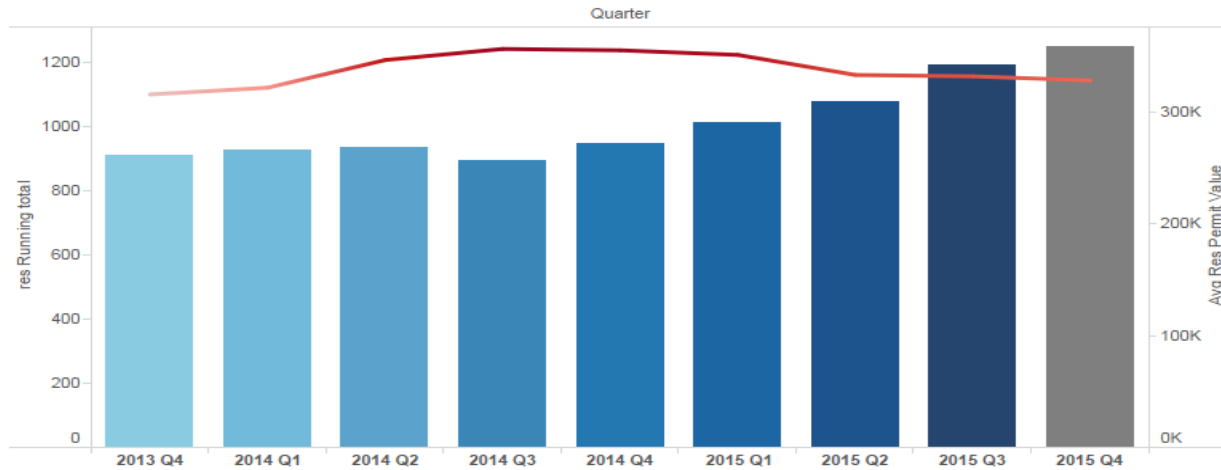
- Land Use Review Permits
- Building Permits
- Retail Sales
- Construction as a % of Retail Sales
- Home Sales
- Median Home Sales Price
- Employment

# Land Use Review Permits and Revenue



# Residential and Commercial Building Permits and Average Value

Res Permits & Avg Value



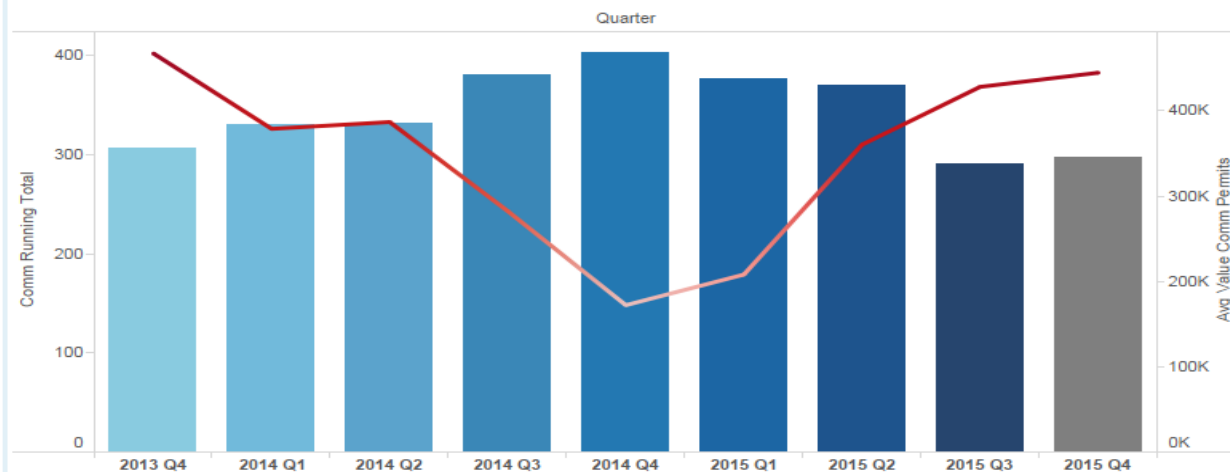
Res Permits Qtrly

Quarter	Res Permits Qtrly	Avg Res Permit Value
2013 Q4	190	315,623
2014 Q1	207	321,664
2014 Q2	280	346,400
2014 Q3	217	356,324
2014 Q4	243	355,101
2015 Q1	272	350,976
2015 Q2	343	333,058
2015 Q3	332	331,825
2015 Q4	299	328,169

