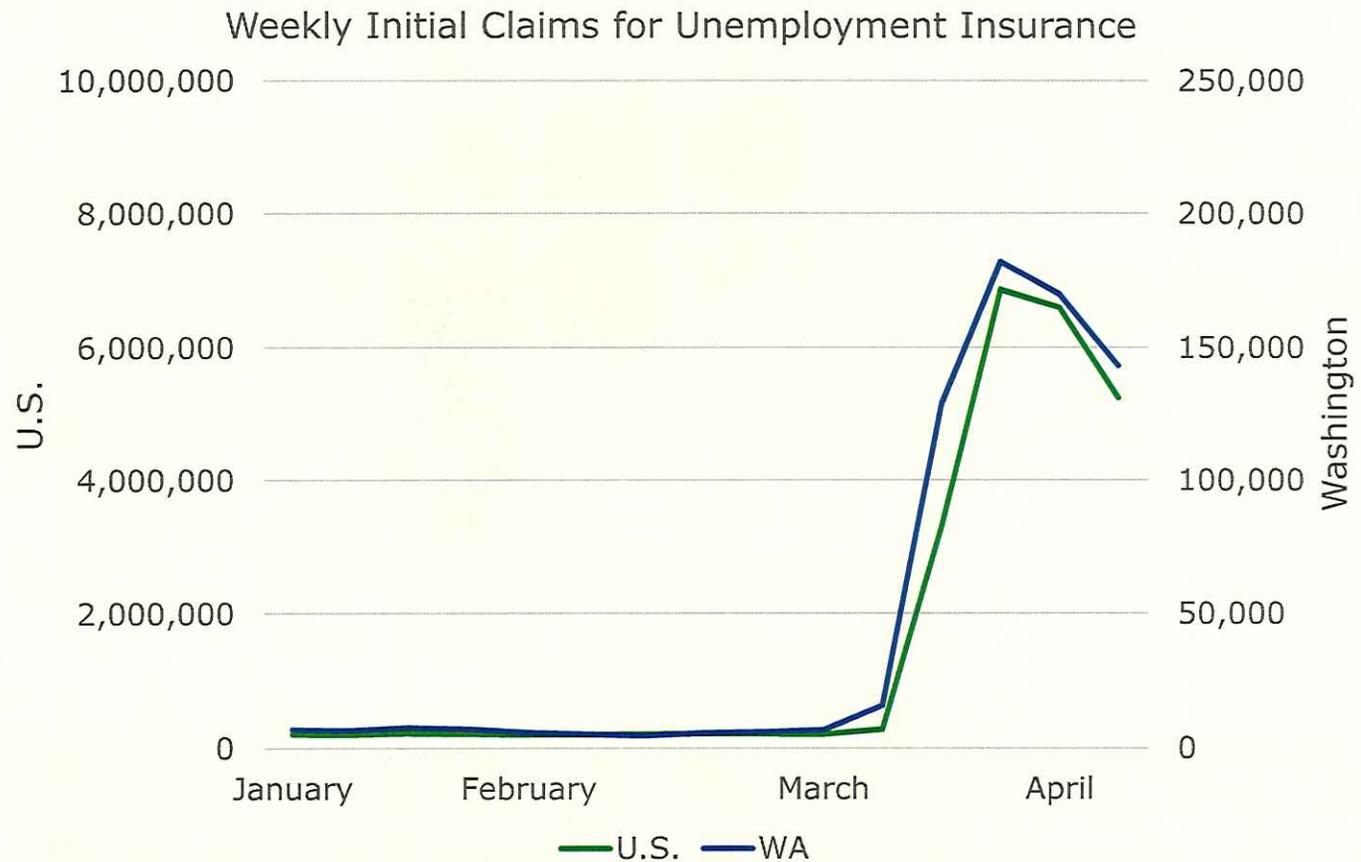


City of Monroe Budget Update

08/13/2020 EDAB



Initial claims for unemployment insurance have surged



April 23, 2020

Slide 9

Source: U.S. Bureau of Labor Statistics, WA Employment Security Dept., data through week ending April 11 2020

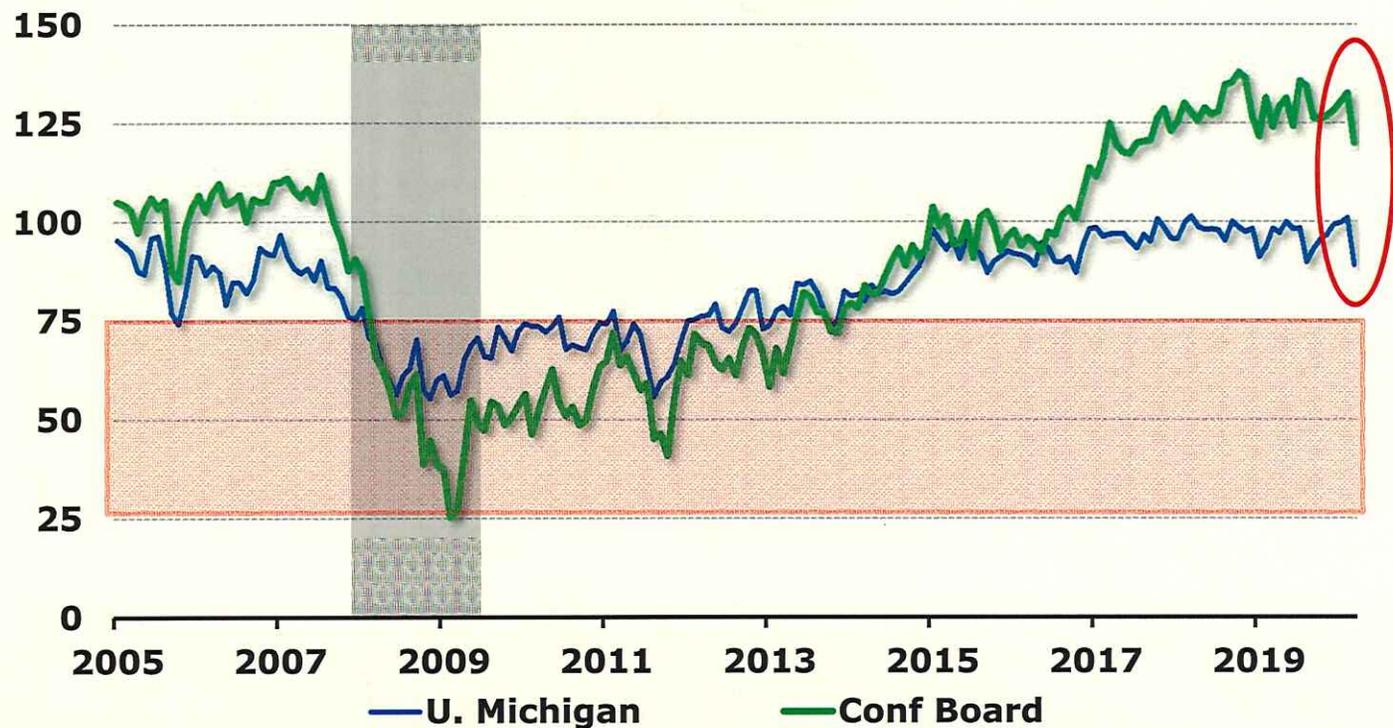
WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Consumer confidence declined in March

