



CITY OF MEDINA

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

Date: December 13, 2021
To: Honorable Mayor and City Council
Via: Michael Sauerwein, City Manager
From: Julie Ketter, Finance & HR Director
Subject: November 2021 Financial Reporting

The November 2021 Reporting includes:

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

Key Items for November YTD include:

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

GENERAL FUND

Revenue:

- Property Tax is at \$4M (99.2% of budget) as of November 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 as the associated owners' late tax payments are paid.
- Sales Tax Revenues are \$1.8M (16% above budget) as of November 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 27% increase over prior year.
- Utility Taxes & Franchise Fees are remitted mostly by the quarter. The year-to-date amount reflected in November, \$942K represents receipts of 4th quarter 2020 and 2021 Q1, Q2 & Q4 amounts. No additional amounts are expected this 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. Q4's payment is expected to arrive before the end of the year. 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 \$41K 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.
- 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. The second half will be paid in December.

CAPITAL FUND

- There is \$1.7M of REET (real estate excise tax) revenue year-to-date, reflecting December 2020 - October's real estate activity. This is 199% of the receipts we had anticipated for the entire year when drafting the (amended) 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. The second half is expected in 2022 and is reflected in the 2022 budget adopted last month.
- Capital expense budget is only at 14.76% 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 11/30/2021, the City's total cash balances are at a robust \$11M. 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.

Year End Carryover Balances

Now that we are in the final third of the year, as per our practice a Comparative Summary by Fund has been added to the packet. It reflects the anticipated year end balances for 2021 that will be carried into 2022. It is the City's policy to carry a balance, equal to 25% of next year's General Fund expenses, forward from the prior year in that fund. This is to cover monthly expenses until the City's major source of funding (property taxes) is received in the spring. Currently we are projecting about \$823K in excess of the 25% requirement needed at 12/31/2021. This is mainly due to higher than typical Sales Tax receipts and moving Development Services out of the General Fund, thus lowering the amount needed to achieve 25%. It is staff's recommendation, after the 2021's books have been closed to transfer the amount above the 25% required to the Contingency Fund, as was done with 2020's year-end carryover excess. This will be discussed at Finance Committee's next meeting, once the books are closed for the year.

GENERAL FINANCE NOTES:

None.

City of Medina
Revenue & Expense Summary
November 2021

	NOV ACTUAL	NOV YTD ACTUAL	Amended (12/13/21) 2021 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET	2021 Year-end Projection	% of Budget
REVENUE:							
General Fund							
Property Tax	\$501,409	\$3,954,569	\$3,986,413	99.20%	\$31,844	\$ 3,986,413	100.00%
Sales Tax	\$161,034	\$1,845,229	\$1,587,354	116.25%	(\$257,875)	\$ 2,013,839	126.87%
Criminal Justice	\$8,612	\$95,810	\$90,080	106.36%	(\$5,730)	\$ 95,810	106.36%
B & O Tax: Utility & Franchise Fee	\$140,156	\$941,869	\$890,524	105.77%	(\$51,345)	\$ 941,869	105.77%
Leasehold Excise Tax	\$0	\$911	\$800	113.88%	(\$111)	\$ 911	113.88%
Building Permits, Planning & Development	\$71,730	\$1,276,922	\$890,611	143.38%	(\$386,311)	\$ 1,393,006	156.41%
General Government (includes Hunts Point)	\$0	\$271,824	\$353,811	76.83%	\$81,987	\$ 358,406	101.30%
Passports, General Licenses & Permits	\$90	\$1,344	\$8,490	15.83%	\$7,146	\$ 1,344	15.83%
Fines, Penalties, Traffic Infr.	\$1,960	\$11,808	\$31,250	37.79%	\$19,442	\$ 12,873	41.19%
Misc. Invest. Facility Leases	\$16,466	\$145,907	\$128,007	113.98%	(\$17,900)	\$ 148,959	116.37%
Other Revenue, Dispositions	\$3,196	\$54,646	\$3,000	1821.52%	(\$51,646)	\$ 54,646	1821.52%
General Fund Total	\$904,652	\$8,600,839	\$7,970,340	107.91%	(\$630,499)	\$ 9,008,075	113.02%
Street Fund	\$4,562	\$122,661	\$143,514	85.47%	\$20,853	\$ 128,800	89.75%
Street Fund Transfers In	\$31,428	\$345,704	\$377,132	91.67%	\$31,428	\$ 377,132	100.00%
Tree Fund	\$0	\$0	\$3,075	0.00%	\$3,075	\$ -	0.00%
Contingency Fund (Transfers In)	\$0	\$0	\$250,000	0.00%	\$250,000	\$ 250,000	100.00%
Levy Stabilization Fund (Transfers In)	\$41,667	\$458,333	\$500,000	91.67%	\$41,667	\$ 500,000	100.00%
Capital Fund	\$113,419	\$2,248,184	\$1,215,016	185.03%	(\$1,033,168)	\$ 2,686,946	121.14%
Total (All Funds)	\$1,022,634	\$10,971,684	\$9,331,945	117.57%	(\$1,639,739)	\$ 11,823,822	126.70%
Total (All Funds) Transfers In	\$73,094	\$804,038	\$1,127,132	71.33%	\$323,094	\$ 1,127,132	100.00%

