



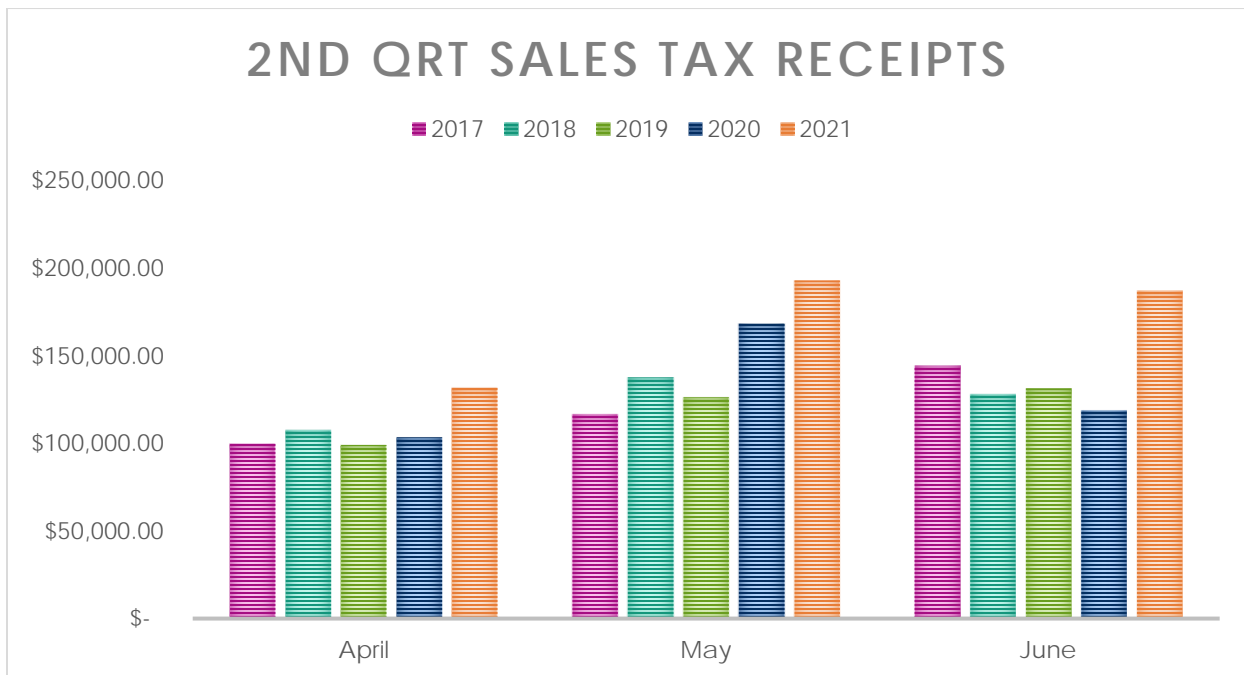
Top 10 Things You Need to Know About the Budget

Each year the City Council approves an operating budget. This budget allocates funds to be spent and collected for a variety of programs and purposes. This review is intended to provide the reader with some helpful information about the financial condition of the City and budget compliance. The Finance Department can be contacted at (509)786-2332, to answer questions about this report or other financial questions.

#10: Sales Tax Receipts

To date, we have received \$991,449 which is \$184,248 or about 23% more than the same period in 2020. As we discussed in previous reports, much of this boom is related to ongoing construction activity and should be treated as one-time revenue. But we are seeing that many of our business sectors are rebounding as more and more business activities return to regular operations.

