



CITY OF MEDINA

501 EVERGREEN POINT ROAD | PO BOX 144 | MEDINA WA 98039-0144
TELEPHONE 425-233-6400 | www.medina-wa.gov

Date: November 8, 2021
To: Honorable Mayor and City Council
Via: Michael Sauerwein, City Manager
From: Julie Ketter, Finance & HR Director
Subject: September/October 2021 Financial Reporting

The September/October 2021 Reporting includes:

- October 2021 AP Check Register Activity Detail (5.1)
- September 2021 Revenue & Expense Summary
- September Cash Position Report
- October 2021 Revenue & Expense Summary
- October 2021 Cash Position Report
- 2021 Projected Comparative Fund Summary, including 2022's preliminary budget

Key Items for September/October YTD include:

(Items in red reflect new alerts since prior reporting.)

GENERAL FUND

Revenue:

- Property Tax is at \$3.5M (87% of budget) as of October 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 before the end of the year.
- Sales Tax Revenues are \$1.8M (10% above budget) as of October 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 *were* expected to lessen as the year progressed; however, if receipts continue at this pace, this revenue source could exceed \$2M. This would represent a 26% increase over prior year.
- Utility Taxes & Franchise Fees are remitted mostly by the quarter. The year-to-date amount reflected in October, \$712K represents receipts of 4th quarter 2020 and 2021 Q1 & Q2 amounts. **Q3 amounts are expected to arrive before the end of the year.**
- 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-Q3 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.
- Executive budget will be adjusted with next month's scheduled budget amendment. See below for details.
- Fire & Medical Aid pays the contract fees to Bellevue Fire in two installments. The first half was paid in June. In August, the City paid its LEOFF1, retirees pension obligation of \$30K.

CAPITAL FUND

- There is \$1.6M of REET (real estate excise tax) revenue year-to-date, reflecting December 2020 - September's real estate activity. This is 210% 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 13.44% spent. Large project billings have yet to be received but cost center is still projected to come in below budget due to delay of some items into 2022.

CASH POSITION

- As of 10/31/2021, the City's total cash balances are at a robust \$10M. However, approximately 60% of that is restricted---such as REET receipts, ARPA funds & Development Service customer deposits. And the non-restricted, General Fund cash will be tapped heavily in the remaining 2 months of the year as we finish out the budget year.

GENERAL FINANCE NOTES:

The Finance Committee met October 25th to review of Q3 year-to-date financial statements.

Items for future 2021 budget amendment (December):

-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. Not impactful, cover with cost savings due to the lack of Marine Patrol during the year.~~

-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.