Comm Permits Qtrly

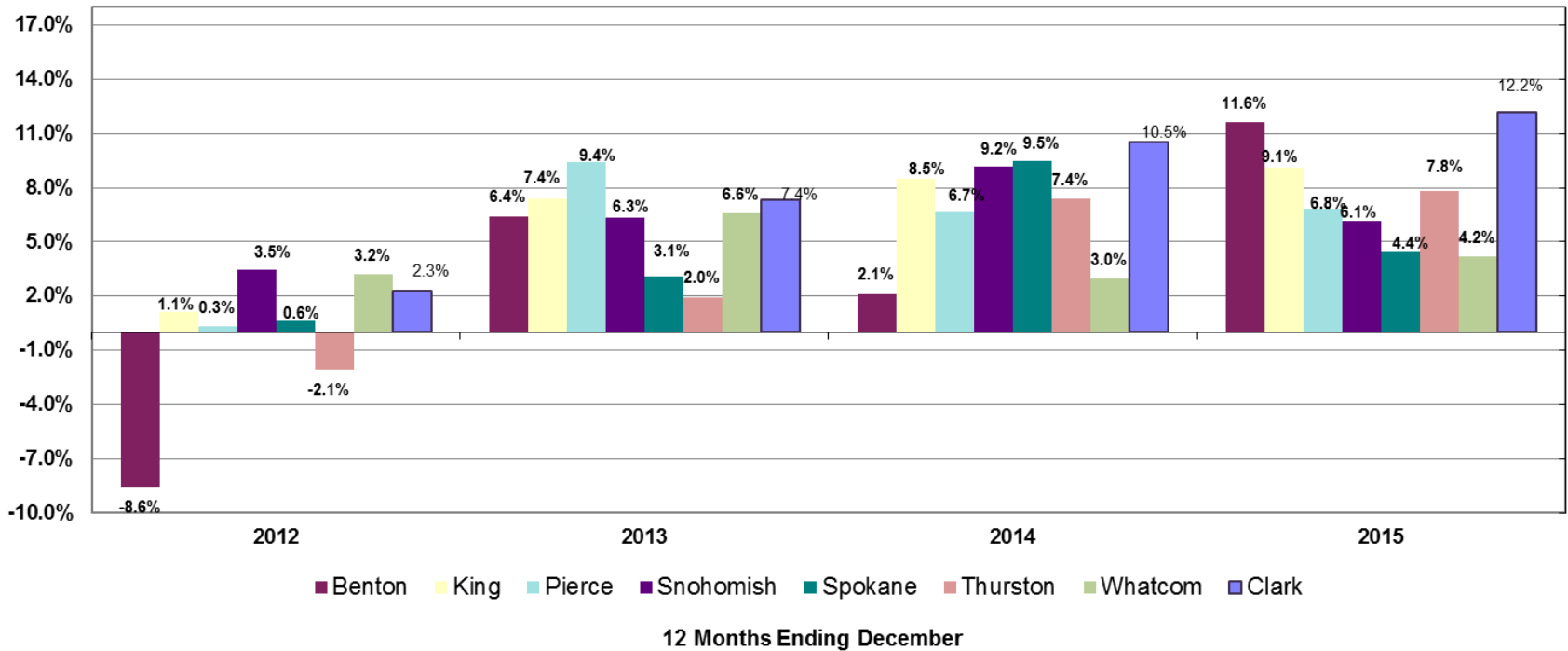
Quarter	Comm Permits Qtrly	Avg Comm Permit V..
2013 Q4	75	467,153
2014 Q1	88	378,870
2014 Q2	88	386,864
2014 Q3	130	282,400
2014 Q4	97	172,160
2015 Q1	62	208,064
2015 Q2	81	360,250
2015 Q3	51	428,058
2015 Q4	103	444,618

