

City of Snoqualmie
June 2023 Quarterly Report



September 6, 2023

**FINANCE DEPARTMENT**

38624 SE River Street
PO Box 987
Snoqualmie, WA 98065

Office: 425-888-1555
Fax: 425-831-6041

www.snoqualmiewa.gov

DATE: September 6, 2023
TO: Snoqualmie City Council
FROM: Jen Ferguson, Finance & Human Resources Director; Janna Walker, Budget Analyst; Samantha Brumfield, Project Specialist
SUBJECT: Financial Performance Report as of Quarter 2, 2023

Attached is the City of Snoqualmie's quarterly Financial Performance Report for the period ending June 30, 2023. The purpose of this report is to compare actual revenues and expenditures to the 2023-24 Amended Budget, present a 2023 year-end forecast, and to review fund balances for compliance with financial management policy. A summary of all funds and their current status can be reviewed at Appendix A1.



City Funds Scorecard

	Location	Score
General Fund Forecast		
<i>Revenue compared to Budget</i>	Page 3	
<i>Expenditures compared to Budget</i>	Page 3	
Special Revenue Funds		
<i>Revenue compared to Budget</i>	Page 4	
<i>Expenditures compared to Budget</i>	Page 4	
Utility Funds Forecast		
<i>Revenue Compared to Budget</i>	Page 4	
<i>Expenditures compared to Budget</i>	Page 4	
Internal Service Funds Forecast		
<i>Revenue Compared to Budget</i>	Page 5	
<i>Expenditures compared to Budget</i>	Page 5	
Reserve Requirements and Fund Balance		
<i>General Fund</i>	Page 5	
<i>Non-Utility Capital Funds</i>	Page 6	
<i>Utility Funds</i>	Page 6	
<i>Utility Capital Funds</i>	Page 7	

Legend:

- Positive Variance or negative variance < 1%
- Negative variance of 1-5%
- Negative variance of > 5%
- Negative variance of > 5%, but expected to resolve within the Biennium

Note: Forecasts for Capital accounts require a higher degree of judgment due to their project-based nature and irregular revenue sources. However, these capital expenditures and reserves are monitored. See pages 6 & 7 for Capital reserves and Appendix A2 for project status and year-end forecasts.

City Funds Forecasts Detail

The tables below show the General fund by type of revenue or expenditures and other funds by total revenues and expenditures, as compared to the 2023-24 Biennial Budget. The fourth column includes 2023 forecasted values. Negative variances in the “% of 2023 Budget” column are highlighted in red. Note that the totals below do not include transfers in or out, which are part of the legal appropriation, or spending authority, for a fund. These transfers are relatively automatic and could inappropriately influence how a user interprets the tables.

General Fund Revenues:

	2023 Amended Budget	2023-24 Amended Budget	2023 Q2 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues					
<i>Property Taxes</i>	\$ 8,401,505	\$ 16,908,029	\$ 4,289,023	\$ 8,432,173	100%
<i>Sales & Use Tax¹</i>	\$ 3,058,696	\$ 6,241,880	\$ 1,344,636	\$ 2,924,231	96%
<i>Utility Taxes</i>	\$ 2,482,551	\$ 5,006,719	\$ 1,258,897	\$ 2,418,807	97%
<i>B&O Tax</i>	\$ 710,700	\$ 1,450,113	\$ 426,483	\$ 787,105	111%
<i>Charges for Goods / Services</i>	\$ 3,477,838	\$ 7,706,932	\$ 2,162,864	\$ 3,960,874	114%
<i>Permits</i>	\$ 580,158	\$ 1,442,885	\$ 264,042	\$ 530,005	91%
<i>Intergovernmental / Grants</i>	\$ 653,905	\$ 1,151,029	\$ 718,640	\$ 994,249	152%
<i>Fines & Penalties</i>	\$ 39,154	\$ 78,667	\$ 8,293	\$ 30,080	77%
<i>Miscellaneous</i>	\$ 218,540	\$ 477,464	\$ 126,574	\$ 335,020	153%
Total Revenue =	\$ 19,623,047	\$ 40,463,718	\$ 10,599,453	\$ 20,412,543	104%
Expenditures					
<i>Administration</i>	\$ 5,461,502	\$ 10,909,069	\$ 3,067,054	\$ 5,487,497	100%
<i>Snoqualmie Police</i>	\$ 5,207,692	\$ 10,346,882	\$ 2,431,930	\$ 5,144,363	99%
<i>Fire & Emergency</i>	\$ 4,121,969	\$ 8,380,331	\$ 2,085,974	\$ 4,105,410	100%
<i>Parks</i>	\$ 1,862,517	\$ 3,708,535	\$ 776,141	\$ 1,825,230	98%
<i>Community Development</i>	\$ 2,275,257	\$ 4,770,051	\$ 808,549	\$ 2,021,771	89%
<i>Streets</i>	\$ 1,047,448	\$ 2,154,549	\$ 491,747	\$ 948,212	91%
<i>Non-Departmental</i>	\$ 755,035	\$ 1,514,373	\$ 365,672	\$ 817,420	108%
Total Expenditures =	\$ 20,731,420	\$ 41,783,790	\$ 10,027,067	\$ 20,349,902	98%

