

SEQUIM CITY COUNCIL AGENDA COVER SHEET

MEETING DATE: **October 24, 2016**

FROM: Sue Hagener, Administrative Services Director

SH
Initials

SUBJECT/ISSUE: 3rd Quarter 2016 Financial Reports

Discussion dates	04/25/16	07/25/16		
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation 15	
	<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda		
	<input checked="" type="checkbox"/> Unfinished Business	<input type="checkbox"/> New Business		
Reviewed by			Initials	Date
Charlie Bush, City Manager			CPB	10/18/16

PROBLEM/ISSUE STATEMENT:

The 3rd quarter 2016 Financial Report provides the financial results for the first nine months of 2016. It includes an explanation of significant variances from budget. Financial Reports are provided quarterly to inform the City Council and Community as to the progress for the year including budget amendments that may be required. It should be noted that any reference to beginning fund balances will be subjected to an audit of 2016.

LIST OF ATTACHMENTS:

1. Summary by Funds
2. Narrative all Funds
3. Supportive Graphs
4. Schedule 9 (Liabilities at September 30, 2016)
5. 2016 Capital Projects

DISCUSSION/ANALYSIS:

The attached information is presented to give the City Council and Community a pre-audit look at the results of operations and financial position for the first nine months of 2016. The Budget is adopted at the fund level and thus is presented accordingly. Highlights include:

General Fund Beginning fund balance was strong at \$1.8ml and \$126k higher than budgeted. General fund revenues were \$210k (3%) more than budgeted. Sales tax is strong at \$163k (9%) over budget. Permitting activities remain active and revenues are \$9k (4%) over budget. Utility taxes exceed budget by \$9k (1%). Property taxes are at 102% of budget. Interfund/overhead revenues exceed (the amended) budget by \$4k (0%). Staff continued to control supply and service expenditures resulting in a positive impact to the fund with total expenditures under budget by \$169k (3%). The net gain to the fund of \$270k was better than budget by \$379k. The ending fund balance of \$2ml is slightly below policy maximum.

Street Operations (Unrestricted) Beginning fund balance was \$158k and \$3k over budget. Revenues were \$4k (1%) less than budget which is relatively on target. Actual expenditures were also under budget by \$11k (2%) due to savings in supplies, small tools, repairs and maintenance. The ending fund balance of \$155k (2.3 months of operations) is slightly above policy mid-point, an improvement over 2nd quarter.

Water Operations (Unrestricted) Beginning fund balance for 2016 was \$1ml and \$61k over budget. Actual Revenues are \$74k (5%) over budget and actual expenditures are \$32k (2%) over budget (we anticipate this level out by year end). Ending fund balance of \$1.1ml represents 6.4 months of operations and is slightly above policy maximum.

Sewer Operations (Unrestricted) Beginning Fund Balance for 2016 was \$1.9ml and \$233k over budget. Actual Revenues for the year are \$211k (7%) over budget and actual expenditures are \$127k (4%) under budget. Ending fund balance of \$1.8ml represents 5.4 months operations and is slightly below policy maximum.

All **Other Funds** were either on track or above *general* budget projections or did not present any significant concerns.

FINANCIAL IMPLICATIONS: Discussion above.

RECOMMENDATION: Presented to the City Council and Community. No action needed.

City of Sequim
Summary By Fund
September 2016

	YTD	YTD	YTD	YTD	YTD		YTD	YTD	YTD		YTD	YTD	YTD	
	BUDGET Beg Fund Balance	BUDGET Net Gain (Loss)	BUDGET End Balance	BUDGET Revenues	ACTUAL Revenues	ACTUAL Rev BUDGET Rev	% from Budget	BUDGET Expenditures	ACTUAL Expenditures	ACTUAL Exp BUDGET Exp	% from Budget	ACTUAL Beg Fund Balance	ACTUAL Net Gain (Loss)	ACTUAL End Balance
General Fund														
001 General Fund	1,685,370	(109,361)	1,576,009	6,564,754	6,774,967	210,213	3%	6,674,116	6,505,093	(169,023)	-3%	1,811,635	269,874	2,081,509
Special Revenue Funds														
101 Street Unrestricted	154,925	(11,075)	143,850	625,143	621,580	(3,563)	-1%	636,221	625,215	(11,006)	-2%	158,248	(3,635)	154,613
111 Street Restricted	889,110	105,320	994,430	998,148	263,826	(734,322)	-74%	892,832	139,012	(753,820)	-84%	750,291	124,813	875,104
107-U Stormwater Unrestricted	11,586	9,335	20,921	90,360	90,774	414	0%	81,019	93,652	12,633	16%	28,917	(2,878)	26,039
115 Lodging Tax Hotel / Motel	213,710	(29,397)	184,313	164,239	207,478	43,239	26%	193,636	208,319	14,683	8%	329,001	(841)	328,161
117-R Stormwater Restricted	9,777	11,598	21,375	94,929	111,978	17,049	18%	83,331	47,378	(35,953)	-43%	(4,347)	64,601	60,253
120 Criminal Justice	79,566	22,521	102,087	311,053	274,766	(36,287)	-12%	288,533	254,669	(33,864)	-12%	61,632	20,097	81,729
121 Police Asset Seizure	28,264	(22,293)	5,971	207	305	98	47%	22,500	-	(22,500)	-100%	29,664	305	29,970
140 Parks Restricted	134,205	(65,993)	68,212	421,517	626,578	205,061	49%	487,511	585,370	97,859	20%	173,112	41,208	214,320
150 Real Estate Excise Tax	154,884	40,687	195,571	185,687	267,694	82,007	44%	145,000	145,000	0	0%	315,464	122,694	438,159
160 Gifting & Donations	1,830	48,005	49,835	60,575	58,457	(2,118)	-3%	12,570	11,648	(922)	-7%	1,017	46,809	47,826
164 Equip Reserve	311,676	(111,086)	200,590	305,161	300,122	(5,039)	-2%	416,254	169,646	(246,608)	-59%	342,807	130,476	473,284
Debt Service Fund														
206 Debt Service Fund - City Hall	7,531	121,739	129,270	337,609	338,584	975		215,870	215,870	0		890	122,714	123,603
Capital Funds														
306 Capital Facilities & City Hall	86,035	(138,309)	(52,274)	278,153	19,394	(258,759)	-93%	416,462	170,748	(245,714)	-59%	271,064	(151,354)	119,710
Enterprise Funds														
401 Water Unrestricted	1,028,307	9,793	1,038,100	1,479,263	1,553,561	74,298	5%	1,469,467	1,501,819	32,352	2%	1,088,908	51,743	1,140,651
411 Water Restricted	2,384,657	(1,110,172)	1,274,485	2,105,799	641,110	(1,464,689)	-70%	3,215,970	293,856	(2,922,114)	-91%	2,815,729	347,255	3,162,984
402 Sewer Unrestricted	1,650,979	(374,727)	1,276,252	2,867,818	3,079,226	211,408	7%	3,242,550	3,115,739	(126,811)	-4%	1,884,033	(36,514)	1,847,520
422 Sewer Restricted	4,870,092	(1,451,620)	3,418,472	1,874,056	3,032,284	1,158,228	62%	3,325,676	2,364,510	(961,166)	-29%	5,450,167	667,774	6,117,941
Internal Service Funds														
500 Unemployment Compensation	27,954	(7,500)	20,454	0	0	0		7,500	3,285	(4,215)	-56%	32,520	(3,285)	29,235
Trust, Agency & Permanent Funds														
611 Flexible Spending Account	0	0	0	33,750	11,432	(22,318)	-66%	33,750	8,238	(25,512)	-76%	455	3,194	3,649
621 Police Expendable Trust	0	0	0	0	1,228	1,228		0	-	0		0	1,228	1,228
631 Construction Deposits	38,300		38,300	292,500	44,306	(248,194)	-85%	292,500	9,780	(282,720)	-97%	0	34,525	34,525
635 Intergovernmental Agency Fund	2,638	5,670	8,308	133,911	27,941	(105,970)	-79%	128,240	22,826	(105,414)	-82%	5	5,115	5,119
645 Utility Deposits	122,652	(991)	121,661	29,997	49,017	19,020	63%	30,988	56,101	25,113	81%	136,478	(7,085)	129,393
690 TBD	319,531	(13,157)	306,374	440,512	476,766	36,254	8%	453,669	81,222	(372,447)	-82%	437,444	395,545	832,988
701 Haller Park Fund Permanent	37,964	334	38,298	334	390	56	17%	-	-	-		37,904	390	38,294
Totals	14,251,543	(3,070,679)	11,180,864	19,695,475	18,873,764	(821,711)	-4%	22,766,165	16,628,996	(6,137,169)	-27%	16,153,037	2,244,767	18,397,806