An early March survey by Boston Consulting Group found that 56% of consumers expect a recession due to the coronavirus

Index
Mich: 1966Q1 = 100, SA
Conf Board: 1985 = 100, SA



April 23, 2020

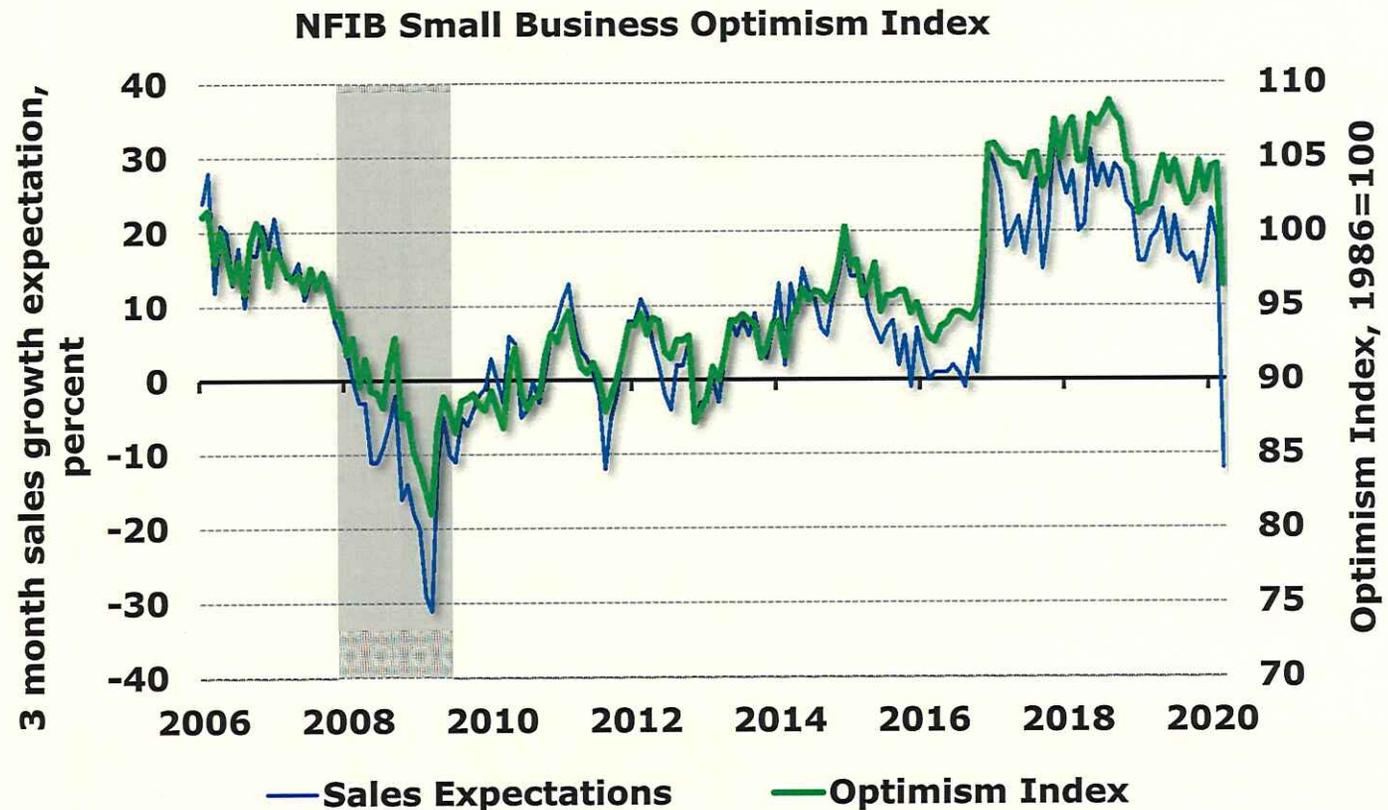
Slide 11

Sources: University of Michigan, Conference Board data through Mar. 2020

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



Small business optimism declines as sales expectations go negative



April 23, 2020

Slide 12

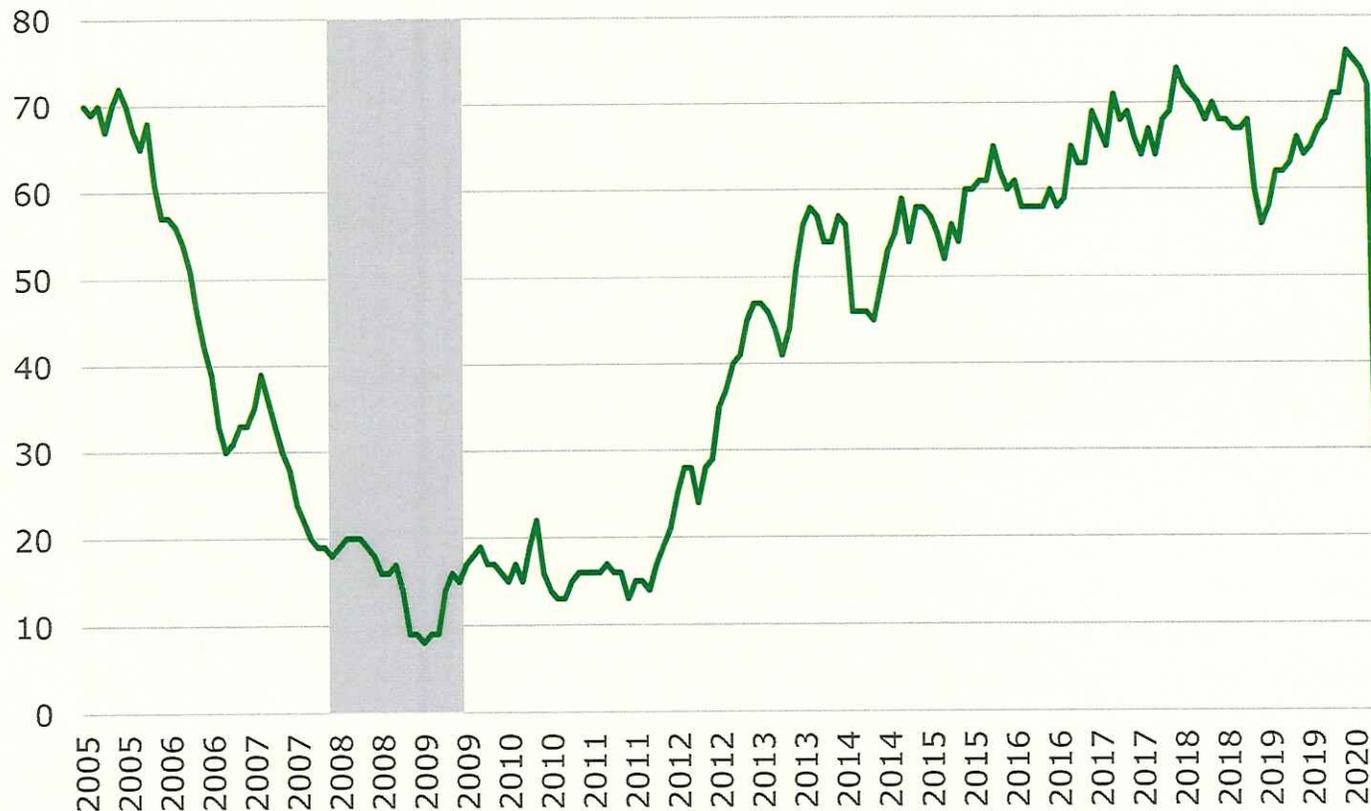
Source: National Federation of Independent Business; data through March 2020

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



The outlook for the single family housing market collapsed in April

NAHB Housing Market Index



