

timber excise revenues (as slightly offset by a \$39k increase in property taxes), a \$39k year-over-year drop in Licenses & Permits mainly due to lower building permit revenues and reduced activity relating to the COVID stay-home proclamation earlier in the year, and a \$35k decline in Fines and Penalties again due to reduced infraction revenue as a result of the COVID stay-home proclamation and its impact on the operation of the courts and clerk's office.

In June, our revenues were pacing at 48.5% of our budget as compared to 48.8%. The largest trailings to budget pacing were seen in Licenses & Permits (39.2% of CY budget vs 43.5% last year), Fines and Penalties (46% of budget vs 50.4% last year), Misc Revenues (at 38.8% of budget vs 49% last year) and Taxes (50.8% of budget vs 53.9% last year). All of these under-performance in revenue pascings can be traced in one form or another back to the impact of the COVID public health emergency. Tax pacing to budget decreased mainly due to property taxes (pacing at 57.4% of budget vs 58.9% last year) due to the granting of \$780k of 90-day extension requests on 1st half property tax payments due April 30th received from residents claiming COVID –related hardship (these payments will be due July 31st). Sales tax pascings to budget were also negatively impacted beginning in May and June due to a 15.6% decline in May sales tax revenue and a 9.7% decline in June due to the impact of the COVID emergency on retail sales activity beginning in the middle of March and carrying through April, leading to zero year-over-year sales tax growth YTD thru June. It's worth noting that the June sales tax performance was considerably better than the 30% decline expected, although as reported it is believed that stimulus checks received in April likely aided in propping up April sales activity, the effect of which is expected to be short-lived as stimulus check funds are exhausted. Significant declines in Licenses & Permits (down 7.9% YTD) and Fines and Penalties (down 7.3% YTD) were also largely driven by the impact of the COVID stay-home order, with some marginal improvement seen since April's 40-50% declines as phase re-opening occurred. Misc Revenues for June YTD were down \$177k or 15% largely due to the processing of refunds on camping and facility usage reservations following the closure of the County parks beginning in late March that continued through June. Areas pacing ahead of budget as compared to last year include Intergovernmental (58.5% of budget vs 56.4% last year mainly due to timing of grant payments), Charges for Goods and Services (45.6% vs 43.5% last year driven mainly by spill over of 2019 election revenues and the Presidential primary and timing of indirect charges), and Timber Sales (73.3% vs 50.4% due to timing of payments from DNR).

Turning to expenditures, YTD expenditures increased \$2,551k over prior year and were pacing at 49.7% of budget as compared to 47.6% in prior year. This increase was driven mainly by budgeted transfers totaling \$1.7 million made to the Parks & Facilities Capital Projects Fund (\$800k), IT Capital Projects Fund (\$500k) and HHS Operations (\$400k) which were new for 2020. Payroll and benefits were up 4.4% and 2.8%, respectively, to prior year and pacing as a % of budget right in line or slightly below prior year. All other expenditure categories were at or below last year as a % of the annual budget with the exception of Supplies and Capital Outlays that were marginally higher due mainly to timing and in the case of capital outlays some spill-over of some 2019 budgeted expenditures to 2020 and IT capital outlays needed to expand the County's remote access capabilities to enable more employee teleworking during the COVID emergency. Overall, Total Expenditures for YTD June 2020 represented 49.7% of our annual budget as compared to 47.6% last year (again pacing slightly higher due to the timing of the \$1.7 million of capital projects and HHS transfers).

Our General Fund balance ended June at \$13,211k, a decrease of (\$243k) from prior year.

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Agenda Item Summary --June 2020 Mid Year Review

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2020 PROJECTION—GENERAL FUND

Turning to my projection for 2020, it warrants repeating that this projection is still very much subject to change as we gain better visibility of COVID's impact on our tax and other revenues, and how the County's local economy rebounds as the County begins the process of moving through the various re-opening phases established by the Governor's office. As a reminder, given the net cash flow effect after anticipated reimbursements from CARES Act Funds, FEMA and other grant sources is expected to be relatively neutral, my forecast also does not reflect the \$4.18 million of CARES Act stimulus made to the County.

