

# City of Lynnwood Financial Trend Monitoring System

Five year comparison as of 2003

Prepared by Administrative Services Department

# Purpose and Explanation

The International City and County Management Association created the “Financial Trend Monitoring System” to standardize the analysis of evaluating financial conditions in local government. This is the first such report developed by the City of Lynnwood. You can find out more about the ICMA at [www.icma.org](http://www.icma.org).

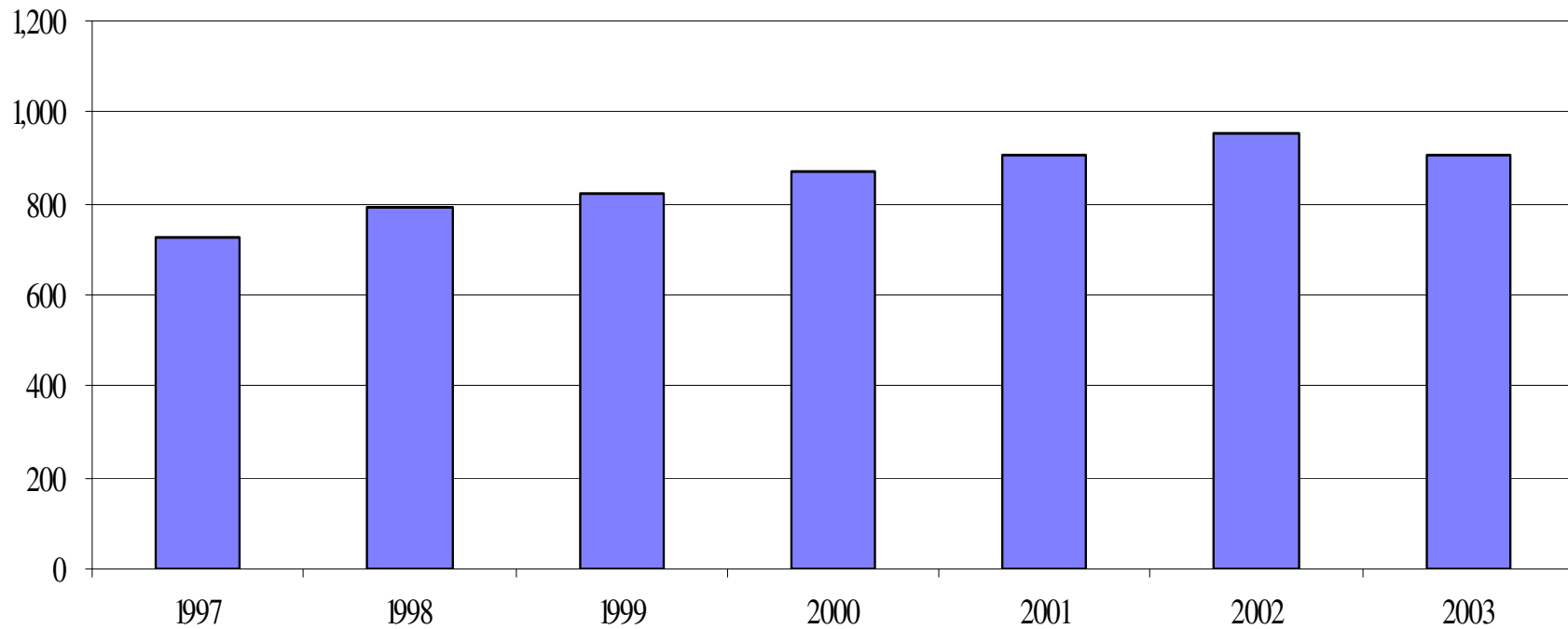
This report is intended to identify organizational factors that affect financial condition. In a broad sense, financial condition means the ability of the city, in the long run, to pay all the costs of doing business.

The report consists of the various financial condition indicators and a brief interpretation or explanatory text to aid the reader in understanding the trends displayed. This interpretation provides our assessment of the message conveyed in each trend being monitored.

More trends may be added to this report over time.

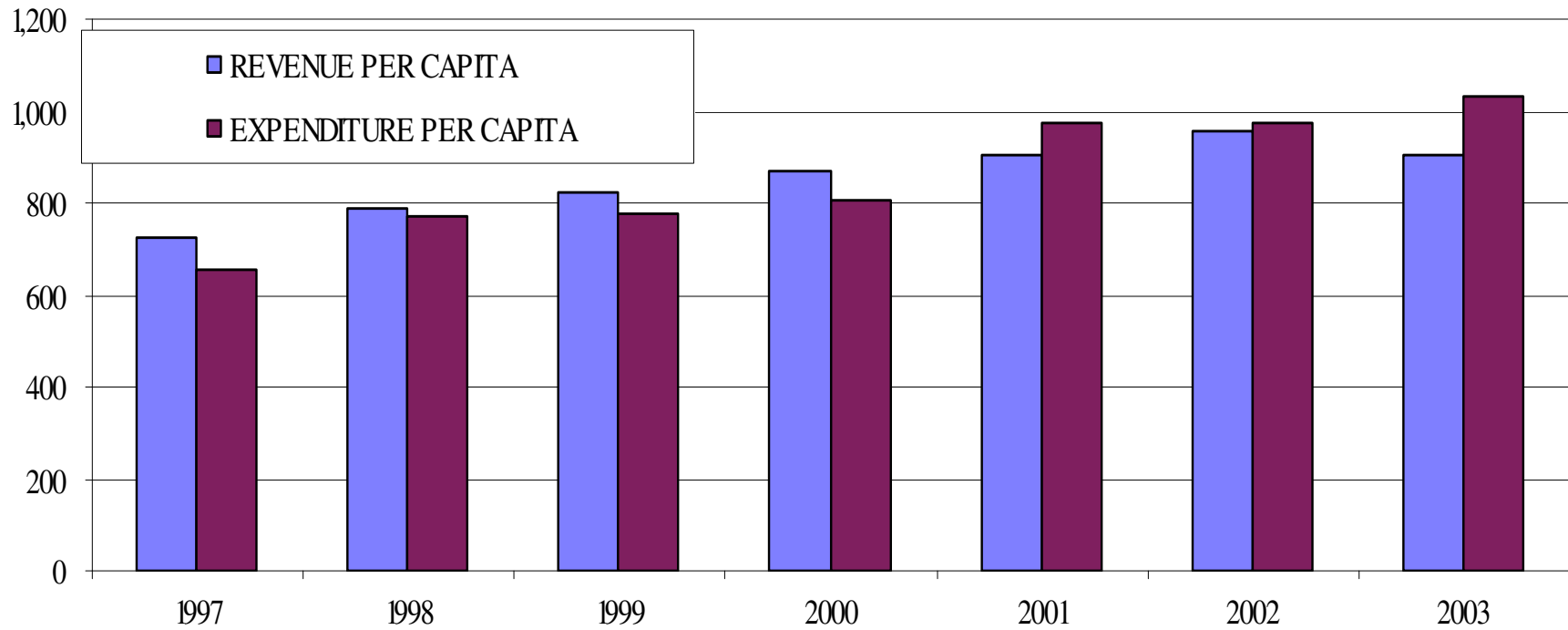
This report was developed by the Administrative Services Department. For comments or questions, contact the City of Lynnwood at 425.670.6604.

### REVENUE PER CAPITA



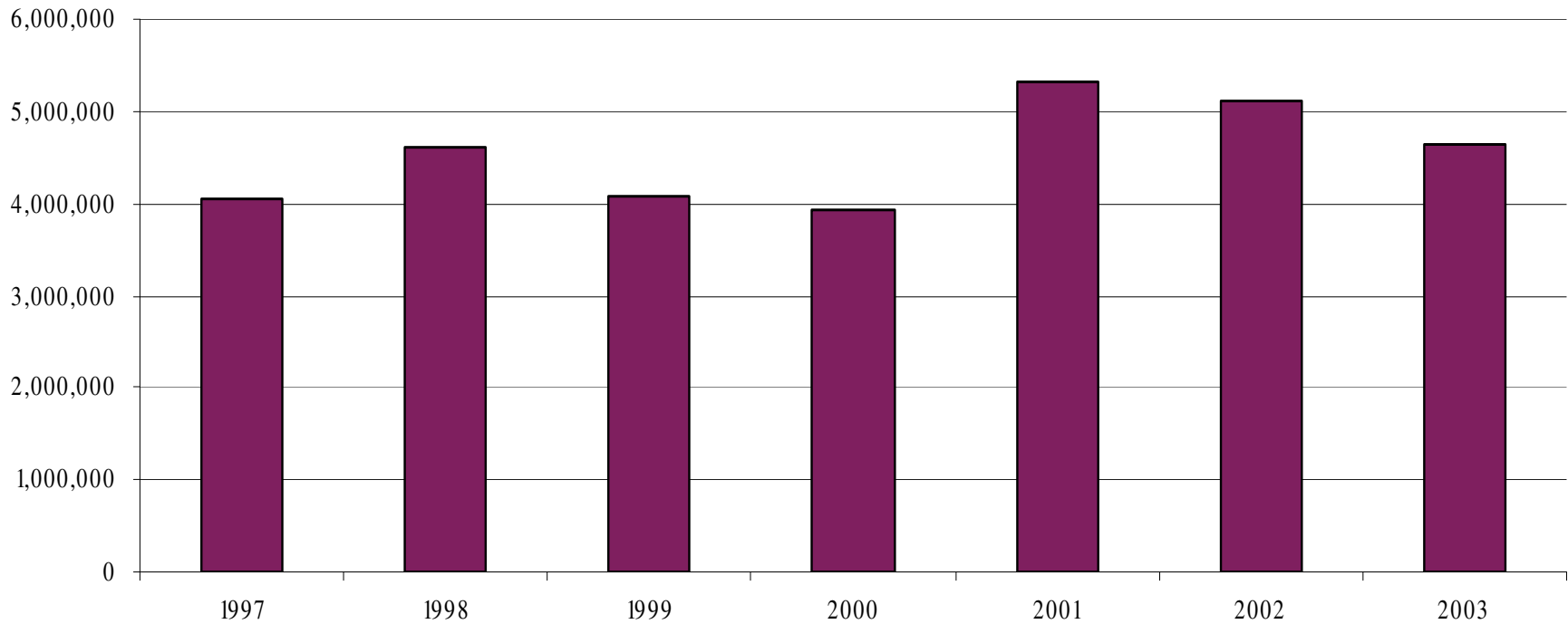
The revenue base for governmental functions has been growing over time. This is a positive indication of the community's financial condition as measured on a per resident basis.

