

City of Puyallup

November 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	56,489,900	5,073,637
Expenditures	49,078,513	51,821,508	50,098,760	1,722,748
Gain/(Loss)	292,892	(405,245)	6,391,140	6,796,385

Results through November continue a strong positive trend for 2021. Revenues are projected to come in about \$5.1 million higher than budget and expenditures \$1.7 million below budget, creating an overall positive variance from budget of nearly \$6.8 million.

The \$6.8 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.

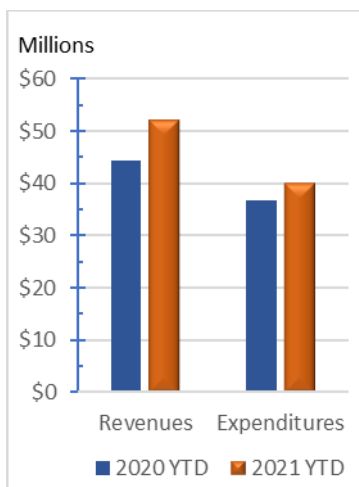
General Fund Reserves

	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	12,077,900
less Tier 3	(2,100,000)		(3,000,000)
General Fund Reserves	5,686,760	5,281,515	9,077,900
	11.5%	10.3%	16.1%

2021 year-end reserves are estimated at \$8.5 million, or 15.3% of revenues, after setting aside \$5.1 million of Tier 3 monies per the 2022 mid-biennium budget update.

Based on current analysis, an additional \$1.5 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)	44,364,223	52,173,084	7,808,861	17.6%
Expenditures (no trfs)	36,637,493	40,088,964	3,451,471	9.4%
Gain/(Loss)	7,726,730	12,084,120	4,357,390	56.4%

Through November, revenues and expenditures significantly exceed last year, which is consistent with expectations. The \$7.8 million revenue increase reflects robust sales tax collections, coupled with admissions tax and most other fees and services in the "normal" range compared with 2020. Expenditures are the result of normal department spending this year, 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	8,571,398	9,451,900	81,770	0.9%
Sales & Use Tax	24,495,870	25,239,188	27,512,200	3,016,330	12.3%
Other Tax	5,207,240	5,212,122	5,576,000	368,760	7.1%
Licenses & Permits	1,888,360	2,183,723	2,315,700	427,340	22.6%
Intergovernmental	3,174,827	2,927,891	3,141,600	(33,227)	-1.0%
Charges for Services	3,314,986	3,849,511	4,047,100	732,114	22.1%
Fines & Forfeitures	3,414,410	3,404,795	3,549,400	134,990	4.0%
Miscellaneous	480,440	784,457	826,000	345,560	71.9%
Total Revenues	51,346,263	52,173,084	56,419,900	5,073,637	9.9%

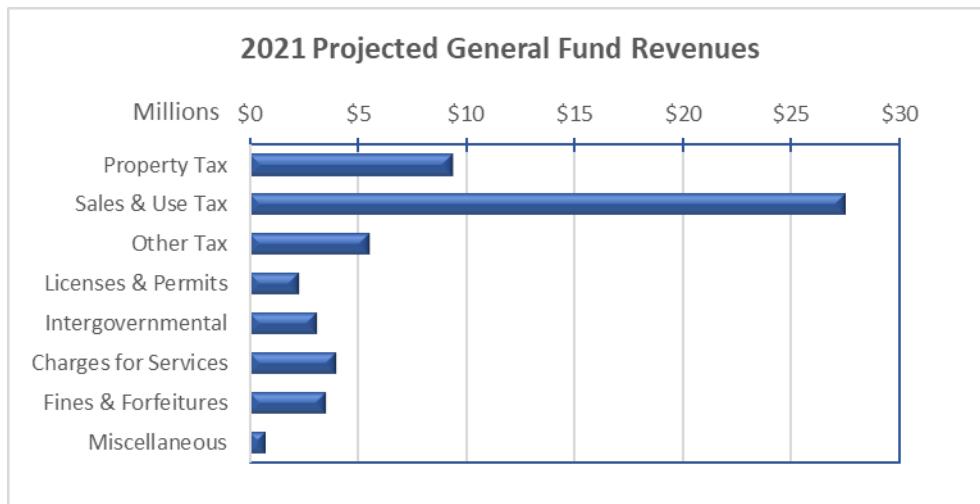
Revenues are budgeted conservatively per the budget stability policy, with two exceptions for sales tax and development engineering fees. Through November, overall sales tax continues a strong trend of economic recovery. Other revenues are coming in essentially as expected during a “normal” year.

