

City of Puyallup

October 2021 Financial Summary

General Fund at a Glance...

Budget vs Actual Comparison

	2020 ACT	2021 BUD	2021 EST	VARIANCE
Revenues	49,371,406	51,416,263	55,751,100	4,334,837
Expenditures	49,078,513	51,821,508	49,888,150	1,933,358
Gain/(Loss)	292,892	(405,245)	5,862,950	6,268,195

Results through October continue a strong positive trend for 2021. Revenues are projected to come in about \$4.3 million higher than budget and expenditures \$1.9 million below budget, creating an overall positive variance from budget of nearly \$6.3 million.

The \$6.3 million difference between the budgeted and actual gain/(loss) amounts is the projected amount of Tier 3 monies 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.

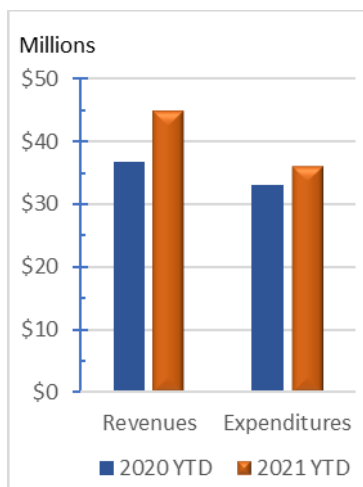
General Fund Reserves

	2020 ACT	2021 BUD	2021 EST
Beginning Balance	7,493,868	5,686,760	5,686,760
Ending Balance	7,786,760	5,281,515	11,549,710
less Tier 3	(2,100,000)		(3,000,000)
General Fund Reserves	5,686,760	5,281,515	8,549,710
	11.5%	10.3%	15.3%

2021 year-end reserves are estimated at \$8.5 million, or 15.3% of revenues, after setting aside \$3 million of Tier 3 monies per the 2022 mid-biennium budget update.

Based on current analysis, an additional \$1.2 million of Tier 3 monies are anticipated to be available at year end.

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)	36,763,160	44,839,611	8,076,451	22.0%
Expenditures (no trfs)	33,012,364	36,190,563	3,178,199	9.6%
Gain/(Loss)	3,750,796	8,649,048	4,898,252	130.6%

Through October, revenues and expenditures exceed last year and both remain consistent with expectations. The \$8.1 million revenue increase reflects robust sales tax collections, coupled with admissions tax and most other fees and services in a more "normal" range compared with 2020. Expenditures are the result of normal department spending this year, whereas significant savings strategies were in place last year.

City of Puyallup

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General Fund Revenues by Type (excluding transfers)					
	2021 BUD	2021 YTD	2021 EST	VARIANCE	
Property Tax	9,370,130	5,374,385	9,491,900	121,770	1.3%
Sales & Use Tax	24,495,870	22,737,363	27,331,100	2,835,230	11.6%
Other Tax	5,207,240	4,862,457	5,575,500	368,260	7.1%
Licenses & Permits	1,888,360	1,832,724	2,167,300	278,940	14.8%
Intergovernmental	3,174,827	2,665,039	2,951,200	(223,627)	-7.0%
Charges for Services	3,314,986	3,431,630	3,890,900	575,914	17.4%
Fines & Forfeitures	3,414,410	3,112,672	3,381,800	(32,610)	-1.0%
Miscellaneous	480,440	823,341	891,400	410,960	85.5%
Total Revenues	51,346,263	44,839,611	55,681,100	4,334,837	8.4%

