



CITY OF BLACK DIAMOND

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Date: February 25, 2010
To: Mayor Olness, Finance Committee and City Council
From: May Miller, Finance Director

Subject: December 2009 Financial Reports

Attached are December 2009 Finance reports for both revenues and expenditures.

General Fund Operating revenue for December has decreased to 6.7% or \$184,491 under budget. This covers the day-to-day operating revenues, excluding the funding agreement and developer deposit revenue. The total decrease including Funding and one time project is 9.2% or \$490,188. The savings in expenditures exceed the short fall in revenue, resulting in a positive net savings of \$58,816 for 2009. The summary pages attached show both revenues and expenditures for the General Fund through December 2009.

A summary of General Fund revenues finishing the year **above** expected budget are:

	\$ Above Budgeted	Comments
Sales Tax	\$5,526	2.3% higher than expected through December sales (there is a two-month lag in remittance)
Telephone Utility Tax	\$3,274	2.4% higher than expected through December
Property Taxes	0	Property taxes are usually about \$24,500 or 2.5% below budget; however 100% was collected in 2009 due to increased collection of delinquent taxes

General Fund revenues finishing the year **below** trend budget are:

	\$ Below Budgeted	Comments
Electric Utility Tax	(\$18,319)	7.2% decrease occurred over last 6 months as rates did not increase as expected
Shared State Assistance	(\$12,513)	14.7% below budget due to State revenue decrease
Miscellaneous Grants	(\$29,266)	Some Police grants were in place but will not be collected until 2010
Building Permits, Land Use Fees	(\$70,605)	53.5% decrease due to economy & no building
Police Traffic School	(\$17,126)	Unfilled officer position and less citations
Court Fines	(\$51,337)	24.7% decrease due to economy and less tickets

Revenues

At the end of 2009 General Fund operating revenues were 6.7% or \$184,491 below trend. Sales tax, which reflected significant construction activity in 2008 and produced \$280,000, ended 2010 at \$249,526, just slightly above the budget. The last pages of this report show Black Diamond sales tax trends over the last few years.

Utility tax revenue came in about \$20,000 below budget mostly due to the electric utility tax rates not increasing the last few months of the year as we had expected. Building permits, plan check and land use fees were significantly below budget by \$70,605 or 53.5%. This is due to the burst of the bubble for the real estate market and the slow economy. This slowing trend is expected to continue into next year.

State shared assistance revenue decreased below the expected budget of \$85,000 to \$72,488 by the end of the year. This is a 14.7% decrease for 2009 of \$12,513. The State shares Real Estate Excise Taxes they collect with cities, which significantly decreased in 2009. Police Traffic School fees missed the \$75,926 budget by \$17,126; bringing in only \$58,800 to the City. This was due to the vacancy in officer positions and less tickets being issued. This also had an effect on the Court Fines revenue which dropped to \$161,663 from a budget of \$188,502. The \$51,337 decline was partially due to over budgeting collection but also saw the effect of fewer officers, less tickets and a loss of jobs and incomes needed to pay tickets.

The total General Fund property tax revenue improved in December with the collections of some past due taxes to a total of 99.9% of our budget. This exceeded the normal collection rate of 97.5%.

The Real Estate Tax Funds for REET I and II were below prior year trends to a current total of \$38,446 each, a significant reduction, reflecting the slow down in real estate sales. However, the real estate tax plus the investment interest exceeded the \$40,300 amount we had budgeted in each fund.

The Water operating revenues ended the year over budget by 2.4% or \$9,597 possible due to replacing some of the outdated meters. The wastewater operating revenue was only slightly under budget by only \$4,276. The stormwater operating budget ended at 5.5% or \$11,935 below budget, probably due to some of the allowed credits being higher than anticipated. activity this year. Interest rates for all utility funds are also less this year caused lower interest earnings rates.

Expenditures

Through December, General Fund operating expenditures (see attached pages), ended the year at 6.2% below budget which saved approximately \$281,857. This savings combined with the expenditures for MPD's and the EIS under budget as they are still not complete, saved a total of \$551,006 for the General Fund which exceeded the revenue short fall by \$58,816 for savings for 2009. The expenditure savings were primarily in the Police Department that had a commander position vacant nearly all year, and savings permitting and community development budget due to less building activities, but all departments ended below budget as departments had been ask to cut back to only the base requirements and save as much as they could, to off set the revenue shortfall.