April 23, 2020

Slide 13

Source: National Association of Home Builders; data through April 2020

WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL



U.S. retail sales in March fell 8.7% compared to February



April 23, 2020

Slide 14

Source: U.S. Census Bureau; advanced data through March 2020

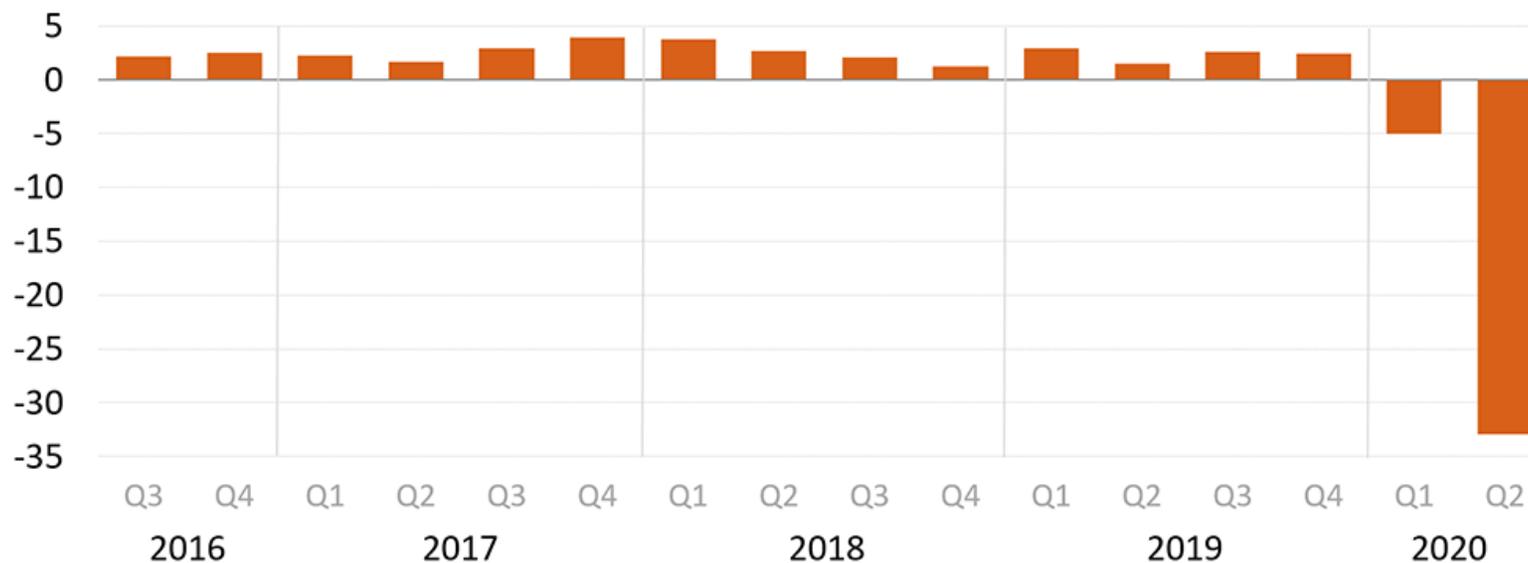
WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Gross Domestic Product, 2nd Quarter 2020 (Advance Estimate) and Annual Update

Real gross domestic product (GDP) decreased at an annual rate of 32.9 percent in the second quarter of 2020 (table 1), according to the "advance" estimate released by the Bureau of Economic Analysis. In the first quarter, real GDP decreased 5.0 percent.

