Quarterly Finance Report
2012 Fourth Quarter

February 13, 2013
BOCC Work Session
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  – Small incremental improvement

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  – Uneven Performance Statewide

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  – Expenditures
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• Other Major Funds
  – PW, DCD, Health Department

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  – Community Development-Development Services
  – Events Center Fund
  – Exhibit Hall
  – REET Funds
  – Department of Community Services

• Other Items
Leading Indicators

- Building Permits
- Retail Sales
- Home Sales
- Construction % Retail Sales
- Median Home Sale Prices
- Unemployment
- Developmental Services Permits
Fourth Quarter Major County Retail Sales Growth

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

12 Months Ending December

- Benton  - King  - Pierce  - Snohomish  - Spokane  - Thurston  - Whatcom  - Clark
Clark County 12 Months Ending Retail Sales Growth/Decline

Clark County 12 Months Ending Retail Sales Growth/Decline

Quarter

- YE-12/06
- YE-3/07
- YE-6/07
- YE-9/07
- YE-12/07
- YE-3/08
- YE-6/08
- YE-9/08
- YE-12/08
- YE-3/09
- YE-6/09
- YE-9/09
- YE-12/09
- YE-3/10
- YE-6/10
- YE-9/10
- YE-12/10
- YE-3/11
- YE-6/11
- YE-9/11
- YE-12/11
- YE-3/12
- YE-6/12
- YE-9/12
- YE-12/12

Incorporated
Unincorporated
General Fund Expenses

- General Fund expenses finished 2012 $7.1M under budget.
- Salary and benefit savings were approximately $6.5M for the biennium.
- There were, on average 65 General Fund vacancies in 2011-2012; 20 from general government, 35 from Law & Justice, and 10 from internal services.
Fund 001 General Fund and Permanent Reserve
Unassigned Fund Balance 2005-2012

GENERAL FUND UNASSIGNED FUND BALANCE AS A PERCENT OF REVENUE

Year
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012

Dollars (in Millions)
- $18.8
- $21.6
- $20.4
- $12.7
- $14.0
- $17.5
- $21.1
- $25.7

Percent
- 15.8%
- 17.5%
- 15.4%
- 9.1%
- 10.3%
- 12.7%
- 15.0%
- 17.8%

Other Major Funds

• Department of Community Development
  – Fund balance is currently positive for Building.
  – Building permits and activity are increasing.
  – Land Use Review permits increased in 2012 for the first time in five years.
  – Land Use Review requires General Fund contribution for non-fee activities. In 2011-2012 this amount was $0.9M.
  – Program changes and expense reduction should keep the General Fund contribution to a reasonable level.

• Road Fund
  – Fourth Quarter Fund Balance is $28.3M.
  – Based on the six year TIP, the fund balance is committed to a variety of projects and a significant increase in road preservation and maintenance costs.

• Health Department
  – Expenses are extremely tight, especially salaries and benefits.
  – The Fund Balance is holding steady.
General Fund

Funds with a direct relationship to GF through policy, agreements, grants

Health Department
Community Services
Community Development
CRESA Capital

Funds that impact GF when in financial difficulty

Facilities

PW Engineer

Tri-Mountain

Elections

Insurance Funds

Community Development

REET

REET

Fair

CJC

Deferred One-Time-Only
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 2012 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 was $155K less than 2011.
  - The General Fund has budgeted $250K annually to support the fund.
  - The Fund has had an operating deficit since 2008 and carried a negative fund balance since 2009 year end. The current deficit is $912K. An assignment of $1.0M in the General Fund to cover the deficit is recommended.

- **Exhibit Hall Reserve Fund**
  - Hotel/Motel Tax Receipts are coming in under budget and debt payments currently exceed revenue sources.
  - General Fund has budgeted $0.5M annually to support the fund.

- **REET Funds**
  - 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

• General Fund-fund balance has recovered and has some small capacity to take care of one-time financial needs in other funds. Included in these items are funding the Events Center Fund deficit balance and the Department of Community Development’s permit processing system.

• The County has the ability to maintain and further strengthen its financial position through financial policies. Areas to consider include fund balance, debt, capital expenditures, and budgeting.

• Continue to monitor other funds that impact the General Fund when in financial difficulty.
  – DCD Land Use Review
  – Events Center deficit fund balance
  – Exhibit Hall Reserve Fund
  – DCS impact of RSN separating from County
Lifeline Connections

- **Debt Payments**
  - County payments are current
  - External debt payments are current and on schedule to be repaid in April.

- **Fundamental Balances have improved**
  - December 31, 2012 cash balance highest level in the past 12 months
  - Payables maintaining the appropriate level
  - Receivable balance stable

- **Utilization (occupancy) slowly improving**
  - Patient mix is slightly better than budget, however, total utilization was reduced by 8 beds in July
  - Excess space is being sublet to CRMHS
Improve Financial Transparency Project

• Clark County provides a significant amount of Financial information at various locations on the County website.
  – Auditor’s office provides CAFR’s, Quarterlies, Trends, Audits, Cost Allocation plans
  – Budget Office provides Biennial Budget and supplemental information
  – Other County departments including Treasurer and Purchasing have information that would be pertinent

• Sunshine Review (US based non-profit concerned with government accountability) gives Clark County a B grade.

• Improving Transparency
  – Develop user friendly single access point for existing County financial information
  – Improve information by providing additional information on payables, contracts, bidding, and lobbying activities.
  – Include capabilities to download information for sorting and analysis
A copy of the complete fourth quarter financial report may be obtained at:

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