¹Does not include Affordable Housing Sales Tax, which is part of the Special Revenue Funds, or the Transportation Sales Tax, which is received into the Capital Project Funds.

Special Revenue Funds Forecast

		2023 Amended Budget	2023-24 Amended Budget	2023 Q2 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues						
012	Arts Activities	\$ 1,238	\$ 2,319	\$ 1,851	\$ 1,833	148%
014	North Bend Police Services	\$ 2,420,603	\$ 4,978,982	\$ 778,313	\$ 1,018,533	42%
018	Deposits Reimbursement Control	\$ 10,358	\$ 20,716	\$ -	\$ -	0%
020	School Impact Fee	\$ -	\$ -	\$ -	\$ -	100%
110	Hotel/Motel Tax	\$ 140,190	\$ 279,791	\$ 68,332	\$ 68,332	49%
118	Drug Enforcement	\$ 5,172	\$ 10,344	\$ 581	\$ 581	11%
123	Opioid Settlement	\$ -	\$ -	\$ 10,555	\$ 10,555	100%
131	Affordable Housing	\$ 384,121	\$ 778,242	\$ 225,766	\$ 225,766	59%
144	Home Elevation	\$ 1,468,000	\$ 1,468,000	\$ -	\$ -	0%
150	Arpa Covid Local Recovery	\$ 28,327	\$ 37,781	\$ 31,323	\$ 31,323	111%
Total Revenue =		\$ 4,458,009	\$ 7,576,175	\$ 1,116,722	\$ 1,356,924	30%
Expenditures						
012	Arts Activities	\$ 60,856	\$ 97,992	\$ 4,818	\$ 50,282	83%
014	North Bend Police Services	\$ 2,568,165	\$ 5,231,406	\$ 1,191,366	\$ 2,142,370	83%
018	Deposits Reimbursement Control	\$ 10,358	\$ 20,716	\$ -	\$ 10,358	100%
020	School Impact Fee	\$ -	\$ -	\$ -	\$ -	100%
110	Hotel/Motel Tax	\$ 175,000	\$ 350,000	\$ 2,497	\$ 160,887	92%
118	Drug Enforcement	\$ 5,172	\$ 10,344	\$ -	\$ 2,752	53%
123	Opioid Settlement	\$ -	\$ -	\$ -	\$ -	100%
131	Affordable Housing	\$ 132,000	\$ 132,000	\$ 22,770	\$ 150,789	114%
144	Home Elevation	\$ -	\$ -	\$ -	\$ -	0%
150	Arpa Covid Local Recovery	\$ 80,607	\$ 164,058	\$ 157,417	\$ 230,005	285%
Total Expenditures =		\$ 3,032,158	\$ 6,006,516	\$ 1,378,867	\$ 2,747,443	91%