Comm Permits & Avg Value

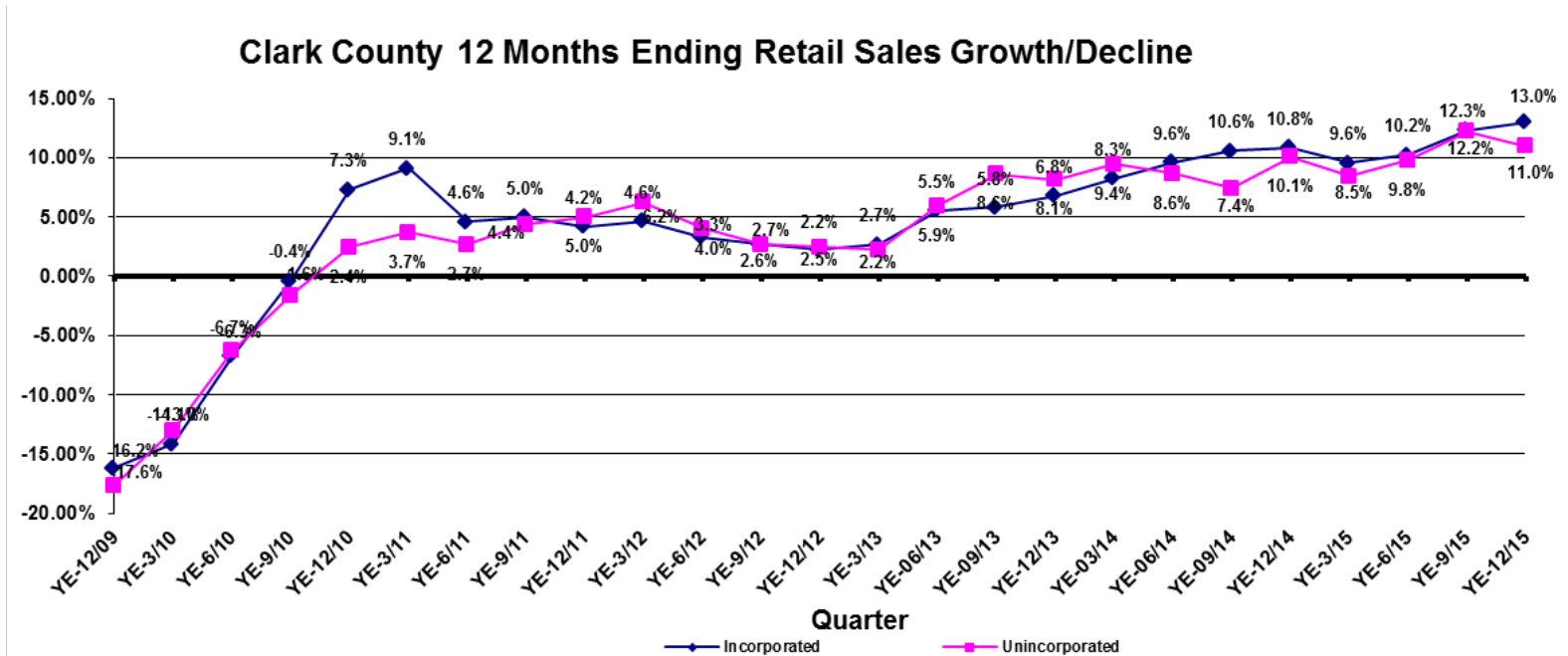


# Major County Retail Sales Growth

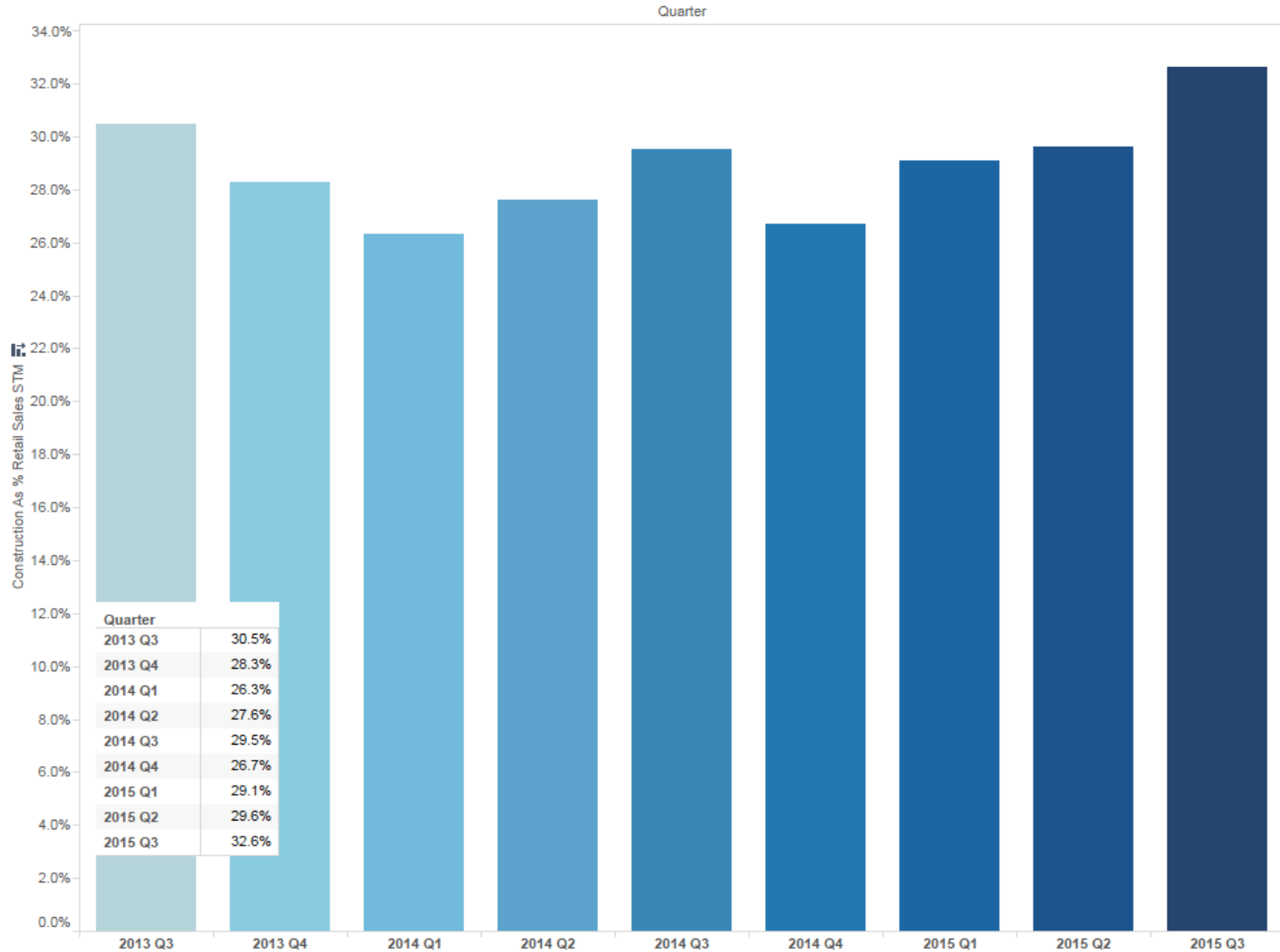
Washington Counties Retail Sales Growth/Decline Rate  
(Year over Year)