The GDP estimate released today is based on source data that are incomplete or subject to further revision by the source agency (see "Source Data for the Advance Estimate" on page 2). The "second" estimate for the second quarter, based on more complete data, will be released on August 27, 2020.

Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

Seasonally adjusted at annual rates

Personal Income and Outlays: June 2020

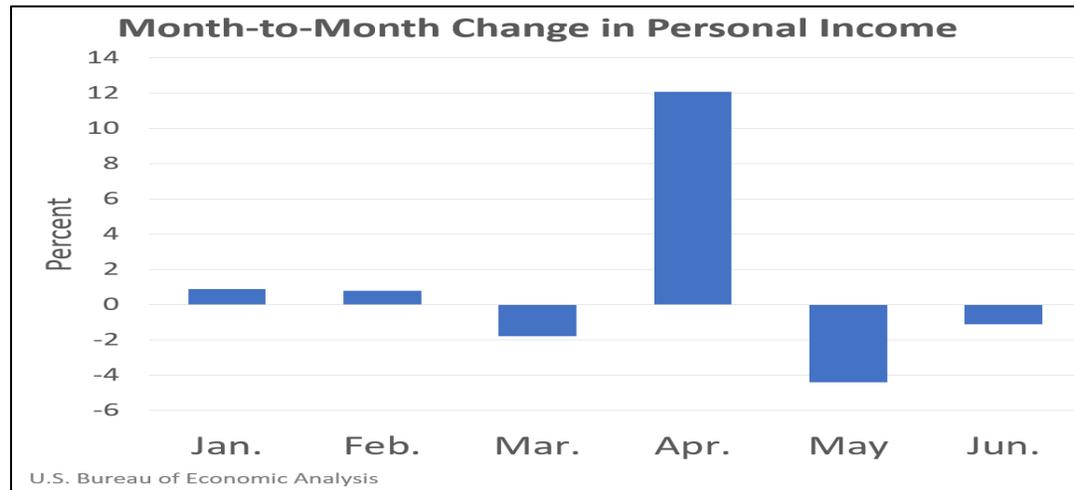
June 2020	-1.1%
May 2020	-4.4%

Personal income decreased 1.1 percent while consumer spending increased 5.6 percent in June, according to estimates released today by the Bureau of Economic Analysis.

Current Release

Current release: July 31, 2020

Next release: August 28, 2020



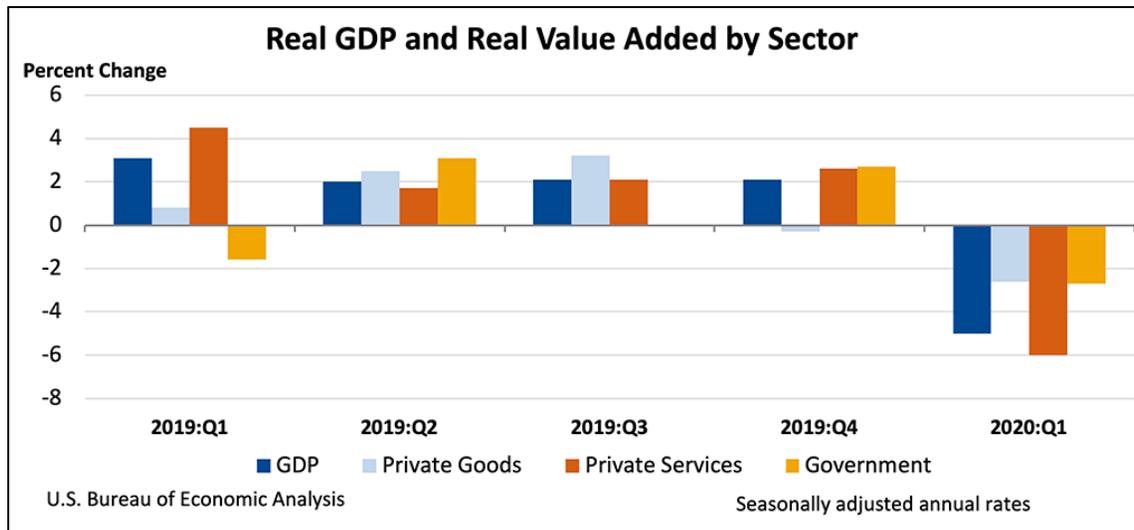
Gross Domestic Product by Industry, 1st Quarter 2020

Accommodation and food services; finance and insurance; and health care and social assistance industries were the leading contributors to the 5.0 percent (annual rate) decrease in gross domestic product (GDP) in the first quarter of 2020.

