



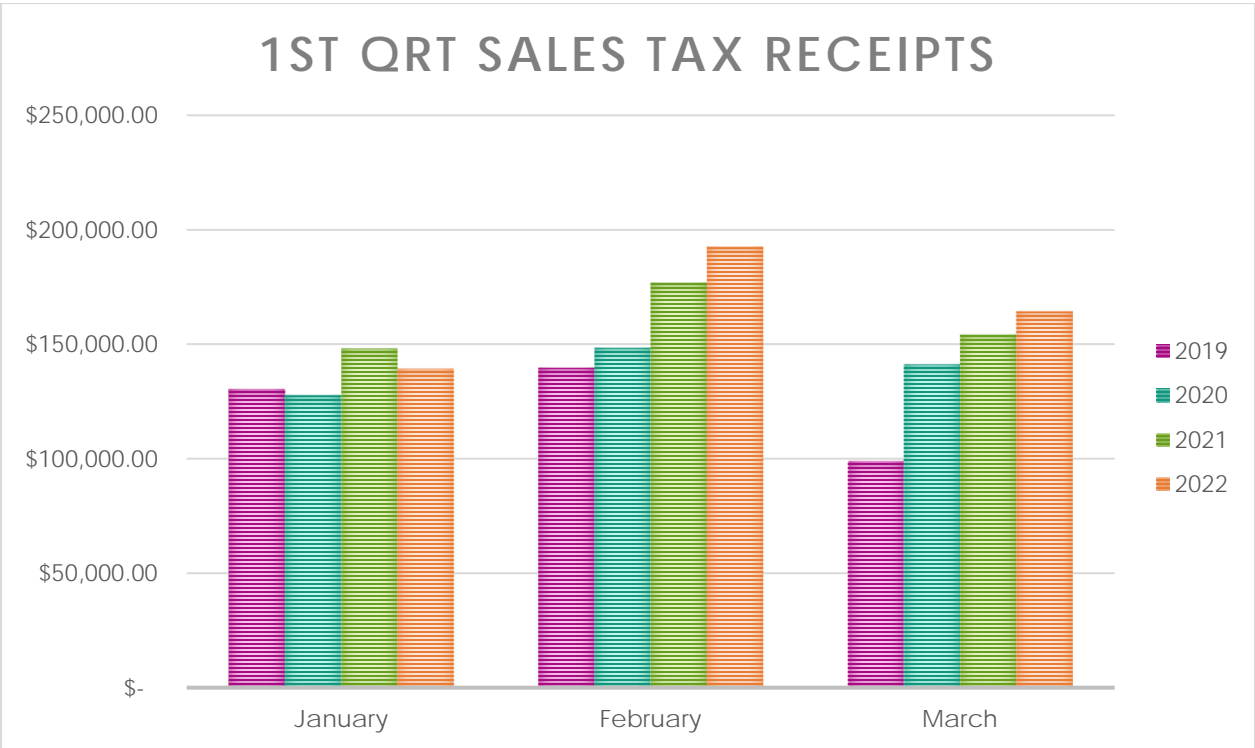
# Top 10 Things You Need to Know About the Budget

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 \$496,063.54 which is \$17,015 or about 4% more than the same period in 2021. Over the last several months ongoing large construction and improvement projects have provided a bridge in our funding especially during the quarantines and COVID restrictions of 2020 and 2021.. While construction activity continues, it is not at the value it was in 2020 and 2021. But many of our business categories (retail sales, car sales, food service) are rebounding to pre-COVID levels. This is a wonderful sign that our businesses are re-establishing their footing and also representative our local support for our business owners.