City of Medina
Revenue & Expense Summary
September 2021

REVENUE:	SEPT ACTUAL	SEPT YTD ACTUAL	2021 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET	2021 Year-end Projection	% of Budget
General Fund							
Property Tax	\$89,371	\$2,431,421	\$3,986,413	60.99%	\$1,554,992	\$ 3,986,413	100.00%
Sales Tax	\$151,603	\$1,501,993	\$1,522,354	98.66%	\$20,361	\$ 2,009,435	132.00%
Criminal Justice	\$9,750	\$78,893	\$90,080	87.58%	\$11,187	\$ 90,080	100.00%
B & O Tax: Utility & Franchise Fee	\$1,115	\$693,861	\$890,524	77.92%	\$196,663	\$ 890,524	100.00%
Leasehold Excise Tax	\$0	\$911	\$800	113.88%	(\$111)	\$ 911	113.88%
Building Permits, Planning & Development	\$94,248	\$1,076,543	\$890,611	120.88%	(\$185,932)	\$ 1,315,775	147.74%
General Government (includes Hunts Point)	\$82,520	\$265,107	\$358,233	74.00%	\$93,126	\$ 350,738	97.91%
Passports, General Licenses & Permits	\$162	\$1,081	\$8,490	12.73%	\$7,409	\$ 1,081	12.73%
Fines, Penalties, Traffic Infr.	\$1,684	\$10,250	\$31,250	32.80%	\$21,000	\$ 12,527	40.09%
Misc. Invest. Facility Leases	\$2,176	\$118,925	\$128,007	92.91%	\$9,082	\$ 147,399	115.15%
Other Revenue, Dispositions	\$0	\$38,550	\$3,000	1285.00%	(\$35,550)	\$ 50,550	1685.00%
General Fund Total	\$432,629	\$6,217,534	\$7,909,762	78.61%	\$1,692,228	\$ 8,855,434	111.96%
Street Fund	\$9,108	\$113,060	\$139,092	81.28%	\$26,032	\$ 129,433	93.06%
Street Fund Transfers In	\$31,428	\$282,849	\$377,132	75.00%	\$94,283	\$ 377,132	100.00%
Tree Fund	\$0	\$0	\$3,075	0.00%	\$3,075	\$ -	0.00%
Contingency Fund (Transfers In)			\$250,000			\$ 250,000	100.00%
Levy Stabilization Fund (Transfers In)	\$41,667	\$375,000	\$500,000	75.00%	\$125,000	\$ 500,000	100.00%
Capital Fund	\$163,467	\$1,833,170	\$1,113,016	164.70%	(\$720,154)	\$ 2,642,847	237.45%
Total (All Funds)	\$605,205	\$8,163,763	\$9,164,945	89.08%	\$1,001,182	\$ 11,627,714	126.87%
Total (All Funds) Transfers In	\$73,094	\$657,849	\$1,127,132	58.36%	\$469,283	\$ 1,127,132	100.00%

EXPENDITURES:	SEPT ACTUAL	SEPT YTD ACTUAL	2021 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET	2021 Year-end Projection	% of Budget
General Fund							
Legislative	\$343	\$6,967	\$39,600	17.59%	\$32,633	\$ 15,600	39.39%
Municipal Court	\$5,214	\$40,557	\$57,000	71.15%	\$16,443	\$ 57,000	100.00%
Executive	\$25,982	\$208,216	\$274,819	75.76%	\$66,603	\$ 339,268	123.45%
Finance	\$27,664	\$433,464	\$524,983	82.57%	\$91,519	\$ 544,755	103.77%
Legal	\$58,261	\$217,927	\$367,200	59.35%	\$149,273	\$ 337,200	91.83%
Central Services	\$69,173	\$613,054	\$941,639	65.10%	\$328,585	\$ 851,442	90.42%
Police Operations	\$186,483	\$1,632,252	\$2,380,557	68.57%	\$748,305	\$ 2,319,079	97.42%
Fire & Medical Aid	\$0	\$418,977	\$807,954	51.86%	\$388,977	\$ 807,954	100.00%
Public Housing, Environmental & Mental Health Fees	\$11,953	\$29,141	\$31,238	93.29%	\$2,097	\$ 31,066	99.45%
Development & Planning	\$72,884	\$648,334	\$910,642	71.20%	\$262,308	\$ 878,131	96.43%
Recreational Services	\$2,151	\$26,277	\$44,820	58.63%	\$18,543	\$ 26,277	58.63%
Parks	\$46,601	\$364,001	\$511,781	71.12%	\$147,780	\$ 511,585	99.96%
General Fund Total	\$506,707	\$4,639,167	\$6,892,233	67.31%	\$2,253,066	\$ 6,719,357	97.49%
General Fund Transfers Out	\$73,094	\$657,849	\$877,132	75.00%	\$219,283	\$ 1,127,132	128.50%
Street Fund	\$28,142	\$302,470	\$515,112	58.72%	\$212,642	\$ 443,782	86.15%
Tree Fund	\$0	\$18,976	\$38,000	49.94%	\$19,024	\$ 18,976	49.94%
Capital Fund	\$14,440	\$100,692	\$840,000	11.99%	\$739,308	\$ 730,107	86.92%
Capital Fund Transfers Out	\$0	\$0	\$0	0.00%	\$0	\$ -	
Total (All Funds)	\$549,289	\$5,061,306	\$8,285,344	61.09%	\$3,224,038	\$ 7,912,222	95.50%
Total (All Funds) Transfers Out	\$73,094	\$657,849	\$877,132	75.00%	\$219,283	\$ 1,127,132	128.50%