Using the three retail sales scenarios discussed in my last report and refined to reflect tax results in May and June and other developments, my 2020 projections by scenario are outlined below:

SCENARIO 1—ASSUMING -9.2% DECLINE IN RETAIL SALES TAXES

REVENUES--Overall revenues are projected to come in \$3.148 million below budget, of which approximately \$1.2 million is driven by lower taxes, principally in retail sales taxes (down \$852k), timber excise tax (forecast reduced \$300k due to considerably lower than expected remittances in June), and a \$41k shortfall in property taxes. As noted earlier, our combined retail sales driven taxes declined 15.6% in the month of May (based on sales tax generated in March), as compared to 15% projected previously in this Scenario, while June sales taxes dropped 9.7% (based on April sales activity) as compared a 25-30% decline expected given April was the first full month under the COVID stay home proclamation. As noted earlier, as it is believed stimulus checks received in April by residents likely helped to bolster sales activity in April, I have only marginally adjusted our estimates upward for July from down -30% in my last projection to down -25% assuming the stimulus checks effect is short-lived, and given recent concern around the slowing of phased reopening and possibility of a COVID resurgence prompting a pull-back in the phased re-opening in the fall, I have adjusted Q4 to assume a 10% decline rather than a mid-single digit decline, resulting in our projected retail sales tax projected to show an annual decline of 9.2%.

Misc Revenue is projected to fall short of budget by \$469k due to mainly lower campground and facility fees due to our closures of our campgrounds and Camp David Facility from April thru the first week of July, the cancellation of the County fair in August, and \$220k in lower interest income forecasted due to the drop in interest rates available for our cash and maturing investment holdings. License and Permits are projected to miss budget by \$172k or 15%, based on lower overall trending building permit revenues earlier in the year and the approximate 50% year-over-year decline seen in April due to reduced activities during the COVID stay-home proclamation extension, and the less severe but still negative year-over-year results seen in May. Intergovernmental revenues are projected to miss budget by \$130k, primarily due to sales-tax related exposure in Criminal Justice #102 revenue and a \$63k budget shortfall in PILT revenues collected in June.

Fines and Penalties are projected to miss budget by \$73k or -7.5%, based on the approximate 40% year-over-year decline seen in April and improved but still negative growth seen in May, reflecting the COVID stay-home proclamation's impact on ticket and penalty revenue generated. Goods & Services are expected to now fall short budget by \$84k largely due to loss of County fair revenues due to its cancellation and lower trending DCD permit center building plan review revenues, as partially offset by the spill-over of 2019 elections reimbursements and unbudgeted new DOL state revenues. Finally, Transfers In Revenue is expected to be \$1 million lower than budget due to the construction phase of

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the Lower Dungeness floodplain project being delayed to 2021 (this is fully offset from a cash flow perspective by a corresponding \$1 million decrease in Transfers Out).

EXPENDITURES-- I am projecting general fund expenditures to total \$42,990k, or \$2,944k lower than budget. This projected underspend is primarily in the area of payroll and benefits, which are projected to underspend to budget by \$1.634 million, and is predicated on the multi-year trend we saw continue in 2019 where due to turnover, retirements, delays in filling open positions, and other dark-time, we have historically underspent our budgeted payroll costs by 3-4% annually, or between \$1.2 and \$1.4 million. In addition, based on the hiring freeze currently in effect, I have conservatively estimated additional savings of approximately \$500k from the hiring freeze, as partly offset by the anticipated benefit cost changes expected from our collective bargaining efforts pending finalization of negotiations. Based on trends, Supplies and Services are projected to come in \$137k and \$362k below budget, partly due to savings expected relating to the County fair's cancellation, and other trending savings. Offsetting these decreases are Capital Outlays which I project will exceed our original budget by \$188k, based on known carry overs in 2020 of 2019 budget capital outlays within Parks/Facilities and the Sheriff's Department and other approved requests. Capital outlays projections do not reflect the recently reviewed IT Roadmap study and the capital needs identified to address the County's IT infrastructure as we hope to recapture any unbudgeted costs through CARES Act reimbursement to the extent possible.

NET DEFICIT OF REVENUES TO EXPENDITURES--Based on these revenue and expenditure assumptions, I am projecting a General Fund operating deficit of (\$3,275k) for 2020, which is \$203k worse than our 2020 budgeted deficit of (\$3,072k).

PROJECTED ENDING FUND BALANCE--\$11,968k, or 27.8% of forecasted expenditures, as compared to \$12,171k budgeted based on final 2019 results.