Table 1: Sales and Use Tax – 5 Year Comparison

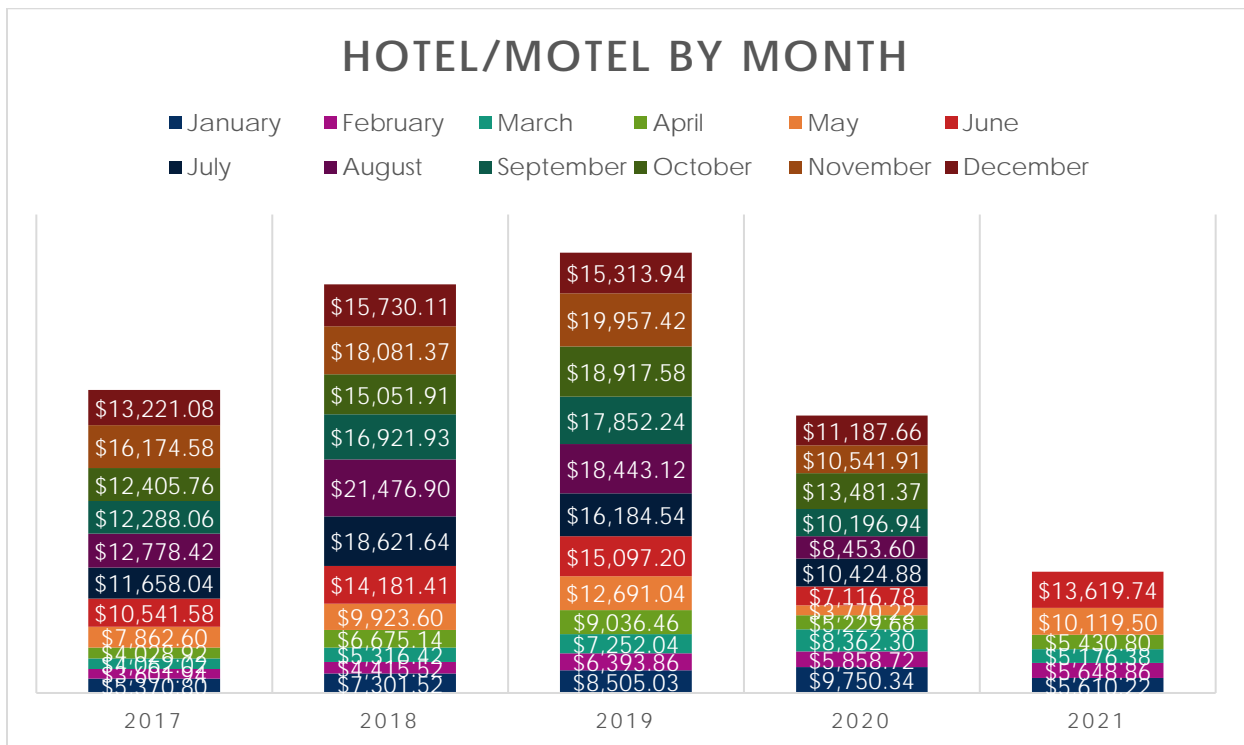


#9: Lodging Tax Funds

To date, we have received \$45,605 (or 50%) of the \$90,000 anticipated Hotel/Motel Tax receipts for the year. Additionally, we have received \$25,132 in TPA funds, which equates to 50% of the anticipated revenue for the year.

The important story here is that these revenue sources seem to be rebounding. Revenues in the last two months (which reflect March and April activity) are very close to the amounts we received pre-COVID. I will be reaching out to the Hotels to determine if these stays are travel related or as a result of construction projects.

