

City of Snoqualmie
March 2023 Quarterly Report



August 8, 2023

**FINANCE DEPARTMENT**

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DATE: August 8, 2023
TO: Snoqualmie City Council
FROM: Jen Ferguson, Finance & Human Resources Director; Drew Bouta, Budget Manager; Janna Walker, Budget Analyst; Samantha Brumfield, Project Specialist
SUBJECT: Financial Performance Report as of Quarter 1, 2023

Attached is the City of Snoqualmie's quarterly Financial Performance Report for the period ending March 31, 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		
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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 table.

General Fund Forecast

	2023 Amended Budget	2023-24 Amended Budget	2023 Q1 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues					
<i>Property Taxes</i>	\$ 8,401,505	\$ 16,908,029	\$ 316,518	\$ 8,467,108	101%
<i>Sales & Use Tax¹</i>	\$ 3,058,696	\$ 6,241,880	\$ 789,044	\$ 3,094,208	101%
<i>Utility Taxes</i>	\$ 2,482,551	\$ 5,006,719	\$ 707,996	\$ 2,504,912	101%
<i>B&O Tax</i>	\$ 710,700	\$ 1,450,113	\$ 217,383	\$ 741,391	104%
<i>Charges for Goods / Services</i>	\$ 3,477,838	\$ 7,706,932	\$ 979,608	\$ 3,517,854	101%
<i>Permits</i>	\$ 580,157	\$ 1,442,884	\$ 127,429	\$ 541,300	93%
<i>Intergovernmental / Grants</i>	\$ 528,904	\$ 1,026,028	\$ 57,474	\$ 473,161	89%
<i>Fines & Penalties</i>	\$ 39,154	\$ 78,667	\$ 6,479	\$ 37,291	95%
<i>Miscellaneous</i>	\$ 266,481	\$ 525,405	\$ 53,599	\$ 376,653	141%
Total Revenue =	\$ 19,545,986	\$ 40,386,657	\$ 3,255,528	\$ 19,753,879	101%
Expenditures					
<i>Administration</i>	\$ 5,409,502	\$ 10,787,569	\$ 1,793,956	\$ 5,423,620	100%
<i>Snoqualmie Police</i>	\$ 5,198,692	\$ 10,517,505	\$ 1,275,032	\$ 5,264,865	101%
<i>Fire & Emergency</i>	\$ 4,116,971	\$ 8,367,833	\$ 1,035,986	\$ 4,083,076	99%
<i>Parks</i>	\$ 1,839,517	\$ 3,666,535	\$ 357,278	\$ 1,836,577	100%
<i>Community Development</i>	\$ 2,270,257	\$ 4,757,551	\$ 411,405	\$ 2,201,119	97%
<i>Streets</i>	\$ 1,028,448	\$ 2,129,549	\$ 278,825	\$ 937,996	91%
<i>Non-Departmental</i>	\$ 755,036	\$ 1,529,178	\$ 259,296	\$ 851,792	113%
Total Expenditures =	\$ 20,618,423	\$ 41,755,720	\$ 5,411,777	\$ 20,599,045	100%

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

Special Revenue Funds Forecast

		2023 Amended Budget	2023-24 Amended Budget	2023 Q1 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues						
012	Arts Activities	\$ 1,238	\$ 2,319	\$ 876	\$ 1,764.49	143%
014	North Bend Police Services	\$ 2,420,603	\$ 4,978,982	\$ 779,938	\$ 1,381,398.65	57%
018	Deposits Reimbursement Control	\$ 10,358	\$ 20,716	\$ -	\$ 11,234.45	108%
020	School Impact Fee	\$ -	\$ -	\$ -	\$ 1,173.91	100%
110	Hotel/Motel Tax	\$ 140,190	\$ 279,791	\$ 32,813	\$ 139,863.10	100%
118	Drug Enforcement	\$ 5,172	\$ 10,344	\$ 271	\$ 3,934.13	76%
123	Opioid Settlement	\$ -	\$ -	\$ 10,457	\$ 10,457.03	100%
131	Affordable Housing	\$ 384,121	\$ 778,242	\$ 94,270	\$ 424,175.44	110%
150	Arpa Covid Local Recovery	\$ 28,327	\$ 37,781	\$ 16,108	\$ 15,948.17	56%
Total Revenue =		\$ 2,990,009	\$ 6,108,175	\$ 934,733	\$ 1,989,949.37	67%
Expenditures						
012	Arts Activities	\$ 60,856	\$ 97,992	\$ 1,398	\$ 58,729.54	97%
014	North Bend Police Services	\$ 2,568,165	\$ 5,223,906	\$ 626,448	\$ 2,551,201.26	99%
018	Deposits Reimbursement Control	\$ 10,358	\$ 20,716	\$ -	\$ 10,358.00	100%
020	School Impact Fee	\$ -	\$ -	\$ -	\$ -	100%
110	Hotel/Motel Tax	\$ 175,000	\$ 350,000	\$ -	\$ 166,772.71	95%
118	Drug Enforcement	\$ 5,172	\$ 10,344	\$ -	\$ 116.70	2%
123	Opioid Settlement	\$ -	\$ -	\$ -	\$ -	100%
131	Affordable Housing	\$ -	\$ -	\$ -	\$ -	100%
150	Arpa Covid Local Recovery	\$ 80,607	\$ 164,058	\$ 75,225	\$ 92,914.73	115%
Total Expenditures =		\$ 2,900,158	\$ 5,867,016	\$ 703,071	\$ 2,880,092.94	99%