Table 1: Sales and Use Tax – 4 Year Comparison

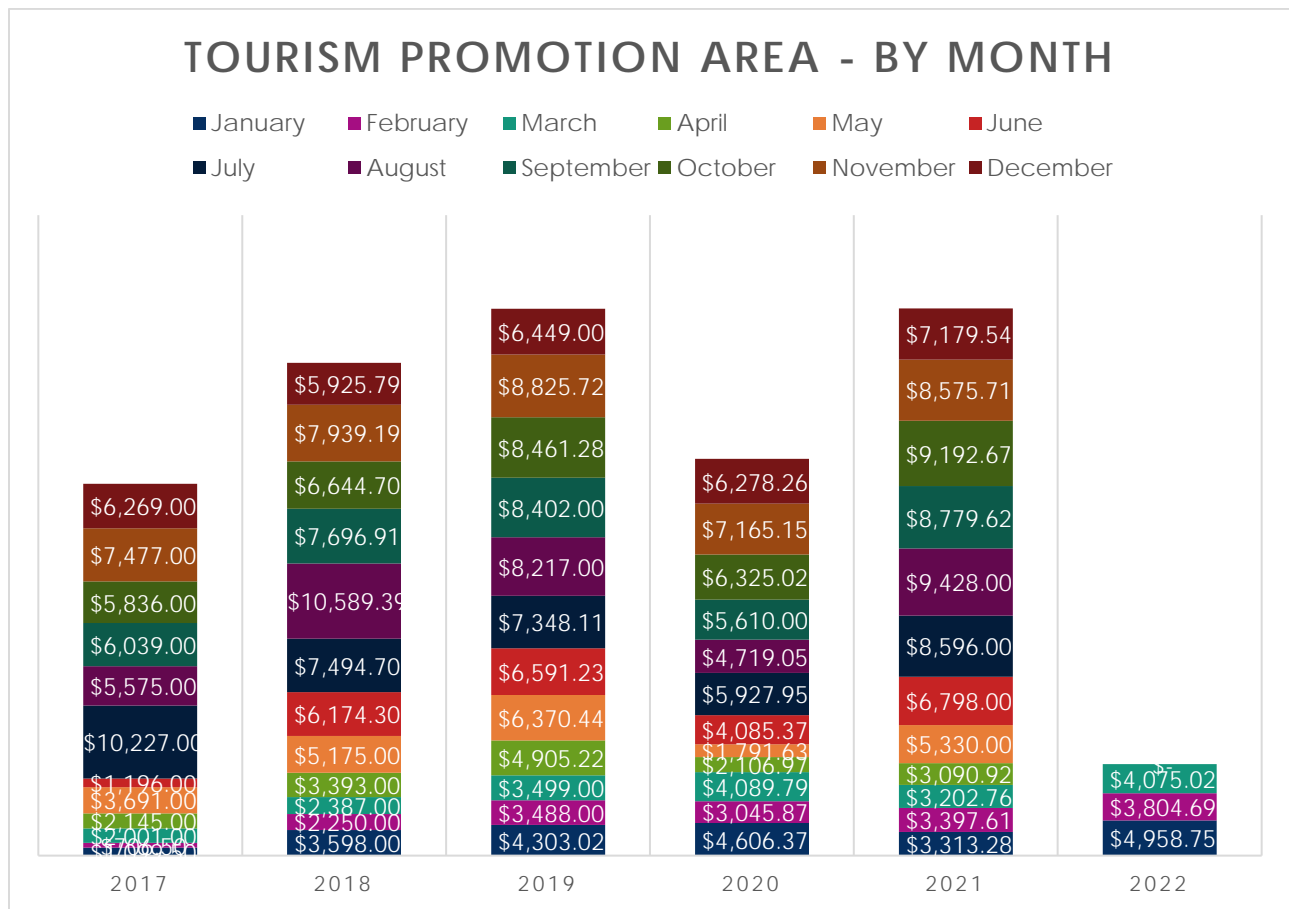


### #9: Lodging Tax Funds

To date, we have received \$25,620 Hotel/Motel Tax receipts and \$12,838 in TPA funds. Collectively we have received \$12,109.21 or nearly 50% more than during the same period in 2021.

The important story here is that these revenue seem to mirror receipts from 2019 (pre-COVID) and are hopeful indicators of progress. I will be reaching out to the Hotels to determine if these stays are travel related or as a result of construction projects.

