
Council Meeting Date: April 9, 2018

Agenda Item: 8(c)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Discussing the 2017 Fourth Quarter and Year-End Financial Report
DEPARTMENT: Administrative Services
PRESENTED BY: Sara Lane, Administrative Services Director
Rick Kirkwood, Budget Supervisor
ACTION: ☐ Ordinance ☐ Resolution ☐ Motion
 ☒ Discussion ☐ Public Hearing

PROBLEM/ISSUE STATEMENT:

The 2017 Year-End Financial Report is attached to this staff report as Attachment A. This report summarizes the financial activities during 2017 for all City funds with detailed information provided on the General Fund, Street Fund, Surface Water Utility Fund, General Capital Fund and Roads Capital Fund. Additionally, the report includes the year end summary for the City's Transportation Impact fee collections and expenditures.

This report is provided to keep the Council informed of the financial issues and the financial position of the City.

RESOURCE/FINANCIAL IMPACT:

The table on page 2 of the 2017 Year-End Financial Report provides a summary of the financial results for all City funds for 2017.

RECOMMENDATION

No action is required by the Council. This item is provided for informational purposes.

ATTACHMENTS

Attachment A: 2017 Year-End Financial Report

Approved By: City Manager **DT** City Attorney **MK**



City of Shoreline

2017 YEAR END FINANCIAL REPORT

PERFORMANCE AT A GLANCE

| GENERAL FUND REVENUES | Compared to 2017 Budget | Compared to 2016 Actual | Reference |
|------------------------------|----------------------------|----------------------------|-----------------|
| Property Tax Revenue | ● WARNING ● | ▲ POSITIVE ▲ | Page 5 |
| Sales Tax Revenue | ▲ POSITIVE ▲ | ▲ POSITIVE ▲ | Page 6, 7 |
| Utility Tax Revenue | ▼ NEGATIVE ▼ | ▲ POSITIVE ▲ | Page 11 |
| Development Revenue | ▲ POSITIVE ▲ | ▲ POSITIVE ▲ | Page 12, 13 |
| Parks and Recreation Revenue | ▲ POSITIVE ▲ | ▲ POSITIVE ▲ | Page 14 |
| Investment Income | ▲ POSITIVE ▲ | ▲ POSITIVE ▲ | Page 15, 24, 25 |
| NON-GENERAL FUND REVENUES | | | |
| Surface Water Fees | ▼ NEGATIVE ▼ | ▲ POSITIVE ▲ | Page 19 |
| Fuel Tax | ▼ NEGATIVE ▼ | ◀ NEUTRAL ▶ | Page 22 |
| Real Estate Excise Tax | ▲ POSITIVE ▲ | ▲ POSITIVE ▲ | Page 23 |

This report reflects revenue collections and expenditures through December 31, 2017. The above table reflects differences when compared to the current budget and prior year actual.

- General Fund receipts are 7.9% more than the year-ago level but 2.3% less than that budgeted. The table above shows a warning for Property Tax because the allowable levy is less than the projection used for the budget as the year-over-year assessed value growth was less than the 10% estimate provided by King County. Utility Tax and Franchise Fee receipts are more than the year-ago level by 1.6% but less than the current budget by 5.8% because of the continuing decline in telecommunications tax receipts. See pages 3-15 for details.
- General Fund expenditures are 6.7% more than the year-ago level but 15.4% less than budget. Including the re-appropriation requested by staff, expenditures totaled 88.1% of the current budget and 92.5% of the revised year-end estimate. See pages 16-17 for details.
- Surface Water Utility (SWM) Fund receipts are 1.7% more and expenditures are 14.6% more than the year-ago level. The City had previously omitted the 1.5% Business & Occupation (B&O) Tax submission to the State. The year-over-year increase reflects remittance of taxes owed for 2014 through 2017. A historical comparison excluding payment of B&O taxes in 2017 reveals operating expenditures are 8.0% more and capital project expenditures are 35.5% more than the year-ago level. See page 19 for details.
- Street Fund receipts and expenditures are more than the year-ago level. Fuel tax receipts are more than the year-ago level by 1.2% and less than budget by 5.1%. See page 22 for details.
- Real estate excise tax receipts, while exceeding 2017 budget and revised projections by 56.1% and 10.2%, respectively, are 46.7% more than the year-ago level, which was mainly attributable to the high number the selling of high value properties in 2017. See page 23 for details.

Key to revenue trend indicators:

▲ POSITIVE ▲ = Positive variance of >+2% compared to prior year actual.

◀ NEUTRAL ▶ = Variance of -1% to +2% compared to prior year actual.

● WARNING ● = Negative variance of -1% to -4% compared to prior year actual.

▼ NEGATIVE ▼ = Negative variance of >-4% compared to prior year actual.

CITY FINANCIAL OVERVIEW: Fourth Quarter Executive Summary

Revenues

| Fund | 2017 Current Budgeted Revenues | 2017 4th Quarter Actual | 2017 % of Current Budget | 2016 Current Budgeted Revenues | 2016 4th Quarter Actual | 2016 % of Current Budget | 2017 v. 2016 \$ Variance | 2017 v. 2016 % Variance |
|----------------------------------|--------------------------------|-------------------------|--------------------------|--------------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| General Fund | \$42,927,144 | \$41,937,998 | 97.7% | \$38,566,758 | \$38,875,351 | 100.8% | 3,062,647 | 7.9% |
| Street Fund | \$1,521,225 | \$1,453,454 | 95.5% | \$1,442,468 | \$1,491,050 | 103.4% | -37,596 | -2.5% |
| Code Abatement Fund | \$80,550 | \$214,892 | 266.8% | \$80,550 | \$30,215 | 37.5% | 184,677 | 611.2% |
| State Drug Enforcement Fund | \$18,243 | \$467,488 | 2562.6% | \$18,243 | \$33,424 | 183.2% | 434,064 | 1298.7% |
| Public Arts Fund | \$8,000 | \$44,739 | 559.2% | \$6,500 | \$221,786 | 3412.1% | -177,047 | -79.8% |
| Federal Drug Enforcement Fund | \$13,200 | \$2,317 | 17.6% | \$28,200 | \$15,575 | 55.2% | -13,258 | -85.1% |
| Property Tax Equalization Fund | \$0 | \$0 | 0.0% | \$0 | \$6,139 | 0.0% | -6,139 | -100.0% |
| Federal Crime Forfeitures Fund | \$201,500 | \$145,922 | 72.4% | \$978,500 | \$9,706 | 1.0% | 136,216 | 1403.4% |
| Transportation Impact Fee | \$200,000 | \$1,004,387 | 502.2% | \$200,000 | \$946,285 | 473.1% | 58,102 | 6.1% |
| Unltd Tax GO Bond Fund | \$1,700,000 | \$1,700,952 | 100.1% | \$1,700,000 | \$9,283,963 | 546.1% | -7,583,011 | -81.7% |
| Limited Tax GO Bond 2009 Fund | \$1,662,817 | \$1,682,507 | 101.2% | \$1,663,417 | \$1,657,952 | 99.7% | 24,555 | 1.5% |
| Limited Tax GO Bond 2013 Fund | \$260,948 | \$260,948 | 100.0% | \$260,948 | \$260,438 | 99.8% | 510 | 0.2% |
| General Capital Fund* | \$7,256,385 | \$5,718,816 | 78.8% | \$3,334,865 | \$3,418,999 | 102.5% | 2,299,817 | 67.3% |
| City Facility-Major Maint. Fund* | \$124,044 | \$124,888 | 100.7% | \$782,784 | \$782,663 | 100.0% | -657,775 | -84.0% |
| Roads Capital Fund* | \$11,696,387 | \$5,900,083 | 50.4% | \$6,822,545 | \$6,753,746 | 99.0% | -853,663 | -12.6% |
| Surface Water Utility Fund* | \$4,184,519 | \$4,308,638 | 103.0% | \$4,184,361 | \$4,237,264 | 101.3% | 71,374 | 1.7% |
| Wastewater Utility Fund | \$441,904 | \$448,010 | 101.4% | \$0 | \$0 | 0.0% | 448,010 | 0.0% |
| Vehicle Operations/ Maint. Fund | \$438,123 | \$450,321 | 102.8% | \$256,216 | \$257,665 | 100.6% | 192,656 | 74.8% |
| Equipment Replacement Fund | \$443,487 | \$546,348 | 123.2% | \$531,738 | \$603,993 | 113.6% | -57,645 | -9.5% |
| Unemployment Fund | \$0 | \$629 | 0.0% | \$0 | \$385 | 0.0% | 244 | 63.4% |
| Total Budgeted Revenue | \$73,178,476 | \$66,413,336 | 90.8% | \$60,858,093 | \$68,886,599 | 113.2% | -2,473,263 | -3.6% |
| Budget Use of Fund Balance | \$16,725,379 | \$0 | 0.0% | \$13,003,888 | \$0 | 0.0% | 0 | 0.0% |
| Total Budgeted Resources | \$89,903,855 | \$66,413,336 | 73.9% | \$73,861,981 | \$68,886,599 | 93.3% | -2,473,263 | -3.6% |

Expenditures

| Fund | 2017 Current Budgeted Expenditures | 2017 4th Quarter Actual | 2017 % of Current Budget | 2016 Current Budgeted Expenditures | 2016 4th Quarter Actual | 2016 % of Current Budget | 2017 v. 2016 \$ Variance | 2017 v. 2016 % Variance |
|----------------------------------|------------------------------------|-------------------------|--------------------------|------------------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| General Fund | \$48,303,300 | \$40,820,696 | 84.5% | \$44,707,322 | \$38,252,038 | 85.6% | \$2,568,657 | 6.7% |
| Street Fund | \$1,721,485 | \$1,500,895 | 87.2% | \$1,713,773 | \$1,508,989 | 88.1% | -\$8,094 | -0.5% |
| Code Abatement Fund | \$100,000 | \$4,000 | 4.0% | \$100,000 | \$27,246 | 27.2% | -\$23,246 | -85.3% |
| State Drug Enforcement Fund | \$613,940 | \$209,591 | 34.1% | \$183,096 | \$31,233 | 17.1% | \$178,358 | 571.1% |
| Public Arts Fund | \$96,203 | \$75,836 | 78.8% | \$84,216 | \$47,323 | 56.2% | \$28,513 | 60.3% |
| Federal Drug Enforcement Fund | \$300,397 | \$242,397 | 80.7% | \$263,000 | \$5,981 | 2.3% | \$236,416 | 3952.8% |
| Property Tax Equalization Fund | \$506,938 | \$506,938 | 100.0% | \$691,313 | \$691,313 | 100.0% | -\$184,375 | -26.7% |
| Federal Crime Forfeitures Fund | \$1,038,818 | \$984,740 | 94.8% | \$2,802,444 | \$1,771,131 | 63.2% | -\$786,391 | -44.4% |
| Transportation Impact Fee | \$221,400 | \$0 | 0.0% | \$359,775 | \$0 | 0.0% | \$0 | 0.0% |
| Unltd Tax GO Bond Fund | \$1,710,375 | \$1,702,971 | 99.6% | \$1,710,375 | \$9,304,875 | 544.0% | -\$7,601,904 | -81.7% |
| Limited Tax GO Bond 2009 Fund | \$1,662,817 | \$1,661,094 | 99.9% | \$1,663,417 | \$1,661,867 | 99.9% | -\$773 | 0.0% |
| Limited Tax GO Bond 2013 Fund | \$260,948 | \$260,545 | 99.8% | \$260,948 | \$260,608 | 99.9% | -\$63 | 0.0% |
| General Capital Fund* | \$8,272,419 | \$6,626,993 | 80.1% | \$3,889,399 | \$3,365,020 | 86.5% | \$3,261,973 | 96.9% |
| City Facility-Major Maint. Fund* | \$103,931 | \$103,929 | 100.0% | \$866,754 | \$777,179 | 89.7% | -\$673,250 | -86.6% |
| Roads Capital Fund* | \$12,812,122 | \$5,314,099 | 41.5% | \$4,893,774 | \$3,720,119 | 76.0% | \$1,593,980 | 42.8% |
| Surface Water Utility Fund* | \$5,850,151 | \$5,559,910 | 95.0% | \$5,431,075 | \$4,846,860 | 89.2% | \$713,050 | 14.7% |
| Wastewater Utility Fund | \$441,904 | \$323,426 | 73.2% | \$0 | \$0 | 0.0% | \$323,426 | 0.0% |
| Vehicle Operations/ Maint. Fund | \$453,123 | \$426,215 | 94.1% | \$271,216 | \$185,544 | 68.4% | \$240,671 | 129.7% |
| Equipment Replacement Fund | \$701,787 | \$683,074 | 97.4% | \$504,319 | \$182,346 | 36.2% | \$500,728 | 274.6% |
| Unemployment Fund | \$17,500 | \$3,896 | 22.3% | \$17,500 | \$2,300 | 13.1% | \$1,596 | 69.4% |
| Total Budgeted Expenditures | \$85,189,558 | \$67,011,245 | 78.7% | \$70,413,716 | \$66,641,972 | 94.6% | \$369,272 | 0.6% |

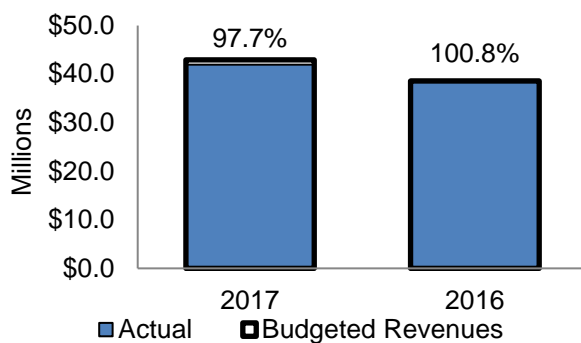
* CIP Funds "Current Budget" reflects the Revised Estimate presented in the 2018-2023 CIP