The economy continues to be a challenge, and expenditures will be closely monitored during 2010. If you have any questions about this report, please give me a call at 253-631-0351, ext 207.

May Miller
Finance Director
City of Black Diamond



CITY OF BLACK DIAMOND, WASHINGTON
YEAR END Revenue Report
 December 31, 2009

Fund Name and Revenue Type		2009 Amended Budget	2009 Actuals	Variance From Annualized Budget	% Variance From Annualized Budget
001	General Fund				
310's	Taxes				
	- Property Tax	978,661	978,630	(31)	0.0%
	- Sales Tax	244,000	249,526	5,526	2.3%
	- Solid Waste Utility Tax	31,250	28,302	(2,948)	-9.4%
	- Cable TV Utility Tax	11,000	10,797	(203)	-1.8%
	- Telephone Utility Tax	142,500	145,974	3,474	2.4%
	- Gas Utility Tax	6,452	4,680	(1,772)	-27.5%
	- Electric Utility Tax	253,000	234,681	(18,319)	-7.2%
	- Water Utility Tax	24,500	25,049	549	2.2%
	- Stormwater Utility Tax	13,000	12,334	(666)	-5.1%
	- Wastewater Utility Tax	36,500	35,687	(813)	-2.2%
	- Gambling Tax	1,500	2,433	933	62.2%
	Subtotal Tax Revenue	1,742,363	1,728,092	(14,271)	-0.8%
320's	Licenses and Permits				
	- Business Licenses	27,800	26,905	(895)	-3.2%
	- Cable Franchise Fees	53,500	53,504	4	0.0%
	- Gun permits and Fingerprinting	2,000	1,536	(464)	-23.2%
	Subtotal Bus License, Cable Franchise Fees and Other	83,300	81,945	(1,355)	-1.6%
330's	Intergovernmental Revenue				
	- KC Ems Levy	53,104	53,104	0	
	- Liquor Tax	21,000	20,304	(696)	-3.3%
	- Liquor Profits	29,000	28,591	(409)	-1.4%
	- State Assistance	85,000	72,488	(12,513)	-14.7%
	- Other Intergovernmental (includes grants)	82,065	52,799	(29,266)	-35.7%
	Subtotal Intergovernmental Revenue	270,169	227,285	(42,884)	-15.9%
340's	Land Use and Permitting				
	- Land Use and Annexation Fees	26,800	11,686	(15,114)	-56.4%
	- Plan Check Fees	33,400	17,936	(15,464)	-46.3%
	- Building and Other Permits	61,840	23,264	(38,576)	-62.4%
	- Hearing Examiner Reimbursement	0			
	- Deposits and Misc Services	10,000	8,549	(1,451)	-14.5%
	Subtotal Land Use and Bldg Permit Revenue	132,040	61,435	(70,605)	-53.5%
340's	Charges for Service				
	- Central Services (internal)	62,735	84,551	21,816	34.8%
	- Police Traffic School & Marine Safety	75,926	58,800	(17,126)	-22.6%
	- Cemetery Fees and Charges	10,800	1,553	(9,247)	-85.6%
	- Lake Sawyer Parking Fees	22,000	21,586	(414)	-1.9%
	- Other Charges for Service	17,041	19,105	2,064	12.1%
	Subtotal Charges for Service Revenue	188,502	185,595	(2,907)	-1.5%
350's	Court Fines, Forfeits and Fees	213,000	161,663	(51,337)	-24.1%



