

City of Puyallup

June 2021 Financial Summary

General Fund at a Glance...

Budget vs Actual Comparison				
	2020 ACT	2021 BUD	2021 EST	VARIANCE
Revenues	49,371,406	50,207,312	52,486,280	2,278,968
Expenditures	49,078,513	50,686,094	49,672,350	1,013,744
Gain/(Loss)	292,892	(478,782)	2,813,930	3,292,712

Results through June continue a strong positive trend for 2021. Revenues are projected to come in about \$2.3 million higher than budget and expenditures \$1 million below budget, creating an overall positive variance from budget of nearly \$3.3 million.

The \$3.3 million difference between the budgeted and actual gain/(loss) amounts is the preliminary estimate of Tier 3 monies that could potentially be available for spending in 2022. Per policy, one-third of these monies are first allocated to General Fund Reserves and the balance is available for one-time expenses.

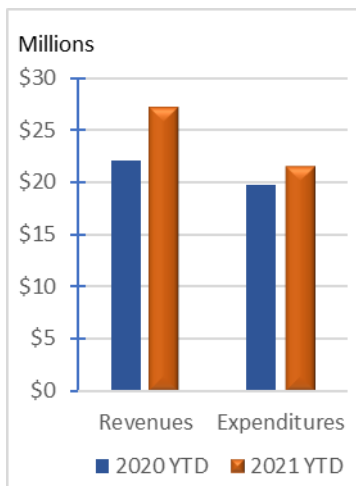
General Fund Reserves

	2020 ACT	2021 BUD	2021 EST
Beginning Balance	7,493,868	5,686,760	5,686,760
Ending Balance	7,786,760	5,207,978	8,500,690
less Tier 3	(2,100,000)		(2,195,000)
General Fund Reserve:	5,686,760	5,207,978	6,305,690
	11.5%	10.4%	12.0%

2021 year-end reserves are estimated at \$6.3 million, or 12% of actual revenues, after setting aside preliminary Tier 3 monies of \$2.2 million for future allocation by Council.

In addition, 2020 Tier 3 monies of \$2.1 million remain available for one-time projects.

Council's target for General Fund reserves is 8-15% of operating revenues.



2020 vs 2021 YTD Comparison

	2020 YTD	2021 YTD	\$ Change	% Change
Revenues (no trfs)	22,080,399	27,087,802	5,007,404	22.7%
Expenditures (no trfs)	19,758,168	21,493,531	1,735,363	8.8%
Gain/(Loss)	2,322,230	5,594,271	3,272,041	140.9%

Through June, revenues and expenditures exceed last year and both remain consistent with expectations. The \$5 million revenue increase reflects robust sales tax collections, along with engineering, cemetery, plans review and recreation fees, and photo enforcement fines. Expenditures are higher because departments are spending normally, whereas significant savings strategies were in place last year.

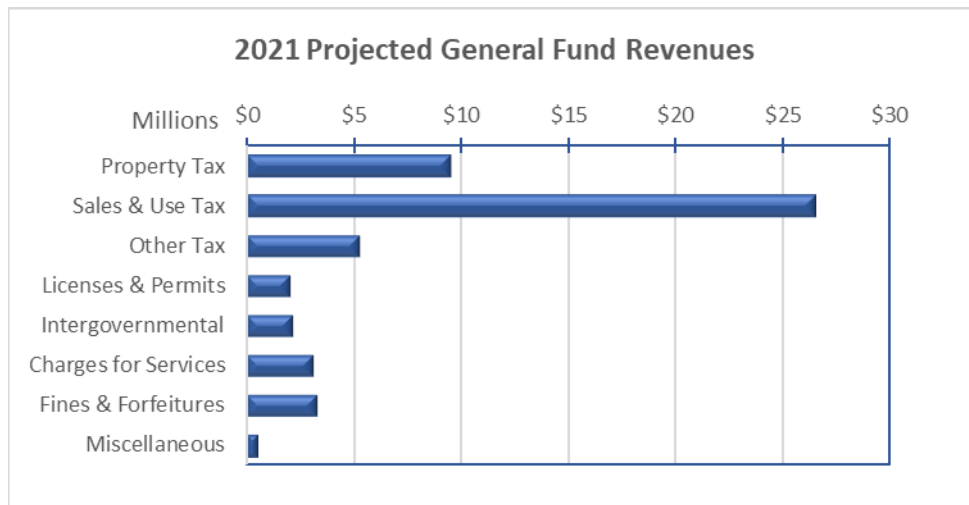
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General Fund Revenues by Type (excluding transfers)					
	2021 BUD	2021 YTD	2021 EST	VARIANCE	
Property Tax	9,370,130	5,103,156	9,528,680	158,550	1.7%
Sales & Use Tax	24,495,870	13,102,890	26,521,700	2,025,830	8.3%
Other Tax	5,207,240	2,279,281	5,230,100	22,860	0.4%
Licenses & Permits	1,888,360	1,104,827	2,029,900	141,540	7.5%
Intergovernmental	2,324,492	1,235,059	2,141,300	(183,192)	-7.9%
Charges for Services	2,956,370	1,820,250	3,106,700	150,330	5.1%
Fines & Forfeitures	3,414,410	1,771,838	3,306,000	(108,410)	-3.2%
Miscellaneous	480,440	670,500	551,900	71,460	14.9%
Total Revenues	50,137,312	27,087,802	52,416,280	2,278,968	4.5%