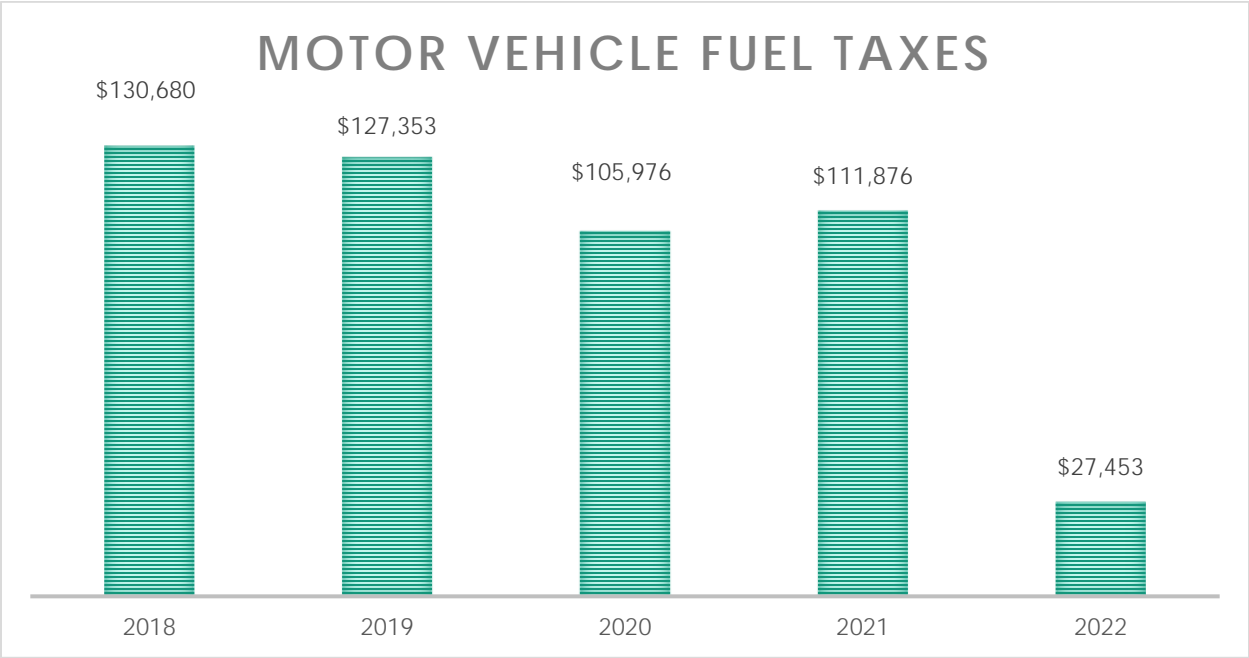
Table 2: Hotel/Motel by Month – 6 Year Comparison



**#8: Motor Vehicle Fuel Tax (MVFT)**

To date, we have received \$27,453 (or 22%) 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 returning to pre-COVID receipts. However the recent increase in fuel prices may impact this revenue. We will be watching this revenue closely for impacts as a result of the extraordinarily high fuel prices and the resulting consumer conservation practices.

## #7: Budget Position Summary

### General Fund

	Adopted Budget	YTD Amount (3/31/2022)	% collected/spent
<b>Revenue</b>	\$5,760,000	\$1,435,527	25%
<b>Expense</b>	\$5,914,500 <i>Includes Budget Amendment 22-3168 (\$154,500)</i> <ul style="list-style-type: none"> <li>- \$9,500 Council Audio Equipment</li> <li>- \$40,000 PAC Cameras</li> <li>- \$75,000 Vehicle Replacement (2021 and 2022)</li> <li>- \$30,000 General Operations Funding</li> </ul>	\$1,207,476	20%

### Street Fund

	Adopted Budget	YTD Amount (3/31/2022)	% collected/spent
<b>Revenue</b>	\$819,450	\$98,009	12%
<b>Expense</b>	\$819,450	\$162,187	20%

### Water Fund

	Adopted Budget	YTD Amount (3/31/2022)	% collected/spent
<b>Revenue</b>	\$3,168,955	\$630,479	20%
<b>Expense</b>	\$3,327,955 <i>Includes Budget Amendment 22-3168 (\$159,000)</i> <ul style="list-style-type: none"> <li>- \$51,000 Water Filter Project</li> <li>- \$20,000 Vehicle Replacement Fund</li> <li>- \$88,000 Irrigation Reserve Fund</li> </ul>	\$826,214	25%

### Sewer Fund

	Adopted Budget	YTD Amount (3/31/2022)	% collected/spent
<b>Revenue</b>	\$2,799,415	\$612,941	22%
<b>Expense</b>	\$2,817,165 <i>Includes Budget Amendment 22-3168 (\$17,750)</i> <ul style="list-style-type: none"> <li>- \$17,750 Reclaimed Water Project</li> </ul>	\$525,633	19%