Current Release

Current Release: July 6, 2020

Next Release: September 30, 2020



Sales Tax Analysis

Month	2014	% of total	2015	% of total	2016	% of total	2017	% of total	2018	% of total	2019	% of total	average %	2020 Budget	2020 Projected	Difference
Jan	256,725.00	7.10%	278,286.15	6.85%	308,703.08	6.85%	371,743.10	7.14%	385,886.50	7.38%	424,395.97	7.74%	7.18%	366,855.82	421,461.32	54,605.50
Feb	351,275.20	9.71%	410,911.16	10.11%	482,650.11	10.72%	498,044.58	9.57%	505,774.30	9.68%	501,821.82	9.16%	9.82%	502,058.13	508,541.19	6,483.06
March	249,356.94	6.89%	283,983.52	6.99%	309,073.91	6.86%	401,781.85	7.72%	380,522.24	7.28%	384,354.33	7.01%	7.13%	364,204.86	405,070.64	40,865.78
April	259,851.87	7.18%	300,151.66	7.39%	318,029.04	7.06%	355,099.65	6.82%	355,300.43	6.80%	354,631.64	6.47%	6.95%	355,386.61	339,389.50	(15,997.11)
May	327,428.00	9.05%	328,259.64	8.08%	357,228.69	7.93%	392,830.48	7.55%	449,189.37	8.59%	474,569.40	8.66%	8.31%	424,720.65	377,479.45	(47,241.20)
June	290,916.62	8.04%	311,569.32	7.67%	353,006.84	7.84%	428,892.83	8.24%	385,791.14	7.38%	435,094.92	7.94%	7.85%	401,264.46	424,720.61	23,456.15
July	302,693.02	8.37%	341,975.43	8.41%	374,196.61	8.31%	420,545.15	8.08%	444,537.93	8.50%	467,550.64	8.53%	8.37%	427,667.96	535,244.53	107,576.57
Aug	332,895.43	9.20%	384,891.07	9.47%	414,128.70	9.20%	484,098.82	9.30%	496,991.90	9.51%	510,414.66	9.31%	9.33%	476,939.66	400,000.00	(76,939.66)
Sept	296,785.70	8.20%	357,499.71	8.80%	386,998.79	8.59%	466,673.49	8.97%	447,792.77	8.57%	493,649.26	9.01%	8.69%	444,090.02	375,000.00	(69,090.02)
Oct	326,890.86	9.04%	361,661.74	8.90%	407,033.37	9.04%	484,566.93	9.31%	470,234.09	9.00%	475,184.15	8.67%	8.99%	459,556.15	390,000.00	(69,556.15)
Nov	329,011.86	9.10%	381,613.23	9.39%	419,599.29	9.32%	464,177.07	8.92%	446,100.51	8.53%	511,856.72	9.34%	9.10%	465,043.13	395,000.00	(70,043.13)
Dec	293,379.20	8.11%	323,252.87	7.95%	373,195.70	8.29%	434,526.03	8.35%	459,165.71	8.78%	446,529.56	8.15%	8.27%	422,766.55	355,000.00	(67,766.55)
Total	3,617,209.70	100.00%	4,064,055.50	100.00%	4,503,844.13	100.00%	5,202,979.98	100.00%	5,227,286.89	100.00%	5,480,053.07	100.00%	100.00%	5,110,554.00	4,926,907.24	(183,646.76)

Becky Hasart:
15% decrease rounded down to nearest \$5K ish

% increase from prior year

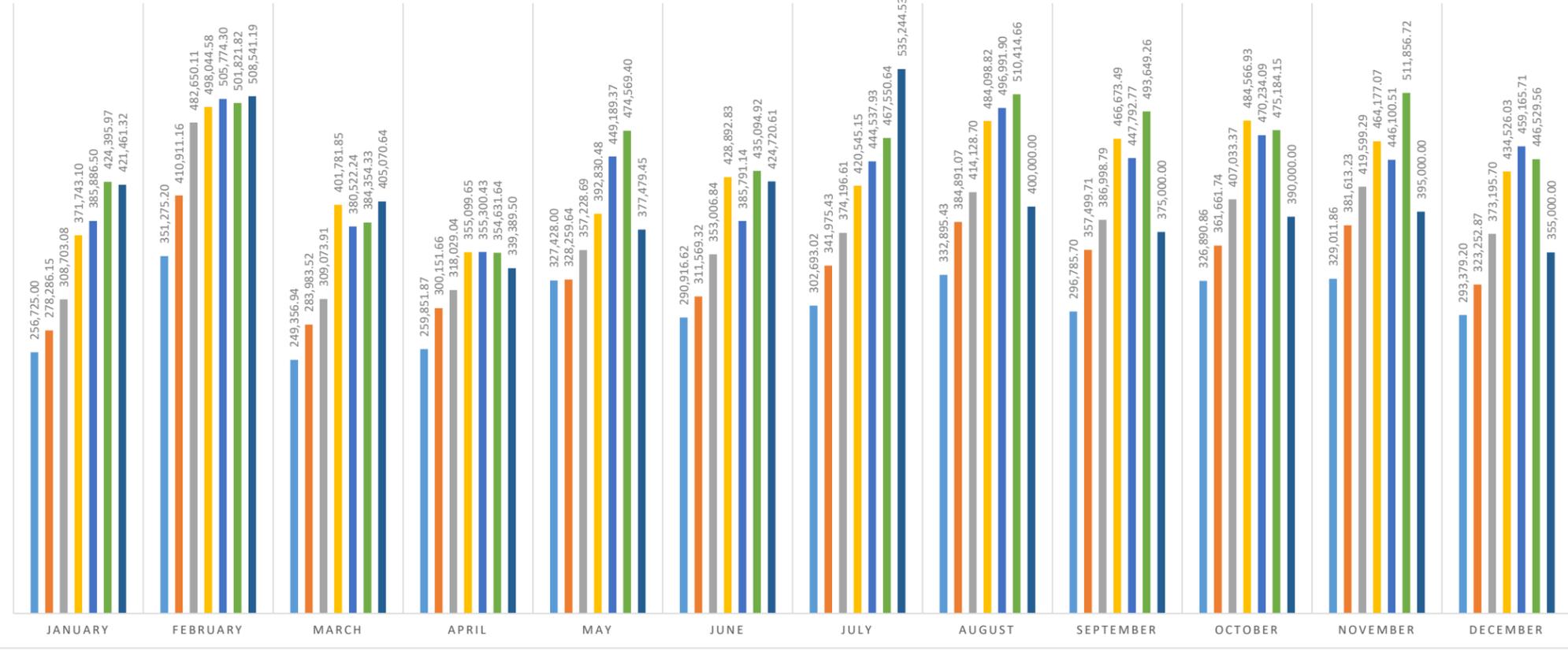
12.35%	10.82%	15.52%	0.47%	4.84%	-2.23%
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Total % inc

