2017-2024 General Fund Forecast (Updated 8/15/17)

Description	2017 Budget	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
RESOURCES:								
Beginning fund balance (budgeted)	694,560	1,257,800	-	-	-	-	-	-
Property tax	11,873,878	12,159,785	12,402,981	12,651,040	12,904,061	13,162,142	13,425,385	13,693,893
Utility taxes	4,164,200	4,216,700	4,258,867	4,301,456	4,344,470	4,387,915	4,431,794	4,476,112
Sales tax	5,183,000	5,275,000	5,276,250	5,540,063	5,817,066	6,107,919	6,413,315	6,733,981
License & permit fees	3,491,500	3,257,500	3,127,800	3,252,912	3,383,028	3,518,350	3,659,084	3,805,447
Park & recreation fees	1,630,318	1,668,815	1,702,191	1,736,235	1,770,960	1,806,379	1,842,507	1,879,357
EMS revenues	1,290,369	1,323,578	1,350,050	1,377,051	1,404,592	1,432,683	1,461,337	1,490,564
Shared revenues	556,268	560,034	560,034	560,034	560,034	560,034	560,034	560,034
Utility overhead	452,172	464,106	482,670	501,977	522,056	542,938	564,656	587,242
Court fines	415,000	415,000	415,000	415,000	415,000	415,000	415,000	415,000
CIP overhead	268,915	278,185	289,312	300,885	312,920	325,437	338,455	351,993
General government	249,545	250,265	250,265	250,265	250,265	250,265	250,265	250,265
Interest	6,000	6,000	6,300	6,615	6,946	7,293	7,658	8,041
Interfund transfer	-	-	-	-	-	-	-	-
Total resources	**30,275,725**	**31,132,768**	**30,121,720**	**30,893,532**	**31,691,398**	**32,516,356**	**33,369,489**	**34,251,927**
% change (excl. beg fund balance)	**N/A**	**1.0%**	**0.8%**	**2.6%**	**2.6%**	**2.6%**	**2.6%**	**2.6%**
EXPENDITURES:								
Salaries & wages	15,542,163	16,101,356	16,740,040	17,577,042	18,455,894	19,378,689	20,347,623	21,365,004
Benefits	5,728,584	6,020,368	6,397,230	6,877,023	7,392,799	7,947,259	8,543,304	9,184,052
Contractual services	2,399,726	2,012,475	2,021,349	2,081,990	2,144,449	2,208,783	2,275,046	2,343,298
Internal service charges	1,429,185	1,446,954	1,504,832	1,565,025	1,627,626	1,692,732	1,760,441	1,830,858
Intergovernmental	1,202,448	1,294,230	1,358,942	1,426,889	1,498,233	1,573,145	1,651,802	1,734,392
Supplies	767,905	772,305	795,474	819,338	843,919	869,236	895,313	922,173
Utilities	625,404	630,483	655,702	681,930	709,208	737,576	767,079	797,762
Insurance	601,150	629,827	680,213	734,630	793,401	856,873	925,422	999,456
Other services & charges	497,046	525,796	541,570	557,817	574,551	591,788	609,542	627,828
Interfund transfers:								
To YFS Fund	592,831	743,886	400,000	400,000	400,000	400,000	400,000	400,000
To Technology & Equipment Fund	342,000	342,000	342,000	342,000	342,000	342,000	342,000	342,000
To Street Fund	50,000	-	-	-	-	-	-	-
To Water Fund	139,000	147,000	154,350	162,068	170,171	178,679	187,613	196,994
To Bond Fund (Non-Voted)	96,999	94,759	94,759	94,759	94,759	94,759	94,759	94,759
To Equipment Rental Fund	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
To Computer Equipment Fund	-	102,526	-	-	-	-	-	-
Total expenditures	**30,035,441**	**30,884,965**	**31,707,462**	**33,341,511**	**35,068,010**	**36,892,518**	**38,820,944**	**40,859,576**
Total expenditures (excl. YE xfr)	**30,035,441**	**30,884,965**	**31,707,462**	**33,341,511**	**35,068,010**	**36,892,518**	**38,820,944**	**40,859,576**
% change (excl. YE xfr)	**N/A**	**2.8%**	**2.7%**	**5.2%**	**5.2%**	**5.2%**	**5.2%**	**5.3%**
RESERVED RESOURCES:								
LEOFF I long-term care	86,000	86,000	86,150	86,308	86,473	86,647	86,829	87,020
Net DSG technology fee	27,000	23,000	14,000	14,000	14,000	14,000	14,000	14,000
Total reserved resources	**113,000**	**109,000**	**100,150**	**100,308**	**100,473**	**100,647**	**100,829**	**101,020**
Surplus (deficit)	**127,284**	**138,803**	**(1,685,891)**	**(2,548,286)**	**(3,477,085)**	**(4,476,809)**	**(5,552,285)**	**(6,708,669)**