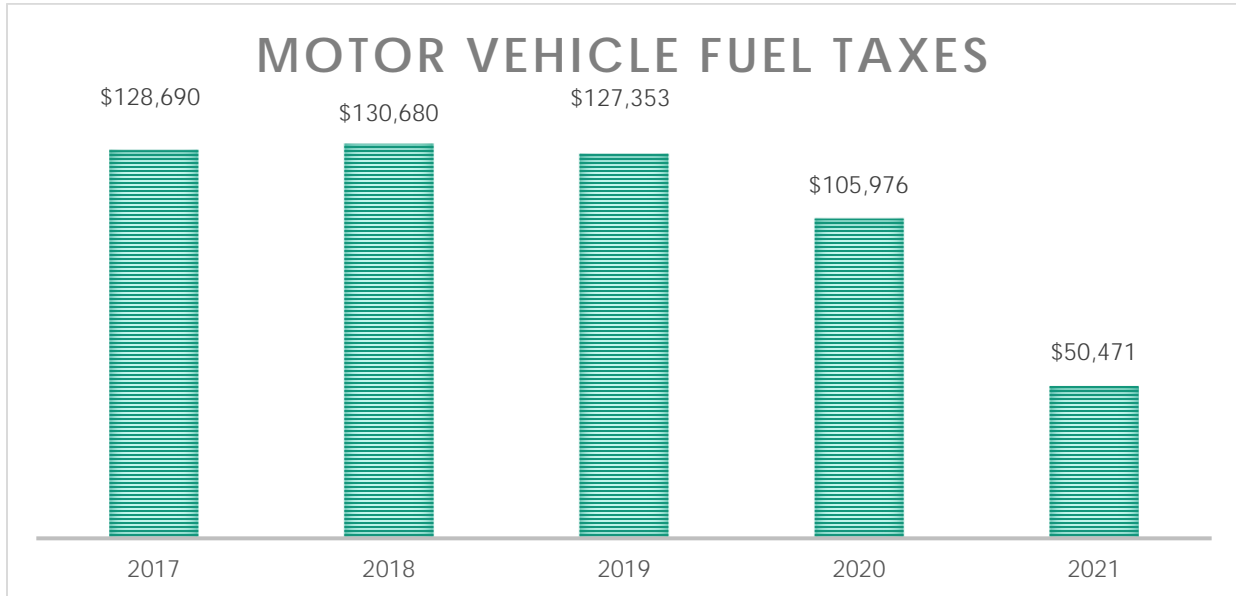
Table 2: Hotel/Motel by Month – 5 Year Comparison



#8: Motor Vehicle Fuel Tax (MVFT)

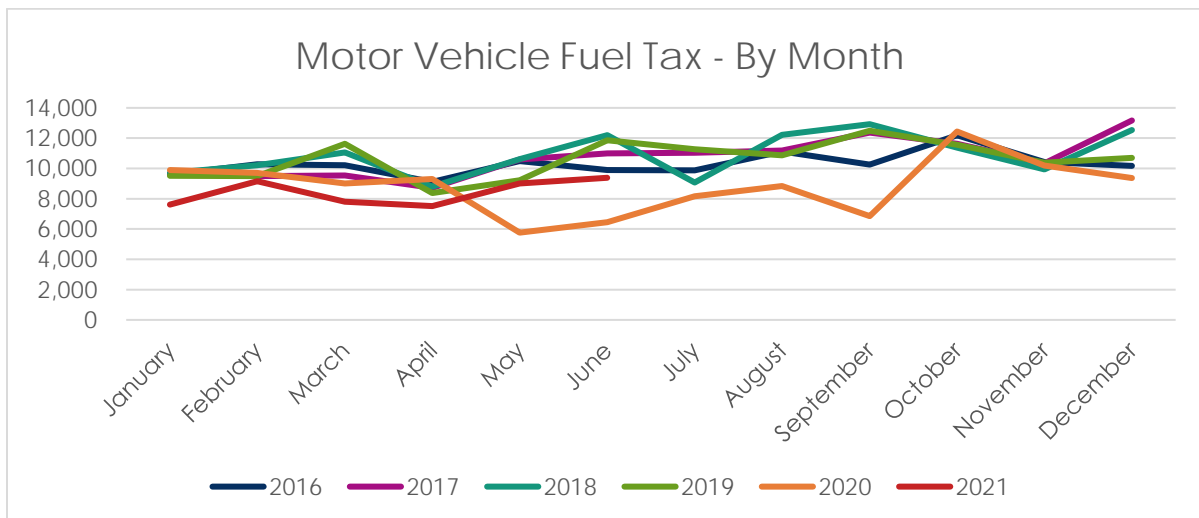
To date, we have received \$50,471 (or 56%) of the \$124,000 anticipated Motor Vehicle Fuel Tax receipts for the year.

Table 3: Motor Vehicle Fuel Tax – 5 Year Comparison



Like many revenue impacted by COVID-19, MVFT also appears to be improving. As you can see from the chart below, the orange line reflects 2020 receipts, below the normal pattern of revenue. While the red line reflects 2021 receipts, much more in line with historical returns.

