



proud past, promising future

**CLARK COUNTY**  
WASHINGTON

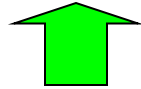
# Quarterly Finance Report 2013 Second Quarter

July 24, 2013  
BOCC Work Session

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# Leading Indicators



Building Permits



Retail Sales



Home Sales



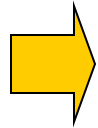
Construction % Retail Sales



Median Home Sale Prices

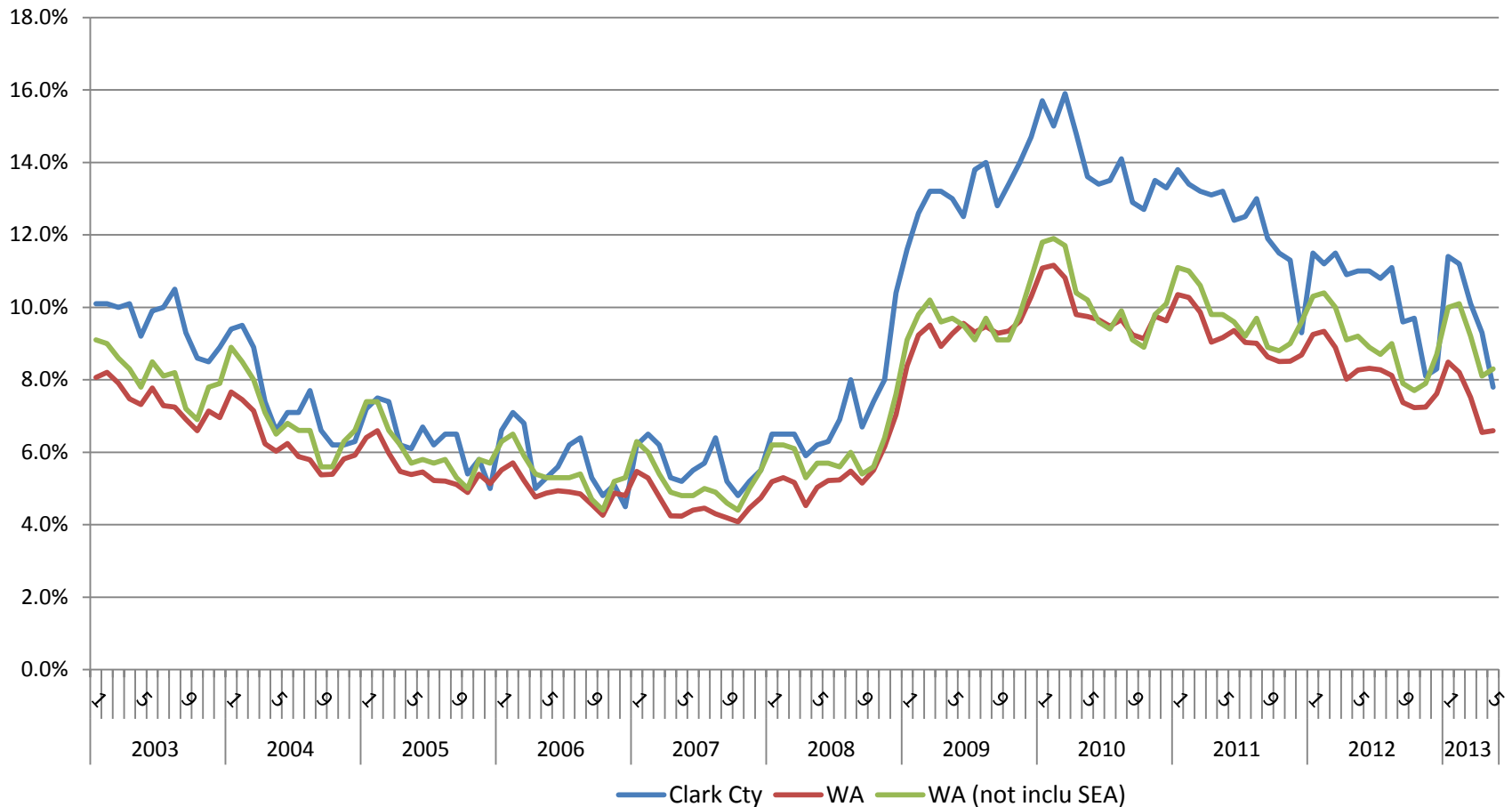


Unemployment



Developmental Services Permits

# County Unemployment Compared to State

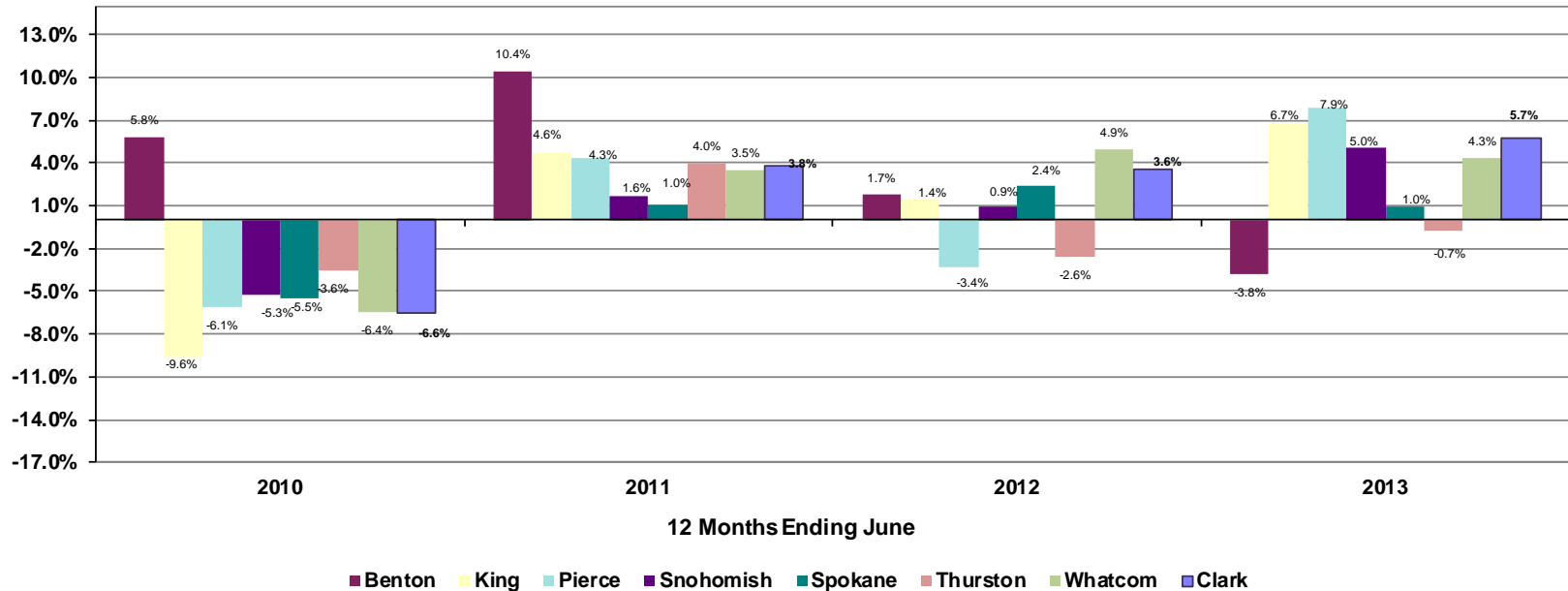


Source: Employment Security  
Department/LMEA; U.S. Bureau of Labor  
Statistics, Local Area Unemployment  
Statistics