2016 Q3 (Unaudited) Financials

Narrative Summary of Results Q3 2016
General Fund

*****	*****	***	**	*
Excellent	On Target	Need to Monitor	Caution	Extreme Caution
Revenues/Fund Balance exceeded Budget	Revenues/Fund Balance met Budget	Revenues/Fund Balance 1-2% under Budget	Revenues/Fund Balance 3-5% under Budget	Revenues/Fund Balance under 5% or more under Budget
Expenditures below Budget 3-5%	Expenditures at/near Budget	Expenditures 1-2% over Budget	Expenditures 3-5% over Budget	Expenditures 5% or more over Budget

Item	Description	Results
Beginning Fund Balance	2016 began positively at \$1.8ml or \$126k higher than anticipated. This cushion represents savings for Civic Center debt service or other opportunities.	*****
Revenues Summary	103% of budget or \$210k over.	*****
Sales Tax	109% of budget or \$163k over budget.	*****
Property Tax	102% of budget or \$23k over budget.	*****
Licenses, Permits, Fines, Forfeits	86% of budget or \$36k under budget. The 2016 budget reflects revenues from fines and penalties we expected to collect before contracting with the County on Criminal Justice services in late 2015. The contract eliminated those revenues. Licensing and permitting/development activities are performing well at 104% of budget.	**
Utility Taxes	101% of budget or \$8.5k over budget.	*****
Charges for Goods/Services	103% of budget or \$72k over mid-year amended budget, which predicted revenues in excess of the original 2016 budget. (Interfund revenues to the General Fund were expected to rebound over prior year performance due to completion of the Civic Center.)	***
Expense Summary	97% of budget or \$169k under budget. Controlled expenditures across expense types,	*****

Item	Description	Results
	except intergovernmental expenses, which are expected to have overall savings for the organization by year-end.	
Salaries/Benefits	99% of budget or \$50k under due to some unfilled positions earlier in the year.	*****
Supplies and Services	82% and 89% of budget, respectively. Expenses well controlled by staff and low fuel prices.	*****
Intergovernmental	117% of budget or \$52k over but we expect overall savings in the criminal justice expenses compared with prior years.	***
Ending Fund Balance	At \$2.1ml is slightly below policy maximum.	*****

Streets, Parks, Capital Facilities and Utility funds

*****	****	***	**	*
Excellent	On Target	Need to Monitor	Caution	Extreme Caution
Revenues/Fund Balance exceeded Budget	Revenues/Fund Balance met Budget	Revenues/Fund Balance 1-2% under Budget	Revenues/Fund Balance 3-5% under Budget	Revenues/Fund Balance under 5% or more under Budget
Expenditures below Budget 3-5%	Expenditures at/near Budget	Expenditures 1-2% over Budget	Expenditures 3-5% over Budget	Expenditures 5% or more over Budget

Fund	Description	Results
Streets Operations	Beginning Fund Balance for 2016 at \$158k is over budget by \$3k. Actual Revenues were \$4k (1%) less than budget and expenditures were \$11k (2%) less than budget. Ending fund balance of \$155k is slightly above policy mid-point.	***
Street Restricted Projects	Beginning Fund Balance for 2016 at \$750k is \$139k under budget. Actual Revenues were \$734k less than budget and actual expenditures were \$753k less than budget due to timing of capital projects and the related grants and/or other funding sources.	*****
Stormwater Operations	Beginning Fund Balance for 2016 at \$29k is \$17 over budget. Revenues are on target with budget, expenses \$13k over budget due to repairs of the sweeper and interfund charges (that should level out by year end).	**
Project Stormwater	Beginning Fund Balance for 2016 at (\$4k) is \$14k under budget. Revenues \$17k over budget (timing of grant proceeds) and expenses \$36k lower than budgeted (professional services).	***
Parks Restricted	Beginning Fund Balance for 2016 at \$173k is \$39k over budget. Actual Revenues for the year were \$205k more than projected (impact fees and donations) and actual expenditures were \$98k over budget due to the Carrie Blake Park parking solution project.	***

Fund	Description	Results
Capital Facilities (including Civic Center)	Beginning Fund Balance at \$271k is \$185k over budget and a mid-year budget amendment will increase budgeted amounts to balance to actuals by year-end. Revenues are \$259k under budget and expenditures are \$246k under due to the timing of the project expenditures (Guy Cole improvements).	***
Water Operations	Beginning Fund Balance for 2016 at \$1.1ml or \$61k over budget. Actual Revenues for the year were \$74k (5%) over budget and actual expenditures were \$32k (2%) over budget (interfund charges). Very healthy ending fund balance of \$1.1ml.	*****
Water Restricted	Beginning Fund Balance for 2016 at \$2.8ml or \$431k over budget. Actual Revenues were \$1.4ml under budget and actual expenditures were \$2.9ml less than projected due to the timing of water projects.	*****
Sewer Operations	Beginning Fund Balance for 2016 at \$1.9ml is \$233k over budget. Actual Revenues for the year are \$211k (7%) over budget (grant proceeds, account growth, Sunland) and actual expenditures were \$127k (4%) under budget. Very healthy ending fund balance of \$1.8ml.	*****
Sewer Restricted	Beginning Fund Balance for 2016 was \$5.45ml or \$580k over budget. Actual Revenues for the year were \$1.2ml over budget (timing of grant/loan proceeds) and actual expenditures were \$961k under budget due to the timing of sewer projects.	*****

