



## MEMORANDUM

To: Mayor and City Council  
Mark Hoppen, City Manager

From: Jennifer Ferrer-Santa Ines, Finance Director

RE: Financial Update-Q4, as of 12/31/2018  
Gantt Chart Update-Q4

Date: March 4, 2019

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### EXECUTIVE SUMMARY

The fourth quarter results are in line with both revenue and expenditure projections. This quarterly update reviews year-to-date revenue collections and expenditures against previous year results. The anomalies in each reporting category are described in detail in this report.

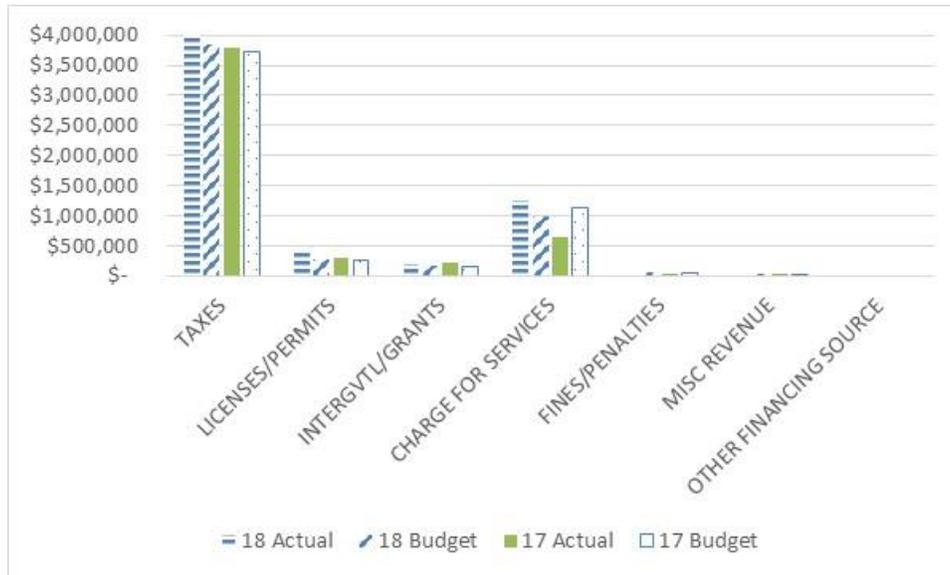
Progress on department objectives outlined in the approved biennial budget have been updated in the Gantt Chart. This chart displays movement towards completion of tasks by department.

The following pages include revenue and expenditure summary and comparisons year to date through December 31, 2018.

## GENERAL FUND HIGHLIGHTS

### Revenue

General Fund revenues total \$5,929,627 through the fourth quarter. Revenue collections from taxes are comparable to prior year receipts. Compared to 2017, there is a 6% growth primarily attributable to additional revenue received from sales tax and utility tax payments.



The licenses and permit category increased by \$73,941 compared to the previous year, representing a 23% increase primarily due to collections from building permits and franchise fees from Highline Water District.