	January	February	March	April	May	June	July	August	September	October	November	December	Total	% inc
2014	256,725.00	351,275.20	249,356.94	259,851.87	327,428.00	290,916.62	302,693.02	332,895.43	296,785.70	326,890.86	329,011.86	293,379.20	3,444,040.01	14.83%
2015	278,286.15	410,911.16	283,983.52	300,151.66	328,259.64	311,569.32	341,975.43	384,891.07	357,499.71	361,661.74	381,613.23	323,252.87	3,617,209.70	5.03%
2016	308,703.08	482,650.11	309,073.91	318,029.04	357,228.69	353,006.84	374,196.61	414,128.70	386,998.79	407,033.37	419,599.29	373,195.70	4,064,055.50	12.35%
2017	371,743.10	498,044.58	401,781.85	355,099.65	392,830.48	428,892.83	420,545.15	484,098.82	466,673.49	484,566.93	464,177.07	434,526.03	5,202,979.98	15.52%
2018	385,886.50	505,774.30	380,522.24	355,300.43	449,189.37	385,791.14	444,537.93	496,991.90	447,792.77	470,234.09	446,100.51	459,165.71	5,227,286.89	0.47%
2019	424,395.97	501,821.82	384,354.33	354,631.64	474,569.40	435,094.92	467,550.64	510,414.66	493,649.26	475,184.15	511,856.72	446,529.56	5,480,053.07	4.84%
2020	421,461.32	508,541.19	405,070.64	339,389.50	377,479.45	424,720.61	535,244.53	400,000.00	375,000.00	390,000.00	395,000.00	355,000.00	4,926,907.24	-5.75%

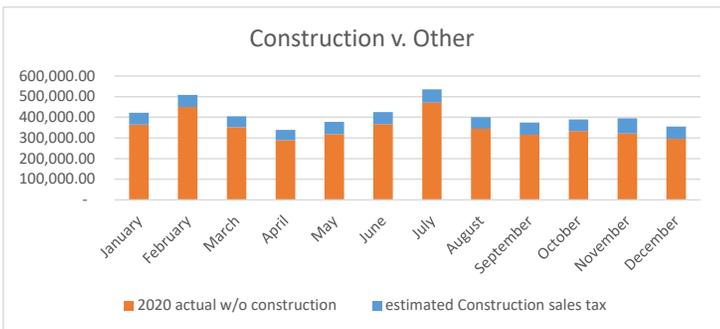
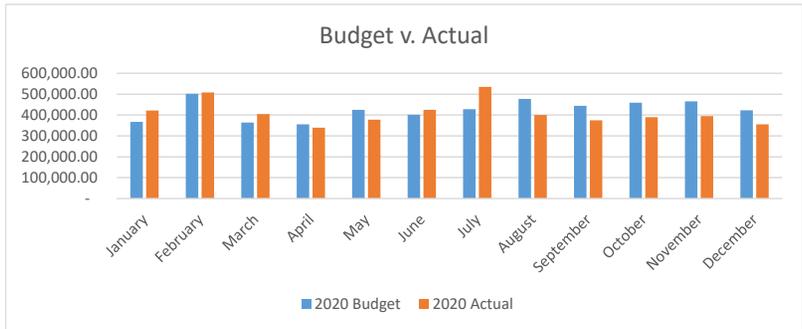
SALES TAX COLLECTION HISTORY

■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020



Ave Receipts % by month per history		2020 Budget	2020 Actual	Difference over/(under)	% over/(under) budget	estimated Construction sales tax	2020 actual w/o construction	Construction % of total	
7.18%	January	366,855.82	421,461.32	54,605.50	14.88%	January	56,801.81	364,659.51	13.48%
8.82%	February	502,058.13	508,541.19	6,483.06	1.29%	February	58,390.17	450,151.02	11.48%
7.13%	March	364,204.86	405,070.64	40,865.78	11.22%	March	53,019.27	352,051.37	13.09%
6.95%	April	355,386.61	339,389.50	(15,997.11)	-4.50%	April	49,885.45	289,504.05	14.70%
8.31%	May	424,720.65	377,479.45	(47,241.20)	-11.12%	May	59,644.62	317,834.83	15.80%
7.85%	June	401,264.46	424,720.61	23,456.15	5.85%	June	57,986.23	366,734.38	13.65%
8.37%	July	427,667.96	535,244.53	107,576.57	25.15%	July	64,736.80	470,507.73	12.09%
9.33%	August	476,939.66	400,000.00	(76,939.66)	-16.13%	August	55,320.00	344,680.00	13.83%
8.69%	September	444,090.02	375,000.00	(69,090.02)	-15.56%	September	60,225.00	314,775.00	16.06%
8.99%	October	459,556.15	390,000.00	(69,556.15)	-15.14%	October	56,121.00	333,879.00	14.39%
9.10%	November	465,043.13	395,000.00	(70,043.13)	-15.06%	November	72,956.50	322,043.50	18.47%
8.27%	December	422,766.55	355,000.00	(67,766.55)	-16.03%	December	59,427.00	295,573.00	16.74%
100.00%		<u>5,110,554.00</u>	<u>4,926,907.24</u>	<u>(183,646.76)</u>	-3.59%		<u>704,513.85</u>	<u>4,222,393.39</u>	14.30%

