proud past, promising future

CLARK COUNTY
WASHINGTON

AUDITOR
GREG KIMSEY

August 31, 2015

Honorable David Madore, Chair
Clark County Board of Councilors
PO Box 5000
Vancouver, Washington

RE: Clark County Financial Trends Monitoring Report

Dear Councilor Madore,

The following represents our report of financial trends for Clark County for the ten year period ended December 31, 2014.

INTRODUCTION

This report has been compiled in accordance with the provisions of the Clark County Fiscal Policy Plan, and includes trends of key financial and economic indicators for the government and community of Clark County, Washington.

Information for the report is derived from various County financial records and reports, including the Comprehensive Annual Financial Report (CAFR), and from various other local and state governments and agencies.

FISCAL POLICIES

The report presents the 17 fiscal policies included in the Clark County Fiscal Policy Plan. These policies provide guidelines for the prudent management of the County's finances. These guidelines are not absolute rules, but variation from them should be carefully considered and of limited duration only. We have provided a brief narrative following each policy statement that represents our opinion of the degree to which the County is in compliance with the policy.

FINANCIAL INDICATORS

The report presents a combination of 29 financial measures and demographic indicators that can help highlight issues and trends. The analysis of each indicator gives guidance on what trends may mean in terms of Clark County's fiscal health.

It is important to understand the data behind the indicators to be able to recognize the meaning of any particular trend and if the current result is cause for concern. Therefore, formulas used in calculations and data sources are identified for each of the indicators. The indicators are divided into five categories: Revenues, Expenditures, Operating Position, Debt Structure, and Economic Base.

Regular analysis can highlight potential fiscal problems and provide the necessary information required for timely corrective action. By taking action to address weaknesses and to strengthen fiscal health, the county can help ensure that resources are available to fund the level of services required by the taxpayers.

RATING STRUCTURE

There is considerable variation in the way that local governments manage their finances. The variations make development of benchmarks difficult for many indicators. Ratings for these indicators were influenced by the model for evaluating financial condition that was developed by the International City/County Management Association in 2003.

The analysis of these indicators includes a "Warning Trend," which helps to focus on conditions that currently exist or that should be avoided. Staff has evaluated each indicator and assigned a rating according to the following rating scheme of "positive," "negative," or "mixed", based on the following:

Green – the trend is positive and favorable.

Yellow – the trend is mixed and uncertain. The indicator should be watched carefully because it may move in a direction that could have a negative impact on the county's financial health.

Red – the warning trend is negative and has been observed. More information should be gathered and if possible, corrective action should be taken.

A summary of the 29 indicators reveals the following:

- Comparing the 29 indicators in 2014 to 2013 shows that eight were rated higher, only one was rated lower, and twenty maintained their 2013 rating.
- Two indicators in the Revenue category improved. General Fund Revenue per Capita and Tax Revenue per Capita improved. The Enterprise Revenue and Expenses indicator declined and the other three Revenue indicators remained unchanged in 2014 from the prior year.
- The Expenditure indicator category posted the most improvement in 2014. Three of the seven Expenditure indicators improved while three maintained their 2013 rating. Improvements were observed in the Capital Projects Per Capita, General Fund Expenditures per Capita, and Repair and Maintenance Cost Indicators.
- The Net Assets – Insurance Reserves indicator improved in Operating Position in 2014. All other indicators remained the same.
- The Debt Service Costs indicator in the Debt category improved in 2014. The other indicators, which include Long Term Debt and Overlapping Debt per Capita, remained unchanged from 2013 to 2014.
- One indicator in the Economic Base category rated higher in 2014. Taxable Sales of Goods and Services improved. All other Economic Base indicators remained the same.

The fourteen indicators receiving "positive" ratings in 2014 are discussed by category below:

- Revenue:
    - <u>Elastic Revenue as a Percent of Total Revenue</u> – The increase in elastic revenues as a percentage of total operating revenues beginning in 2010 follows the recovering economy compared to more stable operating revenues for the County.
- Expenditures:
    - <u>Total Governmental Fund Expenditures Per Capita</u> – Adjusting for CPI, governmental fund expenditures per capita decreased from $852 in 2005 to $632 in 2014.
    - <u>Capital Projects Expenditures per Capita</u> – Capital projects expenditures per capita declined from $109 in 2005 to $80 in 2014.
    - <u>General Fund Expenditures per Capita</u> – Expenditures have been relatively stable with only a 2.7% average deviation over the last 10 years.
    - <u>Employees Per Capita</u> – There has been a consistent decrease of FTEs per capita each year since 2007.
    - <u>Repair and Maintenance Costs</u> – Costs as a percentage of non-road assets were 7.5% in 2014 and have decreased annually since peaking in 2008 at 8.9%.
- Operating Position
    - <u>Fund Balance - General Fund and Permanent Reserve</u> – Between 2009 and 2014, the General Fund balance increased each year. In 2014, it was 17.3% of annual expenses and transfers. Fund Balance exceeded the risk based fund balance target by $2.8 million.

- Fund Balance – Road Fund – The fund balance in the Road Fund increased substantially between 2005 and 2014 to $33.1 million. It is anticipated that fund balance will be used to fund various projects in the 6 year Transportation Improvement Plan.
- Fund Liquidity General Fund and Road Fund – Liquid assets in the General Fund decreased from $32.3 million in 2013 to $24.8 million in 2014 due to funding of various software implementations. General Fund liquid assets were up since the beginning of the period when they were $17.4 million. Liquid assets in the Road fund improved slightly from $28.6 million in 2013 to $29.9 million in 2014 and were up significantly from $7.6 million in 2005 at the beginning of the period.

- Debt:

  - Long-Term Debt –The amount of long-term decreased from $164.9 million in 2005 to 138.6 million in 2014, while the long-term debt per capita decreased from $421 to $313 over the same period.
  - Debt Service Costs – Costs increased marginally in 2014 due to refunding of some long outstanding debt. Costs have averaged 4.6% of net operating revenues since 2005, which is below the 10% guideline in the County Fiscal Policies.
  - Overlapping Debt Per Capita – Overlapping debt per capita is substantially below the 10 year average of $2,293 at $1,797 in 2014.

- Economic Base:

  - Population of Cities and County – Population in unincorporated areas of Clark County has grown 11.2% since 2005, while the total county population has grown 13.1%.
  - Taxable Sales of Goods and Services – Taxable sales have grown $395 million since the bottom of the recession in 2009.

The three indicators receiving negative ratings in 2014 are discussed by category below:

- Revenue:

  - Operating Revenue Per Capita – Operating revenue per capita adjusted for inflation was $638 in 2014 down from $829 in 2005.
  - Enterprise Revenue and Expenses – Operating deficits in the last 5 years have resulted in cumulative operating losses of $6.7 million.

- Economic Base:

  - Median Household Income – Median household income in Clark County adjusted for inflation was $59,341 in 2014 compared to $62,425 in 2005.

<u>SUMMARY</u>

This report reflects the continuing trend of economic growth since the Great Recession. Although some trends have not returned to the same level as pre-recession, with 14 positive indicators, the County is once again showing some financial strength. The three negative indicators are a significant drop just since 2012 when there were seven. In 2014, County management has continued to show good judgement in the use of resources. As the economy continues to improve, the County will also improve, tempered by memories of the recent financial crisis.

The year 2008 was the first time that combined mixed and negative ratings exceeded favorable ratings. This decline was stabilized in 2009 and 2010. In 2011, there was a slight decline in ratings due to the continued lack of jobs added as the economy recovered. In 2012, there was a net improvement in 7 of the rated indicators. In 2014 positive indicators increased by 5, adding 3 from 2013 mixed indicators and 2 from 2013 negative indicators.

There are still major trends that may not reflect improvement for some time. Chief among these are decreasing revenue per capita, household median income, and continued population growth changing the demand on services. In this environment, it is crucial that the County manage resources efficiently and continue to maintain adequate reserves so that it maintains the ability to accommodate changes in the economy without resorting to cuts in services.

Sincerely,

Greg Kimsey
Clark County Auditor

CLARK COUNTY FISCAL POLICIES
As of December 31, 2014

Background
The Fiscal Policy Plan was first adopted by the Board of County Commissioners in 1982 and amended on August 2, 1994. Its purpose is to assist decision-makers by providing information and guidelines that cumulatively should ensure that Clark County continues to pursue a financially prudent course.

In this document we quote the fiscal policies (in italics) and give a brief description of County practices that relate to that policy.

Policies
Policy 1
The County shall calculate and compile financial indicators, consistent with this report, for each year. Any indicator showing a negative trend shall be analyzed to determine why the change has occurred. The Acting County Manager is authorized to add or delete financial indicators to reflect the needs of the County and the availability of relevant information.

The Financial Trends Monitoring Report has been updated for the current year.

Policy 2
Clark County shall annually forecast revenues and expenditures for the next three to five years for the General Fund and Road Fund. Forecasts should reflect the County's multi-year capital improvement plans. Other funds should be forecast to the extent that they are material and can be reasonably predicted.

As part of the biennial budget process, the Budget Office forecasts the General Fund in detail and major changes to the baseline budget for an additional four years. Public Works staff includes expenditure forecasts for the Road Fund as part of the Six-Year Transportation Improvement Plan. Capital revenue restrictions have reduced park development.

Policy 3
Clark County shall proactively seek citizen involvement in evaluations of services and service levels.

Clark County's budget process furnishes opportunities for citizen involvement in the evaluation of programs and the allocation of resources. Budget meeting notices are published in local newspapers and public hearings are held, at which time the Board of County Councilors (BOCC) seeks input from staff and citizens, as it considers and ultimately adopts the budget. The County also has numerous advisory boards that provide citizen evaluation and advice on a continuous basis over many program areas.

Policy 4
Clark County will accept State and Federal money to fund programs mandated by law; or to fund programs established as a local priority after taking local contributions into account.

The BOCC approves grant-funded contracts. Most local matching for grant-funded programs relate to infrastructure needs that are included in the County's Comprehensive Plan and the Six-Year Transportation Improvement Plan.

Policy 5

Clark County will set charges for each enterprise fund (sewer, solid waste, etc.) at a level which supports the direct and overhead costs of the enterprise, primarily by fees, grants, or other sources consistent with the direction of the Board of County Councilors.