*\*We would like to see first quarter revenues over 25% and expenditures under 25%. 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 2022 Budget and a little information about each of them:

<b>Department</b>	<b>Item</b>	<b>Cost</b>	<b>Status</b>
Sewer	<b>Reclaimed Water Project</b>	\$135,000	Project Completion scheduled for 4/12.
Parks	<b>EJ Miller Sidewalk</b>	\$30,000	Getting bids
Police	<b>Portable Radios</b>	\$13,500	Ordered – waiting for delivery
Water	<b>Filter Meters</b>	\$146,150	Project Completion scheduled for 4/12.
Recreation	<b>SEEK Grant Scholarships</b>	\$50,000	Grant accepted and program preparing for launch
Water/Sewer	<b>I-82 Crossing</b>	\$2,703,000	Underway; anticipated work complete early summer
Streets	<b>Kinney Way Sidewalk Improvements</b>	\$690,000	Bid award scheduled for April 26 <sup>th</sup> . Work to be completed early summer.
Streets	<b>Wine Country Rd Overlay</b>	\$461,100	Bid documents being prepared. Work to be completed early summer
Clerk	<b>Council Audio equipment</b>	\$50,000	Ordered – waiting for delivery and set up.
Recreation/Parks	<b>City Park Playground</b>	\$445,000	Contractor selection and project award schedule for April
Water	<b>Well 7 Project</b>	\$2,450,000	Underway; anticipated work complete early summer
Admin	<b>City Hall Abatement</b>	\$383,157.69	Work complete, preparing project acceptance
Clerk/IT	<b>Pool and PD Cameras</b>	\$80,000	Bid documents being prepared.
Planning	<b>Housing Study Grant</b>	\$75,000	Schedule of work being developed

<b>Department</b>	<b>Item</b>	<b>Cost</b>	<b>Status</b>
Police/IT	<b>Body and In Car Cameras</b>	\$71,304	Body cams have arrived and staff are being training on those units. In-car cameras should arrive late summer or fall.
Sewer	<b>Sludge De Watering</b>	\$7,450,000	HLA and staff are preparing funding applications to USDA for grant and loan funds.
Sewer	<b>Bennett Avenue Mainline and Lift Station</b>	\$626,000	Preparing bid documents and working with County on possible project funding
Admin	<b>City Hall and Police Department</b>	TBD	Letter of intent has been assigned now evaluating property completing the due diligence prior to purchase. (7/15/2022)

### #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 \$490,148.79 which is \$11,741 or about 2% more than during the same period in 2021.