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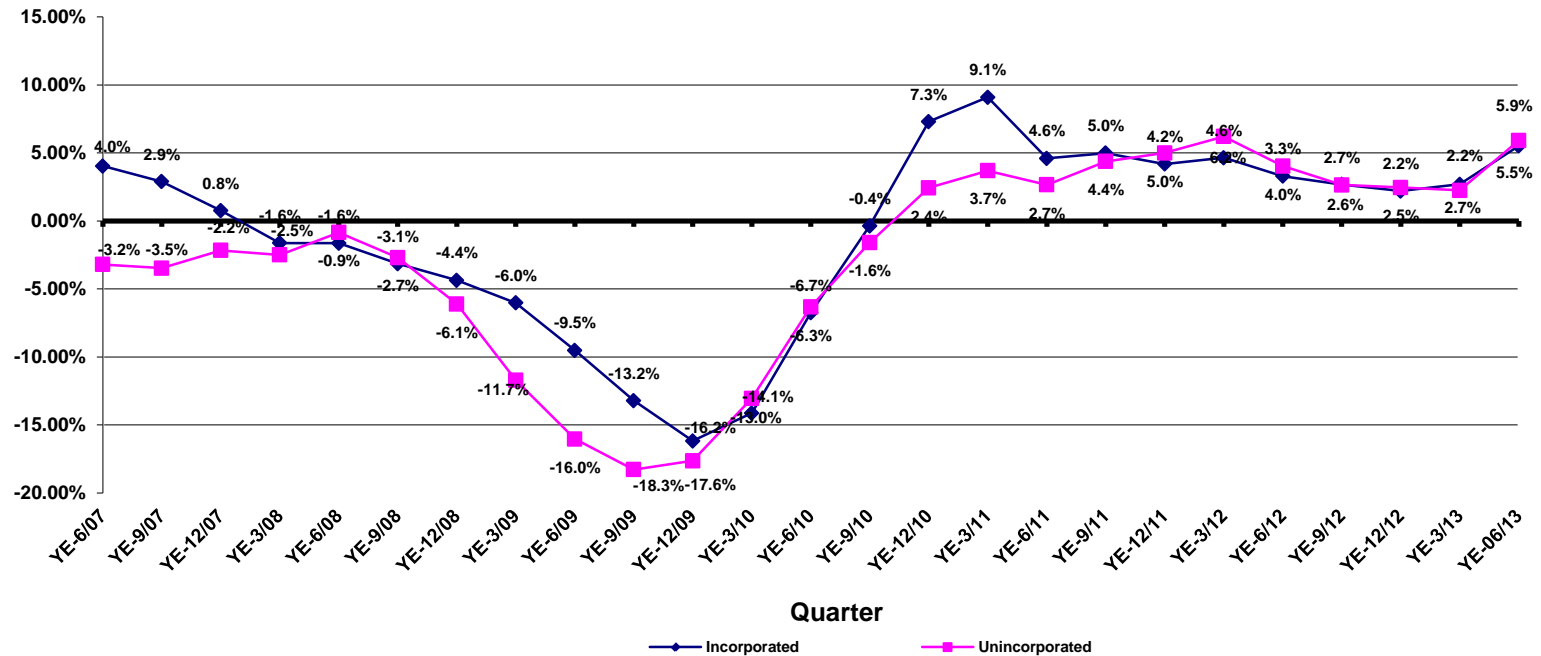
# First Quarter Major County Retail Sales Growth

