



**proud past, promising future**

**CLARK COUNTY**  
WASHINGTON

# Quarterly Finance Report 2015 Third Quarter

October 27, 2015

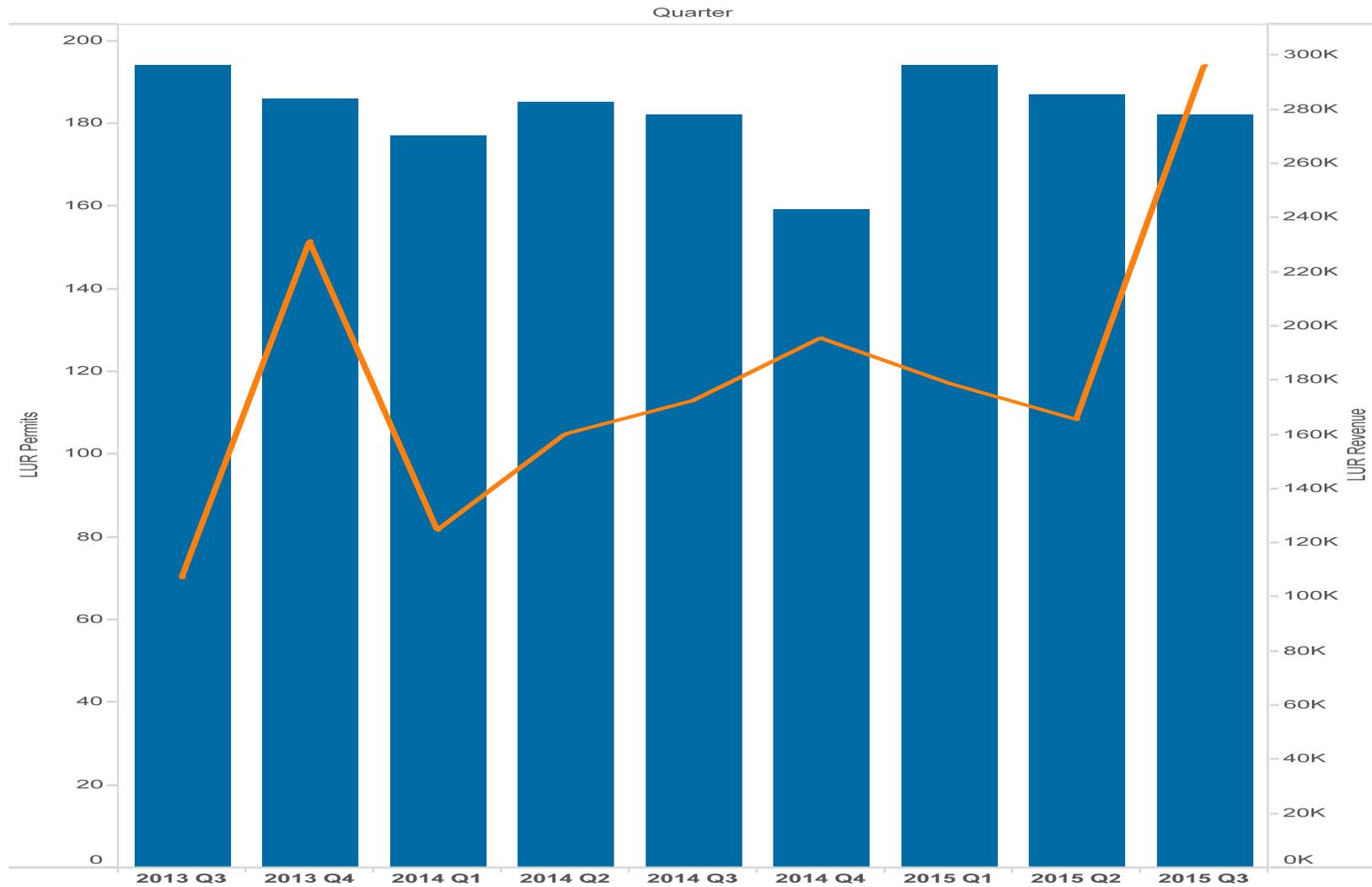
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  - Community Development-Land Use Review
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# Leading Indicators