Table 4: Utility Tax Receipts – By Month Comparison

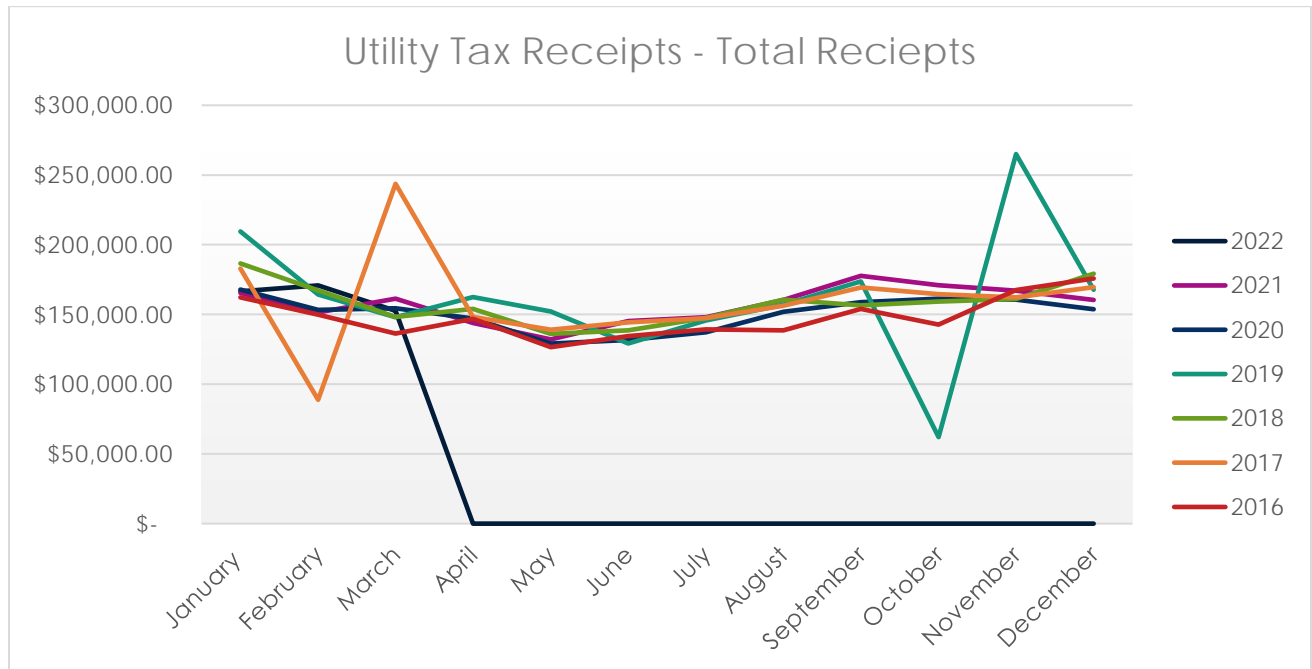
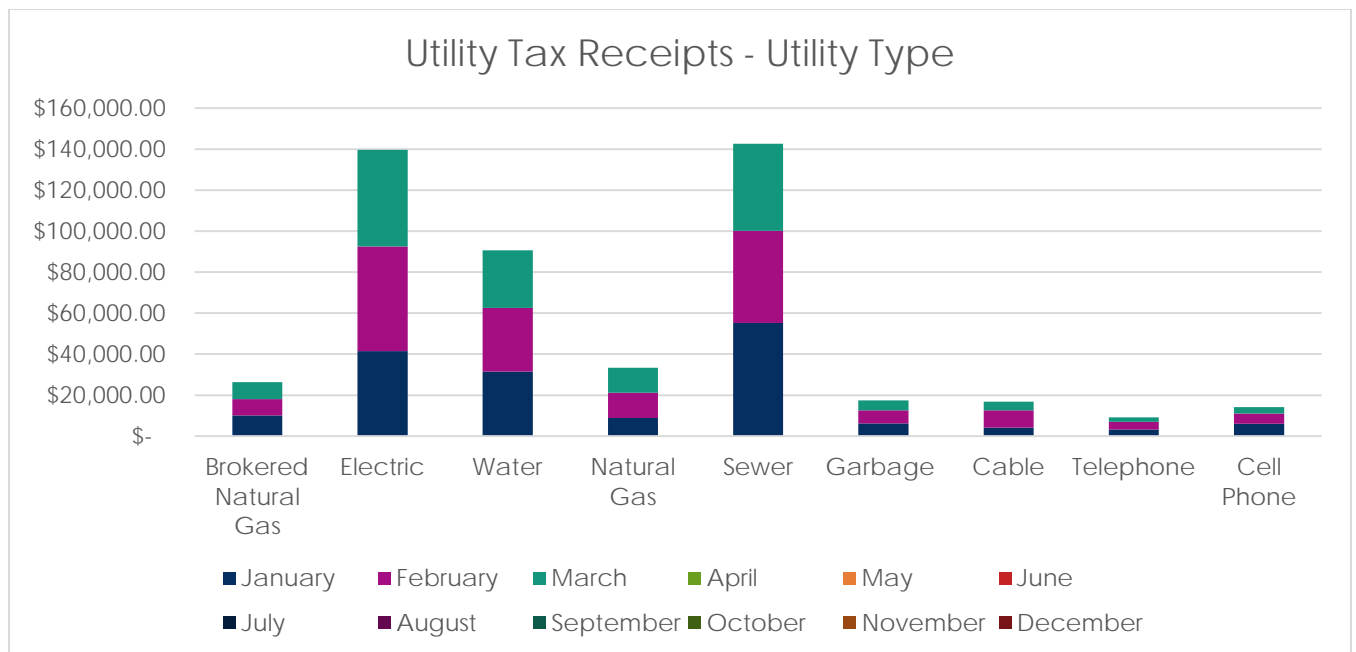


