



# City of Newcastle

7 month target = 58.3%

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## Revenue Summary:

The revenue for General Fund is \$5,052,784 from a budget of \$8,849,930 and represents 57.1% total collection. The general fund revenue is tracking aligned with the budget 58.3% of the year through July 31, 2017. Sales tax revenue is tracking higher than expected and is estimated to be approximately \$350,000 higher than the 2017 budget estimate. 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. The Street Fund revenue is 61.9% 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 due to the May Creek Bridge work being deferred into FY2018. An added transfer from General Fund would require an additional budget amendment to assist with Street Operations. Parks impact revenue used for capital construction is lower and transportation impact revenue is meeting budget estimates. Parks impact revenue is \$129,258 or 52.3% collected from a budget of \$247,190 while transportation impact revenue is \$265,609 from a budget of \$456,190 or 58.2%. Surface Water Management revenue is \$508,525 or 56.5% collected from a balance of \$899,850. This is expected as the collections are processed by King County and the majority of the revenue is in April-May and again October and November of each year. Facility rental income is \$245,844 or 83.7% collected from budget estimates of \$293,890 and is above expectations. 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.

## Development Revenue:

Building, plumbing, mechanical permits are 54.5% collected, Plan check fees are 59.5% collected and billable hours are at 50.2% collected. Development revenue overall is \$705,528 or 57.5% of the year collection from a total development budget of

## Retail Sale Tax:

Retail Sales Tax revenue is exceeding expectation due to new construction activity, Retail sales tax continues to trend through July 31

## 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 is \$1,009,933 from a budget of \$1,061,000 representing a 95.2% collection in revenue for the year exceeding the budget estimates and may reach \$1.5 million with current trends when discounting the golf course and quadrant homes sales.

Revenue	2017 Budget	Year to Date 6/30/17	Amount Remaining	% of Budget Collected	Status
Property Tax	\$ 4,722,745	\$ 2,510,850	\$ (2,211,895)	53.2%	✓
Retails Sales Tax	1,165,000	929,473	(235,527)	79.8%	↑
Criminal Justice Tax	265,085	171,145	(93,940)	64.6%	↑
Permits (Building, Plumb, Mech)	526,785	286,995	(239,790)	54.5%	✓
Plan Review	428,015	254,827	(173,188)	59.5%	✓
Planner (Billable) Hours	219,895	110,299	(109,596)	50.2%	↓
Misc. Development Revenue	48,690	49,174	484	101.0%	↑
Real Estate Excise Tax	1,060,000	1,002,454	(57,546)	94.6%	↑
Parks Impact Fees/Fees in Lieu	247,190	129,258	(117,932)	52.3%	↓
Transportation Impact Fee	456,170	265,609	(190,561)	58.2%	✓
Grants	747,555	16,947	(730,608)	2.3%	↓
Passports	10,000	10,025	25	100.3%	↑
Motor Vehicle Excise Tax	247,420	132,324	(115,096)	53.5%	↓
Surface Water Management	1,340,850	590,959	(749,891)	44.1%	✓
Intergovernmental (Gen Fund)	208,785	129,278	(79,507)	61.92%	✓
<b>Total Revenue All Funds</b>	<b>\$ 12,931,250</b>	<b>\$ 7,441,544</b>	<b>\$ (5,489,706)</b>	<b>57.5%</b>	<b>✓</b>
<b>Transfers In</b>	<b>2,458,600</b>	<b>1,143,776</b>	<b>(1,314,824)</b>	<b>46.5%</b>	<b>✓</b>
<b>Total Revenue</b>	<b>\$ 15,389,850</b>	<b>\$ 8,585,320</b>	<b>\$ (6,804,530)</b>	<b>55.8%</b>	<b>✓</b>

# Expenditures

## Expenditure Summary:

Executive Department is above 58.3% due to annual software maintenance contracts and city insurance paid in the first quarter. Administration expenses are lower because annual audits are scheduled and not yet paid. Community Development expenses are lower with Professional services only 12.2% expended. The majority of professional services being provided are developer reimbursed. The Police contract is paid through July 2017 with expenses totaling \$1,137,169 or 51.0%.

Public Works seasonal expenses are beginning as seasonal employees are working and the spring recycling event has occurred. Parks, Street and Surface Water Management maintenance and operations remain under budget due to seasonal maintenance and projects beginning. Two of three vehicles budgeted have been purchased in the ERF fund raising the ERF expenses to 65.9% 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 23.7% expended, Parks projects 13.6% and SWM projects are 1.2% expended of the

## Expenditures by Fund

Operations	2017 Budget	June 30 Year to Date	% of Budget Expended	Status
Executive	\$ 1,017,040	\$ 574,297	56.5%	✓
Administration	682,545	330,965	48.5%	✓
Public Safety	4,039,050	2,031,235	50.3%	✓
Community Development	1,186,180	542,219	45.7%	✓
Public Works	2,532,435	1,196,964	47.3%	✓
Equipment Rental Fund	145,700	96,089	65.9%	✓
Other Financing Uses	750,000	169,164	22.6%	✓
<b>TOTAL OPERATIONS</b>	<b>\$ 10,352,950</b>	<b>\$ 4,940,933</b>	<b>47.72%</b>	<b>✓</b>
Fund	2017 Budget	June 30 Year to Date	% of Budget Expended	Status
Debt Service	\$ 530,385	\$ 235,130	44.3%	✓
<b>Capital Budget</b>				
Transp Capital Projects Fund	2,004,800	474,974	23.7%	✓
Parks Capital Projects Fund	735,510	100,095	13.6%	✓
SWM Capital Projects Fund	406,000	4,799	1.2%	✓
<b>TOTAL Capital Investment Projects</b>	<b>3,146,310</b>	<b>579,868</b>	<b>18.4%</b>	<b>✓</b>
<b>TOTAL Operations/CIP/Debt Service</b>	<b>14,029,645</b>	<b>5,755,931</b>	<b>41.0%</b>	<b>✓</b>
<b>TOTAL Transfers Out</b>	<b>2,458,600</b>	<b>1,143,776</b>	<b>46.5%</b>	<b>✓</b>
<b>TOTAL Operations/CIP/Other Plus</b>	<b>\$ 16,488,245</b>	<b>\$ 6,899,707</b>	<b>41.8%</b>	<b>✓</b>