Net assets for enterprise funds were positive at the end of 2014. However, unrestricted net assets of the Clean Water fund were negative at the end of 2014, due to a legal judgment that has been expensed and will be paid over the next few years. The Board of County Councilors recently approved an increase in Clean Water fees to address the funding deficit in this program.

Policy 6

Clark County will pursue a fair and equitable process for the collection of property tax and all other revenues, with the goal of minimizing delinquencies.

At December 31, 2014, uncollected delinquent property tax amounted to $2.9 million ($1.5 million from 2014 and the remainder from levies for all prior years). By year-end, 98.0% of the 2014 tax levy was collected. During the last 10 years, the percent collected has never been less than 98.0%.

Policy 7

Clark County management is required to comply with budgetary restrictions. A reporting system will be provided to help managers monitor and adhere to financial constraints.

The Auditor's Office monitors compliance with budgetary restrictions and departments have access to a variety of monthly reports to assist managers in monitoring their budgets and controlling expenditures.

Policy 8

Clark County will provide for adequate maintenance of capital facilities and equipment, and for their orderly replacement, if necessary.

The County maintains two revolving funds that provide for maintenance, repair, and replacement of heavy equipment, vehicles, and personal computers. In addition, the County has adopted long-term major maintenance programs for facilities and parks, but has not yet established a program to fund significant system replacement or major facilities maintenance. The County's financial system had a significant upgrade completed in 2012. In the past 10 years, the County has significantly upgraded its facilities, completing construction of the Public Service Center, the Community Health Center and the Exposition Center, as well as significant remodels of the Courthouse, Juvenile Detention facilities, and the Elections and Auto Licensing Building. The latest building upgrades include energy conservation and alternative energy technology, along with the implementation of a new custody management system currently in progress.

Policy 9

Clark County shall establish reserve funds to pay for needs caused by unforeseen events. Reserves shall be held to address the following circumstances: 1) Catastrophic reserves, to provide limited emergency funds in the event of natural or manmade disasters; 2) Operational reserves, to provide additional funds for limited, unexpected service needs; 3) Liquidity reserves, to provide funds sufficient to insure smooth running of the County and pay current obligations; and 4) Capital reserves to facilitate the orderly replacement or acquisition of capital facilities and equipment. An amount equivalent to between 6% and 10% of the General Fund operating budget shall be held in a separate reserve. Individual fund managers shall maintain reserves to address operational and liquidity needs for the funds under their control.

The County has a Permanent Reserve Fund to provide for operational and catastrophic needs. At December 31, 2014, the balance in the fund amounted to $6.6 million or 3.9% of the General Fund operating budget. The County failed to maintain the minimum 6.0% standard from 2004 to 2010. However, following the application of GASB 54, in 2011, the County reports the General Fund and Permanent Reserve as one fiscal entity. Combined, the unassigned fund balance of the two is $27.8 million, which exceeds the risk-based fund balance policy target for General Fund fund balance. Liquidity reserves are established in each fund. The County has established capital reserves in the internal service funds for vehicle and computer equipment replacements financed by charges to user departments.

Policy 10

Capital improvements must be designed to provide sufficient benefits for the expected cost. Benefits can be economic or social values expressed in the capital improvement plan, or can be based on a cost benefit analysis.

Most capital expenditures are reflected in the County's Comprehensive Plan and the Six-Year Transportation Improvement Plan. The economic and social values of these projects are expressed in these plans. Additional evaluation of capital improvements is performed at the departmental level and examined by the Finance Team. Formal cost/benefit analysis is not performed in all cases.

Policy 11

Clark County shall develop and adopt multi-year capital improvement plans to guide current and future major capital facility and equipment expenditures.

The capital facilities element of the Comprehensive Plan addresses infrastructure and utility needs and is augmented by more detailed plans such as the Six-Year Transportation Improvement Plan. The County also has open space acquisition programs supporting the expenditure of Conservation Futures funds.

The County has formed a Finance Team made up of senior managers to review capital spending plans. Capital spending plans should comply with the Board of County Councilors' priorities: 1. Honor existing obligations (debt service), 2. Preserve existing assets, 3. Acquire new assets based on greatest need and the ability to maintain them.

Policy 12

Clark County will develop investment strategies to maximize return on investments while protecting the public's assets.

The County Treasurer's Office performs various cash flow analyses to determine size and duration of investments. The Treasurer's Office established and implemented a local government investment pool to maximize buying power and flexibility. Investment policies and standards have been developed pursuant to State and County guidance and policies to manage the County's portfolio.

Policy 13

The County shall restrict direct debt to the limit identified in Article 8, Section 6 of the Washington State Constitution. In addition, the County will be prudent when considering appropriate levels of debt, limiting debt service to the County's current and future ability to finance that service without diminishing core services. In recognition of the value of the County's ability to raise money at competitive rates, the County will also consider the impact of any new debt on future bond ratings. Biennial budget appropriations shall include debt service payments and reserve requirements identified in bond covenants for all outstanding debt.

At the end of 2014, the County's non-voted debt limit was $585.3 million. Outstanding General Obligation Bond Debt subject to this limit at the end of 2014 was $103.9 million, or 17.8% of the debt limit. Additional governmental debt subject to the non-voted debt limit includes public works trust fund loans, special assessment debt, and capital leases. Total net debt applicable to the limit was $135.3 million at December 31, 2014.

Policy 14
Clark County recognizes that net direct debt service should be no more than ten percent (10%) of the operating revenues of the issuing fund and the General Fund combined.

Debt service in 2014, excluding enterprise funds, was $14.9 million. In 2014, total debt service for governmental funds as a percentage of total revenues generated in all paying funds and General Fund (excluding Community Services Grant Fund whose revenues are grant driven) was 7.3%.

Policy 15
Where possible, Clark County will use revenue or other self-supporting bonds instead of general obligation bonds except where significant interest differences become a primary consideration.

The County (including proprietary funds) had $165.6 million in total outstanding liabilities at December 31, 2014. At this time, the County has no outstanding Revenue Bond Debt.

Policy 16
Clark County will not use long-term debt to finance current operations. Long-term borrowing will be confined to capital improvements or similar projects with an extended life which cannot be financed from current revenues.

Long-term debt has been used only to finance capital improvements or acquisitions.

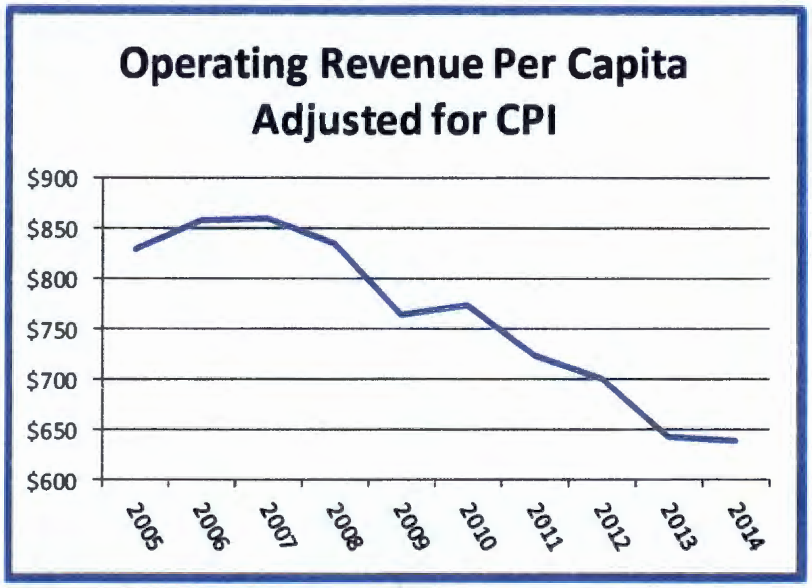
Policy 17
Clark County will keep the maturity of general obligation bonds consistent with or less than the expected lifetime of the project, with a goal of amortizing at least an average of 5.0% of project costs per year. All future long-term debt will have prepayment options unless alternative debt structures are judged more advantageous to the County.

At the end of 2014, the general obligation bonds issued by the County have an outstanding life of 22 years or less. The County took advantage of a low interest environment in 2004, 2005, 2012, and 2014. Refunding bonds were issued with that duration.

Operating Revenue Per Capita

Description

Per capita revenue illustrates revenue changes relative to populations size. As population increases, it may be expected that the volume of services provided may increase proportionately. For a variety of reasons including legal limits and the cyclical nature of certain revenues, the level of per capita revenue may not directly correlate to population changes. Operating revenue per capita includes taxes, licenses & permits, fines & forfeitures, grants, and other miscellaneous sources of funds. It does not include revenue from proprietary activities.



Warning Trend: Decreasing Per Capita Operating Revenue in Adjusted Dollars

Clark County Trend: **Negative**

Formula:

Net operating revenues (adjusted dollars)
/ Population

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Operating Revenue (in $1,000s)	270,912	296,396	316,458	324,671	302,329	305,475	295,801	295,010	280,413	282,292
Per Capita Revenue	692	735	763	765	701	718	691	684	644	638
Total Operating Revenue (in $1,000s)-Adjusted	324,553	346,190	356,331	353,891	329,236	328,691	309,408	301,500	279,572	282,292
Per Capita Revenue-Adjusted	829	858	859	834	764	773	723	699	642	638

Highlights:

Total operating revenue was $638 per capita in 2014 adjusted for inflation, which is down slightly from the previous year. This is due in part to lower inflation causing a dip in the CPI as well as an increase in population. Operating revenue in nominal terms increased 0.7%

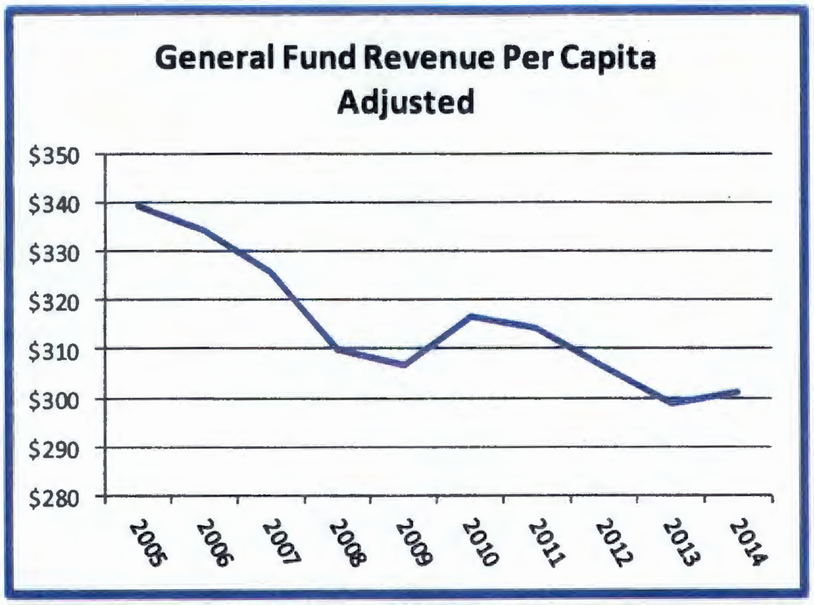
Total operating revenue was $282.3 million in 2014, which is a 4.2% increase over 2005. Operating revenue peaked in 2008. Intergovernmental revenue declined during the period, as did court revenues. Intergovernmental revenue was highest in 2010 and has declined every year since.