Table 4A: Utility Tax Receipts – By Month Comparison

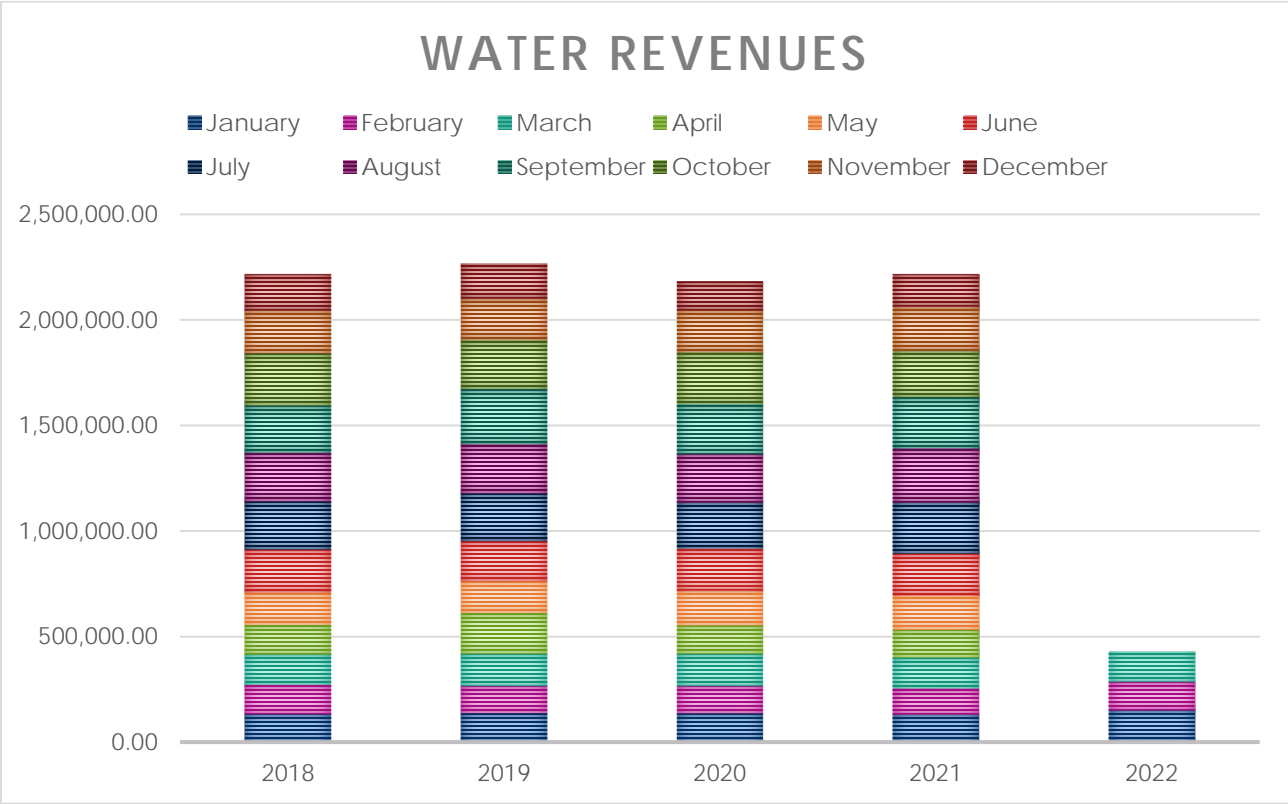


### #4: Water Revenue

Current receipt \$141,434.11 is \$2,432.26 or 2% less than March, 2021. Reflects mid-January to mid-February activity. This reduction is nominal and, when evaluated in comparison to quarterly figures, does not seem to be cause for concern.

For the 1<sup>st</sup> Quarter total receipts are \$27,239.85 or about 7% more than during the same period in 2021.

