



CITY OF MEDINA

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Date: June 14, 2021
To: Honorable Mayor and City Council
Via: Michael Sauerwein, City Manager
From: Julie Ketter, Finance & HR Director
Subject: May 2021 Financial Reporting

The May 2021 Reporting includes:

- May 2021 AP Check Register Activity Detail (6.1)
- May 2021 Revenue & Expense Summary
- May 2021 Cash Position Report

Key Items for May YTD include:

GENERAL FUND

Revenue:

- Property Tax is at \$2.3M (57% of budget) as of May 2021. Property Tax normally is deposited during the April/May and October/November fiscal periods. It is expected that the remaining amounts of our annual total will be received in the fall.
- Sales Tax Revenues are \$791K (41% of budget) as of May 2021. This continues the 2020 pace, elevated due to COVID impacts causing increased destination-based receipts. In creating the 2021 budget, staff and Council decided to budget this revenue conservatively rather than planning for sporadic windfalls caused by large expensive destination-based purchases. The COVID related impacts are expected to lessen as the year progresses and restrictions are lifted.
- Utility Taxes & Franchise Fees are remitted mostly by the quarter. The year-to-date amount reflected in May, \$461K represents receipts of 4th quarter 2020 and 2021 Q1 amounts..
- Development fees continue to come in at a stunning pace; associated expenses will take 1-2 years to catch up with receipts.
- Hunts Point's Q1 contract payment for police services was received in early April and is reflected in General Government revenues. The contract receipts for 2021 will be \$17K below line-item budget due to 2020 PD cost savings Medina is contractually obligated to pass along to Hunts Point in 2021.
- Traffic fines receipts are low, matched with low court-related expenses.
- Just a reminder of last month's note: asset disposals is high due to a \$38K receipt caused by a return and 2021 refund of camera equipment purchased in 2020. It is flagged in the General Fund this way in order to track it for eventual repurchases.

Expense:

- Finance pays the full 2021 annual WCIA Insurance Liability premiums in January, \$186K. This single expense accounts for 35% of its overall budget. Additionally, Finance's budget includes amounts for banking fees. With the recent launching of an online DS permit application and payment process, credit card processing fees are exceeding the expense line's budget (Miscellaneous). It is offset by applicant convenience revenue. Staff, in creating the budget, underestimated the willingness of applicants to pay 3% in order to pay by credit cards.

- Legal Department's spending of \$113K through May represents only four months of invoices. Annualized, this pace of spending will manage to keep the department within its budget.
- Fire & Medical Aid pays the contract fees to Bellevue Fire in two installments. The first half will be paid in June.

CAPITAL FUND

- There is \$675K of REET (real estate excise tax) revenue year-to-date, reflecting December 2020 - April's real estate activity. This is 87% of the receipts we had anticipated for the entire year when drafting the budget. So far the predicted eventual slowing of home sales in Medina has yet to show itself. Additionally, \$31K of Medina's \$50K total annual allocation of the King County Parks levy has been received.
- Capital expense budget is only at 6.6% spent but this will increase rapidly now that the weather is better and planned projects can begin.

GENERAL FINANCE NOTES:

Finance Committee's next meeting will be a review of Q2 financial statements, date & time TBA, ideally in advance of July's regular Council meeting.

Since the budgeting season is fast approaching, please note the annual budget calendar is attached to this report for your reference.

Items for future 2021 budget amendment:

- Update of Salary Schedule (budget attachment A) to reflect Council action on December 14th, increasing the City Manager pay and lifting the upper end of the position's salary range to accommodate this action.
- Transfer from General Fund to Contingency Fund of \$251,844, per Finance Committee's 2/24 recommendation.
- PD seasonal OT for extra patrolling as approved by Council May 10th.

2022 Preliminary Budget Calendar City of Medina, Washington

Statutory Dates	Planned/Actual Dates	2022 Budget Process
July 1, 2021	June 14, 2021	Council holds Public Hearing on 6 year Capital Improvement Plan (CIP/TIB/Non-TIB)
July 1, 2021	June 14, 2021	Council approves 6 year Capital Improvement Plan, file w/ Sec of Transp. by 7/31
Sept 13 2021	August 2, 2021	Department Directors begin preparing 2022 Budget Requests.
Sept 27, 2021	August 23, 2021	Department Directors 2022 Budget requests submitted to Finance Director. RCW 35.33.031 and RCW 35A.33.030.
Oct 1, 2021	August 31, 2021	2022 Preliminary Budget estimates are presented to the City Manager by Finance Director for modification, revision or addition. RCW 35.33.031 and RCW 35A.33.030.
No legal requirement	September 13, 2021	Council holds Public Hearing to gather input on 2022 Preliminary Budget.
Oct 4, 2021	September 13, 2021	City Manager provides City Council with 2022 Revenue projections for the current year. City Manager provides a 2022 Preliminary Budget showing 2022 Revenue and Expenditures by Department.
No legal requirement	Sept 27, 2021	City Council holds a study session on 2022 Preliminary Budget. <i>Balancing decisions made if necessary.</i>
Nov 2, 2021	October 12, 2021	City Manager files 2022 Updated Preliminary Budget & Budget Message with the City Clerk and the City Council.
Prior to November 24, 2021	October 12, 2021	City Council holds Preliminary Public Hearing on 2022 Budget & Revenue Sources (Property Tax Levy)
No later than Nov 2, through Nov 20, 2021	Dates as needed prior to Nov 8 th meeting	City Clerk publishes notice of filing of 2022 Budget and publishes notice of public hearing on final budget once a week for two consecutive weeks.
Nov 20, 2021	Nov 8, 2021	Copies of 2022 proposed final budget are made available to the public at the Regular City Council meeting.
Nov 24, 2021 (KC due date) (Hearing due date 12/6/21)	Nov 8, 2021	Council holds Final Public Hearing and sets the 2022 Property Tax Levy to certify property tax levy to King County Assessor's Office
Dec. 31, 2021	Nov 8, 2021	Council adopts Final 2022 Budget at the Regular Monthly City Council meeting.