The largest portion of operating revenue, 51.4% in 2014, is from taxes. Unadjusted tax revenues increased 4.4% in 2014 from 2013.

General Fund Revenue Per Capita

Description taxes

Per capita revenue illustrates revenue changes relative to populations size. As population increases, it may be expected that the need for services would increase proportionately and, therefore, the level of per capita revenue should remain at least constant in real terms. General Fund revenue per capita includes taxes, licenses & permits, fines & forfeitures, grants, and other miscellaneous sources of funds. General Fund revenues are used primarily to fund Public Safety, Law & Justice, and General Government. General Fund revenues are also used to support other funds that may be experiencing financial difficulty.



Warning Trend: Decreasing Per Capita General Fund Revenue in Adjusted Dollars

Clark County Trend: Mixed

Formula:

$$\frac{\text{General Fund revenues (adjusted dollars)}}{\text{Population}}$$

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund Revenue (in $1,000s)	110,854	115,454	120,074	120,590	121,370	125,128	128,555	129,128	130,432	133,274
Per Capita Revenue	283	286	289	284	281	294	300	299	299	301
General Fund Revenue (in $1,000s)-Adjusted	132,803	134,850	135,203	131,443	132,172	134,637	134,469	131,969	130,040	133,274
Per Capital Revenue-Adjusted	339	334	326	310	307	317	314	306	299	301

Highlights:

General Fund (GF) revenue per capita, adjusted for inflation, increased slightly to $301 in 2014 from $299 in 2013. GF adjusted revenue per capita peaked in 2005 at $339. GF adjusted revenue per capita has only varied 3.5% on average from the median since 2005.

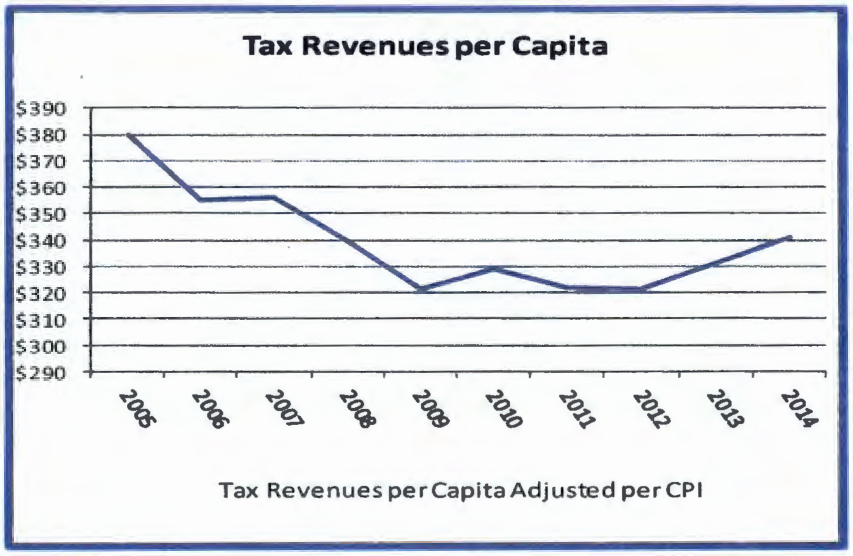
The average annual increase in General Fund revenue over the last 10 years has been 2.9%, driven by stronger growth early in the decade. However, growth has been only 1.9% over the last five years.

The level of General Fund revenue growth impacts GF ability to provide services and financial support to other funds.

Tax Revenue Per Capita

Description

Tax revenue includes current and delinquent real and personal property tax, as well as sales and use tax and various excise taxes. Tax revenue represents the largest revenue source for the County. A decline or diminished growth rate in tax revenue may indicate potential problems in the County's tax revenue structure. Tax revenue per capita is also impacted by changes tax revenue and changes in population.



Warning Trend: Decreasing Per Capita Tax Revenue in Adjusted Dollars

Clark County Trend: Mixed

Formula:

$$\frac{\text{Tax revenues (adjusted dollars)}}{\text{Population}}$$

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Tax Revenue (in $1,000s)	123,914	122,696	131,064	132,060	127,009	129,973	131,752	135,456	144,566	150,932
Tax Rev Per Capita	317	304	316	311	295	306	308	314	332	341
Tax Rev Per Capita - Adjusted	380	355	356	339	321	329	322	321	331	341

Highlights:

Tax revenue per capita adjusted for inflation increased 4.7% in 2014 compared to 2013. The trend is mixed because per capita tax revenue since the recession has been relatively stable.

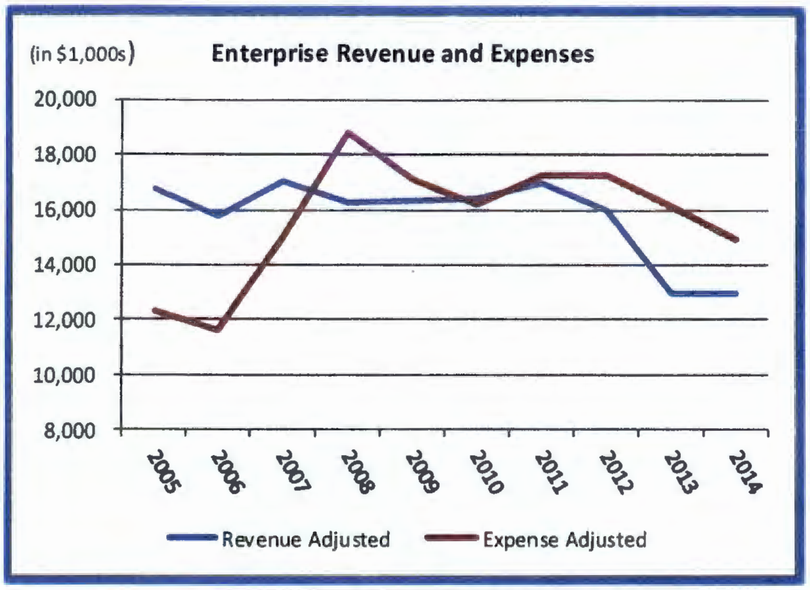
Property tax revenue makes up the largest portion of tax revenue at $99.0 million or 65.6% of tax revenue in 2014. Sales and use taxes were $38.9 million or 25.8% and excise and other taxes were $13.1 million or 8.7% of total tax revenue in 2014.

Adjusted for inflation, total tax revenue has increased 1.7% since 2005. In nominal dollars, tax revenue increased during the reporting period. Property tax revenue grew 27.8%, sales and use tax increased 29.7% and excise and other taxes increased 24.2% during the last 10 years.

Enterprise Operating Revenue and Expenses

Description

Enterprise activities generate revenues by providing services to citizens, either directly or through another agency. Charges for the services are set to cover most costs including equipment repair and replacement and debt service. Enterprise revenues do not include interest income, grant revenue, capital contributions or transfers from other funds. Enterprise activities include Sanitary Sewer, Solid Waste, a municipal golf course and Clean Water.



Warning Trend: Expenses in excess of revenues

Clark County Trend: Negative

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Adjusted Operating Revenues (in $1,000s)	16,770	15,728	17,020	16,269	16,334	16,376	16,957	15,952	12,924	12,948
Adjusted Operating Expenses (in $1,000s)	12,345	11,632	14,956	18,759	17,081	16,210	17,213	17,213	16,114	14,952

Highlights:

Total revenue for all Enterprise Funds has decreased by an average of 2.5% over the last ten years after adjustment for inflation. In 2014, total revenue in nominal dollars is virtually unchanged from 2013 (-0.1%).

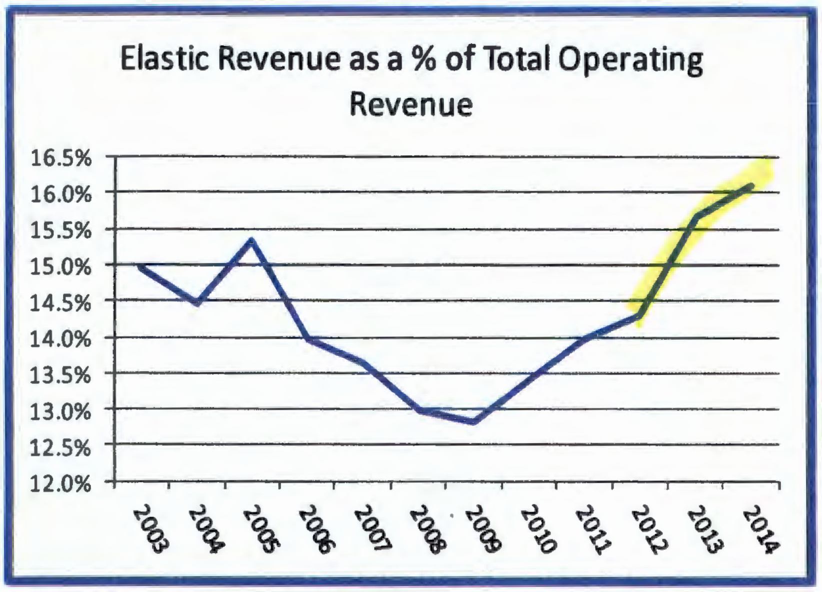
Enterprise adjusted expenses have increased, on average, 3.0% annually. In 2014 nominal expenses decreased 7.2% after a decrease of 4.0% in 2013. Solid Waste continues to have operating expenses in excess of operating revenues ($379,176 in 2014). Operating grant revenue and transfers have kept the fund solvent.