### Revenue and Expenditure Per Capita



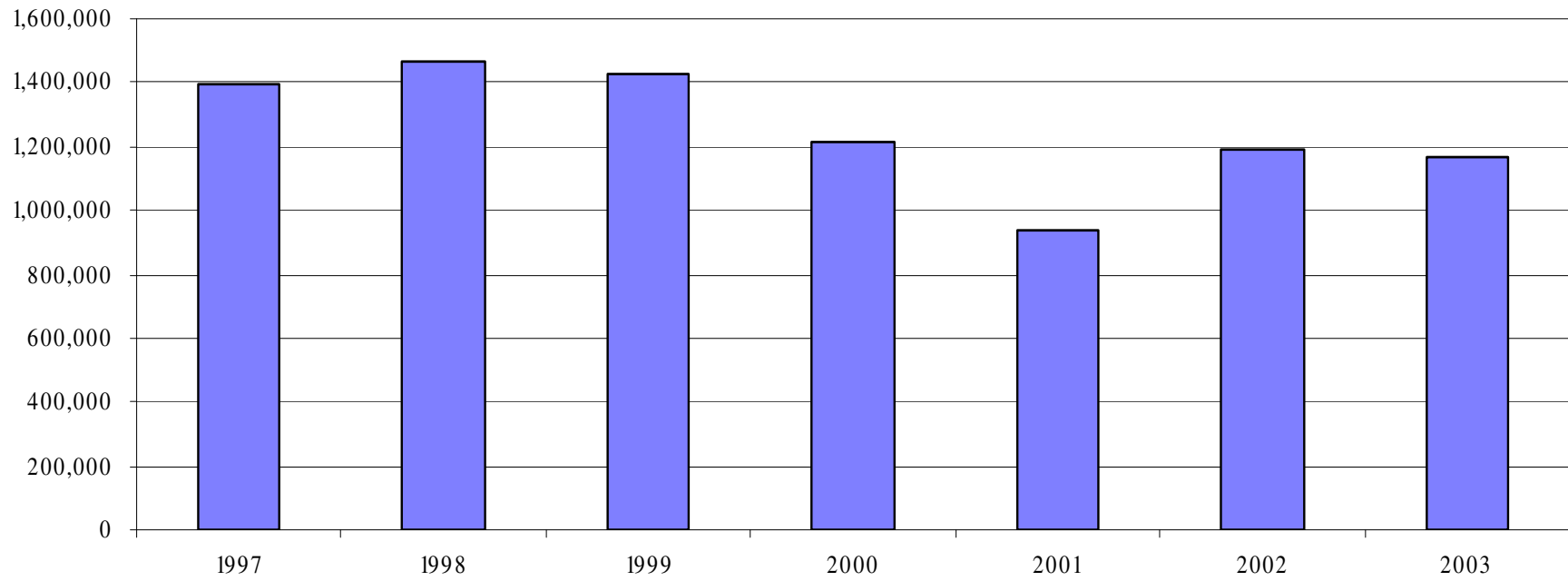
After years of revenue surpluses, the past two years have resulted in expenditures exceeding revenues.

RESTRICTED REVENUE (Funds 104,105,106,111,112,120,331)



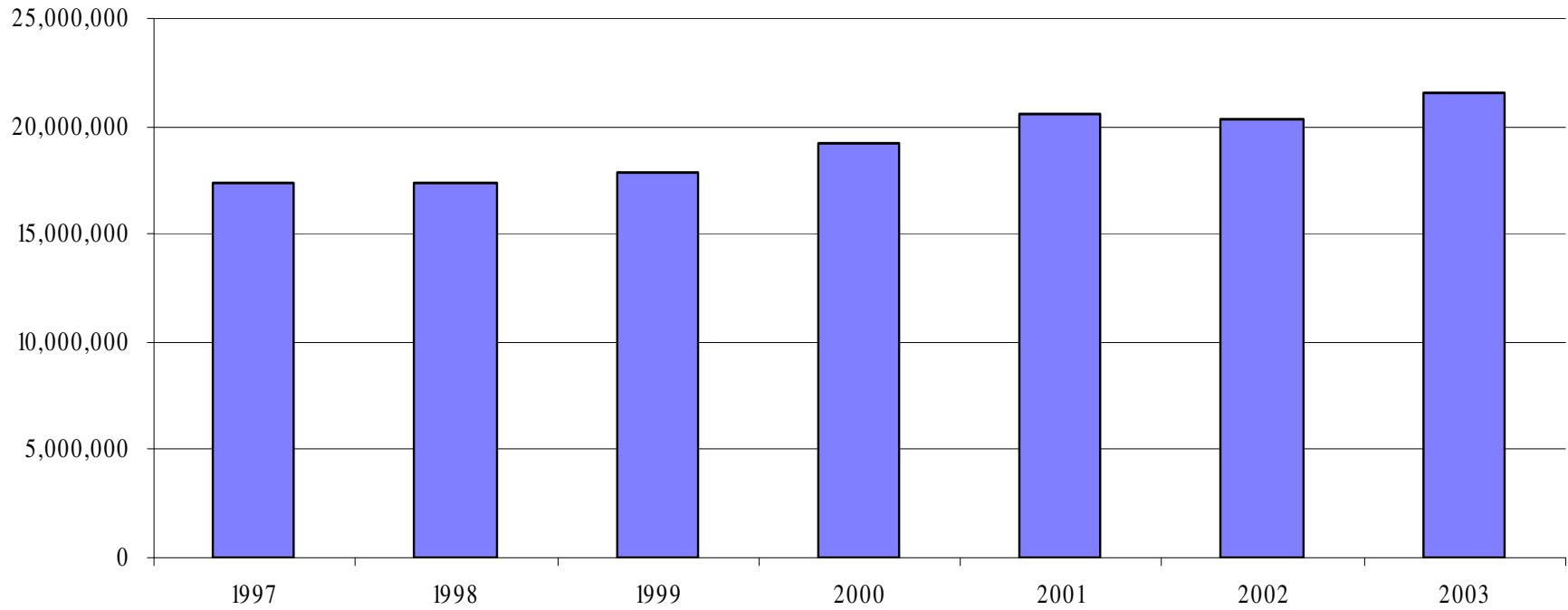
Restricted revenues are pretty steady over the years. The reliance on restricted revenues has not increased.

### INTERGOVERNMENTAL REVENUE



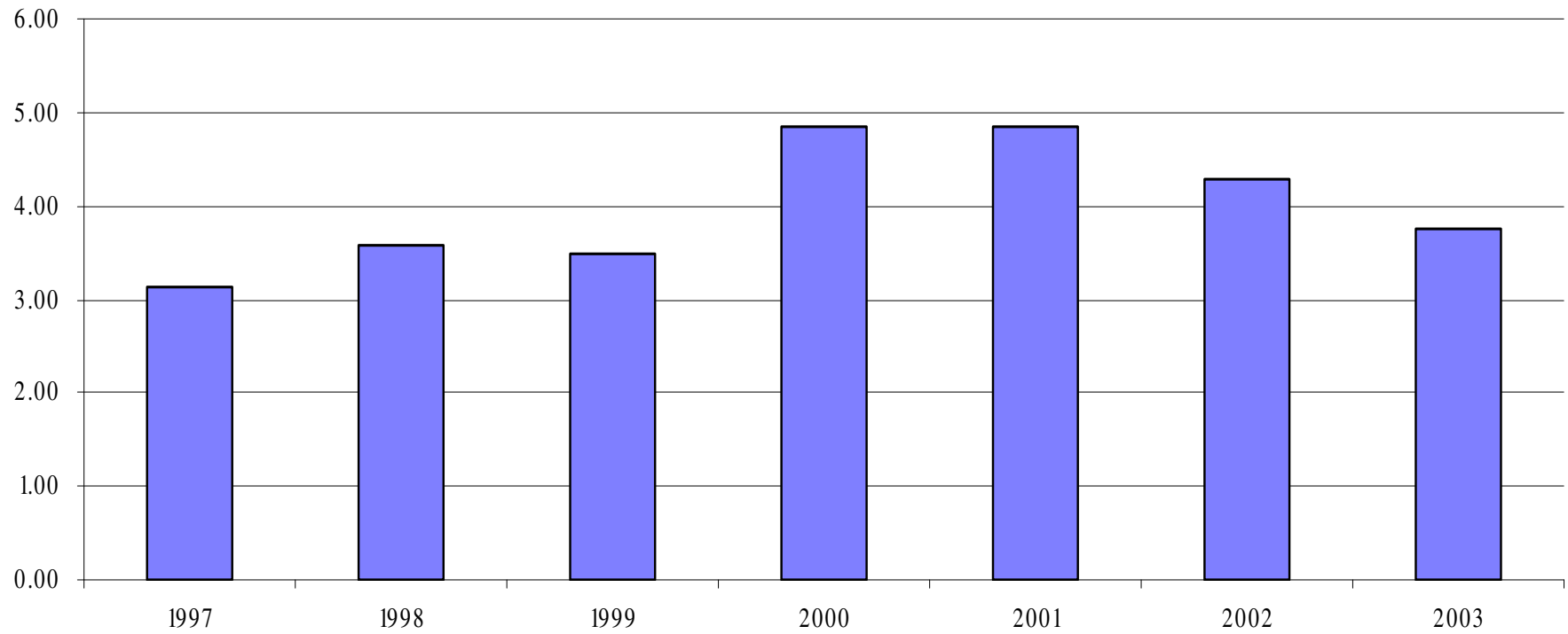
State laws have changed resulting in lower shared revenues.

TAX REVENUES (sales, property, other taxes)



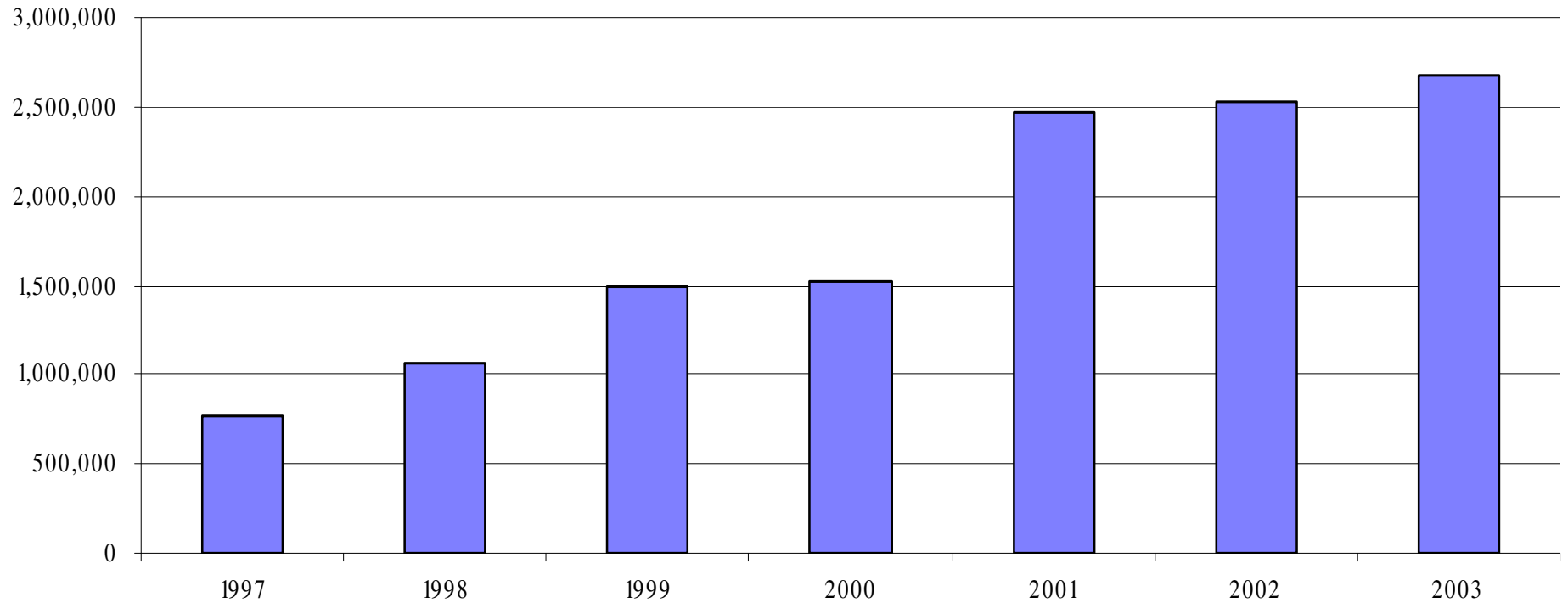
Tax revenues have increased steadily until 2002 when sales taxes and hotel/ motel taxes declined.

Percent of Uncollected Property Tax to Tax Levy



The higher level of uncollected property taxes reflects an economic downturn.