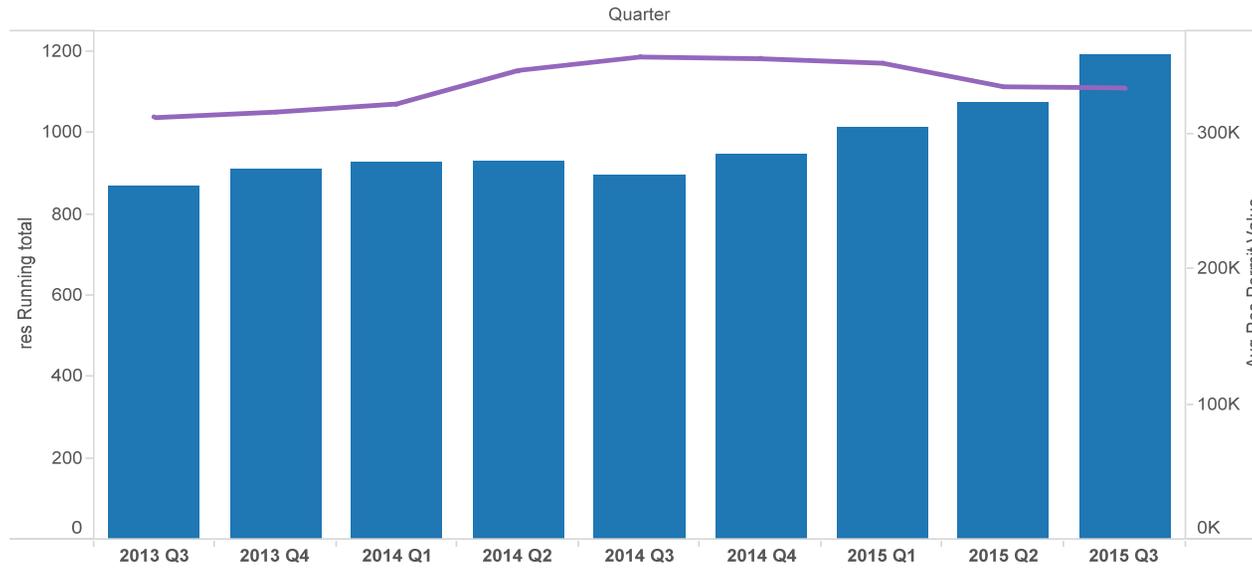
- Land Use Review Permits
- Building Permits
- Retail Sales
- Construction as a % of Retail Sales
- Home Sales
- Median Home Sales Price
- Employment

# Land Use Review Permits and Revenue



# Residential and Commercial Building Permits and

Res Permits & Avg Value



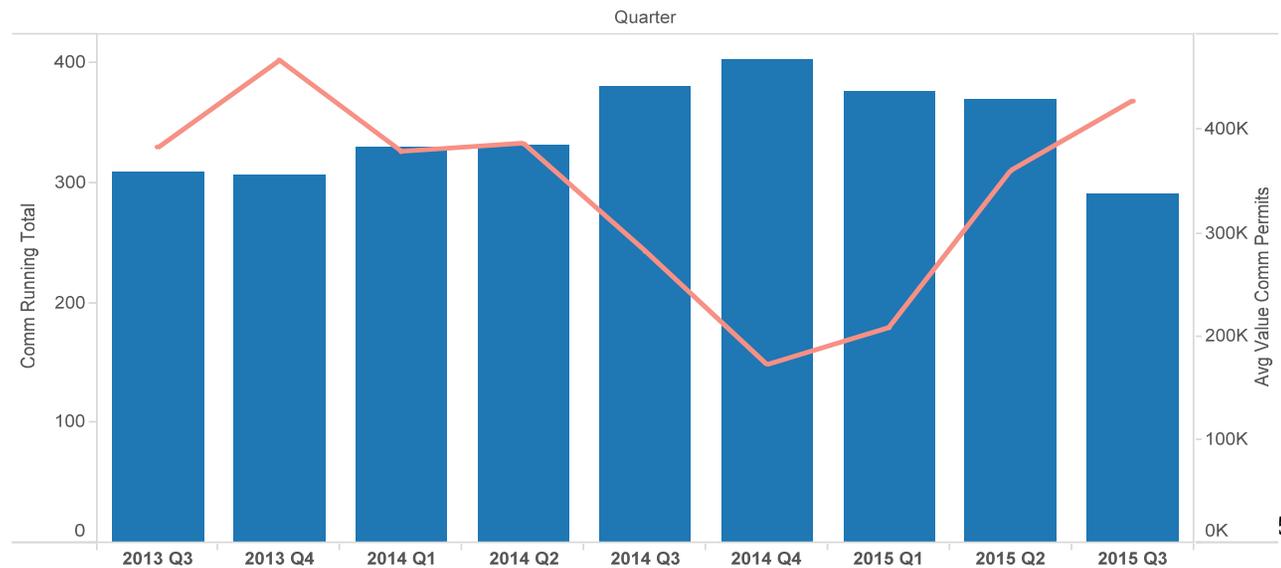
Res Permits Qtrly

Quarter	Res Permits Qtrly	Avg Res Permit Value
2013 Q3	255	311,512
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	351,810
2015 Q2	343	334,392
2015 Q3	332	333,510