Revenues are budgeted conservatively per the budget stability policy, with two exceptions for sales tax and development engineering fees. Through June, overall sales tax continues a strong trend of economic recovery. Other revenues are coming in essentially as expected.

Sales Tax: Retail Trade and Professional & Other Services sectors continue to be strong performers in terms of sales tax. Construction has significantly improved since the beginning of the year and is on track to be consistent with 2019 collections. While the Accommodations/Food sector has been the hardest hit by the pandemic, sales tax collections over the past three months have been at pre-pandemic levels. This is a positive sign that recovery in this sector is finally underway.

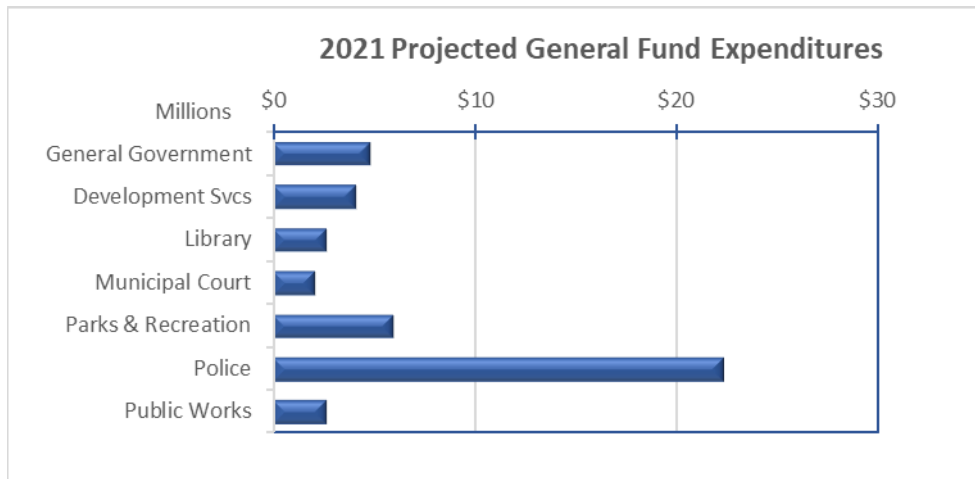


City of Puyallup

June 2021 Financial Summary

General Fund Expenditures by Department (excluding transfers)					
	2021 BUD	2021 YTD	2021 EST	VARIANCE	
City Council	225,120	92,621	205,180	19,940	8.9%
City Manager	1,196,038	518,887	1,037,770	158,268	13.2%
City Clerk	391,700	206,589	366,710	24,990	6.4%
Dev & Permitting Svcs	4,261,212	2,180,512	4,131,160	130,052	3.1%
Finance	758,710	363,159	742,520	16,190	2.1%
Human Resources	457,930	197,527	426,490	31,440	6.9%
Legal	1,274,060	641,704	1,283,410	(9,350)	-0.7%
Library	2,979,940	1,192,745	2,682,720	297,220	10.0%
Municipal Court	2,147,323	1,053,190	2,126,850	20,473	1.0%
Non-Departmental	842,710	361,024	782,380	60,330	7.2%
Parks & Recreation	6,244,879	2,553,748	5,976,190	268,689	4.3%
Police	22,457,212	11,138,156	22,366,760	90,452	0.4%
Public Works	2,808,400	993,668	2,697,870	110,530	3.9%
Total Expenditures	46,045,234	21,493,531	44,826,010	1,219,224	2.6%

No major expenditure variances through June. Departments are authorized to spend up to their adopted budgets, without specific action needed to reduce spending. This could change if revenue projections become negatively impacted at any point in the year, although this seems unlikely given current trends.