SCENARIO 2—ASSUMING -10.8% DECLINE IN RETAIL SALES TAXES

REVENUES--Overall revenues are projected to come in \$3,293k below budget, of which \$1,346k is driven by lower taxes, principally in retail sales taxes, and \$307k in lower timber excise taxes based on lower than expected remittances YTD. See Scenario 1 for all other revenue assumptions.

EXPENDITURES—same as Scenario 1.

NET DEFICIT OF REVENUES TO EXPENDITURES--Based on these revenue and expenditure assumptions, I am projecting a General Fund operating deficit of (\$3,420k) for 2020, which is \$348k worse than our 2020 budgeted deficit of (\$3,072k).

PROJECTED ENDING FUND BALANCE--\$11,823k, or 27.5% of forecasted expenditures, as compared to \$12,171 budgeted based on final 2019 results.

SCENARIO 3—ASSUMING -13.6% DECLINE IN RETAIL SALES TAXES

REVENUES--Overall revenues are projected to come in \$3,569k below budget, of which \$1,623k is driven by lower taxes, principally in retail sales taxes, and \$307k in lower timber excise taxes based on lower than expected remittances YTD. See Scenario 1 for all other revenue assumptions.

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Relevant Departments: _____ Finance _____

Date submitted:

July 8, 2020

**Clallam County General Fund Results
June 2020 Mid-Year Review**

June 2020 YTD Revenue totaled \$20,785k as compared to \$20,233k in 2019, representing an increase of \$551k. June 2020 YTD Revenues came in at 48.5% of our annual revenue budget, as compared to 48.8% in 2019. All categories with the exception of Intergovernmental, Charges For Goods & Services, Timber Sales, and Transfers In were down YTD in June compared to last year's pacing as a % of budget. Including Taxes (down 3.1%), Licenses & Permits (down 4.3%), Fines & Penalties (down 4.4%), Misc Revenue (down 10.2%). These drop offs to pacing were mainly due to the impact of COVID-19, the stay-home proclamation and the closure to the public of many courthouse operations in April and continuing into June, leading to significant decline in licenses, permits, fines/infractions YTD (licenses & permits down 7.9% YTD), fines/penalties (down 7.3% YTD), the granting of 90 day extensions to approx \$757k of 1st half property taxes payments normally paid in April that will now be paid in July (impact to General Fund was to bring YTD property tax revenue down \$40k over prior year), and the refunding of camping and facility use fees during our park closures in April thru June. As forecasted, sales taxes took a significant hit in June albeit not as much as seen in May which was down 15.6% and lower than expected for the month of June (down 9.6% vs forecast of down 30%). This reflected April sales tax activity and the full month impact of the COVID emergency declaration and closure of many businesses, as muted I believe somewhat by the stimulus checks paid to many Clallam residents in April which as broadly reported likely propped up retail sales in April. As a result, YTD sales tax growth to last year shrunk considerably, going from a solid 7.2% growth year-over-year thru April down to approximately zero growth YTD thru June. YTD growth is projected to turn negative in July as we begin see the impact on sales taxes from the COVID pandemic as we collect May sales tax, which is expected to be worse than April given the temporary impact of the stimulus payments.

Expenditures for June YTD were \$22,817k as compared to \$20,266k in 2019 for an increase of \$2,551k. Expenditures for June 2020 YTD came in at 49.7% of our annual budget, which was slightly higher than last year's 47.6%. Both the year-over-year increase and higher pacing to budget were mainly due to the \$1.7 million in budgeted transfers out to the Capital Projects, IT Capital and HHS funds. Most expenditure categories finished at or below as a % of budget as compared to prior year, with the exception of Supplies which were up 2.9% in pacing to budget compared to last year due mainly to timing and COVID related expenditures, Capital Outlays (up 29.8%) due to timing of expenditures, IT capital outlays needed to expand the County's remote access capabilities for employees teleworking during the COVID stay home proclamation, and spill over of 2019 capital outlays.

For June 2020 YTD, we generated an operating deficit between revenue and expenditures in the general fund of (\$2,032k), a \$2,000k higher deficit than last year YTD. This year-over-year increase again was largely due to the \$1.7 million of budgeted transfers made to our facilities and revenue and IT capital projects funds and to HHS Operations, along with higher costs in personnel, risk pool costs, and services.