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 \$280,000.

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.

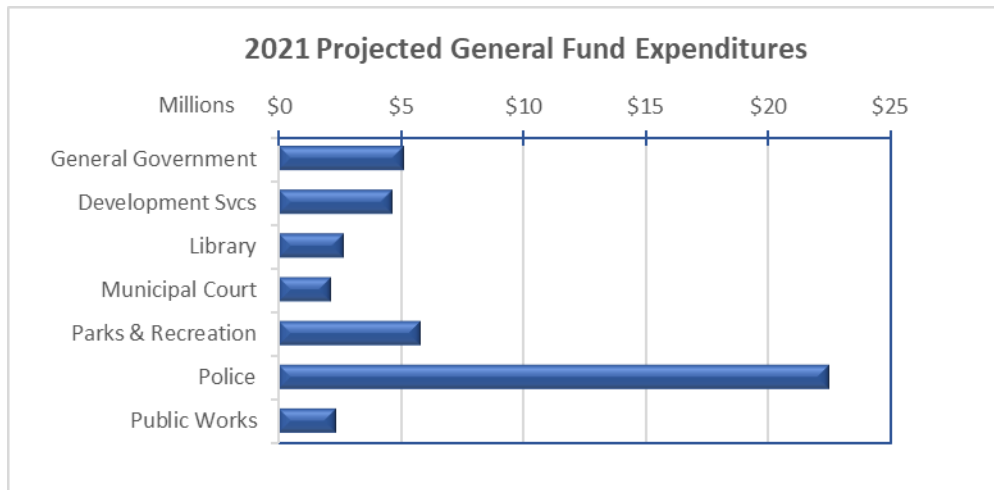


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November 2021 Financial Summary

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	151,613	159,600	65,520	29.1%
City Manager	1,523,499	1,065,405	1,161,500	361,999	23.8%
City Clerk	391,700	320,805	388,790	2,910	0.7%
Dev & Permitting Svcs	4,759,828	4,039,892	4,636,320	123,508	2.6%
Finance	758,710	628,217	723,830	34,880	4.6%
Human Resources	457,930	370,020	439,420	18,510	4.0%
Legal	1,274,060	1,152,478	1,255,720	18,340	1.4%
Library	2,979,940	2,268,616	2,649,700	330,240	11.1%
Municipal Court	2,171,518	1,903,186	2,138,100	33,418	1.5%
Non-Departmental	1,069,942	833,588	1,001,530	68,412	6.4%
Parks & Recreation	6,280,789	5,043,761	5,825,130	455,659	7.3%
Police	22,479,212	20,403,994	22,527,800	(48,588)	-0.2%
Public Works	2,808,400	1,907,389	2,364,200	444,200	15.8%
Total Expenditures	47,180,648	40,088,964	45,271,640	1,909,008	4.0%

No major expenditure variances through November. 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

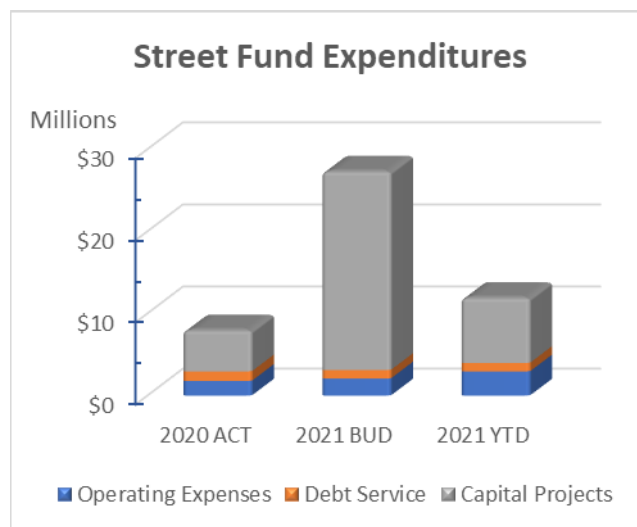
November 2021 Financial Summary

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	358,833
Traffic Impact Fees	662,116	1,200,000	1,306,964
Capital Project Grants	1,932,349	9,735,429	6,916,302
Other Revenues	413,163	652,560	11,246
Transfers In	5,831,629	6,953,718	3,396,598
Total Revenues	9,225,195	18,971,197	11,989,943
Operating Expenses	1,784,997	2,077,810	2,940,521
Debt Service	1,156,219	1,031,770	1,031,063
Capital Projects	5,003,043	24,182,436	7,919,796
Transfers Out	-	-	-
Total Expenditures	7,944,260	27,292,016	11,891,379
Ending Balance	10,215,288	1,894,469	10,313,852

