

May 13, 2025

Whatcom County Public Works Road Fund Cash Flow



Whatcom County Public Works

Agenda

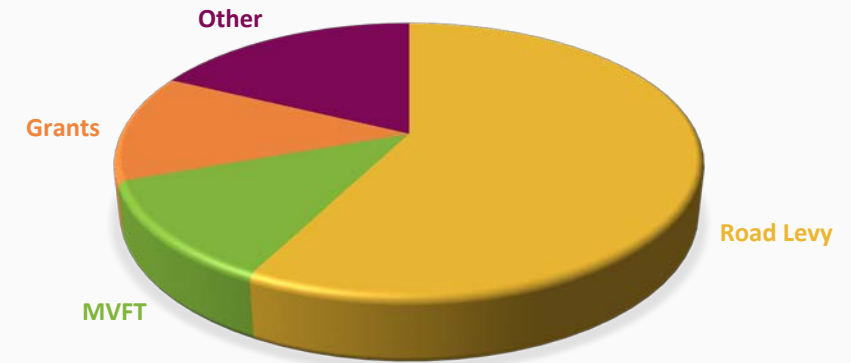
- Road Fund Overview*
 - » What has changed
 - » How did we get here
- Road Fund Cash Flow
- Proposed Strategy and Policy Options
- Next Steps/Discussion/Questions



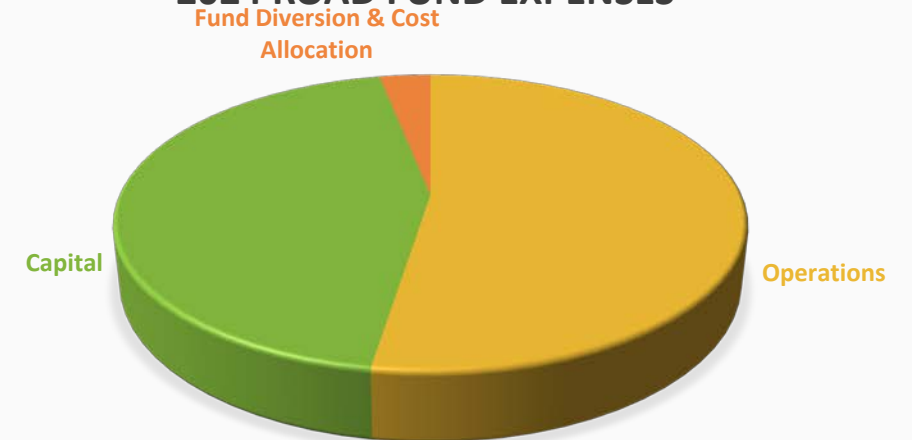
2024 Road Fund Overview

- Annual Revenue (\$36.1M)
 - » Road Levy
 - » Motor Vehicle Fuel Tax
 - » Grants
 - » Other
- Annual Expenses (\$38.6M)
 - » Operations
 - » Capital
 - » Fund Diversion & Cost Allocation

2024 ROAD FUND REVENUES



2024 ROAD FUND EXPENSES



Structural Imbalance

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget Adjusted	2026 Budget Adjusted [2]
Beginning Road Fund Balance	19.3 M	15.9 M	10.6 M	11.2 M	8.8 M [1]	0.6 M
Annual Revenue	45.7 M	45.7 M	45.8 M	36.1 M	41.8 M	32.6 M
Annual Expense	(49.1 M)	(50.1 M)	(45.2 M)	(38.5 M)	(50.0 M)	(33.2 M)
Projected surplus (deficit)	(3.4 M)	(5.3 M)	0.6 M	(2.4 M)	(8.2 M)	(0.6 M)
Ending Fund Balance	15.9 M	10.6 M	11.2 M	8.8 M	0.6 M	(0.0 M)

