City of Bellingham
2020 Year End Review &
Updated 2021 Revenue Forecast
Financial overview for 2020

– Citywide Revenues & Expenses
– Special Revenue Funds
– Enterprise Funds
– General Fund
  • Beginning Reserves for 2021

Economic overview

– Economic outlook
– Sales tax activity
– Revenue forecast
Citywide Revenues - $306 M

- Taxes
- Utility Charges
- Interfund Services
- Interest/Rental/Other
- Charges/Fines/Permits
- Grants/Revenue Sharing
- IF Loans/Transfers

[Bar chart showing budget, 2020, and 2019 revenues for each category, with Taxes being the largest source of revenue.]
Citywide Expenses - $301 M

- Services
- Labor
- Debt
- Capital Outlay
- Supplies
- Taxes
- Transfers

Budget 2020 2019
Special Revenue Funds
Enterprise Funds

- 410 Water Fund
- 420 Wastewater Fund
- 430 Stormwater Fund
- 440 Solid Waste Fund
- 455 Cemetery Fund
- 460 Golf Course Fund
- 465 Parking Services Fund
- 470 Medic One Fund
- 475 Development Services Fund

Budgeted Expenditures
Budgeted Revenues
Actual Expenditures
Actual Revenues

Millions

$0
$5
$10
$15
$20
$25
$30
$35
$40
$45
$50
Internal Service Funds

- 510 Fleet & Radio Funds
- 520 Purchasing Fund
- 530 Facilities Fund
- 540 Tech and Telecom Funds
- 550 Claims & Litigation Fund
- 560 Employee Benefits Funds
- 570 PW Admin & Engineering Fund

Chart showing budgeted versus actual expenditures and revenues for various internal service funds.
General Fund Revenues - $89.9 M

- Sales Tax
- B&O Tax
- Utility Tax
- Property Tax
- Grants, Rev. Sharing
- Interfund
- Charges, Fines, etc.
- Other Taxes
- Interest, Rentals, Other

Millions

Budget 2020 2019
General Fund Expenditures - $89.2 M

- Labor
- Services
- Supplies
- Capital Outlay
- Transfers
- Taxes
- Debt

Budget 2020 2019

Millions

- 10 20 30 40 50 60 70
General Fund - % of Budget Spent by Department

Police: $28.05
Fire: $24.38
Parks and Recreation: $8.67
Planning: $3.24
Library: $5.40
Shared and Non-Departmental: $4.69
Information Technology Services: $3.53
Municipal Court: $2.26
Finance Department: $2.27
Legal: $1.83
Human Resources: $1.66
Museum: $1.35
Mayor: $1.17
City Council: $0.62
### General Fund Reserve

**2020 Beginning Reserve:** $30,486,228.00

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<thead>
<tr>
<th>Object</th>
<th>Description</th>
<th>Updated 3/5/2021</th>
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<tr>
<td>11110</td>
<td>Cash</td>
<td>21,211,647.33</td>
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<td>11114</td>
<td>Cash</td>
<td>4,342.35</td>
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<td>11121</td>
<td>Cash</td>
<td>12,800,000.00</td>
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<td>11170</td>
<td>Petty Cash</td>
<td>35,850.00</td>
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<td>13100</td>
<td>DUE FROM OTHER FUNDS</td>
<td>47,602.71</td>
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<td>13400</td>
<td>DUE FROM OTHER GOVTS - SVCS</td>
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<td>14370</td>
<td>OTHER PREPAID EXPENSES</td>
<td>34,220.00</td>
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<td>14375</td>
<td>PREPAID EXPENSE - YE ACCRUALS</td>
<td>3,025.34</td>
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<tr>
<td>21340</td>
<td>VOUCHERS PAYABLE</td>
<td>(935,464.86)</td>
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<td>21342</td>
<td>AP - YE ACCRUALS</td>
<td>(8,111.85)</td>
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<td>22340</td>
<td>RETAINAGE PAYABLE</td>
<td>(6,614.92)</td>
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<td>22911</td>
<td>DUE OTHR GVT-BACKGROUND CHECKS</td>
<td>(1,426.50)</td>
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<td>23131</td>
<td>ACCRUED WAGES</td>
<td>(2,542,650.50)</td>
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<td>23300</td>
<td>REVENUES COLLECTED IN ADVANCE</td>
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<td>23310</td>
<td>REV COLL IN ADV - PROGRAMS</td>
<td>(23,666.15)</td>
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<td>23311</td>
<td>REV COLL IN ADV - GIFT CERT</td>
<td>(3,808.25)</td>
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<td>23312</td>
<td>REV COLL IN ADV - PARKS CREDIT</td>
<td>(1,241.00)</td>
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**2021 Beginning Reserve:** $30,898,920.53
Significant Government Intervention Countering COVID-19