CITY OF BLACK DIAMOND, WASHINGTON
YEAR END Revenue Report
 December 31, 2009

Fund Name and Revenue Type	2009 Amended Budget	2009 Actuals	Variance From Annualized Budget	% Variance From Annualized Budget
360's Miscellaneous Operating Revenue				
- Miscellaneous Income (incl JAG land sale)	19,049	19,663	614	3.2%
- Interest Income	7,000	4,233	(2,767)	-39.5%
- Sale of Surplus Property	12,000	13,021	1,021	8.5%
Subtotal Miscellaneous Operating Revenue	38,049	36,917	(1,132)	-3.0%
390's Transfers in	102,223	102,223	0	0.0%
Total GF Operating Revenue	2,769,646	2,585,155	(184,491)	-6.7%
360's Other Misc. Revenue				
- YarrowBay Funding Agreement	1,170,972	1,165,416	(5,556)	-0.5%
- MPD & Sepa Developer Reimbursement	1,212,606	971,026	(241,580)	-19.9%
- Studies and Deposits	200,817	141,532	(59,285)	-29.5%
General Fund Total	\$5,354,041	\$4,863,128	(490,913)	-9.2%
Other Funds 002 - 105				
- 002 Fire Equip Reserve	600	427	(173)	-28.9%
- 102 Street Equipment Reserve	41,200	40,950	(250)	-0.6%
- 104 REET 1	39,800	46,686	6,886	17.3%
- 105 REET 2	40,300	46,434	6,134	15.2%
310 General Govt CIP Fund				
- Grants & Tax revenue	132,000	99,347	(32,653)	-24.7%
- Transfer in REET 1	354,200	269,086	(85,114)	-31.6%
Subtotal Gen Govt CIP Revenue	486,200	368,433	(117,767)	-24.2%
320 Street CIP Fund				
- Grants	157,000	115,110	(41,890)	-26.7%
- Transfer in REET 2	325,000	325,000	0	0.0%
- Transfer in from Street Fund	5,447	5,556	109	2.0%
Subtotal Street CIP Revenue	487,447	445,666	(41,781)	-8.6%
101 Street Fund				
- Street Gas Tax	85,000	90,390	5,390	6.3%
- Street Interest and Miscellaneous	29,411	34,292	4,881	16.6%
Subtotal Street Fund Revenue	114,411	124,683	10,271	9.0%
122 Criminal Justice Fund				
- Local Criminal Justice Revenue	83,000	83,023	23	0.0%
- Criminal Justice Other Rev (incl grants)	16,196	16,221	25	0.2%
- Interest Revenue	1,000	828	(172)	-17.2%
Subtotal Criminal Justice Revenue	100,196	100,071	(125)	-0.1%
401 Water Fund				
- Water Operating Revenue	407,920	417,517	9,597	2.4%
- Water Interest	1,100	948	(152)	-13.8%
- Water Transfer in for Debt Service	125,000	125,000	0	
- Wtr Debt Service and Private Contribution	751,004	745,997	(5,008)	-0.7%
Subtotal Water Fund Revenue	1,285,024	1,289,461	4,437	0.3%



CITY OF BLACK DIAMOND, WASHINGTON
YEAR END Revenue Report
 December 31, 2009

Fund Name and Revenue Type	2009 Amended Budget	2009 Actuals	Variance From Annualized Budget	% Variance From Annualized Budget
407 Wastewater Fund				
- Wastewater Operating Revenue	599,057	594,781	(4,276)	-0.7%
- Wastewater Interest	1,600	1,194	(406)	-25.4%
- Wastewater Private Contribution	35,352	30,346	(5,006)	-14.2%
Subtotal Wastewater Fund Revenue	636,009	626,321	(9,688)	-1.5%
410 Stormwater Fund				
- Stormwater Operating Revenue	217,500	205,565	(11,935)	-5.5%
- Stormwater Interest	200	348	148	73.9%
- Loan from Wastewater Capital Fund	50,000	50,000	0	0.0%
- Ecology Grants	125,000	75,000	(50,000)	-40.0%
- Stormwater Private Contribution	35,352	30,346	(5,006)	-14.2%
Subtotal Stormwater Fund Revenue	428,052	361,259	(66,793)	-15.6%
402 Water Supply and Facility Fund (Grants/Interest)	252,000	236,714	(15,286)	-6.1%
404 Water Capital Fund - Interest	8,000	5,724	(2,276)	-28.4%
408 Wastewater Capital Fund - (Int. loan payments, transfers)	77,400	74,793	(2,607)	-3.4%
Grand Total All Funds	\$9,350,680	\$8,630,752	(\$719,928)	-7.7%