Comm Permits Qtrly

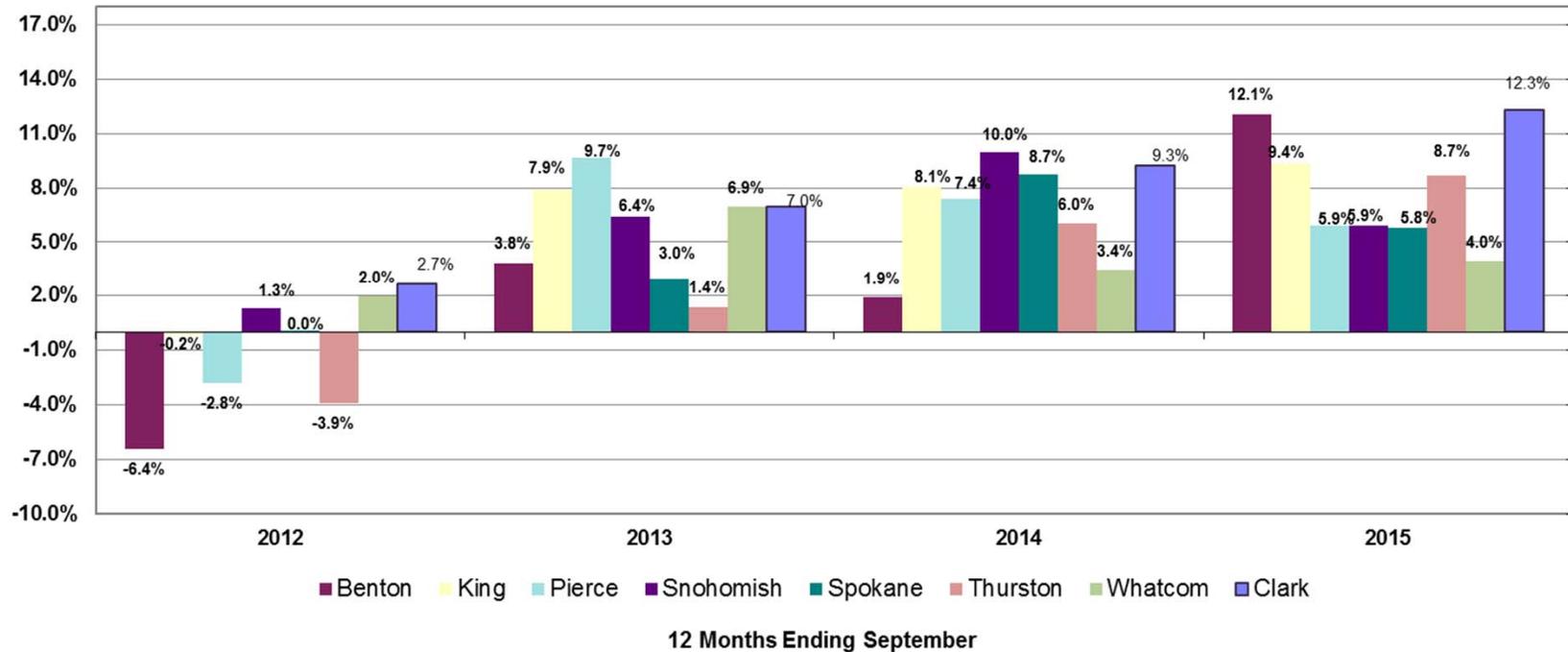
Quarter	Comm Permits Qtrly	Avg Comm Permit V..
2013 Q3	81	382,292
2013 Q4	75	467,153
2014 Q1	88	378,870
2014 Q2	88	386,864
2014 Q3	130	282,400
2014 Q4	97	172,160
2015 Q1	62	208,064
2015 Q2	81	360,250
2015 Q3	51	428,058

