



CITY OF MEDINA

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Date: July 12, 2021
To: Honorable Mayor and City Council
Via: Michael Sauerwein, City Manager
From: Julie Ketter, Finance & HR Director
Subject: June 2021 Financial Reporting

The June 2021 Reporting includes:

- June 2021 AP Check Register Activity Detail (5.1)
- June 2021 Revenue & Expense Summary
- June 2021 Cash Position Report

Key Items for June YTD include:

GENERAL FUND

Revenue:

- Property Tax is at \$2.3M (57% of budget) as of June 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 \$953K (63% of budget) as of June 2021. This continues the 2020 pace, elevated due to COVID impacts causing increased destination-based receipts. Additional destination-based receipts are high due to the large amount of development activity and the increase costs of their building supplies. 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.
- Utility Taxes & Franchise Fees are remitted mostly by the quarter. The year-to-date amount reflected in June, \$463K 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 & Q2 contract payments for police services have been received and are 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. With stepped up enforcement an uptick is expected. However, it is unlikely to bring the revenue & court expenses up to budgeted amounts.
- Note: asset disposal 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 \$128K through June represents only five 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 was paid in June.

CAPITAL FUND

- There is \$859K of REET (real estate excise tax) revenue year-to-date, reflecting December 2020 - May's real estate activity. This is 110% 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.
- The first half of the Federal ARPA (covid relief funds) has been received; \$459K. It is currently being "parked" in the Capital Fund while Council and Staff work to finalize the City's goals for its use.
- Capital expense budget is only at 7.6% spent but this will increase rapidly now that the weather is better and planned projects can begin.

GENERAL FINANCE NOTES:

The Finance Committee met July 8th to review of Q2 year-to-date financial statements.

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 (November):

- 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, \$23,700.
- Personnel Policy update approved by Council June 14th, one-time excess leave cash out for unrepresented employees at 12/31/21 to align balances to new policy. \$50K-\$65K.
- CIP addition, Street improvement for traffic safety; CC approved REET funds of approx..\$102K, July 2021.
- Increase of playground equipment budget +\$50K; approved by CC for use of REET funds, 6/14.

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
June 2021

REVENUE:	JUNE ACTUAL	JUNE YTD ACTUAL	2021 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET
General Fund					
Property Tax	\$20,163	\$2,285,791	\$3,986,413	57.34%	\$1,700,622
Sales Tax	\$162,304	\$953,026	\$1,522,354	62.60%	\$569,328
Criminal Justice	\$8,827	\$50,376	\$90,080	55.92%	\$39,704
B & O Tax: Utility & Franchise Fee	\$1,606	\$462,633	\$890,524	51.95%	\$427,891
Leasehold Excise Tax	\$0	\$2,982	\$800	372.73%	(\$2,182)
Building Permits, Planning & Development	\$162,107	\$757,671	\$890,611	85.07%	\$132,940
General Government (includes Hunts Point)	\$82,522	\$162,116	\$358,233	45.25%	\$196,117
Passports, General Licenses & Permits	\$8,090	\$8,683	\$8,490	102.27%	(\$193)
Fines, Penalties, Traffic Infr.	\$980	\$6,237	\$31,250	19.96%	\$25,013
Misc. Invest. Facility Leases	\$20,276	\$95,884	\$128,007	74.91%	\$32,123
Other Revenue, Dispositions	\$0	\$38,550	\$3,000	1285.00%	(\$35,550)
General Fund Total	\$466,875	\$4,823,949	\$7,909,762	60.99%	\$3,085,813
Street Fund	\$19,252	\$43,127	\$139,092	31.01%	\$95,965
Street Fund Transfers In	\$31,428	\$188,566	\$377,132	50.00%	\$188,566
Tree Fund	\$0	\$0	\$3,075	0.00%	\$3,075
Levy Stabilization Fund (Transfers In)	\$41,667	\$250,000	\$500,000	50.00%	\$250,000
Capital Fund	\$643,346	\$1,355,128	\$1,113,016	121.75%	(\$242,112)
Total (All Funds)	\$1,129,474	\$6,222,204	\$9,164,945	67.89%	\$2,942,741
Total (All Funds) Transfers In	\$73,094	\$438,566	\$877,132	50.00%	\$438,566

EXPENDITURES:	JUNE ACTUAL	JUNE YTD ACTUAL	2021 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET
General Fund					
Legislative	\$0	\$6,624	\$39,600	16.73%	\$32,976
Municipal Court	\$5,320	\$26,264	\$57,000	46.08%	\$30,736
Executive	\$23,142	\$137,096	\$274,819	49.89%	\$137,723
Finance	\$25,561	\$350,770	\$524,983	66.82%	\$174,213
Legal	\$14,720	\$127,738	\$367,200	34.79%	\$239,462
Central Services	\$78,967	\$415,619	\$941,639	44.14%	\$526,020
Police Operations	\$181,230	\$1,093,014	\$2,380,557	45.91%	\$1,287,543
Fire & Medical Aid	\$388,977	\$388,977	\$807,954	48.14%	\$418,977
Public Housing, Environmental & Mental Health Fees	\$236	\$16,948	\$31,238	54.25%	\$14,290
Development & Planning	\$72,033	\$442,013	\$910,642	48.54%	\$468,629
Recreational Services	\$1,104	\$1,375	\$44,820	3.07%	\$43,445
Parks	\$38,411	\$231,726	\$511,781	45.28%	\$280,055
General Fund Total	\$829,701	\$3,238,163	\$6,892,233	46.98%	\$3,654,070
General Fund Transfers Out	\$73,094	\$438,566	\$877,132	50.00%	\$438,566
Street Fund	\$37,118	\$212,690	\$515,112	41.29%	\$302,422
Tree Fund	\$0	\$13,551	\$38,000	35.66%	\$24,449
Capital Fund	\$8,443	\$63,985	\$840,000	7.62%	\$776,015
Capital Fund Transfers Out	\$0	\$0	\$0	0.00%	\$0
Total (All Funds)	\$875,262	\$3,528,389	\$8,285,344	42.59%	\$4,756,955
Total (All Funds) Transfers Out	\$73,094	\$438,566	\$877,132	50.00%	\$438,566

**2021 YTD Cashflow Report
June 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 6/30/2021</u>	
WA ST INV POOL	\$ 2,842,687	WA ST INV POOL	\$ 4,365,455
OTHER INVESTMENTS	1,500,000	OTHER INVESTMENTS*	1,500,000
CHECKING	<u>1,580,653</u>	CHECKING	<u>2,789,314</u>
	\$ 5,923,340		\$ 8,654,769

*Bond maturity dates:

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