

Clark County

Budget and Economic Outlook

Work Session

April 16, 2014

1300 Franklin St. 6th Vancouver WA 98666-5000

Phone: 360-397-6121 / Fax: 360-397-2342

Email: Adriana.Prata@clark.wa.gov

Work Session Roadmap

- General Fund overview of 2013-2014 budget (includes spring 2014 updates)
- General Fund actual performance through March 2014
- General Fund projections through end of 2014
- National and local economic outlook

Work Session Summary

- 2013-14 General Fund budget includes \$11 million from unassigned reserves
- Current forecast expects to use \$4.2 million only
- Reserves are projected at 47 days by end of 2014, possibly higher
- National and local economies continue improvement, consistent with budget forecast assumptions

2013-2014 General Fund Spending Plan

(millions)

➤ Planned expenses \$314.0

➤ Planned revenues \$314.0

➤ 2013-2014 revenues \$298.3

➤ Reserves – dedicated funds \$4.7

➤ Reserves – unassigned \$11.0

2013-2014 General Fund projections

➤ Revenues

- On track
- Expected to be on forecast throughout 2014

➤ Expenses

- \$3.6 million actual savings through March 2014
- \$6.2 million projected savings through December 2014

2013-2014 General Fund
Outlook for unassigned reserves
(millions)

January 2013	+\$24.5 (62 days)
--------------	-------------------

Included in current budget	-\$11.0
----------------------------	---------

Projected savings	+ \$6.2
-------------------	---------

December 2014	+\$19.7 (47 days)
---------------	-------------------

Savings could be greater, increasing reserves

Global and national economy under recovery

- Growth in the US economy is helping the world recovery, despite a slowdown due to bad weather
- US annual growth rate = ~ 3%
- Improvements in US consumer confidence, the housing market, bank lending and household wealth
- Growth has turned positive in the Eurozone

Clark County economy

- Clark County job growth was strong at 3.5% over the year (4,700 jobs added)
- January 2014 unemployment rate was 8.3% (US = 7%, Washington State = 6.9%)
- Compared with six years ago, the county lost 3,400 construction and 1,200 manufacturing jobs, and added 3,400 health care jobs

Clark County economy

- Housing inventory was healthy at 4.6 months of supply in March 2014
- Median sale price was \$258,400 in the first quarter of 2014, up 7.6% from the first quarter of 2013
- Countywide building permits issued in 2013 increased 42% for single family, and 245% for multi-family units
- Taxable retail sales increased 9.3% in 2013 (20% for construction related sales)

Risks remain

- Overall downside risks have diminished
- Global recovery remains uneven among countries
- Growth in emerging markets is threatened by tight fiscal conditions and capital flow
- Geopolitical risks