Utility Funds Forecast

		2023 Amended Budget	2023-24 Amended Budget	2023 Q2 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues						
401	Water	\$ 5,190,814	\$ 10,695,633	\$ 2,284,804	\$ 5,103,478	98%
402	Sewer	\$ 6,447,608	\$ 13,161,403	\$ 2,979,795	\$ 6,231,760	97%
403	Stormwater	\$ 2,850,899	\$ 5,914,382	\$ 1,436,991	\$ 2,842,744	100%
Total Revenue =		\$ 14,489,321	\$ 29,771,418	\$ 6,701,590	\$ 14,177,982	98%
Expenditures						
401	Water	\$ 3,331,958	\$ 6,702,118	\$ 1,351,129	\$ 3,161,850	95%
402	Sewer	\$ 3,516,712	\$ 7,093,865	\$ 1,891,918	\$ 3,788,403	108%
403	Stormwater	\$ 1,928,375	\$ 3,867,256	\$ 815,428	\$ 1,793,431	93%
Total Expenditures =		\$ 8,777,045	\$ 17,663,239	\$ 4,058,474	\$ 8,743,683	100%

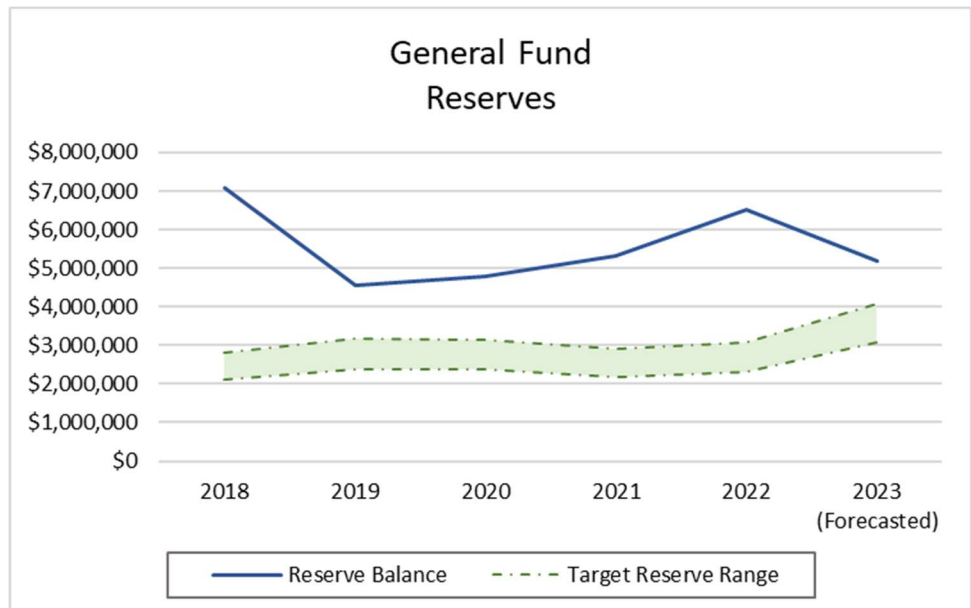
Internal Service Funds Forecast