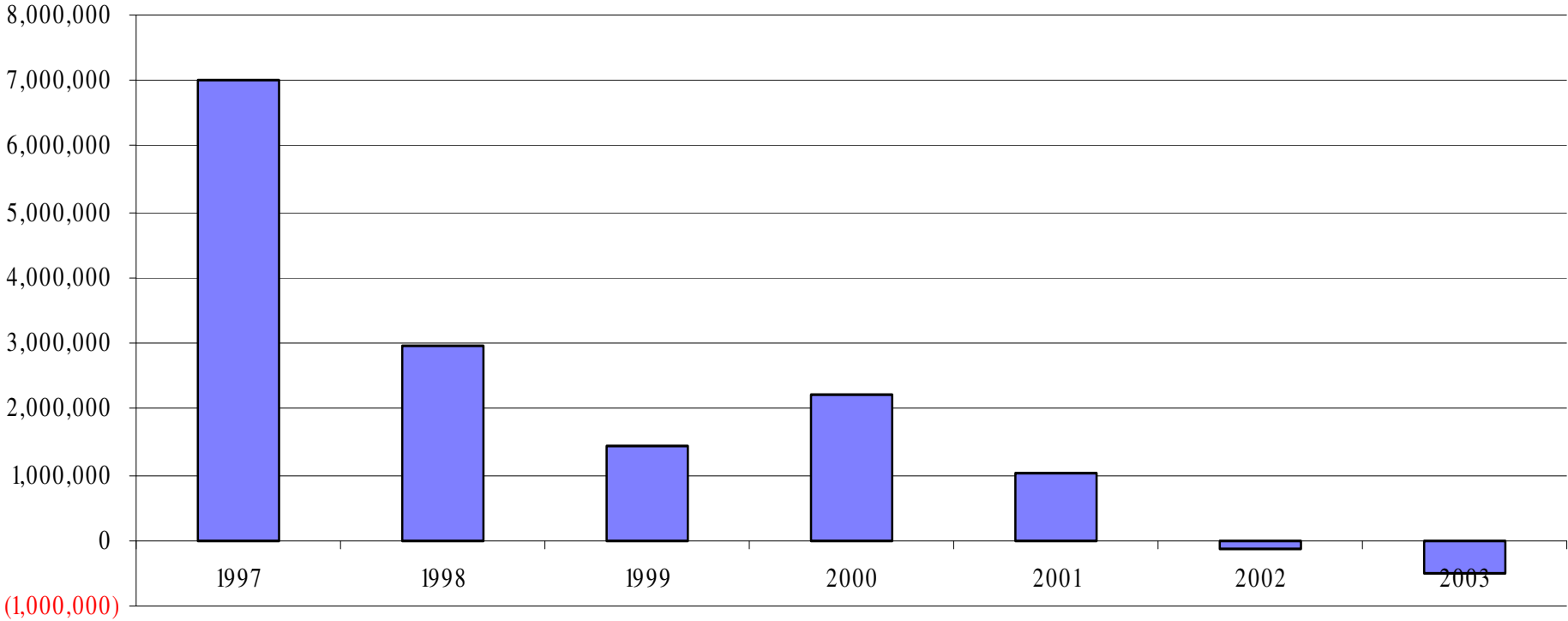
### USER CHARGES



The City has become more reliant on user charges for revenues, and development fees have increased reflecting the increased level of development in the city.

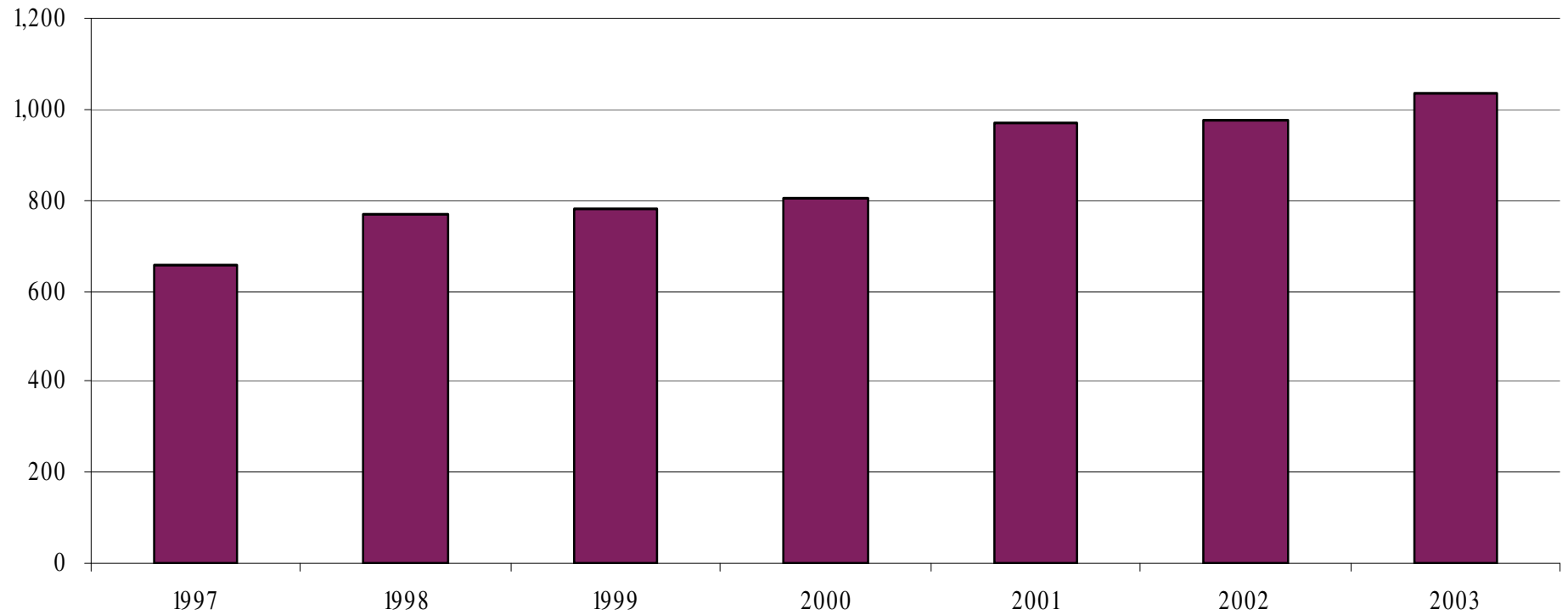
REVENUE SHORTFALL OR SURPLUS

Net of Transfers to Reserve Funds



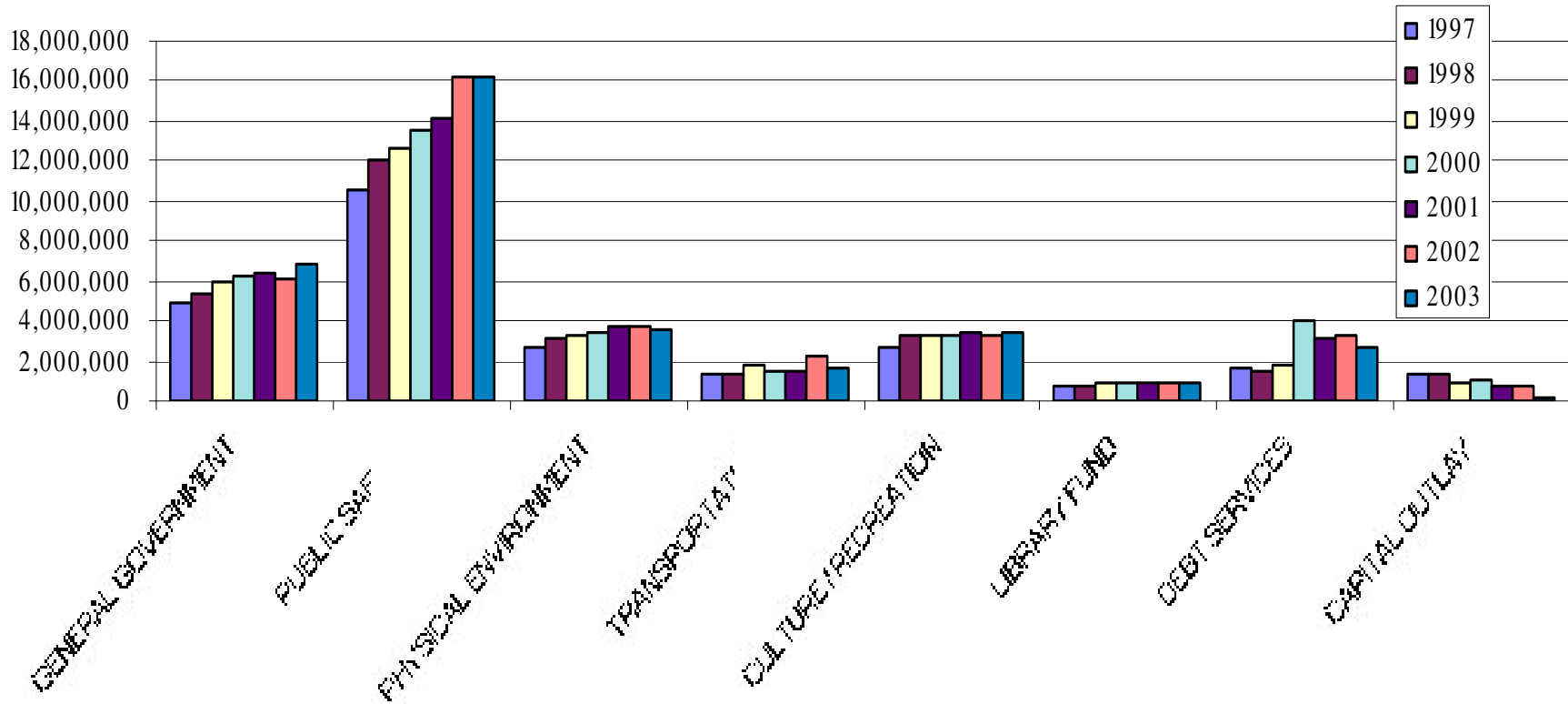
While very large at one time, revenue surpluses have slipped into negative territory recently.

## EXPENDITURE PER CAPITA



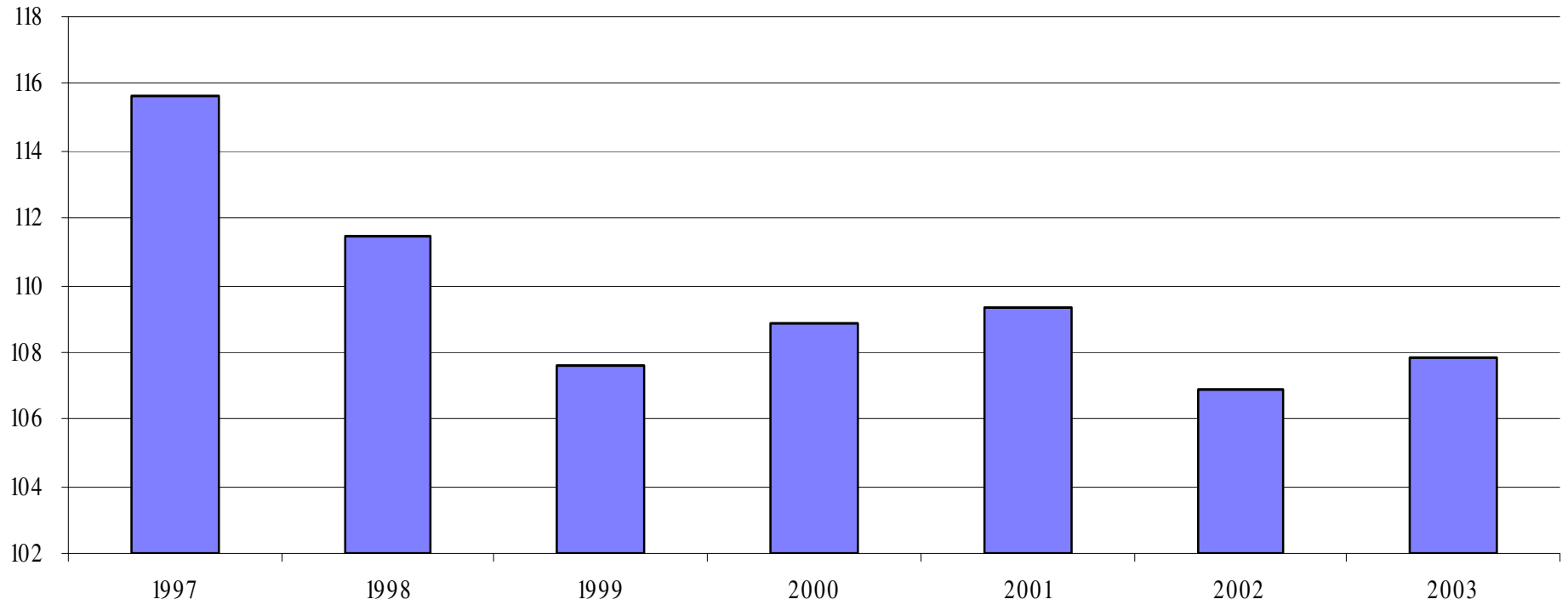
Expenditures per capita have steadily risen until 2002 when they stabilized.