Becky Hasart:
used 2019 construction
percentage from same
months



	A	B	C	D	E	F	G	H	I	J	K	L
1	7/31/2020 General Fund Summary											
2	Departments	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 Proposed	Difference			
3												
4	Taxes (310)	\$8,963,606.69	\$9,374,990.27	\$10,922,889.79	\$11,187,505.44	\$13,018,694.10	\$12,091,630.00	\$11,713,375.96	(\$378,254.04)			
5	Licenses & Permits (320)	\$481,275.47	\$837,034.29	\$806,563.24	\$943,595.84	\$788,791.22	\$520,850.00	\$554,700.00	\$33,850.00			
6	Intergovernmental (330)	\$554,709.08	\$622,952.95	\$616,417.60	\$584,359.35	\$548,062.63	\$522,856.00	\$1,142,051.98	\$619,195.98			
7	Charges for Services (340)	\$961,613.98	\$1,349,351.96	\$1,098,079.10	\$1,439,145.68	\$1,607,207.19	\$1,591,696.00	\$1,462,712.43	(\$128,983.57)			
8	Fines & Forfeitures (350)	\$273,848.52	\$295,620.19	\$283,175.50	\$238,974.21	\$240,705.83	\$213,400.00	\$134,516.17	(\$78,883.83)			
9	Interest & Other Revenues (360)	\$58,811.46	\$58,025.14	\$74,872.68	\$104,814.33	\$146,302.11	\$81,147.00	\$98,593.52	\$17,446.52			
10	Transfers In (397)	\$295,470.43	\$100,000.00	\$446,952.62	\$122,351.00	\$0.00	\$40,209.00	\$40,209.00	\$0.00			
11	Total Resources	\$11,589,335.63	\$12,637,974.80	\$14,248,950.53	\$14,620,745.85	\$16,349,763.08	\$15,061,788.00	\$15,146,159.06	\$84,371.06			
12							\$15,061,788.00		(\$522,744.94) less CARES			
13												
14	Departments	2015 Actuals	2016 Actuals	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2020 YTD	Difference			
15	000 - Non Departmental	\$284,669.00	\$154,956.00	\$259,292.00	\$1,123,739.00	\$1,923,847.50	\$620,450.00	\$545,450.00	(\$75,000.00)			
16	053 - City Wide	\$73,311.09	\$77,668.82	\$123,022.53	\$128,528.01	\$100,351.36	\$110,352.00	\$127,009.00	\$16,657.00			
17	001 - Executive	\$365,551.70	\$393,901.59	\$526,420.87	\$571,742.68	\$664,714.05	\$681,261.00	\$661,761.00	(\$19,500.00)			
18	002 - Finance	\$481,129.43	\$527,388.86	\$568,025.33	\$524,930.77	\$546,120.72	\$662,262.00	\$630,721.00	(\$31,541.00)			
19	003 - Human Resources	\$136,816.13	\$147,636.94	\$152,413.57	\$194,917.05	\$204,808.47	\$275,245.00	\$264,745.00	(\$10,500.00)			
20	004 - Police	\$6,291,627.37	\$6,747,023.65	\$7,004,650.24	\$7,276,020.37	\$7,415,495.33	\$8,083,382.00	\$7,737,537.00	(\$345,845.00)			
21	005 - Legislative	\$119,608.61	\$190,552.22	\$187,380.20	\$158,209.24	\$159,268.25	\$276,622.00	\$232,235.79	(\$44,386.21)			
22	006 - Legal	\$515,602.01	\$578,592.97	\$528,601.74	\$614,057.49	\$798,910.87	\$738,000.00	\$738,000.00	\$0.00			
23	007 - City Clerk/Public Records	\$162,097.89	\$210,672.81	\$134,672.34	\$149,284.29	\$184,954.69	\$194,469.00	\$178,405.00	(\$16,064.00)			
24	009 - Municipal Court	\$309,342.10	\$326,000.52	\$343,494.08	\$367,499.19	\$399,527.64	\$474,813.00	\$483,899.04	\$9,086.04			
25	010 - Parks	\$1,023,227.32	\$1,129,368.13	\$1,319,056.97	\$1,368,704.30	\$1,578,757.88	\$1,722,741.00	\$1,656,534.00	(\$66,207.00)			
26	011 - Jail and Dispatch	\$534,565.38	\$721,123.23	\$734,096.04	\$777,359.61	\$718,652.93	\$698,184.00	\$698,184.00	\$0.00			
27	040 - Human Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$248,560.00	\$148,560.00			
28	110 - Community Development	\$1,160,937.69	\$981,948.09	\$1,185,932.21	\$1,449,576.30	\$1,457,272.81	\$1,672,732.00	\$1,722,732.00	\$50,000.00			
29	190 - Emergency Management	\$94,534.93	\$22,400.11	\$15,944.79	\$17,505.16	\$20,127.49	\$20,384.00	\$20,384.00	\$0.00			
30	202 - COVID Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$607,116.00	\$607,116.00			
31	Total Expenditures	\$11,553,020.65	\$12,209,233.94	\$13,083,002.91	\$14,722,073.46	\$16,172,809.99	\$16,330,897.00	\$16,553,272.83	\$222,375.83			
32							\$16,330,897.00		(\$384,740.17) less CARES			

Becky Hasart:
includes CARES act money
\$607,116

	A	B	C	D	E	F	G	H	I	J	K	L
1	7/31/2020 General Fund Summary											
2	Departments	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 Proposed	Difference			
3												
44												
45												
46	Revenues Over/Under Expenditure with construction			\$1,165,947.62	-\$101,327.61	\$176,953.09	(\$1,269,109.00)	(\$1,407,113.77)				
47												
48	Beginning Fund Balance			\$3,383,932.07	\$4,548,624.84	\$4,422,551.00	\$3,966,802.00	\$4,632,998.68				\$666,196.68
49												
50	Subtotal Ending Fund Balance (all)			\$4,549,879.69	\$4,447,297.23	\$4,599,504.09	\$2,697,693.00	\$3,225,884.91				\$528,191.91
51												
52	Assigned Reserve (Policy)			\$2,280,568.00	\$2,280,568.00	\$2,658,404.00	\$2,620,851.00	\$2,620,851.00				
53	Restricted Reserve			\$375,076.37	\$329,169.00	\$73,863.00	\$45,730.00	\$45,730.00				
54												
55	Unrestricted Ending Fund Balance			\$1,894,235.32	\$1,837,560.23	\$1,867,237.09	\$31,112.00	\$559,303.91				\$528,191.91
56												
57												
58							2020 Revenue Shortfall	\$522,744.94				
59							2020 Expenditure Adjustment	\$384,740.17				
60							Difference (should be close to zero)	\$138,004.77				