Comm Permits & Avg Value



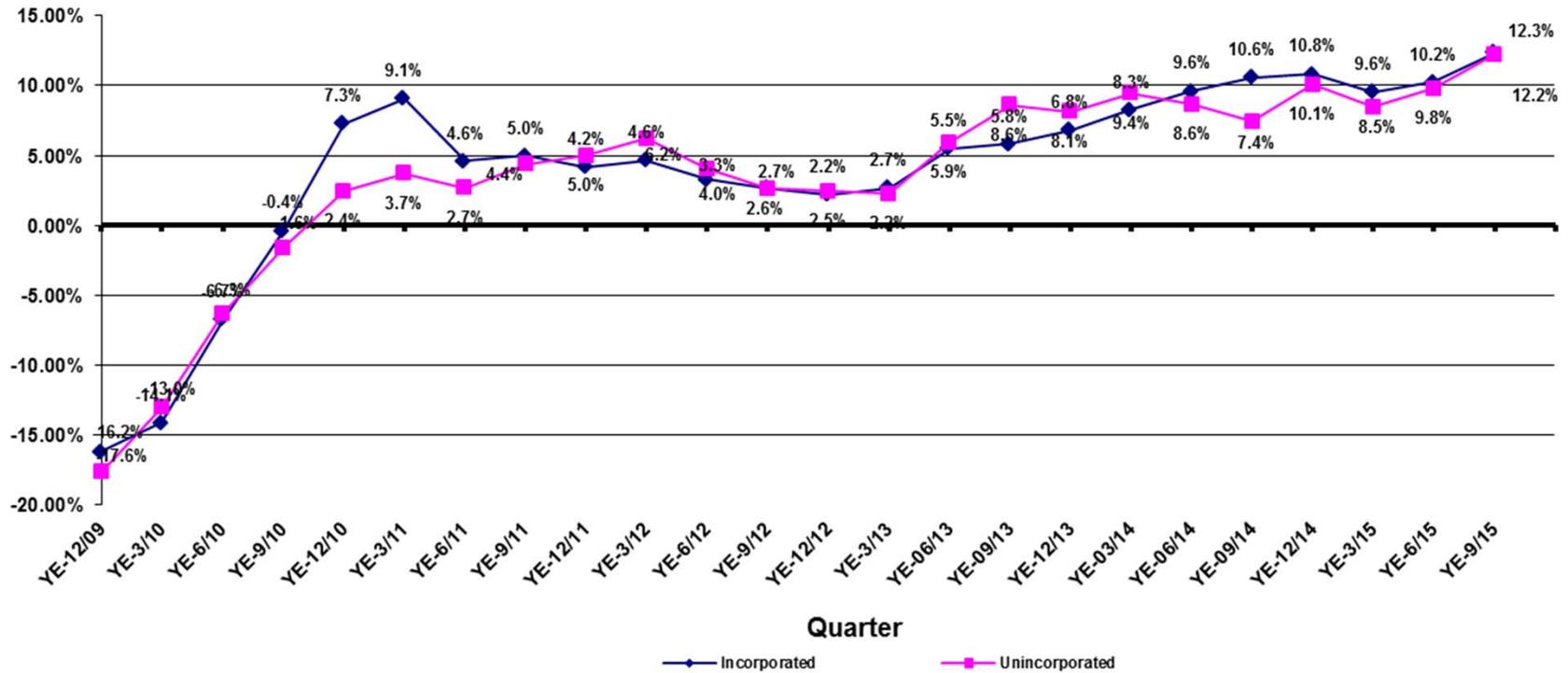
# Major County Retail Sales Growth

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

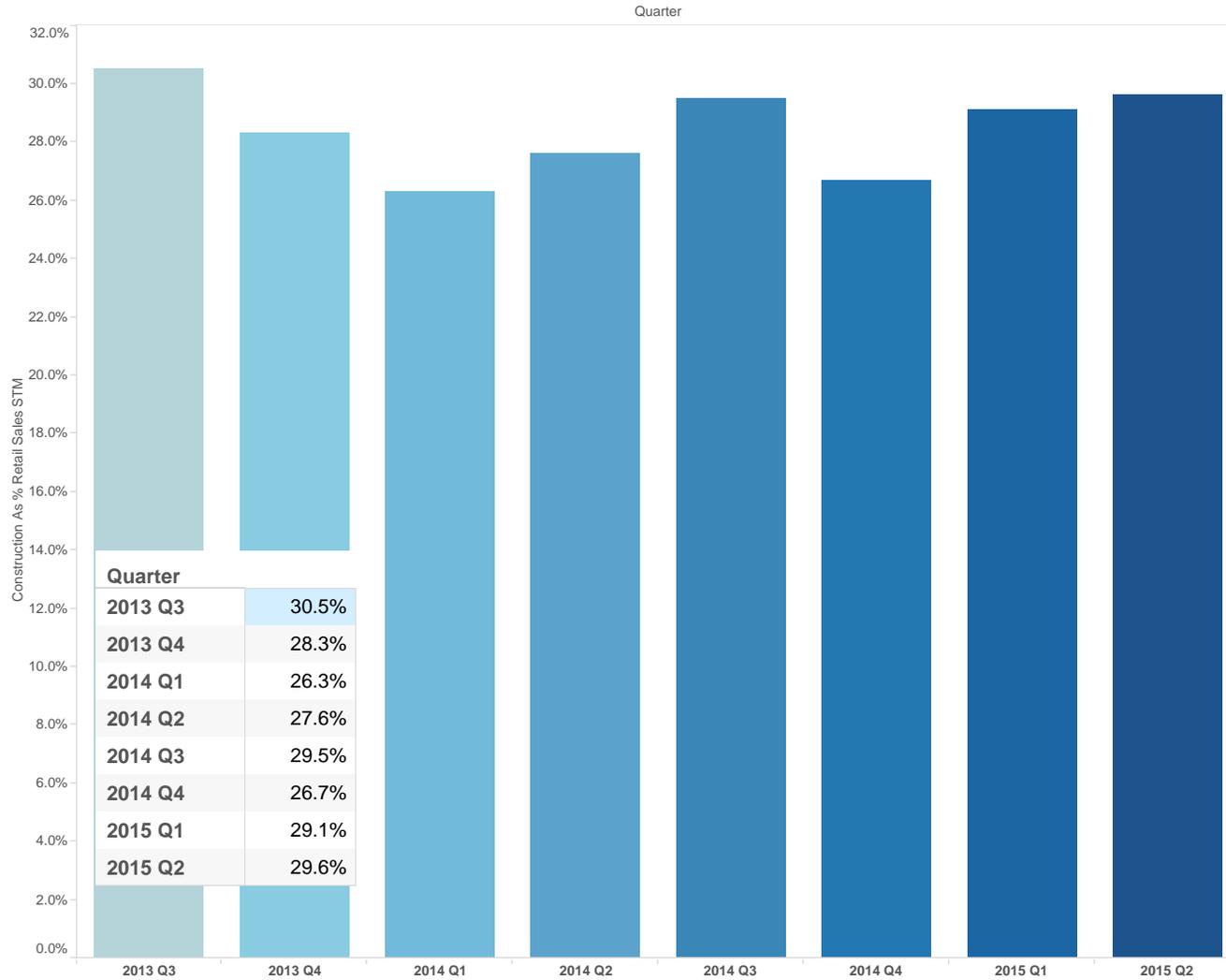