Other Key Funds

*****	****	***	**	*
Excellent	On Target	Need to Monitor	Caution	Extreme Caution
Revenues/Fund Balance exceeded Budget	Revenues/Fund Balance met Budget	Revenues/Fund Balance 1-2% under Budget	Revenues/Fund Balance 3-5% under Budget	Revenues/Fund Balance under 5% or more under Budget
Expenditures below Budget 3-5%	Expenditures at/near Budget	Expenditures 1-2% over Budget	Expenditures 3-5% over Budget	Expenditures 5% or more over Budget

Item	Description	Results
Lodging Tax Hotel/Motel	Beginning Fund Balance for 2016 at \$329k is \$115k over budgeted. Actual Revenues for the year were \$43k over budget (lodging tax) and actual expenditures were \$15k over budget (timing of Guy Cole transfers out). Solid ending fund balance.	*****
REET	Funds restricted for capital project expenditures only. Beginning Fund Balance for 2016 at \$315k is \$161k over budget. Actual Revenues for the year were \$82k above budget and expenditures were on target with budget. Ending fund balance of \$438k is strong.	*****

Item	Description	Results
Equipment Reserve	Funds set aside for capital equipment acquisitions. Beginning Fund Balance for 2016 was \$343k and \$31k over budget. Actual Revenues under budget by \$5k (2%) and expenditures under budget by \$247k due to the timing of equipment purchases. The ending fund balance is below policy thresholds but we began more aggressive funding in 2016.	***
Debt Service Fund - LTGO	Beginning fund balance of \$1k or \$6.6k under budget. Revenues and expenses are on target. Activity in fund will be adequate to meet debt service requirements.	***

**Total General Fund Activity
(Operating & NonOperating)**

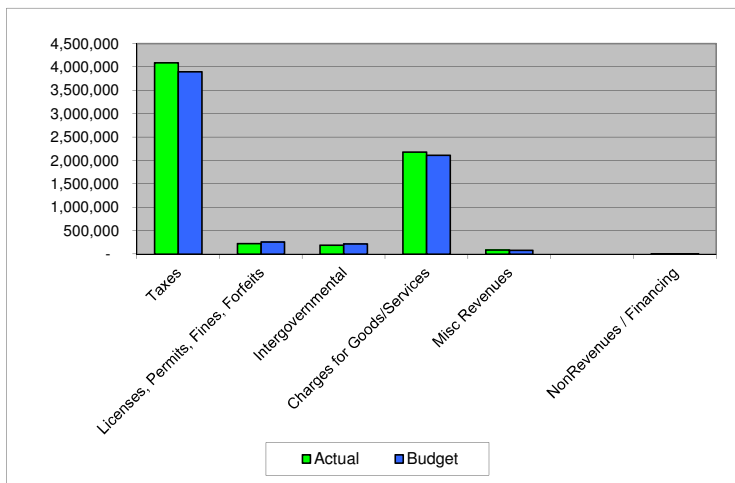
As of 9/30/16

	Actual	Budget	Actual / Budget
Taxes	4,087,487	3,895,396	105%
Licenses, Permits, Fines, Forfeits	221,291	257,270	86%
Intergovernmental	189,577	216,177	88%
Charges for Goods/Services	2,182,029	2,110,219	103%
Misc Revenues	90,040	83,596	108%
NonRevenues / Financing	4,542	2,097	217%
Total Revenues	6,774,966	6,564,754	103%

Intergovernmental is PUD privilege tax
Charges for Good and Services includes
Interfund Charges

Total General Fund Revenues

Budget to Actual

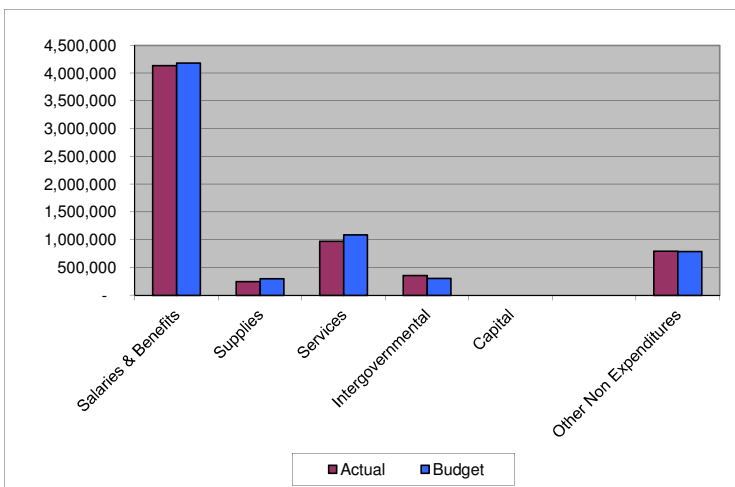


As of 9/30/16

	Actual	Budget	Actual / Budget
Salaries & Benefits	4,134,441	4,184,365	99%
Supplies	247,248	300,954	82%
Services	971,256	1,090,429	89%
Intergovernmental	359,271	306,838	117%
Capital	-	1	
Other Non Expenditures	792,878	791,534	100%
Total Expenses	6,505,094	6,674,116	97%

Total General Fund Expenses

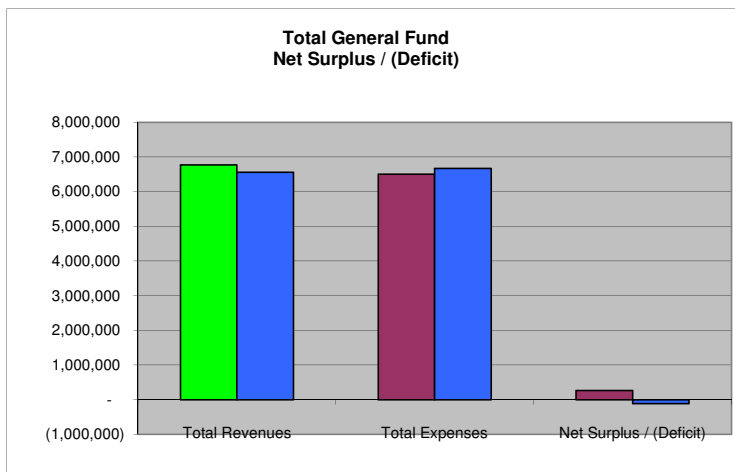
Budget to Actual



As of 9/30/16

	Actual	Budget	Net Over / (Under)
Total Revenues	6,774,966	6,564,754	210,212
Total Expenses	6,505,094	6,674,116	(169,022)
Net Surplus / (Deficit)	269,872	(109,362)	379,234