Turning to my projection for 2020, please refer to the enclosed Agenda Summary for further details. As covered in last month's report, significant changes have been made to our projections from our budget based on the events surrounding the COVID pandemic and the profound impact that efforts to manage the pandemic have had on the capital markets and national/local economy that are anticipated will negatively impact our economic-activity driven revenue streams at the County. These projections remain fairly speculative given the unprecedented nature of this event. However, revenue projections have been revised further downward from our last projection, with forecasted taxes being taken down an additional \$216k to reflect an approx. \$307k potential miss in timber excise tax based on YTD June trend as partly offset by better than expected June sales tax revenues, a \$1 million reduction in Transfers In from the Lower Dungeness project due to the delay of the construction phase to 2021 (offset by a corresponding drop in Transfer Out), and slight trend improvements in Licenses & Permits and Fines & Penalties seen in June. Our overall revenues based on mid-case scenario on our tax revenues are projected to come in approximately \$3.1 million below our budget, largely driven by a \$1,201k drop in our Tax revenues based on a mid-case scenario which estimates our retail sales-based taxes will decline for the year by 9.2% in 2020 (vs 10.3% drop in the last forecast). Sales tax revenue projections in July were raised slightly to assume negative 25% growth for the month, while Q4 was adjusted to be down 10% due to lingering concern of the speed of the economic recovery, potential rollback of phase openings if an outbreak recurrence occurs in the fall, and how long stimulus actions will prop up sales activity. Licenses & Permits are expected to miss budget by \$172k or -15% and Fines & Penalties to miss by \$73k or -7.5%, with both reflecting the 40-50% decline seen in April due to the COVID impact, but showing marked improvements as restrictions are lifted, building permit volumes recover from being down 30%+ earlier the year to now being down 7% YTD, and courthouse ops return to normal. Intergovernmental is expected to miss by \$130k mainly due to lower Criminal Justice sales tax expected and PILT revenue received in June coming in \$63k short of budget. Misc Revenue will fall short of budget by \$469k, largely due to lost campground and facility rental revenues beginning in April and continuing through the first week of July due to closure of our campgrounds, the cancellation of the County fair in August, and \$220k in lower interest income due to the significant drop in investment yields as compared to those budgeted. Goods and Services is projected to fall short of budget by -\$84k due largely to a \$205k revenue loss due to the cancellation of the County fair in August and the assumed decline in DCD permitting plan review services, as partially offset by spill over of 2019 election services revenues that were received in 2020 and a new DOL state revenue stream in 2020 that was not budgeted. Transfers In have been reduced by \$1 million to budget due to the delay of the construction phase of the project to 2021. Expenditures are projected to total \$42,990k, which is \$2,944k lower than our budget and mainly driven by \$1.634 million in lower personnel costs due to a 3-4% average annual underspend of our payroll and benefits to budget projected to continue in 2020 relating to open positions, our current hiring freeze, pending retirements and other "dark" time, as offset by the anticipated impact of the collective bargaining process on benefit costs. Capital outlays are expected to come in \$188k higher than budget due to some carry over of unspent capital from 2019 into 2020, while Supplies and Services are projected to come under budget by \$137k and \$362k, respectively, based on trend savings and the cancellation of the County fair. Currently projecting an operating deficit between revenue and expenditures for 2020 in the general fund of (\$3,275k), a \$203k shortfall to our original budget, leaving an estimated ending Fund Balance for the General Fund of \$11,968 million. NOTE: COVID related costs that we anticipate will be reimbursed through the CARES act are not included in the current forecast (as net cash flow effect should be zero).

June 2020 Mid-Year Review YTD--vs Annual Budget (rounded to thousands)

	2020			2019	
	YTD Actual	Budget	Budget Remaining	% of Annual Budget Achieved YTD	% of Annual Budget Achieved YTD
REVENUES:					
Taxes	10,529	20,723	10,194	50.8%	53.9%
Licenses & Permits	451	1,150	699	39.2%	43.5%
Intergovernmental Revenues	3,093	5,286	2,193	58.5%	56.4%
Charges for Goods & Services	4,422	9,695	5,274	45.6%	43.5%
Fines & Penalties	446	969	523	46.0%	50.4%
Misc Revenue (Interest Inc, Camping Fees, etc)	999	2,577	1,578	38.8%	49.0%
Nonrevenues (Sale/Use Tax, Lodging Tax--Parks & Facil)	14	71	56	20.4%	58.4%
Other Financing Sources (Timber Sales, other)	441	602	161	73.3%	50.4%
Transfers In	390	1,790	1,400	21.8%	6.2%
Total Revenue	20,785	42,863	22,078	48.5%	48.8%