General Government: City Council, City Clerk, City Manager, Finance, Human Resources, Legal, Non-Dept

City of Puyallup

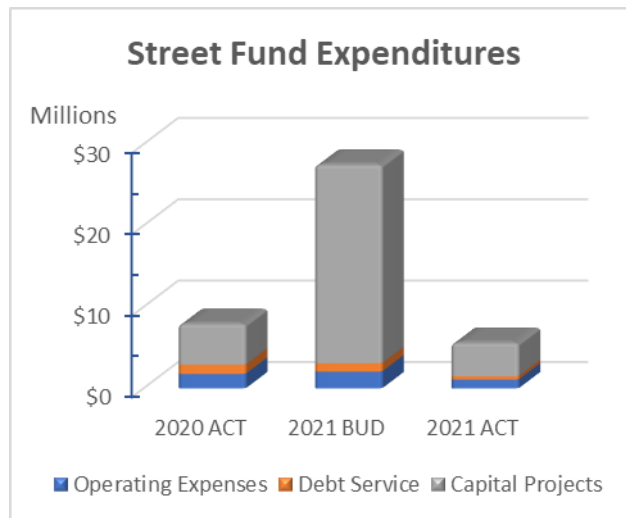
June 2021 Financial Summary

Street Fund at a Glance... (excluding intrafund transfers)

The Street Fund accounts for repairs and maintenance, debt service and construction of city streets. Grants and other non-city monies are aggressively pursued to help offset costs of eligible capital projects.

Street Fund			
	2020 ACT	2021 BUD	2021 ACT
Beginning Balance	8,934,353	10,215,288	10,215,288
Fuel Tax/Multimodal Funds	385,937	429,490	188,423
Traffic Impact Fees	662,116	1,200,000	1,136,156
Capital Project Grants	1,932,349	9,753,550	2,977,597
Other Revenues	413,163	652,560	6,501
Transfers In	5,831,629	6,953,718	-
Total Revenues	9,225,195	18,989,318	4,308,677
Operating Expenses	1,784,997	2,077,810	1,085,129
Debt Service	1,156,219	1,031,770	423,938
Capital Projects	5,003,043	24,393,595	4,104,338
Transfers Out	-	-	-
Total Expenditures	7,944,260	27,503,175	5,613,405
Ending Balance	10,215,288	1,701,431	8,910,559

Transfers In from GF Tier 1, Budget Stability, REET and LIFT grant.



City of Puyallup

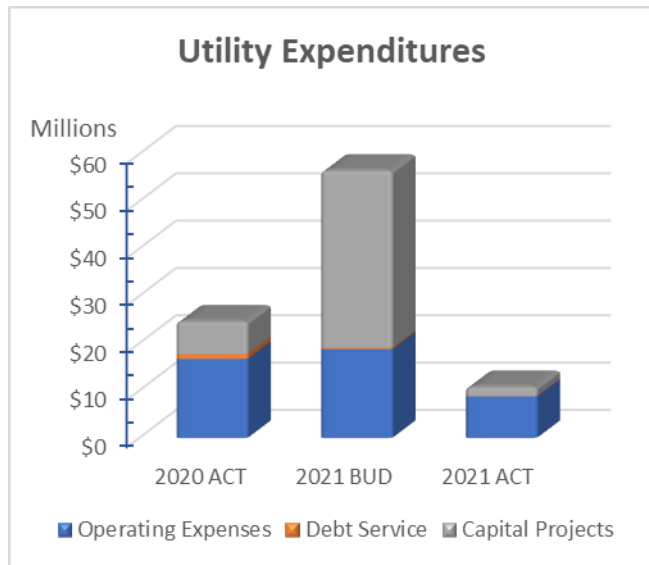
June 2021 Financial Summary

Utilities at a Glance... (excluding transfers)

City utilities (sanitation, water, wastewater and stormwater) are funded with user and system development charges, which are expected to cover the operations, debt service and capital needs of the utility.