Table 3A: Motor Vehicle Fuel Tax – 5 Year Comparison



#7: Budget Position Summary*General Fund*

	Adopted Budget	YTD Amount (6/30/2021)	% collected/spent
Revenue	\$5,436,750	\$2,734,462	50%
Expense	\$5,434,755	\$3,231,225	50%

Street Fund

	Adopted Budget	YTD Amount (6/30/2021)	% collected/spent
Revenue	\$895,000	\$414,102	54%
Expense	\$894,725	\$375,275	58%

Water Fund

	Adopted Budget	YTD Amount (6/30/2021)	% collected/spent
Revenue	\$3,023,058	\$1,213,427	60%
Expense	\$3,021,600	\$1,303,890	57%

Sewer Fund

	Adopted Budget	YTD Amount (6/30/2021)	% collected/spent
Revenue	\$2,678,450	\$1,210,804	55%
Expense	\$2,745,890	\$1,173,972	57%

**We would like to see first quarter revenues over 50% and expenditures under 50%. This doesn't always work out since some revenues (like property taxes) are received monthly and some one-time large expenditures can also effect the numbers.*

#6: Projects

Below is a listing of only some of the projects that were included in the 2021 Budget and a little information about each of them:

Department	Item	Cost	Status
Parks	Skate Park Fence	\$6,000	COMPLETE
Parks	EJ Miller Park Pavilion Re-roof	\$20,000	COMPLETE
Parks	EJ Miller Sidewalk	\$13,000	In planning
Parks	Crawford Park Ramp	\$2,500	In planning
Parks	EJ Miller LED Lights	\$14,000	COMPLETE
Police	Portable Radios	\$12,500	
Planning/Building	Plotter/Scanner	\$7,000	COMPLETE
Recreation	Event Speakers	\$1,500	COMPLETE
Finance	USDA Tourism Study	\$35,000	COMPLETE
Planning	Multipurpose Event Space	\$50,000	In planning
Streets	6 th Street BNSF Crossing	\$50,000	Waiting for BNSF
Streets	Concord Way Infiltration System	\$35,000	COMPLETE
Water	Water Main Relocations	\$20,000	Not started yet
Water	Water System Plan Update	\$100,000	Not started yet
Water	Filter Meters	\$95,000	In progress
Water	Hydrant Replacement	\$16,000	In progress
Water	Heights Irrigation Design	\$65,000	Not started yet
Water	Well 6 Repairs	\$40,000	COMPLETE
Sewer	Weigh Scales	\$12,500	Not started yet
Sewer	Composite Samplers	\$16,500	COMPLETE
Sewer	Reclaimed Water Project	\$135,000	In progress

#5: Utility Taxes

Utilities taxes are the largest revenue source in the General Fund and account for almost 45% of general fund revenue. To date we have received \$899,643 which is \$16,085 more than the same period in 2020.

