



proud past, promising future

CLARK COUNTY
WASHINGTON

Quarterly Finance Report 2013 First Quarter

April 24, 2013
BOCC Work Session

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Leading Indicators



Building Permits



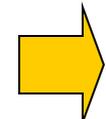
Retail Sales



Home Sales



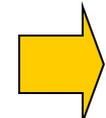
Construction % Retail Sales



Median Home Sale Prices



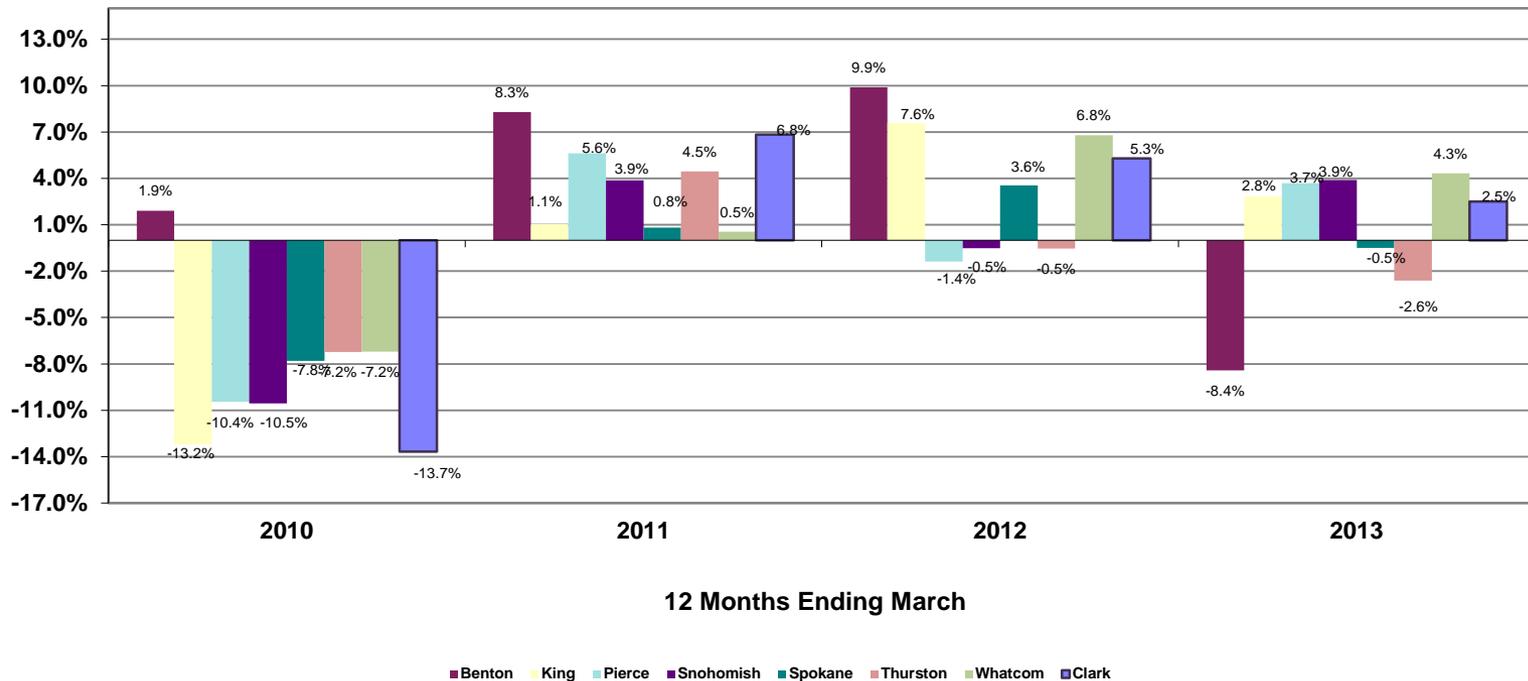
Unemployment



Developmental Services Permits

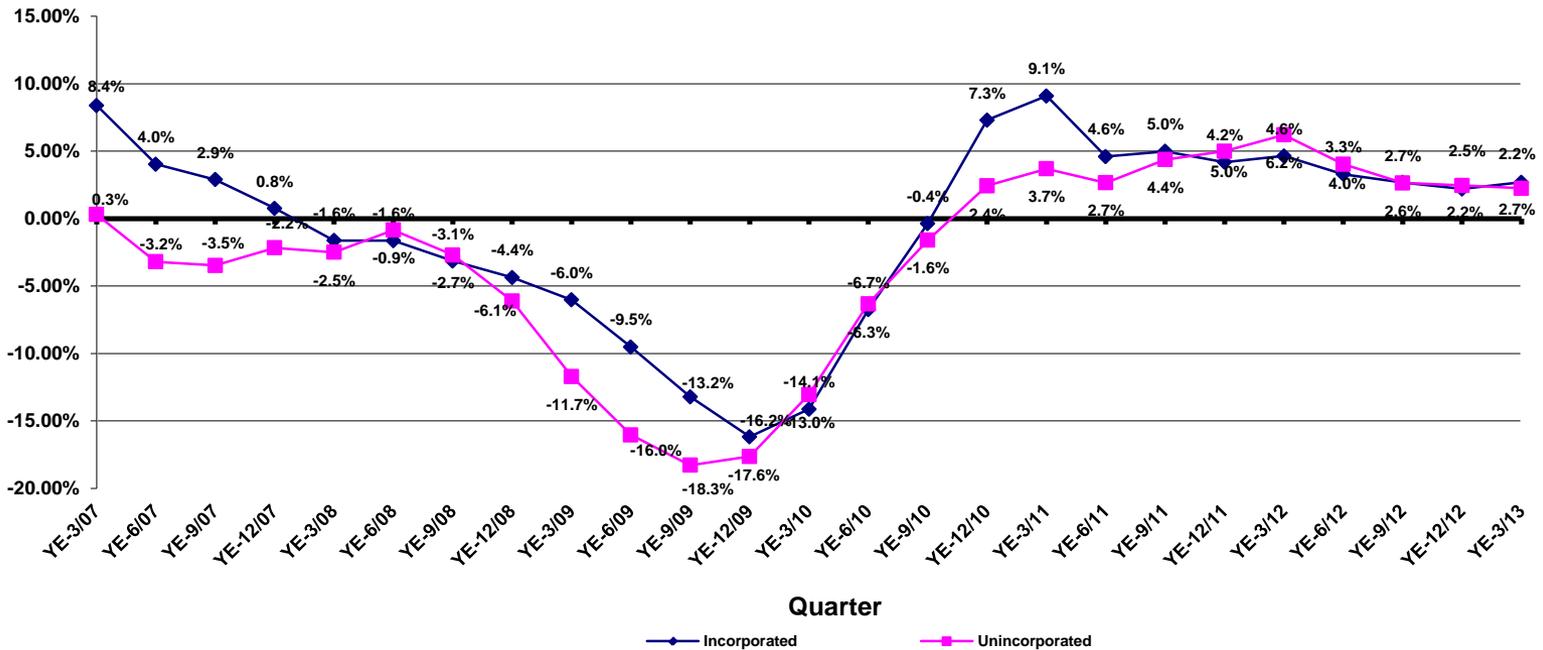
First Quarter Major County Retail Sales Growth