Utility Funds Forecast

		2023 Amended Budget	2023-24 Amended Budget	2023 Q1 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues						
401	Water	\$ 5,190,814	\$ 10,695,633	\$ 1,095,698	\$ 5,057,482	97%
402	Sewer	\$ 6,447,608	\$ 13,161,403	\$ 1,473,101	\$ 6,242,525	97%
403	Stormwater	\$ 2,850,899	\$ 5,914,382	\$ 715,350	\$ 2,572,556	90%
Total Revenue =		\$ 14,489,321	\$ 29,771,418	\$ 3,284,149	\$ 13,872,564	96%
Expenditures						
401	Water	\$ 3,317,958	\$ 6,667,618	\$ 564,694	\$ 3,147,400	95%
402	Sewer	\$ 3,500,712	\$ 7,054,365	\$ 883,762	\$ 3,639,804	104%
403	Stormwater	\$ 1,882,375	\$ 3,803,256	\$ 363,091	\$ 1,818,005	97%
Total Expenditures =		\$ 8,701,045	\$ 17,525,239	\$ 1,811,547	\$ 8,605,208	99%

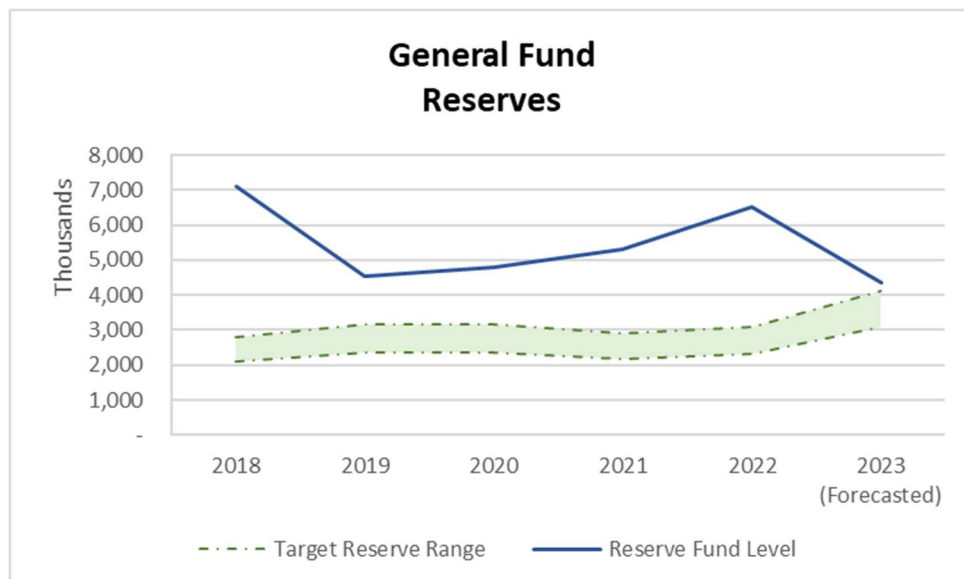
Internal Service Funds Forecast

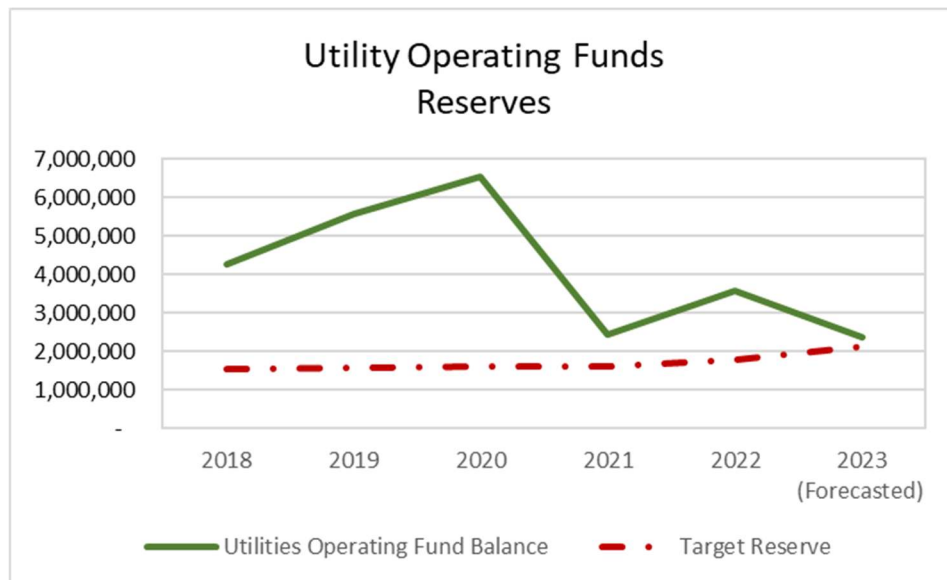