Expenditures by Function



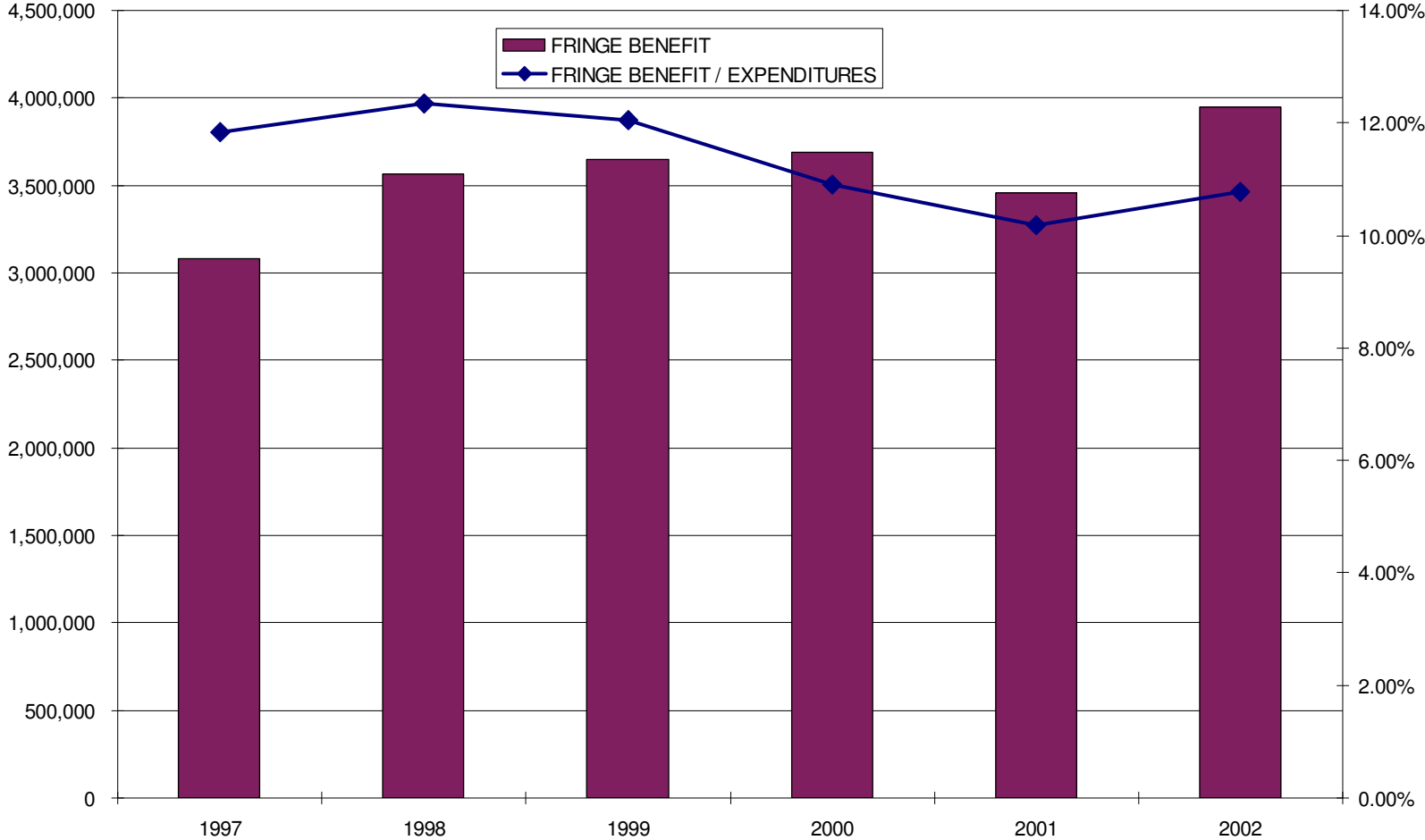
This chart confirms the policy priority in public safety programs over the past five years.

### EMPLOYEES PER CAPITA



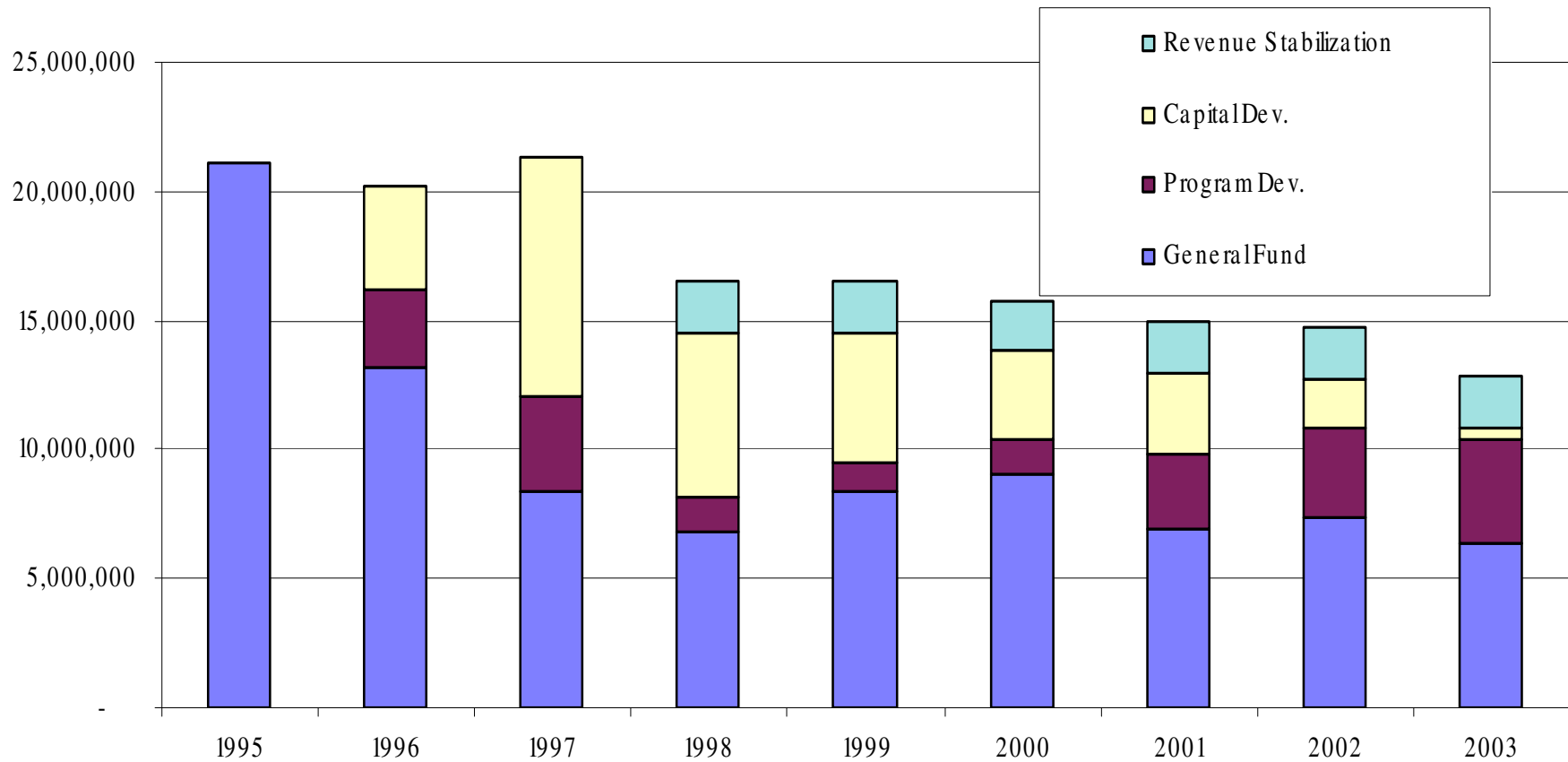
City employment has held steady while the population has increased slightly.

### Employee Fringe Benefits



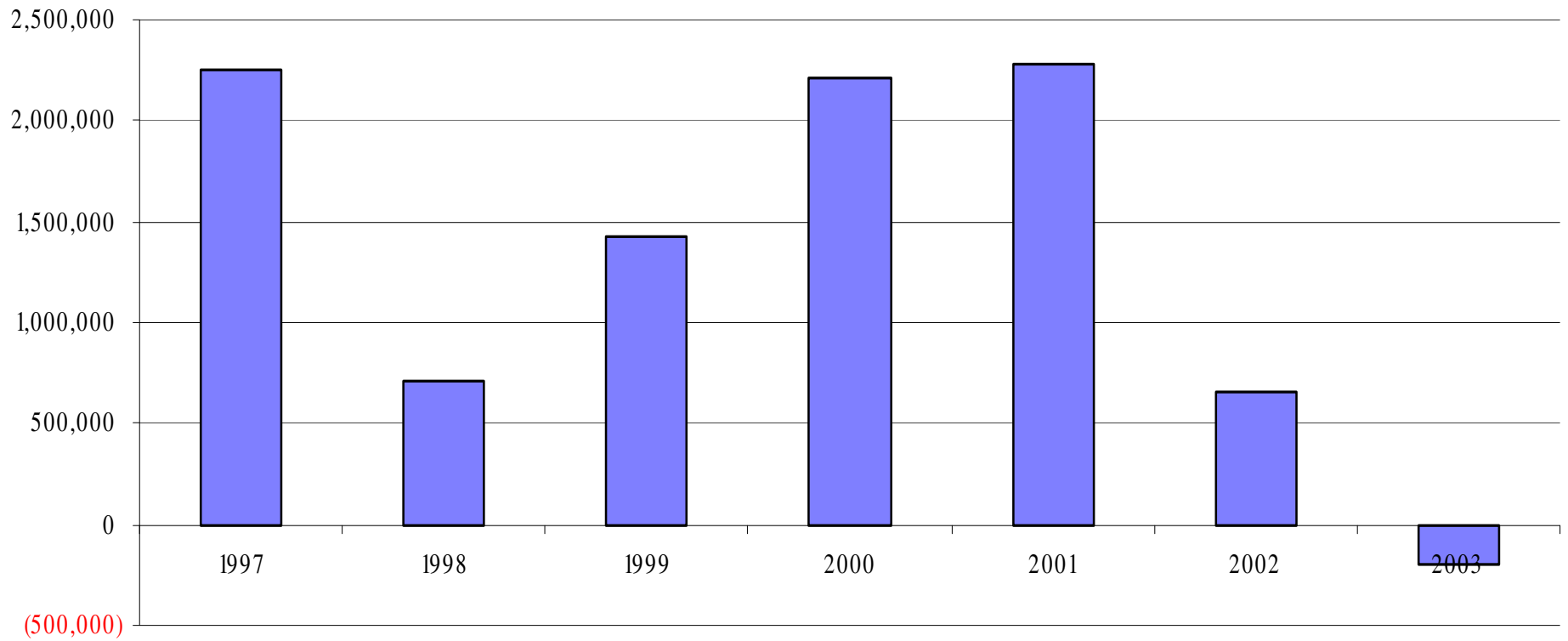
While an increasing cost item, the employee benefits have not risen in cost as a percent of total expenditures.