	2020			2019	
	YTD Actual	Budget	Budget Remaining	% of Annual Budget Achieved YTD	% of Annual Budget Achieved YTD
EXPENDITURES:					
Payroll	10,280	21,821	11,540	47.1%	47.5%
Benefits	4,194	9,087	4,893	46.2%	46.3%
Supplies	617	1,370	752	45.1%	42.2%
Services	4,333	8,657	4,324	50.1%	51.8%
Capital	157	280	123	55.9%	26.1%
Transfers Out	2,006	3,491	1,485	57.5%	19.3%
Payment to Risk Pool	1,229	1,229	0	100.0%	100.0%

**Clallam County General Fund Results
June 2020 Mid-Year Review**

Total Expenditures	22,817	45,934	23,118	49.7%	47.6%
Net	-2,032	-3,072			
Fund Balance	13,211	12,171	1,039		

June 2020 Mid-Year Review YTD—vs Prior Year YTD (rounded to thousands)

	2020 YTD Actual	2019 YTD Actual	Variance—\$
REVENUES:			
Taxes	10,529	10,636	-107
Licenses & Permits	451	490	-39
Intergovernmental Revenues	3,095	3,030	63
Charges for Goods & Services	4,422	3,948	474
Fines & Penalties	446	481	-35
Misc Revenue (Interest Inc, Camping Fees, etc)	999	1,176	-177
Nonrevenues (Sale/Use Tax, Lodging Tax—Parks & Facil)	14	38	-24
Other Financing Sources (Timber Sales, other)	441	303	138
Transfers In	390	132	258
Revenue	20,785	20,233	551
EXPENDITURES:			
Payroll	10,280	9,847	433
Benefits	4,194	4,080	114
Supplies	617	537	80
Services	4,333	4,184	149
Capital	157	116	40
Transfers Out	2,006	406	1,600
Payment to Risk Pool	1,229	1,095	134
Total Expenditures	22,817	20,266	2,551
Net	-2,032	-32	-2,000
Fund Balance	13,211	13,454	-243

Major Revenue Differences between YTD 2020 and 2019 (rounded to thousands)

Juvenile Justice sales tax	-4
Property tax	39
Sales taxes (other than Juvenile Justice)	2
Timber Excise Tax	-152
Intergovernmental—PILT, Criminal Justice, Other Excise Taxes	81
Intergovernmental—Grants (reduced grants in Juvie, other areas, timing)	-18
Investment & Delinquent tax interest	63
Decrease in Parks' Camping Fees Due to COVID-related Campground/Facility Closures	-231
Timber revenue	118
Interagency Services—Court Consolidation pymt timing, Roads & Other Policing Agreements timing/reduction, State Dpt Corrections & Jamestown Policing payment timing	-216
Indirects (due to implementation of new cost allocation plan in late 2019; \$158k timing diff of June 19 Indirects posting to July)	410
Fines and Penalties (due to reduced traffic infractions during stay at home order)	-35
Election Services Revenue—Presidential Year, spill over 2019 November election reimbursement	356
Everything else—Transfers, Building Permits, etc (rounded to thousands)	137 **
Total Revenue Increase over Prior Year	551

** The 'everything else' number of \$137k reflects higher transfers in relating to the Lower Dungeness project (\$258k), and new DOL revenue from the state (\$53k), as offset by lower building permit revenue (-\$13k), lower Environmental Health On Site, Food Service and Water Program fees (-\$101k), lower licenses & permits (-\$39k) and other decreases.

Major Expense Differences between YTD 2020 and YTD 2019 (rounded to thousands)

Payroll/Benefits—prior year estimated impact of retirements and newly elected officials that led to conversion of payouts of accrued leave balances or partial conversion of leave balances to VEBA payments.	-201
Payroll—changes due to personnel, step/COLA, and other non-retirement factors	556
Benefits—due to changes in personnel/benefit costs	193
Services (mainly due to spill over of 2019 election binding & printing costs, \$80k higher Clallam Conservation District, higher coroner services, Parks/Facilities and Fair building maintenance and higher professional services in multiple areas, as offset by timing of payment of OpScan LEDRN User fees).	149
Risk Management Assessment for Insurance Pool	134