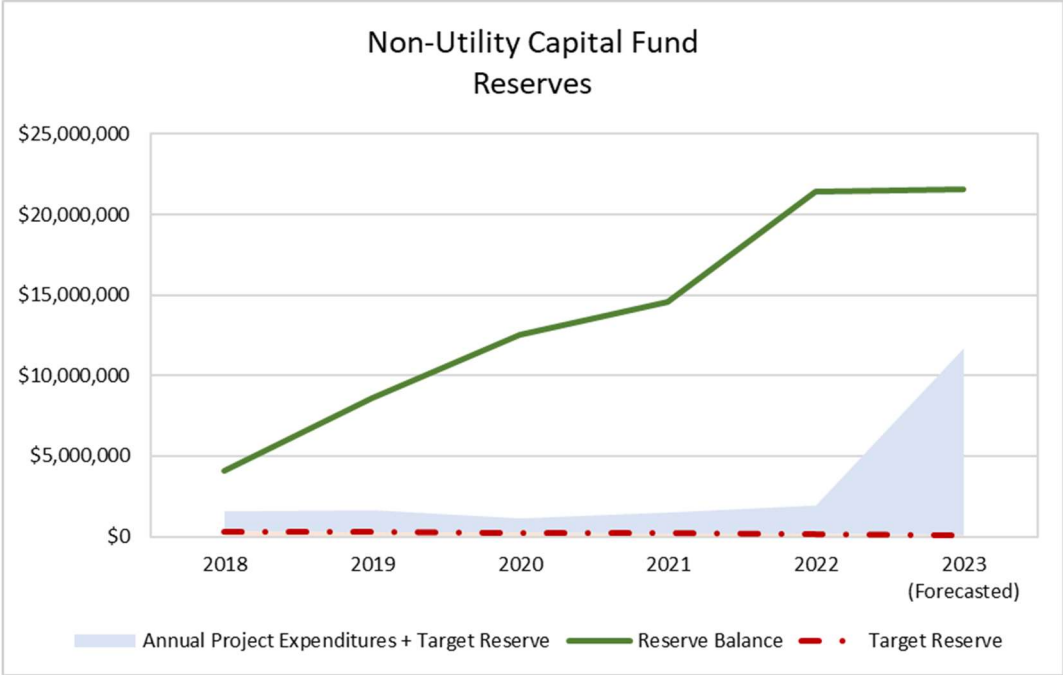
		2023 Amended Budget	2023-24 Amended Budget	2023 Q2 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues						
401	Equipment Repair & Replacement	\$ 1,553,789	\$ 3,175,914	\$ 763,496	\$ 1,567,116	101%
402	Information Technology	\$ 2,507,771	\$ 5,179,380	\$ 1,241,562	\$ 2,589,523	103%
403	Facilities Maintenance	\$ 914,845	\$ 1,638,342	\$ 452,700	\$ 841,509	92%
Total Revenue =		\$ 4,976,405	\$ 9,993,636	\$ 2,457,759	\$ 4,998,147	100%
Expenditures						
401	Equipment Repair & Replacement	\$ 2,586,278	\$ 3,618,113	\$ 1,173,489	\$ 2,712,559	105%
402	Information Technology	\$ 3,342,449	\$ 6,500,789	\$ 1,089,702	\$ 3,060,798	92%
403	Facilities Maintenance	\$ 909,765	\$ 1,635,352	\$ 370,499	\$ 879,139	97%
Total Expenditures =		\$ 6,838,492	\$ 11,754,254	\$ 2,633,691	\$ 6,652,496	97%