City of Medina
Revenue & Expense Summary
May 2021

REVENUE:	MAY ACTUAL	MAY YTD ACTUAL	2021 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET
General Fund					
Property Tax	\$631,107	\$2,265,628	\$3,986,413	56.83%	\$1,720,785
Sales Tax	\$173,606	\$790,722	\$1,522,354	51.94%	\$731,632
Criminal Justice	\$9,293	\$41,549	\$90,080	46.12%	\$48,531
B & O Tax: Utility & Franchise Fee	\$195,468	\$461,027	\$890,524	51.77%	\$429,497
Leasehold Excise Tax	\$0	\$2,982	\$800	372.73%	(\$2,182)
Building Permits, Planning & Development	\$94,678	\$595,564	\$890,611	66.87%	\$295,047
General Government (includes Hunts Point)	\$0	\$79,594	\$358,233	22.22%	\$278,639
Passports, General Licenses & Permits	\$32	\$593	\$8,490	6.98%	\$7,897
Fines, Penalties, Traffic Infr.	\$2,070	\$5,258	\$31,250	16.82%	\$25,992
Misc. Invest. Facility Leases	\$9,620	\$75,608	\$128,007	59.07%	\$52,399
Other Revenue, Dispositions	\$0	\$38,550	\$3,000	1285.00%	(\$35,550)
General Fund Total	\$1,115,875	\$4,357,074	\$7,909,762	55.08%	\$3,552,688
Street Fund	\$4,776	\$23,875	\$139,092	17.16%	\$115,217
Street Fund Transfers In	\$31,428	\$157,138	\$377,132	41.67%	\$219,994
Tree Fund	\$0	\$0	\$3,075	0.00%	\$3,075
Levy Stabilization Fund (Transfers In)	\$41,667	\$208,333	\$500,000	41.67%	\$291,667
Capital Fund	\$131,782	\$711,781	\$1,113,016	63.95%	\$401,235
Total (All Funds)	\$1,252,432	\$5,092,730	\$9,164,945	55.57%	\$4,072,215
Total (All Funds) Transfers In	\$73,094	\$365,472	\$877,132	41.67%	\$511,660

EXPENDITURES:	MAY ACTUAL	MAY YTD ACTUAL	2021 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET
General Fund					
Legislative	\$59	\$6,624	\$39,600	16.73%	\$32,976
Municipal Court	\$4,369	\$20,944	\$57,000	36.74%	\$36,056
Executive	\$23,142	\$113,954	\$274,819	41.46%	\$160,865
Finance	\$27,125	\$325,209	\$524,983	61.95%	\$199,774
Legal	\$31,606	\$113,018	\$367,200	30.78%	\$254,182
Central Services	\$61,832	\$336,705	\$941,639	35.76%	\$604,934
Police Operations	\$169,914	\$911,784	\$2,380,557	38.30%	\$1,468,773
Fire & Medical Aid	\$0	\$0	\$807,954	0.00%	\$807,954
Public Housing, Environmental & Mental Health Fees	\$0	\$16,712	\$31,238	53.50%	\$14,526
Development & Planning	\$60,435	\$369,980	\$910,642	40.63%	\$540,662
Recreational Services	\$33	\$271	\$44,820	0.61%	\$44,549
Parks	\$31,788	\$193,316	\$511,781	37.77%	\$318,465
General Fund Total	\$410,304	\$2,408,515	\$6,892,233	34.95%	\$4,483,718
General Fund Transfers Out	\$73,094	\$365,472	\$877,132	41.67%	\$511,660
Street Fund	\$23,150	\$175,572	\$515,112	34.08%	\$339,540
Tree Fund	\$5,220	\$13,551	\$38,000	35.66%	\$24,449
Capital Fund	\$20,752	\$55,541	\$840,000	6.61%	\$784,459
Capital Fund Transfers Out	\$0	\$0	\$0	0.00%	\$0
Total (All Funds)	\$459,426	\$2,653,180	\$8,285,344	32.02%	\$5,632,164
Total (All Funds) Transfers Out	\$73,094	\$365,472	\$877,132	41.67%	\$511,660

**2021 YTD Cashflow Report
May 2021**

<u>2021 Beginning Cash Balance 1/1/2021</u>		<u>2021 Cash Balance, to date</u>	
<u>TOTAL CASH & INVESTMENTS</u>		<u>TOTAL CASH & INVESTMENTS</u>	
<u>Beginning Year: 1/1/2021</u>		<u>Period Ending 4/30/2021</u>	
WA ST INV POOL	\$ 2,842,687	WA ST INV POOL	\$ 3,721,495
OTHER INVESTMENTS	1,500,000	OTHER INVESTMENTS*	1,500,000
CHECKING	<u>1,580,653</u>	CHECKING	<u>3,181,011</u>
	\$ 5,923,340		\$ 8,402,505

*Bond maturity dates:

\$500K bond (Mar 2021) 3/3/2025
\$1M bond (Aug 2020) 8/5/2024