In response to the economic hardship on residents and businesses resulting from the state-wide response to COVID-19, the City has expanded the utility payment extension policy and waived late fees. Both are scheduled to be in effect until 60 days after the state of emergency is lifted. At that point, the regular payment extension and late fee policies will resume. As the months have gone by, delinquent account balances have increased substantially to nearly \$450,000 versus a pre-pandemic average of \$250,000. Pierce County has implemented a customer relief program and a City program is under consideration using ARPA monies. We are hopeful that these programs will provide sufficient aid to those of our customers needing assistance.

Combined Utility Funds			
	2020 ACT	2021 BUD	2021 ACT
Beginning Balance	25,225,934	27,835,990	27,835,990
User Fees	23,709,811	24,478,020	11,796,092
System Dev Charges	1,945,322	1,980,860	2,136,565
Other Revenues	338,556	294,200	108,738
Grants	1,257,782	6,402,477	322,944
Total Revenues	27,251,471	33,155,557	14,364,339
Operating Expenses	16,724,186	18,760,230	8,781,532
Debt Service	1,039,794	347,200	55,614
Capital Projects	6,877,434	37,393,514	1,961,373
Total Expenditures	24,641,415	56,500,944	10,798,520
Ending Balance	27,835,990	4,490,603	31,401,809



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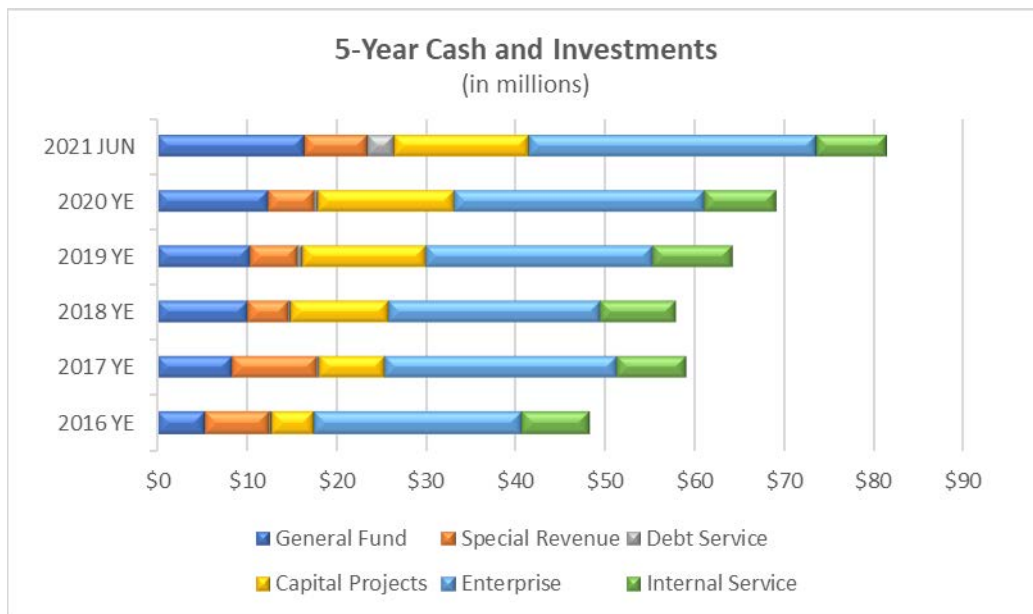
June 2021 Financial Summary

City-Wide Cash and Investments

	2016 YE	2017 YE	2018 YE	2019 YE	2020 YE	2021 JUN
General Fund	1,714,189	5,613,564	7,188,466	7,504,974	7,786,760	12,044,184
General Fund - Other	3,504,895	2,648,335	2,806,831	2,798,442	4,486,592	4,189,164
Special Revenue	7,245,450	9,455,865	4,562,016	5,261,402	5,119,889	7,116,116
Debt Service	282,095	288,292	305,283	517,046	505,658	3,018,207
Street Capital Projects	3,486,440	5,273,289	5,476,894	8,915,411	10,215,288	9,539,437
Parks Capital Projects	1,150,658	1,896,328	4,879,439	2,904,086	2,948,859	3,587,027
Facility Capital Projects	119,948	121,076	558,137	1,984,322	1,961,283	1,904,426
Enterprise - Utilities	23,046,430	25,887,173	23,569,469	25,214,816	27,833,412	31,961,505
Enterprise - Pavilion	101,306	87,234	97,165	95,158	90,373	120,467
Internal Service	7,545,047	7,662,713	8,350,700	8,885,049	8,008,817	7,828,026
Total	48,196,459	58,933,870	57,794,399	64,080,707	68,956,931	81,308,559

General Fund: Comparing 2016 and 2020 ending cash, the balance has grown by \$6.2 million. This is intentional growth to ensure adequate reserves for cash flow purposes and in case of an economic downturn.