**Total General Fund
Net Surplus / (Deficit)**



General Fund Total Revenues

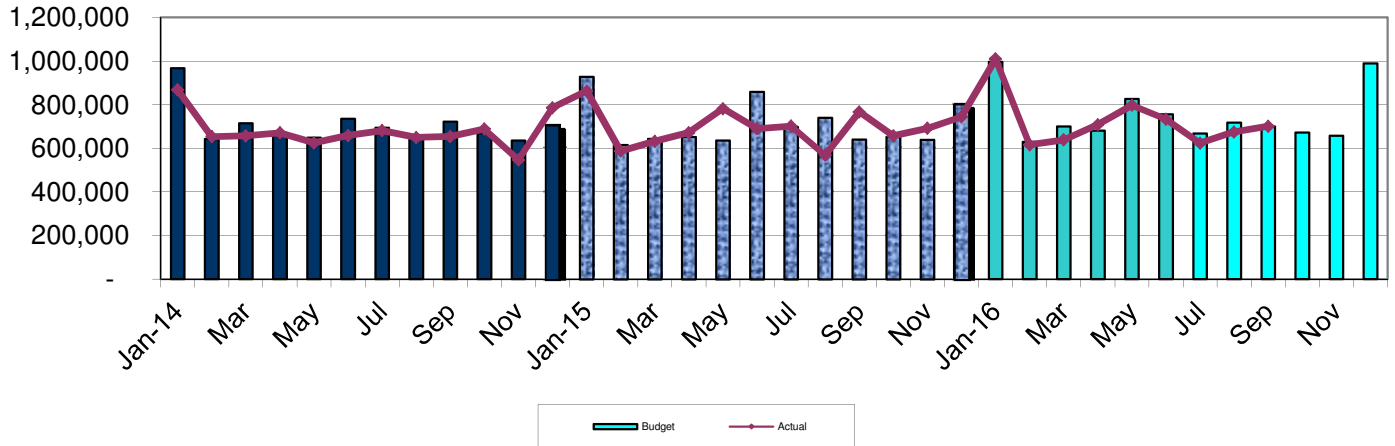


As of 9/30/16

	2013	2014	2015	YTD 2016	YTD Budget	Actual / Budget	2016 Budget
Operating							
Taxes	5,066,320	5,207,139	5,457,944	4,087,487	3,895,396	105%	5,500,967
Licenses & Permits	187,519	224,274	263,301	216,395	210,230	103%	253,318
Intergovernmental	200,327	216,366	214,021	189,577	216,177	88%	255,752
Charges for Services	2,567,982	2,273,708	2,212,579	2,182,029	2,110,219	103%	2,840,449
Fines Forfeits	68,249	60,799	68,424	4,896	47,040	10%	63,431
Misc Revenues	132,960	108,592	109,492	90,040	83,596	108%	110,824
Op Rev Total	8,223,357	8,090,879	8,325,762	6,770,424	6,562,658	103%	9,024,741
NonOperating							
NonRevenues	4,136	2,628	5,146	4,542	2,097	217%	17,578
Financing Sources	1,008						0
Total Revenues	8,228,501	8,093,507	8,330,908	6,774,966	6,564,755	103%	9,042,319
Total Expenses	8,140,509	8,141,536	8,072,354	6,505,093	6,674,121	97%	8,993,148
Net Over / (Under)	87,992	(48,029)	258,554	269,873	(109,366)	-247%	49,171

	2013	2014	2015	YTD 2016
Operating Revenue	8,223,357	8,090,879	8,325,762	6,770,424
Operating Expenses	7,840,509	8,141,436	7,899,404	6,261,258
Net Over / (Under)	382,848	(50,557)	426,358	509,166

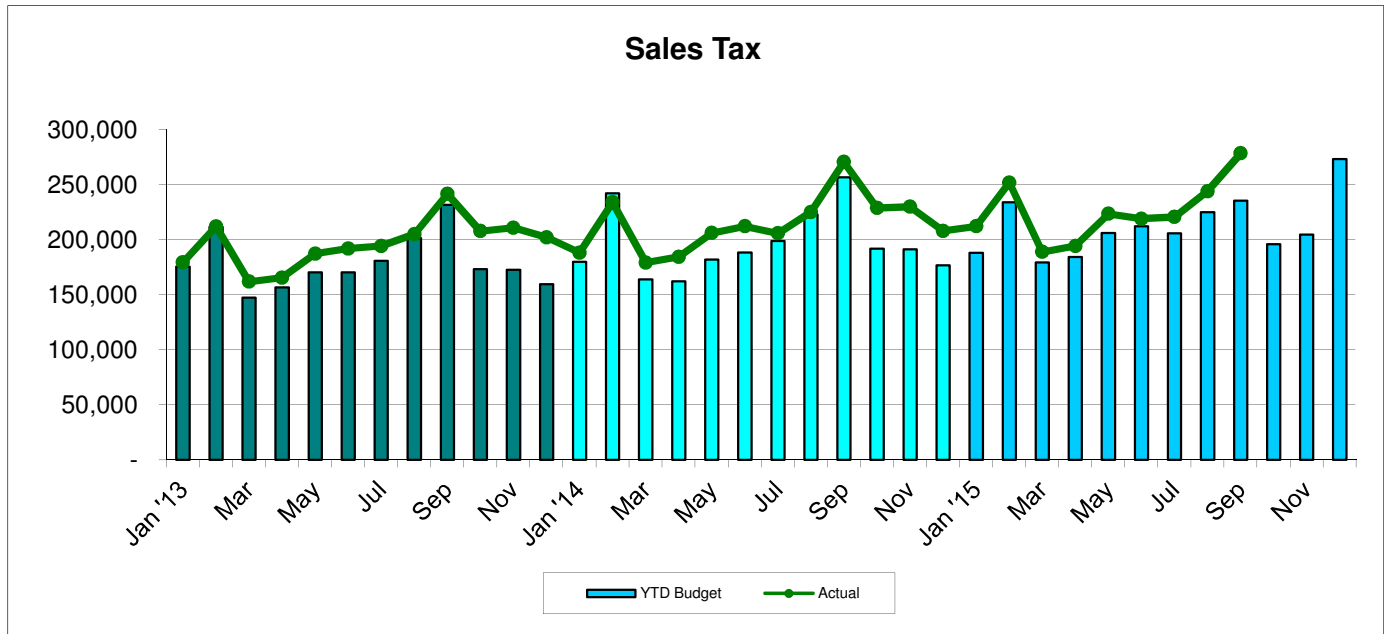
General Fund Total Expenses



As of 9/30/2016

	2013	2014	2015	YTD Actual	YTD Budget	Actual / Budget	2016 Budget
Operating							
Wages & Benefits	5,173,914	5,388,068	5,299,729	4,134,441	4,184,365	99%	5,588,137
Supplies	393,798	299,993	332,414	247,248	300,954	82%	394,956
Service Charges	1,343,608	1,336,842	1,430,835	971,256	1,090,429	89%	1,341,187
Intergovernmental	467,590	451,425	432,549	359,271	306,838	117%	420,192
Capital Equipment	-	25,999	29,536	-	1		1
Transfers for Operations	461,599	639,109	374,341	549,043	549,034	100%	43,333
Op Exp Total	7,840,509	8,141,436	7,899,404	6,261,258	6,431,621	97%	7,787,806
NonOperating							
Other NonOperating Expenses		100	450	1,335			
Transfers for Capital Projects/Debt	300,000	-	172,500	242,500	242,500		
Total Expense	\$ 8,140,509	\$ 8,141,536	\$ 8,072,354	\$ 6,505,093	\$ 6,674,121	97%	\$ 7,787,806
Total Revenue	8,228,501	8,093,507	8,330,908	6,774,966	6,564,755	103%	9,042,318
Net Over / (Under)	87,993	(48,029)	258,554	269,873	(109,366)	-247%	1,254,512
	2013	2014	2015	YTD Actual			
Operating Revenues	8,223,357	8,090,879	8,325,762	6,770,424			
Operating Expenses	7,840,509	8,141,436	7,899,404	6,261,258			
Net Over / (Under)	382,848	(50,557)	426,358	509,166			