GENERAL FUND REVENUE DETAIL

| General Fund Resource | 2017 Current Budget | 2017 Fourth Quarter Actual Revenue | 2017 % of Current Budget Received | 2016 Current Budget | 2016 Fourth Quarter Actual Revenue | 2016 % of Current Budget Received | 2017 v. 2016 \$ Change | 2017 v. 2016 % Change |
|---|---------------------|------------------------------------|-----------------------------------|---------------------|------------------------------------|-----------------------------------|------------------------|-----------------------|
| Budgeted Fund Balance | \$7,176,024 | \$0 | 0.0% | \$6,180,242 | \$0 | 0.0% | \$0 | 0.0% |
| Property Tax | \$12,531,317 | \$12,172,701 | 97.1% | \$10,860,481 | \$10,815,204 | 99.6% | \$1,357,497 | 12.6% |
| Sales Tax | \$7,969,800 | \$8,629,376 | 108.3% | \$7,747,700 | \$8,189,742 | 105.7% | \$439,634 | 5.4% |
| Local Criminal Justice | \$1,476,779 | \$1,524,609 | 103.2% | \$1,403,619 | \$1,495,353 | 106.5% | \$29,256 | 2.0% |
| Utility Tax & Franchise Fee Revenue | | | | | | | | |
| <i>Natural Gas</i> | \$906,500 | \$876,548 | 96.7% | \$906,500 | \$730,925 | 80.6% | \$145,623 | 19.9% |
| <i>Garbage</i> | \$559,360 | \$536,343 | 95.9% | \$548,880 | \$548,522 | 99.9% | -\$12,179 | -2.2% |
| <i>Cable TV</i> | \$1,960,150 | \$1,845,129 | 94.1% | \$1,903,020 | \$1,880,875 | 98.8% | -\$35,746 | -1.9% |
| <i>Telecommunications</i> | \$1,421,640 | \$1,067,914 | 75.1% | \$1,421,640 | \$1,176,088 | 82.7% | -\$108,174 | -9.2% |
| <i>Storm Drainage</i> | \$272,449 | \$249,735 | 91.7% | \$240,275 | \$239,060 | 99.5% | \$10,675 | 4.5% |
| <i>Water</i> | \$800,510 | \$949,698 | 118.6% | \$780,700 | \$874,681 | 112.0% | \$75,017 | 8.6% |
| <i>Sewer</i> | \$884,800 | \$886,000 | 100.1% | \$859,022 | \$860,000 | 100.1% | \$26,000 | 3.0% |
| Utility Tax & Franchise Fee Revenue Subtotal | \$6,805,409 | \$6,411,367 | 94.2% | \$6,660,037 | \$6,310,151 | 94.7% | \$101,216 | 1.6% |
| SCL Contract Payment | \$1,921,700 | \$2,055,988 | 107.0% | \$1,838,980 | \$1,925,632 | 104.7% | \$130,356 | 6.8% |
| Gambling Tax Revenue | \$1,587,425 | \$1,582,022 | 99.7% | \$1,587,425 | \$1,559,533 | 98.2% | \$22,489 | 1.4% |
| Development Revenue | \$2,412,675 | \$2,846,127 | 118.0% | \$1,456,000 | \$2,343,847 | 161.0% | \$502,280 | 21.4% |
| Park and Recreation Revenue | \$1,752,317 | \$1,799,481 | 102.7% | \$1,494,998 | \$1,647,840 | 110.2% | \$151,641 | 9.2% |
| Intergovernmental Revenue | \$2,496,401 | \$1,531,598 | 61.4% | \$1,467,017 | \$1,197,395 | 81.6% | \$334,203 | 27.9% |
| Grant Revenue | \$763,695 | \$355,956 | 46.6% | \$844,749 | \$389,094 | 46.1% | -\$33,138 | -8.5% |
| Fines and Licenses | \$650,225 | \$633,098 | 97.4% | \$642,072 | \$581,670 | 90.6% | \$51,428 | 8.8% |
| Miscellaneous Revenue | \$813,493 | \$683,691 | 84.0% | \$781,006 | \$560,090 | 71.7% | \$123,601 | 22.1% |
| Interest Income | \$70,600 | \$174,757 | 247.5% | \$70,600 | \$147,727 | 209.2% | \$27,030 | 18.3% |
| Operating Transfers In | \$1,675,308 | \$1,537,226 | 91.8% | \$1,712,074 | \$1,712,073 | 100.0% | -\$174,847 | -10.2% |
| Total General Fund Resources | \$50,103,168 | \$41,937,998 | 83.7% | \$44,747,000 | \$38,875,351 | 86.9% | \$3,062,647 | 7.9% |
| Total General Fund Revenue excl. Budgeted Fund Balance | \$42,927,144 | \$41,937,998 | 97.7% | \$38,566,758 | \$38,875,351 | 100.8% | \$3,062,647 | 7.9% |

GENERAL FUND REVENUE ANALYSIS:

TOTAL GENERAL FUND REVENUE SUMMARY



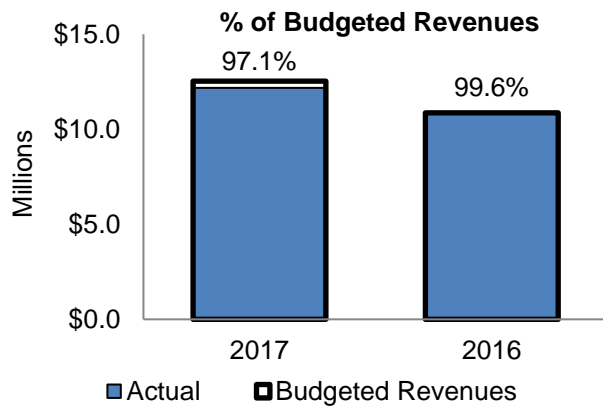
| 2017 Current Budget | | \$50,103,168 |
|-------------------------------------|---|--------------|
| 2017 Budgeted Revenue | | \$42,927,144 |
| 2017 Fourth Quarter Actual Revenue | | \$41,937,998 |
| 2017 % of Budgeted Revenue Received | | 97.7% |
| 2016 Budgeted Revenue | | \$38,566,758 |
| 2016 Fourth Quarter Actual Revenue | | \$38,875,351 |
| 2016 % of Budgeted Revenue Received | | 100.8% |
| 2017 v. 2016 \$ Change | | \$3,062,647 |
| 2017 v. 2016 % Change | ↑ | 7.9% |

The difference between 2017 Current Budget and 2017 Budgeted Revenues reflects the planned use of Fund Balance for one time investments as provided in the City's financial policies. General Fund revenue received in 2017 reflects a year-over-year increase of 7.9%. The following pages present a detailed analysis of various General Fund revenue sources. The following are highlights comparing 2017 to 2016 for the General Fund:

- Property tax receipts are 12.6% more than those for 2016, which is largely attributable to the successful passage of the Levy Lid Lift in November 2016.
- The Regional Transit Authority Tax increased the sales tax rate by 0.5% to 10.0% on April 1, 2017. The City's portion remained at 0.85%. Sales tax receipts, which reflect activity from December 2016 through November 2017, are more than the revised projection by 4.7% and 2016 collections by 5.4%. Receipts from the Construction and Retail Trade sectors are more than the year-ago level by 12.0% and 3.9%, respectively.
- The year-over-year change for Intergovernmental Revenue receipts is largely due to reimbursement from Sound Transit per the Expedited Permitting and Reimbursement agreement. The first bill to Sound Transit was paid in the fourth quarter of 2016 and the balance of the reimbursement is anticipated to be received in 2017 and 2018 as work on the project continues.
- Utility Tax and Franchise Fee receipts are more than the year-ago level by 1.6% but less than the revised projection by 4.8%. The year-over-year difference is largely attributable to the continued decline in the amount of telecommunications utility tax collected.
- The year-over-year increase of 21.4% in Development Revenue is attributable to increases in the average revenue per permit across the board. This is due to an increase in the valuations per permit as well as the result of Planning and Community Development's permitting and inspection fee cost recovery study which increased the fee for construction permits for projects with greater than \$1.0 million valuation in the building table increased from \$3.15 to \$4.00 per additional \$1,000 valuation.
- Parks and Recreation receipts are 9.2% more than the year-ago level. The year-over-year increase was anticipated and is attributable to the closure of the Shoreline Pool as major maintenance and improvements to extend its life were being performed in 2016.

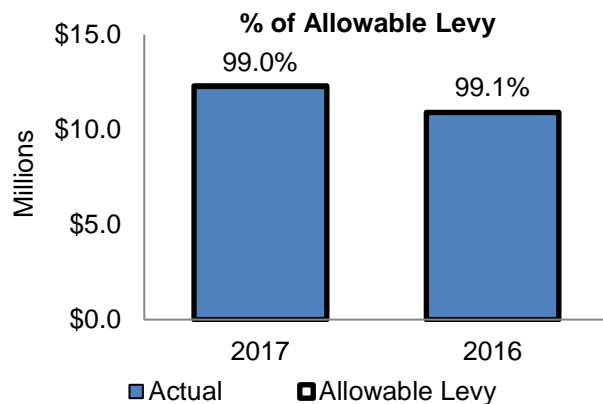
GENERAL FUND REVENUE ANALYSIS:

PROPERTY TAX



| 2017 Current Budget | \$12,531,317 |
|------------------------------------|--------------|
| 2017 Fourth Quarter Actual Revenue | \$12,172,701 |
| 2017 % of Current Budget Received | 97.1% |
| 2016 Current Budget | \$10,860,481 |
| 2016 Fourth Quarter Actual Revenue | \$10,815,204 |
| 2016 % of Current Budget Received | 99.6% |
| 2017 v. 2016 \$ Change | \$1,357,497 |
| 2017 v. 2016 % Change | 12.6% |

The year-over-year increase of 12.6% is largely attributable to the successful passage of the Levy Lid Lift in November 2016.

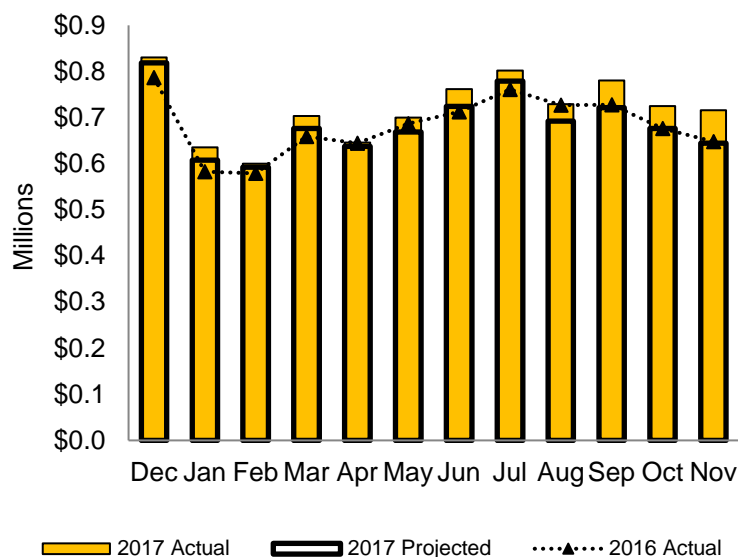


Property tax payments are due to King County in April and October. The County then must remit the City's portion resulting in the majority of collections occurring in the second and fourth quarters. Receipts for 2017 and 2016 as a percentage of the budgeted projection are 97.1% and 99.6%, respectively.

In terms of the allowable levy, which in many cases is different than the budgeted projection, 2017 collections are lower than the allowable amount due to an error by the King County Assessor's Office levying tax on City-owned properties. As a result, receipts for 2017 and 2016 are at 99.0% and 99.1%, respectively.

GENERAL FUND REVENUE ANALYSIS (continued):

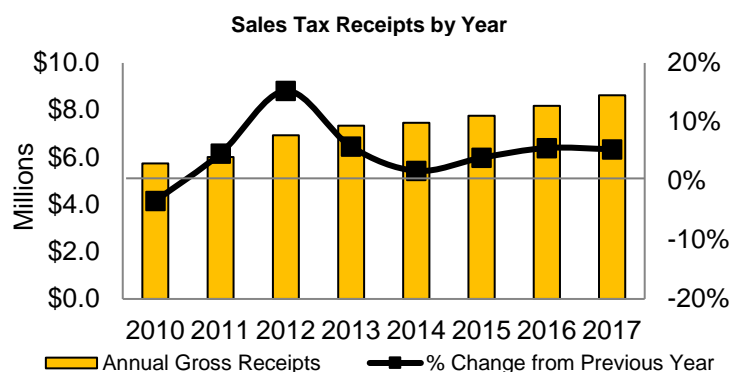
SALES TAX



| 2017 Current Budget | | \$7,969,800 |
|--|-------------|--|
| Sales tax revenue: December - November | | |
| Sales Activity | 2016 | 2017 |
| December (Prior Year) | \$786,417 | \$830,653 |
| January | \$582,409 | \$635,543 |
| February | \$578,999 | \$600,093 |
| March | \$658,721 | \$703,715 |
| April | \$644,235 | \$645,855 |
| May | \$686,499 | \$699,799 |
| June | \$712,311 | \$761,881 |
| July | \$760,954 | \$801,787 |
| August | \$727,288 | \$728,834 |
| September | \$727,935 | \$780,513 |
| October | \$676,101 | \$724,607 |
| November | \$647,873 | \$716,095 |
| Year to date | \$8,189,740 | \$8,629,376 |
| \$ Change | | \$439,636 |
| % Change | |  5.4% |

The tax rate for the first quarter of 2017 was 9.5%, with the City's portion accounting for 0.85% of the rate. The Regional Transit Authority Tax increased the sales tax rate by 0.5% to 10.0% on April 1, 2017 to expand and improve transit facilities in King, Pierce, and Snohomish Counties. The City's portion remained at 0.85%.