# Clark County 12 Months Ending Retail Sales Growth/Decline

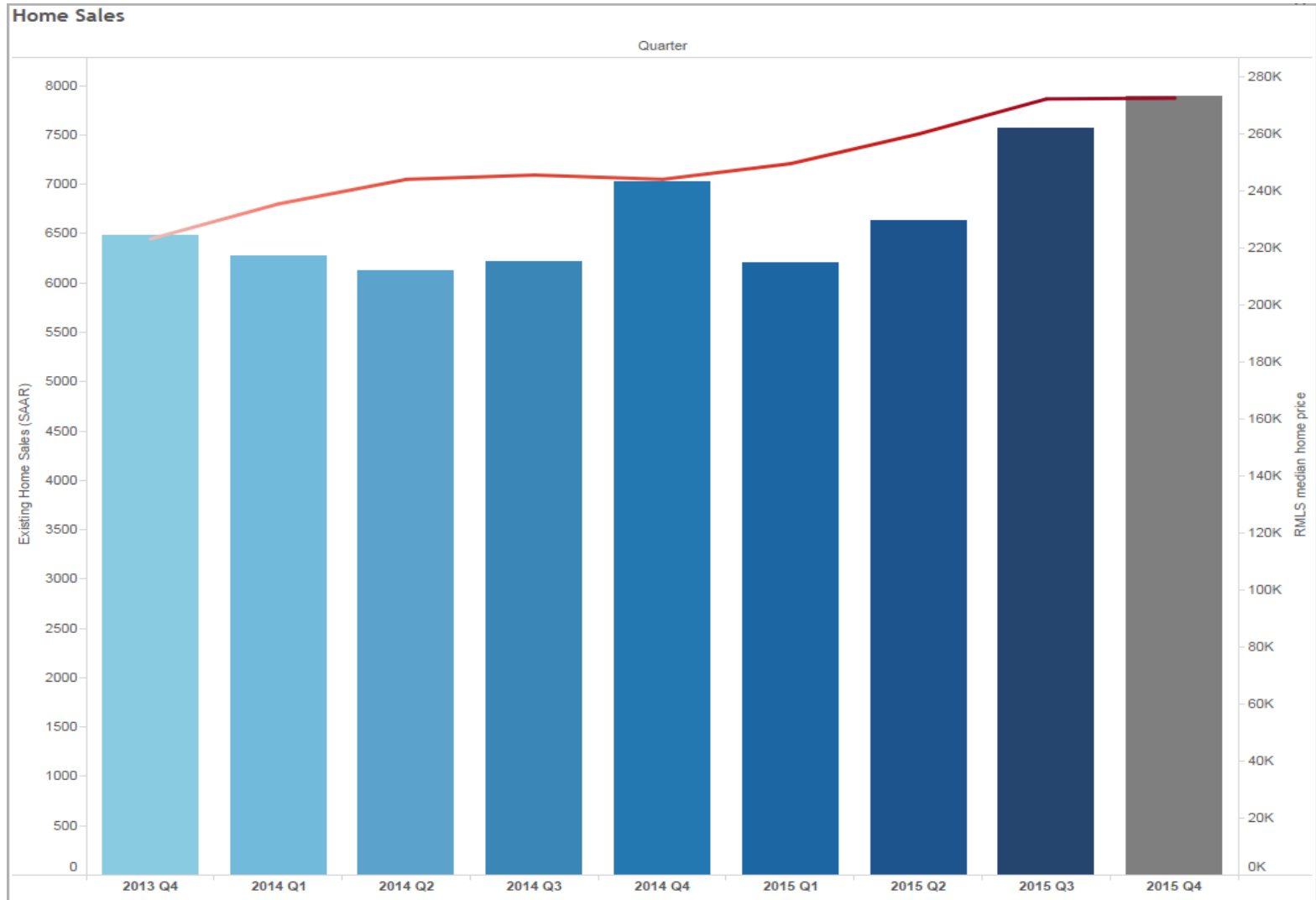


# Construction as a Percent of Retail Sales

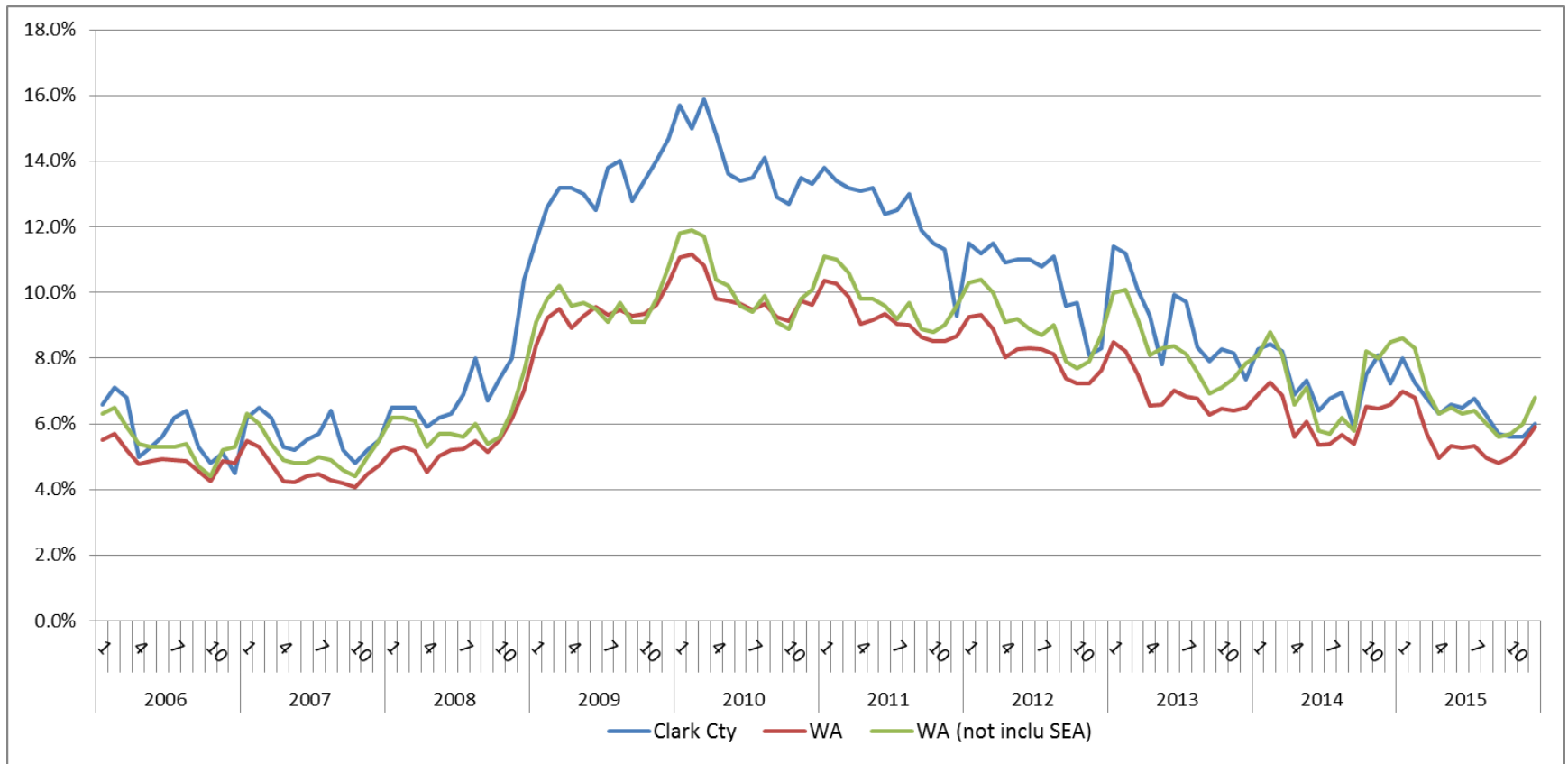




# Home Sales and Medium Home Price



# County Unemployment Compared to State



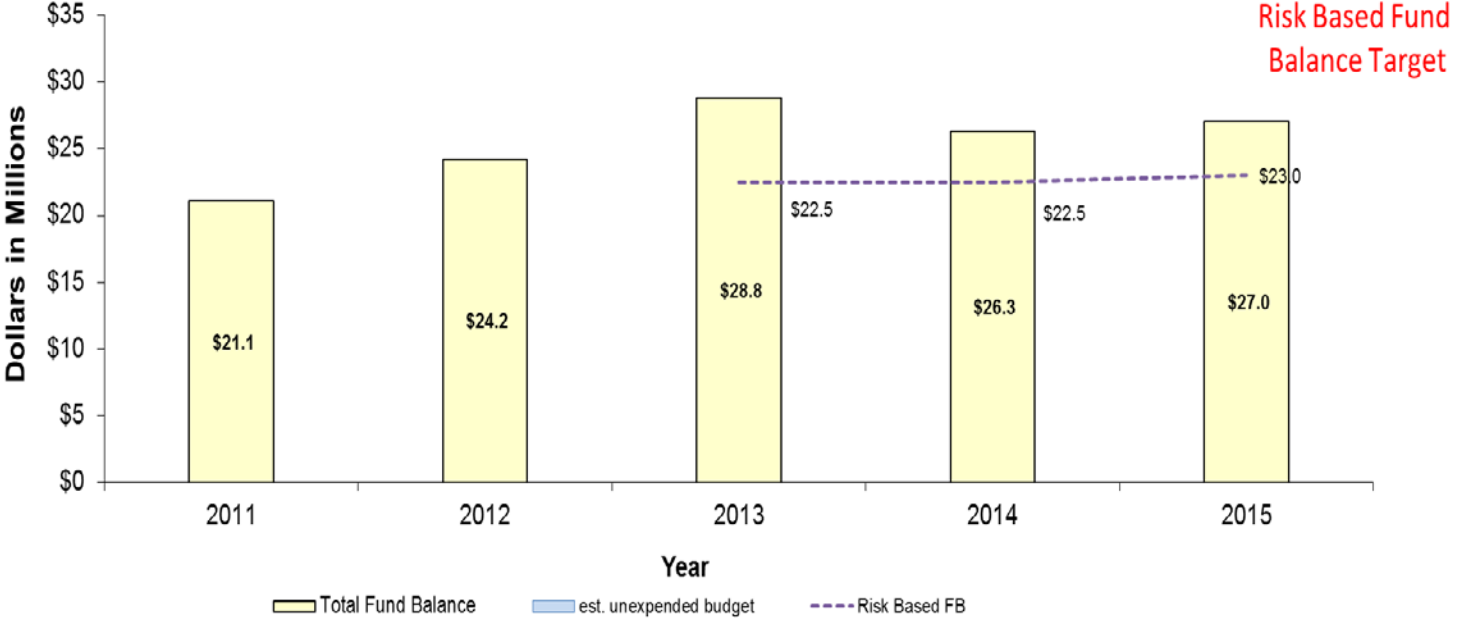
Source: Employment Security  
Department/LMEA; U.S. Bureau of Labor  
Statistics, Local Area Unemployment Statistics

# General Fund

- Proposed General Fund unassigned fund balance is \$20.4M, higher than 2014 by 4.1 percent. The 2015 year-to-date surplus was \$6.3M compared to \$1.2M in 2014. For comparison purposes, when adjusting revenues for timing differences and accounting changes, the 2015 surplus is \$3.8M v. \$2.4M in 2014.
- General Fund revenues increased in 2015 (\$152.8M v. \$145.8M). Adjusted revenue growth (timing differences and accounting changes) was \$3.0M or 2 percent.
- General Fund biennium to date expenses were approximately 47.9 percent of budget. Expenditures in 2015 were 1.3 percent higher than 2014 (\$146.5M v. \$144.6M) and do not include major expenditures in the 2015 fall supplemental.