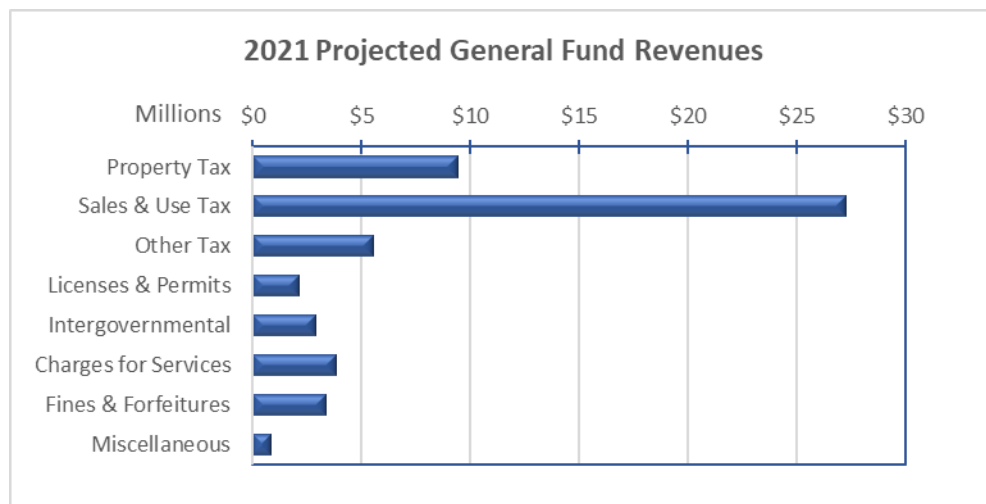
Revenues are budgeted conservatively per the budget stability policy, with two exceptions for sales tax and development engineering fees. Through October, overall sales tax continues a strong trend of economic recovery. Other revenues are coming in essentially as expected during a “normal” year.

Sales Tax: Retail Trade and Professional & Other Services sectors continue to be strong performers in terms of sales tax. Both Construction and Accommodations/Food have significantly improved since the beginning of the year, with sales tax collections over the past few months at pre-pandemic levels.

Licenses & Permits: Building permits are expected to exceed budget by \$250,000.

Charges for Services: Plan review fees are expected to exceed budget by \$400,000.

Miscellaneous: Includes \$330,000 of one-time monies for the sale of property on South Hill.