Sales Tax receipts, which reflect activity from December 2016 through November 2017 are more than the budget's year-to-date projection by 8.3%, the revised year-to-date projection by 4.7%, and 2016 collections by 5.4%. The following chart and table reflects a comparison of sales tax receipts by year:



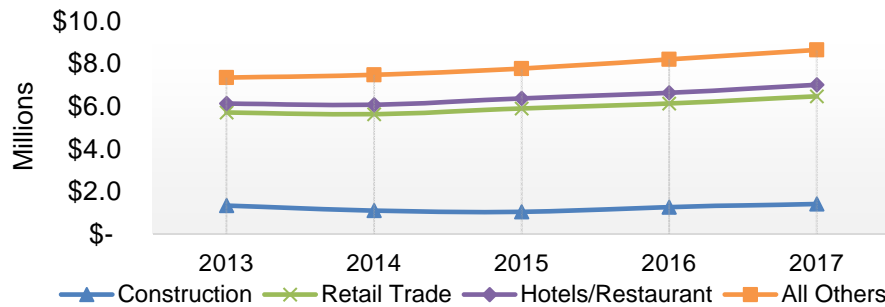
| Year | Annual Revenue | % Change from Previous Year |
|------|----------------|-----------------------------|
| 2010 | \$5,745,755 | -3.4% |
| 2011 | \$6,014,244 | 4.7% |
| 2012 | \$6,932,874 | 15.3% |
| 2013 | \$7,336,805 | 5.8% |
| 2014 | \$7,462,886 | 1.7% |
| 2015 | \$7,756,235 | 3.9% |
| 2016 | \$8,189,742 | 5.6% |
| 2017 | \$8,629,376 | 5.4% |

The tables on the following page help illustrate the performance of various sectors. The first table presents a condensed view of the four primary categories of Construction; Retail Trade; Hotels and Restaurants; and All Others. The second table presents a breakdown of the Retail Trade category and highlights specific industry economic performance in comparison to previous years.

Receipts in the Retail Trade sector Food & Beverage Stores Retail category are \$19,499 less than the year-ago level. Receipts in 2016 were \$35,813 more than those for the same period in 2015 resulting from prior period corrections remitted with the receipts for December 2015. Taking this into account, receipts for 2017 are 5.8%, more than those for 2016, which is in line with the historical level of activity.

GENERAL FUND REVENUE ANALYSIS (continued):

Annual Sales Tax Revenue Comparison by Sector



SALES TAX BY PRIMARY CATEGORY: December – November

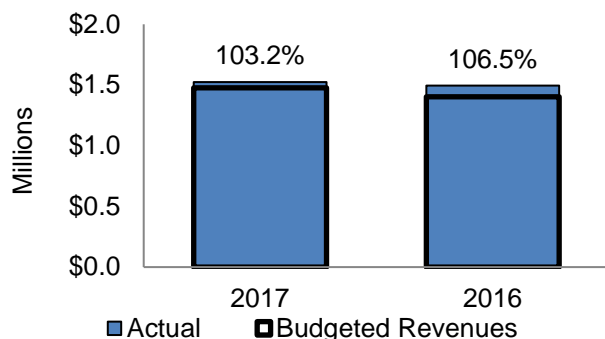
| Sector | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Construction | \$1,326,775 | \$1,088,201 | \$1,029,064 | \$1,250,022 | \$1,399,914 |
| \$ Change | | -\$238,574 | -\$59,137 | \$220,958 | \$149,892 |
| % Change | | ↓ -18.0% | ↓ -5.4% | ↑ 21.5% | ↑ 12.0% |
| Retail Trade | \$4,367,503 | \$4,528,070 | \$4,857,283 | \$4,866,734 | \$5,057,999 |
| \$ Change | | \$160,567 | \$329,213 | \$9,451 | \$191,264 |
| % Change | | ↑ 3.7% | ↑ 7.3% | → 0.2% | ↑ 3.9% |
| Hotels/Restaurant | \$420,096 | \$440,339 | \$473,001 | \$501,086 | \$538,542 |
| \$ Change | | \$20,243 | \$32,662 | \$28,085 | \$37,456 |
| % Change | | ↑ 4.8% | ↑ 7.4% | ↑ 5.9% | ↑ 7.5% |
| All Others | \$1,222,431 | \$1,406,276 | \$1,396,886 | \$1,571,900 | \$1,632,922 |
| \$ Change | | \$183,845 | -\$9,390 | \$175,014 | \$61,022 |
| % Change | | ↑ 15.0% | → -0.7% | ↑ 12.5% | ↑ 3.9% |
| Total Revenue | \$7,336,805 | \$7,462,886 | \$7,756,235 | \$8,189,742 | \$8,629,376 |
| \$ Change | | \$268,489 | \$293,349 | \$433,507 | \$439,634 |
| % Change | | ↑ 4.7% | ↑ 1.7% | ↑ 3.9% | ↑ 5.4% |

SALES TAX BY RETAIL TRADE CATEGORY: December – November

| Retail Trade | 2014 Dec- Nov | 2015 Dec- Nov | 2015v.2014 \$ Change | 2016 Dec- Nov | 2016v.2015 \$ Change | 2017 Dec- Nov | 2017v.2016 \$ Change |
|----------------------------|--------------------|--------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|
| Motor Veh. & Parts Dealer | \$1,236,501 | \$1,350,157 | \$113,656 | \$1,383,558 | \$33,401 | \$1,406,119 | \$22,560 |
| Furn. & Home Furnishings | \$61,757 | \$58,847 | -\$2,910 | \$65,877 | \$7,030 | \$71,996 | \$6,119 |
| Electronics and Appliances | \$102,349 | \$111,503 | \$9,154 | \$105,294 | -\$6,209 | \$114,803 | \$9,510 |
| Building Material & Garden | \$662,018 | \$787,425 | \$125,407 | \$773,383 | -\$14,042 | \$848,902 | \$75,519 |
| Food & Beverage Stores | \$253,519 | \$263,631 | \$10,112 | \$315,552 | \$51,921 | \$296,053 | -\$19,499 |
| Health & Personal Care | \$167,514 | \$211,545 | \$44,031 | \$231,800 | \$20,255 | \$247,638 | \$15,838 |
| Gasoline Stations | \$76,539 | \$75,269 | -\$1,270 | \$73,372 | -\$1,897 | \$77,960 | \$4,587 |
| Clothing & Accessories | \$52,192 | \$59,628 | \$7,436 | \$75,375 | \$15,747 | \$84,421 | \$9,046 |
| Sporting Goods, Hobby | \$82,463 | \$84,163 | \$1,700 | \$78,834 | -\$5,329 | \$79,950 | \$1,115 |
| General Merch. Stores | \$1,144,543 | \$1,142,571 | \$10,028 | \$1,282,598 | \$141,973 | \$1,304,339 | \$21,742 |
| Misc. Store Retailers | \$246,326 | \$236,280 | -\$10,046 | \$245,312 | \$9,032 | \$268,982 | \$23,670 |
| Nonstore Retailers | \$172,349 | \$194,265 | \$21,916 | \$235,779 | \$41,514 | \$256,836 | \$21,057 |
| Total Revenue | \$4,528,070 | \$4,857,283 | \$329,213 | \$4,866,734 | \$9,451 | \$5,057,999 | \$191,264 |

GENERAL FUND REVENUE ANALYSIS (continued):

LOCAL CRIMINAL JUSTICE SALES TAX

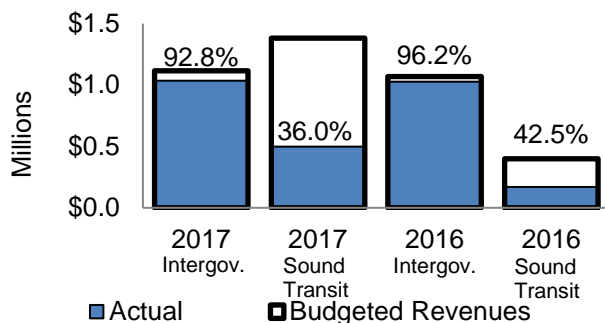


| 2017 Current Budget | \$1,476,779 |
|------------------------------------|-------------|
| 2017 Fourth Quarter Actual Revenue | \$1,524,609 |
| 2017 % of Current Budget Received | 103.2% |
| 2016 Current Budget | \$1,403,619 |
| 2016 Fourth Quarter Actual Revenue | \$1,495,353 |
| 2016 % of Current Budget Received | 106.5% |
| 2017 v. 2016 \$ Change | \$29,256 |
| 2017 v. 2016 % Change | 2.0% |

Local Criminal Justice Sales Tax receipts are more than the year-ago level and revised projection by 2.0% and 0.2%, respectively.

The result for Local Criminal Justice Sales Tax receipts is not commensurate with the result for Sales Tax receipts because the distribution of Local Criminal Justice Sales Tax is based on the city's population and the amount of sales tax collected throughout all of King County. The Puget Sound Economic Forecaster estimated that retail sales throughout King County would increase year-over-year by 4.6%. Sales tax collected throughout King County was actually only 3.4% more than the year-ago level.

INTERGOVERNMENTAL REVENUE

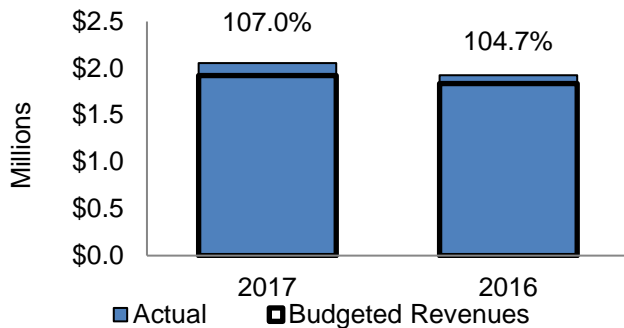


| 2017 Current Budget | \$2,496,401 |
|------------------------------------|-------------|
| 2017 Fourth Quarter Actual Revenue | \$1,531,598 |
| 2017 % of Current Budget Received | 61.4% |
| 2016 Current Budget | \$1,467,017 |
| 2016 Fourth Quarter Actual Revenue | \$1,197,395 |
| 2016 % of Current Budget Received | 81.6% |
| 2017 v. 2016 \$ Change | \$334,203 |
| 2017 v. 2016 % Change | 27.9% |

Intergovernmental revenue sources are comprised primarily of funding for criminal justice programs, liquor excise tax, liquor board profits, and reimbursement from Sound Transit per the Expedited Permitting and Reimbursement Agreement. The first bill to Sound Transit was paid in the fourth quarter of 2016 and the balance of the reimbursement is anticipated to be received in 2017 and 2018 as work on the project continues. Work is billed as incurred so revenues match associated costs. Total receipts are 27.9% more than the year-ago level. Receipts from sources other than Sound Transit reimbursements are 0.7% less than the year-ago level. The under collection of sources other than Sound Transit reimbursements is largely attributable to the Port of Seattle Economic Development Partnership Program Grant, Waste Reduction and Recycling Grant, and Local Hazardous Waste Management Program Grant sources, work on which will continue in 2018.

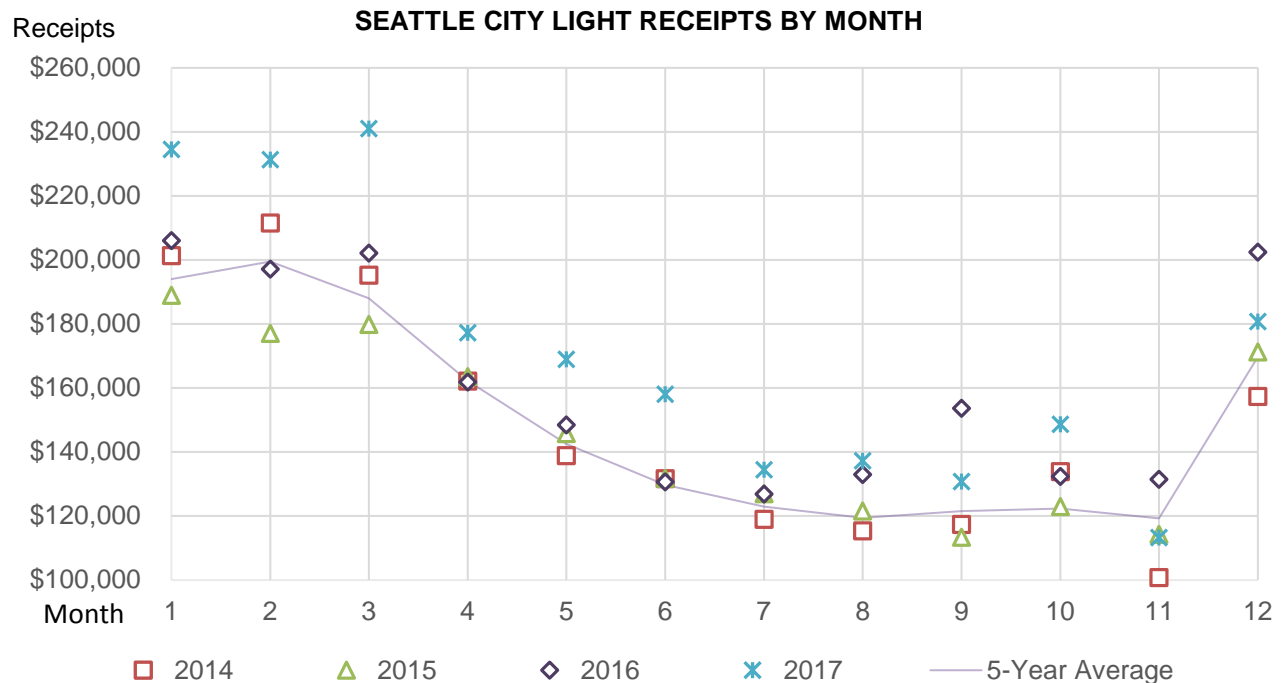
GENERAL FUND REVENUE ANALYSIS (continued):

SEATTLE CITY LIGHT CONTRACT PAYMENT



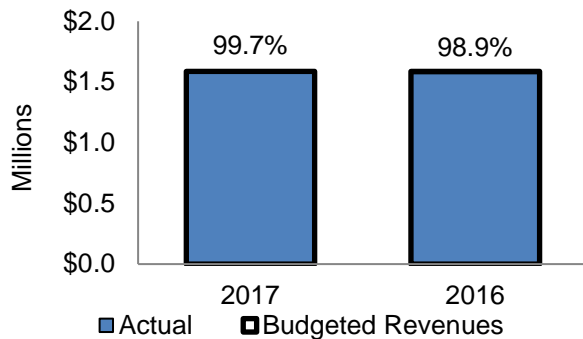
| 2017 Current Budget | | \$1,921,700 |
|------------------------------------|-------------|-------------|
| 2017 Fourth Quarter Actual Revenue | \$2,055,988 | |
| 2017 % of Current Budget Received | 107.0% | |
| 2016 Current Budget | \$1,838,980 | |
| 2016 Fourth Quarter Actual Revenue | \$1,925,632 | |
| 2016 % of Current Budget Received | 104.7% | |
| 2017 v. 2016 \$ Change | \$130,356 | |
| 2017 v. 2016 % Change | ↑ 6.8% | |

The City's agreement with Seattle City Light imposes a six percent contract fee on total electrical revenues. Receipts are 6.8% more than the year-ago level, 7.0% more than the budget projection, and 1.8% less than the revised year-to-date projection. The chart below shows receipts for the last four years.