In 2012, Enterprise revenues reflected here have been reduced for a one-time payment from the Clark Regional Wastewater District (CRWWD). The payment of $12.4 million was used to retire revenue bonds. The Sanitary Sewer fund no longer receives revenue from CRWWD, which has also contributed to the downward trend in revenue since 2013.

Elastic Revenue as a Percent of Total Revenue

Description

Elastic revenues are highly responsive to changes in the economic base and inflation. As the economic base expands or inflation goes up elastic revenues rise roughly in proportion. A good example is sales tax revenue that increases during good economic periods with increases in retail business and declines during poor times, even though the tax rate remains the same. Other examples of elastic revenue include permit and inspection fees, recording and licensing fees, and penalties and interest on delinquent taxes.



Warning Trend: Decreasing elastic operating revenues as a percentage of total operating revenues ?

Clark County Trend: Positive

Formula:

$$\frac{\text{Elastic operating revenues}}{\text{Total operating revenues}}$$

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Elastic operating revenue (in $1,000s)	41,545	41,352	43,139	42,101	38,759	40,865	41,307	42,153	43,857	45,405
Total operating revenue (in $1,000s)	270,912	296,396	316,458	324,671	302,329	305,475	295,801	295,010	280,413	282,292
Elastic % of Total	15.3%	14.0%	13.6%	13.0%	12.8%	13.4%	14.0%	14.3%	15.6%	16.1%

Highlights:

Elastic revenues have averaged 14.2% of total operating revenues over the last 10 years. 55.0% of revenues identified as elastic come from sales and use tax. Another 14.1% come from Motor Vehicle Fuel Taxes and 12.7% is from building permits.

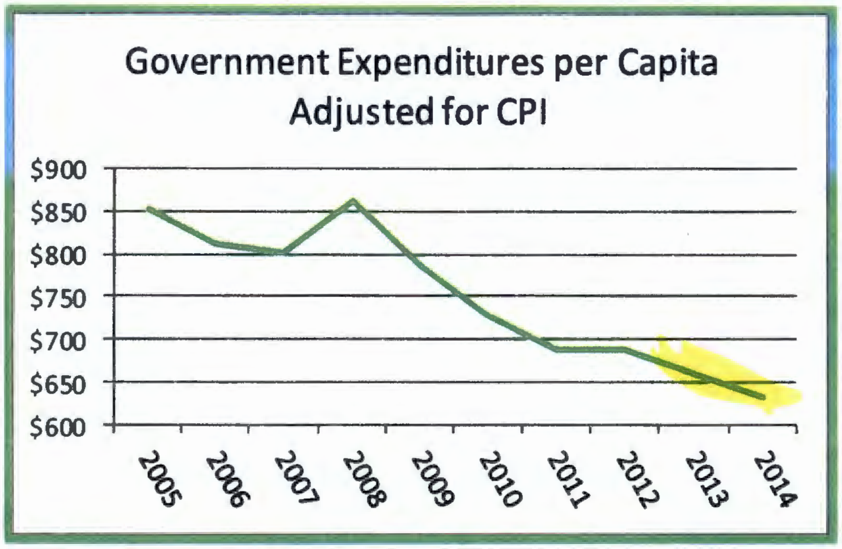
Building permit revenues, including commercial and residential permits, dropped below 5% in 2008 but reached a new peak of 13.5% of all elastic revenues in 2013. In 2014, permit revenues declines slightly as a percentage of total elastic revenue to 12.7%.

The increase in elastic revenues as a percentage of total operating revenues beginning in 2010 follows the recovering economy. Total operating revenue has also declined approximately $23 million during that time.

Total Governmental Fund Operating Expenditures Per Capita

Description

Per capita operating expenditures reflect changes in expenditures relative to changes in population. As population increases, and the related expenses of providing services to a larger population increase, per capita expenditures should remain relatively level in constant dollars. If the indicator is trending differently, it may indicate that the cost of providing services is increasing in an unsustainable manner or that service levels are declining.



Warning Trend: Increasing Per Capita Operating Expenditures in Adjusted Dollars

Clark County Trend: Positive

Formula:

$$\frac{\text{Total expenditures (adjusted dollars)}}{\text{Population}}$$

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Expenditures (in $1,000s)	278,309	279,979	295,156	335,258	311,545	287,715	281,197	290,224	288,422	279,824
Per Capita Expenditures (in $1,000s)	711	694	711	790	723	676	657	673	662	632
Total Expenditures (in $1,000s) Adjusted	333,414	327,016	332,346	365,431	339,272	309,581	294,133	296,609	287,557	279,824
Per Capita Expenditures Adjusted (in $1,000s)	852	810	801	861	787	728	687	688	660	632

Highlights:

Increases early in the decade skewed the average annual change in expenditures higher as the economy grew. As the economy contracted, 2008 became an outlier with an increase of 13.6%. From 2008 until 2014, expenditures decreased on average 2.8% annually. 2014 expenditures were lower than 2013 by 3.0%. Total expenditures have gradually decreased since 2010. In 2013, some mental health services were spun off from the county to the Regional Support Network.

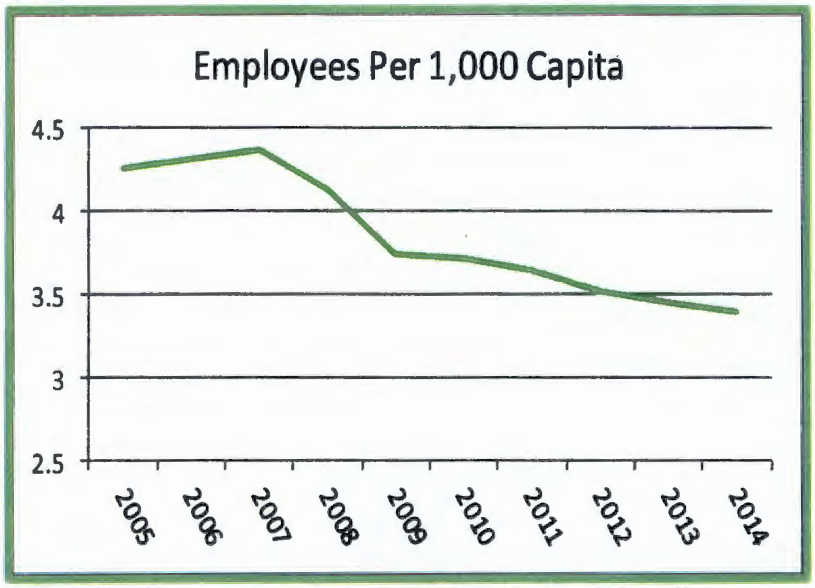
Transportation spending, including capital outlay, decreased 11.8% in 2014 after a 12.7% increase in 2013, as efforts continue to be made to reduce project backlogs. In 2014, Public Safety expenditures were 27.2% of the total, Transportation 20.9%, Health and Human Services 9.3%, and General Government decreased slightly to 15.5% (from 18.4% in 2013).

County-wide government expenditures per capita, adjusted for inflation, dropped in 2013 to $632 from $660 in 2013.

Employees Per Capita

Description

Personnel costs are a major portion of the County's operating budget. Tracking changes in the number of employees to population is a means to measure changes in expenditures. An increase in employees to population may indicate that expenditures are rising faster than revenues. An increase in employee per capita is not negative if a direct correlation can be shown to increased services.



Warning Trend: Significantly changing number of employees per capita

Clark County Trend: Positive

Formula:

$$\frac{\text{Number of Employees}}{\text{Population}}$$

Source:

Financial Report of Revenues and Expenditures, 4th Quarter 2012

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of FTE's	1,663	1,738	1,809	1,748	1,608	1,576	1,560	1,514	1,500	1,499
FTEs per 1,000 Capita	4.25	4.31	4.36	4.12	3.73	3.70	3.64	3.51	3.44	3.38

Highlights:

The number of employees per capita has declined by 20.5% in the 10 years covered by this report. The decline is the result of population growth and budgetary constraints on the County. This may appear to be a significant decline, however, service levels are being maintained through strategic workforce planning and technological gains.

Actual FTE's as of the end of 2014 totaled 1,499, or about 92.8% of those budgeted. There are a variety of reasons for the variance, including matching skillsets to position requirements, time taken to fill positions, and workforce planning changes.

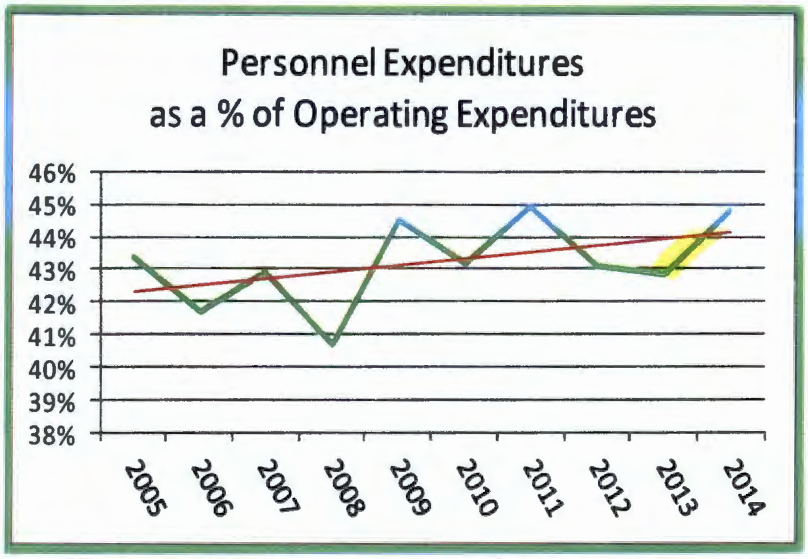
The number of budgeted employees increased to 1,616 in 2014 compared 1,609 in 2013. The number of budgeted employees has decreased 6.9% over the decade from 1,736 in 2005.

The 2014 workforce at 1,499 is below the five year moving average of 1530.

Personnel Expenditures

Description

Personnel costs include salaries, wages and employee benefits (including clothing allowance, vehicle allowance, and the employer portion of payroll taxes and retirement contributions). Some government functions are labor intensive such as General Government. Others are more capital intensive, such as Public Works.