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



Clark County 12 Months Ending Retail Sales Growth/Decline

Clark County 12 Months Ending Retail Sales Growth/Decline

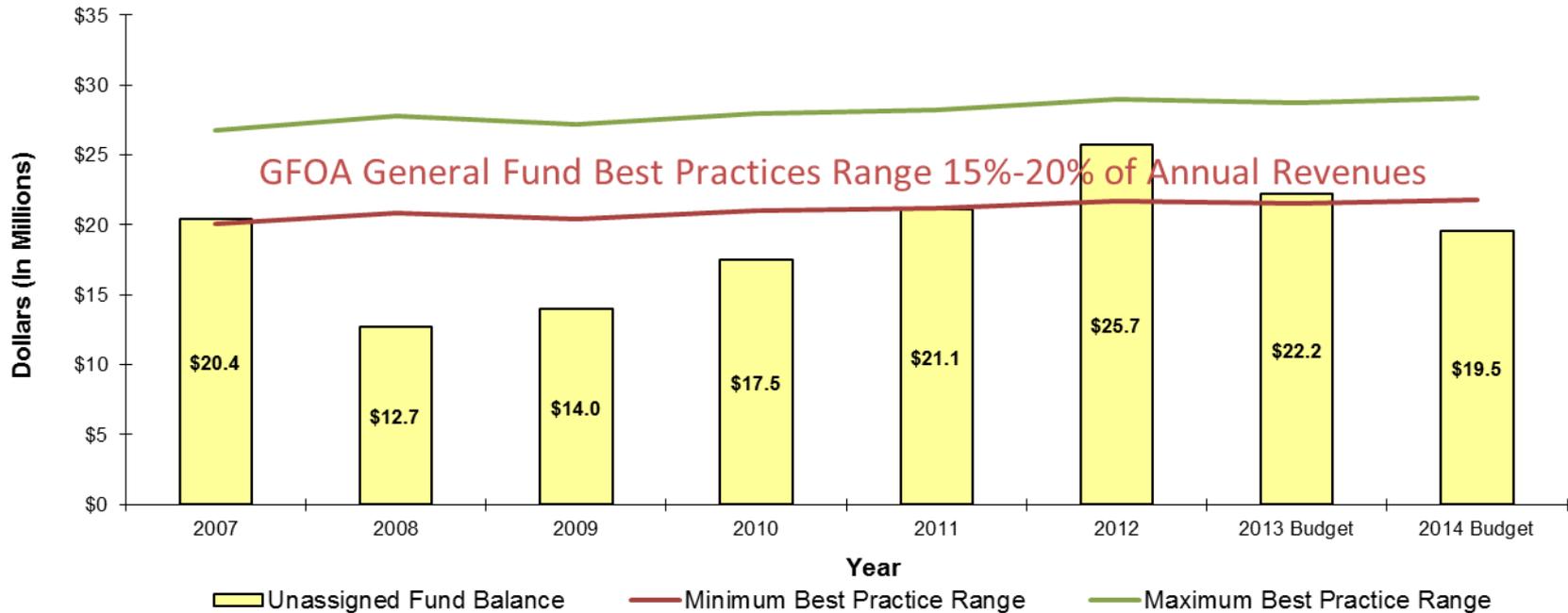


General Fund

- General Fund was able to achieve a higher unassigned fund balance at the end of Q1 2013 than the same period in 2012 because the County had increased fund balance in 2012 to levels suggested by GFOA Best Practices.
- General Fund expenses in the first quarter 2013 were approximately 12 percent of budget, slightly lower than the same period a year ago.
- General Fund is budgeted to use \$6.2M of fund balance during the 2013-2014 biennium.

General Fund Unassigned Fund Balance 2007-2014

Clark County General Fund Unassigned Fund Balance Compare to Best Practices



Other Major Funds

- Department of Community Development
 - Land Use Review permits continued to be stable Q1 2013. The number of permits was comparable to the same period a year ago but below the previous quarter by around 20 percent.
 - Land Use Review required General Fund support for non-fee activities in 2011-2012 of \$0.9M.
 - Program changes and expense reduction should keep the General Fund contribution for non-fee activities to a reasonable level. However, any reduction in LUR fees will require additional General Fund support, which at current activity levels, would be approximately \$0.5M annually.
- Road Fund
 - First Quarter Fund Balance is \$24.9M, about the same as it was in March 2012.
 - Based on the six year Transportation Improvement Plan (TIP), the fund balance is committed to a variety of projects and a significant increase in road preservation and maintenance.
 - The current TIP relies on impact fees, which if eliminated, will reduce Public Work's ability to successfully implement the plan.
- Health Department
 - Expenses are extremely tight, especially salaries and benefits.
 - The Fund Balance increased slightly.

Funds That May Impact General Fund

- Department of Community Development
 - Development Service-Permits are still low. This area could impact the General Fund in the amount of committed subsidies.
 - General Fund will be required to fund the 2013 Fee Holiday.
- Events Center Fund
 - The 10 day fair continues to operate at a profit, however, it does not earn enough to cover non-fair activities. The 2012 loss for the fund was \$392K.
 - The General Fund has budgeted \$250K annually to support the fund.
 - The 2013 Re-adopt budget provides \$1.0M in assigned General Fund fund balance to support the deficit in the Event Center Fund.
- Exhibit Hall Reserve Fund
 - The Reserve Fund fund balance will be exhausted in 2013.
 - General Fund has budgeted \$0.5M annually to support the fund.
- REET Funds
 - REET receipts were higher in Q1 2013 than the same period in the previous year, which is close to the budgeted amount.
 - Receipts were lower than the previous quarter though.
 - With the changes in REET funding priorities, REET fund revenues and expenses have stabilized and fund balances should remain positive through 2016.
- Department of Community Services
 - General Fund has budgeted \$0.5M annually to support the fund to offset the impact of the RSN departure.

Summary

- 2013/2014 General Fund expenditures exceed revenues by \$6.2M. Within a year, General Fund unassigned fund balance is projected to drop below recommended best practices, which is not sustainable.
- In the past four years, the general public through General Fund transfers have subsidized the cost of Land Use Review activities by \$3.3M. This is more than 60% of the cost of this program. Eliminating land use review fees will require an additional \$0.5M annual transfer from General Fund.
- Request that the BOCC assemble County staff to explore economic development objectives and options, perform Fiscal Impact Analysis as recommended by GFOA Best Practices, and suggest guidelines that will provide a systematic approach to the County's economic development efforts.

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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