# Clark County 12 Months Ending Retail Sales Growth/Decline

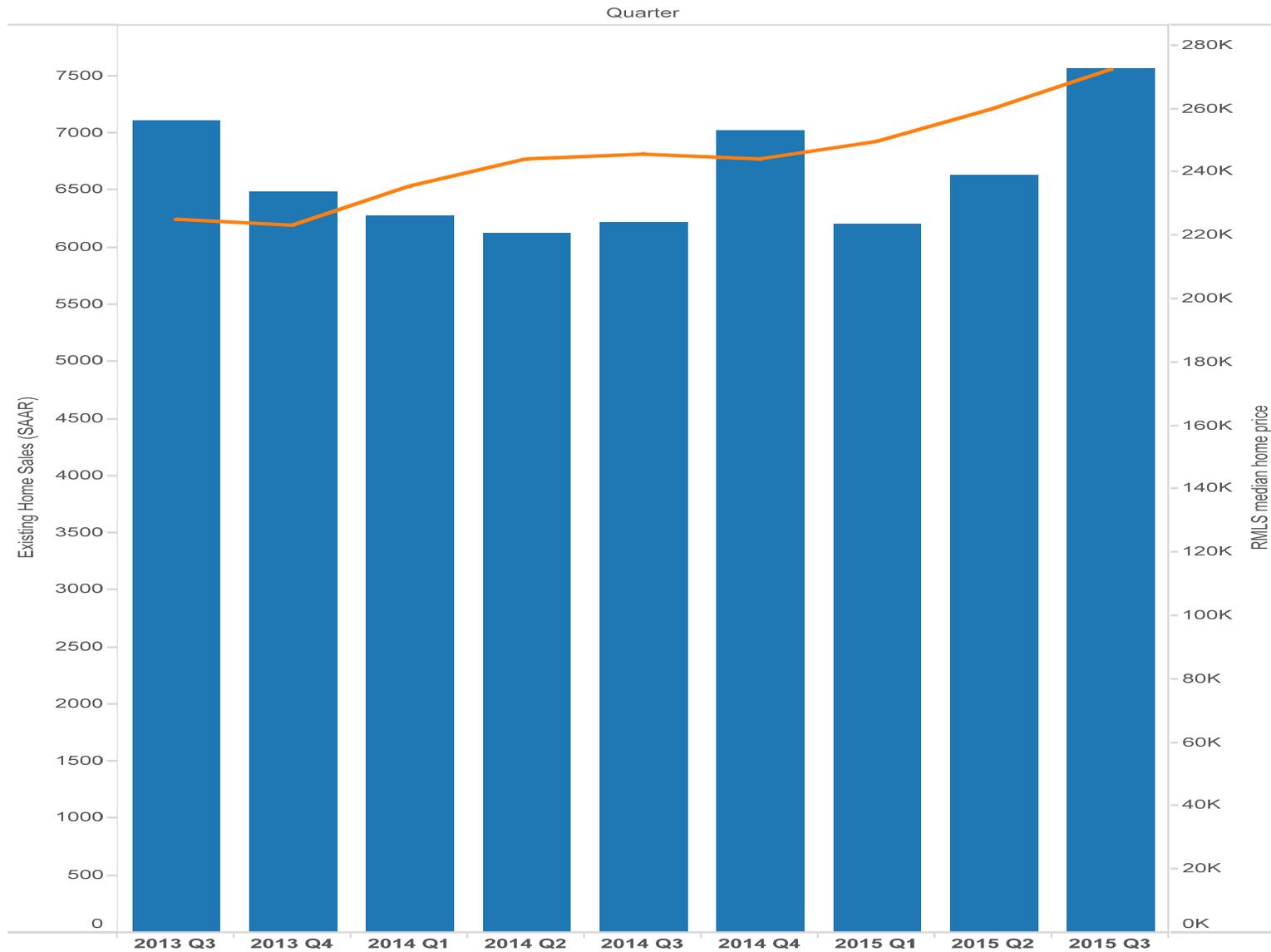
## Clark County 12 Months Ending Retail Sales Growth/Decline



