Financial Forecast WORKING DRAFT

| | | Financial Fo | recast WOR | KING DRAFT | Version Date: January 4, 2024 | | | | | |
|--|---|---|-----------------------|-----------------------|-------------------------------|-----------------------|------------------|-----------------------|-----------------------|------------------|
| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
| Forecast - Revenues, Expenditures & Fund Balance - Governmental Operating | Budgeted | Budgeted | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
| | | | | | | | | | | |
| Beginning Fund Balance | 4,423,674 | 1,629,317 | 2,057,835 | 1,965,664 | 1,634,100 | 1,112,407 | 406,946 | (0) | 0 | C |
| Recurring Revenues | | | | | | | | | | |
| Property Tax (Avg. Annual Inc. = 1.25%) | 8,401,505 | 8,506,524 | 8,612,855 | 8,720,516 | 8,829,522 | 8,939,891 | 9,051,640 | 9,164,786 | 9,279,345 | 9,395,337 |
| Sales & Use Tax/B&O Tax (KC Economic Forecast: Avg. Annual Inc. = 3.40%) | 3,769,396 | 3,922,597 | 3,931,070 | 3,950,332 | 4,056,201 | 4,153,550 | 4,336,722 | 4,540,114 | 4,736,701 | 4,941,800 |
| Utility Tax (Avg. Annual Inc. = 2.20%) | 2,482,551 | 2,524,168 | 2,579,700 | 2,636,453 | 2,694,455 | 2,753,733 | 2,814,316 | 2,876,231 | 2,939,508 | 3,004,17 |
| Charges for Goods & Services (4.01% Annual Inc.) | 3,510,797 | 4,273,061 | 4,179,693 | 4,263,287 | 4,348,552 | 4,435,523 | 4,524,234 | 4,614,719 | 4,707,013 | 4,801,15 |
| Licenses & Permit Fees (2.00% Annual Inc.) | 580,157 | 862,727 | 879,982 | 897,582 | 915,533 | 933,844 | 952,521 | 971,571 | 991,003 | 1,010,82 |
| Intergovernmental Revenues & Grants (2.00% Annual Inc.) | 528,904 | 443,243 | 383,366 | 391,033 | 398,854 | 406,831 | 414,968 | 423,267 | 431,732 | 440,36 |
| Other Revenues (2.00% Annual Inc.) | 257,694 | 247,639 | 252,592 | 257,644 | 262,796 | 268,052 | 273,413 | 278,882 | 284,459 | 290,149 |
| Total Recurring Revenues = | 19,531,003 | 20,779,960 | 20,819,258 | 21,116,847 | 21,505,915 | 21,891,426 | 22,367,813 | 22,869,569 | 23,369,761 | 23,883,80 |
| | | | | | | | | | | |
| Recurring Expenditures (Inflated Using August 2022 KC Economic Forecast) | | | | | | | | | | |
| Administrative Depts. | 4,693,482 | 4,981,315 | 5,114,814 | 5,246,265 | 5,386,340 | 5,526,385 | 5,671,176 | 5,820,328 | 5,973,985 | 6,131,698 |
| Police (Snoqualmie) | 5,169,152 | 5,361,637 | 5,505,329 | 5,646,816 | 5,797,586 | 5,948,323 | 6,104,169 | 6,264,709 | 6,430,097 | 6,599,852 |
| Fire & Emergency Management | 4,085,933 | 4,210,020 | 4,322,848 | 4,433,946 | 4,552,332 | 4,670,693 | 4,793,065 | 4,919,122 | 5,048,987 | 5,182,280 |
| Parks Maintenance | 1,719,360 | 1,777,499 | 1,825,136 | 1,872,042 | 1,922,025 | 1,971,998 | 2,023,665 | 2,076,887 | 2,131,717 | 2,187,99 |
| Streets Maintenance | 1,045,649 | 1,116,790 | 1,146,720 | 1,176,191 | 1,207,595 | 1,238,992 | 1,271,454 | 1,304,893 | 1,339,342 | 1,374,70 |
| Community Development | 1,865,560 | 1,721,419 | 1,767,553 | 1,812,979 | 1,861,385 | 1,909,781 | 1,959,818 | 2,011,361 | 2,064,461 | 2,118,962 |
| Developer Reimbursed Expenditures | 368,610 | 377,825 | 387,951 | 397,921 | 408,546 | 419,168 | 430,150 | 441,463 | 453,118 | 465,080 |
| Human Services | 290,315 | 298,630 | 306,633 | 314,514 | 322,911 | 331,307 | 339,987 | 348,929 | 358,141 | 367,596 |
| Court Services | 373,245 | 382,576 | 392,829 | 402,925 | 413,683 | 424,439 | 435,559 | 447,014 | 458,816 | 470,928 |
| Non-Departmental (Sustainability, etc.) | 91,476 | 92,935 | 95,426 | 97,879 | 100,492 | 103,105 | 105,806 | 108,589 | 111,456 | 114,398 |