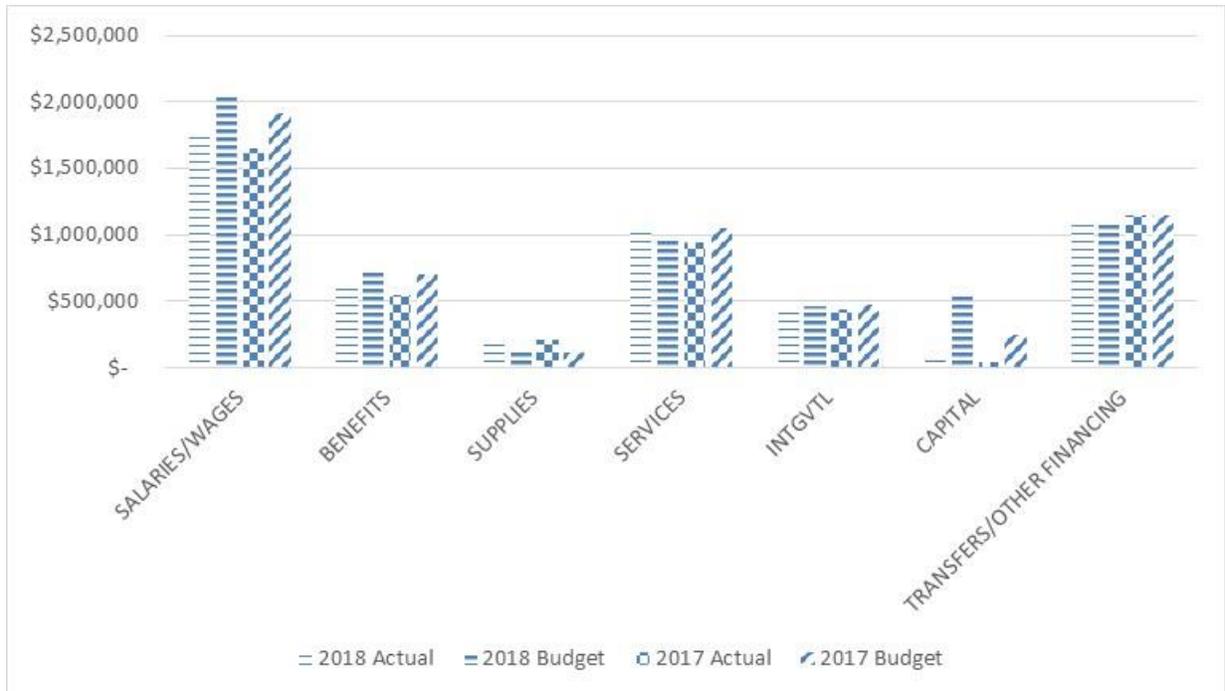
### Expenditure

Expenditures in the General Fund total \$5,131,390 through December 31<sup>st</sup>. Of this amount \$849,312 is related to services provided to maintain the parks in the in the City.

Training expenditures for the year was 93% annual budget. A breakdown of training costs used against total budget for the year is shown below by department.

|                              | 2018 Actual      | 2018 Budget      | 2017 Actual      | 2017 Budget      |
|------------------------------|------------------|------------------|------------------|------------------|
| Executive                    | \$ 841           | \$ 2,200         | \$ 1,085         | \$ 2,200         |
| Finance                      | \$ 2,729         | \$ 4,800         | \$ 2,412         | \$ 4,800         |
| City Clerk                   | \$ 1,705         | \$ 1,700         | \$ 2,036         | \$ 1,500         |
| Police                       | \$ 17,578        | \$ 11,500        | \$ 15,090        | \$ 21,300        |
| Public Works                 | \$ 35            | \$ 3,750         | \$ 1,879         | \$ 3,550         |
| Community Development        | \$ 1,413         | \$ 2,850         | \$ 1,807         | \$ 2,850         |
| Preschool                    | \$ 1,499         | \$ 1,000         | \$ 230           | \$ 1,000         |
| <b>Total Travel/Training</b> | <b>\$ 25,801</b> | <b>\$ 27,800</b> | <b>\$ 24,538</b> | <b>\$ 37,200</b> |

Below is a chart of General Fund expenditures by category.



Expenditures by category through December 31st are comparable to last year. Some areas that are noteworthy include the following:

- ✓ Salaries and benefits are higher this year due to new hires in the police department. The department is now fully staffed.
- ✓ Capital expenditures are 60% higher this year, which is primarily due to purchase of speed trailer, radar display signs and Microsoft Office licenses. This is an increase of \$27,215 more than 2017 expenditures.