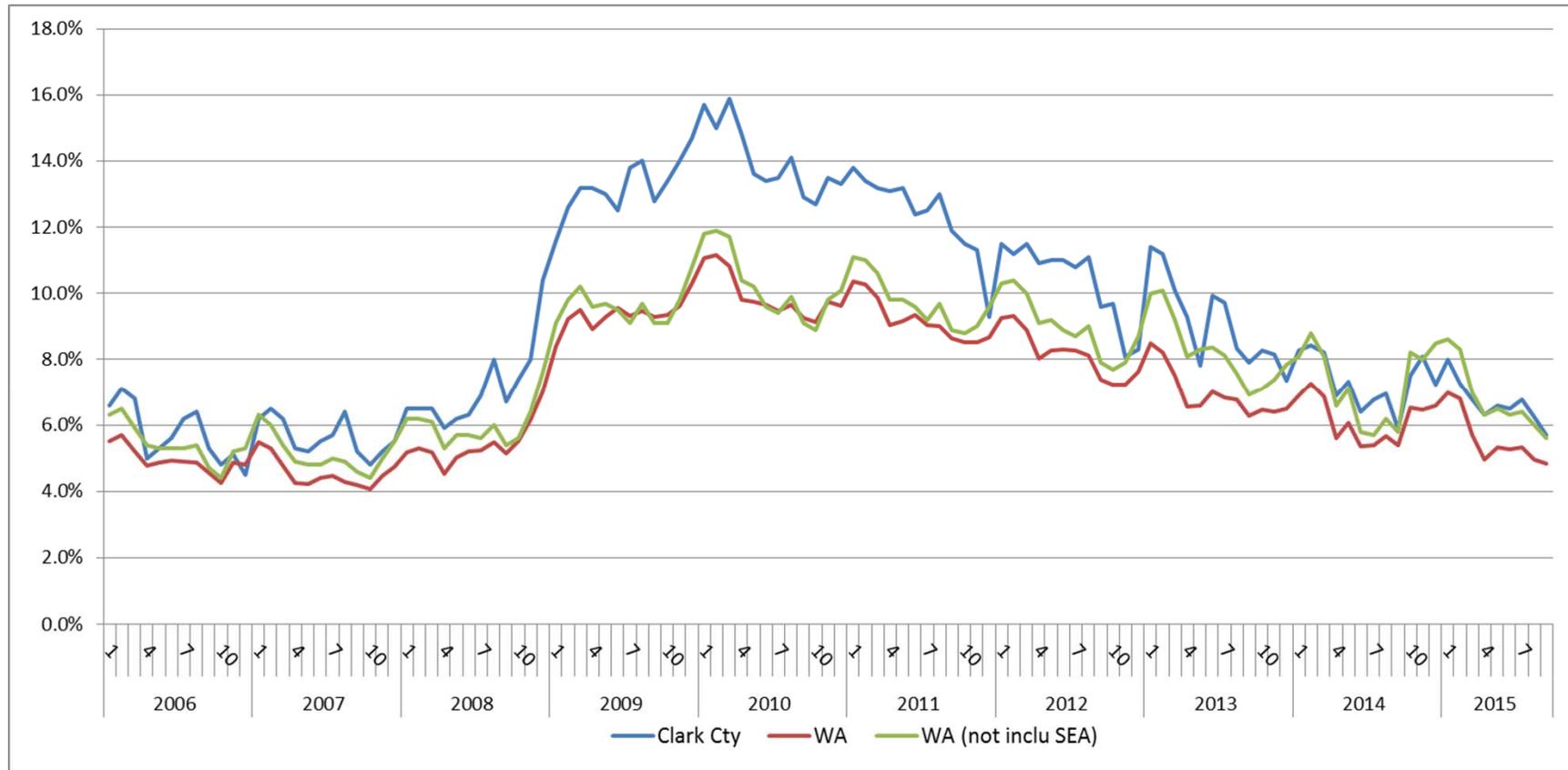
# Construction as a Percent of Retail Sales