| Total Recurring Expenditures = | 19,702,782 | 20,320,646 | 20,865,240 | 21,401,476 | 21,972,896 | 22,544,191 | 23,134,849 | 23,743,295 | 24,370,118 | 25,013,489 |
| | | | | | | | | | | |
| Recurring Revenues Over (Under) Recurring Expenditures | (171,778) | 459,313 | (45,982) | (284,629) | (466,980) | (652,765) | (767,036) | (873,727) | (1,000,357) | (1,129,684 |
| One-Time Expenditures | | | | | | | | | | |
| Executive: Council Chambers A/V Upgrade | 108,000 | _ | - | _ | _ | _ | - | _ | _ | |
| Executive: Security Infrastructure at City Hall | 207,000 | - | _ | _ | _ | _ | - | _ | _ | |
| Executive: Strategic Plan | - | 60,000 | - | _ | - | _ | _ | _ | _ | _ |
| City Attorney: Contract Legal Support | 100,000 | 100,000 | - | _ | _ | _ | _ | _ | _ | - |
| Multiple Departments: Incentive Retention Pay Program | 55,000 | 97,000 | - | _ | _ | _ | _ | _ | _ | _ |
| Finance & Human Resources: Revenue Manager (Two-Year Term Limited) | 164,322 | 170,717 | - | - | - | _ | - | _ | _ | _ |
| Finance & Human Resources: Management Analyst (Two-Year Term Limited) | 143,285 | 148,456 | - | _ | - | _ | - | _ | _ | _ |
| Finance & Human Resources: Temporary Assistance During the ERP Project | 50,000 | 50,000 | - | _ | - | - | - | - | _ | - |
| Finance & Human Resources: Additional ERP Project Modules | - | 80,050 | - | - | - | - | - | _ | _ | _ |
| Police (Snoqualmie): Incentive Retention Pay Program | 44,000 | 68,500 | - | _ | - | - | - | - | _ | - |
| Gun Range Lead Abatement | 37,030 | - | - | _ | - | _ | - | _ | _ | - |
| | | | | | | _ | | _ | _ | _ |
| | | 72.500 | - | - | - | - 1 | - 1 | - 1 | | |
| Fire & Emergency Management: Recruitment & Coverage Program | 50,000 | 72,500 | - | - | - | - | - | - | - | - |
| Fire & Emergency Management: Recruitment & Coverage Program Parks Maintenance: Parks, Open Space, and Recreation Study | 50,000 60,000 | - | | | | | - | | | - |
| Fire & Emergency Management: Recruitment & Coverage Program Parks Maintenance: Parks, Open Space, and Recreation Study Parks Maintenance: Deferred Repairs | 50,000 60,000 75,000 | 75,000 | - | - | - | - | | - | - | |
| Fire & Emergency Management: Recruitment & Coverage Program Parks Maintenance: Parks, Open Space, and Recreation Study Parks Maintenance: Deferred Repairs Parks Maintenance: Incentive Retention Pay Program | 50,000 60,000 | 75,000 18,000 | - | - | - | - | - | - | - | - |
| Fire & Emergency Management: Recruitment & Coverage Program Parks Maintenance: Parks, Open Space, and Recreation Study Parks Maintenance: Deferred Repairs Parks Maintenance: Incentive Retention Pay Program Community Development: Permit Software Replacement | 50,000 60,000 75,000 13,000 | 75,000 18,000 82,600 | - - - | - - - | - - - | - - - | - | | - - - | - |
| Fire & Emergency Management: Recruitment & Coverage Program Parks Maintenance: Parks, Open Space, and Recreation Study Parks Maintenance: Deferred Repairs Parks Maintenance: Incentive Retention Pay Program Community Development: Permit Software Replacement Community Development: Incentive Retention Pay Program | 50,000 60,000 75,000 13,000 | 75,000 18,000 82,600 11,000 | - - - | - - - | - - - | - - - | - - - | - - - | - - - | - - - |
| Fire & Emergency Management: Recruitment & Coverage Program Parks Maintenance: Parks, Open Space, and Recreation Study Parks Maintenance: Deferred Repairs Parks Maintenance: Incentive Retention Pay Program Community Development: Permit Software Replacement Community Development: Incentive Retention Pay Program Streets Maintenance: Incentive Retention Pay Program | 50,000 60,000 75,000 13,000 - 5,000 4,000 | 75,000 18,000 82,600 11,000 4,000 | - - - - | - - - - | - - - - | - - - - | - - - | - - - - | - - - - | - - - |