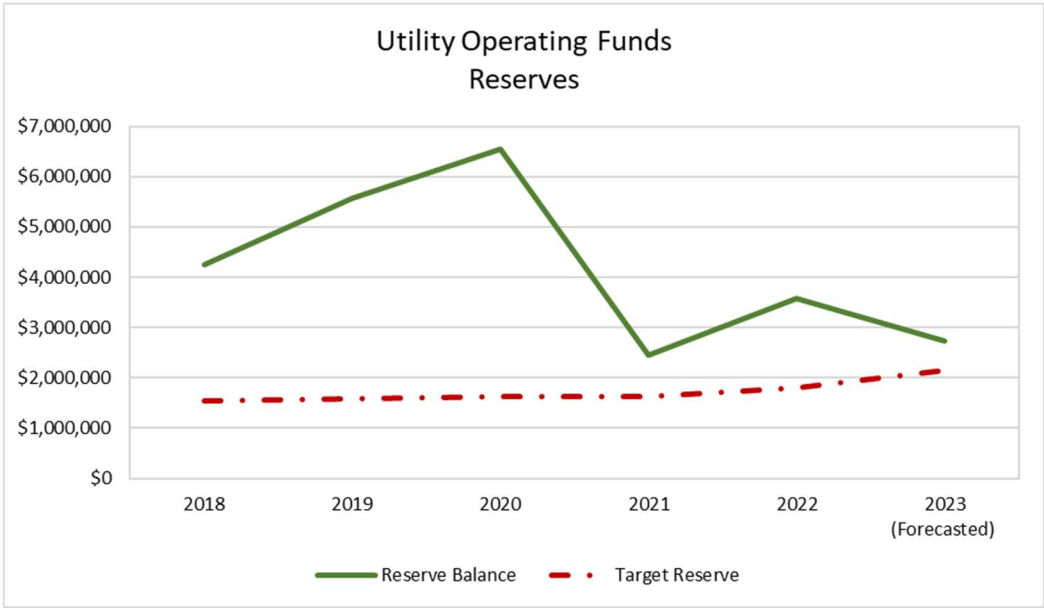
Reserve Balances

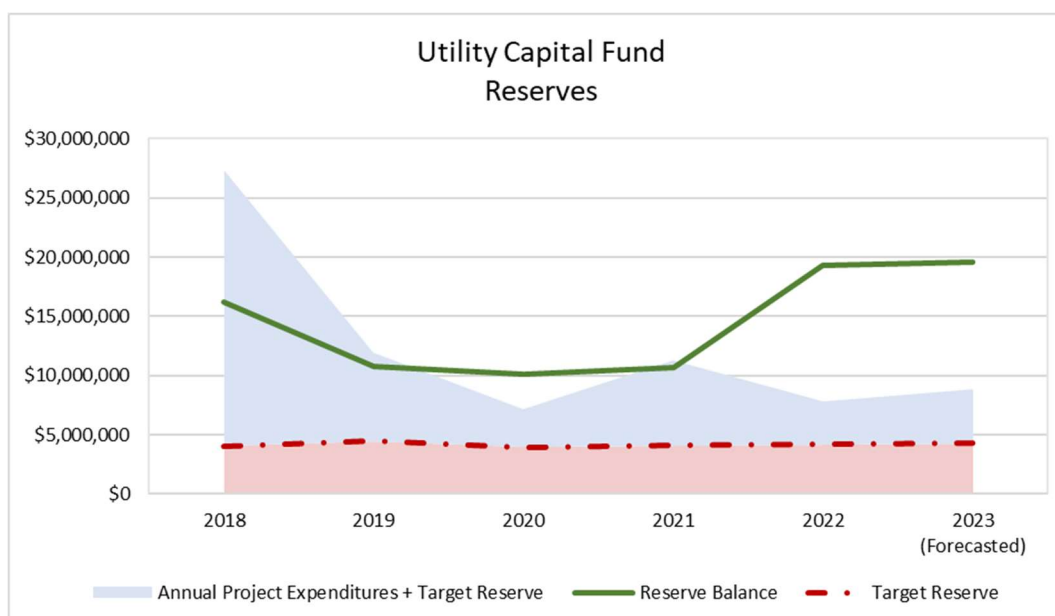
Reserve levels are set by the City’s Financial Management Policy. Policy states that General Fund reserves should be 15-20% of the fund’s expenditures. Utility Funds reserves should include 90 days of operating expenditures. The Utility Capital Fund should include both 125% of required debt payments and any reserves specified by the most recent utility rate study, which currently is defined as 1% of the net value of utility capital assets. Non-Utility Capital Funds should be “monitored to stay consistent with the need and use of the specific purpose of that fund,” including any debt service obligations. The Target reserve range for the Non-Utility Capital Fund graph below is based on debt service.





Note: For this graph, Annual Project Expenditures were added to Target Reserves to better show the level of funds required each year to meet Non-Utility Capital expenditures and align with the City’s Financial Management Policy.





Note: For this graph, Annual Project Expenditures were added to Target Reserves to better show the level of funds required each year to meet Utility Capital expenditures and align with the City's Financial Management Policy.