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

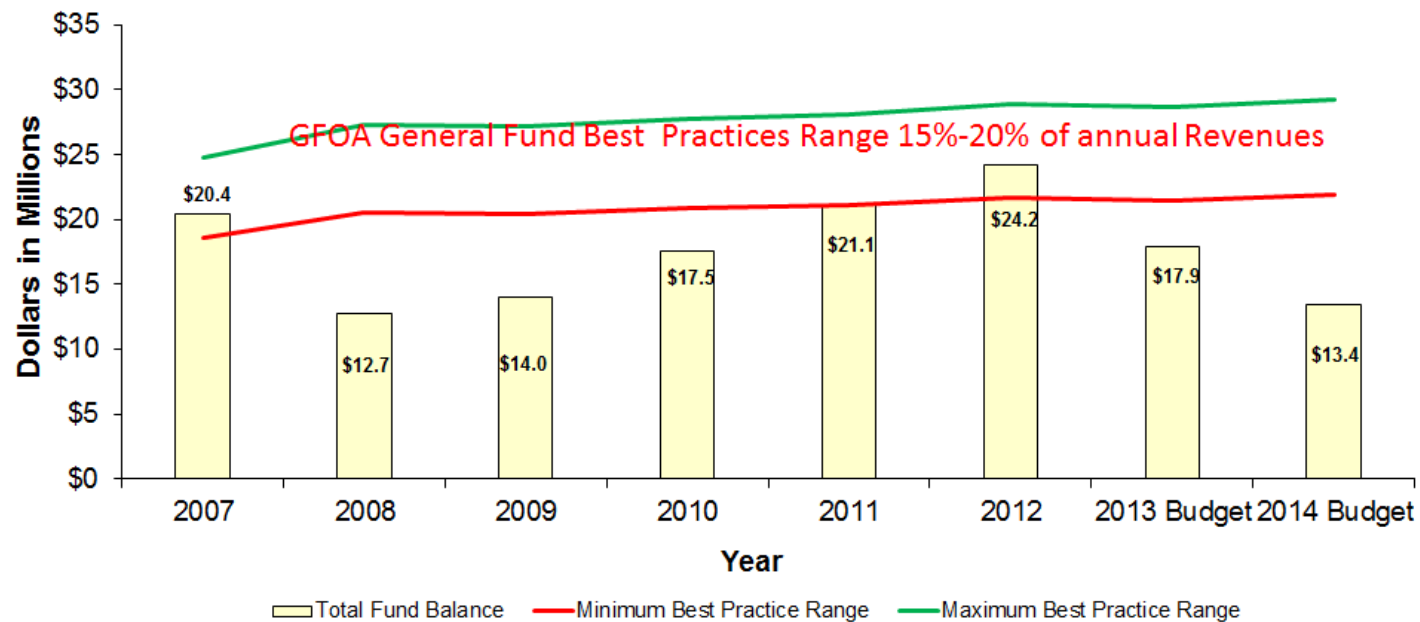
General Fund revenues are lagging 2012 by approximately \$2.5M or 3.6 percent (\$65.5M v. \$68.0M).

General Fund expenses in the first half of 2013 were \$69.9M or approximately 47 percent of budget, higher than the same period a year ago (2012 \$67.1). Part of that is due to GIS becoming a General Fund Department (\$1.1M).

General Fund is budgeted to use \$10.7M 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 increased in Q2 2013 (139) over Q1 (125) and over Q2 2012 (119). The number of permits is below Q4 2012 (156) though.
  - 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
  - Road Fund revenues are 22% of current biennial budget and expenses are only 13% of budget.
  - Based on the six year Transportation Improvement Plan (TIP), Road Fund 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 having been eliminated, will require Public Work to revise the Plan.
- Health Department
  - Health Department expenses are 19.6% Of Budget (\$4.75M).
  - The Fund Balance is approximately the same as 2012 ending.

# 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 estimated at \$3.6M.
- Events Center Fund
  - Thru the first half of 2013, the Events Center fund has revenues in excess of expense of almost \$76K, not including General Fund Support. That compares favorably with a loss of \$50K for the same period 2012.
  - 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.
  - General Fund has transferred \$1.0M 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 continued to be higher in Q2 2013 than the same period in the previous year.
  - REET receipts were about 28% of budget.
  - 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.
- Clean Water Fund
  - Currently negotiating penalty phase of case
    - Attorney fees
    - Mitigation
    - Penalty

# Summary

- 2013/2014 General Fund budgeted expenditures exceed revenues by \$10.7M. Within a year, General Fund unassigned fund balance is projected to drop below GFOA recommended best practices for fund balance, 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. Elimination of the land use review fees requires \$0.5M in additional annual support from General Fund that has not been budgeted.

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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