



Memorandum

To: City Council Members
From: Mayor Scott Korthuis
Date: October 4, 2021
Re: 2021 Budget Update

Status Report on the 2021 Budget

Revenues in all major funds are projected at year end to be at the amounts budgeted. All forecasted amounts are calculated with conservative optimism but must keep in consideration that there are possible long-term economic impacts of the pandemic that we have not yet seen and that have not fully taken effect. The City may be required to adjust its revenue projections accordingly. The status of the major revenue sources are as follows:

- **Property Tax** revenue has come in on schedule with few delays or delinquencies. Current collections are 13% ahead of the forecasted budget. As the second half of the year collections come in Property Taxes are expected to level out and finish at year end on budget.
- **Sales Tax** has been robust this year and is currently running 39% over forecast. The sales tax has benefited from the strength of the Lynden businesses combined with the destination sales tax that comes from consistent online sales. Sales Tax is projected to finish the year 22% over forecast.
- **Utility Tax** current revenue is 4% over the forecasted amount and is estimated to finish the year on budget.

The Water and Sewer funds did not enact a 2021 rate increase. Both funds are robust with strong cash positions.

CITY OF LYNDEN

ADMINISTRATION DEPARTMENT

Scott Korthuis, Mayor
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Expenditures in total are projected at year end to be at the budgeted amounts. The current expense funds are as follows:

- General Government – year to date, the current expenditures are under-running the budget by 4%, this is due to a lag in capital purchases and the cancelling of equipment. Estimates have these expenditures catching up towards year end with the General Government finishing at budget.
- Police Department -the current expenditures are 2% under the forecasted budget due to under-runs in Administration. Expenditures are projected to catch up by year end and the department is estimated to finish 3% over budget.
- Fire Department -the current expenditures are 9% under the budgeted amount due to under-runs in administration and capital expenditures. Overtime and capital will drive some of the expenditures in the second half of the year. The department is estimated to finish the year on budget.
- Streets Department -the current expenditures are 4% under the budget. Capital projects throughout the Fall will have the Streets department finishing the year closer to, but still 1% - 2% under budget.
- Parks Department -the current expenditures are 10% under the budgeted amount. With seasonal employment having ended the Parks Department is estimated to stay steady and finish the year 3% under budget.
- Community Services Department - the current expenditures are 74% over the forecasted budget. The over-run is being driven by repair expenses on the Recreational Center. It is estimated that community services will finish 70% over budget at year end.

Your monthly financial statements will provide you with more detailed information.