Cash Balances by Fund

The net effect of the above revenues and expenditures, along with additional transfers in/out, resulted in the following cash balance changes between the end of 2022 and the second quarter of 2023:

FUNDS	2022 Q4	2023 Q2	INCREASE / (DECREASE)
	CASH BALANCE	CASH BALANCE	
GENERAL FUNDS	6,527,736	5,914,723	(613,013)
SPECIAL REVENUE FUNDS	3,552,947	2,812,203	(740,744)
CAPITAL PROJECT FUNDS	21,441,542	24,776,863	3,335,321
UTILITY FUNDS	22,854,136	23,837,110	982,974
INTERNAL SERVICE FUNDS	4,720,633	4,696,576	(24,057)
TOTAL CASH BALANCE	59,096,994	62,037,475	2,940,481

The General Fund decreased by over \$600 thousand. This is due to a \$1.3 million transfer to the Non-Utility Capital Fund. This transfer is part of a budgeted \$2.5 million transfer from the General Fund designated to support the Community Center expansion.

The decrease in Special Revenue funds is primarily caused by transfers out of the ARPA fund to the General Fund and other payments made for COVID relief, the sum of which totals \$687 thousand.



Looking Forward

The next few months at the City will include design work for the Community Center and the Water Reclamation Facility Phase 3 and construction work on the City's new splashpad. These projects, all included as part of the City's 2023-28 Capital Improvement Plan and in the 2023-24 Biennial Budget, will begin to take effect in the City's financial performance. The City is also in the process of negotiating with the Teamster and Snoqualmie Police Association Unions to decide upon a contract regarding employee compensation.

Fund #	Fund/ Functional Classification/ Department	2023-24 Estimated Revenue ¹	2023-24 Appropriation ²	Revenues through June 30, 2023 ¹	Expenditures through June 30, 2023 ²	Remaining Expenditure Appropriation	% Expenditure Appropriation
001	GENERAL FUND						
	Administrative Departments	40,463,718	10,909,069	10,599,453	3,043,354	7,865,714	27.9%
	Snoqualmie Police		10,346,882		2,431,930	7,914,952	23.5%
	Fire & Emergency Management		8,380,331		2,085,974	6,294,357	24.9%
	Parks		3,708,535		776,141	2,932,394	20.9%
	Community Development		4,770,051		832,249	3,937,802	17.4%
	Streets		2,154,549		491,747	1,662,802	22.8%
	Non-Departmental		1,514,373		365,672	1,148,701	24.1%
002	RESERVE FUND	98,739	-	51,735	-	-	0.0%
	Total General Funds	40,562,457	41,783,790	10,651,188	10,027,067	31,756,723	24.0%
012	ARTS ACTIVITIES	2,319	97,992	1,851	4,818	93,174	4.9%
014	NORTH BEND POLICE SERVICES	4,978,982	5,231,406	778,313	1,191,366	4,040,040	22.8%
018	DEPOSITS REIMBURSEMENT CONTROL	20,716	20,716	-	-	20,716	0.0%
020	SCHOOL IMPACT FEE	-	-	-	-	-	0.0%
110	HOTEL/MOTEL TAX	279,791	350,000	68,332	2,497	347,503	0.7%
118	DRUG ENFORCEMENT	10,344	10,344	581	-	10,344	0.0%
123	OPIOID SETTLEMENT	-	-	10,555	-	-	
131	AFFORDABLE HOUSING	778,242	132,000	225,766	22,770	109,230	17.3%
144	HOME ELEVATION	1,468,000	-	-	-	-	
150	ARPA COVID LOCAL RECOVERY	37,781	164,058	31,323	157,417	6,642	96.0%
	Total Special Revenue Funds	7,576,175	6,006,516	1,116,722	1,378,867	4,627,649	23.0%
310	NON-UTILITIES CAPITAL FUND	16,862,350	40,207,722	3,213,883	1,125,182	39,082,540	2.8%
	Total Capital Project Funds	16,862,350	40,207,722	3,213,883	1,125,182	39,082,540	2.8%
401	WATER OPERATIONS	10,695,633	6,702,118	2,284,804	1,351,129	5,350,989	20.2%
402	SEWER OPERATIONS	13,161,403	7,093,865	2,979,795	1,891,918	5,201,947	26.7%
403	STORMWATER OPERATIONS	5,914,382	3,867,256	1,436,991	815,428	3,051,828	21.1%
417	UTILITIES CAPITAL	11,983,089	28,715,334	381,820	1,972,825	26,742,509	6.9%
	Total Utilities Funds	41,754,507	46,378,573	7,083,410	6,031,299	40,347,274	13.0%
501	EQUIPMENT REPLACEMENT & REPAIR	3,175,914	3,618,113	763,496	1,173,489	2,444,624	32.4%
502	INFORMATION TECHNOLOGY	5,179,380	6,500,789	1,241,562	1,089,702	5,411,087	16.8%
510	FACILITIES MAINTENANCE	1,638,342	1,635,352	452,700	370,499	1,264,853	22.7%
	Total Internal Service Funds	9,993,636	11,754,254	2,457,759	2,633,691	9,120,563	22.4%
	Total All Funds	116,749,125	146,130,855	24,522,962	21,196,106	124,934,749	14.5%