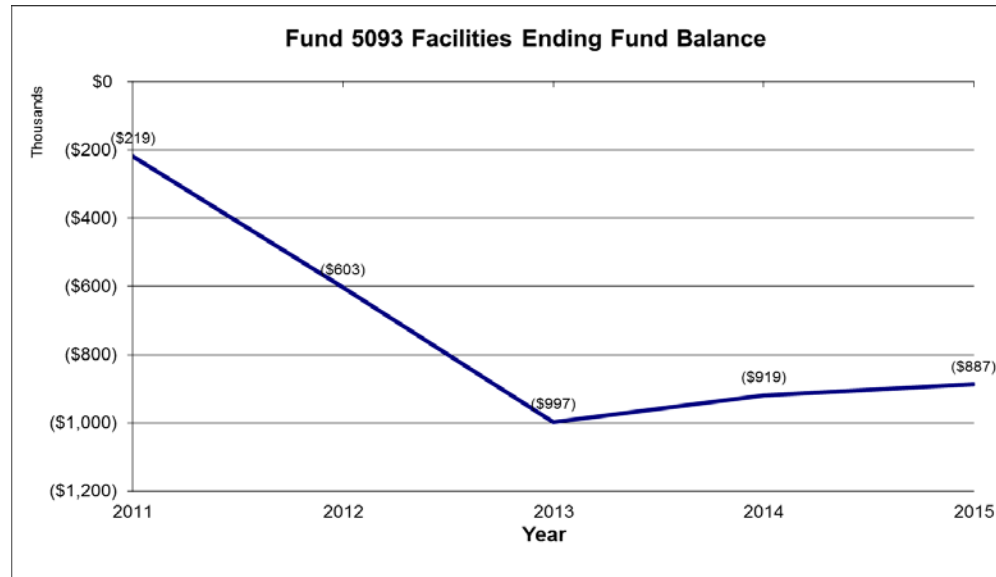
# General Fund

Clark County General Fund Total Fund Balance Compare to Best Practices



# Other Obligations That Impact General Fund

- A discretionary portion of sales tax from businesses receiving fee waivers may be used to repay a proportional share of all fees waived
- One-Time technology improvement projects proposed in the Re-Adopt
- Facilities
  - Budgeted to lose \$179K this biennium
  - Fund balance deficit will increase