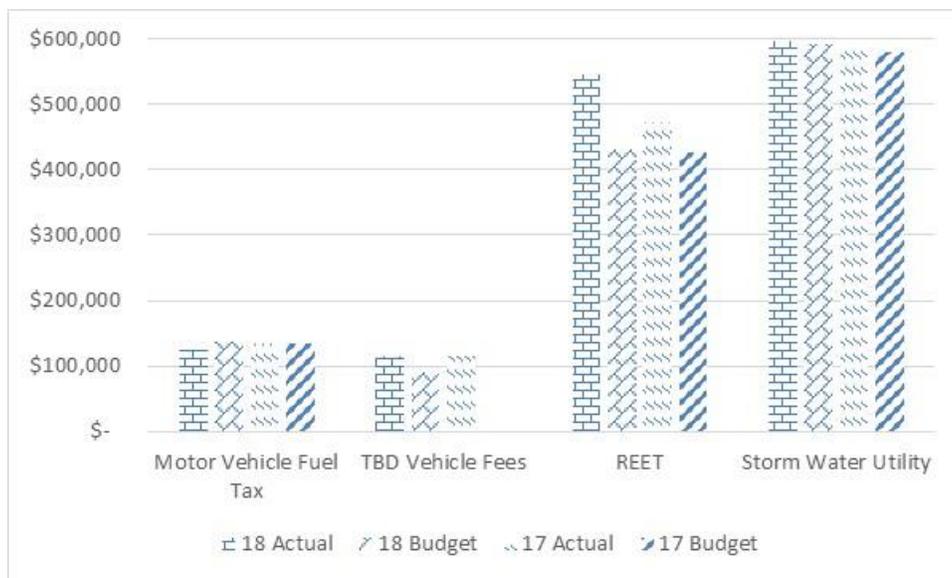
## OTHER FUNDS HIGHLIGHTS

### Revenue

Revenue for the rest of the funds through the end of December total \$4,507,323 excluding Funds 635/636 used to account for MPD transactions and Fund 631 for used to report resources held by the City in a purely custodial capacity.

Revenue from motor vehicle fuel tax and vehicle license fees are used for street operations and roadway repair and improvements.

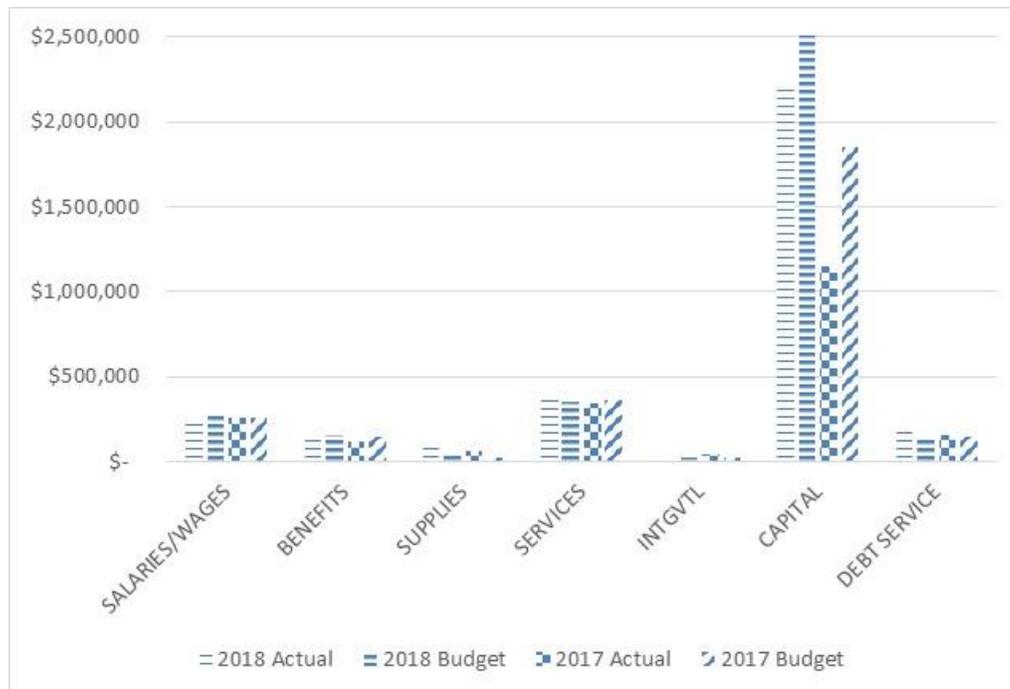
Real estate excise tax collection increased \$74,644 compared to last year indicating a continuing growth in the real estate industry.



## Expenditure

Expenses from other funds besides the General Fund total \$3,242,379 excluding Funds 635/636 used to account for MPD transactions and Fund 631 used to report uses or expenditures held by the City in a purely custodial capacity.

Many of the funds are below prorated appropriations, which means that expenditures to date, as of December 31st are at or below budget for the year. Variances worth mentioning are found below.



The supplies category is higher this year than last year due to purchase of traffic control devices and supplies needed for Arrow lake spill. The police department also purchased ten rifles using the Anti-Drug Reserve funds. The existing rifles were nearly 15 years old.

Significant capital expenditures year-to-date through December 31st include the following:

- Manhattan View Project-Overlay, \$1,542,252  
This project has multiple funding sources including Transportation Benefit District funds, real estate excise taxes, and Highline Water District funds for chip seal work.
- Marine View Drive Overlay, \$268,056  
This project is funded with Transportation Improvement Board funds as well as real estate excise taxes.
- 1<sup>st</sup> Ave S Sidewalks at 178<sup>th</sup>, \$295,000  
This project is funded with Transportation Improvement Board funds and real estate excise taxes.