



ADMINISTRATION DEPARTMENT  
Scott Korthuis, Mayor  
(360) 354 - 1170

## Memorandum

To: City Council Members  
From: Mayor Scott Korthuis  
Date: October 5, 2020  
Re: 2020 Budget Update

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### Status Report on the 2020 Budget

**Revenues** in all major funds are projected at year end to be at the amounts budgeted. We are moving forward with conservative optimism but must keep in consideration that there are possible long-term economic impacts of COVID-19 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 was originally delayed due to the impact of COVID-19 but has since recovered. Current collections are 23% 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** was also impacted by COVID-19 and is currently running 5.3% under forecast. Despite an under-run the strength of the Lynden businesses combined with consistent online sales has kept our sales tax revenues solid and will allow us to stay close to forecast and finish the year only 5% - 10% under budget. Most cities are struggling with revenue losses of between 10% - 25%.
- **Utility Tax** current revenue is 1% over the forecasted amount and is estimated to finish the year on budget.

The Water and Sewer funds did not enact a 2020 rate increase. Both funds are robust with strong cash positions.

# CITY OF LYNDEN

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**Expenditures** are projected at year end to be at or below the budgeted amounts. The current expense funds are as follows:

- General Government – year to date, the current expenditures are under-running the budget by 27%, this is due to a lag in capital purchases and the cancelling or delay of projects and equipment due to COVID-19. Estimates have these expenditures catching up towards year end with the General Government finishing below or on 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 on budget to possibly 3% over budget.
- Fire Department -the current expenditures are 6% under the budgeted amount due to under-runs in vehicle maintenance and capital expenditures. The department is estimated to finish the year on budget.
- Streets Department -the current expenditures are 5% under the budget. Capital projects throughout the Fall will have the Streets department finishing the year closer to, but still under budget.
- Parks Department -the current expenditures are 9% 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 12% under the forecasted budget. As invoicing catches up through the remainder of the year it is estimated that community services will finish right on budget at year end.

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