CITY OF BLACK DIAMOND, WASHINGTON
YEAR END Expenditure Report
December 31, 2009

Fund Name and Expense Type	2009 Amended Budget	2009 Actuals	Percent of Budget Spent	Remaining Budgeted Expenditures
<i>OPERATING FUNDS</i>				
GENERAL FUND				
City Council (Legislative)	12,827	11,098	86.5%	7,172
Municipal Court	301,436	286,443	95.0%	39,741
Mayor (Executive)	14,832	13,311	89.7%	2,636
Administration	380,402	345,607	90.9%	53,866
City Clerk	81,598	75,607	92.7%	10,714
Finance Department	288,075	272,117	94.5%	38,022
Information Services	143,294	132,528	92.5%	21,424
Legal Department	109,272	101,738	93.1%	20,603
Capital Facilities	94,336	94,066	99.7%	7,537
Police Department	1,754,200	1,655,518	94.4%	238,063
Economic Development	149,317	137,668	92.2%	22,434
Community Development	459,343	427,680	93.1%	71,604
Natural Resources	163,885	163,277	99.6%	12,808
Fire Department	459,540	411,597	89.6%	47,956
Parks and Recreation Department	54,553	58,901	108.0%	-399
Cemetery Department	15,800	14,504	91.8%	2,673
Central Services	30,482	29,676	97.4%	4,055
Total General Fund Operating Departments	4,513,192	4,231,337	93.8%	600,909
Funding Agreement-Fac M&O/Legal	307,800	303,614	98.6%	20,703
Deposits, Studies and Miscellaneous	223,756	116,954	52.3%	114,214
EIS/SEPA/MPD/Annexations	976,241	818,079	83.8%	198,709
TOTAL GENERAL FUND	6,020,989	5,469,985	90.8%	934,536
SPECIAL REV OPERATING FUNDS				
STREET FUND 101	177,432	163,261	92.0%	26,882
CRIMINAL JUSTICE FUND 122	137,247	123,924	90.3%	22,023
TOTAL SPEC REV OPERATING FUNDS	314,679	287,185	91.3%	48,905



YEAR END Expenditure Report

December 31, 2009

Fund Name and Expense Type	2009 Amended Budget	2009 Actuals	Percent of Budget Spent	Remaining Budgeted Expenditures
UTILITY OPERATING FUNDS				
WATER FUND				
Water Operations 401	323,743	317,126	98.0%	32,942
Water Debt Service	880,131	880,118	100.0%	13
Water Interest and Transfers	79,360	79,359	100.0%	1
Total Water Fund	1,283,234	1,276,602	97.4%	32,956
WASTEWATER FUND				
Wastewater Operations 407	687,833	673,299	97.9%	69,564
Wastewater Transfers	5,000	5,000	100.0%	0
Total Wastewater Fund	692,833	678,299	90.0%	69,564
STORMWATER FUND				
Stormwater Operations 410	218,006	206,487	94.7%	27,931
Stormwater Debt Pmt.& Transfers	20,400	30,400	149.0%	0
Total Stormwater Fund	238,406	236,887	99.4%	27,931
TOTAL UTILITY FUNDS	2,214,473	2,191,788	99.0%	102,521
TOTAL OPERATING FUNDS	8,550,141	7,948,958	93.0%	1,113,893
<i>CAPITAL FUNDS</i>				
SPECIAL REVENUE CAPITAL				
FIRE EQUIPMENT RESERVE FUND 002	0			
STREET EQUIP RESERVE FUND 102	0			
REAL ESTATE EXCISE TAX FUND 1 104	309,200	269,086	87.0%	40,114
REAL ESTATE EXCISE TAX FUND 2 105	325,000	325,000	100.0%	-109
GEN GOVT CAPITAL PROJECTS FUND 310				
- City Buildings	95,000	52,047	54.8%	45,049
- Boat Launch	105,337	102,337	97.2%	3,000
- Trails	25,904	16,815	64.9%	10,754
- Union Stump Upgrade	5,000	4,183	83.7%	817
- Grant Matching	50,000	22,067	44.1%	50,000
- Eagle Creek Upgrades	20,000	19,101	95.5%	899
- Park Mowers/Equipment	8,200	6,125	74.7%	2,075
- Police Cars/Arms	110,000	107,678	97.9%	2,735
- Police Technology - Laptops, etc.	262,000	240,497	91.8%	23,682
- City Technology	55,065	26,187	47.6%	38,981
- Shoreline Master Plan	25,000	12,523	50.1%	
- Loan Payments/Transfers	49,000	42,000	85.7%	7,000
Total Gen Govt Capital Projects Fund	810,506	651,561	80.4%	209,992