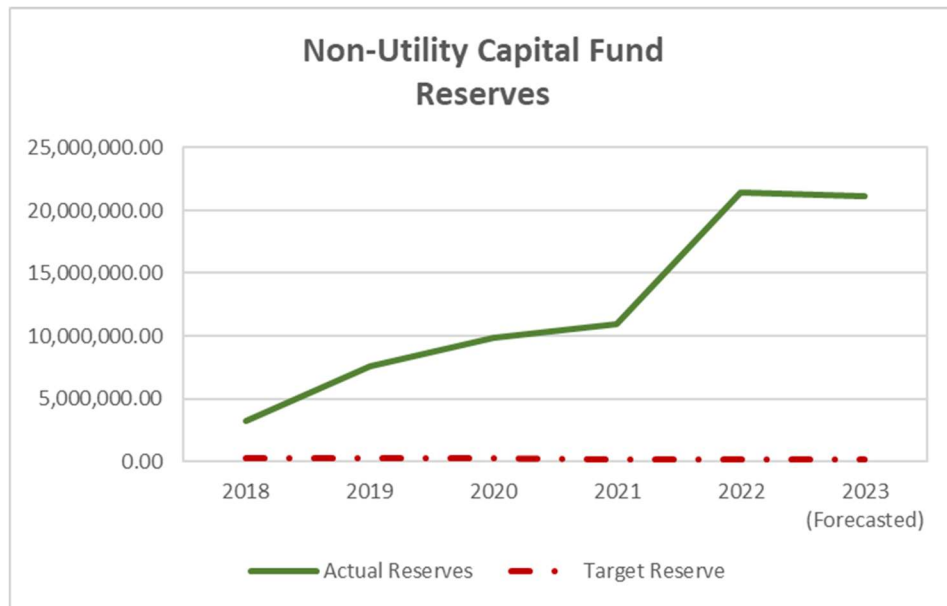
		2023 Amended Budget	2023-24 Amended Budget	2023 Q1 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues						
401	Equipment Repair & Replacement	\$ 1,553,789	\$ 3,175,914	\$ 380,597	\$ 1,545,880	99%
402	Information Technology	\$ 2,507,771	\$ 5,179,380	\$ 606,183	\$ 2,483,652	99%
403	Facilities Maintenance	\$ 914,845	\$ 1,638,342	\$ 226,822	\$ 870,130	95%
Total Revenue =		\$ 4,976,405	\$ 9,993,636	\$ 1,213,602	\$ 4,899,662	98%
Expenditures						
401	Equipment Repair & Replacement	\$ 2,580,278	\$ 3,603,113	\$ 718,033	\$ 1,350,213	52%
402	Information Technology	\$ 3,132,449	\$ 6,275,789	\$ 432,942	\$ 2,973,754	95%
403	Facilities Maintenance	\$ 903,765	\$ 1,620,352	\$ 146,897	\$ 853,986	94%
Total Expenditures =		\$ 6,616,492	\$ 11,499,254	\$ 1,297,872	\$ 5,177,952	78%