Table 5: Water Revenue – 5 Year Comparison



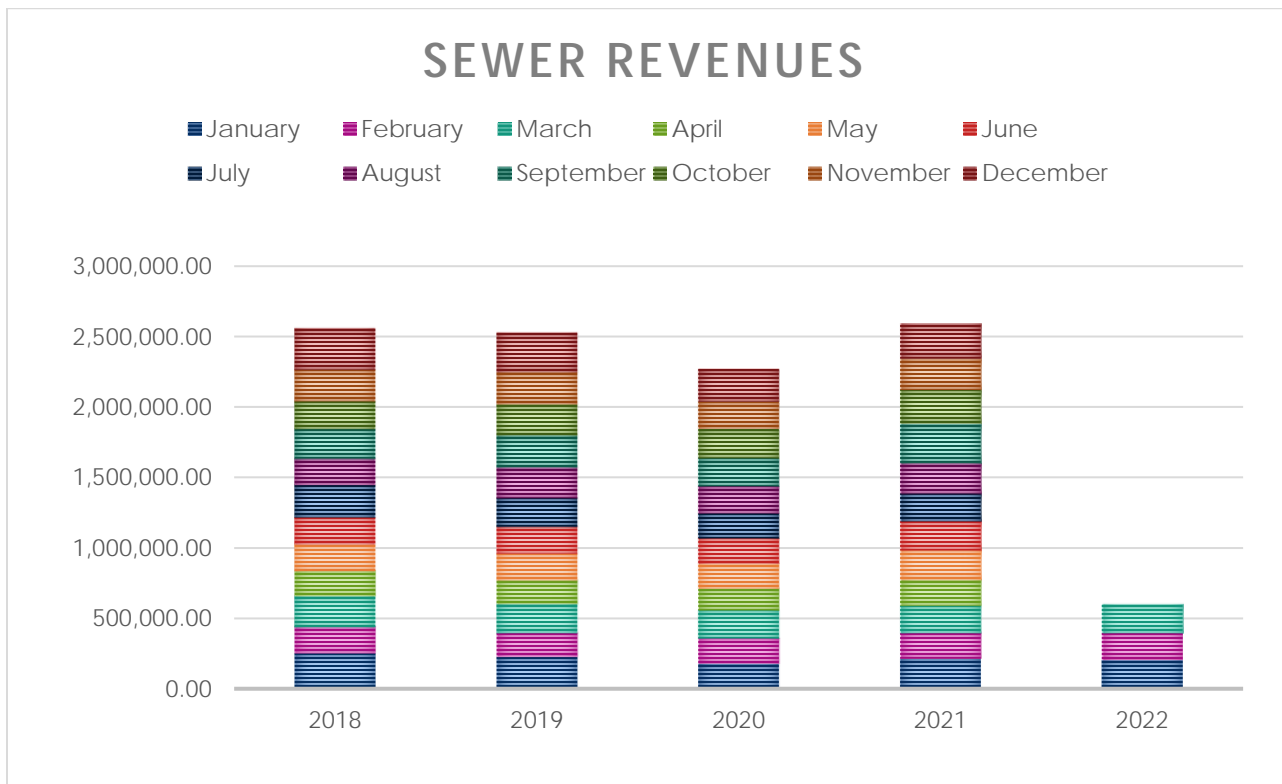


### #3: Sewer Revenue

Current receipt \$203,137.18 is \$10,858.69 or 5% MORE than March, 2021. Reflects mid-January to mid-February activity.

For the 1<sup>st</sup> Quarter total receipts are \$9,757.56 or about 2% more than during the same period in 2021.

Table 6: Sewer Revenue – 5 Year Comparison



**#2: American Rescue Plan**

Last year we received our first allotment of American Rescue Plan Act (ARPA) funds. Total Award of \$1,780,964 distributed in two deposits

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

As part of the budget process City Staff presented and Council approved the allocation of these funds to the following projects:

- Bennett Avenue Sewer Mainline and Lift Station #2
  - o Total Project Cost = \$626,000
  - o ARPA Funds Allocated to this Project = \$626,000
- Sludge De-Watering and Headworks
  - o Total Project Cost = \$7,450,000
  - o ARPA Funds Allocated to this Project = \$1,154,964

These projects were recommend and approved by Council because the improvements were necessary; because they improved the system’s ability to sustain industries essential in the food supply chain; and to reduce the utility rate increases that would have resulted from these improvements. Those rate increases avoided are estimated at nearly 5%.

The City has also applied to Benton County for an allocation of the ARPA funds they received. The projects submitted to the County include:

- Bennett Avenue Sewer Mainline and Lift Station
- Standby Emergency Generator for Water Treatment Plant

If might be helpful to note that should the Bennett Avenue Project be funded by the County, those funds assigned by the City will be rolled into the Sludge De-Watering Project to further reduce the utility rate impact of that project.

**#1:Reporting**

One of my goals each year is to improve upon our financial reporting and access to the financial information. This is important to ensure our residents and business owners are aware and educated about projects, practices, and accomplishments. I will be working with our Budget & Finance Committee to find solutions and will be reporting on those as they develop.

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—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!