



City of Newcastle

8 month target = 66.67%

Prepared by: Don Palmer

Revenue Summary:

The revenue for General Fund is \$5,564,820 from a budget of \$8,849,930, and represents 62.9% total collection. The general fund revenue is tracking and is aligned with the budget 66.6% of the year through August 31, 2017. Sales tax revenue is tracking higher than expected and continues to outpace 2017 year-end estimates. Sales tax is being buoyed by the new construction activity. A major portion of the property tax revenue is collected by May and again by November with some property taxes paid 100% by some owners in May and is the reason for stating that revenue is on track. The Street Fund revenue is 65.8% with vehicle excise tax not meeting estimates. 100% of the general fund support for street fund has occurred and the remaining balance of REET transfer will not occur because the May Creek Bridge is postponed until next year. Parks impact and transportation impact revenue used for capital construction are both not meeting revenue estimates. Parks impact revenue is \$132,264 or 53.5% collected from a budget of \$247,190 while transportation impact revenue is \$272,084 from a budget of \$456,190 or 59.6%. Surface Water Management revenue is \$505,487 or 56.2% collected from a balance of \$899,850. This is expected as the fees collected are processed by King County with majority of the revenue arriving to the City in April-May and again October and November of each year. Facility rental income is \$274,149 or 93.3% collected from budget estimates of \$293,890 and is above expectations for several non-routine circumstances. The rental income increased \$99,455 for several reasons. At closing monies held by the city as escrow proceeds was converted to revenue on January 2017. A claim by Dr. Strange found to be correct was not discoverable until January 2017. It was determined that of the \$39,530 collected at closing, a portion of the monies (\$13,165) was owed to Dr. Strange for rent. The remaining portion of the \$39,530 was pro-rated tenant 2016 rent of \$20,270 and \$6,095 in pro-rated property tax. At the time of developing the budget for 2017 it was not fully ascertained that the rents for 2017 and the remaining balance of \$59,925 is rental income from the City for its share of CAM expenses which is contemplated as expenses.

SWM grants of \$409,000 will not be all collected this year. \$120,000 is deferred to a future project, \$199,000 will be collected in the near term, and \$90,000 is reimbursable to a project underway and will most likely not be fully utilized due to lower costs to

Development Revenue:

Building, plumbing, mechanical permits are 58.3% collected, Plan check fees are 60.2% collected and billable hours are at 54.8% collected. Development revenue overall is \$754,922 or 61.5% of the year from a total development budget of \$1,226,585. The

Retail Sale Tax:

Retail Sales Tax revenue is exceeding expectation at 92.3% and it is because of new construction activity. Retail sales tax continues to

Real Estate Excise Tax (REET) Revenue:

The REET collections from real estate sales is benefiting the city. Total REET revenue is a result of increased sale activity related to new construction, the golf course sale which the city received in January and quadrant homes sale occurred at the Avalon Bay project. REET collections is \$1,162,603 from a budget of \$1,061,000 representing a 109.6% revenue for the year. The current budget estimates is that it will exceed \$1.5 million with current trends when considering the inclusion of the golf course and quadrant homes sales.

Revenue	2017 Budget	Year to Date 8/31/17	Amount Remaining	% of Budget Collected	Status
Property Tax	\$ 4,722,745	\$ 2,525,366	\$ (2,197,379)	53.5%	✓
Retails Sales Tax	1,165,000	1,074,932	(90,068)	92.3%	↑
Criminal Justice Tax	265,085	199,688	(65,397)	75.3%	↑
Permits (Building, Plumb, Mech)	526,785	307,226	(219,559)	58.3%	↓
Plan Review	428,015	257,726	(170,289)	60.2%	↓
Planner (Billable) Hours	219,895	120,514	(99,381)	54.8%	↓
Real Estate Excise Tax	1,060,000	1,153,496	93,496	108.8%	↑
Parks Impact Fees/Fees in Lieu	247,190	132,264	(114,926)	53.5%	↓
Transportation Impact Fee	456,170	272,084	(184,086)	59.6%	↓
Grants	747,555	28,868	(718,687)	3.9%	↓
Motor Vehicle Excise Tax	247,420	153,173	(94,247)	61.9%	↓
Surface Water Management Fees	899,850	505,487	(394,363)	56.2%	✓
Intergovernmental (Gen Fund)	208,785	141,199	(67,586)	67.63%	✓
Total Revenue All Funds	\$ 12,931,250	\$ 8,173,066	\$ (4,758,184)	63.2%	✓
Transfers In	2,458,600	1,518,776	(939,824)	61.8%	✓
Total Revenue	\$ 15,389,850	\$ 9,691,842	\$ (5,698,008)	63.0%	✓

Expenditures

Expenditure Summary:

Executive Department is 64.6% and administrative expenses are lower because annual audits are not yet paid since the audit will continue into early October with the exit interview. Community Development expenses are below estimates and tracking with 62.3% expended. The majority of professional services being provided are developer reimbursed. The Police contract is paid through July 2017 and Fire contract is paid twice per year with a total public safety expenditures at 54.6%.

Public Works seasonal expenses with Parks, Street and Surface Water Management maintenance and operations remain under budget 59.0%. Two of three vehicles budgeted have been purchased in the ERF fund raising the ERF expenses to 71.2% expended.

Facility expenses are higher than the adopted 2017 budget for several reasons. The expenses not considered are as follows:

- ✓ The 2017 budget needs appropriation authority to address the restaurant smell infiltration.
- ✓ Dr. Strange's rent collected at closing was dispersed to Dr. Strange this year.
- ✓ Building access control modifications were not anticipated in the FY2017 budget.
- ✓ Higher utility expenses for the garage and annex were not considered in the FY2017 budget.

At closing last year a trust was set up to address HVAC and roof maintenance and need 2017 budget approval.

The Transportation projects are 47.5% expended, Parks projects 18.8% and SWM projects are 1.2% expended of the

Expenditures by Fund

Operations	2017 Budget	August 31 Year to Date	% of Budget Expended	Status
Executive	\$ 1,017,040	\$ 657,306	64.6%	✓
Administration	682,545	422,266	61.9%	✓
Public Safety	4,039,050	2,206,721	54.6%	✓
Community Development	1,186,180	738,463	62.3%	✓
Public Works	2,532,435	1,495,272	59.0%	✓
Equipment Rental Fund	145,700	103,765	71.2%	✓
Other Financing Uses	750,000	225,370	30.0%	✓
TOTAL OPERATIONS	\$ 10,352,950	\$ 5,849,163	56.50%	✓
Fund	2017 Budget	August 31 Year to Date	% of Budget Expended	Status
Debt Service	\$ 530,385	\$ 235,130	44.3%	✓
Capital Budget				
Transp Capital Projects Fund	2,004,800	952,821	47.5%	↓
Parks Capital Projects Fund	735,510	138,515	18.8%	↓
SWM Capital Projects Fund	406,000	4,799	1.2%	↓
TOTAL Capital Investment Projects	3,146,310	1,096,134	34.8%	↓
TOTAL Operations/CIP/Debt Service	14,029,645	7,180,427	51.2%	✓
TOTAL Transfers Out	2,458,600	1,518,776	61.8%	✓
TOTAL Operations/CIP/Other Plus	\$ 16,488,245	\$ 8,699,203	52.8%	✓