# General Government Fund Balances



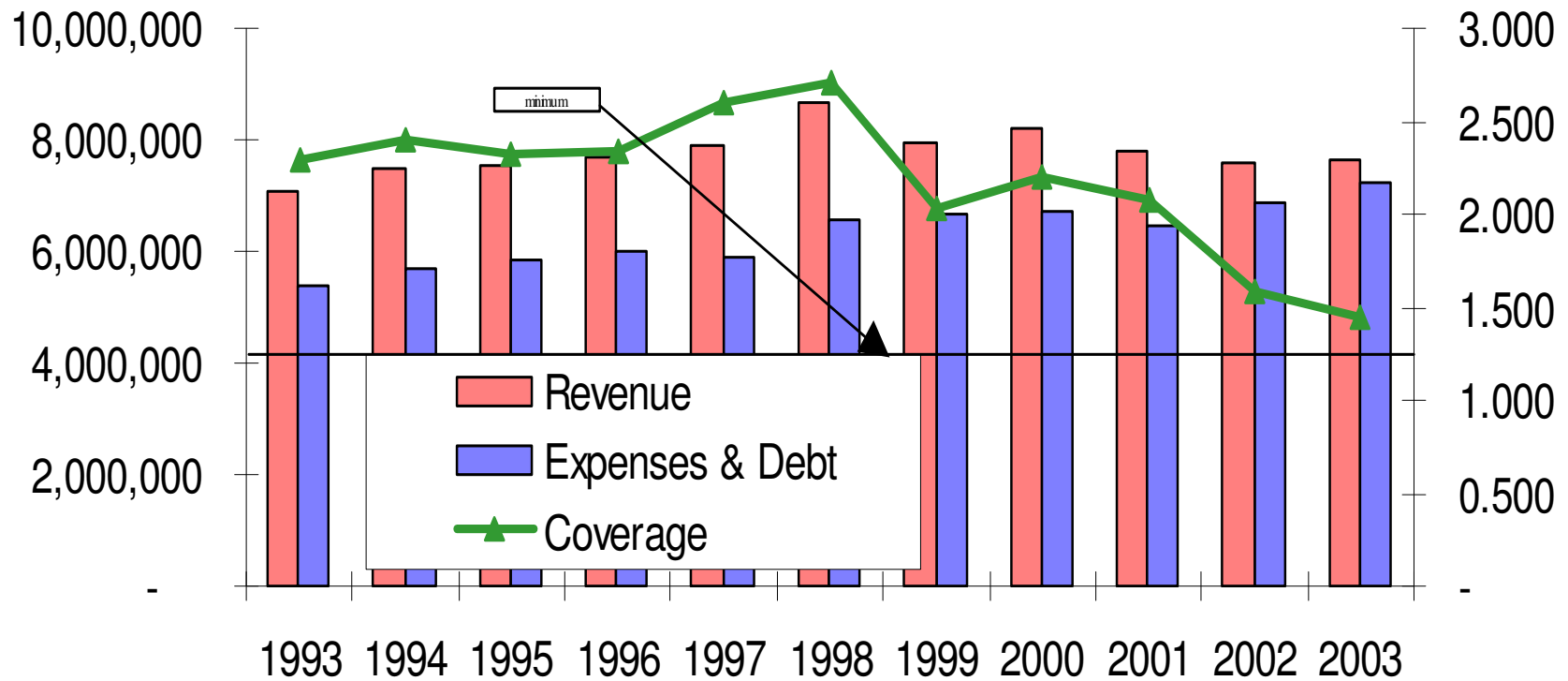
While fund balances have been utilized by the city for capital and new endeavors, the under expenditures have kept fund balances fairly level over the years.

### ENTERPRISE OPERATING DEFICIT OR SURPLUS

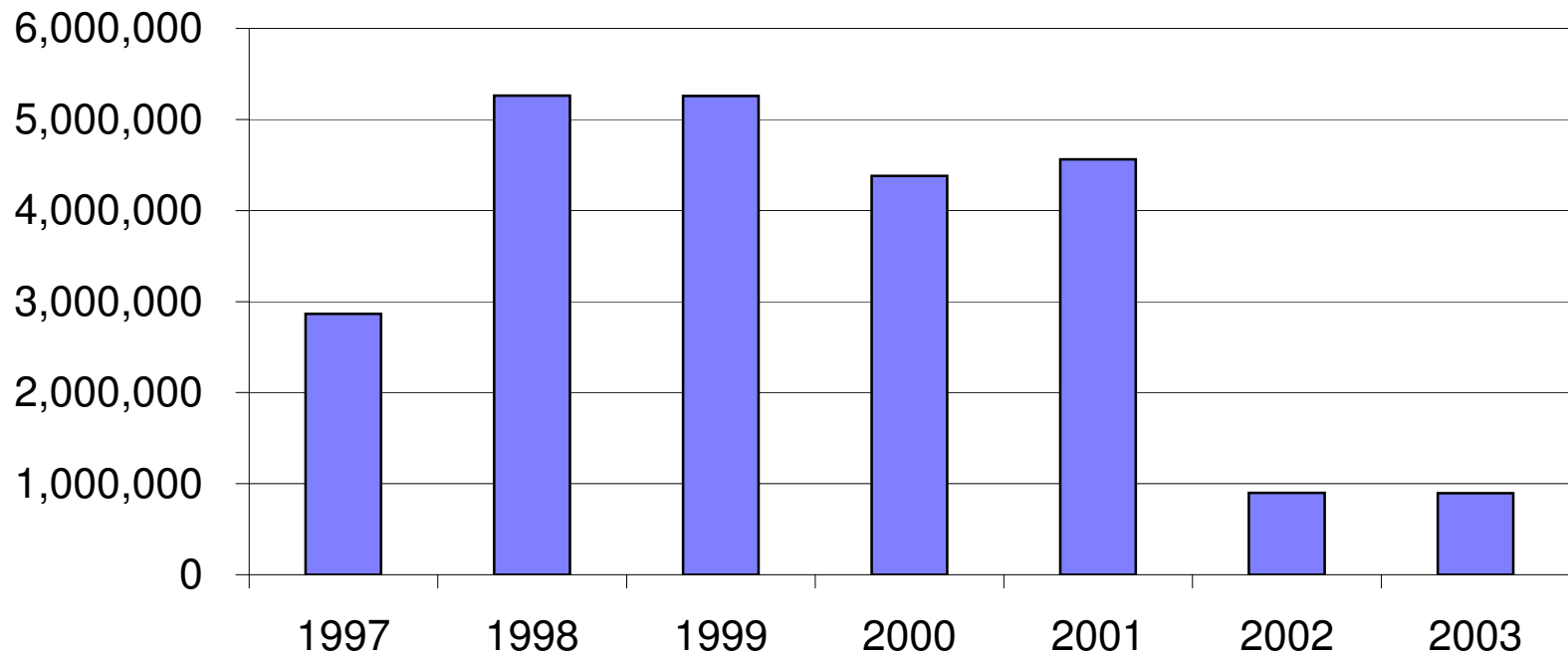


This metric is driven largely by utility revenues which fluctuate based on the weather.

## Combined Utilities Operating Results and Debt Service Coverage

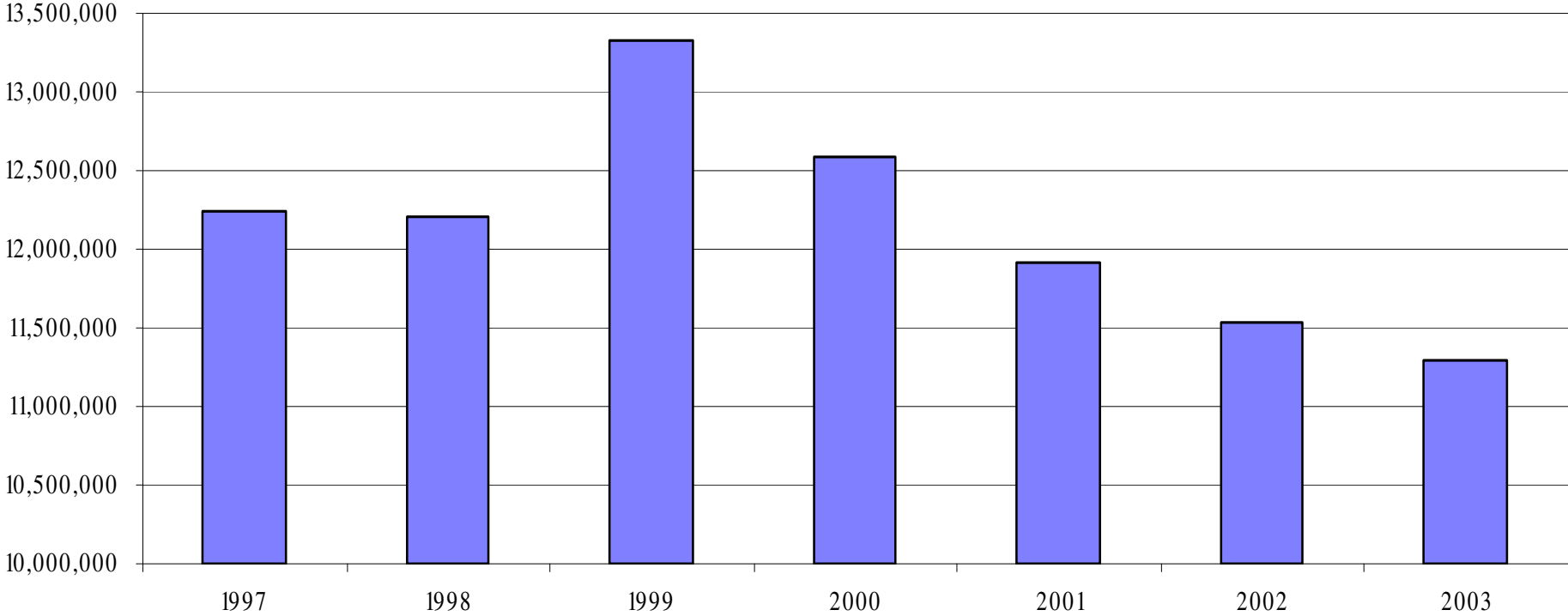


## CURRENT LIABLITIES



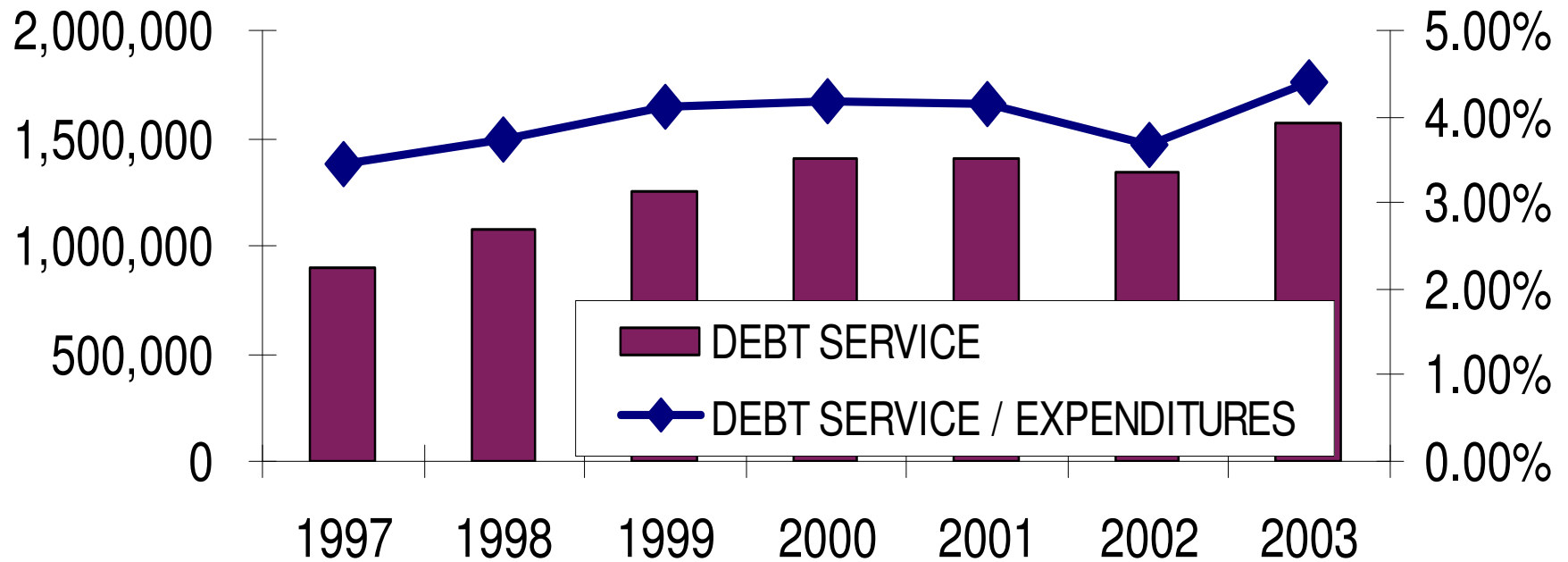
A pretty dramatic drop in current liabilities is a good thing, but likely just a timing issue rather than a fundamental improvement in city finances.