GENERAL FUND REVENUE ANALYSIS (continued):

GAMBLING TAX REVENUE



| 2017 Current Budget | \$1,587,425 |
|------------------------------------|-------------|
| 2017 Fourth Quarter Actual Revenue | \$1,582,022 |
| 2017 % of Current Budget Received | 99.7% |
| 2016 Current Budget | \$1,587,425 |
| 2016 Fourth Quarter Actual Revenue | \$1,570,218 |
| 2016 % of Current Budget Received | 98.9% |
| 2017 v. 2016 \$ Change | \$11,804 |
| 2017 v. 2016 % Change | 0.8% |

The tax on card rooms is levied at 10% of gross receipts above a one-time deduction of \$10,000 and 5% on gross receipts from pull-tabs.

Total gambling receipts, including late payment penalties, in the amount of \$1,582,022, are 0.8% more than 2016 collections of \$1,570,218.

Receipts attributable to taxes on gambling activity reported, in the amount of \$1,580,374, are 0.4% less than the year-ago level of \$1,587,425.

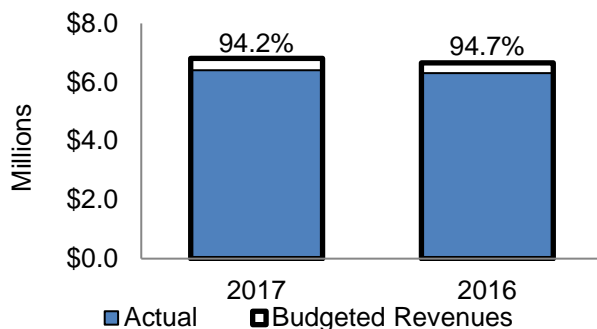
Receipts from pull-tab activity increased 2.9% year-over-year and card room activity increased 1.1%. The table to the right exhibits the last seven years of gross receipts reported by card rooms in Shoreline.

Annual Activity

| Year | Amount | % Change |
|------|--------------|----------|
| 2011 | \$18,502,782 | ↑ 7.0% |
| 2012 | \$16,751,880 | ↓ -9.5% |
| 2013 | \$15,265,019 | ↓ -8.9% |
| 2014 | \$14,263,567 | ↓ -6.6% |
| 2015 | \$14,759,814 | ↑ 3.5% |
| 2016 | \$14,220,610 | ↓ -3.7% |
| 2017 | \$14,381,879 | ↑ 1.1% |

GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY TAX AND FRANCHISE FEE



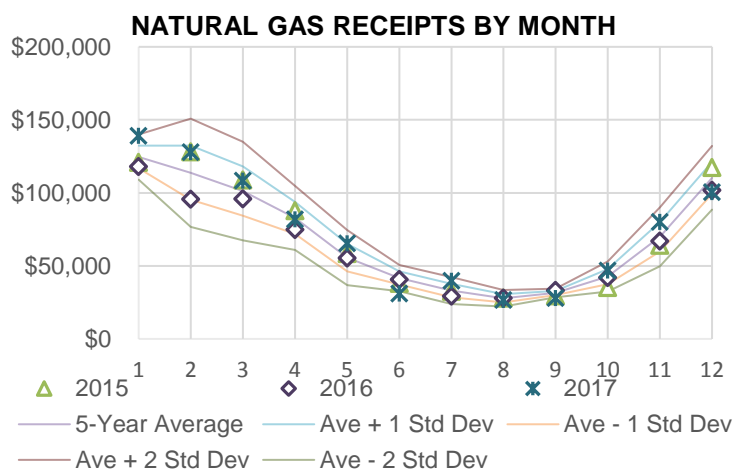
| | |
|------------------------------------|--------------------|
| 2017 Current Budget | \$6,805,409 |
| 2017 Fourth Quarter Actual Revenue | \$6,411,367 |
| 2017 % of Current Budget Received | 94.2% |
| 2016 Current Budget | \$6,660,037 |
| 2016 Fourth Quarter Actual Revenue | \$6,310,151 |
| 2016 % of Current Budget Received | 94.7% |
| 2017 v. 2016 \$ Change | \$101,216 |
| 2017 v. 2016 % Change | 1.6% |

Overall Utility Tax and Franchise Fee receipts are more than the year-ago level by 1.6% but 4.8% less than the revised budget projection.

Natural gas tax receipts are 19.9% more than the year-ago level. Receipts were significantly more for nine out of twelve months as compared to the same period last year.

Cable TV tax receipts are less than the year-ago level and budget projection by 1.9% and 5.9%, respectively.

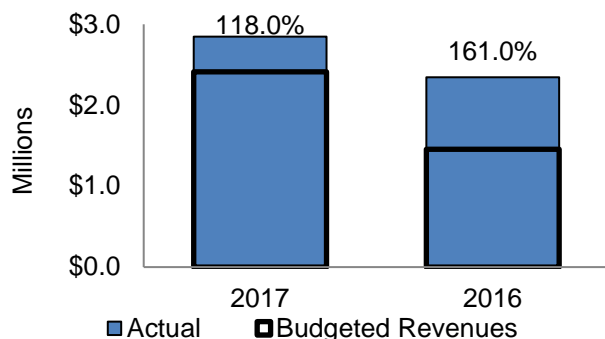
Telecommunications tax receipts are less than the year-ago level and revised year-to-date budget projection by 9.2% and 15.9%, respectively.



| Revenue Source | 2017 Current Budget | 2017 Fourth Quarter Actual Revenue | 2017 % of Current Budget Received | 2016 Current Budget | 2016 Fourth Quarter Actual Revenue | 2016 % of Current Budget Received | 2017 v. 2016 \$ Change | 2017 v. 2016 % Change |
|---|---------------------|------------------------------------|-----------------------------------|---------------------|------------------------------------|-----------------------------------|------------------------|-----------------------|
| Natural Gas | \$906,500 | \$876,548 | 96.7% | \$906,500 | \$730,925 | 80.6% | \$145,623 | ↑ 19.9% |
| Garbage | \$559,360 | \$536,343 | 95.9% | \$548,880 | \$548,522 | 99.9% | -\$12,179 | ↓ -2.2% |
| Cable TV | \$1,960,150 | \$1,845,129 | 94.1% | \$1,903,020 | \$1,880,875 | 98.8% | -\$35,746 | ↓ -1.9% |
| Telecommunications | \$1,421,640 | \$1,067,914 | 75.1% | \$1,421,640 | \$1,176,088 | 82.7% | -\$108,174 | ↓ -9.2% |
| Storm Drainage | \$272,449 | \$249,735 | 91.7% | \$240,275 | \$239,060 | 99.5% | \$10,675 | ↑ 4.5% |
| Water | \$800,510 | \$949,698 | 118.6% | \$780,700 | \$874,681 | 112.0% | \$75,017 | ↑ 8.6% |
| Sewer | \$884,800 | \$886,000 | 100.1% | \$859,022 | \$860,000 | 100.1% | \$26,000 | ↑ 3.0% |
| Utility Tax & Franchise Fee Revenue Subtotal | \$6,805,409 | \$6,411,367 | 94.2% | \$6,660,037 | \$6,310,151 | 94.7% | \$101,216 | ↑ 1.6% |

GENERAL FUND REVENUE ANALYSIS (continued):

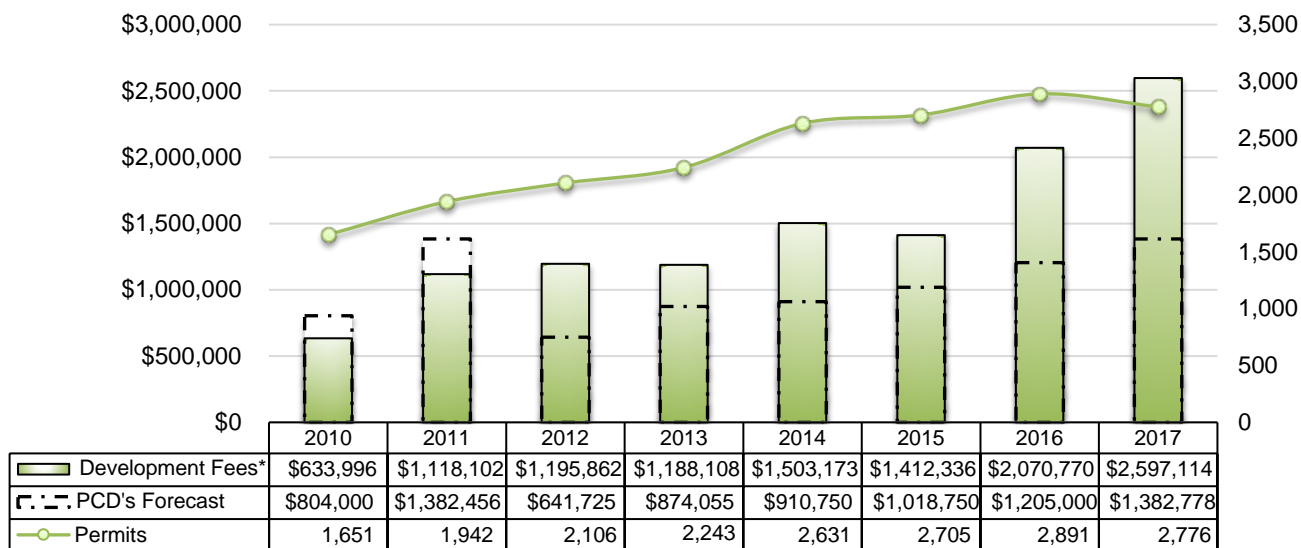
DEVELOPMENT REVENUE



| 2017 Current Budget | \$2,412,675 |
|------------------------------------|-------------|
| 2017 Fourth Quarter Actual Revenue | \$2,846,127 |
| 2017 % of Current Budget Received | 118.0% |
| 2016 Current Budget | \$1,456,000 |
| 2016 Fourth Quarter Actual Revenue | \$2,343,847 |
| 2016 % of Current Budget Received | 161.0% |
| 2017 v. 2016 \$ Change | \$502,280 |
| 2017 v. 2016 % Change | ↑ 21.4% |

Development revenue receipts exhibited a year-over-year increase of \$502,280, or 21.4%. Excluding right-of-way permits, receipts are 87.8% more than Planning & Community Development's projection. The year-over-year growth in revenue is attributable to increases in the average revenue per permit across the board. This is due to an increase in the valuations per permit as well as the result of Planning and Community Development's permitting and inspection fee cost recovery study which increased the fee for construction permits for projects with greater than \$1.0 million valuation in the building table increased from \$3.15 to \$4.00 per additional \$1,000 valuation.

Development Fee Historical Comparison

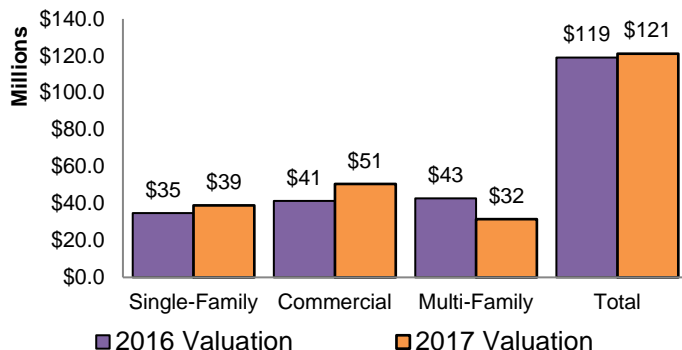


*Development fees exclude right-of-way permits.

GENERAL FUND REVENUE ANALYSIS (continued):

DEVELOPMENT REVENUE (continued)

Valuation of Building Permits



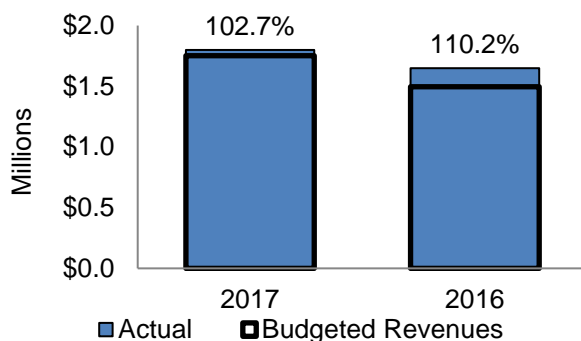
Local development activity in 2017 compared to that for 2016, in terms of the number of building permits pulled for new construction and remodels and valuation, saw an increase in single family construction (+5; +\$4.2 million). For commercial, the number of permits pulled decreased but the valuation increased (-12; -\$45.0 million).