Warning Trend: Increasing personnel expenditures as a % of Operating Expenditures

Clark County Trend: Mixed

Formula:

$$\frac{\text{Personnel Expenditures}}{\text{Total Operating Expenditures}}$$

Source:

Clark County General Ledger

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Personnel Costs (in $1,000s)	119,405	126,929	141,171	149,600	147,550	138,821	140,482	143,143	143,700	147,677
As % of Operating Expenditures	43.4%	41.7%	42.9%	40.7%	44.5%	43.2%	44.9%	43.1%	42.8%	44.8%
Average Salary and Wage Costs per FTE (in $)	57,033	57,271	60,203	64,395	68,299	66,023	66,782	70,260	70,713	72,437

Highlights:

Personnel costs as a percentage of operating expenditures have trended upward over the 10 years covered by this report. Personnel costs as a percentage of operating costs rose in 2014 , driven by a 2.5% increase in salaries and a 3.9% increase in benefit costs, plus a 1.7% decrease in operating expenditures.

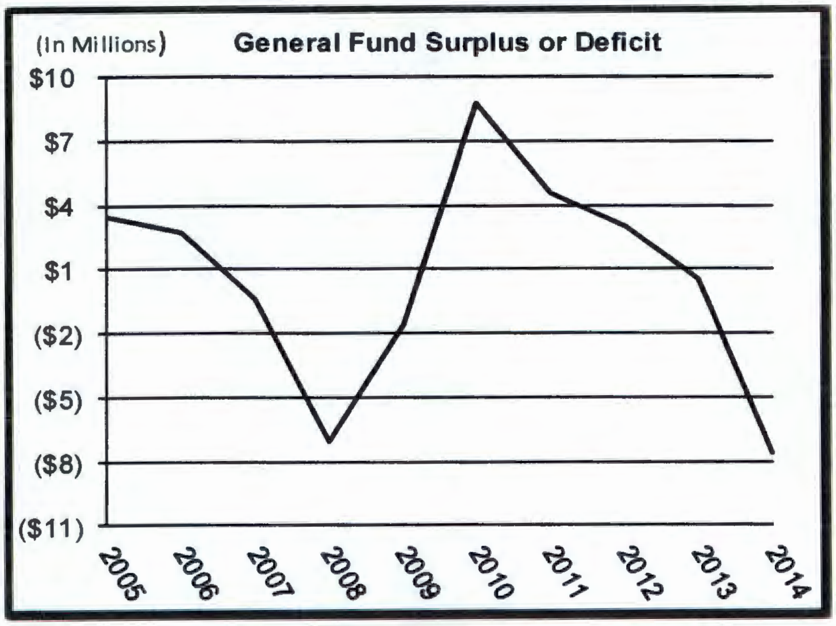
Salaries and wages as a percentage of total personnel costs decreased from 79.5% in 2005 to 73.5% in 2014, which reflects the faster increase in the cost of benefits. Salaries and wages have averaged 75.4% of total personnel costs over the last 10 years.

The average annual increase in total salaries and wages has been 1.7% over the last 10 years.

Annual General Fund Surplus or Deficit

Description

Consists of the annual change in fund balance for General Fund revenues and other resources minus General Fund expenditures and other uses.



Warning Trend: Repeated operating deficits might indicate an inability to sustain services in the long term.

Clark County Trend: Mixed

Formula:

$$\frac{\text{Surplus or (Deficit)}}{\text{General Fund Revenue}}$$

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Capital Outlay (In $1,000s)	3,707	377	1,316	1,932	677	1,769	1,185	840	573	1,986
Surplus (Deficit) from Ops (In $1,000s)	7,204	3,118	952	(5,148)	(864)	10,503	5,780	3,836	1,117	(5,604)
Fund Surplus or Deficit (In $1,000s)	3,497	2,741	(364)	(7,080)	(1,540)	8,734	4,595	2,996	544	(7,590)
Fund Surplus as % of Revenues	3.2%	2.4%	(0.3%)	(5.9%)	(1.3%)	7.0%	3.6%	2.3%	0.4%	(5.7%)

Highlights:

The General Fund surplus has fluctuated over the course of the last ten years. The decline in 2008 was caused by the general economic downturn.

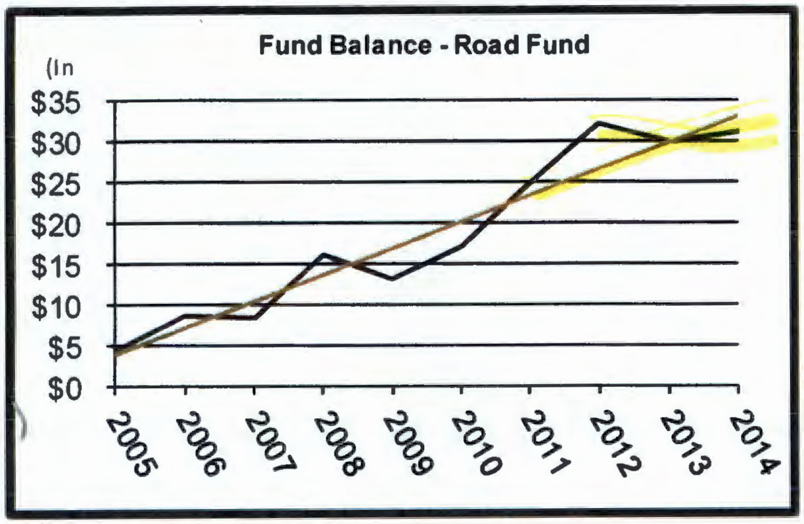
The 2008 operating deficit of $7.1 million was caused by the weakening economy which affected real estate and housing construction related revenues. In contrast, the decrease of $7.6 million in fund balance experienced in 2014 was the result of conscious management decisions, including transfers to other funds and project expenses.

In 2014, General Fund revenues increased $2.8 million over 2013, while expenditures decreased $3.4 million in the same period. The revenue increase in 2014 was driven by increased charges for services such as detention and correction services from the Sheriff, while expenditures were down based on a combination of decreased legal expenses and a reclassification of a department.

Fund Balance—Road Fund

Description

The level of fund balances in the Road Fund may determine the County's ability to withstand unexpected financial emergencies in this partially tax supported fund that may result from natural disasters, revenue shortfalls, unexpected maintenance costs or steep rises in inflation. Fund balances may also determine the County's ability to manage monthly cash flows or accumulate funds for large-scale purchase without having to borrow.



Warning Trend: Declining fund balance.

Clark County Trend: Positive

Formula:

$$\frac{\text{Road Fund Balances}}{\text{Operating Expenses}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Road Fund Balance (In $1,000s)	8,585	8,410	15,964	12,953	17,078	24,748	32,029	29,806	30,988	33,090
As % of Operating Expenses	17.7%	15.7%	30.3%	17.7%	29.5%	51.2%	61.0%	50.1%	46.4%	55.8%

Highlights:

Fund balance for the Road Fund was $33.1 million in 2014, up from $31.0 million in 2013.

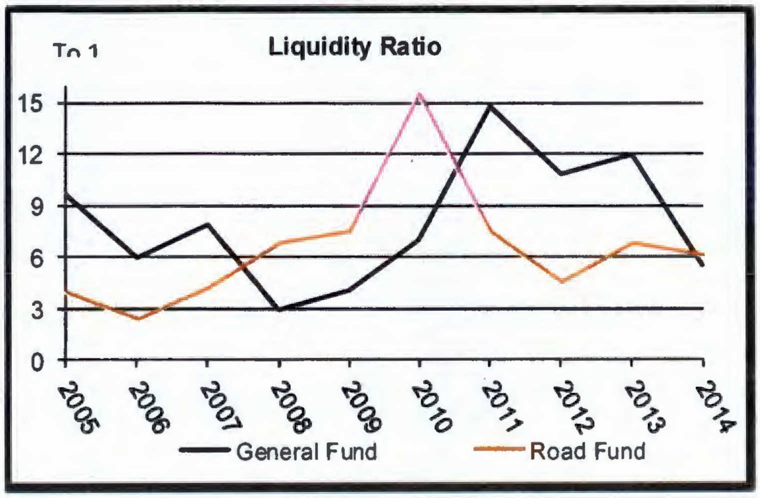
In 2014 the Road Fund experienced some prior period adjustments which increased fund balance, but otherwise results in 2014 were similar to 2013.

The overall trend for the ten year span is a continuing upward trend.

Fund Liquidity General Fund and Road Fund

Description

A measure of the County's short term financial condition is its cash position and liquidity. Cash position includes cash and investments. Liquidity measures the County's ability to pay its short-term obligations. Low or declining liquidity can indicate that the County has overextended itself.



Warning Trend: A liquidity ratio below 1 or a persistently declining trend, may foretell a cash flow problem.

Clark County Trend: Positive

Formula:

$$\frac{\text{Cash \& Investments}}{\text{Liabilities}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Liquid Assets-General Fund (In $1,000s)	17,399	18,497	18,228	11,921	10,039	17,784	28,969	30,995	32,291	24,809
Liquid Assets-Road Fund (In $1,000s)	7,598	5,619	12,496	10,278	14,623	20,127	31,579	29,050	28,602	29,939
Ratio (to 1)- Cash & Investments to Liabilities-Gen. Fund	9.7	6.0	7.9	2.9	4.0	7.0	14.7	10.9	11.9	5.5
Ratio (to 1) - Cash & Investments to Liabilities-Road Fund	3.9	2.4	4.2	6.8	7.4	15.5	7.4	4.5	6.8	6.1

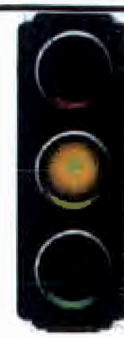
Highlights:

The General Fund's liquidity ratio was 5.5 to 1 in 2014, down from 12 to 1 in 2013. The ratio is at the lowest point since 2009, although significantly better than 2008 during the economic crisis. The liquidity ratio has a 10 year average of 8 to 1.

The Road Fund has $29.9 million in liquid assets at the end of 2014, up from $28.6 million in 2013. This was driven by cash transferred for software projects and other capital items.