GENERAL FUND 001



As of 9/30/16

	2013	2014	2015	YTD 2016	YTD Budget	Actual / Budget	2016 Budget
Sales Tax	2,278,743	2,360,642	2,572,497	2,033,328	1,870,566	109%	2,454,385

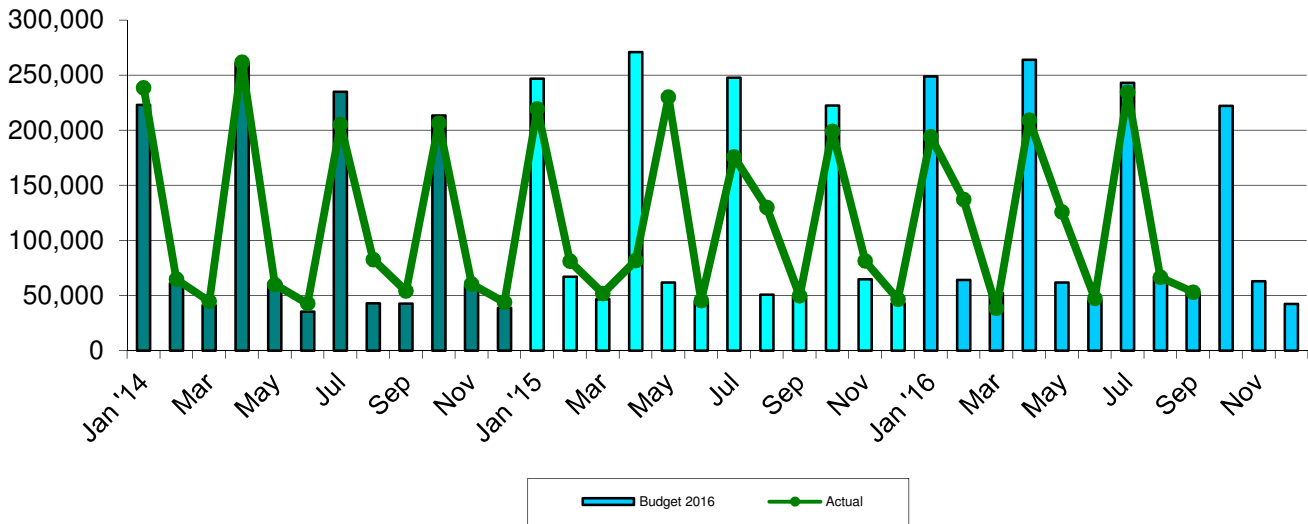
TBD SALES TAX (not included above)

	2013	2014	2015	YTD 2016	YTD Budget	Actual / Budget	2016 Budget
TBD Sales Tax	532,577	554,864	596,621	\$469,802	440,512	107%	578,000

PUBLIC SAFETY SALES TAX (not included above)

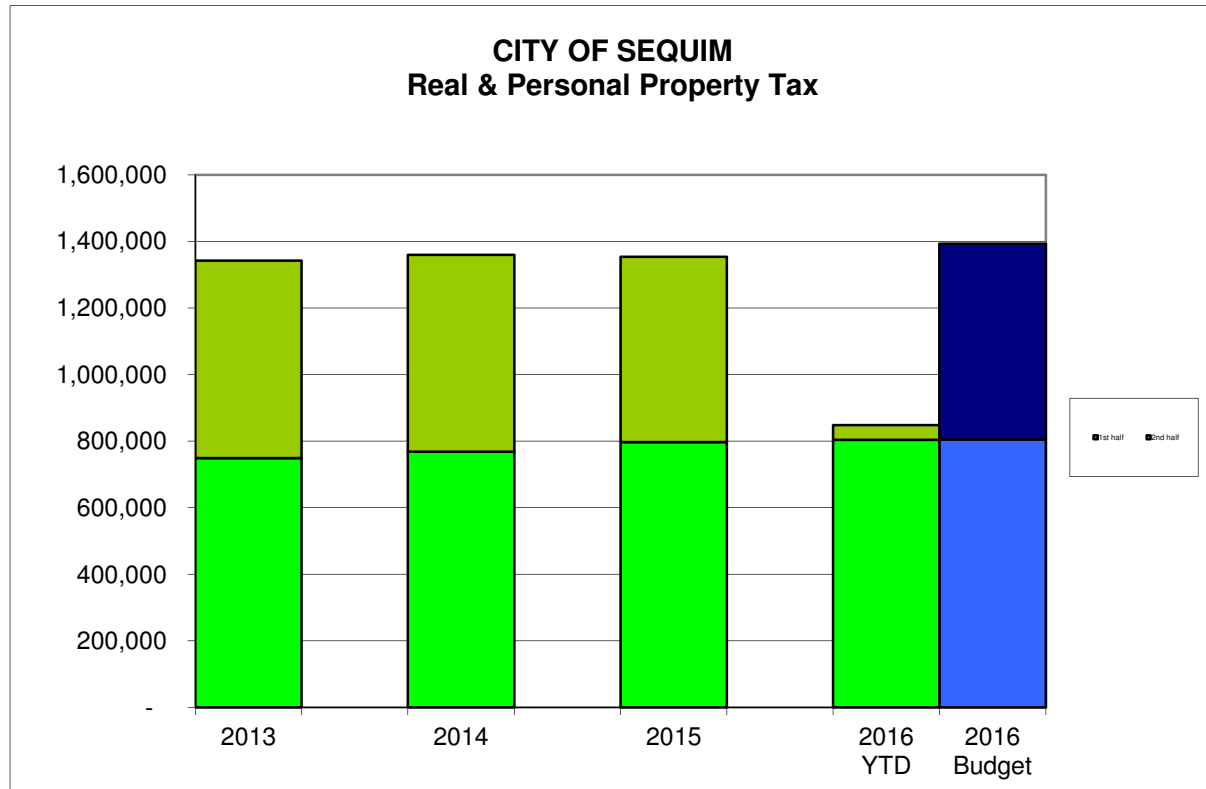
	2014	2015	YTD 2016	YTD Budget	Actual / Budget	2016 Budget
Public Safety Tax Started March 2013	233,232	251,129	197,093	185,726	106%	246,924

Utility B&O Tax
(primarily quarterly receipts)