- $3.8 trillion in stimulus spending related to COVID-19
- $433 billion in direct payments to individuals
- PPP, unemployment support, historically low borrowing rates, tax breaks
- $1.9 trillion package currently under debate and expected to pass

Source: U.S. Bureau of Economic Analysis/FRED
Unemployment: Local vs National

- Bellingham (MSA)
- Washington State
- National

Data sources:
- WA Employment Security Department
- US Bureau of Labor Statistics
Sales Tax Revenues by Type 2019-2020

- Shown in month of retail activity (not collection)
- About 10% of retail trade is also tied to construction
- Motor vehicle sales represents the largest portion of retail trade at 23-25%
## Expectations vs Reality

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<tbody>
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<td>Property Tax</td>
<td>$15.70</td>
<td>$16.00</td>
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<td>$1.85</td>
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<td>Sales Tax</td>
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<td>$1.57</td>
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<td>B&amp;O Tax</td>
<td>$15.19</td>
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<td>Utility Tax</td>
<td>$16.05</td>
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<td>Other Sources</td>
<td>$17.00</td>
<td>$16.69</td>
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General Fund 2021-2022 Outlook

- Projecting $2 million surplus this year
- Frozen positions represent $1.4 million of that surplus
- Outstanding budget items to come forward in the coming months:
  - Reappropriation of 2020 unspent budget – potentially $500,000?
  - Clean-up costs related to City Hall encampment and other unforeseen homelessness-related costs: $50,000-100,000?
  - Unfreezing of positions as requested.
- Stimulus includes $130 Billion for local governments – likely with restrictions

### 2021 Forecast 2022 Forecast

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<thead>
<tr>
<th>Category</th>
<th>2021 Forecast</th>
<th>2022 Forecast</th>
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<td>Beginning Reserve Balance</td>
<td>30,898,920</td>
<td>32,926,065</td>
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<td>TAXES</td>
<td>69,505,605</td>
<td>71,555,575</td>
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<td>LICENSES AND PERMITS</td>
<td>896,722</td>
<td>878,788</td>
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<td>INTERGOVERNMENTAL REVENUE</td>
<td>4,071,106</td>
<td>3,071,106</td>
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<td>CHARGES FOR GOODS AND SERVICES</td>
<td>11,144,547</td>
<td>11,701,775</td>
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<td>FINES AND PENALTIES</td>
<td>488,419</td>
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<td>MISCELLANEOUS REVENUE</td>
<td>987,662</td>
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<td>TOTAL REVENUE</td>
<td>87,094,061</td>
<td>88,648,919</td>
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<td>NON-EXPENDITURES</td>
<td>172,185</td>
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<td>SALARIES AND WAGES</td>
<td>45,671,618</td>
<td>48,165,813</td>
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<td>PERSONNEL BENEFITS</td>
<td>15,943,771</td>
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<td>SUPPLIES</td>
<td>2,394,072</td>
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<td>OTHER SERVICES AND CHARGES</td>
<td>20,885,270</td>
<td>21,284,671</td>
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<td>CAPITAL OUTLAYS</td>
<td>85,066,916</td>
<td>89,230,550</td>
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<td>Total Budgeted Expense</td>
<td>87,094,061</td>
<td>88,648,919</td>
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<td>Net Change</td>
<td>2,027,145</td>
<td>(581,631)</td>
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<td>Ending Reserve Balance</td>
<td>32,926,065</td>
<td>32,344,434</td>
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Long-Term General Fund Outlook

Revenue Projection
Revenue Actuals
Total Reserves
Total Reserves Projection
Expenditure Projection
Expenditure Actuals

RESERVES (MILLIONS)

REVENUE & EXPENSE (MILLIONS)


$0 $20 $40 $60 $80 $100 $110

$0 $20 $40 $60 $80 $100

$50 $60 $70 $80 $90 $100
Questions?

Presentation and additional reports available at:
https://www.cob.org/gov/dept/finance/pages/reports.aspx