LONG-TERM DEBT



Overall, city debt has been declining as we pay principle. New issues in 2003 will increase debt somewhat.

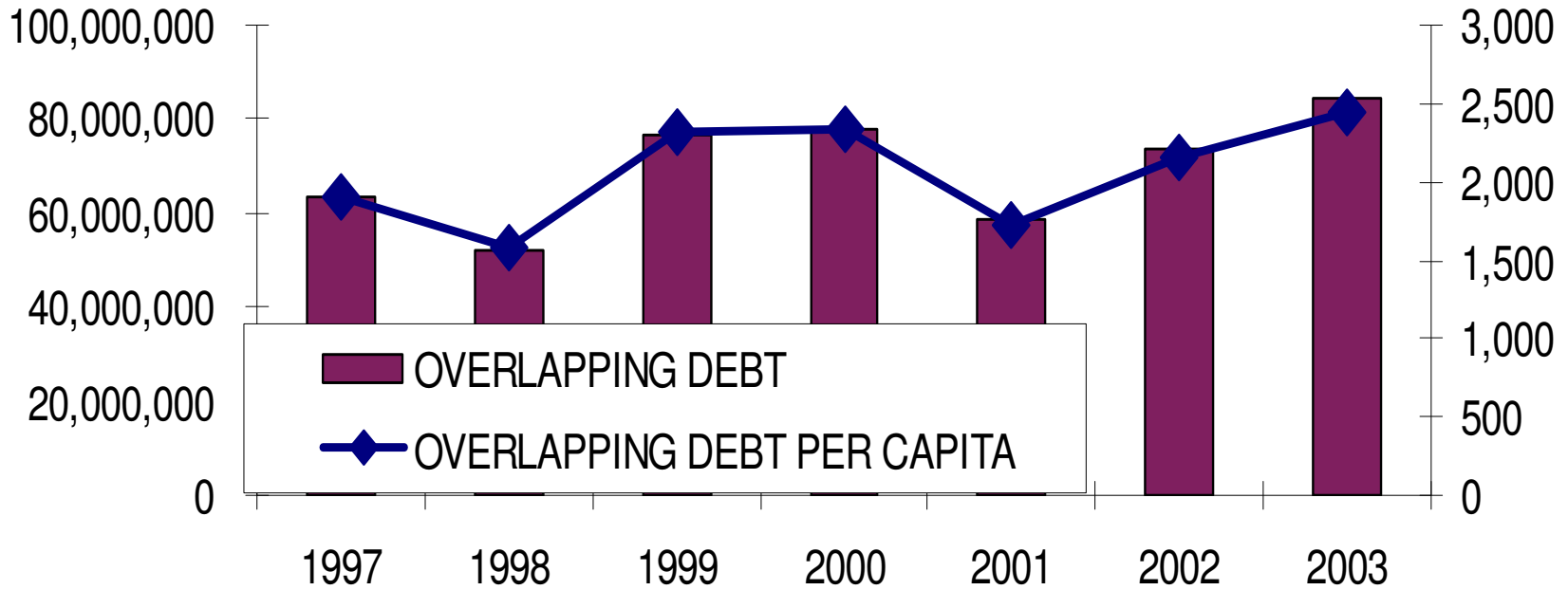
## DEBT SERVICE



Debt service is less than 5% of the total city budget.

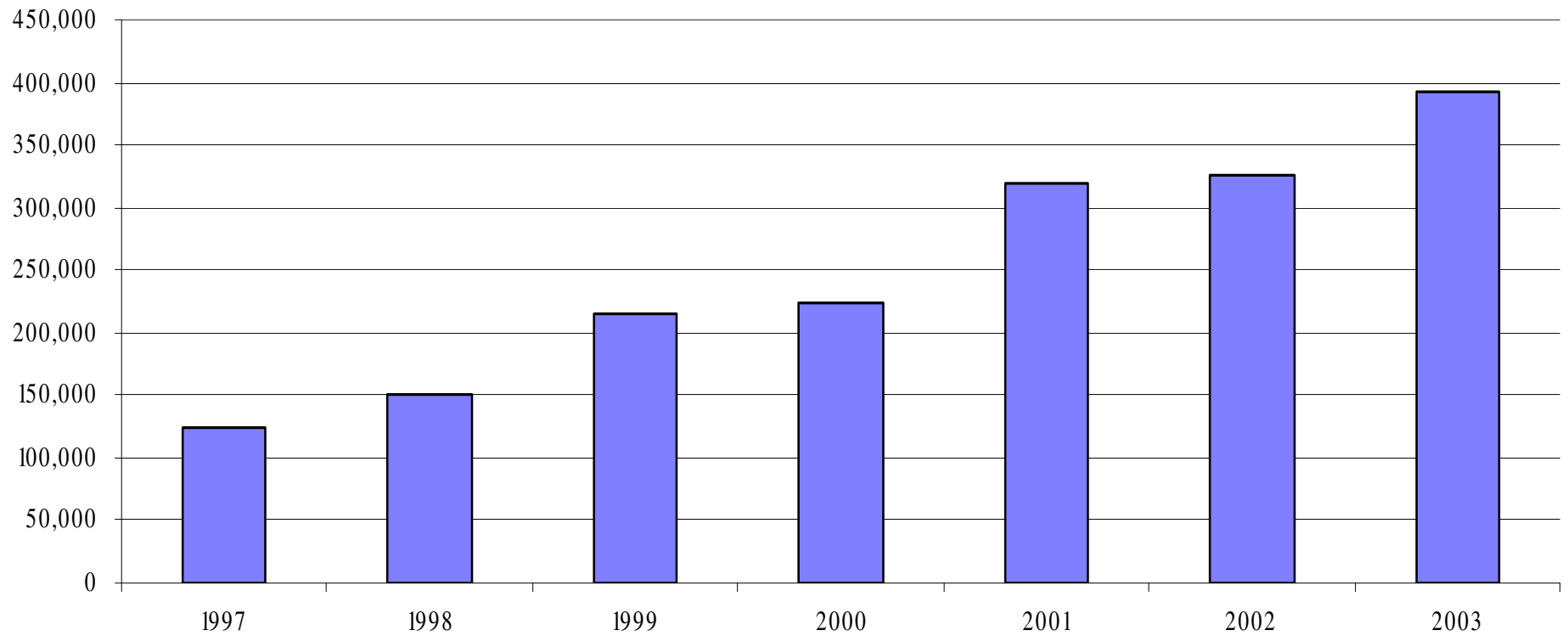
## OVERLAPPING DEBT

(Debt from the City and all other taxing districts in the City)



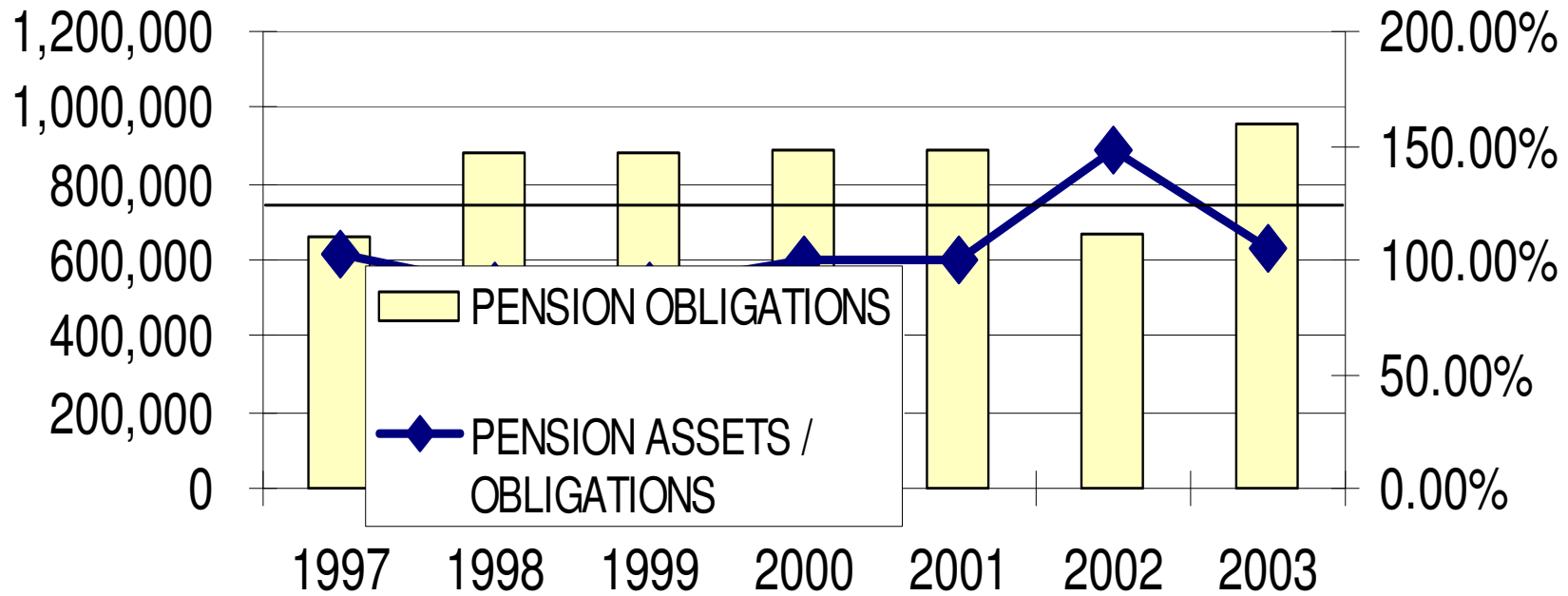
This illustrates the amount of public debt in our community by all public agencies. The largest debt is held by the Edmonds School District.