All Other Funds: The cash balances for all other funds combined have grown by \$15.5 million since 2016, largely due to a significant increase in funding available for capital projects.



City of Puyallup

June 2021 Financial Summary

Summary by Fund (excluding transfers)						
	Revenues			Expenditures		
	Budget	YTD JUN	Balance	Budget	YTD JUN	Balance
General						
General Fund	50,137,312	27,087,802	23,049,510	46,045,234	21,493,531	24,551,703
Budget Stability Reserves	3,240	1,112	2,128	33,000	18,345	14,655
Radio Replacement	2,100	219	1,881	63,000	62,735	265
Donations to Puyallup	83,172	5,000	78,172	109,052	10,685	98,367
LEOFF 1 Retiree Benefits	4,330	577	3,753	557,840	214,751	343,089
Firemen's Pension	66,650	68,177	(1,527)	172,000	86,361	85,639
Total General Fund	50,296,804	27,162,887	23,133,917	46,980,126	21,886,408	25,093,718
Special Revenue						
Seizure and Forfeiture	50,550	69,745	(19,195)	65,960	17,908	48,052
DUI Cost Recovery	68,400	57,038	11,362	52,800	51,601	1,199
American Rescue Plan	-	-	-	-	215	(215)
Affordable Housing Sales Tax	-	89,873	(89,873)	-	-	-
Motel Tax	1,377,120	465,287	911,833	755,900	144,336	611,564
Trial Court Improvement	21,750	10,768	10,982	-	-	-
Lift Grant	1,011,000	1,600	1,009,400	-	-	-
Real Estate Excise Tax	2,011,000	1,302,453	708,547	-	-	-
Total Special Revenue Funds	4,539,820	1,996,764	2,543,056	874,660	214,060	660,600
Debt Service						
GO Bonds	-	-	-	3,389,950	267,072	3,122,878
PWTF & HIA Loans	-	-	-	332,120	332,116	4
Total Debt Service Funds	-	-	-	3,722,070	599,188	3,122,882
Capital Projects						
Streets	12,035,600	4,308,677	7,726,923	26,471,405	5,189,468	21,281,937
Parks	741,260	824,380	(83,120)	2,728,578	186,212	2,542,366
Facility	9,170	1,157	8,013	1,004,217	58,014	946,203
Total Capital Projects Funds	12,786,030	5,134,214	7,651,816	30,204,200	5,433,694	24,770,506
Enterprise						
Sanitation Utility	450,330	220,231	230,099	227,260	40,252	187,008
Water Utility	7,385,000	3,299,088	4,085,912	9,885,970	3,046,474	6,839,496
Sewer Utility	12,944,360	6,855,203	6,089,157	27,297,839	4,463,008	22,834,831
Storm & Surface Water Utility	12,375,867	3,989,817	8,386,050	19,089,875	3,248,785	15,841,090
Pavilion	289,250	123,096	166,154	355,040	100,812	254,228
Total Enterprise Funds	33,444,807	14,487,435	18,957,372	56,855,984	10,899,331	45,956,653
Internal Service						
Equipment Rental	2,390,790	1,166,312	1,224,478	2,585,940	1,178,932	1,407,008
Insurance	2,353,500	2,049,861	303,639	2,359,838	2,059,667	300,171
IT & Communications	3,843,160	1,911,080	1,932,080	4,981,511	1,907,011	3,074,500
Health Insurance	8,354,550	4,182,221	4,172,329	8,532,160	4,970,823	3,561,337
Facility Maintenance	2,443,290	1,041,810	1,401,480	2,421,350	1,051,263	1,370,087
Total Internal Service Funds	19,385,290	10,351,284	9,034,006	20,880,799	11,167,696	9,713,103
Grand Total	120,452,751	59,132,584	61,320,167	159,517,839	50,200,377	109,317,462