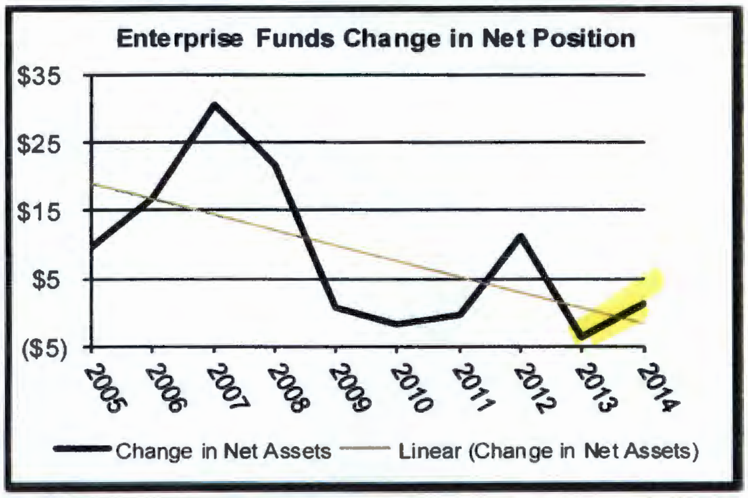
The Road Fund's liquidity ratio has fluctuated from a high of 16 to 1 in 2010 to a low of 2 to 1 in 2006. Road Fund liquidity is largely determined by the timing of revenues and expenditures for road projects and at 6 to 1 for 2014 was near the 10 year average.

Enterprise Funds Change in Net Position



Description

Enterprise funds are supported by user fees and are intended to operate more like a business than a public entity supported by taxes. User fees and charges are established in enterprise funds to promote efficiency by shifting payment of costs to specific users of services and to avoid general taxation. The increase/decrease in net position (revenue less expenses) is helpful in showing the health of the funds.



Warning Trend: Continuous year to year decreases in net position

Clark County Trend: Mixed

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Increase/(Decrease) in Net Position (In $1,000s)	9,684	16,673	30,738	21,878	652	(1,832)	(381)	11,187	(3,700)	1,406
Operating Income-Adjusted for CPI (in $1,000's)*	6,156	6,730	4,853	(767)	(861)	3,879	2,978	15,062	(182)	1,014
Operating Income (In Actual $1,000s)*	4,806	5,388	4,031	(658)	(739)	3,370	2,695	14,345	(178)	1,014

*Expenditures do not include depreciation expense

Highlights:

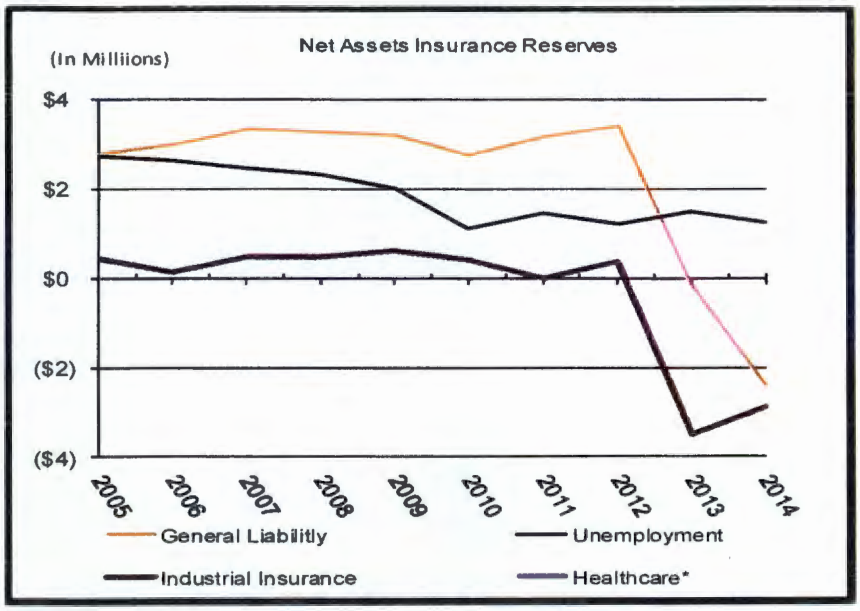
Net position grew by $30.7 million in 2007 and by $21.9 million in 2008, most of which was from contributed sewer treatment plant and clean water assets. In 2012, total net assets increased by $11.2 million as a result of the retirement of revenue bonds. The small increase in net position in 2014 is mostly due to lower maintenance costs in the Clean Water Fund.

In 2013 Tri-Mountain Golf Course (which was previously reported as a special revenue fund) was added as a non-major enterprise fund. The Clean Water Fund booked a $3.7 million expenditure in 2013 for a judgment against the fund.

In 2014, all enterprise funds have a positive fund balance.

Net Assets Insurance Reserves

Description Includes year-end net assets for the County's insurance reserve funds (General Liability, Work Comp, Unemployment and Healthcare Self-Insurance). Adequate reserves or insurance coverage are necessary to meet claims as they may occur.



Warning Trend: Deficit net assets.

Clark County Trend: Mixed

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Liability In ($1,000s)	2,974	3,313	3,265	3,172	2,739	3,137	3,403	(164)	(2,412)	(3,077)
Unemployment In ($1,000s)	2,635	2,456	2,314	2,025	1,107	1,473	1,208	1,504	1,239	1,224
Work Comp ($1,000s)	131	462	484	598	418	5	372	(3,498)	(2,863)	(1,300)
Healthcare* ($1,000s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,897

* The Healthcare Self-Insurance fund was created in 2014

Highlights:

General liability has fluctuated for a ten year span from a low of negative $3.1 million in 2014 to a high of $3.4 million in 2011 . The drop in 2014 General Liability net assets is the result of a change in policy to pay claims as settled, rather than fund the reserves.

Unemployment insurance reserves decreased annually from 2005 to 2009 when they dropped to $1.1 million as unemployment claims increased from layoffs. In 2014, reserves are approximately $1.2 million.

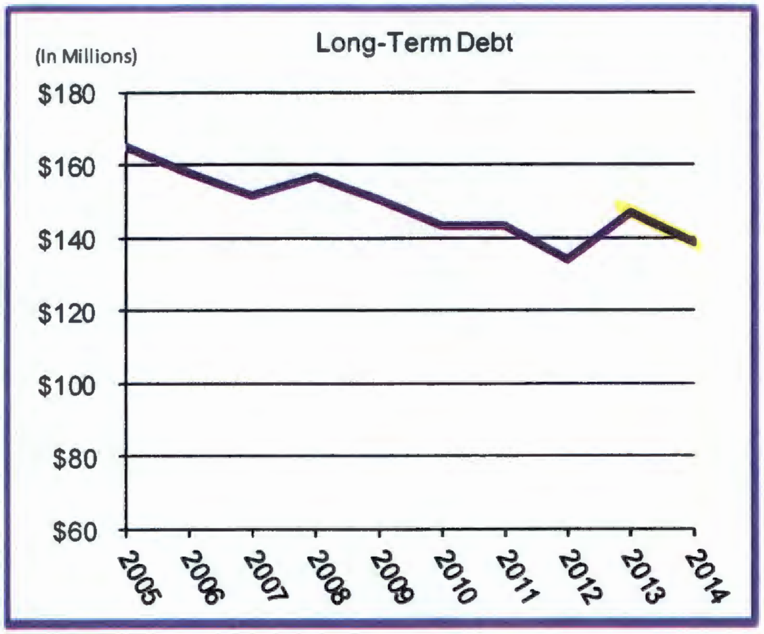
In 2010, work comp costs exceeded contributions by about $212,000 and reserves dropped to $5,215. Increased rates in 2011 rebuilt the current reserves. The County maintains a $1.0 million commercial policy for excess worker's compensation claims, with a $750,000 deductible. 2012 and 2013 dropped to large deficits due to accruing estimated long term claims liabilities beginning in 2012.

Beginning in 2014, the county established a fund to self-insure for some employee healthcare costs. The fund balance for Healthcare has a regulatory minimum fund balance threshold and will increase.

Long-Term Debt

Description

Long term debt includes general obligation bonds, special assessment bonds, capital lease agreements, and advances (loans) due to other governments. Special revenue bonds and other enterprise fund debt is not included.



Warning Trend: High and increasing levels of debt could eventually strain repayment options, affect future interest rates, and hinder future ability to borrow funds for capital repairs and improvements.

Clark County Trend: Positive

Formula:

$$\frac{\text{Long-Term Debt}}{\text{Population}}$$

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Long-Term debt (in $ millions)	164.9	158.0	151.3	156.7	150.3	143.1	143.0	134.0	146.8	138.6
Long-Term debt per capita (in $)	421	392	365	369	349	336	334	311	337	313
G.O. Bond Debt subject to non-voted debt limit (in $ millions)	150.9	145.0	138.8	133.3	127.5	121.8	115.9	108.9	118.9	111.2
G.O. Bond Debt as % of non-voted debt limit	29.4%	22.6%	19.3%	18.7%	20.5%	21.4%	20.7%	19.4%	26.2%	22.0%

Highlights:

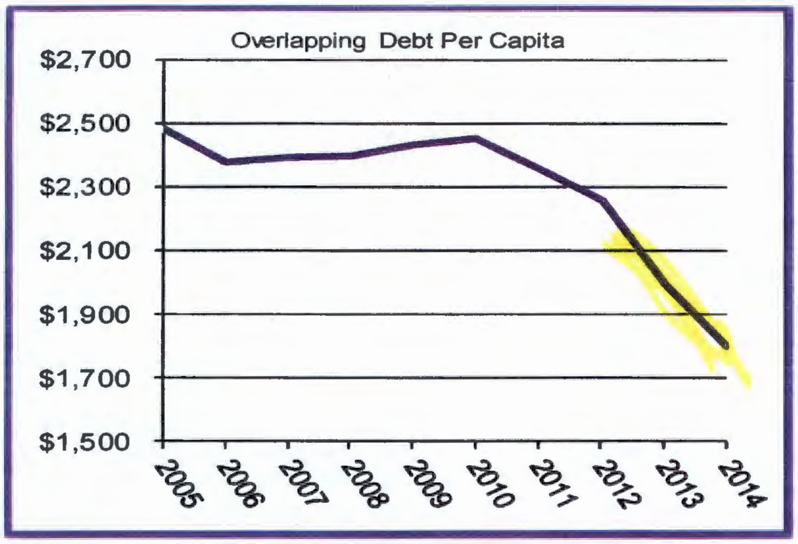
Long term debt amounts decreased by $8.2 million from 2013 to 2014, largely due to $17.4 million in debt retirements in contrast to $10.4 million in new issuance.