As of 9/30/16

	2013	2014	2015	YTD 2016	YTD Budget	Actual / Budget	Budget 2016
Electric	497,542	514,785	511,018	424,514	433,882	98%	542,768
Garbage	148,472	159,005	172,766	136,595	131,265	104%	172,488
Cable	61,745	67,182	70,289	55,461	53,689	103%	71,177
Telephone	187,749	183,703	177,369	130,051	139,513	93%	185,315
Water	146,182	153,749	160,719	117,980	116,693	101%	157,586
Sewer	273,821	286,766	300,084	242,001	223,019	109%	296,186
	1,315,511	1,365,190	1,392,245	1,106,602	1,098,061	101%	1,425,520

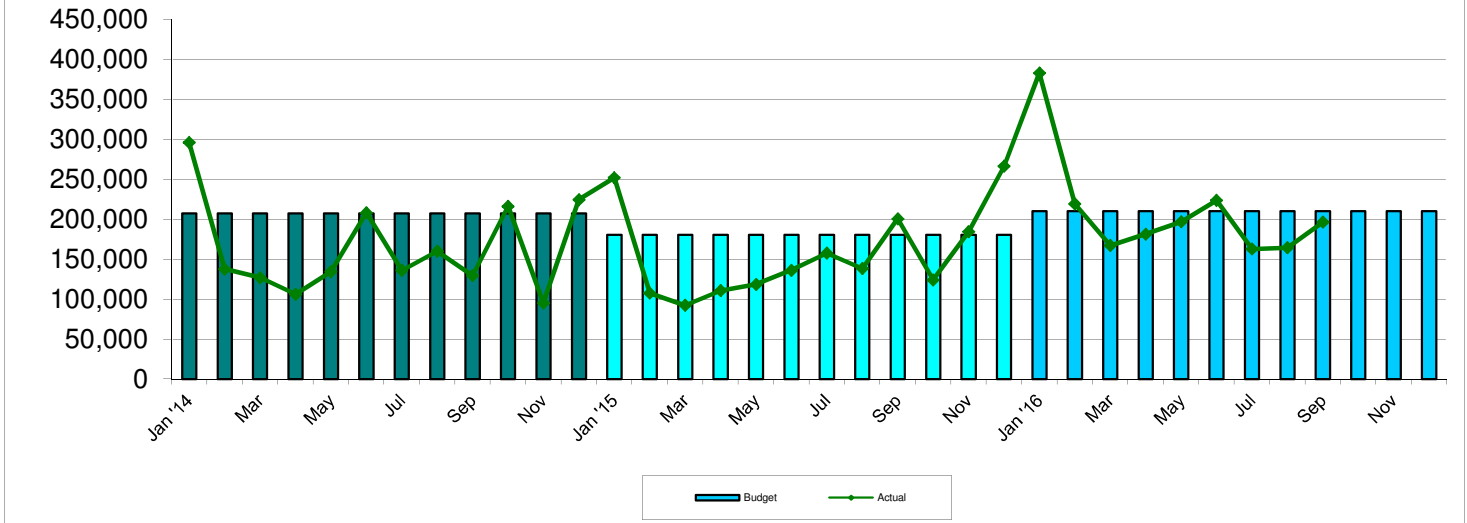


As of 9/30/2016

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 YTD</u>	<u>2016 Budget</u>	<u>Actual / Budget</u>
1st half	749,314	768,654	796,862	804,340	805,104	100%
2nd half	593,533	590,666	557,169	43,750	588,497	7%
	1,342,846	1,359,320	1,354,031	848,090	1,393,601	61%

General Fund 001

InterFund Services Revenue



As of 9/30/16

	2013	2014	2015	2016	YTD 2016 Budget	Actual/ Budget	2016 Budget
Streets UnRestricted	222,383	188,307	175,920	204,220	159,092	128%	212,122
Streets Restricted	312,979	151,510	178,608	33,671	107,081	31%	142,775
Stormwater Unrestricted	29,597	26,567	24,206	32,105	21,334	150%	28,445
Stormwater Restricted	10,246	26,725	56,160	15,652	17,858	88%	23,811
Parks Restricted			18,708	102,312	57,611	178%	76,815
Water UnRestricted	422,598	375,616	397,733	351,454	323,690	109%	431,586
Water Restricted	60,936	172,605	35,493	14,929	168,533	9%	224,711
Sewer UnRestricted	999,113	915,393	914,882	845,822	761,638	111%	1,015,517
Sewer Restricted	146,115	115,666	65,401	268,661	186,847	144%	249,129
Capital Facilities	176,448	-	22,528	27,031	87,927	31%	117,236
TOTAL	2,380,415	1,972,389	1,889,639	1,895,857	1,891,610	100%	2,522,147
GF allocation	33%	48%	51%	66%			
NonGeneral allocation	67%	52%	49%	34%			

Interfund Services are departments that provide Central Services:

City Council, City Manager, City Clerk, City Attorney, Finance, HR, IT, GIS Engineer, PW Admin, Facilities Maint, & NonDpt.

Central Services Costs are passed through to Operating Departments which include:

General Fund - Criminal Prosecution (Muni Court), Police, Building / Code Compliance, Park Operations, Planning

NonGeneral Fund - Streets*, Parks Restricted, Capital Facilities, Water*, Sewer*, and Solid Waste

* Includes UnRestricted and Restricted

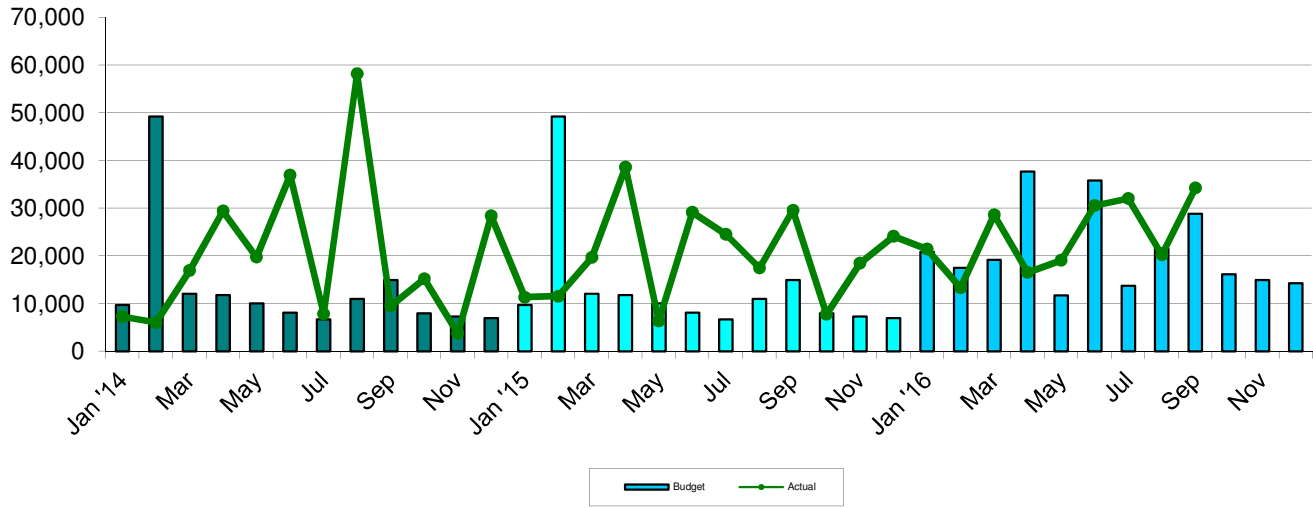
All Years January: \$330,000 insurance premium distorts allocations early in the year when fund activity is generally low.