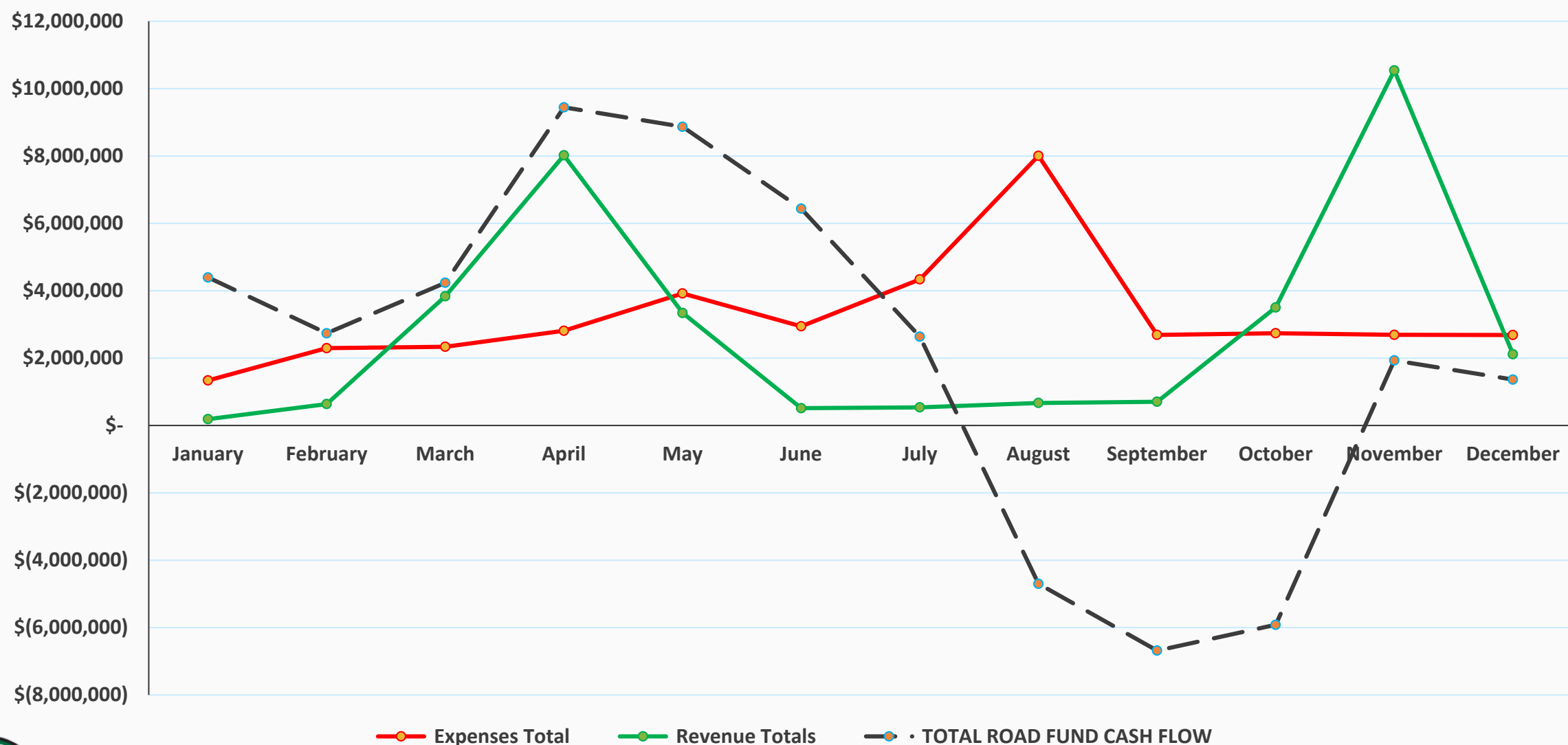
Footnotes:

[1] 2025 Beginning Fund Balance is an actual

[2] 2026 Budget excludes 2026 Annual Construction Program



Road Fund Cash Flow Before Strategies



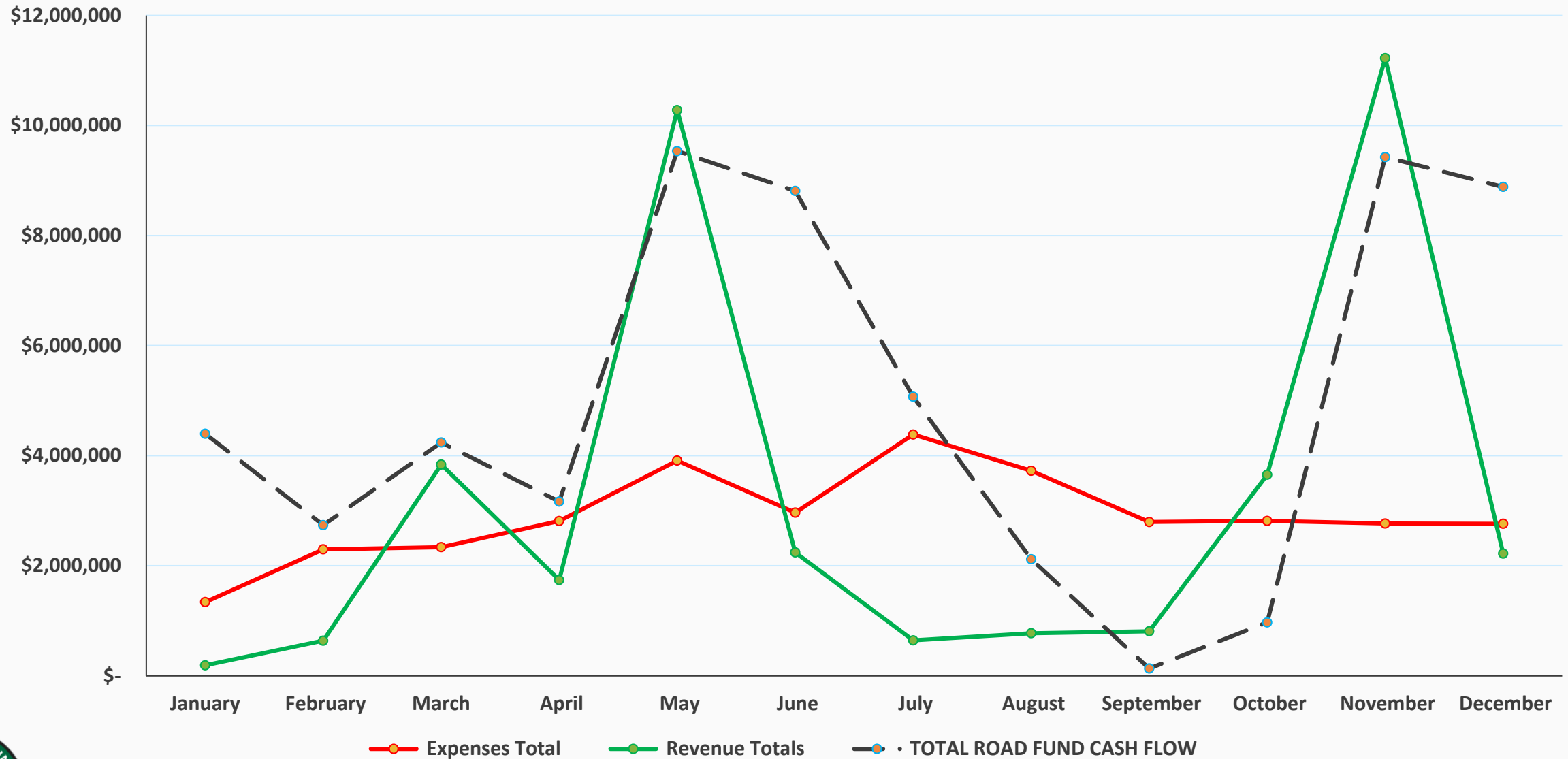
Strategies to address the cash flow imbalance

- Delays on Capital
- Cash flow loans from other county funds
- Continue to reduce spending on capital and operating expenses
- Project-Based Budget return
- Selective vacancy freezes

2025 Road Fund Reduction Proposal			
1	Removal of Capital Projects		
	Small Area Paver	\$	750,000.00
		subtotal \$	750,000.00
2	Interfund Loan Ordinance (AB 2025-356)		
	Everson/Goeshen	\$	1,600,000.00
	Beach Road	\$	1,900,000.00
		subtotal \$	3,500,000.00
3	Operating Cuts or funded by General Fund or REET (potential cost to other funds)		
	Chipseal	\$	200,000.00
	Dust Control	\$	20,500.00
		subtotal \$	220,500.00
4	Project Based Budget Return		
	E Smith Hannegan	\$	210,532.00
	BB Lynden/Blaine RD ROB	\$	172,600.00
	Goshen/Anderson creek Bridge	\$	201,014.00
	Jackson Terrell creek Bridge	\$	779,260.00
	Remove 10% contingency on Central Shop STMWTR	\$	260,000.00
		subtotal \$	1,623,406.00
5	Vacancy Freeze		
	14 Full-Time Employees	\$	920,504.67
		subtotal \$	920,504.67
	TOTAL CASH FLOW SAVINGS	\$	10,014,410.67



Road Fund Cash Flow After Strategies



Request for Council Action

- Cash Flow Loan Ordinance – Finance Committee
- Return of Project-Based Budget Road Funds for the outward years
 - » Future supplemental request
 - » Future ASRs



Discussion & Questions