Clallam County General Fund Results

June 2020 Mid-Year Review

Transfers (mainly due to budgeted transfers to Capital Projects of \$800k, \$500k to IT Capital Projects, & \$400k to HHS)	1,600
Net Other Expenditure Changes (supplies, capital outlays per above)	121
Total Expenditure Increase over Prior Year	2,551

June 2020 Mid-Year Review Full Year Projection vs Annual Budget (rounded to thousands)

****PROJECTIONS BELOW BASED ON 3 SCENARIOS OF POTENTIAL IMPACT COVID ON CLALLAM RETAIL SALES DEPENDENT TAXES--SEE SEPARATE SENSITIVITY ANALYSIS****

	MID-CASE PROJECTION ASSUMING 9.2% DECLINE IN RETAIL SALES TAXES			WORST CASE PROJECTION ASSUMING 16.8% DECLINE IN RETAIL SALES TAXES (I.E. LEVEL SEEN IN 08-09 RECESSION)			WORST CASE PROJECTION ASSUMING 15.4% DECLINE IN RETAIL SALES TAXES (I.E. BASED ON EXTRAPOLATING GOLDMAN SACHS -3.8% GDP)			MODERATE IMPACT ASSUMING 3.2% DECLINE IN RETAIL SALES TAXES		
	2020 Projected	2020 Budget	Over/(Under) Budget	2020 Projected	2020 Budget	Over/(Under) Budget	2020 Projected	2020 Budget	Over/(Under) Budget	2020 Projected	2020 Budget	Over/(Under) Budget
REVENUES:												
Taxes	19,522	20,723	-1,201	19,377	20,723	-1,346	19,101	20,723	-1,623	20,061	20,723	-662
Licenses & Permits	978	1,150	-172	978	1,150	-172	978	1,150	-172	978	1,150	-172
Intergovernmental Revenues	5,156	5,286	-130	5,156	5,286	-130	5,156	5,286	-130	5,156	5,286	-130
Charges for Goods & Services	9,611	9,695	-84	9,611	9,695	-84	9,611	9,695	-84	9,611	9,695	-84
Fines & Penalties	896	969	-73	896	969	-73	896	969	-73	896	969	-73
Misc Revenue (Interest Inc, Camping Fees, etc)	2,108	2,577	-469	2,108	2,577	-469	2,108	2,577	-469	2,108	2,577	-469
Nonrevenues (Sale/Use Tax, Lodging Tax--Parks & Facil)	52	71	-19	52	71	-19	52	71	-19	52	71	-19
Other Financing Sources (Timber Sales, other)	602	602	1	602	602	1	602	602	1	602	602	1
Transfers In	790	1,790	-1,000	790	1,790	-1,000	790	1,790	-1,000	790	1,790	-1,000
Total Revenue	39,715	42,863	-3,148	39,570	42,863	-3,293	39,294	42,863	-3,569	40,254	42,863	-2,609
EXPENDITURES:												
Payroll	20,687	21,821	-1,134	20,687	21,821	-1,134	20,687	21,821	-1,134	20,687	21,821	-1,134
Benefits	8,587	9,087	-500	8,587	9,087	-500	8,587	9,087	-500	8,587	9,087	-500
Supplies	1,233	1,370	-137	1,233	1,370	-137	1,233	1,370	-137	1,233	1,370	-137
Services	8,295	8,657	-362	8,295	8,657	-362	8,295	8,657	-362	8,295	8,657	-362
Intergovernmental	0	0	0	0	0	0	0	0	0	0	0	0
Capital	468	280	188	468	280	188	468	280	188	468	280	188
Transfers Out	2,491	3,491	-1,000	2,491	3,491	-1,000	2,491	3,491	-1,000	2,491	3,491	-1,000
Payment to Risk Pool	1,229	1,229	0	1,229	1,229	0	1,229	1,229	0	1,229	1,229	0
Total Expenditures	42,990	45,934	-2,944	42,990	45,934	-2,944	42,990	45,934	-2,944	42,990	45,934	-2,944
Net	-3,275	-3,072	-203	-3,420	-3,072	-348	-3,696	-3,072	-625	-2,736	-3,072	336
Fund Balance	11,968	12,171	-203	11,823	12,171	-348	11,546	12,171	-625	12,507	12,171	336

CLALLAM COUNTY
GENERAL TAX REVENUE FORECAST & SENSITIVITIES
CALENDAR YEAR 2020

PERFORMANCE OF TAXABLE RETAIL SALES & USE TAX--PRIOR RECESSION (2007-2009)