2013 Separated Stormwater allocations from Streets as now funded solely by Water & Sewer Funds

2014 Discontinued allocating to Civic Center project in Capital Facilities through 2015 completion

2015 Started allocating to Parks Restricted - Master Plan is complete and moving toward MPD

Permit & Development Fees



9/30/2016

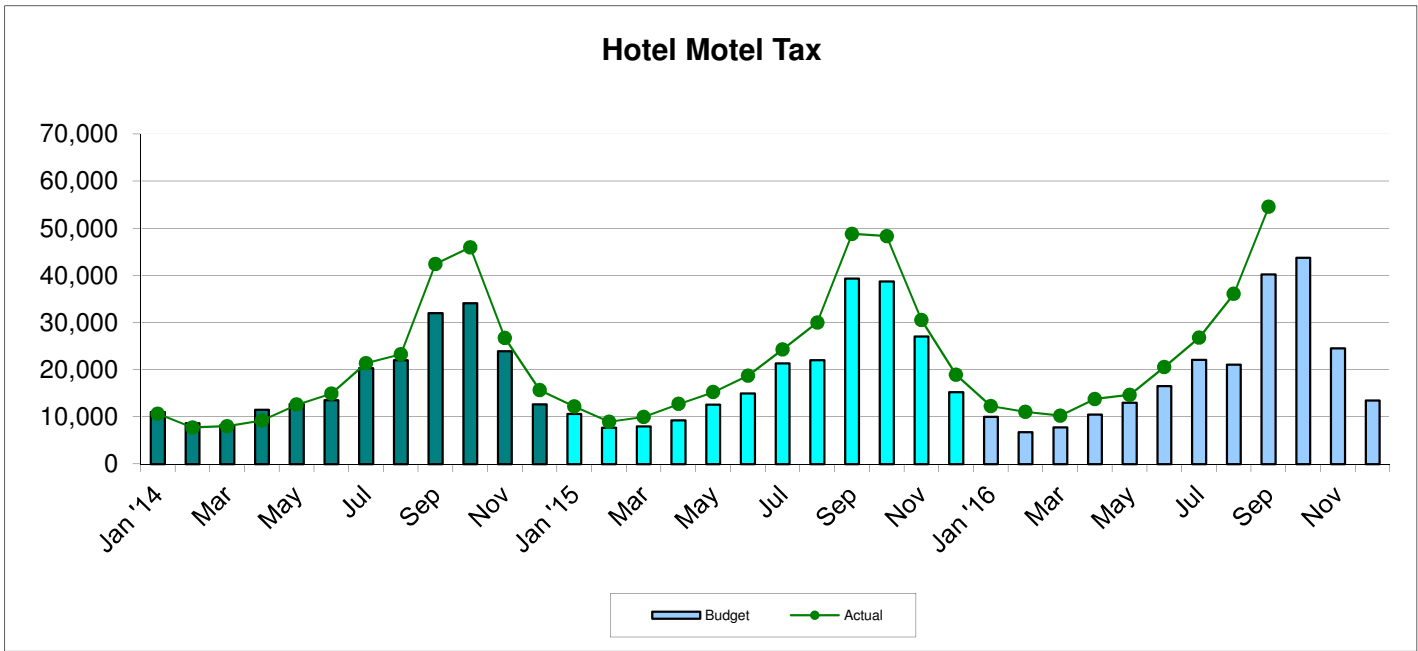
	2013	2014	2015	YTD 2016	YTD Budget	Actual / Budget	2016 Budget
Building Permits	114,205	144,071	161,641	136,641	140,710	97%	164,000
Plan Check Fees	35,702	79,905	71,572	56,174	49,500	113%	66,000
Inspection Fees	3,300	5,034	5,326	6,568	3,978	165%	5,300
Other Planning Dvlp	3,961	10,166	577	16,605	12,753	130%	17,000
	157,168	239,176	238,539	215,988	206,941	104%	252,300
Construction Sales Tax	142,777	196,793	209,030	127,708	117,284	109%	153,890
Total Development Related	299,945	435,969	447,569	343,696	324,225	106%	406,190

PERMIT DATA

Number of Permits		2013	2014	2015	YTD 2016
New	Residential	33	33	60	53
	Commercial	0	1	2	3
		33	34	62	56
Remodel	Residential	126	89	108	94
	Commercial	102	107	100	76
		228	196	208	170
Totals		261	230	270	226

HOTEL MOTEL FUND 115

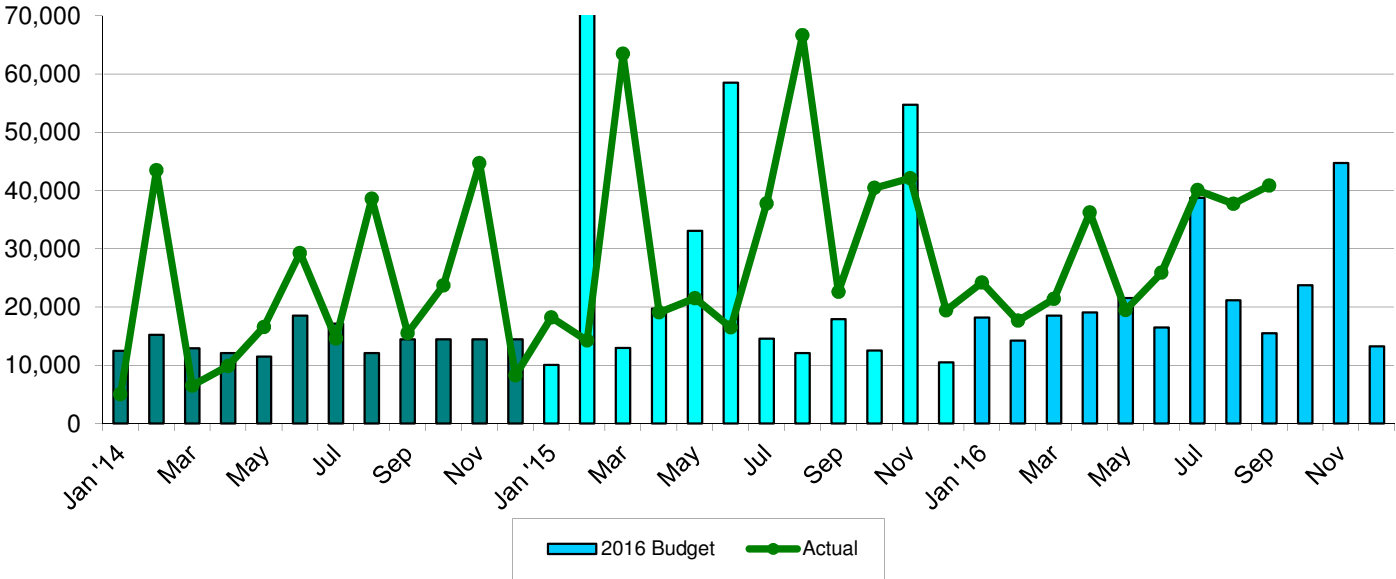
Hotel Motel Tax



As of 9/30/2016

	2013	2014	2015	YTD Actual	YTD Budget	Actual / Budget	2016 Budget
Hotel Motel Tax	238,854	278,935	278,935	200,237	148,183	135%	230,000