REET Analysis
Both quarter %

Month	2015	% of total	2016	% of total	2017	% of total	2018	% of total	2019	% of total	average %	2020 Budget	2020 Actual	Difference
Jan	23,286.22	3.14%	74,151.52	7.87%	59,970.70	3.70%	103,434.91	7.76%	65,346.74	4.90%	5.47%	49,245.82	176,562.64	127,316.82
Feb	35,858.94	4.83%	74,835.90	7.94%	90,614.45	5.59%	244,706.46	18.35%	87,820.29	6.58%	8.66%	77,931.29	72,535.62	(5,395.67)
March	66,663.42	8.99%	55,968.52	5.94%	56,403.13	3.48%	79,162.69	5.94%	84,911.89	6.36%	6.14%	55,263.20	55,591.25	328.05
April	29,889.87	4.03%	91,533.99	9.71%	351,372.20	21.67%	59,507.16	4.46%	94,864.26	7.11%	9.40%	84,568.68	70,522.16	(14,046.52)
May	31,941.60	4.31%	78,280.53	8.31%	95,522.43	5.89%	76,784.16	5.76%	119,298.70	8.94%	6.64%	59,759.74	65,147.01	5,387.27
June	44,458.06	5.99%	63,732.99	6.76%	180,143.41	11.11%	141,439.27	10.61%	119,422.09	8.95%	8.68%	78,157.39	34,696.56	(43,460.83)
July	80,167.05	10.81%	67,538.15	7.17%	82,982.67	5.12%	154,421.93	11.58%	128,113.14	9.60%	8.85%	79,686.17	100,013.96	20,327.79
Aug	77,834.19	10.49%	82,275.21	8.73%	187,214.72	11.55%	76,071.17	5.71%	139,324.08	10.44%	9.38%	84,440.84	40,000.00	(44,440.84)
Sept	69,411.33	9.36%	62,121.16	6.59%	113,458.37	7.00%	102,675.62	7.70%	122,597.48	9.19%	7.97%	71,695.79	48,000.00	(23,695.79)
Oct	48,337.95	6.52%	127,105.98	13.49%	103,184.03	6.36%	84,266.86	6.32%	123,284.56	9.24%	8.38%	75,460.89	50,000.00	(25,460.89)
Nov	102,929.08	13.87%	76,940.09	8.16%	130,609.26	8.06%	99,109.15	7.43%	130,858.63	9.80%	9.47%	85,194.68	57,080.00	(28,114.68)
Dec	131,129.76	17.67%	88,009.07	9.34%	169,915.86	10.48%	111,765.78	8.38%	118,791.90	8.90%	10.96%	98,595.51	66,000.00	(32,595.51)
Total	741,907.47	100.00%	942,493.11	100.00%	1,621,391.23	100.00%	1,333,345.16	100.00%	1,334,633.76	100.00%	100.00%	900,000.00	836,149.20	(63,850.80)
% increase from prior year			27.04%		72.03%		-17.77%		0.10%			-32.57%		
														Total
	January	February	March	April	May	June	July	August	September	October	November	December		
2015	23,286.22	35,858.94	66,663.42	29,889.87	31,941.60	44,458.06	80,167.05	77,834.19	69,411.33	48,337.95	102,929.08	131,129.76	741,907.47	
2016	74,151.52	74,835.90	55,968.52	91,533.99	78,280.53	63,732.99	67,538.15	82,275.21	62,121.16	127,105.98	76,940.09	88,009.07	942,493.11	
2017	59,970.70	90,614.45	56,403.13	351,372.20	95,522.43	180,143.41	82,982.67	187,214.72	113,458.37	103,184.03	130,609.26	169,915.86	1,621,391.23	
2018	103,434.91	244,706.46	79,162.69	59,507.16	76,784.16	141,439.27	154,421.93	76,071.17	102,675.62	84,266.86	99,109.15	111,765.78	1,333,345.16	
2019	65,346.74	87,820.29	84,911.89	94,864.26	119,298.70	119,422.09	128,113.14	139,324.08	122,597.48	123,284.56	130,858.63	118,791.90	1,334,633.76	
2020	176,562.64	72,535.62	55,591.25	70,522.16	65,147.01	34,696.56	100,013.96	40,000.00	48,000.00	50,000.00	57,080.00	66,000.00	836,149.20	

City of Monroe Budget Update

08/13/2020 EDAB

Past Mayoral and Council actions have helped the City better position to address the current recession:

- ▶ Insuring Contingency Fund and all targeted reserves are fully funded;
- ▶ Implementing the sewer utility tax which bolstered General Fund and Street O&M Fund revenues without creating a new burden on sewer rate payers;
- ▶ Identifying and reserving appropriate resources to pay off North Kelsey debt in September;
- ▶ Maintaining property tax banked capacity (currently over \$250K)
- ▶ Identifying construction sales taxes as one-time resources to be used for one-time expenditures only (not used for ongoing operations, which would then need to be cut)

City of Monroe Budget Update

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- ▶ Covid-19 mitigation had profound impact on the economy and City's budget
- ▶ Budget adjustments will mitigate current year impacts and position the City for three year recover process
- ▶ Taking three step approach:
 - Step 1 - basic "belt tightening" while maintaining current levels of service
 - Step 2 (if still needed) - program adjustments to keep costs within available resources
 - Step 3 (last resort step if still needed) - possible furloughs/layoffs and strategic use of reserves
- ▶ All current efforts are intended to avoid Step 3