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



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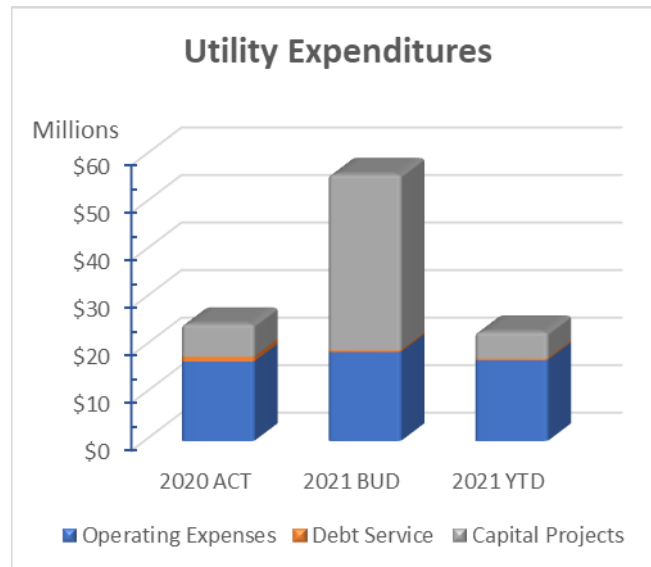
Utilities at a Glance... (excluding transfers)

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 \$500,000 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	23,638,398
System Dev Charges	1,945,322	1,980,860	3,308,793
Other Revenues	338,556	294,200	191,848
Grants	1,257,782	6,402,477	1,767,869
Total Revenues	27,251,471	33,155,557	28,906,909
Operating Expenses	16,724,182	18,760,230	17,023,014
Debt Service	1,039,799	347,200	345,739
Capital Projects	6,877,434	36,980,737	5,585,696
Total Expenditures	24,641,415	56,088,167	22,954,449
Ending Balance	27,835,990	4,903,380	33,788,449



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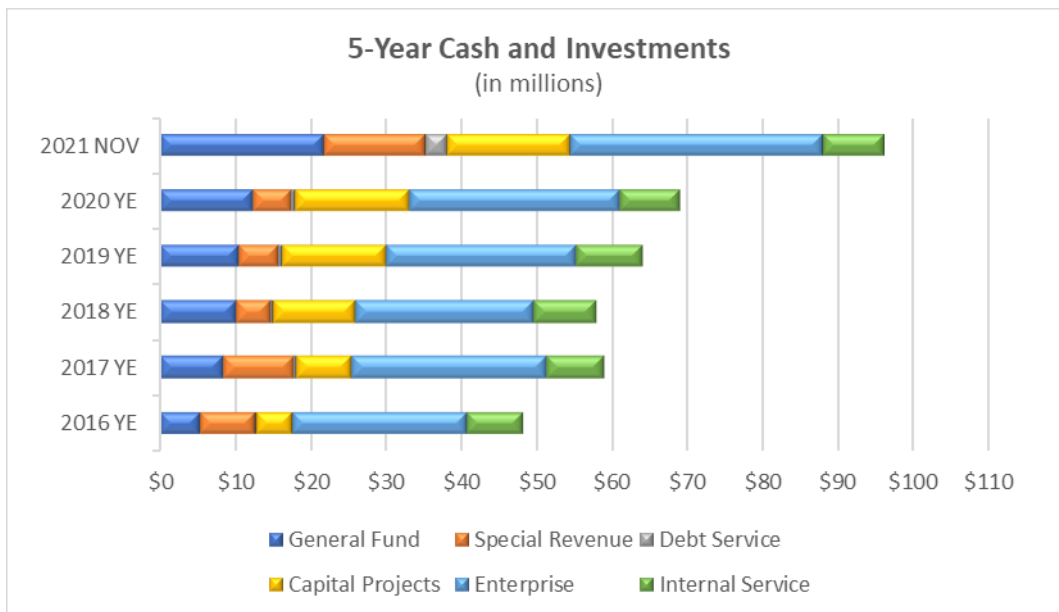
City-Wide Cash and Investments