	2007	2008	2009	% Change 2008	% Change 2009
Total - Clallam County	1,092,313,503	974,197,887	913,185,268	-10.8%	-6.3%
US GDP				-0.3%	-2.8%
Goldman Sachs Annualized Projected US GDP Drop-2020 (per 3/20/20 Report)					-3.80%
Goldman Sachs Extrapolated to Clallam County Retail Sales Tax (based on 2008/2009 average drop vs '09 GDP drop)					-13.6%

General Fund

		2020												Total	Budget	\$ Variance	% Variance
		January (Actual)	February (Actual)	March (Actual)	April (Actual)	May (Actual)	June (Actual)	July	August	September	October	November	December				
Taxes	Real and Personal Property Taxes	23,494	445,761	853,526	4,102,736	771,420	121,852	167,200	96,173	227,132	3,535,778	557,467	55,728	10,958,266	11,000,000	-41,734	-0.38%
Taxes	Local Retail Sales and Use Tax	516,637	634,484	479,461	444,860	458,217	467,960	418,364	578,140	513,930	528,546	577,355	519,395	6,137,348	6,750,000	-612,652	-9.08%
Taxes	Juvenile Correction Sales and Use Tax	112,806	135,886	104,583	97,201	100,467	103,827	90,136	113,661	111,035	115,604	120,816	110,839	1,316,861	1,460,000	-143,139	-9.80%
Taxes	Local Criminal Justice	71,507	86,500	66,352	61,600	63,669	65,806	57,581	72,574	70,800	73,938	77,062	70,886	838,275	930,000	-91,725	-9.86%
Taxes	Timber Excise Tax	0	0	0	0	0	63,092	0	0	0	0	0	79,902	142,994	450,000	-307,006	-68.22%
Taxes	Leasehold Excise Tax	0	32,627	38	2,577	1,162	11,375	67	11,959	0	1,902	0	10,962	72,669	73,350	-681	-0.93%
Taxes	Local Public Safety	4,919	5,589	4,286	4,115	4,201	4,701	3,923	4,507	4,866	4,769	4,831	4,692	55,399	60,000	-4,601	-7.67%
Tax Revenue		729,363	1,340,847	1,508,246	4,713,090	1,399,137	838,613	737,269	877,013	927,764	4,260,537	1,337,530	852,402	19,521,812	20,723,350	-1,201,538	-5.80%
	YOY % Change-ALL TAX	1.98%	15.67%	-4.56%	-2.27%	2.61%	-15.71%	-10.79%	-17.84%	-15.66%	-1.90%	-5.61%	-20.78%	-4.61%			
	YOY % Change-Retail Tax Only	4.51%	7.78%	6.53%	10.24%	-15.62%	-9.66%	-25.00%	-20.00%	-20.00%	-15.00%	-10.00%	-10.00%	-9.20%			

Assumed Growth Rate %

		January (Actual)	February (Actual)	March (Actual)	April (Actual)	May (Actual)	June (Actual)	July	August	September	October	November	December	Total
Taxes	Real and Personal Property Taxes	-40.94%	36.37%	-11.63%	-3.90%	24.51%	110.64%	152.03%	1.29%	1.29%	1.29%	1.29%	1.29%	1.83%
Taxes	Local Retail Sales and Use Tax	4.57%	8.07%	6.84%	9.87%	-16.10%	-9.78%	-25.00%	-20.00%	-20.00%	-15.00%	-10.00%	-10.00%	-9.25%
Taxes	Juvenile Correction Sales and Use Tax	4.84%	7.54%	6.13%	11.59%	-13.96%	-9.18%	-25.00%	-20.00%	-20.00%	-15.00%	-10.00%	-10.00%	-8.88%
Taxes	Local Criminal Justice	4.02%	6.89%	5.83%	11.10%	-14.51%	-9.60%	-25.00%	-20.00%	-20.00%	-15.00%	-10.00%	-10.00%	-9.12%
Taxes	Timber Excise Tax	0.00%	0.00%	0.00%	0.00%	0.00%	-70.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-64.69%
Taxes	Leasehold Excise Tax	0.00%	1.64%	0.00%	25.72%	-18.75%	7.67%	5.02%	5.02%	0.00%	5.02%	0.00%	5.02%	4.04%
Taxes	Local Public Safety	-1.11%	-3.87%	-5.25%	6.37%	-18.23%	-9.23%	-25.00%	-20.00%	-20.00%	-15.00%	-10.00%	-10.00%	-11.55%