Long-Term Long Debt per capita decreased $24 in 2014 to $313, much less than the ten year average of $353.

Overlapping Debt Per Capita

Description

This includes general obligation bonds for all taxing districts in Clark County, as well as bond anticipation notes and long term loans within the County's governmental funds. It does not include the County's proprietary fund debt, contracts payable, capital leases, special assessment bonds, or long term compensation payables. At some point, high levels of overlapping debt will strain taxpayers ability and willingness to pay more. This will make future levies and bonds requiring voter approval difficult to pass.



Warning Trend:
Increasing overlapping debt.

Clark County Trend: Positive

Formula:

$$\frac{\text{Net operating revenues (constant dollars)}}{\text{Population}}$$

Source:
Clark County Comprehensive Annual Financial Report (CAFR)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Overlapping Debt (in $ millions)	971.5	959.5	991.8	1,016.1	1,048.5	1,043.3	1,008.7	974.2	858.8	782.8
Overlapping Debt Per Capita (in $)	2,481	2,378	2,390	2,395	2,432	2,453	2,357	2,259	1,991	1,797
County Debt as % of Total Debt	16.9%	16.3%	15.2%	15.5%	14.2%	13.6%	14.1%	13.7%	12.9%	14.2%

Highlights:

Overlapping debt per capita decreased by 4.0% in 2006, and has decreased annually since 2010. Over the ten years, overlapping debt per capita ranged from $1,797 to $2,481, with the lowest overlapping debt per capita occurring in 2014.

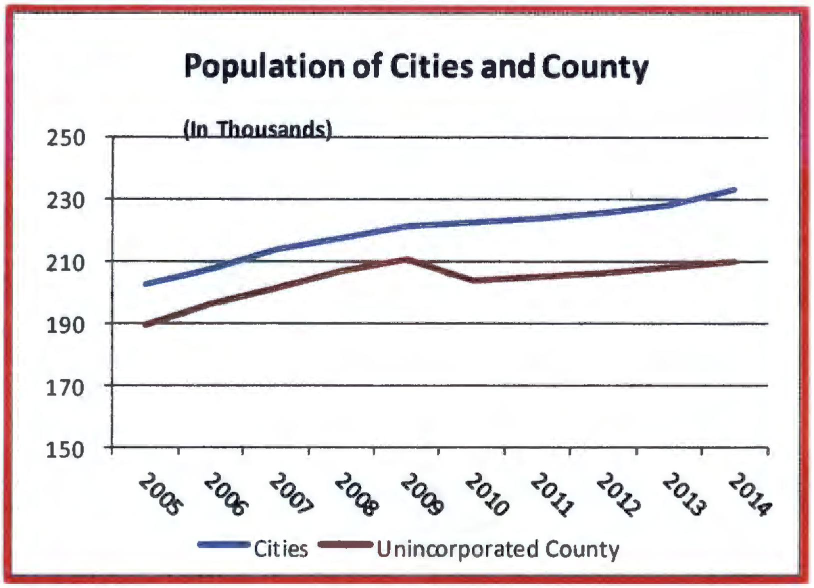
At December 31, 2014, school districts account for 56.2% of total overlapping debt, cities for 16.8%, and the County for 14.2%. The remaining debt belongs to fire districts, port districts, and libraries.

Total overlapping debt has been decreasing each year since 2010.

Population of Cities and County

Description:

Changes in population can directly affect the County's revenues, such as property tax collections and cost of services. Population level indirectly relates to such issues as employment, income, and property value. An increasing population is generally considered positive. Fiscal hardship can occur as a result of rapid increases or decreases in population. It may be fiscally difficult to react to service level changes as a result of a sudden change in population.



Warning Trend:

Rapid Change in population

Clark County Trend: **Positive**

Formula:

Population of the unincorporated areas in Clark County and the population of incorporated cities including Battle Ground, Camas, La Center, Ridgefield, Vancouver, Washougal, part of Woodland and Yacolt.

Source:

Based on census, if available, or as estimated by the Washington Office of Financial management as of April 1 of the year reported

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Cities	202,545	207,410	213,865	217,370	220,785	222,024	223,390	225,365	227,790	232,660
Unincorporated County	188,955	196,090	201,135	206,830	210,415	203,339	204,610	205,885	207,710	210,140
County as a % of Total	48.3%	48.6%	48.5%	48.8%	48.8%	47.8%	47.8%	47.7%	47.7%	47.5%
% Change in Unincorp Population	2.33%	3.78%	2.57%	2.83%	1.73%	-3.36%	0.63%	0.62%	0.89%	1.17%

Highlights:

Population in unincorporated areas of Clark County has grown by 1.3% annually on average over the last 10 years. Total County population has average annual growth of 1.5% in the same period.

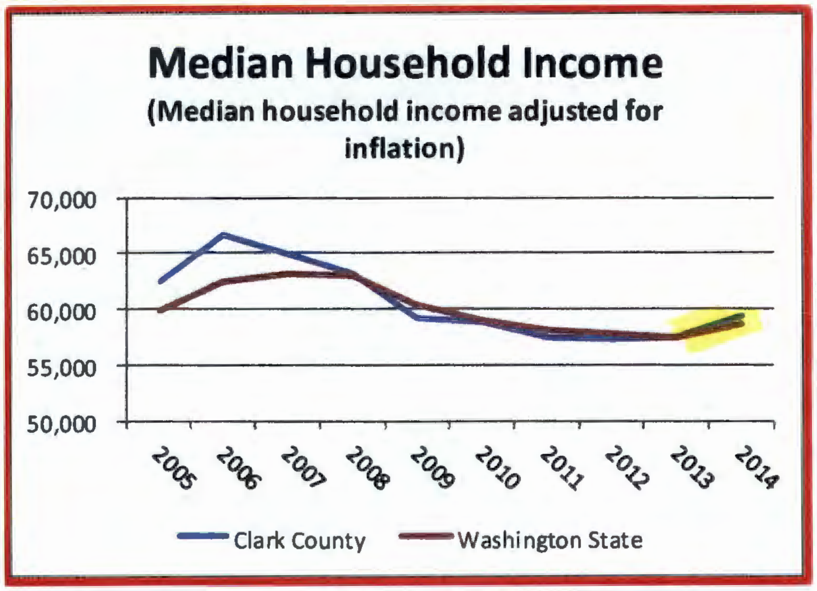
Population in the entire county has grown by 13.1% in the nine years since 2005. The population in the incorporated areas grew faster at 14.9% while the population of the unincorporated areas of Clark County grew only 11.2% over the same period.

In comparison, the populations of other counties within the Portland Metro Area, Oregon's Washington, Multnomah, and Clackamas counties, grew 14.4%, 10.5%, and 8.4% respectively, over the last 10 years.

Median Household Income

Description:

Median household income is one measure of the County's residents ability to pay taxes. Generally, the higher the median household income the more sales taxes and business taxes that the County generates. A decline in median household income results in a loss of consumer purchasing power that can result in lower sales taxes generated by the County.



Warning Trend:

Decline in the level, or growth rate, of median household income adjusted for inflation.

Clark County Trend: **Negative**

Formula:

For a geographic area, the "median" household income is determined by a standard distribution to be the income in which one-half are lower and one-half are higher.

Source:

Based on census, if available, or as estimated by the Washington Office of Financial management.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Clark County Median Household Income ($)	$52,108	$56,994	$57,621	$57,999	$54,370	$54,581	$54,951	$56,054	$57,674	$59,341
Clark County Median Household Income ($) - Adjusted	62,425	66,569	64,881	63,219	59,209	58,729	57,479	57,287	57,501	59,341
Washington State Median Household Income ($)	50,004	53,522	56,141	57,858	55,458	54,888	55,500	56,444	57,554	58,686
Washington State Median Household Income ($) - Adjusted	59,905	62,514	63,215	63,065	60,394	59,059	58,053	57,686	57,381	58,686

Highlights:

Nominal median household income in Clark County increased 3.2% to $59,341 in 2014 from $57,674 in 2013. Due to low inflation in the last few years and lower unemployment, 2014 adjusted median income is the highest it's been since 2008.

Adjusted for inflation, median household incomes have decreased in Clark County in the last 10 years by 4.9% and in the State of Washington during the same period by 2.0%.

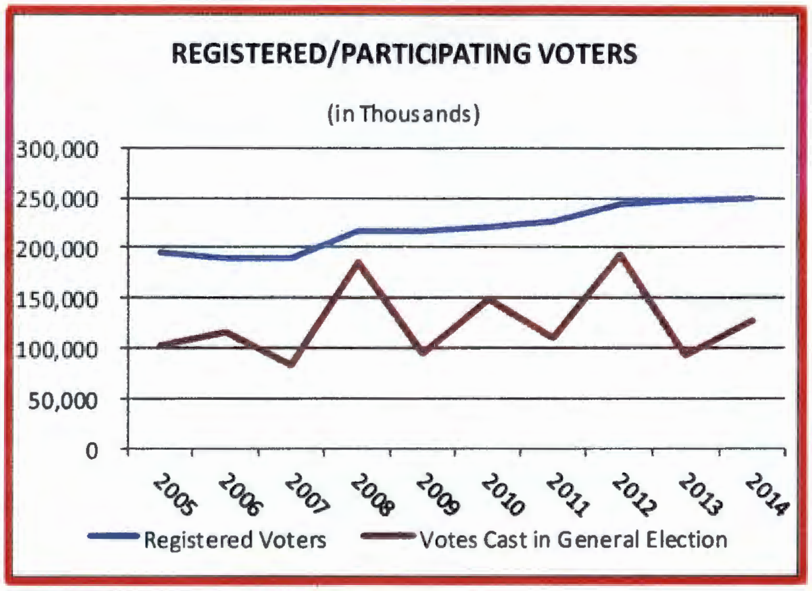
Clark County median income increased 13.9%, in nominal terms over the last 10 years. Washington state's nominal median income increased 17.4% in the last 10 years.

Note: Nominal median household income has been adjusted since the 2013 Financial Trends Report.

Registered/Participating Voters

Description:

Electoral participation in the general election indicates that the level of engagement and interest of the community in the political process. It is usually higher in the presidential election years.



Warning Trend:

Decline in the percentage of votes cast in a general election compared to total registered voters.