Table 4: Utility Tax Receipts – By Month Comparison

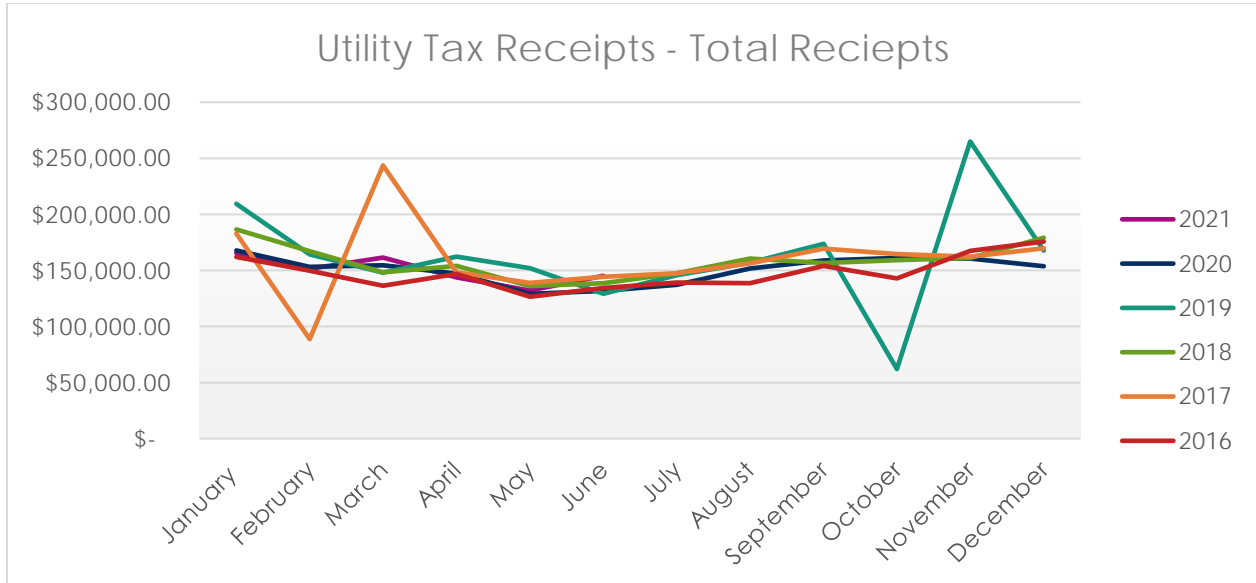