MID-WORST CASE -9.2% ANNUAL DROP IN RETAIL SALES	WORST CASE 1- LESS SEVERE (-6.3% ANNUAL DROP- 2009 LEVEL PAIN)	WORST CASE 2- SEVERE (-10.8% ANNUAL DROP- 2008 LEVEL PAIN)	WORST CASE 3- SEVERE (GOLDMAN SACHS -3.8% GDP ANNUALIZED DROP)	MODERATE IMPACT CASE -3.2% ANNUAL DROP	SCENARIO NEEDED TO ACHIEVE ADJ BUDGET (I.E. BUDGET LESS DARKTIME)
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SCENARIO 1: RETAIL SALES DROP 25% JUL, 20% AUG-SEPT (PHASE IN BEGIN IN MAY), Q4 IMPROVE TO 10% DECLINE	SCENARIO 2: RETAIL SALES DROP 12% JUL-DEC, PHASE IN BEGIN IN MAY, NO RECOVERY FOR REST OF YEAR	SCENARIO 3: RETAIL SALES DROP 20% JUL-DEC, PHASE IN BEGIN IN MAY, NO RECOVERY FOR REST OF YEAR	SCENARIO 4: RETAIL SALES DROP 30% JUL, 23%+ DROP REMAINDER OF YEAR, PHASE IN BEGIN IN MAY, NO RECOVERY FOR REST OF YEAR	SCENARIO 5: RETAIL SALES DROP 10% JUN SEPT (PHASE IN BEGIN IN MAY), Q4 PHASE OUT TO LOW SINGLE DIGIT DECLINE	SCENARIO 6 RETAIL SALES DROP 5% JUN-AUG (PHASE IN BEGIN MAY); RETURN TO 3% GROWTH END OF Q4 (TO ACHIEVE TAX BUDGET)
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MONTH	COVERING SALES TAX PERIOD	RETAIL SALES % CHANGE TO PY	RETAIL SALES % CHANGE TO PY					RETAIL SALES % CHANGE TO PY
			RETAIL SALES % CHANGE TO PY	% CHANGE TO PY				
JAN (ACTUAL)	Nov-19	4.51%	4.51%	4.51%	4.51%	4.51%	4.51%	4.51%
FEB (ACTUAL)	Dec-19	7.78%	7.78%	7.78%	7.78%	7.78%	7.78%	7.78%
MAR	Jan-20	6.53%	6.53%	6.53%	6.53%	6.53%	6.53%	6.53%
APR	Feb-20	10.24%	10.24%	10.24%	10.24%	10.24%	10.24%	10.24%
MAY	Mar-20	-15.62%	-15.62%	-15.62%	-15.62%	-15.62%	-15.62%	-15.62%
JUN	Apr-20	-9.66%	-9.66%	-9.66%	-9.66%	-9.66%	-9.66%	-9.66%
JUL	May-20	-25.00%	-25.00%	-12.00%	-20.00%	-30.00%	-7.50%	-5.00%
AUG	Jun-20	-20.00%	-20.00%	-12.00%	-20.00%	-25.00%	-7.50%	-5.00%
SEPT	Jul-20	-20.00%	-20.00%	-12.00%	-20.00%	-25.00%	-7.50%	-2.00%
OCT	Aug-20	-15.00%	-15.00%	-11.00%	-15.00%	-24.00%	-7.50%	1.00%
NOV	Sep-20	-10.00%	-10.00%	-10.00%	-19.00%	-23.00%	-3.75%	2.50%
DEC	Oct-20	-10.00%	-10.00%	-10.00%	-19.00%	-23.00%	-2.50%	4.00%
		19,521,812	19,521,812	19,801,581	19,377,208	19,100,803	20,061,194	20,329,822
		-4.6%	-4.6%	-3.2%	-5.3%	-6.7%	-2.0%	-0.7%
		-9.2%	-9.2%	-6.2%	-10.8%	-13.8%	-3.3%	-0.4%
		-1,201,538	-1,201,538	-921,769	-1,346,142	-1,622,547	-662,356	-993,628
		-5.8%	-5.8%	-4.4%	-6.5%	-7.8%	-3.2%	-1.9%