### POST EMPLOYMENT BENEFITS



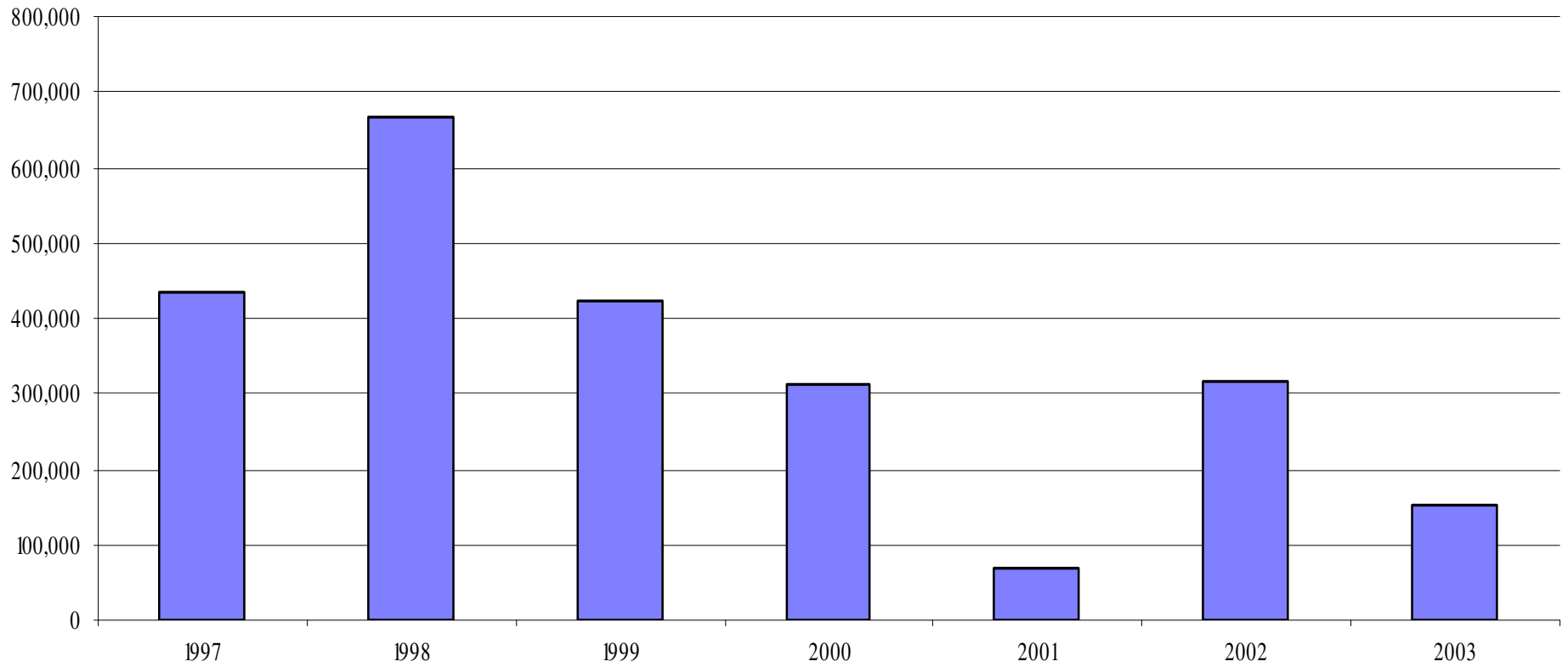
The liability related to banked vacation and sick leave has grown steadily over the years. This liability remains unfunded, which is common for most cities.

## PENSION OBLIGATION FUNDING STATUS



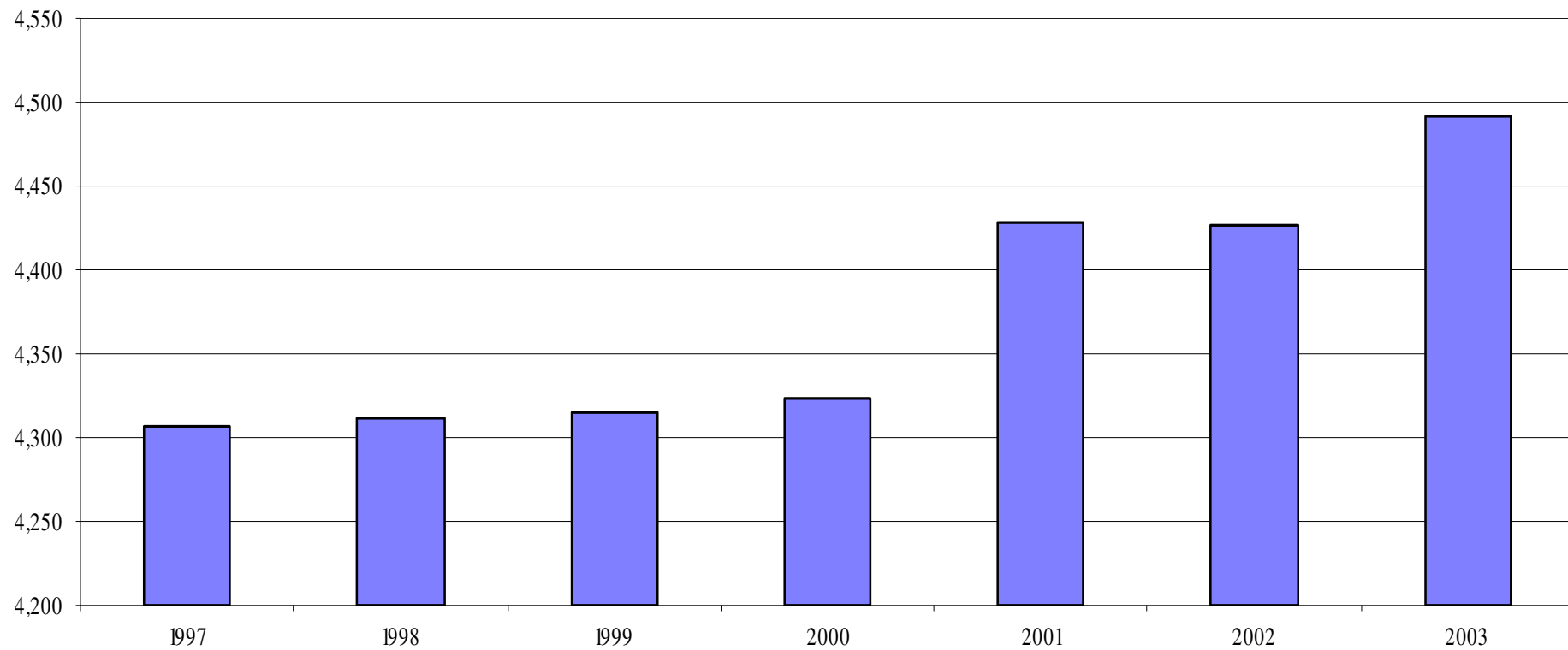
The only pension obligation that the city has is for police officers and firefighters employed prior to the state taking the program over. The city has pension assets in excess of its forecasted obligations.

### CAPITAL OUTLAY



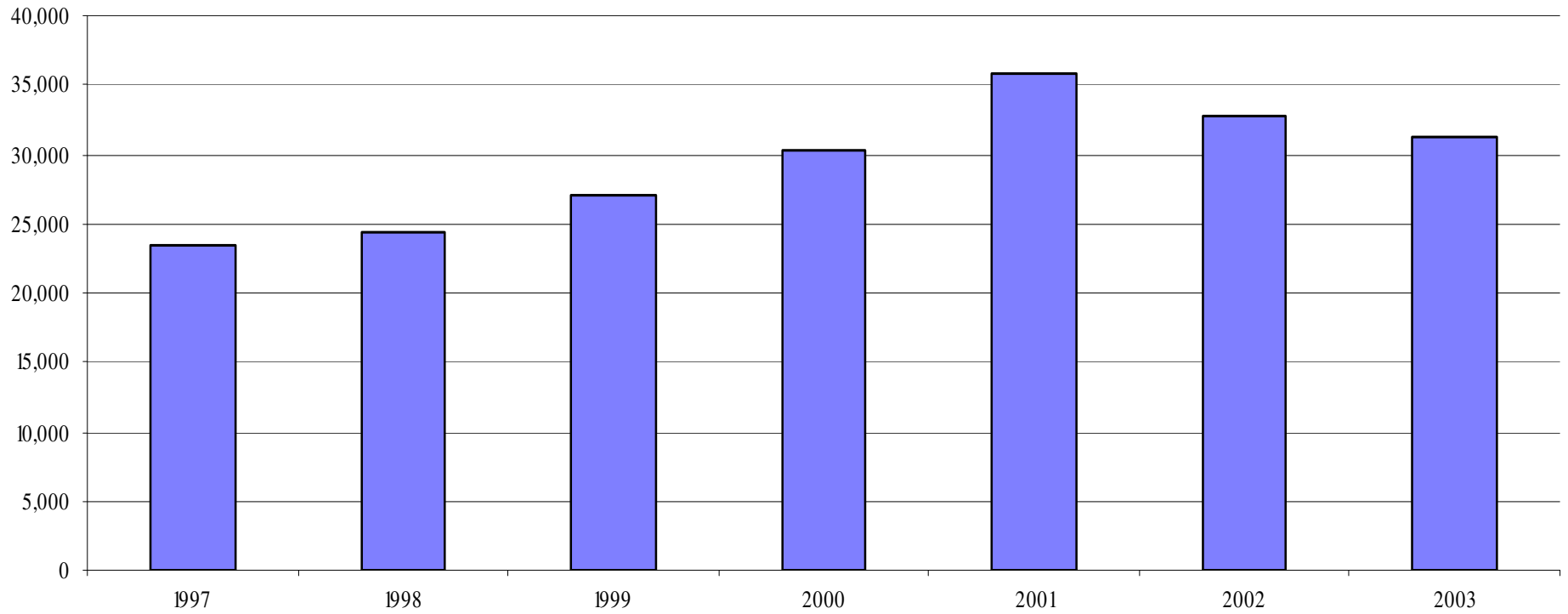
This reflects capital funds within service departments (not capital improvements in the community). The lack of capital funds has been a concern to city departments.

### POPULATION DENSITY



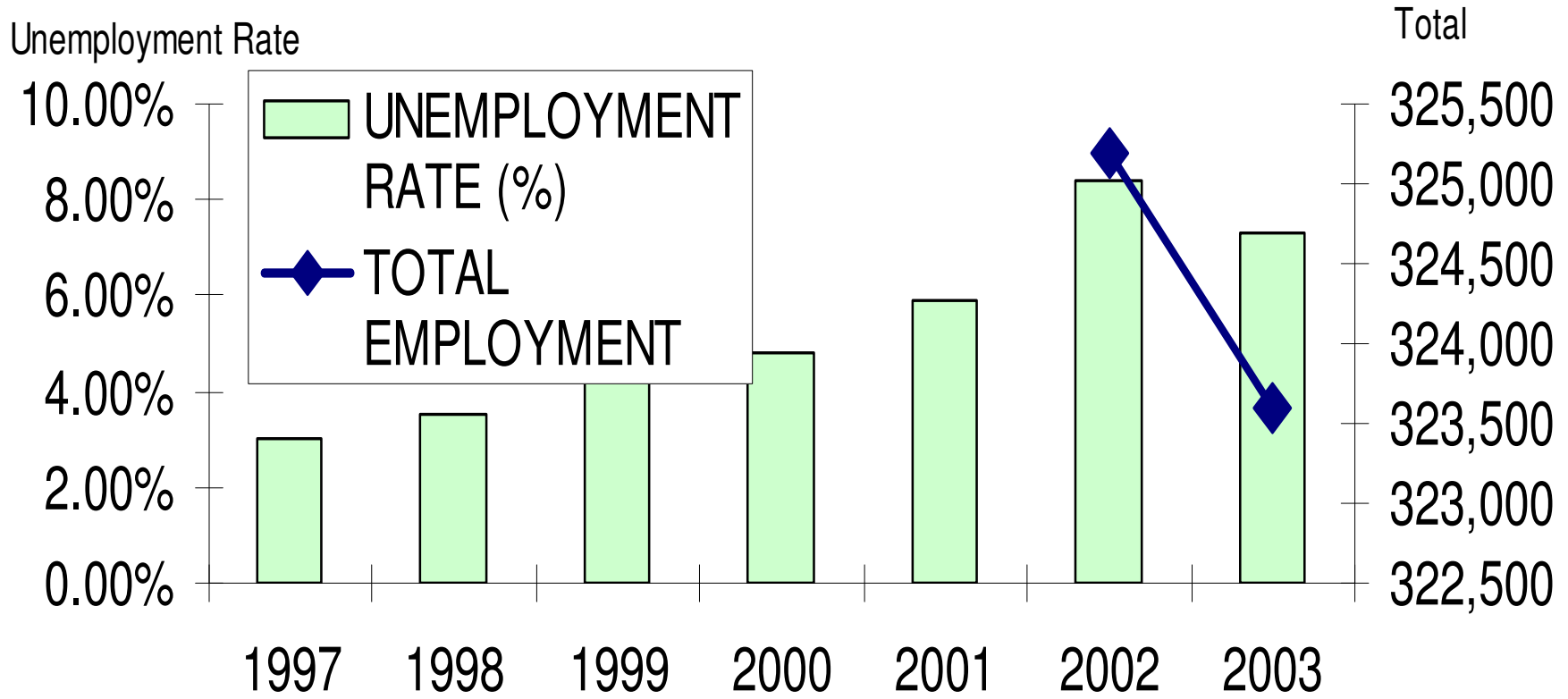
A slight change, though the scale on the chart amplifies the change.