**2021 YTD Cashflow Report
September 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>	
Beginning Year: 1/1/2021		Period Ending 9/30/2021	
WA ST INV POOL	\$ 2,842,687	WA ST INV POOL	\$ 4,993,536
OTHER INVESTMENTS	1,500,000	OTHER INVESTMENTS*	1,500,000
CHECKING	1,580,653	CHECKING	2,604,760
	<u>\$ 5,923,340</u>		<u>\$ 9,098,296</u>

*Bond maturity dates:

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

City of Medina
Revenue & Expense Summary
October 2021

REVENUE:	OCT ACTUAL	OCT YTD ACTUAL	2021 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET	2021 Year-end Projection	% of Budget
General Fund							
Property Tax	\$1,021,739	\$3,453,160	\$3,986,413	86.62%	\$533,253	\$ 3,986,413	100.00%
Sales Tax	\$176,441	\$1,678,434	\$1,522,354	110.25%	(\$156,080)	\$ 2,021,524	132.79%
Criminal Justice	\$8,306	\$87,199	\$90,080	96.80%	\$2,881	\$ 90,080	100.00%
B & O Tax: Utility & Franchise Fee	\$107,852	\$801,713	\$890,524	90.03%	\$88,811	\$ 890,524	100.00%
Leasehold Excise Tax	\$0	\$911	\$800	113.88%	(\$111)	\$ 911	113.88%
Building Permits, Planning & Development	\$128,359	\$1,205,192	\$890,611	135.32%	(\$314,581)	\$ 1,446,230	162.39%
General Government (includes Hunts Point)	\$6,717	\$271,824	\$358,233	75.88%	\$86,409	\$ 350,861	97.94%
Passports, General Licenses & Permits	\$187	\$1,268	\$8,490	14.94%	\$7,222	\$ 1,268	14.94%
Fines, Penalties, Traffic Infr.	(\$401)	\$9,849	\$31,250	31.52%	\$21,401	\$ 11,818	37.82%
Misc. Invest. Facility Leases	\$10,508	\$129,442	\$128,007	101.12%	(\$1,435)	\$ 150,575	117.63%
Other Revenue, Dispositions	\$12,900	\$51,450	\$3,000	1715.00%	(\$48,450)	\$ 51,450	1715.00%
General Fund Total	\$1,472,608	\$7,690,441	\$7,909,762	97.23%	\$219,321	\$ 9,001,655	113.80%
Street Fund	\$5,039	\$118,099	\$139,092	84.91%	\$20,993	\$ 129,371	93.01%
Street Fund Transfers In	\$31,428	\$314,277	\$377,132	83.33%	\$62,855	\$ 377,132	100.00%
Tree Fund	\$0	\$0	\$3,075	0.00%	\$3,075	\$ -	0.00%
Contingency Fund (Transfers In)			\$250,000			\$ 250,000	100.00%
Levy Stabilization Fund (Transfers In)	\$41,667	\$416,667	\$500,000	83.33%	\$83,333	\$ 500,000	100.00%
Capital Fund	\$301,595	\$2,134,765	\$1,113,016	191.80%	(\$1,021,749)	\$ 3,150,363	283.05%
Total (All Funds)	\$1,779,243	\$9,943,305	\$9,164,945	108.49%	(\$778,360)	\$ 12,281,390	134.00%
Total (All Funds) Transfers In	\$73,094	\$730,943	\$1,127,132	64.85%	\$396,189	\$ 1,127,132	100.00%