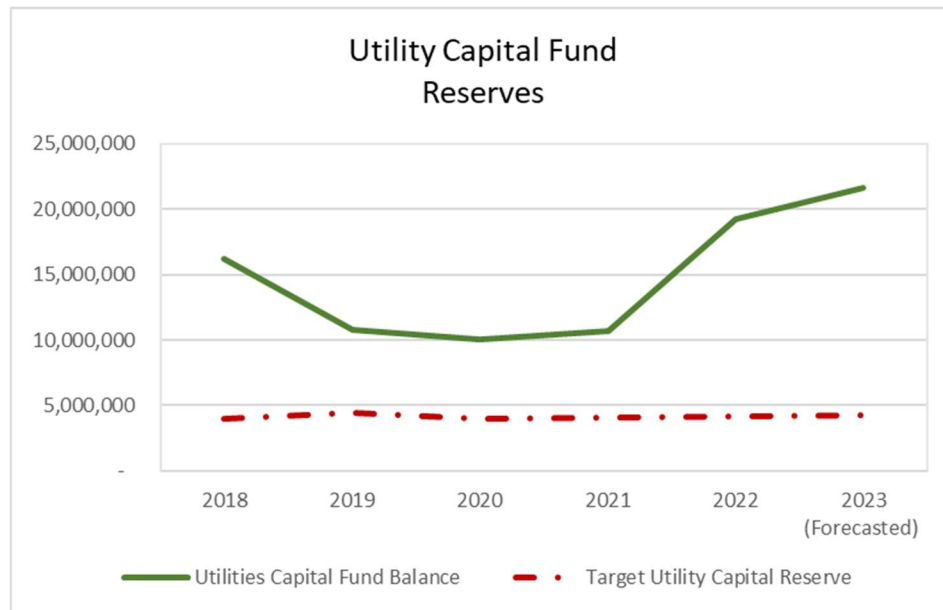


Reserve Balances

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.







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 first quarter of 2023:

FUNDS	2022 Q4	2023 Q1	INCREASE / (DECREASE)
	CASH BALANCE	CASH BALANCE	
GENERAL FUNDS	6,527,736	3,477,927	(3,049,809)
SPECIAL REVENUE FUNDS	3,552,947	2,790,078	(762,868)
CAPITAL PROJECT FUNDS	21,441,542	22,630,494	1,188,951
UTILITY FUNDS	22,854,136	24,005,787	1,151,652
INTERNAL SERVICE FUNDS	4,720,633	4,788,239	67,605
TOTAL CASH BALANCE	59,096,994	57,692,525	(1,404,469)

The General Fund decreased by over \$3 million. This is due to the timing of property tax revenues, the primary revenue source for the fund, which are received during the second and fourth quarters of the year and an \$833 thousand transfer to the Non-Utility Capital Fund. This \$833 thousand 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 relates to the City of North Bend's payment for Police services. This \$780 thousand payment was received shortly after the quarter ended and the decrease is expected to reverse in future periods.



Looking Forward

The next few months at the City will include design work for the Community Center and construction work on Snoqualmie Parkway and the Water Reclamation Facility Phase 3. 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.

Fund #	Fund/ Functional Classification/ Department	2023-24 Estimated Revenue ¹	2023-24 Appropriation ²	Revenues through March 31, 2023 ¹	Expenditures through March 31, 2023 ²	% Expenditure Appropriation
001	GENERAL FUND					
	Administrative Departments	40,287,918	10,787,569	3,231,420	1,793,956	16.6%
	Snoqualmie Police		10,517,505		1,275,032	12.1%
	Fire & Emergency Management		8,367,833		1,035,986	12.4%
	Parks		3,666,535		357,278	9.7%
	Community Development		4,757,551		411,405	8.6%
	Streets		2,129,549		278,825	13.1%
	Non-Departmental		1,529,178		259,296	17.0%
002	RESERVE FUND	98,739	-	24,109	-	0.0%
	Total General Funds	40,386,657	41,755,720	3,255,528	5,411,777	13.0%
012	ARTS ACTIVITIES	2,319	97,992	876	1,398	1.4%
014	NORTH BEND POLICE SERVICES	4,978,982	5,223,906	779,938	626,448	12.0%
018	DEPOSITS REIMBURSEMENT CONTROL	20,716	20,716	-	-	0.0%
020	SCHOOL IMPACT FEE	-	-	-	-	0.0%
110	HOTEL/MOTEL TAX	279,791	350,000	32,813	-	0.0%
118	DRUG ENFORCEMENT	10,344	10,344	271	-	0.0%
131	AFFORDABLE HOUSING	778,242	-	94,270	-	0.0%
150	ARPA COVID LOCAL RECOVERY	37,781	164,058	16,108	75,225	45.9%
	Total Special Revenue Funds	6,108,175	5,867,016	924,276	703,072	12.0%
310	NON-UTILITIES CAPITAL FUND	16,862,350	37,383,358	768,669	415,272	1.1%
	Total Capital Project Funds	16,862,350	37,383,358	768,669	415,272	1.1%
401	WATER OPERATIONS	10,695,633	6,667,618	1,095,698	564,694	8.5%
402	SEWER OPERATIONS	13,161,403	7,054,365	1,473,101	883,762	12.5%
403	STORMWATER OPERATIONS	5,914,382	3,803,256	715,350	363,091	9.5%
417	UTILITIES CAPITAL	11,983,089	29,255,000	168,522	480,583	1.6%
	Total Utilities Funds	41,754,507	46,780,239	3,452,671	2,292,130	4.9%
501	EQUIPMENT REPLACEMENT & REPAIR	3,175,914	3,603,113	380,597	718,033	19.9%
502	INFORMATION TECHNOLOGY	5,179,380	6,275,789	606,183	432,942	6.9%
510	FACILITIES MAINTENANCE	1,638,342	1,620,352	226,822	146,897	9.1%
	Total Internal Service Funds	9,993,636	11,499,254	1,213,602	1,297,872	11.3%
	Total All Funds	115,105,325	143,285,587	9,614,747	10,120,122	7.1%