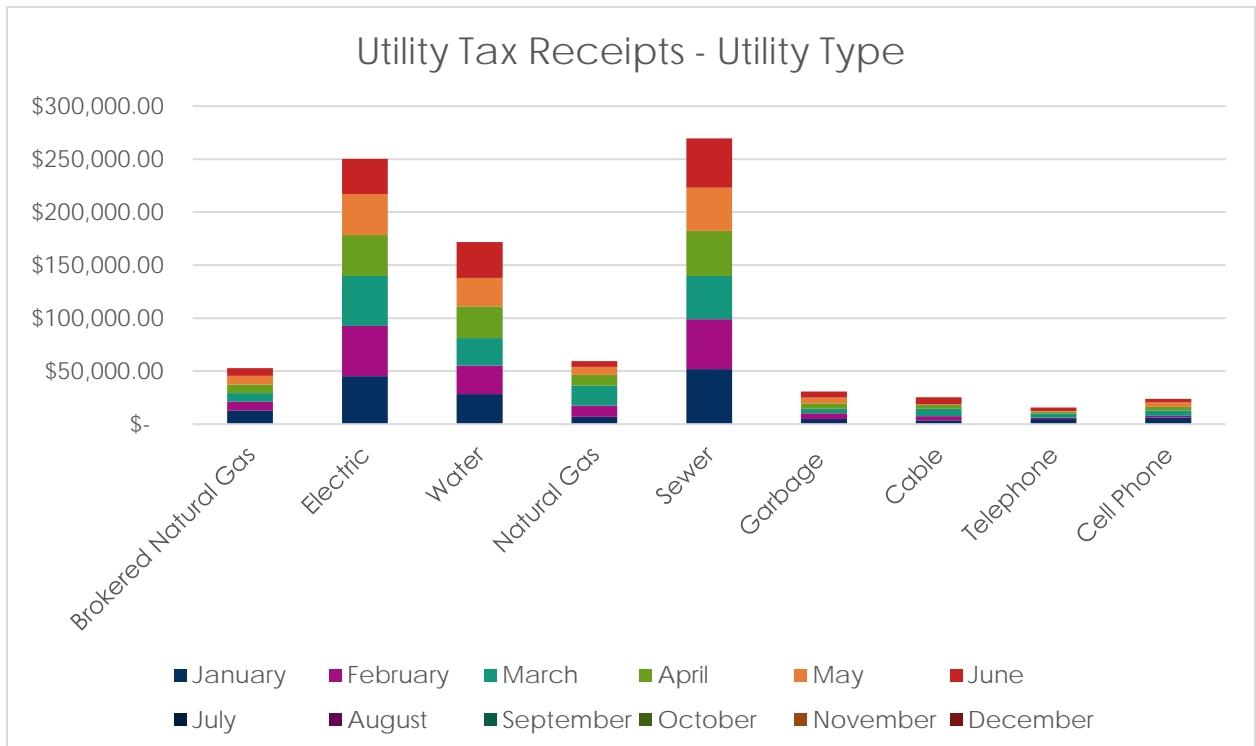
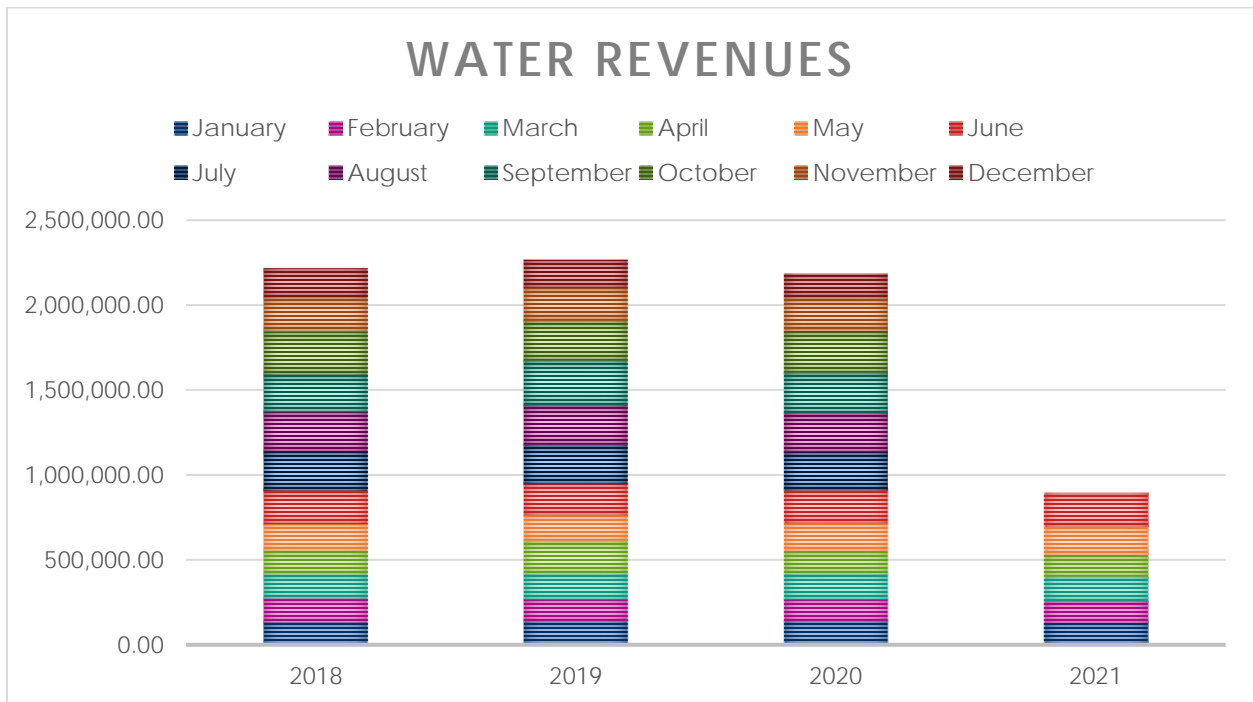