¹These columns do not include interfund "Transfers In" because it could give the appearance that the City has more resources than it actually does.

²These columns do not include interfund "Transfers Out" which count as part of the overall legal "appropriation" for a fund or functional classification. This is because "Transfers Out" could inappropriately influence how a user interprets the amount the City of Snoqualmie has spent. "Appropriation" is the legal spending level authorized by a budget ordinance. The City cannot exceed this level without prior approval of Council.

**Appendix A2: 2023-2028 Capital Improvement Plan Forecast
Statement of Uses**

Capital Program or Project	2023 Budget	2023-24 Budget	2023 Q2 Actual	2023 Q4 Forecasted	2023-24 % of Budget
ESTIMATED NON-UTILITY USES					
<i>Transportation</i>					
Street Resurfacing Program	\$ 635,500	\$ 1,165,000	\$ 1,412	\$ 765,000	66%
Sidewalk Replacement Program	\$ 211,000	\$ 431,000	\$ 10,385	\$ 211,000	49%
Americans with Disabilities Act (ADA) Program	\$ 42,000	\$ 86,000	\$ 41,849	\$ 42,000	49%
Kimball Creek Bridges Restoration Project	\$ 718,000	\$ 1,318,000	\$ 20,216	\$ 131,800	10%
Snoqualmie Parkway Rehabilitation Project	\$ 6,400,000	\$ 6,400,000	\$ 182,466	\$ 4,265,505	67%
Town Center Improvement Project - Phase III	\$ 496,000	\$ 496,000	\$ 110,002	\$ 150,000	30%
Meadowbrook Bridge Restoration Project	\$ 864,000	\$ 1,744,000	\$ 123,902	\$ 174,400	10%
Total Transportation Projects =	\$ 9,366,500	\$ 11,640,000	\$ 490,232	\$ 5,739,705	49%
<i>Parks</i>					
Riverfront Land Acquisitions & Demolitions	\$ 570,000	\$ 1,470,000	\$ -	\$ 295,000	20%
Riverwalk Project - Northwest of Sandy Cove Park	\$ 2,111,000	\$ 2,708,000	\$ -	\$ 270,800	10%
Meadowbrook Trail Project	\$ 240,000	\$ 240,000	\$ -	\$ -	0%
Sandy Cove Park Improvement Project	\$ 319,000	\$ 1,741,000	\$ -	\$ -	0%
Railroad Crossing Improvement	\$ 2,073,000	\$ 2,073,000	\$ -	\$ 207,300	10%
Playgrounds Replacement Program	\$ 528,000	\$ 528,000	\$ 426,344	\$ 528,000	100%
Trails Replacement Program	\$ -	\$ 108,000	\$ 8,228	\$ 97,200	90%
Sport Courts Replacement Program	\$ 21,000	\$ 44,000	\$ -	\$ 44,000	100%
Parks Parking Lot Resurfacing Program	\$ -	\$ 108,000	\$ -	\$ 10,800	10%
Parks Facilities Maintenance Program	\$ 32,000	\$ 66,000	\$ -	\$ 6,600	10%
Community Park Sprayground Project	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 900,000	60%
All-Inclusive Playground Project	\$ 876,000	\$ 876,000	\$ 7,333	\$ 876,000	100%
Total Parks Projects =	\$ 8,270,000	\$ 11,462,000	\$ 441,905	\$ 3,235,700	28%
<i>Facilities</i>					
Facilities Maintenance Program	\$ 740,000	\$ 960,000	\$ 55,129	\$ 960,000	100%
Community Center Expansion Project	\$ -	\$ 15,198,350	\$ 85,065	\$ 1,519,835	10%