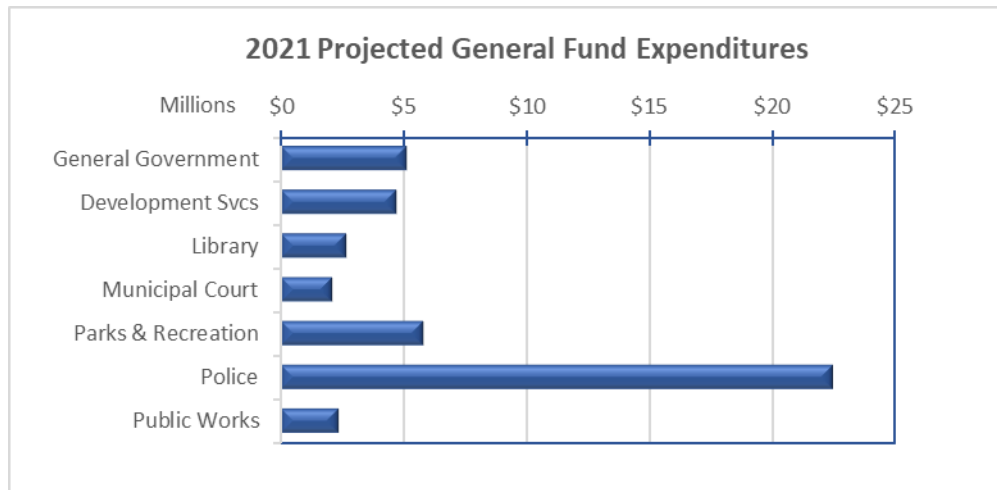


City of Puyallup

October 2021 Financial Summary

General Fund Expenditures by Department (excluding transfers)					
	<u>2021 BUD</u>	<u>2021 YTD</u>	<u>2021 EST</u>	<u>VARIANCE</u>	
City Council	225,120	160,396	213,630	11,490	5.1%
City Manager	1,523,499	948,962	1,118,560	404,939	26.6%
City Clerk	391,700	287,993	377,190	14,510	3.7%
Dev & Permitting Svcs	4,759,828	3,690,855	4,675,150	84,678	1.8%
Finance	758,710	571,160	730,120	28,590	3.8%
Human Resources	457,930	337,019	435,020	22,910	5.0%
Legal	1,274,060	1,048,770	1,253,940	20,120	1.6%
Library	2,979,940	2,045,891	2,664,700	315,240	10.6%
Municipal Court	2,171,518	1,720,416	2,106,930	64,588	3.0%
Non-Departmental	1,069,942	608,539	959,070	110,872	10.4%
Parks & Recreation	6,280,789	4,580,139	5,796,770	484,019	7.7%
Police	22,479,212	18,462,065	22,411,800	67,412	0.3%
Public Works	2,808,400	1,728,357	2,319,000	489,400	17.4%
Total Expenditures	47,180,648	36,190,563	45,061,880	2,118,768	4.5%

No major expenditure variances through October. Departments are authorized to spend up to their adopted budgets, without specific action needed to reduce spending.



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

City of Puyallup

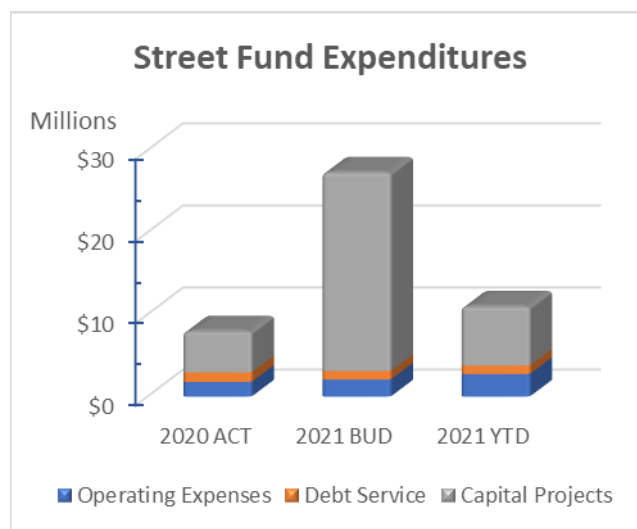
October 2021 Financial Summary

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 pursued to help offset costs of eligible capital projects.

Street Fund			
	2020 ACT	2021 BUD	2021 YTD
Beginning Balance	8,934,353	10,215,288	10,215,288
Fuel Tax/Multimodal Funds	385,937	429,490	329,885
Traffic Impact Fees	662,116	1,200,000	1,279,964
Capital Project Grants	1,932,349	9,735,429	6,872,326
Other Revenues	413,163	652,560	10,285
Transfers In	5,831,629	6,953,718	3,396,598
Total Revenues	9,225,195	18,971,197	11,889,057
Operating Expenses	1,784,997	2,077,810	2,746,154
Debt Service	1,156,219	1,031,770	1,030,763
Capital Projects	5,003,043	24,182,436	7,191,640
Transfers Out	-	-	-
Total Expenditures	7,944,260	27,292,016	10,968,557
Ending Balance	10,215,288	1,894,469	11,135,789

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



City of Puyallup

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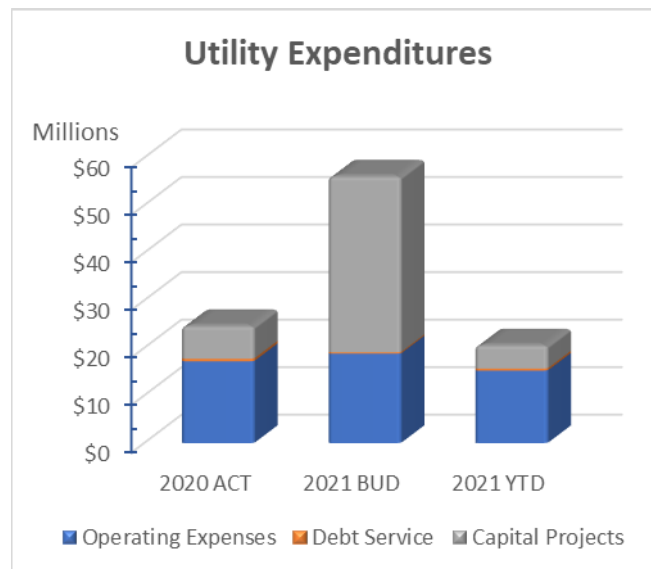
Utilities at a Glance... (excluding transfers)