	2016 YE	2017 YE	2018 YE	2019 YE	2020 YE	2021 NOV
General Fund	1,714,189	5,613,564	7,188,466	7,504,974	7,786,760	16,876,953
General Fund - Other	3,504,895	2,648,335	2,806,831	2,798,442	4,486,592	4,618,771
Special Revenue	7,245,450	9,455,865	4,562,016	5,261,402	5,119,889	13,475,519
Debt Service	282,095	288,292	305,283	517,046	505,658	3,018,205
Street Capital Projects	3,486,440	5,273,289	5,476,894	8,915,411	10,215,288	10,325,674
Parks Capital Projects	1,150,658	1,896,328	4,879,439	2,904,086	2,948,859	4,081,602
Facility Capital Projects	119,948	121,076	558,137	1,984,322	1,961,283	1,883,735
Enterprise - Utilities	23,046,430	25,887,173	23,569,469	25,214,816	27,833,412	33,536,406
Enterprise - Pavilion	101,306	87,234	97,165	95,158	90,373	107,004
Internal Service	7,545,047	7,662,713	8,350,700	8,885,049	8,008,817	8,066,855
Total	48,196,459	58,933,870	57,794,399	64,080,707	68,956,931	95,990,724

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

November 2021 Financial Summary

Summary by Fund (excluding transfers)						
	Revenues			Expenditures		
	Budget	YTD OCT	Balance	Budget	YTD OCT	Balance
General						
General Fund	51,346,263	52,173,084	(826,821)	47,180,648	40,088,964	7,091,684
Budget Stability Reserves	3,240	1,908	1,332	18,000	18,345	(345)
Radio Replacement	2,100	412	1,688	63,000	62,735	265
Donations to Puyallup	83,172	91,314	(8,142)	109,052	10,685	98,367
LEOFF 1 Retiree Benefits	4,330	1,183	3,147	557,840	388,407	169,433
Firemen's Pension	66,650	68,704	(2,054)	172,000	150,307	21,693
Total General Fund	51,505,755	52,336,605	(830,850)	48,100,540	40,719,443	7,381,097
Special Revenue						
Seizure and Forfeiture	50,550	120,237	(69,687)	65,960	35,188	30,772
DUI Cost Recovery	68,400	97,006	(28,606)	52,800	74,668	(21,868)
American Rescue Plan	5,912,494	5,915,220	(2,726)	2,128,300	728,458	1,399,842
Affordable Housing Sales Tax		190,888	(190,888)			-
Motel Tax	1,377,120	1,148,474	228,646	755,900	558,894	197,006
Trial Court Improvement	21,750	21,532	218			-
Lift Grant	1,011,000	1,003,297	7,703			-
Real Estate Excise Tax	2,011,000	3,210,574	(1,199,574)			-
Total Special Revenue Funds	10,452,314	11,707,228	(1,254,914)	3,002,960	1,397,208	1,605,752
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	8,593,345	3,424,134	26,260,246	10,860,316	15,399,930
Parks	741,260	1,387,780	(646,520)	3,228,578	273,991	2,954,587
Facility	9,170	2,085	7,085	1,045,217	101,134	944,083
Total Capital Projects Funds	12,767,909	9,983,210	2,784,699	30,534,041	11,235,441	19,298,600
Enterprise						
Sanitation Utility	450,330	410,613	39,717	227,260	141,039	86,221
Water Utility	7,385,000	7,520,447	(135,447)	9,885,970	5,528,953	4,357,017
Sewer Utility	12,944,360	12,940,420	3,940	27,069,134	10,193,023	16,876,111
Storm & Surface Water Utility	12,375,867	8,035,429	4,340,438	18,905,803	7,091,434	11,814,369
Pavilion	289,250	233,099	56,151	355,040	231,679	123,361
Total Enterprise Funds	33,444,807	29,140,008	4,304,799	56,443,207	23,186,128	33,257,079
Internal Service						
Equipment Rental	2,390,790	2,284,821	105,969	2,585,940	2,114,930	471,010
Insurance	2,353,500	2,318,597	34,903	2,359,838	2,525,146	(165,308)
IT & Communications	3,843,160	3,462,572	380,588	4,981,511	3,242,667	1,738,844
Health Insurance	8,354,550	7,614,955	739,595	8,532,160	8,537,701	(5,541)
Facility Maintenance	2,443,290	1,872,110	571,180	2,440,350	1,907,846	532,504
Total Internal Service Funds	19,385,290	17,553,055	1,832,235	20,899,799	18,328,290	2,571,509
Grand Total	127,556,075	120,720,106	6,835,969	162,702,617	96,073,669	66,628,948