# Home Sales and Medium Home Price



# County Unemployment Compared to State



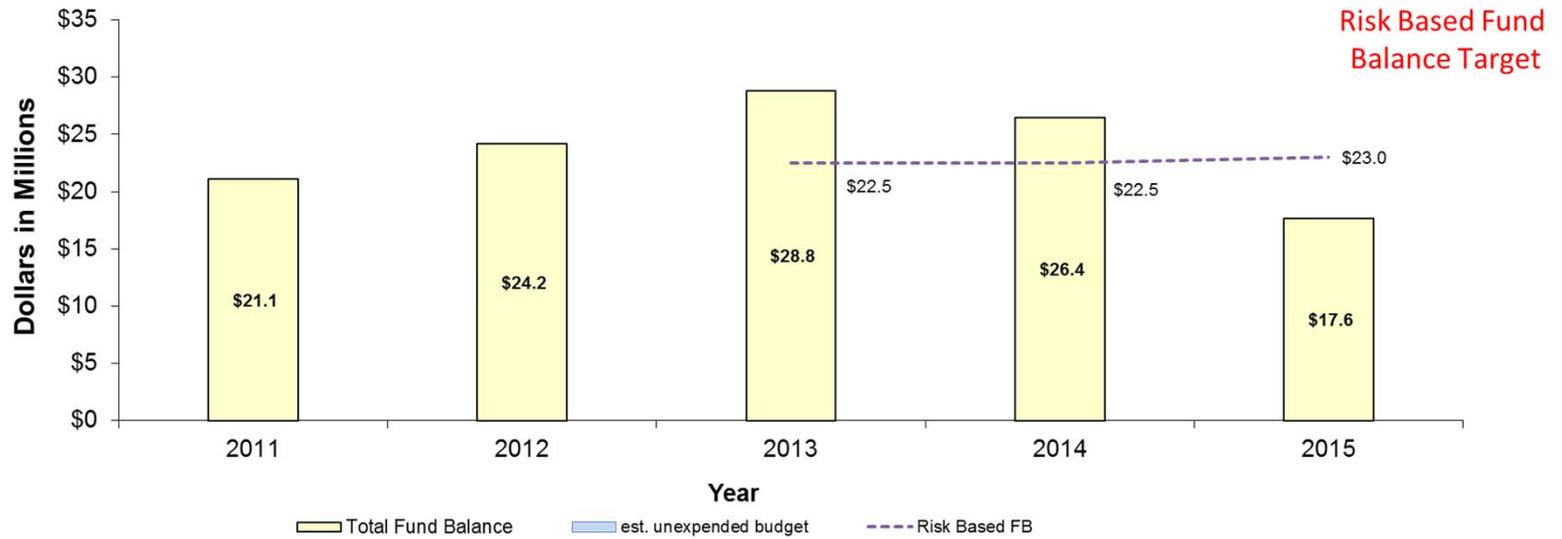
Source: Employment Security  
Department/LMEA; U.S. Bureau of Labor  
Statistics, Local Area Unemployment Statistics

# General Fund

- 2015-2016 General Fund adopted a balanced budget of revenues and expenses. 2015 has positive results thru the 3rd quarter compared to 2014. The 2015 YTD deficit is \$8.6M compared to \$11.4M in 2014. Revenues increased \$6.3M and expenditures increased \$3.5M.
- Increases in sales tax revenue, property tax collections, and other fees have offset decreases in court revenues and corrections fees and contributed to a stronger fund balance at the end of September 2015 compared to September 2014 (\$11.0M v \$9.7M).
- General Fund non-controllable costs have increased due to new labor agreements and retroactive pay.
- The Finance Team is identifying and proactively addressing revenue shortfalls and excess expenditures early in the biennium to identify solution to minimize the impact on General Fund resources

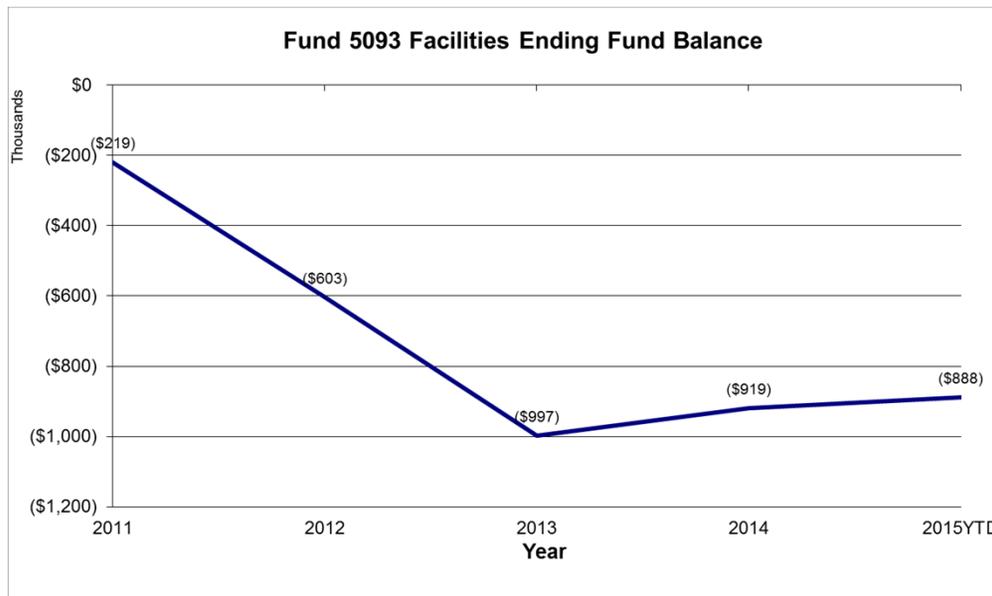
# General Fund

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 \$134K this biennium
  - Fund balance deficit will increase