Real Estate Excise Tax



As of 9/30/16

	2013	2014	2015	2016 YTD Actual	YTD Budget	Actual / Budget	2016 Budget
REET 1st 1/4%	125,113	128,370	236,731	131,857	91,301	144%	134,640
REET 2nd 1/4%	103,965	127,903	145,499	131,739	92,301	143%	130,667
Total	229,078	256,274	382,230	263,596	183,602	144%	265,307

09/2013 - Transfer of controlling interest in Assisted Living Concepts, Inc
 2014 - Two large Commercial sales in February and one in September
 2015 - Merger of Albertsons and Safeway 3/15 and Transfer of Controlling interest - Adult care facility.

City of Sequim

Schedule of Liabilities
As of September 30, 2016

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2016	Additions	Reductions	Ending Balance September 30, 2016
General Obligations							
	263.61	Keeler Park Loan	12/1/2016	55,169	0	40,088	15,081
	251.11	City Hall/Police Station LTGO - taxable	12/1/2017	455,000	0	0	455,000
	251.11	City Hall/Police Station LTGO - non-taxable	12/1/2043	10,000,000	0	Interest only until 2018	10,000,000
Total General Obligations:				10,510,169	0	40,088	10,470,081
Revenue Obligations							
	259.12	Compensated Absences		741,056	45,864	0	786,920
	263.82	PWTF Aerobic Digester Loan	6/1/2027	84,510	435,490	0	520,000
Note 1	263.82	Reclaimed Water Facility SFR Fund	3/1/2018	682,564	0	273,026	409,538
Note 2	263.82	Reclaimed Water Facility 2009	6/17/2030	4,438,201	0	131,629	4,306,572
Note 3	252.11	Water Revenue Bond 2014	12/1/2034	1,512,500	0	0	1,512,500
Note 3	252.11	Sewer Revenue Bond 2014	12/1/2034	1,512,500	0	0	1,512,500
	66.458	Headworks SFR Loan (00131)			720,000		720,000
Total Revenue Obligations:				8,971,331	1,201,354	404,655	9,768,030
Total Liabilities:				19,481,500	1,201,354	444,743	20,238,111

Note 1: Annual Payments total \$273,026, at 0% interest. Reserve requirement = -0-

Note 2: Annual Payments total \$356,869 (Principal and Interest), at 2.1% interest. Reserve Requirement = Max Annual Debt Pmnt of \$356,869

Note 3: Annual Payments total approximately \$230,000 at 3% and 4% over the life of the debt, split by both water and sewer evenly

City of Sequim

Schedule of Liabilities
As of September 30, 2016

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2016	Additions	Reductions	Ending Balance September 30, 2016
General Obligations							
	263.61	Keeler Park Loan	12/1/2016	55,169	0	40,088	15,081
	251.11	City Hall/Police Station LTGO - taxable	12/1/2017	455,000	0	0	455,000
	251.11	City Hall/Police Station LTGO - non-taxable	12/1/2043	10,000,000	0	Interest only until 2018	10,000,000
Total General Obligations:				10,510,169	0	40,088	10,470,081
Revenue Obligations							
	259.12	Compensated Absences		741,056		4,832	736,224
	263.82	PWTF Aerobic Digester Loan	6/1/2027	84,510	435,490	0	520,000
Note 1	263.82	Reclaimed Water Facility SFR Fund	3/1/2018	682,564	0	273,026	409,538
Note 2	263.82	Reclaimed Water Facility 2009	6/17/2030	4,438,201	0	131,629	4,306,572
Note 3	252.11	Water Revenue Bond 2014	12/1/2034	1,512,500	0	0	1,512,500
Note 3	252.11	Sewer Revenue Bond 2014	12/1/2034	1,512,500	0	0	1,512,500
	66.458	Headworks SFR Loan (00131)			720,000		720,000
Total Revenue Obligations:				8,971,331	1,155,490	409,487	9,717,334
Total Liabilities:				19,481,500	1,155,490	449,575	20,187,415

Note 1: Annual Payments total \$273,026, at 0% interest. Reserve requirement = -0-
 Note 2: Annual Payments total \$356,869 (Principal and Interest), at 2.1% interest. Reserve Requirement = Max Annual Debt Pmnt of \$356,869
 Note 3: Annual Payments total approximately \$230,000 at 3% and 4% over the life of the debt, split by both water and sewer evenly

CAPITAL PROJECT UPDATE 3rd QTR 2016

Building Facilities

City Shop Upgrades

- Soliciting bids for fence around Mego Property

Guy Cole Remodel

- Council adopted Scope of Work
- Currently advertised
- Open bids Nov 4th

Parks

Parking Lot at ReUse Demonstration Site

- Complete –executing close out with state agencies

Mower Shed at Carrie Blake

- Finalizing Scope of Work for quotes

Pickleball Courts

- City developing Park Entrance relocation concept
- Design development begin November
- Recreation and Conservation Office (RCO) grant application submitted

Stormwater

Stormwater Master Plan final tasks

- Master Plan-related amendments to SMC underway –in attorney review
- Interlocal with Highland Irrigation District due back any day
- 2015 Flow Monitoring Report posted online
- Grant closeout tasks (education summary; task by task summary; etc.) (grant expires Oct. 31)

Streets

Pavement Rehabilitation 2016

- Started October 10, scheduled for completion early Nov.

Fir Street Rehabilitation (*carry forward from 2015, not in 2016 budget*)

- NEPA Document approved
- Preparing ROW procedures for state approval
- Soliciting SOQs for ROW consultant and appraiser
- Waiting on SRTS and TIB grant funding (optimistic)

Washington Street Signal Interconnect

- WSDOT visited project as part of WSDOT 2016 Innovative Safety Program
- Waiting results of grant application in Qtr4

Water

Sunnyside Water Main – Bell to Fir

- Preliminary Design
- SEPA submission scheduled for October
- Public Open House scheduled for November

5th and McCurdy Booster Station

- Updated engineering contract
- SEPA submission scheduled for Oct
- Public Open House scheduled for November

Sewer

Aerobic Digester/Headworks Improvement

- Resolving start up and commissioning issues on headworks and grit chamber
- Finalizing digester programming

Sunnyside Sewer

- Preliminary Design
- SEPA submission scheduled for October
- Public Open House scheduled for November

Doe Run Lift Station

- Completed geotechnical investigation
- Early design development