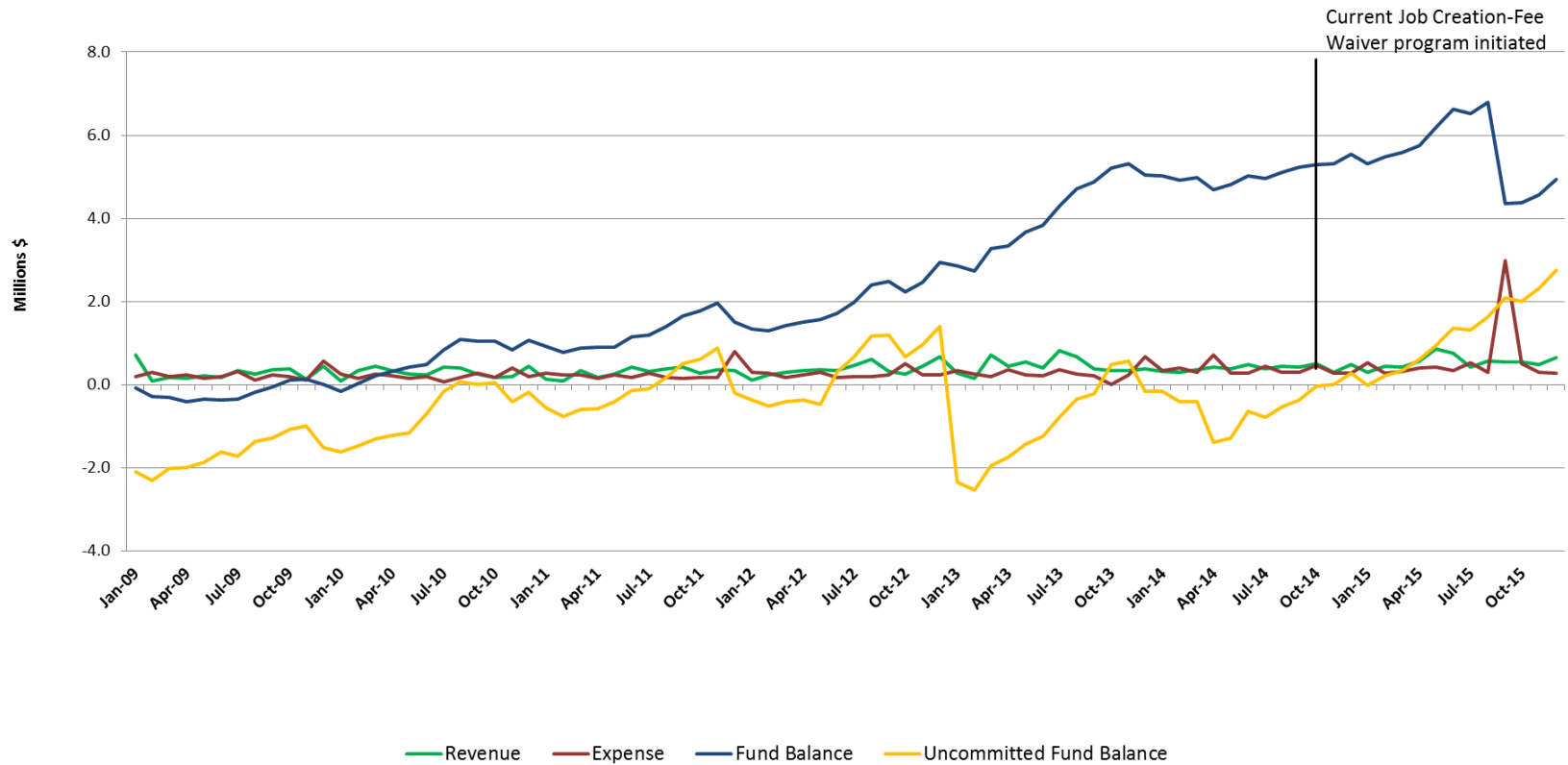


# Other Major Funds

- **Department of Community Development**
  - Community Development transferred \$3.3M to the Technology Reserve fund for the Tidemark replacement project. Fund balance remains solid at \$3.6M
  - Land Use Review permits increased in 2015 (772) over 2014 (703)
  - Land Use Review revenue increased in 2015 (\$891K v. \$653K)
  - Residential permits increased by 39.4% in 2015 (1,246 v. 947).
  - Commercial permits are down 22.1%.
- **Road Fund**
  - Road Fund operating revenues were \$64.6M in 2015 compared to \$61.2M in 2014
  - Road Fund fund balance decreased by \$13.9M in 2015 (\$18.5M v \$32.4)
  - Based on the six year Transportation Improvement Plan (TIP), Road Fund fund balance is committed to a variety of projects and an increase in road preservation and maintenance.
  - The current TIP relies on impact fees. There have been approximately \$4M in impact fee waivers granted.
- **Health Department**
  - Health Department YTD revenues are ahead of budget in 2015 (9.5M or 51.4% of budget).
  - Expenditures are on track at 47.2% of the current budget.
  - Health Department Fund Balance was down in 2015, \$2.6M v. \$3.4M.

# Community Development

## Building Activity 2009-2015



# Funds That May Impact General Fund

- Department of Community Development
  - Land Use Review Permits are steady and revenue was up in 2015. Continued Growth could impact the General Fund in the amount of committed subsidies.
  - Building permit revenue for single family housing is still adequate to support commercial permit operations.
- Events Center Fund
  - The 10 day fair continues to operate at a profit (\$504K in 2015).
  - Fund Balance in 2015 was \$269K.
  - The General Fund transferred \$250K in 2015 to support the fund. With changes in operations, the entire budgeted amount may not be necessary in future years.