Valuation of 367 building permits for new construction and remodels totals \$121.1 million and is comprised of 32.2% residential and 67.8% commercial / multi-family valuation. In 2016, valuation of 375 permits totaled \$119.0 million and was comprised of 29.2% residential and 70.8% commercial / multi-family construction.

| PERMIT TYPE | 2014 | 2015 | 2016 | 2017 | # Change | % Change | 2008-2017 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|
| Building Permits / Plan Check | 527 | 519 | 662 | 620 | (42) | -6.3% | |
| Mechanical | 576 | 585 | 656 | 665 | 9 | 1.4% | |
| Fire Systems | 119 | 79 | 110 | 100 | (10) | -9.1% | |
| Land Use / SEPA Review | 78 | 56 | 65 | 79 | 14 | 21.5% | |
| Plumbing | 183 | 202 | 182 | 102 | (80) | -44.0% | |
| Electrical | 1,148 | 1,264 | 1,216 | 1,210 | (6) | -0.5% | |
| Total | 2,631 | 2,705 | 2,891 | 2,776 | (115) | -4.0% | |

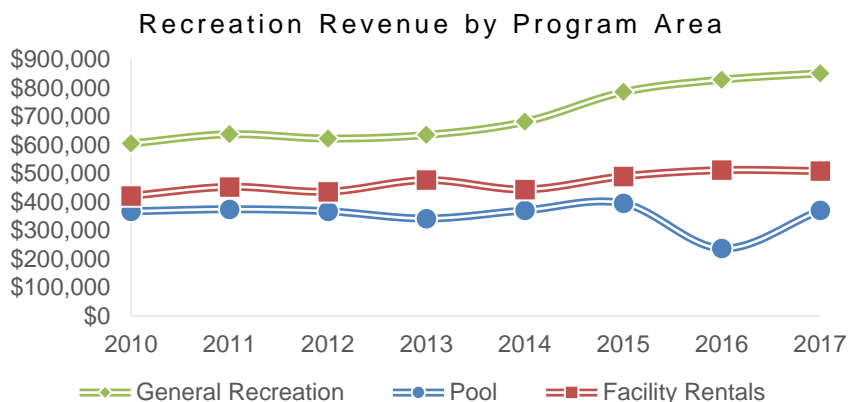
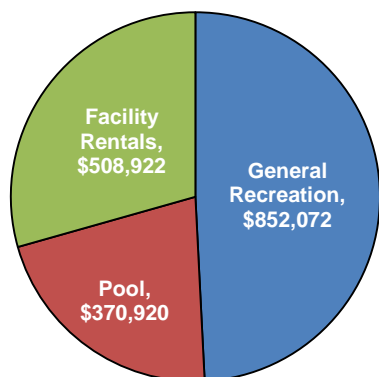
GENERAL FUND REVENUE ANALYSIS:

PARKS AND RECREATION REVENUE



| 2017 Current Budget | | \$1,752,317 |
|------------------------------------|---|-------------|
| 2017 Fourth Quarter Actual Revenue | | \$1,799,481 |
| 2017 % of Current Budget Received | | 102.7% |
| 2016 Current Budget | | \$1,494,998 |
| 2016 Fourth Quarter Actual Revenue | | \$1,647,840 |
| 2016 % of Current Budget Received | | 110.2% |
| 2017 v. 2016 \$ Change | | \$151,641 |
| 2017 v. 2016 % Change | ↑ | 9.2% |

Parks and Recreation revenue receipts are 9.2% more than the year-ago level. The year-over-year increase was anticipated and is attributable to the closure of the Shoreline Pool as major maintenance and improvements to extend its life were being performed in 2016.



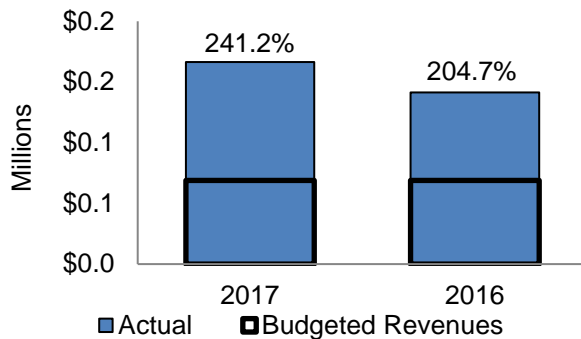
Annual Recreation Revenue by Program Area 2010 - 2017*

| Year | Gen Rec | | Pool | Pool % of Total | Facility Rentals | Facility Rental % of Total | Total Revenue |
|------|---------------------|------------|-----------|-----------------|------------------|----------------------------|---------------|
| | General Recreation* | % of Total | | | | | |
| 2010 | \$605,810 | 43.4% | \$367,554 | 26.3% | \$421,965 | 30.2% | \$1,395,329 |
| 2011 | \$637,929 | 43.5% | \$374,828 | 25.6% | \$453,393 | 30.9% | \$1,466,150 |
| 2012 | \$622,996 | 43.6% | \$367,770 | 25.8% | \$436,651 | 30.6% | \$1,427,417 |
| 2013 | \$635,767 | 43.7% | \$342,378 | 23.5% | \$477,255 | 32.8% | \$1,455,400 |
| 2014 | \$681,718 | 45.5% | \$371,070 | 24.8% | \$444,438 | 29.7% | \$1,497,226 |
| 2015 | \$786,083 | 47.0% | \$395,462 | 23.7% | \$490,506 | 29.3% | \$1,672,051 |
| 2016 | \$829,494 | 52.5% | \$237,256 | 15.0% | \$512,092 | 32.4% | \$1,578,842 |
| 2017 | \$852,072 | 49.2% | \$370,920 | 21.4% | \$508,922 | 29.4% | \$1,731,913 |

* Excludes non-program revenue such as cell tower rental fees and special event sponsorships.

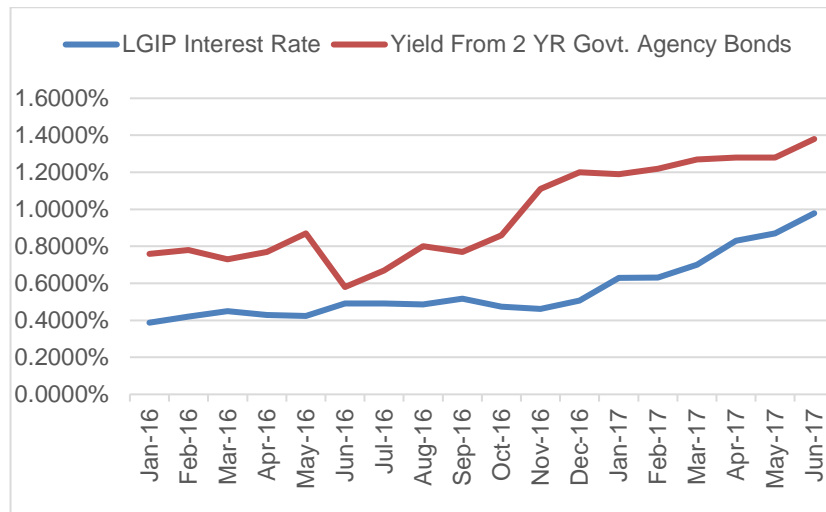
GENERAL FUND REVENUE ANALYSIS (continued):

INVESTMENT INCOME



| 2017 Current Budget | | \$69,000 |
|------------------------------------|---|-----------|
| 2017 Fourth Quarter Actual Revenue | | \$166,443 |
| 2017 % of Current Budget Received | | 241.2% |
| 2016 Current Budget | | \$69,000 |
| 2016 Fourth Quarter Actual Revenue | | \$141,271 |
| 2016 % of Current Budget Received | | 204.7% |
| 2017 v. 2016 \$ Change | | \$25,172 |
| 2017 v. 2016 % Change | ↑ | 17.8% |

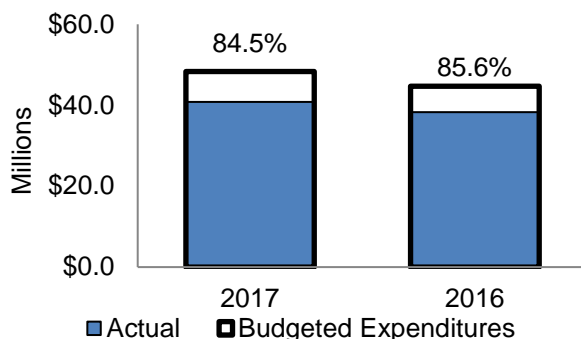
Investment earnings are more than the year-ago level by 17.8%. The City's investment policy adheres to strict standards prescribed by federal law, state statutes, local ordinances, and allows the City to develop an investment model to maximize its investment returns within the primary objectives of safety and liquidity.



| Month | LGIP Interest Rate | Bond Investment Yield |
|-------------|--------------------|-----------------------|
| Jan-16 | 0.3874% | 0.7600% |
| Feb-16 | 0.4201% | 0.7800% |
| Mar-16 | 0.4488% | 0.7300% |
| Apr-16 | 0.4287% | 0.7700% |
| May-16 | 0.4242% | 0.8700% |
| Jun-16 | 0.4907% | 0.5800% |
| Jul-16 | 0.4912% | 0.6700% |
| Aug-16 | 0.4851% | 0.8000% |
| Sep-16 | 0.5167% | 0.7700% |
| Oct-16 | 0.4736% | 0.8600% |
| Nov-16 | 0.4621% | 1.1100% |
| Dec-16 | 0.5067% | 1.2000% |
| Jan-17 | 0.6303% | 1.1900% |
| Feb-17 | 0.6312% | 1.2200% |
| Mar-17 | 0.7010% | 1.2700% |
| Apr-17 | 0.8299% | 1.2800% |
| May-17 | 0.8694% | 1.2800% |
| Jun-17 | 0.9786% | 1.3800% |
| Jul-17 | 1.0733% | 1.3400% |
| Aug-17 | 1.1107% | 1.3300% |
| Sep-17 | 1.1290% | 1.4700% |
| Oct-17 | 1.1385% | 1.6000% |
| Nov-17 | 1.1573% | 1.7800% |
| Dec-17 | 1.2740% | 1.8900% |
| 24 Mo. Ave. | 0.7108% | 1.1221% |

EXPENDITURE ANALYSIS:

GENERAL FUND EXPENDITURES



| 2017 Current Budget | \$48,303,300 |
|---|--------------|
| 2017 Fourth Quarter Actual Expenditures | \$40,820,696 |
| 2017 % of Current Budget Expended | 84.5% |
| 2016 Current Budget | \$44,707,322 |
| 2016 Fourth Quarter Actual Expenditures | \$38,252,038 |
| 2016 % of Current Budget Expended | 85.6% |
| 2017 v. 2016 \$ Change | \$2,568,657 |
| 2017 v. 2016 % Change | 6.7% |

Departments spent \$37,245,796, or 86.2% of the Current Budget excluding transfers out. In dollars, this level is 6.0% more than the year-ago level but 8.7% less than the revised projection of \$40,784,666. Delays and other unanticipated issues resulted in 2017 expenditures being less than projected. Some operating programs and projects that were in progress in 2017 will be completed in 2018. Staff requested a re-appropriation of \$1,837,712 to pay expenditures incurred, or complete projects initiated, in 2017. Without these delays or with completion of these projects, departments would have spent 90.5% of the current budget excluding transfers out, which would have been 6.3% more than the year-ago level but 4.2% less than the revised projection.

The General Fund transferred \$3,456,002, or 67.6%, of its budgeted support to other funds. This level is \$156,366, or 4.7%, more than the year-ago level and 6.6% more than the revised projection. The revised projection included delays of the following General Fund transfers until 2018 per the 2018-2023 Capital Improvement Plan (CIP):

- General Capital Fund:
 - Police Station at City Hall: \$1,000,000 of \$1,782,796
- Roads Capital Fund:
 - Trail Along the Rail: \$100,000 of \$275,000
 - 147th/148th Non-Motorized Bridge: \$150,000 of \$350,000
 - 185th Corridor Study: \$406,814 of \$556,814
 - 160th & Greenwood/Innis Arden: \$105,000 of \$125,000
 - Westminster & 155th Improvements: \$0 of \$291,419

The transfer supporting the Police Station at City Hall project of \$1,000,000 that was delayed until 2018 was actually needed in 2017; therefore, that appropriation in 2018 will be reduced through staff's 2017 re-appropriation request. In addition, staff requested a re-appropriation for the remaining balance of the following transfers to be made in 2017 per the 2018-2023 CIP that were not made in 2017:

- Roads Capital Fund:
 - Trail Along the Rail: \$113,030 (64.6% of the remaining \$175,000)
 - 147th/148th Non-Motorized Bridge: \$199,945 (99.97% of the remaining \$200,000)
 - 185th Corridor Study: \$140,691 (93.8% of the remaining \$150,000)
 - 160th & Greenwood/Innis Arden: \$0 (% of the remaining \$25,000)
 - Westminster & 155th Improvements: \$273,436 (93.8% of the remaining \$291,419)

The year-over-year increase in Citywide is largely due to the transition costs consisting of the physical move of staff, purchase of new hardware, and preparation of various regulatory, guidance, and policy documents required for operation of the Ronald Wastewater District. Another significant item worth mentioning is that jail housing and work release day costs were 38% more in 2017 than those for 2016 given a 33% increase in the number of billed days. Costs were less than those for 2015 and 2014 by 3% and 12%, respectively, given increases in billed of 6% and 17%, respectively. The City has used 8,314 jail beds, or an average of 22.8 beds per day, at Yakima County Jail. Housing those inmates at Yakima rather than SCORE, less the 92 unused beds at SCORE, saved the City \$465,524. Please note that the table below does not reflect the discussion above due to the timing of billing.