Note: The Criminal Justice Fund was combined with the General Fund beginning in 2017, resulting in a budgeted surplus of $127,284 in 2017 and $138,803 in 2018. However, based on actual sales tax revenue through Sep 2017, both amounts will be needed to cover projected shortfalls in sales tax revenue relative to what is budgeted in 2017 and 2018.

2017-2024 General Fund Forecast (Updated 8/15/17)

ADJUSTMENTS:	2019	2020	2021	2022	2023	2024
Revenues:						
Sales tax (estimated reduction in construction activity)	(250,000)					
Licenses & permits (estimated reduction in development revenue)	(250,000)					
Expenditures:						
DSG contract staff, salaries (2017-2018 service package)*	(158,461)					
DSG contract staff, benefits (2017-2018 service package)*	(69,456)					
DSG contract services (2017-2018 service package)*	(50,000)					
One-time interfund transfer to YFS Fund in 2018 (to balance fund)	(343,886)					

* Development activity is projected to decline in 2018 and 2019, eliminating the need for DSG contract staffing and reducing the need for DSG contract services.

GROWTH ASSUMPTIONS:	2019	2020	2021	2022	2023	2024
Revenues:						
Property tax (1% levy increase + 1% new construction)	1.02	1.02	1.02	1.02	1.02	1.02
Utility taxes	**1.01**	**1.01**	**1.01**	**1.01**	**1.01**	**1.01**
Sales tax	**1.05**	**1.05**	**1.05**	**1.05**	**1.05**	**1.05**
License & permit fees	**1.04**	**1.04**	**1.04**	**1.04**	**1.04**	**1.04**
Park & recreation fees	1.02	1.02	1.02	1.02	1.02	1.02
EMS revenues	1.02	1.02	1.02	1.02	1.02	1.02
Shared revenues	1.00	1.00	1.00	1.00	1.00	1.00
Utility overhead	1.04	1.04	1.04	1.04	1.04	1.04
Court fines	1.00	1.00	1.00	1.00	1.00	1.00
CIP overhead	1.04	1.04	1.04	1.04	1.04	1.04
General government	1.00	1.00	1.00	1.00	1.00	1.00
Interest	1.05	1.05	1.05	1.05	1.05	1.05
Expenditures:						
Salaries & wages (3.0-3.5% COLA)	**1.05**	**1.05**	**1.05**	**1.05**	**1.05**	**1.05**
Benefits (driven by ACA uncertainty)	**1.075**	**1.075**	**1.075**	**1.075**	**1.075**	**1.075**
Contractual services	1.03	1.03	1.03	1.03	1.03	1.03
Internal service charges	1.04	1.04	1.04	1.04	1.04	1.04
Intergovernmental	1.05	1.05	1.05	1.05	1.05	1.05
Supplies	1.03	1.03	1.03	1.03	1.03	1.03
Utilities	1.04	1.04	1.04	1.04	1.04	1.04
Insurance	1.08	1.08	1.08	1.08	1.08	1.08
Other services & charges	1.03	1.03	1.03	1.03	1.03	1.03
Communications	1.00	1.00	1.00	1.00	1.00	1.00
Jail costs	1.05	1.05	1.05	1.05	1.05	1.05
Interfund transfers:						
To YFS Fund	1.00	1.00	1.00	1.00	1.00	1.00
To Technology & Equipment Fund	1.00	1.00	1.00	1.00	1.00	1.00
To Water Fund	1.05	1.05	1.05	1.05	1.05	1.05
To Bond Fund (Non-Voted)	1.00	1.00	1.00	1.00	1.00	1.00
To Equipment Rental Fund	1.00	1.00	1.00	1.00	1.00	1.00

General Fund Forecast: Summary ($M)