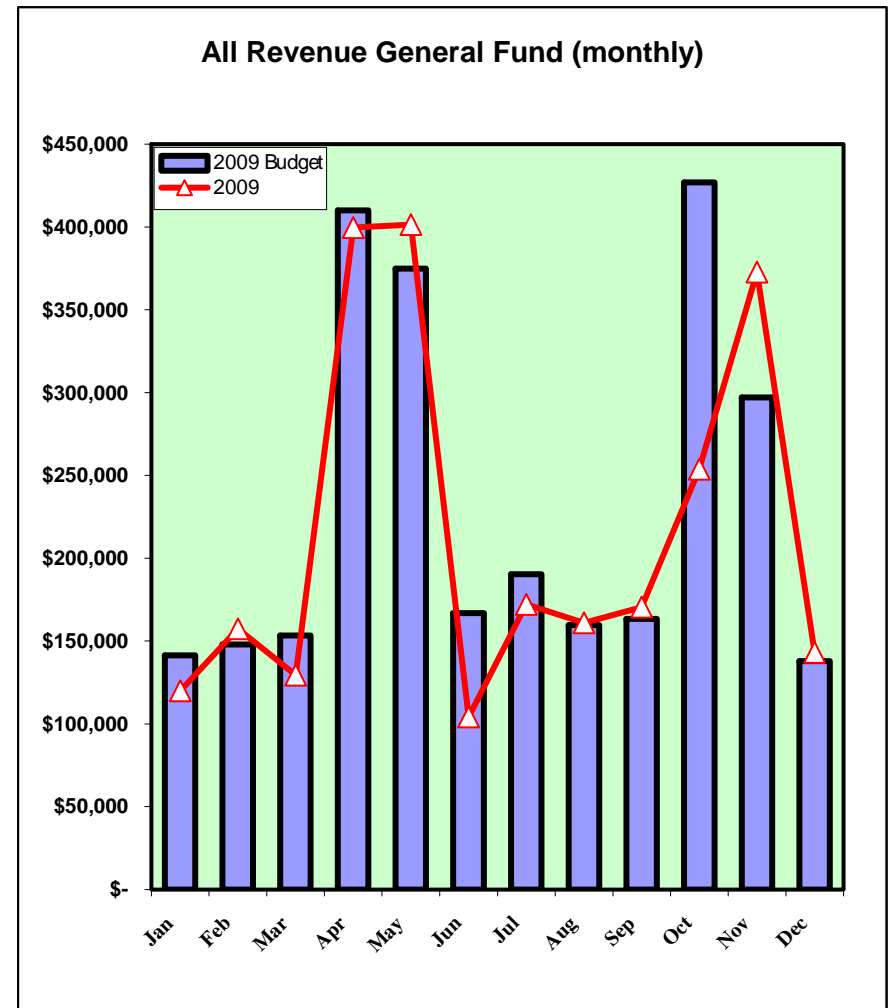


YEAR END Expenditure Report

December 31, 2009

Fund Name and Expense Type	2009 Amended Budget	2009 Actuals	Percent of Budget Spent	Remaining Budgeted Expenditures
STREET CAPITAL PROJECTS FUND 320				
- Street Preservation	30,000	3,026	10.1%	27,536
- Railroad Avenue Project	443,509	345,195	77.8%	103,252
- Sidewalk Projects	70,000	28,766	41.1%	49,263
- Lawson/Newcastle Project	25,000		0.0%	25,000
- Ginder Creek Repair	27,447	27,447	100.0%	0
- Transfers and Other	0			0
Total Street Capital Projects	595,956	404,434	67.9%	205,051
WATER SUPPLY AND FACILITY FUND 402				
- Water Rate Study	2,688	1,809	67.3%	879
- WSFFA 1	75,000	73,322		
- In City Forest	240,000	236,337	98.5%	14,917
Total Water Supply and Facility Fund	317,688	311,468	98.0%	17,474
WATER CAPITAL FUND 404				
- Meter Replacement Project	55,000	52,075	94.7%	2,925
- Water Design Study	45,973		0.0%	45,973
- Water Comp Plan	52,321	15,065	28.8%	37,256
- Transfers out	135,000	135,000	100.0%	0
Total Water Capital Fund	288,294	202,140	70.1%	86,154
WASTEWATER CAPITAL FUND 408				
- Infiltration Inflow Project	10,000		0.0%	10,000
- Lawson Lift Station Project	50,000		0.0%	50,000
- Preserve WW Treatment Plant	10,000		0.0%	10,000
- Sewer Comp Plan Project	111,100	50,358	45.3%	60,742
- Transfers out & internal loans	60,000	60,000	100.0%	0
Total Wastewater Capital Fund	241,100	110,358	45.8%	130,742
STORM WATER CAPITAL FUND 410	131,074	72,080	55.0%	58,994
TOTAL CAPITAL FUNDS	3,018,818	2,346,127	77.7%	1,371,147
GRAND TOTAL ALL FUNDS	\$ 11,568,959	\$10,295,085	89.0%	\$ 1,814,037