| Fire & Emergency Management: Recruitment & Coverage Program Parks Maintenance: Parks, Open Space, and Recreation Study Parks Maintenance: Deferred Repairs Parks Maintenance: Incentive Retention Pay Program Community Development: Permit Software Replacement Community Development: Incentive Retention Pay Program | 50,000 60,000 75,000 13,000 | 75,000 18,000 82,600 11,000 | - - - - - | - - - - - | - - - - - | - - - - - | - - - - | - - - - - | - - - - - | - - - - |
| Fire & Emergency Management: Recruitment & Coverage Program Parks Maintenance: Parks, Open Space, and Recreation Study Parks Maintenance: Deferred Repairs Parks Maintenance: Incentive Retention Pay Program Community Development: Permit Software Replacement Community Development: Incentive Retention Pay Program Streets Maintenance: Incentive Retention Pay Program | 50,000 60,000 75,000 13,000 - 5,000 4,000 | 75,000 18,000 82,600 11,000 4,000 | - - - - - | - - - - - | - - - - - | - - - - - | - - - - | - - - - - | - - - - - | - - - - |

| Transfer In (from Reserve Fund) | - | - | - | - | - | - | 377,589 | 891,227 | 1,059,825 | 1,149,684 |
|--|-------------|-----------|-----------|-----------|-----------|----------|----------|----------|-----------|-----------|
| Grant (Dept. of Commerce Comp Plan) | 125,000 | - | - | - | - | - | - | - | - | - |
| Transfer Out (to Arts Activities Fund) | (10,000) | (10,000) | (12,500) | (12,500) | (15,000) | (15,000) | (17,500) | (17,500) | (20,000) | (20,000) |
| Transfer Out (to Reserve Fund) | (180,851) | (41,882) | (33,689) | (34,435) | (39,713) | (37,695) | - | - | (39,468) | - |
| Transfer Out (to Capital Funds) | (2,500,000) | - | - | - | - | - | - | - | - | - |
| Total Transfers = | (1,506,942) | 1,007,027 | (46,189) | (46,935) | (54,713) | (52,695) | 360,089 | 873,727 | 1,000,357 | 1,129,684 |
| | | | | | | | | | | |
| Ending Fund Balance | 1,629,317 | 2,057,835 | 1,965,664 | 1,634,100 | 1,112,407 | 406,946 | (0) | 0 | 0 | 0 |
| Estimated Fund Balance | 8% | 10% | 9% | 8% | 5% | 2% | 0% | 0% | 0% | 0% |

Reserve Fund

| Proposed Policy - Reserve Range 15% to 20% (Assumes 15%) | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|--|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Beginning Fund Balance | 2,726,625 | 2,955,417 | 3,048,097 | 3,129,786 | 3,210,221 | 3,295,934 | 3,381,629 | 3,054,040 | 2,214,813 | 1,248,456 |
| Interest Earned | 47,941 | 50,798 | 48,000 | 46,000 | 46,000 | 48,000 | 50,000 | 52,000 | 54,000 | 56,000 |
| In | 180,851 | 41,882 | 33,689 | 34,435 | 39,713 | 37,695 | - | - | 39,468 | - |
| Out | - | - | - | - | - | - | (377,589) | (891,227) | (1,059,825) | (1,149,684) |
| Reserves | 2,955,417 | 3,048,097 | 3,129,786 | 3,210,221 | 3,295,934 | 3,381,629 | 3,054,040 | 2,214,813 | 1,248,456 | 154,772 |
| Reserve Target % | 15% | 15% | 15% | 15% | 15% | 15% | 13% | 9% | 5% | 1% |
| | | | | | | | | | | |
| Fund Balance Required - Min 15% | 2,955,417 | 3,048,097 | 3,129,786 | 3,210,221 | 3,295,934 | 3,381,629 | 3,470,227 | 3,561,494 | 3,655,518 | 3,752,023 |
| Fund Balance Over (Under) Target - Min | (0) | 0 | 0 | (0) | (0) | 0 | (416,187) | (1,346,681) | (2,407,062) | (3,597,251) |
| Fund Balance Required - Max 20% | 3,940,556 | 4,064,129 | 4,173,048 | 4,280,295 | 4,394,579 | 4,508,838 | 4,626,970 | 4,748,659 | 4,874,024 | 5,002,698 |
| Fund Balance Over (Under) Target - Max | (985,139) | (1,016,032) | (1,043,262) | (1,070,074) | (1,098,645) | (1,127,209) | (1,572,930) | (2,533,846) | (3,625,568) | (4,847,926) |