Clark County Trend: Mixed

Formula:

Total General Election Votes Cast / Registered Voters in General Elections

Source:
Clark County Elections Office

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Registered Voters in General Election	194,211	189,269	188,946	216,508	215,626	219,616	226,530	243,155	246,865	249,277
Votes Cast in General Election	101,149	116,505	81,866	184,698	93,915	149,045	108,877	193,502	92,863	126,243
% of Registered Voters Casting Ballots	52.1%	61.6%	43.3%	85.3%	43.6%	67.9%	48.1%	79.6%	37.6%	50.6%

Highlights

Odd year elections generally have lower turnout than even years when there are national issues on the ballot. The 2014 General Election turnout was lower than the last two off-year elections at 50.6% compared to 67.9% in 2010 and 61.6% in 2006. Even so, participation is trending upward.

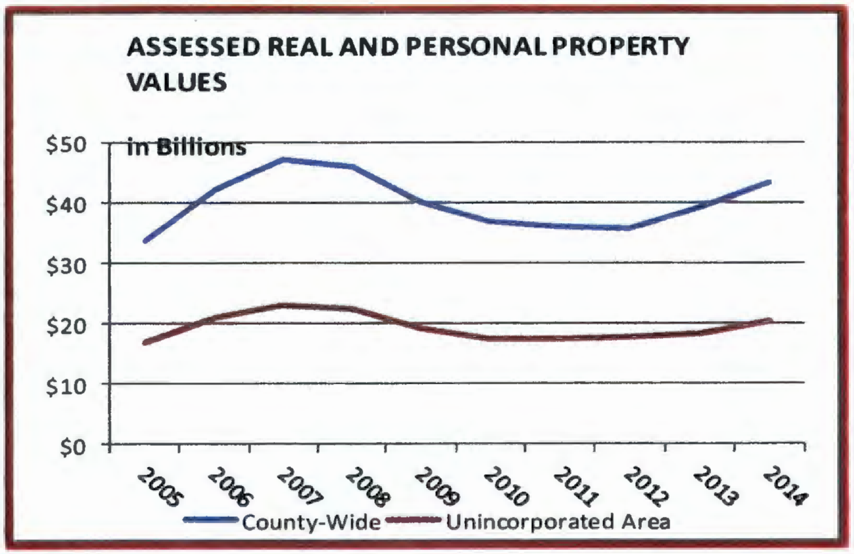
The pattern of voter participation has been fairly consistent over the last 10 years with the highest turnout in the presidential elections, as illustrated in the chart above for years 2008, and 2012.

In the past ten years, the number of registered voters in Clark County has increased by 28.4%, increasing from 194,211 to 249,277.

Assessed Property Values

Description:

The valuation of all real property located in Clark County as determined by the Clark County Assessor. This does not include real property owned by state and local governments, schools, fire districts, and other exempt organizations. A decline or diminished growth rate in real and personal property values may indicate a potential reduction in property tax revenues.



Warning Trend:
Decline in the assessed property values.

Clark County Trend: Mixed

Formula:
Total real and personal property tax assessments minus assessed valuations exempt from taxation.

Source:
Clark County Assessors Office

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed Property Values - Countywide (millions)	33,456	41,937	46,970	45,894	40,089	36,686	36,022	35,570	39,020	43,283
Assessed Property Values - Unincorp County (millions)	16,820	20,945	23,101	22,537	19,033	17,543	17,533	17,707	18,262	20,275

Highlights:

The highest County total assessed real and personal property value was approximately $47.0 billion in 2007. The "Great Recession" caused property values to drop. Property values reached a low in 2012 of $35.6 billion. Assessed property values in 2014 were 14.5% above that low at $43.3 billion.

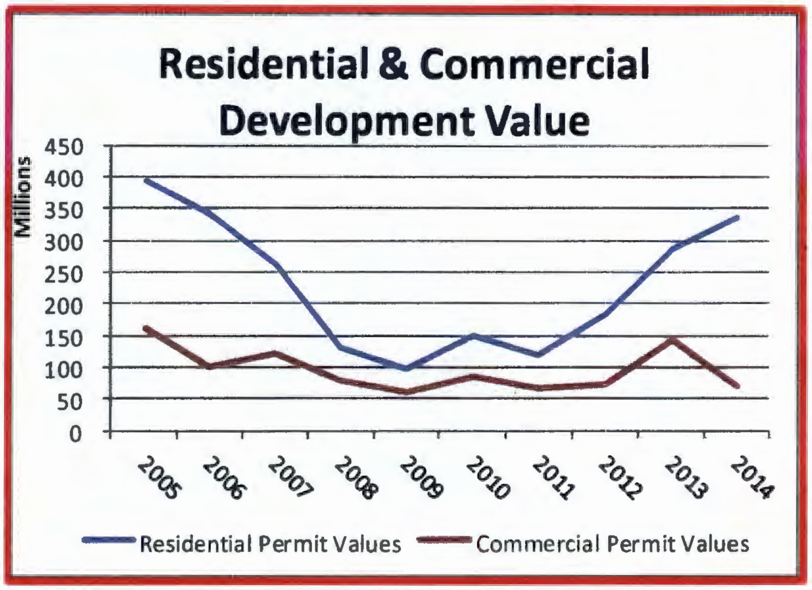
Assessed value in unincorporated Clark County dropped 24.1% from 2007 to 2011. Assessed property values in unincorporated areas are still below the peak but only by 12.2%

Assessed values in unincorporated Clark County increased 11.0% in 2014 from 2013.

Residential & Commercial Development

Description:

Growth or decline of permits and the estimated value of the related residential or commercial construction is an indication of the economic vitality of the construction sector of the County's economy.



Warning Trend:

Decline in residential and commercial development.

Clark County Trend: Mixed

Formula:

The number and value of building permits issued by Clark County's Building & Code Division of the Department of Community Development. Includes estimated value of construction at the time of application.

Source:

Clark County Community Development

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Residential Development Dollar Value (Millions)	$ 392.5	$ 342.5	$ 260.8	$ 130.4	$ 98.3	$ 147.8	$ 118.8	$ 182.8	$ 286.6	$ 335.8
Residentail Permits Processed	2,144	1,551	1,245	592	415	517	348	577	908	944
Commercial Development Dollar Value (Millions)	$ 160.2	$ 100.5	$ 121.9	$ 79.6	$ 59.9	$ 84.1	$ 67.2	$ 72.0	$ 142.9	$ 69.4
Commercial Permits Processed	433	391	390	290	296	232	281	281	306	403

Highlights:

The number of residential permits processed increased 171.3% since 2011, when they were at the lowest in the reporting period. However, that is still 56.0% lower than 2005 (944 compared to 2,144).

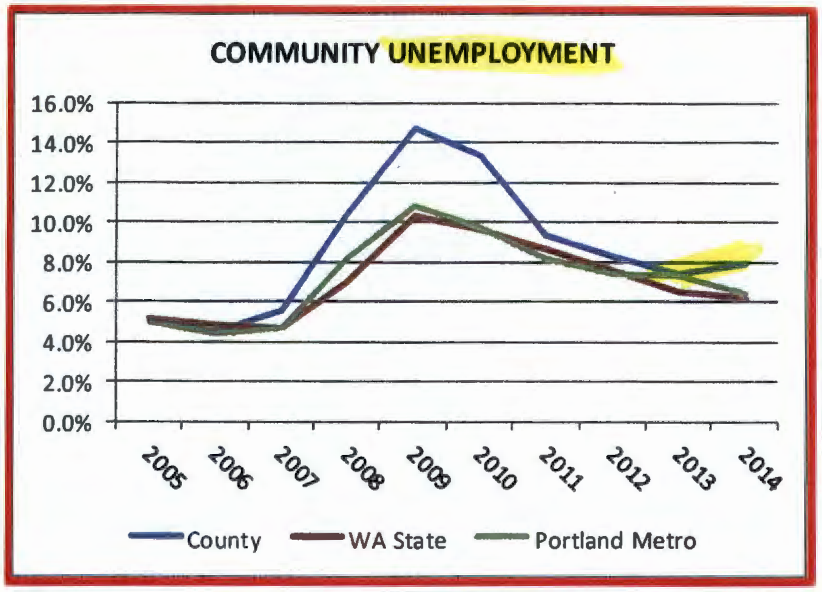
The number of commercial permits processed increased 73.7% to 403 since 2010, when the lowest amount were processed during the reporting period.

During the last ten years, the estimated value of commercial buildings permitted has been volatile with valuations trending downward. In 2014, average commercial permit valuation was $172K, the lowest during the reporting period.

Community Employment

Description:

The unemployment rate and number of jobs in the community make up the employment base. A growing employment base will help to provide a cushion against economic downturn in individual business categories. A decline in employment base can indicate the early signs of an overall decline in economic activities and a decline in government revenues.



Warning Trend:

Increasing rate of local unemployment or a decrease in the number of jobs in the community

Clark County Trend: Mixed

Formula:

Local unemployment rate and the number of jobs in Clark County.

Source:

Washington Employment Security Department and U.S. Bureau of Labor Statistics.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Clark County Unemployment Rate	5.0%	4.5%	5.5%	10.4%	14.7%	13.3%	9.3%	8.3%	7.4%	7.9%
Washington State Unemployment Rate	5.1%	4.8%	4.7%	7.0%	10.3%	9.6%	8.7%	7.6%	6.5%	6.2%
Portland Metro Area Unemployment Rate	4.9%	4.4%	4.7%	8.2%	10.8%	9.7%	8.2%	7.4%	7.3%	6.4%
% of County Workforce with Jobs in Clark County	67.1%	67.6%	68.6%	69.1%	69.9%	68.6%	68.1%	70.0%	73.0%	75.0%

Highlights:

The unemployment rate in the County increased to 7.9% in 2014 from 7.4% in 2013. Unemployment peaked in 2009 during the "Great Recession" at 14.7%. Since then, the trend has been mostly positive.

In the last ten years, the number of jobs in Clark County has increased by 10.7% from 130,700 to 144,700.

The 2014 Clark County average unemployment rate of 7.9% is higher than the State of Washington rate of 6.2% and higher than the Portland Metro unemployment rate of 6.4%.

The percentage of the County's civilian workforce employed in Clark County has improved in the last ten years from 67.1% to 75.0% in 2005 and 2014, respectively. Clark County job information has been revised from the 2013 Report based on more recent data.