Total Facilities Projects =	\$ 740,000	\$ 16,158,350	\$ 140,194	\$ 2,479,835	15%
Total Non-Utilities Uses =	\$ 18,376,500	\$ 39,260,350	\$ 1,072,332	\$ 11,455,240	29%
ESTIMATED UTILITY USES					
<i>Combined Utilities</i>					
Utility Main & Drainage System Replacement Program	\$ 987,000	\$ 3,121,000	\$ 263,284	\$ 987,000	32%
Total Combined Utilities =	\$ 987,000	\$ 3,121,000	\$ 263,284	\$ 987,000	32%
<i>Water Utility</i>					
Pressure Zone Conversions Project	\$ -	\$ 27,000	\$ -	\$ -	0%
Pressure Reducing Valve (PRV) Stations Project	\$ 84,000	\$ 321,000	\$ -	\$ -	0%
1040 Zone Booster Pump Station Improvement Project	\$ 38,000	\$ 432,000	\$ -	\$ -	0%
1040 Zone Reservoir Addition Project	\$ 38,000	\$ 432,000	\$ -	\$ -	0%
Source of Supply Improvement Project	\$ 686,000	\$ 815,000	\$ 48,036	\$ 200,000	25%
Snoqualmie Mill Water Main Loop Project	\$ 158,000	\$ 567,000	\$ -	\$ -	0%
Total Water Projects =	\$ 1,004,000	\$ 2,594,000	\$ 48,036	\$ 200,000	8%
<i>Sewer Utility</i>					
Railroad Place Lift Station Improvement Project	\$ 106,000	\$ 106,000	\$ 86,023	\$ 106,000	100%
Eagle Lake Water Reclamation Basin Improvement Project	\$ 106,000	\$ 321,000	\$ 43,529	\$ 106,000	33%
Water Reclamation Facility Improvements - Phase 3	\$ 2,805,000	\$ 13,357,000	\$ 703,754	\$ 2,003,550	15%
Total Sewer Projects =	\$ 3,017,000	\$ 13,784,000	\$ 833,307	\$ 2,215,550	16%
<i>Stormwater Utility</i>					
Ridge Street Drainage Improvement Project	\$ -	\$ 166,000	\$ -	\$ -	0%
Sandy Cove Park Riverbank Restoration & Outfall Project	\$ 581,000	\$ 3,618,000	\$ 191,018	\$ 510,000	14%
Urban Forestry Improvement Program	\$ 421,000	\$ 658,000	\$ 22,077	\$ 394,800	60%
Stormwater Pond Improvement Program	\$ 53,000	\$ 109,000	\$ -	\$ 109,000	100%
Kimball Creek Riparian Restoration Project	\$ 79,000	\$ 240,000	\$ -	\$ 12,000	5%
Total Stormwater Projects =	\$ 1,134,000	\$ 4,791,000	\$ 213,096	\$ 1,025,800	21%
<i>Information Technology (IT) Project Contributions</i>					
Enterprise Resource Planning (ERP) Project	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	100%
Total IT Project Contributions =	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	100%
Total Utilities Uses =	\$ 6,292,000	\$ 24,440,000	\$ 1,507,723	\$ 4,578,350	19%
TOTAL CIP USES =	\$ 24,668,500	\$ 63,700,350	\$ 2,580,055	\$ 16,033,590	25%

Note 1: This table does not include debt expenditures. Differences between actual amounts spent on this table and actual amounts spent at A1 are due to debt expenditures and transfers out.

Note 2: Labor and other department-level costs for actual and forecasted amounts are currently estimated through an allocation process relying solely on project expenditures. Starting in 2024, labor costs are expected to be allocated by time per project.