EXPENDITURE ANALYSIS:

Total expenditures including transfers out, representing expenditure of 84.5% of the current budget are 6.7% more than the year-ago level but 7.5% less than the revised projection. Including the re-appropriation discussed above, total expenditures would have represented expenditure of 88.1% of the current budget and been 6.1% more than the year-ago level and 3.6% less than the revised projection.

| Department | 2017 Current Budget | 2017 Fourth Quarter Actual Expenditures | 2017 % of Current Budget Expended | 2016 Current Budget | 2016 Fourth Quarter Actual Expenditures | 2016 % of Current Budget Expended | 2017 v. 2016 \$ Change | 2017 v. 2016 % Change |
|--------------------------------------|---------------------|---|-----------------------------------|---------------------|---|-----------------------------------|------------------------|-----------------------|
| City Council | \$247,942 | \$232,857 | 93.9% | \$231,968 | \$221,571 | 95.5% | \$11,286 | 5.1% |
| City Manager's Office ¹ | \$3,827,536 | \$2,870,306 | 75.0% | \$2,793,451 | \$2,492,017 | 89.2% | \$378,289 | 15.2% |
| City Attorney | \$825,590 | \$826,688 | 100.1% | \$672,674 | \$672,249 | 99.9% | \$154,439 | 23.0% |
| Community Services ² | \$1,641,211 | \$1,573,771 | 95.9% | \$1,694,800 | \$1,592,878 | 94.0% | -\$19,107 | -1.2% |
| Administrative Services ³ | \$5,862,899 | \$4,312,425 | 73.6% | \$5,167,348 | \$4,445,071 | 86.0% | -\$132,646 | -3.0% |
| Citywide | \$2,307,160 | \$1,109,809 | 48.1% | \$1,869,299 | \$884,228 | 47.3% | \$225,581 | 25.5% |
| Human Resources | \$471,496 | \$451,664 | 95.8% | \$454,488 | \$458,345 | 100.8% | -\$6,681 | -1.5% |
| Police | \$12,141,260 | \$11,186,563 | 92.1% | \$11,951,743 | \$11,198,365 | 93.7% | -\$11,803 | -0.1% |
| Criminal Justice | \$3,068,384 | \$2,841,598 | 92.6% | \$3,190,826 | \$2,314,245 | 72.5% | \$527,353 | 22.8% |
| Parks | \$6,298,747 | \$5,967,427 | 94.7% | \$5,756,010 | \$5,290,516 | 91.9% | \$676,912 | 12.8% |
| Planning & Comm. Dev. | \$3,182,400 | \$2,900,172 | 91.1% | \$2,976,763 | \$2,694,418 | 90.5% | \$205,755 | 7.6% |
| Public Works | \$3,313,213 | \$2,972,517 | 89.7% | \$3,063,586 | \$2,886,734 | 94.2% | \$85,783 | 3.0% |
| Departmental Expenditures | \$43,187,838 | \$37,245,796 | 86.2% | \$39,822,956 | \$35,150,635 | 88.3% | \$2,095,161 | 6.0% |
| Operating Transfers Out | \$5,115,462 | \$3,574,900 | 69.9% | \$4,884,366 | \$3,101,403 | 63.5% | \$473,497 | 15.3% |
| Total Expenditures | \$48,303,300 | \$40,820,696 | 84.5% | \$44,707,322 | \$38,252,038 | 85.6% | \$2,568,657 | 6.7% |

| Department | 2017 Current Budget | 2017 Fourth Quarter Actual + Carryover Expenditures | 2017 % of Current Budget Expended | 2016 Current Budget | 2016 Fourth Quarter Actual Expenditures | 2016 % of Current Budget Expended | 2017 v. 2016 \$ Change | 2017 v. 2016 % Change |
|---------------------------|---------------------|---|-----------------------------------|---------------------|---|-----------------------------------|------------------------|-----------------------|
| Departmental Expenditures | \$43,187,838 | \$39,083,508 | 90.5% | \$39,822,956 | \$36,783,190 | 92.4% | \$2,300,318 | 6.3% |
| Operating Transfers Out | \$5,115,462 | \$3,456,002 | 67.6% | \$4,884,366 | \$3,299,636 | 67.6% | \$156,366 | 4.7% |
| Total Expenditures | \$48,303,300 | \$42,539,510 | 88.1% | \$44,707,322 | \$40,082,826 | 89.7% | \$2,456,683 | 6.1% |

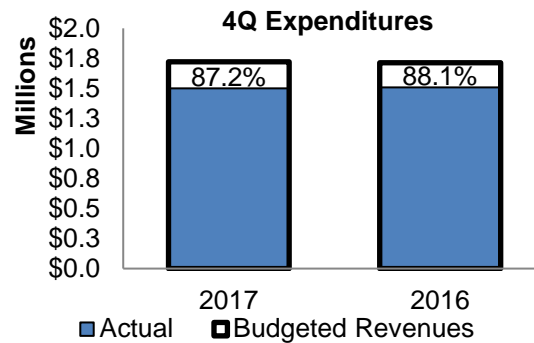
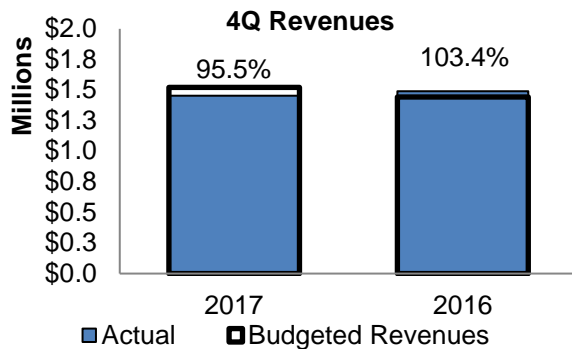
1. City Manager's Office includes City Clerk, Communications, Intergovernmental Relations, Economic Development, and Property Management.

2. Community Services includes Neighborhoods, Customer Response Team, Emergency Management Planning, and Human Services.

3. Administrative Services includes Finance, Budget, Purchasing, Information Systems, and Fleet & Facilities.

OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:

STREET FUND



| | Revenue | Expenditures |
|-----------------------------------|-------------|--------------|
| 2017 Budgeted Use of Fund Balance | \$200,260 | N/A |
| 2017 Budget | \$1,521,225 | \$1,721,485 |
| 2017 Fourth Quarter Actual | \$1,453,454 | \$1,500,895 |
| 2017 % of Current Budget* | 95.5% | 87.2% |
| 2016 Current Budget | \$1,442,468 | \$1,713,773 |
| 2016 Fourth Quarter Actual | \$1,491,050 | \$1,508,989 |
| 2016 % of Current Budget* | 103.4% | 88.1% |
| 2017 v. 2016 \$ Variance | -\$37,596 | -\$8,094 |
| 2017 v. 2016 % Variance | -2.5% | -0.5% |

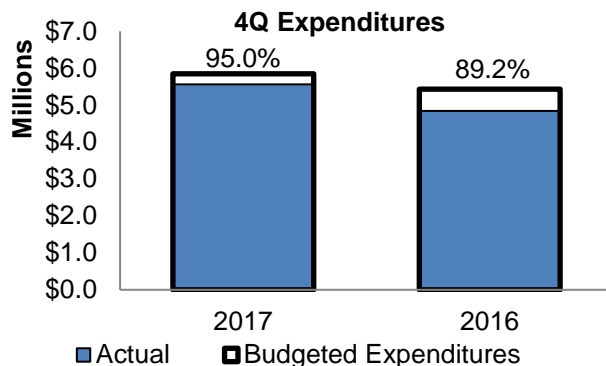
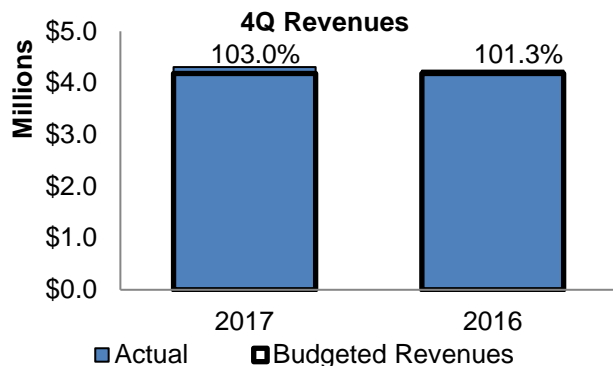
*Current Budget for Revenues is calculated by excluding Budgeted Use of Fund Balance.

Receipts, including transfers in, through December totaled \$1,453,454 and are \$37,596, or 2.5%, less than the year-ago level. This decrease is mainly attributable to a reduced need for a budget transfer for support from the General Fund in 2017, which occurred in full in 2016. Motor vehicle fuel tax revenue receipts for the fourth quarter of 2017 are \$1,190,925, 1.2%, more than the year-ago level. Fuel tax revenue receipts for 2016 ended 5.1% less the budget amount and ended 4.3% below 2017 revised projections.

Expenditures, including transfers out, through December totaled \$1,500,895 and are \$8,094, or 0.5%, less than the year-ago level.

OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:

SURFACE WATER UTILITY FUND



| | Revenue | Expenditure |
|-----------------------------------|-------------|-------------|
| 2017 Budgeted Use of Fund Balance | \$1,544,629 | N/A |
| 2017 Budget | \$4,184,519 | \$5,850,151 |
| 2017 Fourth Quarter Actual | \$4,308,638 | \$5,559,910 |
| 2017 % of Current Budget* | 103.0% | 95.0% |
| 2016 Current Budget | \$7,356,193 | \$5,431,075 |
| 2016 Fourth Quarter Actual | \$4,237,264 | \$4,846,860 |
| 2016 % of Current Budget* | 101.3% | 89.2% |
| 2017 v. 2016 \$ Variance | \$71,374 | \$713,050 |
| 2017 v. 2016 % Variance | 1.7% | 14.7% |

*Current Budget for Revenues is calculated by excluding Budgeted Use of Fund Balance.

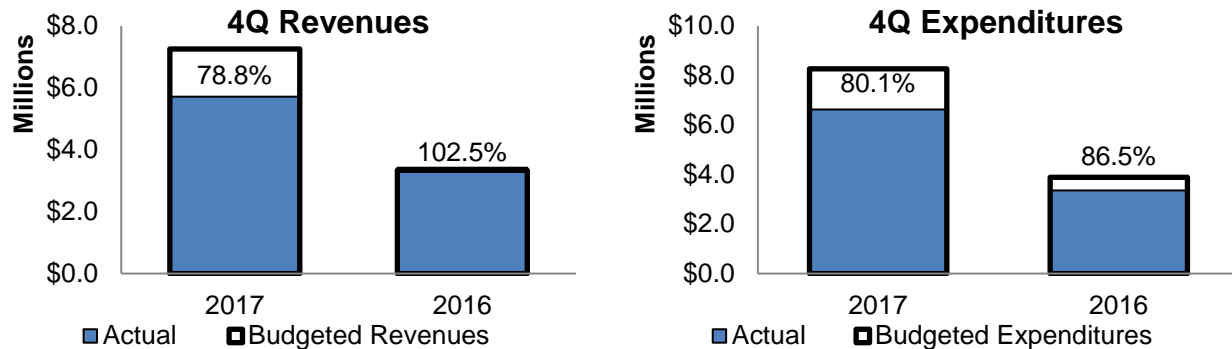
The Surface Water Utility Fund (SWM) includes on-going operational programs and capital projects with both being reflected in the total expenditures and revenues for the fund.

Receipts through December, in the amount of \$4,308,638, are \$71,374 or 1.7%, more than the year-ago level. SWM ongoing revenues include storm drainage fees and investment interest earnings. Storm Drainage Fees totaled \$4,183,085 and are \$202,576, or 5.1%, more than the year-ago level. Total receipts were 3.0% higher than revised year-end projections presented in the 2018-2023 Capital Improvement Plan (CIP).

Total expenditures, including transfers out, through December totaled \$5,559,910 and are \$713,050, or 14.7%, more than the year-ago level. Expenditure differences between the current year and previous year are impacted by the timing of construction schedules. Additionally, capital projects are \$575,623, or 35.5%, more than the year-ago level. Expenditure differences between the current year and previous year are impacted by the timing of construction schedules, which are addressed through the 2018-2023 CIP and re-appropriations requests. SWM Operations expenditures in 2017 total \$2,719,444, which was \$189,405, or 7.5% more than year-ago levels.

OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:

GENERAL CAPITAL FUND



| | Revenue | Expenditure |
|-----------------------------------|-------------|-------------|
| 2017 Budgeted Use of Fund Balance | \$2,532,527 | N/A |
| 2017 Budget | \$7,256,385 | \$8,272,419 |
| 2017 Fourth Quarter Actual | \$5,718,816 | \$6,626,993 |
| 2017 % of Current Budget* | 78.8% | 80.1% |
| 2016 Current Budget | \$3,334,865 | \$3,889,399 |
| 2016 Fourth Quarter Actual | \$3,418,999 | \$3,365,020 |
| 2016 % of Current Budget* | 102.5% | 86.5% |
| 2017 v. 2016 \$ Variance | \$2,299,817 | \$3,261,973 |
| 2017 v. 2016 % Variance | 67.3% | 96.9% |

*Current Budget for Revenues is calculated by excluding Budgeted Use of Fund Balance.

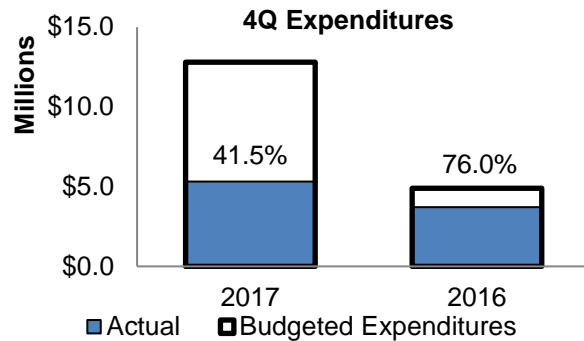
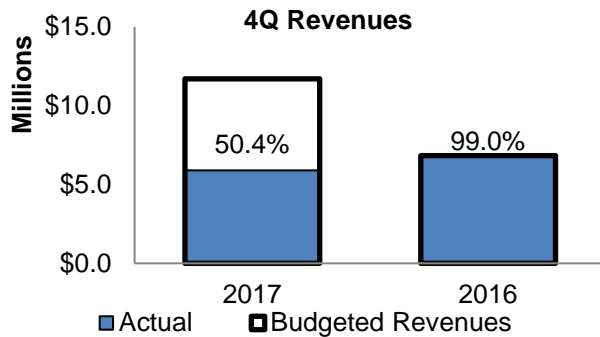
Receipts through December, in the amount of \$5,718,816, are \$2,299,817, or 67.3%, more than the year-ago level. This year-over-year change is mainly attributable to a budgeted transfer to the General Capital Fund from the General Fund for capital projects (e.g. Police Station at City Hall). Total receipts were 21.2% less than revised year end projections presented in the 2018-2023 Capital Improvement Plan (CIP).