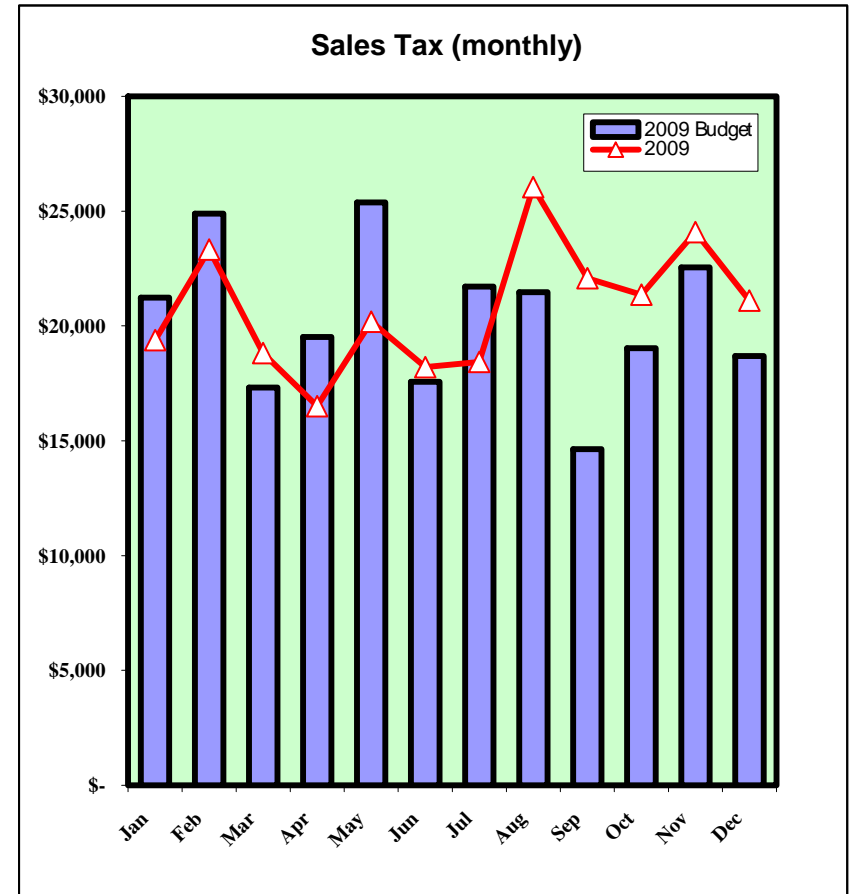
All Revenue - General Fund	Monthly Budget	YTD Budget	Monthly Actual	YTD Actual	YTD Annual % over (under) Budget
Jan	141,348	141,348	119,954	119,954	-15.1%
Feb	148,004	289,351	157,413	277,367	-4.1%
Mar	153,361	442,711	129,401	406,767	-8.1%
Apr	410,073	852,785	399,645	806,413	-5.4%
May	374,831	1,227,616	401,440	1,207,852	-1.6%
Jun	166,872	1,394,488	104,157	1,312,009	-5.9%
Jul	190,329	1,584,817	172,126	1,484,135	-6.4%
Aug	159,633	1,744,450	161,036	1,645,170	-5.7%
Sep	163,417	1,907,867	170,452	1,815,622	-4.8%
Oct	426,867	2,334,734	253,789	2,069,411	-11.4%
Nov	297,067	2,631,801	372,649	2,442,060	-7.2%
Dec	137,845	2,769,646	143,095	2,585,155	-6.7%
	\$2,769,646				
Percent of budget received				93.3%	