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 Q1 Actual	2023 Q4 Forecasted	2023-24 % of Budget
ESTIMATED NON-UTILITIES USES					
<i>Transportation</i>					
Street Resurfacing Program	\$ 635,500	\$ 1,165,000	-	\$ 765,000	66%
Sidewalk Replacement Program	\$ 211,000	\$ 431,000	10,272	\$ 211,000	49%
Americans with Disabilities Act (ADA) Program	\$ 42,000	\$ 86,000	15,027	\$ 42,000	49%
Kimball Creek Bridges Restoration Project	\$ 718,000	\$ 1,318,000	12,141	\$ 131,800	10%
Snoqualmie Parkway Rehabilitation Project	\$ 6,400,000	\$ 6,400,000	70,083	\$ 4,265,505	67%
Town Center Improvement Project - Phase III	\$ 496,000	\$ 496,000	106,780	\$ 150,000	30%
Meadowbrook Bridge Restoration Project	\$ 864,000	\$ 1,744,000	49,320	\$ 174,400	10%
Total Transportation Projects =	\$ 9,366,500	\$ 11,640,000	\$ 263,624	\$ 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	644	\$ 528,000	100%
Trails Replacement Program	\$ -	\$ 108,000	11,409	\$ 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	9,089	\$ 876,000	100%
Total Parks Projects =	\$ 8,270,000	\$ 11,462,000	\$ 21,142	\$ 3,235,700	28%
<i>Facilities</i>					
Facilities Maintenance Program	\$ 740,000	\$ 960,000	41,530	\$ 960,000	100%
Community Center Expansion Project	\$ -	\$ 15,198,350	47,795	\$ 1,519,835	10%
Total Facilities Projects =	\$ 740,000	\$ 16,158,350	\$ 89,325	\$ 2,479,835	15%
Total Non-Utilities Uses =	\$ 18,376,500	\$ 39,260,350	\$ 374,091	\$ 11,455,240	29%
ESTIMATED UTILITIES USES					
<i>Combined Utilities</i>					
Utility Main & Drainage System Replacement Program	\$ 987,000	\$ 3,121,000	31,291	\$ 987,000	32%
Total Combined Utilities =	\$ 987,000	\$ 3,121,000	\$ 31,291	\$ 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	\$ 23,426	\$ 40,750	5%
Snoqualmie Mill Water Main Loop Project	\$ 158,000	\$ 567,000	\$ -	\$ -	0%
Total Water Projects =	\$ 1,004,000	\$ 2,594,000	\$ 23,426	\$ 40,750	2%
<i>Sewer Utility</i>					
Railroad Place Lift Station Improvement Project	\$ 106,000	\$ 106,000	2,060	\$ 106,000	100%
Eagle Lake Water Reclamation Basin Improvement Project	\$ 106,000	\$ 321,000	-	\$ 32,100	10%
Water Reclamation Facility Improvements - Phase 3	\$ 2,805,000	\$ 13,357,000	\$ 291,452	\$ 2,003,550	15%
Total Sewer Projects =	\$ 3,017,000	\$ 13,784,000	\$ 293,512	\$ 2,141,650	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	131,884	\$ 510,000	14%
Urban Forestry Improvement Program	\$ 421,000	\$ 658,000	-	\$ 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	\$ 131,884	\$ 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	\$ 630,113	\$ 4,345,200	18%
TOTAL CIP USES =	\$ 24,668,500	\$ 63,700,350	\$ 1,004,204	\$ 15,800,440	25%