Expenditures, including transfers out, through December, totaled \$6,626,993, and are \$3,261,973, or 96.9%, more than the same period in 2016. Total expenditures were 19.9% less than the revised projections presented in the 2018-2023 CIP.

Expenditures and revenues are impacted by the timing of construction schedules, which are addressed through the 2018-2023 CIP and re-appropriations requests.

OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:

ROADS CAPITAL FUND



| | Revenue | Expenditures |
|-----------------------------------|--------------|--------------|
| 2017 Budgeted Use of Fund Balance | \$2,606,630 | N/A |
| 2017 Budget | \$11,696,387 | \$12,812,122 |
| 2017 Fourth Quarter Actual | \$5,900,083 | \$5,314,099 |
| 2017 % of Current Budget* | 50.4% | 41.5% |
| 2016 Current Budget | \$6,822,545 | \$4,893,774 |
| 2016 Fourth Quarter Actual | \$6,753,746 | \$3,720,119 |
| 2016 % of Current Budget* | 99.0% | 76.0% |
| 2017 v. 2016 \$ Variance | -\$853,663 | \$1,593,980 |
| 2017 v. 2016 % Variance | -12.6% | 42.8% |

*Current Budget for Revenues is calculated by excluding Budgeted Use of Fund Balance

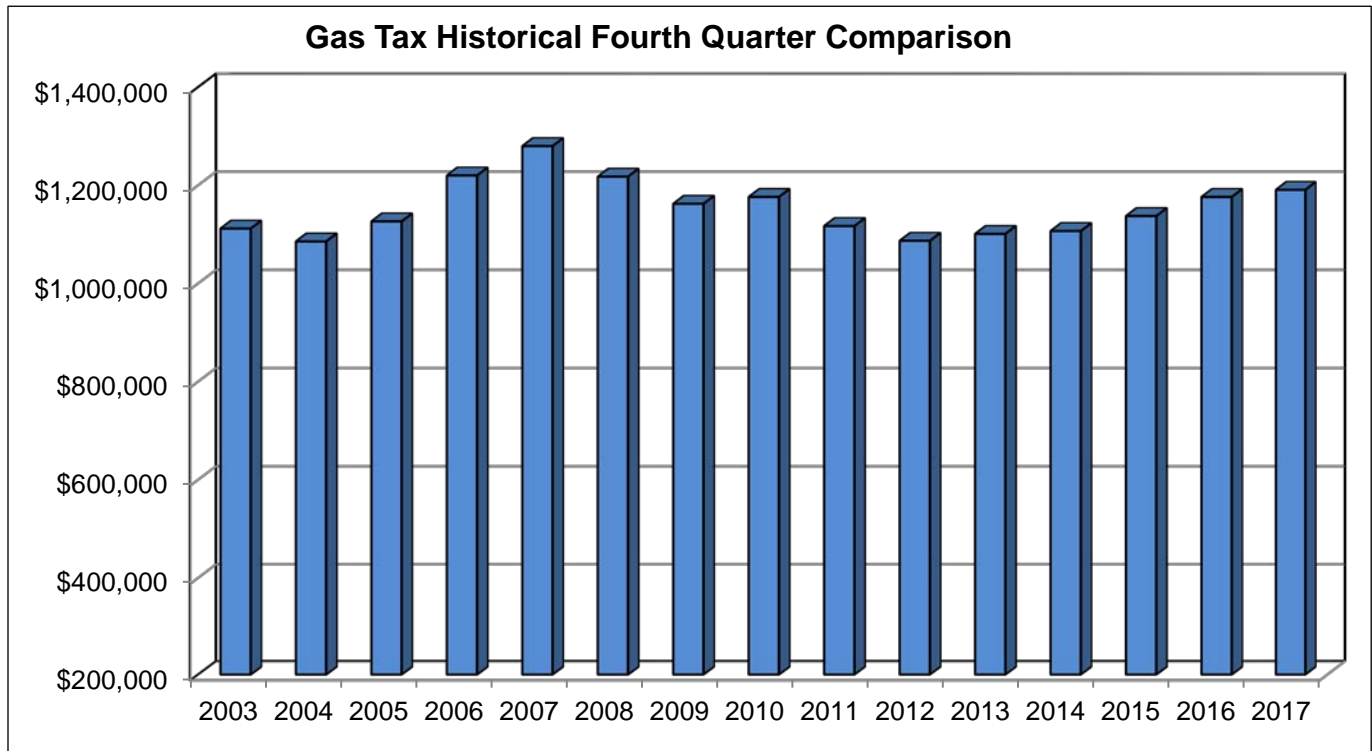
Receipts through December, in the amount of \$5,900,083, are \$853,663, or 12.6%, less than the year-ago level. Total receipts are 49.6% less than revised projections presented in the 2018-2023 Capital Improvement Plan (CIP).

Expenditures through December, in the amount of \$5,314,099, are \$1,593,980, or 42.8%, more than the year-ago level. Total expenditures are 58.5% less than revised projections presented in the 2018-2023 CIP.

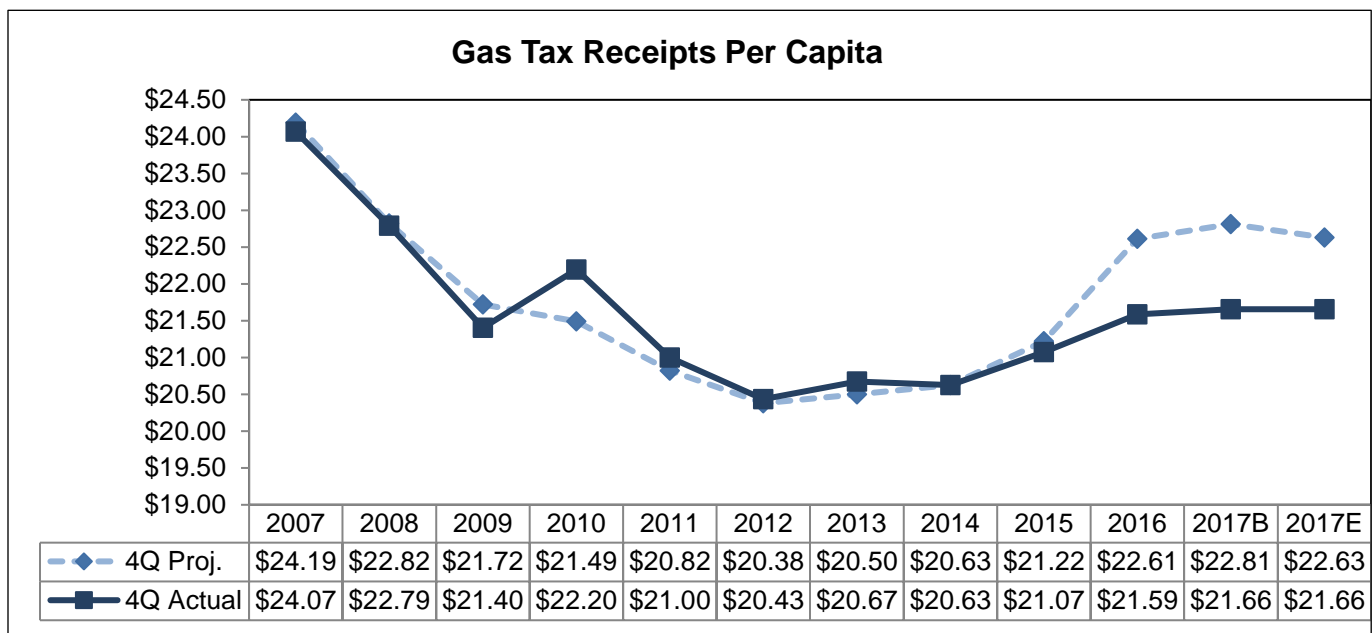
As with the other capital funds, expenditures and revenues are impacted by the timing of construction schedules, which are addressed through the 2018-2023 CIP and re-appropriations requests. Several projects, such as the 145th interchange and 145th Corridor, spent significantly less than was projected during the capital budget process. The funds are being carried over to keep the projects whole and the 2019-2024 CIP will better reflect the distribution of expenditures.

OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:

STREET FUND FUEL TAX

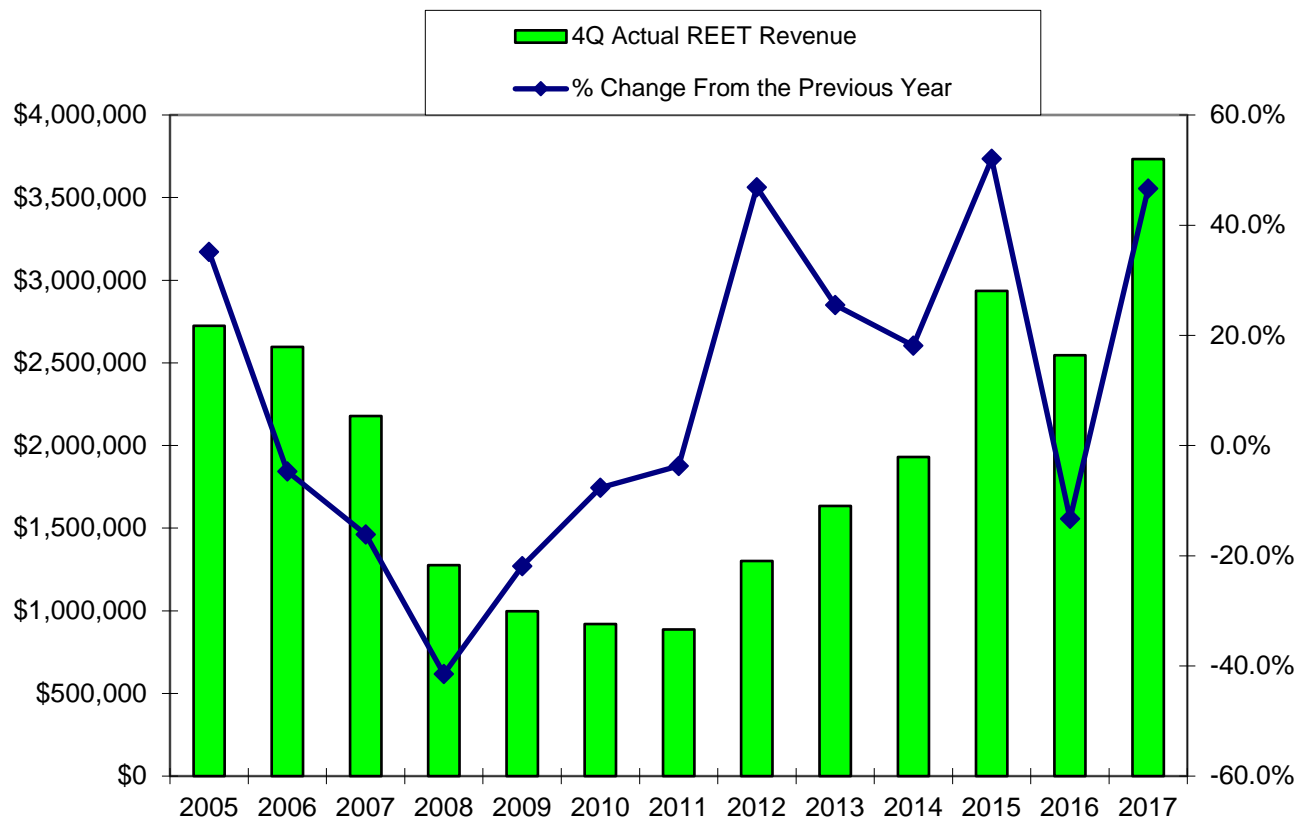


The Motor Vehicle Fuel Excise Tax, commonly referred to as Gas Tax, is levied by the State on a per gallon basis, distributed monthly on a per capita basis to the City of Shoreline, and placed in the Street Fund. As noted on the prior page, Fuel Tax revenue receipts through December totaled \$1,190,925 and are \$14,436, or 1.2%, more than the year-ago level.



OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:

REAL ESTATE EXCISE TAX (REET)



Real Estate Excise Tax (REET) revenue receipts through December totaled \$3,733,225 and are \$1,187,735, or 46.7%, more than receipts for the same period in 2016. The increase is largely attributable to an increase number of transactions of properties over \$1 million.

REET collections collected 56.1% over the adopted budgeted amount for 2017 (split between the General Capital Fund and Roads Capital Fund).

INVESTMENT REPORT December 31, 2017

The City's investment policy adheres to strict standards prescribed by federal law, state statutes, local ordinances, and allows the City to develop an investment model to maximize its investment returns within the primary objectives of safety and liquidity.

Our yield objectives are very important and, pursuant to policy, the basis used by the City to determine whether the market yields are being achieved is through the use of a comparable benchmark. Our benchmark has been identified as the current yield to maturity of the Washington State Local Government Investment Pool, which had been the City's primary mode of investment prior to adopting our Investment Policy. As of December 31, 2017, the City's investment portfolio, excluding the State Investment Pool had a current weighted average rate of return of 1.4916%. This is slightly better than the State Investment Pool's current rate of return of 1.2740%.

Total annual investment interest earnings through December 31, 2017 were \$322,506 which is 146% of total budgeted 2017 investment earnings of \$221,213. There are two reasons for the improved investment earnings: (1) the interest rate was going up slowly, the interest rate for the State Investment Pool was 1.274% on December 31, 2017 and it was 0.5067% on December 2016; and (2) the City has replaced its \$17.1M deposits in OpusBank with higher yield U.S. government instrumentality securities.