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 \$300,000 of City ARPA monies have been reserved for this purpose. 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 YTD
Beginning Balance	25,225,934	27,835,990	27,835,990
User Fees	23,709,811	24,478,020	21,483,997
System Dev Charges	1,945,322	1,980,860	3,078,015
Other Revenues	338,556	294,200	171,071
Grants	1,257,782	6,402,477	1,095,775
Total Revenues	27,251,471	33,155,557	25,828,859
Operating Expenses	17,220,171	18,821,430	15,246,260
Debt Service	543,810	286,000	441,379
Capital Projects	6,877,434	36,980,737	4,876,078
Total Expenditures	24,641,415	56,088,167	20,563,716
Ending Balance	27,835,990	4,903,380	33,101,132



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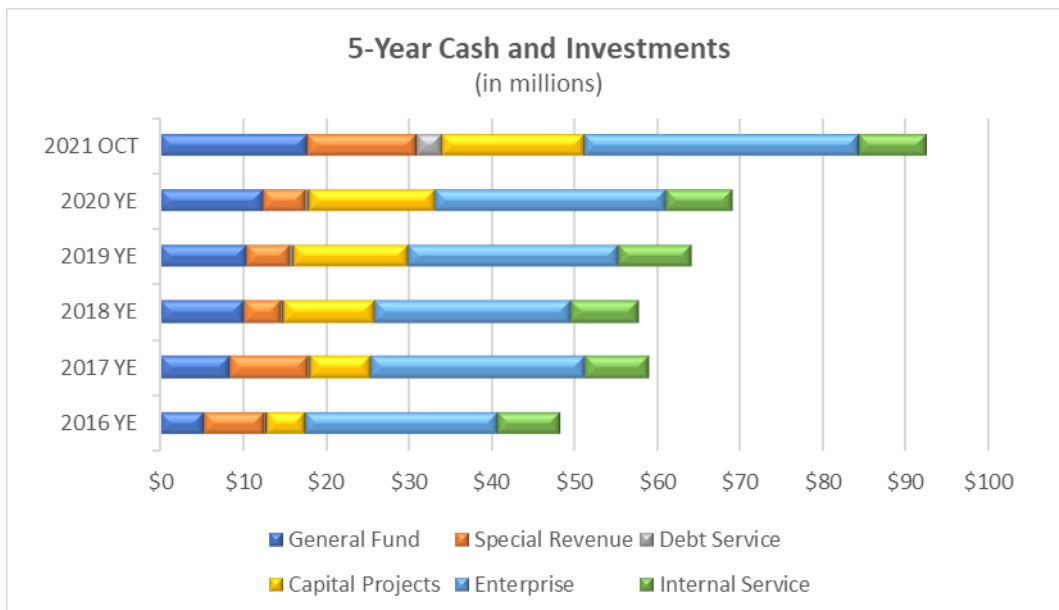
City-Wide Cash and Investments

	2016 YE	2017 YE	2018 YE	2019 YE	2020 YE	2021 OCT
General Fund	1,714,189	5,613,564	7,188,466	7,504,974	7,786,760	13,036,676
General Fund - Other	3,504,895	2,648,335	2,806,831	2,798,442	4,486,592	4,597,798
Special Revenue	7,245,450	9,455,865	4,562,016	5,261,402	5,119,889	13,199,190
Debt Service	282,095	288,292	305,283	517,046	505,658	3,017,061
Street Capital Projects	3,486,440	5,273,289	5,476,894	8,915,411	10,215,288	11,299,328
Parks Capital Projects	1,150,658	1,896,328	4,879,439	2,904,086	2,948,859	3,952,217
Facility Capital Projects	119,948	121,076	558,137	1,984,322	1,961,283	1,893,690
Enterprise - Utilities	23,046,430	25,887,173	23,569,469	25,214,816	27,833,412	33,045,641
Enterprise - Pavilion	101,306	87,234	97,165	95,158	90,373	97,346
Internal Service	7,545,047	7,662,713	8,350,700	8,885,049	8,008,817	8,351,627
Total	48,196,459	58,933,870	57,794,399	64,080,707	68,956,931	92,490,572

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: As of 2020 year-end, 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.