Summary	2017 Budget	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
Beginning fund balance	$ 0.69	$ 1.26	$ -	$ -	$ -	$ -	$ -	$ -
Plus total revenues	29.58	29.87	30.12	30.89	31.69	32.52	33.37	34.25
Less total expenditures	(30.04)	(30.88)	(31.71)	(33.34)	(35.07)	(36.89)	(38.82)	(40.86)
Less reserved revenues*	(0.11)	(0.11)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)
Surplus (deficit)	**$ 0.13**	**$ 0.14**	**$ (1.69)**	**$ (2.55)**	**$ (3.48)**	**$ (4.48)**	**$ (5.55)**	**$ (6.71)**

* Reserved revenues include the following:

1) $83,000 in property tax is annually reserved for LEOFF I retiree long-term care costs;
2) A portion of investment interest is annually reserved for LEOFF I retiree long-term care costs; and
3) Any unspent DSG technology fees are annually reserved for future information technology costs.

General Fund Forecast: Revenues ($M)

Revenues	2017 Budget	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	17-18 % of Total
Property tax	$ 11.87	$ 12.16	$ 12.40	$ 12.65	$ 12.90	$ 13.16	$ 13.43	$ 13.69	40.4%
Sales tax	5.18	5.28	5.28	5.54	5.82	6.11	6.41	6.73	17.6%
Utility tax	4.16	4.22	4.26	4.30	4.34	4.39	4.43	4.48	14.1%
License, permit & zoning fees	3.49	3.26	3.13	3.25	3.38	3.52	3.66	3.81	11.4%
Recreation/rental fees	1.63	1.67	1.70	1.74	1.77	1.81	1.84	1.88	5.5%
All other revenues	3.24	3.30	3.35	3.41	3.47	3.53	3.60	3.66	11.0%
Total revenues	**$ 29.58**	**$ 29.87**	**$ 30.12**	**$ 30.89**	**$ 31.69**	**$ 32.52**	**$ 33.37**	**$ 34.25**	**100.0%**

General Fund Forecast: Expenditures ($M)

Expenditures	2017 Budget	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	17-18 % of Total
Salaries & wages	$ 15.54	$ 16.10	$ 16.74	$ 17.58	$ 18.46	$ 19.38	$ 20.35	$ 21.37	51.9%
Benefits	5.73	6.02	6.40	6.88	7.39	7.95	8.54	9.18	19.3%
Contractual services	2.40	2.01	2.02	2.08	2.14	2.21	2.28	2.34	7.2%
Fleet & IT charges (internal)	1.43	1.45	1.50	1.57	1.63	1.69	1.76	1.83	4.7%
Interfund transfers	1.24	1.45	1.01	1.02	1.03	1.04	1.05	1.05	4.4%
All other expenditures	3.69	3.85	4.03	4.22	4.42	4.63	4.85	5.08	12.4%
Total expenditures	**$ 30.04**	**$ 30.88**	**$ 31.71**	**$ 33.34**	**$ 35.07**	**$ 36.89**	**$ 38.82**	**$ 40.86**	**100.0%**

General Fund Forecast: % Change

% Change	2018 Budget	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	19-24 Average
Property tax	2.4%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sales tax	1.8%	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%	4.2%
Utility tax	1.3%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
License, permit & zoning fees	-6.7%	-4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	2.7%
Recreation/rental fees	2.4%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
All other revenues	1.8%	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%	1.8%
Total revenues	**1.0%**	**0.8%**	**2.6%**	**2.6%**	**2.6%**	**2.6%**	**2.6%**	**2.3%**
Salaries & wages	3.6%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	4.8%
Benefits	5.1%	6.3%	7.5%	7.5%	7.5%	7.5%	7.5%	7.3%
Contractual services	-16.1%	0.4%	3.0%	3.0%	3.0%	3.0%	3.0%	2.6%
Fleet & IT charges (internal)	1.2%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Interfund transfers	16.9%	-30.3%	0.8%	0.8%	0.8%	0.9%	0.9%	-4.4%
All other expenditures	4.3%	4.7%	4.7%	4.7%	4.7%	4.8%	4.8%	4.7%
Total expenditures	**2.8%**	**2.7%**	**5.2%**	**5.2%**	**5.2%**	**5.2%**	**5.3%**	**4.8%**
Net expenditure growth differential each year	**1.8%**	**1.8%**	**2.6%**	**2.6%**	**2.6%**	**2.6%**	**2.6%**	**2.5%**