PERSONAL INCOME PER CAPITA

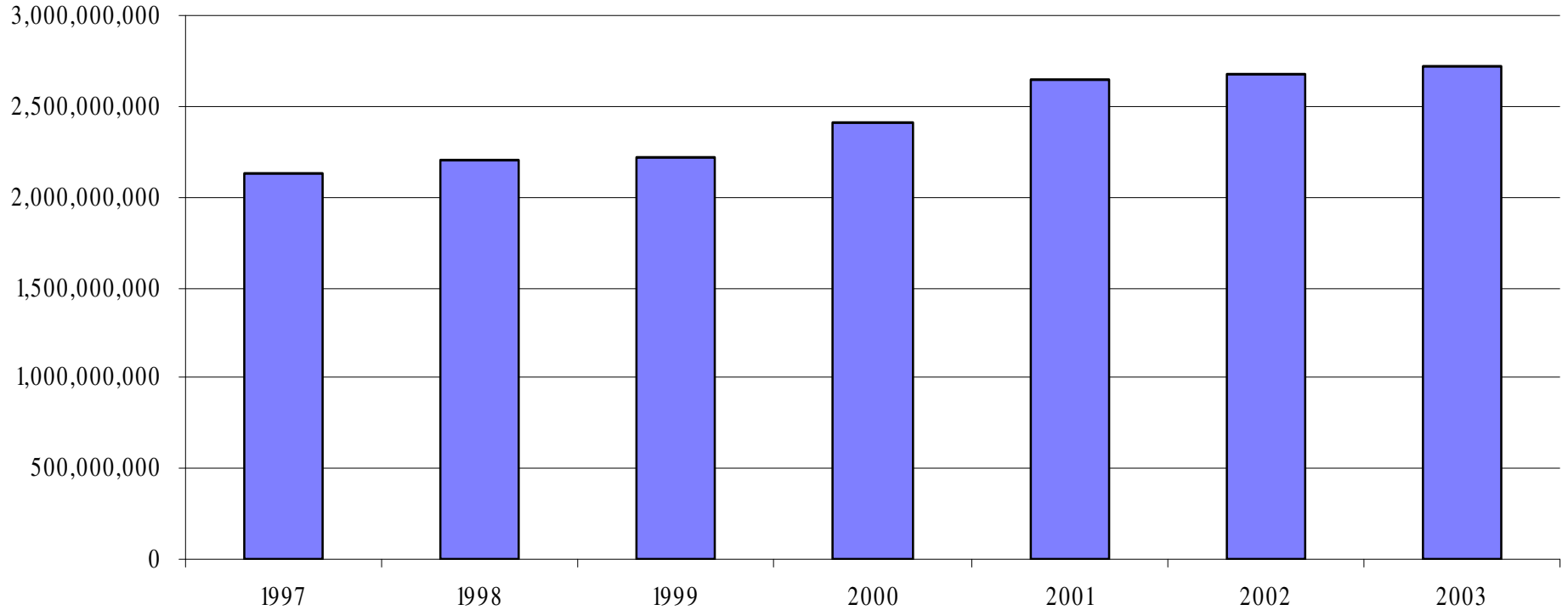


Interesting that the recent recession shows up so prominently in this chart.

# Snohomish County Employment Data

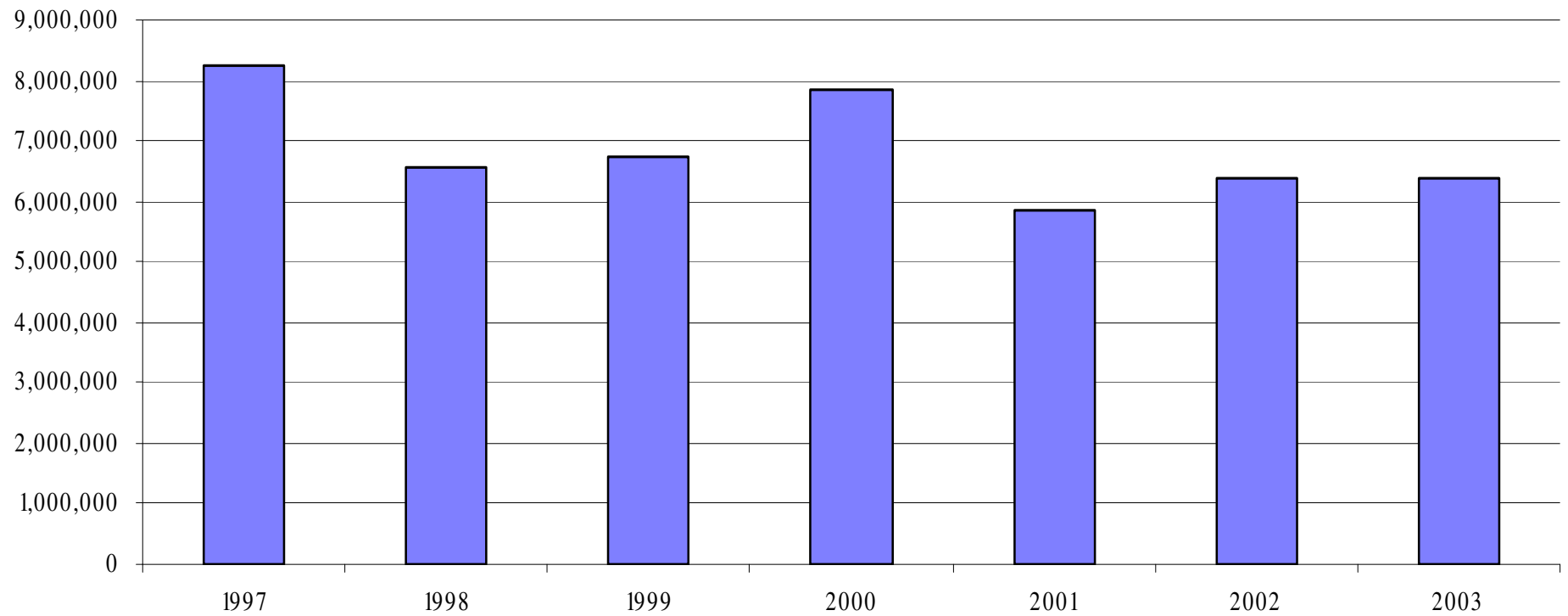


### ASSESSED VALUE OF THE CITY



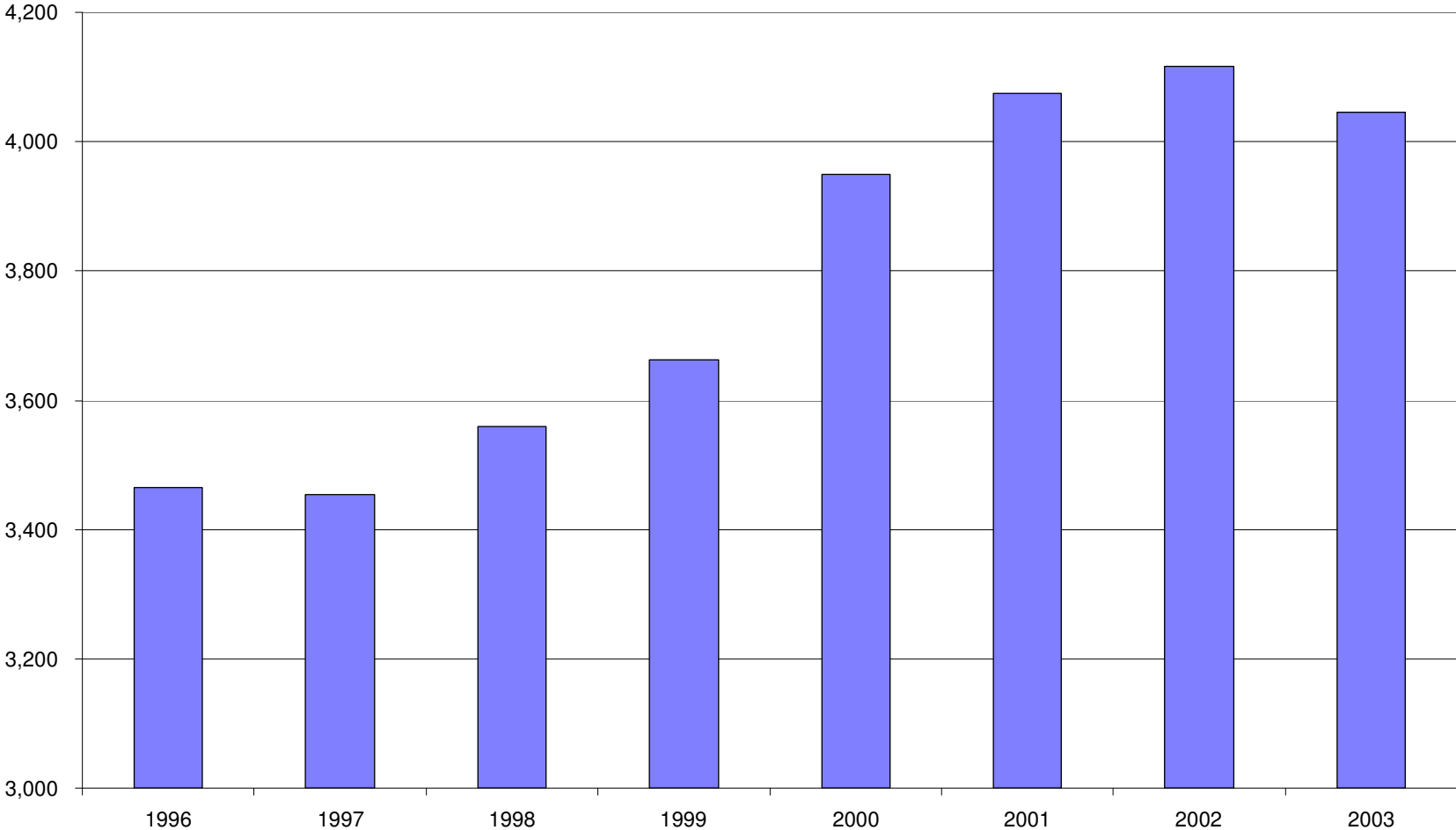
A steady increase as we have seen extensive development. The revaluation in 2003 caused this to grow substantially, above \$3,000,000.

## LQUIDITY



This illustrates current assets less current liabilities. A healthy sign would be increases over time.

BUSINESS ACTIVITY -- Business Licenses Issued



After steady and substantial gains, the recession took its toll in 2002.