As of December 31, 2017, the City's investment portfolio had a fair value of nearly \$35.43 million. Approximately 71% of the investment portfolio was held in U.S. government instrumentality securities, and 29% was held in the Washington State Investment Pool. The City's investment portfolio valued at cost as of December 31, 2017 was slightly over \$35.52 million. The difference between the cost and the market value of the portfolio represents either the loss or the gain of the portfolio if the City were to liquidate investments as of the day that the market value is stated. This would only be done if the City needed to generate cash. The City holds all of its investments until the scheduled maturity date, and therefore when the investments mature the principal market value should equal the cost of the investment. The City also holds sufficient investments within the State Pool to allow for immediate cash liquidation if needed.

INVESTMENT REPORT (continued):

LGIP Cash and Investment Balances December 31, 2017

| Instrument Type | CUSPID # | Broker | Settlement Date | Maturity Date | Par Value | Investment Cost | Yield To Maturity | Unrecognized Gain/(Loss) | Market Value 12/31/2017 |
|---------------------------------|-----------|------------------------|-----------------|---------------|------------|---------------------|-------------------|--------------------------|-------------------------|
| FHLMC 1.25 | 313379DT3 | PiperJaffray | 06/21/17 | 06/08/18 | 5,205,000 | 5,204,480 | 1.2600% | -6,959 | 5,197,520 |
| FHLMC 1.2 | 3134G3ZK9 | Financial Northwestern | 07/10/17 | 07/30/18 | 2,000,000 | 1,998,500 | 1.2716% | -4,196 | 1,994,304 |
| FICO STRIP PRIN SER D-P | 31771KAH0 | Time Value Investment | 09/29/15 | 08/03/18 | 1,500,000 | 1,456,388 | 1.0400% | 28,104 | 1,484,492 |
| FFCB 1.09 | 3133EFFL6 | Time Value Investment | 09/29/15 | 09/28/18 | 500,000 | 500,000 | 1.0900% | -2,584 | 497,416 |
| FFCB 1.375 | 3133EFSW8 | Alamo Capital | 12/21/15 | 12/21/18 | 1,000,000 | 999,000 | 1.3750% | -4,308 | 994,692 |
| FHLB 1.18 | 3134G8L80 | PiperJaffray | 11/10/17 | 02/19/19 | 2,000,000 | 1,988,820 | 1.6243% | -4,524 | 1,984,296 |
| FNMA 1.250 | 3136G3EA9 | Financial Northwestern | 03/29/16 | 03/29/19 | 1,000,000 | 999,500 | 1.2500% | -7,773 | 991,727 |
| FFCB 1.18 | 3133EGPD1 | PiperJaffray | 11/08/17 | 08/01/19 | 2,000,000 | 1,983,300 | 1.6712% | -8,392 | 1,974,908 |
| FHLB 1.55 | 3130ACJ88 | First Empire | 11/02/17 | 09/27/19 | 2,000,000 | 1,996,626 | 1.6400% | -9,732 | 1,986,894 |
| FNMA 1.250 | 3136G4AP8 | PiperJaffray | 12/31/16 | 09/30/19 | 2,000,000 | 2,000,000 | 1.2500% | -30,222 | 1,969,778 |
| FHLMC 1.0 | 3134GBEB4 | First Empire | 03/31/17 | 03/27/20 | 1,000,000 | 999,700 | 1.7000% | -7,153 | 992,547 |
| FHLMC 1.75 | 3134GBYR7 | Multi-Bank Security | 07/27/17 | 07/27/20 | 1,000,000 | 1,000,350 | 1.7145% | -8,828 | 991,522 |
| FNMA 1.875 | 3136G4QF3 | Time Value Investment | 10/30/17 | 10/30/20 | 2,000,000 | 1,999,680 | 1.8805% | -16,760 | 1,982,920 |
| FHLB 2 | 3030ACU36 | Time Value Investment | 12/11/17 | 12/11/20 | 1,000,000 | 997,684 | 2.0800% | -2,723 | 994,961 |
| FHLB 2.125 | 3130ACZD9 | Financial Northwestern | 12/29/17 | 12/29/20 | 1,000,000 | 1,000,000 | 2.1250% | -1,695 | 998,305 |
| Sub Total | | | | | 25,205,000 | 25,124,027 | | -87,745 | 25,036,282 |
| State Investment Pool | | | | | | 10,393,303 | 1.2740% | | 10,393,303 |
| Total LGIP + Investments | | | | | | \$35,517,330 | | -\$87,745 | \$35,429,585 |

Current Average Maturity Excluding the State Investment Pool (days) 517

Current Weighted Average Yield to Maturity Excluding the State Pool 1.4916%

Current Yield to Maturity State Investment Pool 1.2740%

Basis Points in Excess (Below) Benchmark 22

Portfolio Diversification

| Instrument Type | Percentage | Amount at Cost | Amount at Market Value | Broker | Percentage | Amount at Cost | Amount at Market Value |
|---------------------------------|-------------|---------------------|------------------------|---------------------------------|-------------|---------------------|------------------------|
| FFCB | 9.8% | \$3,482,300 | \$3,467,016 | Alamo Capital | 2.8% | \$999,000 | \$994,692 |
| FHLB | 16.8% | 5,983,130 | 5,964,456 | Financial Northwestern | 11.3% | 3,998,000 | 3,984,336 |
| FHLMC | 25.9% | 9,203,030 | 9,175,893 | First Empire | 8.4% | 2,996,326 | 2,979,441 |
| FNMA | 14.0% | 4,999,180 | 4,944,425 | Time Value Investment | 13.9% | 4,953,752 | 4,959,789 |
| FICO STRIP PRIN SER D-P | 4.2% | 1,456,388 | 1,484,492 | PiperJaffray | 31.5% | 11,176,600 | 11,126,502 |
| | | | | Multi-Bank Security | 2.8% | 1,000,350 | 991,522 |
| State Investment Pool | 29.3% | 10,393,303 | 10,393,303 | State Investment Pool | 29.3% | 10,393,303 | 10,393,303 |
| Total LGIP + Investments | 100% | \$35,517,330 | \$35,429,585 | Total LGIP + Investments | 100% | \$35,517,330 | \$35,429,585 |

Investments by Fund

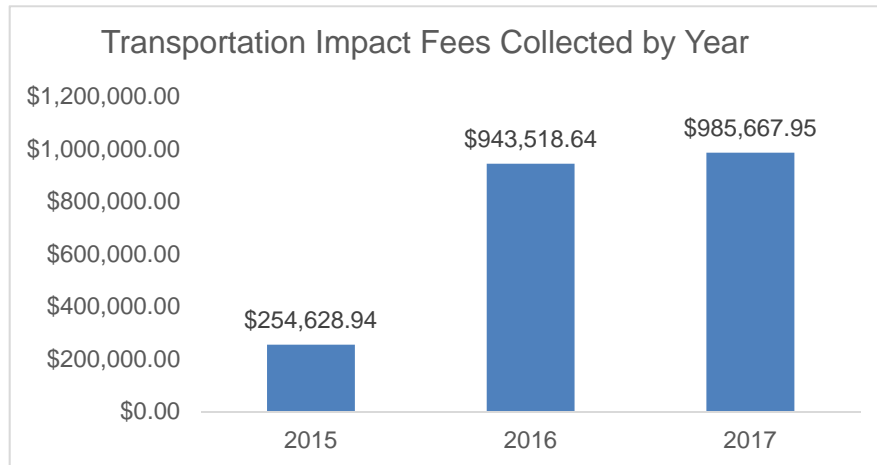
| Fund | Investments at Cost as of 12/31/2017 | LGIP State Investment Pool as of 12/31/2017 | Total LGIP + Investments at Cost by Fund as of 12/31/2017 | Unrecognized Gain/(Loss) as of 12/31/2017 | Total Market Value of Investments by Fund as of 12/31/2017 | 2017 Budgeted Investment Earnings | 2017 Actual Investment Earnings | Over/(Under) Budget |
|--|--------------------------------------|---|---|---|--|-----------------------------------|---------------------------------|---------------------|
| 001 General | \$10,433,683 | \$3,803,787 | \$14,237,469 | -\$36,439 | \$14,201,030 | \$69,000 | \$166,443 | \$97,443 |
| 101 Street | 702,527 | 256,119 | 958,646 | -2,454 | 956,193 | 2,500 | 8,793 | 6,293 |
| 107 Code Abatement | 244,303 | 89,065 | 333,368 | -853 | 332,515 | 550 | 4,344 | 3,794 |
| 108 Asset Seizure | 0 | 0 | 0 | 0 | 0 | 0 | 1,518 | 1,518 |
| 109 Public Arts | 207,111 | 75,506 | 282,616 | -723 | 281,893 | 0 | 2,495 | 2,495 |
| 112 Federal Drug Enforcement | 48,907 | 17,830 | 66,737 | -171 | 66,566 | 200 | 2,317 | 2,117 |
| 116 Federal Criminal Forfeiture | 0 | 0 | 0 | 0 | 0 | 1,500 | 5,297 | 3,797 |
| 117 Transportation Impact Mitigation | 1,216,597 | 443,533 | 1,660,130 | -4,249 | 1,655,881 | 0 | 17,419 | 17,419 |
| 190 Revenue Stabilization | 3,641,241 | 1,327,480 | 4,968,721 | -12,717 | 4,956,004 | 0 | 0 | 0 |
| 301 General Capital | 869,684 | 1,550,946 | 2,420,630 | -3,037 | 2,417,593 | 35,987 | 19,065 | -16,922 |
| 312 City Facility-Major Maintenance | 74,109 | 27,018 | 101,126 | -259 | 100,867 | 12 | 856 | 844 |
| 330 Roads Capital | 3,591,240 | 1,309,251 | 4,900,491 | -12,542 | 4,887,949 | 61,690 | 43,131 | -18,559 |
| 331 Transportation Benefit District | 516,399 | 188,263 | 704,662 | -1,804 | 702,858 | 0 | 5,515 | 5,515 |
| 401 Surface Water Utility | 1,429,420 | 521,121 | 1,950,541 | -4,992 | 1,945,548 | 41,774 | 21,367 | -20,407 |
| 405 Wastewater Utility | 246,038 | 89,698 | 335,735 | -859 | 334,876 | 0 | 463 | 463 |
| 501 Vehicle Operations and Maintenance | 223,066 | 81,323 | 304,389 | -779 | 303,610 | 0 | 3,488 | 3,488 |
| 503 Equipment Replacement | 1,628,811 | 593,812 | 2,222,623 | -5,689 | 2,216,934 | 8,000 | 19,366 | 11,366 |
| 505 Unemployment | 50,892 | 18,554 | 69,445 | -178 | 69,268 | 0 | 629 | 629 |
| Total Investments | \$25,124,027 | \$10,393,303 | \$35,517,330 | -\$87,745 | \$35,429,585 | \$221,213 | \$322,506 | \$101,293 |

TRANSPORTATION IMPACT FEES (TIF) 2017 ANNUAL FINANCIAL REPORT

Chapter 3.80 of the City of Shoreline's municipal code establishes impact fees for transportation. The following annual report provides information and data on the amount of Transportation Impact fees collected, earned or received and the transportation improvements that were financed in whole or in part by these impact fees, as required by article 3.80.100.

1. Transportation Impact Fees Collected

In 2017, the City collected \$985,667.95 in Transportation Impact Fees. The table below depicts TIF revenue collections from 2015-2017.



2. Transportation Impact Fees Utilized

As of January 1, 2018 no Transportation Impact Fees have been utilized to finance any transportation improvements. The table below provides information on projects that are expected to be financed in whole or in part by Transportation Impact Fees in 2018.

Projects to be financed by TIF based on 2018-2023 CIP:

| Growth Project | Estimated TIF Funding |
|--|-----------------------|
| N 175 th (Stone Way to I-5) | \$533,500 |

Additional TIF revenue will be used for Right of Way and Construction phases of the N 175th project. The 2019-2024 TIP and CIP will further program this revenue source.

TRANSPORTATION IMPACT FEES (TIF) 2017 ANNUAL FINANCIAL REPORT

3. Transportation Impact Fee Exemptions

The following table provides information on projects that have been exempted of all transportation impact fees.

| Transportation Impact Fee Exemptions | | | | |
|--------------------------------------|------------------------------|-------|--------------|---|
| Permit # | Name | Year | Amount | Category |
| 125831 | Walgreens | 2016 | \$2,938.17 | Pharmacy/drugstores |
| 124972 | Starbuck's Parcel 6 | 2016 | \$129,083.64 | Coffee/donut shop |
| 125727 | Dr. Spain | 2016 | \$19,417.92 | Medical/dental office (medical office) |
| 123511 | Hopelink | 2016 | \$25,638.82 | Community Based Human Services Agency |
| 126458 | City Hall Police Station | 2017 | \$65,725.00 | General Office |
| SFR 17-0442 | Michele Tucker Salon | 2017 | \$1,292.72 | General Retail and Personal Services (includes shopping center) |
| COM17-0273 | Hamlin Park Building Mod | 2017 | \$21,820.70 | General Office |
| COM17-0587 | One Cup Coffee Drive Through | 2017 | \$3,575.52 | Coffee/donut shop |
| 125711 | Health Lab | 2016 | \$4,622.40 | Light Industrial |
| COM17-0037 | Ballinger Storage | 2017 | \$6,827.22 | General Office |
| COM17-1604 | Wilson Vet | 2017 | \$38,832.10 | Medical Dental Office |
| COM17-1613 | Dr Abano | 2017 | \$12,444.00 | Medical Dental Office |
| | | Total | \$332,218.21 | |

Per SMC 3.80.070 Exemptions, the amount of impact fees not collected from Community-Based Human Services Agencies and Business Exemptions shall be paid from public funds other than the impact fee account.

Summary of other public funds:

| Growth Project | Source of other public funds | Amount |
|---------------------------|------------------------------|-------------|
| N175th (Stone Way to I-5) | STP- federal funds | \$3,546,500 |