* Report does not include beginning fund balance, nonrevenues, YarrowBay or project funding

This December 31, 2009 year end report on all General Fund Revenue shows the budget trend for receiving revenues in the General Fund (see blue bars on chart). The red line shows the actual money received in the General Fund each month last year. As you can see, the majority of revenue (property taxes) comes in two times a year in April/May and again in Oct/Nov. A sufficient cash reserve must be in place to cover salaries and benefits during the other months.

Sales Tax	Monthly Budget	YTD Budget	Monthly Actual	YTD Actual	YTD Annual % over (under) Budget
Jan	21,228	21,228	19,383	19,383	-8.7%
Feb	24,888	46,116	23,325	42,708	-7.4%
Mar	17,324	63,440	18,814	61,522	-3.0%
Apr	19,520	82,960	16,511	78,033	-5.9%
May	25,376	108,336	20,180	98,213	-9.3%
Jun	17,568	125,904	18,210	116,423	-7.5%
Jul	21,716	147,620	18,429	134,852	-8.6%
Aug	21,472	169,092	26,039	160,891	-4.8%
Sep	14,640	183,732	22,082	182,973	-0.4%
Oct	19,032	202,764	21,365	204,338	0.8%
Nov	22,546	225,310	24,083	228,421	1.4%
Dec	18,690	244,000	21,105	249,526	2.3%
	\$244,000				
Percent of budget received				102.3%	



The December 31, 2009 year end report on sales taxes shows the monthly projection (blue bars) and the red line showing how the sales tax money came in. The sales taxes received in August through December exceeded the budget which was based on 2008 collection. By year end we were above budget by 2 to 3%. Sales taxes are received on a two month lag. For an example, December receipts were for October sales.

BUDGET STATUS REPORT

Cash Basis

1705 City of Black Diamond

Month	Year 2008	% Recd	Year 2009	% Recd	Year 2010	Budget Amt	Current Year Compared To		Forecast
							Budget	Prior Year	
01	\$24,872	8.68%	\$19,383	7.77%	\$17,598	\$0	\$17,598	\$-1,786	\$213,184
02	\$29,278	18.89%	\$23,325	17.12%	\$26,607	\$0	\$26,607	\$3,282	\$244,677
03	\$20,341	25.99%	\$18,814	24.66%	\$0	\$0	\$0	\$0	\$0
04	\$22,985	34.01%	\$16,511	31.27%	\$0	\$0	\$0	\$0	\$0
05	\$29,941	44.46%	\$20,181	39.36%	\$0	\$0	\$0	\$0	\$0
06	\$20,711	51.68%	\$18,210	46.66%	\$0	\$0	\$0	\$0	\$0
07	\$25,621	60.62%	\$18,429	54.04%	\$0	\$0	\$0	\$0	\$0
08	\$25,210	69.42%	\$26,040	64.48%	\$0	\$0	\$0	\$0	\$0
09	\$17,288	75.45%	\$22,081	73.33%	\$0	\$0	\$0	\$0	\$0
10	\$22,319	83.24%	\$21,365	81.89%	\$0	\$0	\$0	\$0	\$0
11	\$26,393	92.45%	\$24,082	91.54%	\$0	\$0	\$0	\$0	\$0
12	\$21,641	100.00%	\$21,105	100.00%	\$0	\$0	\$0	\$0	\$0
TOTAL	\$286,601		\$249,525		\$44,204	\$0	\$44,204	\$1,496	

WHICH AMOUNTS ARE SHOWN FOR A BUDGET PERIOD:

The distribution amounts shown for budget periods are based on the Basis Adjustment parameter. This was set to 2 for this report. A value of zero means that November amounts are shown in November. A value of two means that November amounts are shown in January, when received.

FORECAST:

The Forecast column is calculated by dividing current year to date by the percentage of the previous year's total received

The above chart compares sales tax receipts for 2008, 2009 plus January and February of 2010. February receipts reflect businesses who only report annually.