EXPENDITURES:	OCT ACTUAL	OCT YTD ACTUAL	2021 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET	2021 Year-end Projection	% of Budget
General Fund							
Legislative	\$2,219	\$9,186	\$39,600	23.20%	\$30,414	\$ 16,357	41.30%
Municipal Court	\$4,000	\$44,557	\$57,000	78.17%	\$12,443	\$ 57,000	100.00%
Executive	\$25,539	\$233,755	\$274,819	85.06%	\$41,064	\$ 339,268	123.45%
Finance	\$32,356	\$465,820	\$524,983	88.73%	\$59,163	\$ 538,594	102.59%
Legal	\$24,677	\$242,604	\$367,200	66.07%	\$124,596	\$ 337,200	91.83%
Central Services	\$69,095	\$682,148	\$941,639	72.44%	\$259,491	\$ 853,998	90.69%
Police Operations	\$177,900	\$1,810,152	\$2,380,557	76.04%	\$570,405	\$ 2,305,520	96.85%
Fire & Medical Aid	\$0	\$418,977	\$807,954	51.86%	\$388,977	\$ 807,954	100.00%
Public Housing, Environmental & Mental Health Fees	\$0	\$29,141	\$31,238	93.29%	\$2,097	\$ 31,066	99.45%
Development & Planning	\$68,042	\$716,376	\$910,642	78.67%	\$194,266	\$ 867,201	95.23%
Recreational Services	\$940	\$27,218	\$44,820	60.73%	\$17,602	\$ 27,218	60.73%
Parks	\$37,493	\$401,494	\$511,781	78.45%	\$110,287	\$ 486,167	95.00%
General Fund Total	\$442,260	\$5,081,427	\$6,892,233	73.73%	\$1,810,806	\$ 6,667,541	96.74%
General Fund Transfers Out	\$73,094	\$730,943	\$877,132	83.33%	\$146,189	\$ 1,127,132	128.50%
Street Fund	\$37,369	\$339,839	\$515,112	65.97%	\$175,273	\$ 445,318	86.45%
Tree Fund	\$0	\$18,976	\$38,000	49.94%	\$19,024	\$ 18,976	49.94%
Capital Fund	\$21,372	\$112,904	\$840,000	13.44%	\$727,096	\$ 730,107	86.92%
Capital Fund Transfers Out	\$0	\$0	\$0	0.00%	\$0	\$ -	
Total (All Funds)	\$501,001	\$5,553,146	\$8,285,344	67.02%	\$2,732,198	\$ 7,861,942	94.89%
Total (All Funds) Transfers Out	\$73,094	\$730,943	\$877,132	83.33%	\$146,189	\$ 1,127,132	128.50%

**2021 YTD Cashflow Report
October 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>	
Beginning Year: 1/1/2021		Period Ending 10/31/2021	
WA ST INV POOL	\$ 2,842,687	WA ST INV POOL	\$ 5,192,013
OTHER INVESTMENTS	1,500,000	OTHER INVESTMENTS*	1,500,000
CHECKING	<u>1,580,653</u>	CHECKING	<u>3,672,331</u>
	\$ 5,923,340		\$ 10,364,344

*Bond maturity dates:

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

COMPARATIVE SUMMARY BY FUND
Projections as of 11/8/2021

	2019	2020	2021	2021	2022	
DESCRIPTION	Actuals	Actual	Budget	Year-end Projections	Preliminary Budget 11/8/2021 draft	General Fund Year End Carryover Balances
GENERAL FUND						
BEGINNING FUND BALANCE	\$ 837,822	\$ 1,181,753	\$ 2,194,185	\$ 2,194,185	\$ 3,401,167	2021
REVENUES	6,816,529	7,983,720	7,909,764	9,001,655	8,270,543	Fund Balance
OPERATING TRANSFERS-IN	-	-	-	-	-	Projected, Excess/(Shortfall)
EXPENDITURES	6,432,598	6,601,288	6,892,234	6,667,541	6,779,723	\$820,147
OPERATING TRANSFERS-OUT	40,000	370,000	877,132	1,127,132	1,901,527	25% Policy Minimum
Year end carryover balance	\$ 1,181,753	\$ 2,194,185	\$ 2,334,584	\$ 3,401,167	\$ 2,990,460	\$2,170,313
STREET FUND						34.4%
BEGINNING FUND BALANCE	\$ 17,469	\$ 16,031	\$ 13,778	\$ 13,778	\$ 74,963	<i>Note: GF balances do not include Development Services' customer deposits or SAO 2019 directive "fiduciary" amounts</i>
REVENUES	88,024	65,875	139,092	129,371	118,801	
OPERATING TRANSFERS-IN	387,000	370,000	377,132	377,132	401,527	
EXPENDITURES	476,461	438,128	515,112	445,318	520,328	
OPERATING TRANSFERS-OUT	-	-	-	-	-	
Year end carryover balance	\$ 16,031	\$ 13,778	\$ 14,890	\$ 74,963	\$ 74,963	
DEV. SERVICES FUND						
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	-	
REVENUES	-	-	-	-	1,356,895	
OPERATING TRANSFERS-IN	-	-	-	-	1,000,000	
EXPENDITURES	-	-	-	-	1,179,726	
OPERATING TRANSFERS-OUT	-	-	-	-	-	
Year end carryover balance	\$ -	\$ -	\$ -	\$ -	\$ 1,177,169	
TREE FUND						
BEGINNING FUND BALANCE	\$ 139,689	\$ 113,572	\$ 110,072	\$ 110,072	\$ 91,096	
REVENUES	3,950	-	3,075	-	3,075	
OPERATING TRANSFERS-IN	-	-	-	-	-	
EXPENDITURES	30,067	3,500	38,000	18,976	40,000	
OPERATING TRANSFERS-OUT	-	-	-	-	-	
Year end carryover balance	\$ 113,572	\$ 110,072	\$ 75,147	\$ 91,096	\$ 54,171	
LEVY STABILIZATION FUND						
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ 500,000	
OPERATING TRANSFERS-IN	-	-	500,000	500,000	500,000	
OPERATING TRANSFERS-OUT	-	-	-	-	-	
Year end carryover balance	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 1,000,000	Must have min. of \$2M by 12/31/2025
CAPITAL PROJECTS FUND						
BEGINNING FUND BALANCE	\$ 1,930,333	\$ 2,049,772	\$ 3,281,736	\$ 3,281,736	\$ 5,701,992	
REVENUES	1,420,455	1,841,084	1,113,016	3,150,363	2,086,618	
OPERATING TRANSFERS-IN	-	-	-	-	-	
EXPENDITURES	954,015	609,120	840,000	730,107	1,510,000	<i>Note: CPF balances do not include contractor retainage activity amounts</i>
OPERATING TRANSFERS-OUT	347,000	-	-	-	-	
Year end carryover balance	\$ 2,049,772	\$ 3,281,736	\$ 3,554,752	\$ 5,701,992	\$ 6,278,610	
CONTINGENCY FUND						
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ 250,000	
REVENUES	-	-	-	-	-	
OPERATING TRANSFERS-IN	-	-	-	250,000	-	
OPERATING TRANSFERS-OUT	-	-	-	-	-	
Year end carryover balance	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	
TOTAL ALL FUNDS BUDGET						
BEGINNING FUND BALANCE	\$ 2,925,313	\$ 3,361,128	\$ 5,599,771	\$ 5,599,771	\$ 10,019,218	
REVENUES	8,328,957	9,890,679	9,164,947	12,281,389	11,835,932	
OPERATING TRANSFERS-IN	387,000	370,000	877,132	1,127,132	1,901,527	
EXPENDITURES	7,893,142	7,652,036	8,285,345	7,861,942	10,029,777	
OPERATING TRANSFERS-OUT	387,000	370,000	877,132	1,127,132	1,901,527	
Year end carryover balance	\$ 3,361,128	\$ 5,599,771	\$ 6,479,373	\$ 10,019,218	\$ 11,825,373	