Table 4A: Utility Tax Receipts – By Month Comparison



#4: Water Revenue

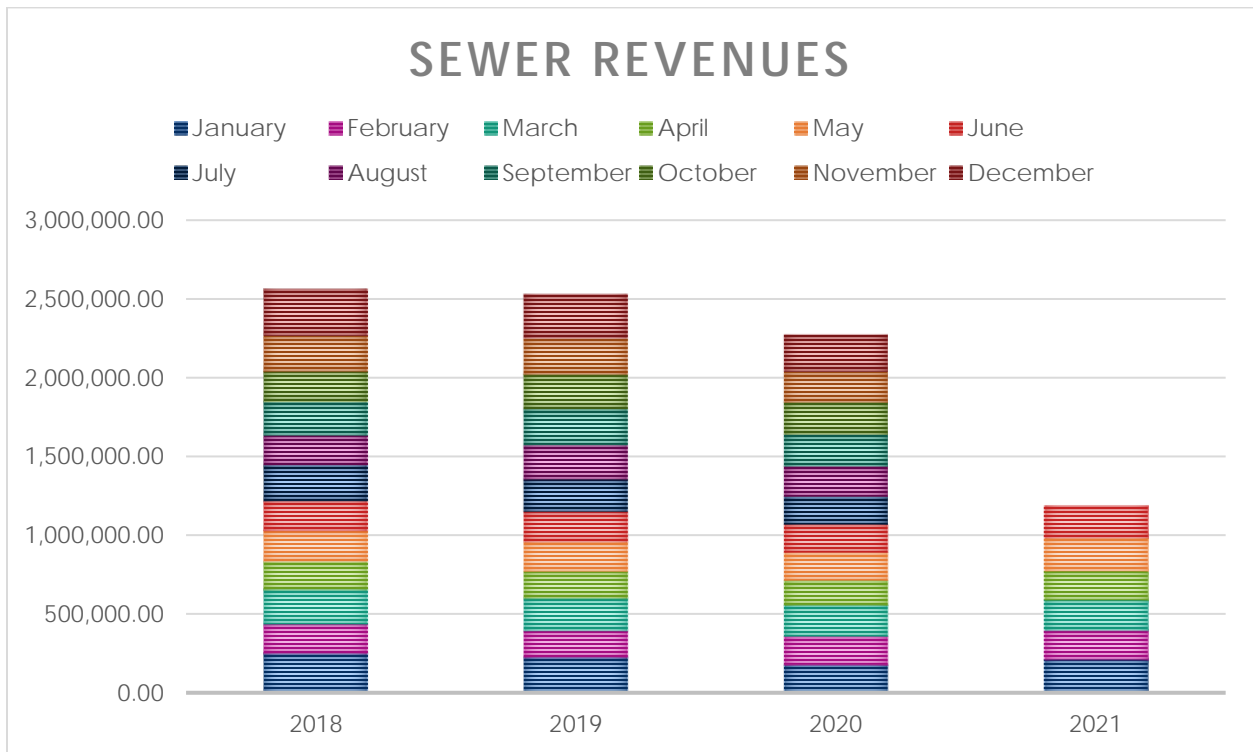
Table 5: Water Revenue – 4 Year Comparison



Mid year we have received a total of \$893,336. Which is \$24,228 less than the same period in 2020.

#3: Sewer Revenue

Table 6: Sewer Revenue – 3 Year Comparison



Mid year we have received a total of \$1,190,297, which is \$120,128 more than the same period in 2020.

#2: American Rescue Plan

In late June we received our first allotment of American Rescue Plan Act (ARPA) funds. Below I have prepared some information about this funding:

Total Award of \$1,780,964 distributed in two deposits

- 2021 deposit = \$890,482
- 2022 deposit = \$890,482
- Must be expended by December 31, 2024

Possible uses include:

- To respond to the public health emergency caused by COVID-19;
- To provide assistance to households, small businesses, and nonprofits related to the negative economic impacts of COVID-19;
- To aid impacted industries such as tourism, travel, and hospitality;
- For premium pay (hazard pay) up to \$13/hour, not to exceed \$25,000 to any individual employee, to eligible local government essential workers;
- For grants to eligible private employers to provide hazard pay to essential workers;
- To provide government services to the extent of the reduction in revenue of such cities/counties due to COVID-19 relative to revenues collected in the most recent full fiscal year prior to the emergency (for cities and counties in Washington, the baseline would be the calendar year 2019 budget); or
- To make necessary investments in water, sewer, or broadband infrastructure.

Administrative staff are preparing a funding plan and options for Council consideration. Grant administrators are also encouraging recipients to seek out other funding available to fund the best use for these dollars.

#1: 2022 Budget Preparation

I know! I can't believe it is time to start working on next year's budget already. Administrative staff have begun preparing their budget requests. Staff plan to present Council and the community with a proposed budget in September.

Is that it? No way! The budget is a very complicated and ever-changing machine. If there is something you would like the Finance Department to particularly highlight we would be happy to do it. This report is only meant to provide the headlines. Thanks for reading!