- Exhibit Hall Reserve Fund
  - The Reserve Fund is now included in the Capital Facilities Plan.
  - In 2015, there was no shortfall requiring REET funds for debt service.
- REET Funds
  - REET receipts YTD are over 73.7% of budget.
  - With the changes in REET funding priorities, REET fund revenues and expenses have stabilized and fund balances should remain positive.
- Clean Water Fund
  - The Board of County Councilors addressed the clean water fee shortfall.
  - YTD in 2015, the fund has generated a surplus of \$3.2M.
- Health Department
  - General Fund support is budgeted at \$2.6M for 2015-2016 biennium. To date, \$1.3M has been transferred.
- Central Support Services (Facilities)
  - YTD results of operations generated a surplus of \$31K
  - Fund continues to run a deficit fund balance \$887K.
  - Budget is working with General Services to address this issue.



# Summary

- Economic indicators continue to show improvement. We are currently seeing increases in retail sale taxes. Increased revenues in these areas are currently offsetting lagging revenues in other areas.
  - Sales tax policy to smooth volatile receipts and use excess revenue for service stabilization is in effect.
  - General Fund is projected to be at it's recommended fund balance level at year end.
  - Recommended Assigned Amounts:
    - **Per Board Policy**

–	Compensated Absences	\$2.2M
–	Nonspendable	\$1.0M
–	Sales Tax Stabilization	\$0.73M
–	Funding DCD LUR	\$0.77M
    - **Per Fall Supplemental**

–	Phone System GF	\$1.7M
–	ERR Phase I	\$0.8M
–	Imaging GF	\$0.3M
    - **Request**

–	<u>Facilities Balance</u>	<u>\$0.9M</u>
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- Total** **\$8.4M**

A copy of the complete fourth quarter financial report may be obtained at:

<http://www.clark.wa.gov/auditor/financial/finreports.html>



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March 2, 2016