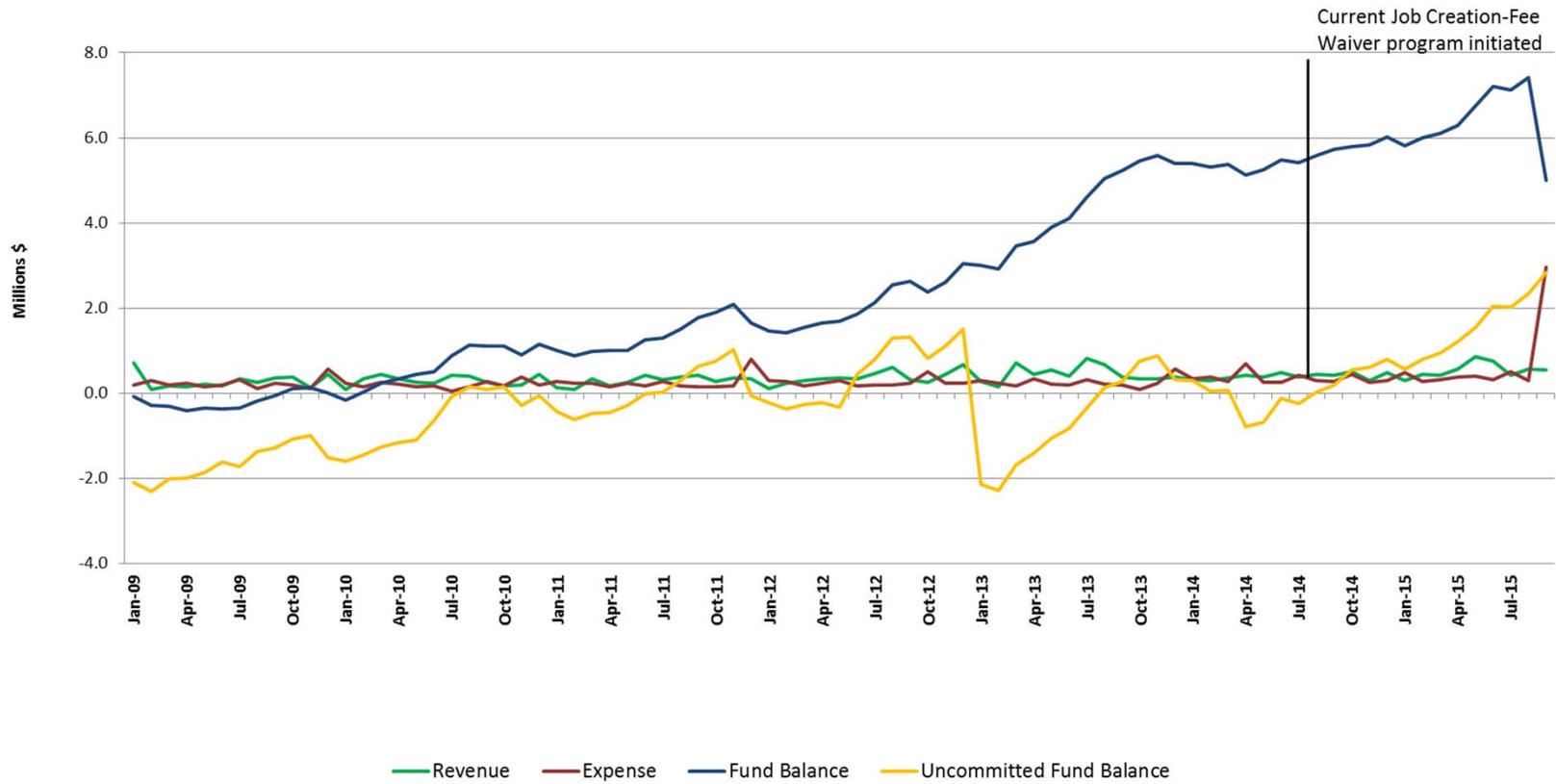


# Other Major Funds

- **Department of Community Development**
  - Community Development transferred \$3.0M to the Technology Reserve fund for the Tidemark replacement project. Fund balance remains solid at \$3.5M as of September 30.
  - Land Use Review permits are pretty steady.
  - Land Use Review revenue has increased in 2015, up 40 percent YTD over 2014.
  - Residential permits increased YTD 2015 compared to 2014 by 33.1%. In the same period Commercial permits are down 23.6%. Residential building permit fees remain sufficient to offset the subsidy of commercial fee waivers. (Next slide)
- **Road Fund**
  - The Road Fund fund balance at the end of Q3 2015 is lower than 2014, \$14.3M v \$23.5.
  - 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 (17.7M or 42.6% of budget).
  - Expenditures are on track at 37.8% of the current budget.
  - Health Department Fund Balance is down \$200K YTD in 2015 from 2014 year end of \$3.4M to \$3.2M.

# 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 Q3. 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 (\$770K in 2015).
  - Fund Balance at September 30 was \$775K.
  - The General Fund has budgeted \$250K annually 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 2014, there was no shortfall requiring REET funds for debt service.
- REET Funds
  - REET receipts YTD are over 54.5% 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 \$2.6M.
- Health Department
  - General Fund transfers suspended in the 2015-2016 budget will likely need to be restored in 2017-2018.
- Central Support Services (Facilities)
  - YTD results of operations generated a surplus of \$31K
  - Fund continues to run a deficit fund balance (\$888K as of September 30).
  - 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 its recommended fund balance level at year end.
- Any excess unassigned fund balance in the General Fund in 2015 may be used to fund one-time projects.

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

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



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