	NOV ACTUAL	NOV YTD ACTUAL	Amended (12/13/21) 2021 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET	2021 Year-end Projection	% of Budget
EXPENDITURES:							
General Fund							
Legislative	\$0	\$9,186	\$39,600	23.20%	\$30,414	\$ 16,357	41.30%
Municipal Court	\$4,850	\$49,407	\$57,000	86.68%	\$7,593	\$ 57,000	100.00%
Executive	\$30,212	\$263,966	\$339,819	77.68%	\$75,853	\$ 339,819	100.00%
Finance	\$37,927	\$503,747	\$524,983	95.95%	\$21,236	\$ 552,950	105.33%
Legal	\$24,852	\$267,456	\$367,200	72.84%	\$99,744	\$ 337,200	91.83%
Central Services	\$66,182	\$748,330	\$941,639	79.47%	\$193,309	\$ 849,957	90.26%
Police Operations	\$176,143	\$1,986,294	\$2,380,557	83.44%	\$394,263	\$ 2,306,179	96.88%
Fire & Medical Aid	\$0	\$418,977	\$807,954	51.86%	\$388,977	\$ 807,954	100.00%
Public Housing, Environmental & Mental Health	\$240	\$29,381	\$31,238	94.05%	\$1,857	\$ 31,306	100.22%
Development & Planning	\$67,290	\$783,666	\$910,642	86.06%	\$126,976	\$ 851,332	93.49%
Recreational Services	\$0	\$27,218	\$44,820	60.73%	\$17,602	\$ 27,218	60.73%
Parks	\$41,574	\$443,068	\$511,781	86.57%	\$68,713	\$ 493,517	96.43%
General Fund Total	\$449,269	\$5,530,696	\$6,957,233	79.50%	\$1,426,537	\$ 6,670,789	95.88%
General Fund Transfers Out	\$73,094	\$804,038	\$1,127,132	71.33%	\$323,094	\$ 1,127,132	100.00%
Street Fund	\$33,744	\$373,583	\$515,112	72.52%	\$141,529	\$ 438,738	85.17%
Tree Fund	\$0	\$18,976	\$38,000	49.94%	\$19,024	\$ 18,976	49.94%
Capital Fund	\$26,175	\$139,079	\$942,000	14.76%	\$802,921	\$ 832,107	88.33%
Capital Fund Transfers Out	\$0	\$0	\$0	0.00%	\$0	\$ -	
Total (All Funds)	\$509,188	\$6,062,334	\$8,452,344	71.72%	\$2,390,010	\$ 7,960,610	94.18%
Total (All Funds) Transfers Out	\$73,094	\$804,038	\$1,127,132	71.33%	\$323,094	\$ 1,127,132	100.00%

**2021 YTD Cashflow Report
November 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 11/30/2021	
WA ST INV POOL	\$ 2,842,687	WA ST INV POOL	\$ 5,368,049
OTHER INVESTMENTS	1,500,000	OTHER INVESTMENTS*	1,500,000
CHECKING	<u>1,580,653</u>	CHECKING	<u>4,033,312</u>
	\$ 5,923,340		\$ 10,901,362

*Bond maturity dates:

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

COMPARATIVE SUMMARY BY FUND
Projections as of 12/13/2021

	2019	2020	2021 Budget, assuming passing of 12/13/2021 amendment	2021 Year-end Projections	2022 Adopted Budget	
DESCRIPTION	Actuals	Actual				General Fund Year End Carryover Balances
GENERAL FUND						2021 Fund Balance <u>Projected. Excess/(Shortfall)</u> \$823,319 25% Policy Minimum \$2,170,313 34.5%
BEGINNING FUND BALANCE	\$ 837,822	\$ 1,181,753	\$ 2,194,185	\$ 2,194,185	\$ 3,404,339	
REVENUES	6,816,529	7,983,720	7,970,340	9,008,075	8,270,543	
OPERATING TRANSFERS-IN	-	-	-	-	-	
EXPENDITURES	6,432,598	6,601,288	6,957,233	6,670,789	6,779,723	
OPERATING TRANSFERS-OUT	40,000	370,000	1,127,132	1,127,132	1,901,527	
Year end carryover balance	\$ 1,181,753	\$ 2,194,185	\$ 2,080,160	\$ 3,404,339	\$ 2,993,632	
STREET FUND						<i>Note: GF balances prior to 2022 do not include Development Services' customer deposits or SAO 2019 directive "fiduciary" amounts</i>
BEGINNING FUND BALANCE	\$ 17,469	\$ 16,031	\$ 13,778	\$ 13,778	\$ 74,963	
REVENUES	88,024	65,875	143,514	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	\$ 19,312	\$ 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	1,215,016	3,150,363	2,086,618	
OPERATING TRANSFERS-IN	-	-	-	-	-	
EXPENDITURES	954,015	609,120	942,000	730,107	1,510,000	
OPERATING TRANSFERS-OUT	347,000	-	-	-	-	
Year end carryover balance	\$ 2,049,772	\$ 3,281,736	\$ 3,554,752	\$ 5,701,992	\$ 6,278,610	<i>Note: CPF balances do not include contractor retainage activity amounts</i>
CONTINGENCY FUND						
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ 250,000	
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
OPERATING TRANSFERS-IN	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ -	
OPERATING TRANSFERS-OUT	-	-	-	-	-	
Year end carryover balance	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	
TOTAL ALL FUNDS BUDGET						
BEGINNING FUND BALANCE	\$ 2,925,313	\$ 3,361,128	\$ 5,599,771	\$ 5,599,771	\$ 10,022,390	
REVENUES	8,328,957	9,890,679	9,331,945	12,287,809	11,835,932	
OPERATING TRANSFERS-IN	387,000	370,000	1,127,132	1,127,132	1,901,527	
EXPENDITURES	7,893,142	7,652,036	8,452,345	7,865,190	10,029,777	
OPERATING TRANSFERS-OUT	387,000	370,000	1,127,132	1,127,132	1,901,527	
Year end carryover balance	\$ 3,361,128	\$ 5,599,771	\$ 6,479,373	\$ 10,022,390	\$ 11,828,545	