Special Revenues include \$5.9 million in ARPA monies received in July, which is half of the City's total allocation. The remaining half is expected in July/August 2022.



City of Puyallup

October 2021 Financial Summary

Summary by Fund (excluding transfers)						
	Revenues			Expenditures		
	Budget	YTD OCT	Balance	Budget	YTD OCT	Balance
General						
General Fund	51,346,263	44,839,611	6,506,652	47,180,648	36,190,563	10,990,085
Budget Stability Reserves	3,240	1,761	1,479	18,000	18,345	(345)
Radio Replacement	2,100	373	1,727	63,000	62,735	265
Donations to Puyallup	83,172	22,016	61,156	109,052	10,685	98,367
LEOFF 1 Retiree Benefits	4,330	1,060	3,270	557,840	352,475	205,365
Firemen's Pension	66,650	68,606	(1,956)	172,000	137,029	34,971
Total General Fund	51,505,755	44,933,427	6,572,328	48,100,540	36,771,832	11,328,708
Special Revenue						
Seizure and Forfeiture	50,550	120,226	(69,676)	65,960	28,879	37,081
DUI Cost Recovery	68,400	90,777	(22,377)	52,800	66,923	(14,123)
American Rescue Plan	5,912,494	5,914,742	(2,248)	2,128,300	677,830	1,450,470
Affordable Housing Sales Tax		169,941	(169,941)			-
Motel Tax	1,377,120	1,035,790	341,330	755,900	524,818	231,082
Trial Court Improvement	21,750	16,151	5,599			-
Lift Grant	1,011,000	1,002,960	8,040			-
Real Estate Excise Tax	2,011,000	2,968,081	(957,081)			-
Total Special Revenue Funds	10,452,314	11,318,668	(866,354)	3,002,960	1,298,450	1,704,510
Debt Service						
GO Bonds			-	3,389,950	875,043	2,514,907
PWTF & HIA Loans			-	332,120	332,116	4
Total Debt Service Funds	-	-	-	3,722,070	1,207,159	2,514,911
Capital Projects						
Streets	12,017,479	8,492,460	3,525,019	26,260,246	9,937,794	16,322,452
Parks	741,260	1,222,271	(481,011)	3,228,578	228,558	3,000,020
Facility	9,170	1,913	7,257	1,045,217	88,758	956,459
Total Capital Projects Funds	12,767,909	9,716,644	3,051,265	30,534,041	10,255,110	20,278,931
Enterprise						
Sanitation Utility	450,330	367,716	82,614	227,260	134,794	92,466
Water Utility	7,385,000	6,827,479	557,521	9,885,970	5,048,943	4,837,027
Sewer Utility	12,944,360	11,772,960	1,171,400	27,069,134	8,987,729	18,081,405
Storm & Surface Water Utility	12,375,867	6,860,704	5,515,163	18,905,803	6,392,251	12,513,552
Pavilion	289,250	204,942	84,308	355,040	204,928	150,112
Total Enterprise Funds	33,444,807	26,033,801	7,411,006	56,443,207	20,768,645	35,674,562
Internal Service						
Equipment Rental	2,390,790	2,085,843	304,947	2,585,940	1,993,858	592,082
Insurance	2,353,500	2,264,245	89,255	2,359,838	2,462,824	(102,986)
IT & Communications	3,843,160	3,162,335	680,825	4,981,511	2,977,933	2,003,578
Health Insurance	8,354,550	6,922,884	1,431,666	8,532,160	7,820,549	711,611
Facility Maintenance	2,443,290	1,692,917	750,373	2,440,350	1,728,006	712,344
Total Internal Service Funds	19,385,290	16,128,224	3,257,066	20,899,799	16,983,170	3,916,629
Grand Total	127,556,075	108,130,764	19,425,311	162,702,617	87,284,366	75,418,251