



FINANCE DEPARTMENT

To: Mayor and City Council
Cliff Moore, City Manager

From: Steve Groom, Finance Department
Kathy Miles, Financial Services

Date: May 21, 2019

Subject: 2019 1st Quarter Financial Update

This financial update is an unaudited report for the 1st quarter ended March 31, 2019, 3 months or 25% of the year, intended to inform and assist governance decisions for future planning. In total, city revenues are at 12.7% of budget and expenditures are at 15.9% of budget. The timing of Property Tax Revenue and the timing of Capital Fund Expenditures are the biggest reason that revenues and expenditures are well below 25%.

All invoices are not yet received and complete accrual analysis is not done quarterly, so this report is intended as a progress report.

General Fund's Performance to Budget

General Fund Revenues in total are at 21.1%; the largest components are:

- Sales Tax is at 23.7% , which is in line with prior year but lagging budget expectations
- Property Tax is at 9.1% due primarily to timing since April and October have the largest receipts. This timing impacts the General Fund fund balance significantly but is expected to be on right on target at year-end
- Utility and Franchise Taxes are at 20.9%

General Fund Expenditures in total are at 22.1%; the largest components are:

- Police expenditures are at 21.1%
- Fire Expenditures are at 24.3%
- Information Technology expenditures are at 24.6%

Other Funds' Performance to Budget

Revenues and expenditures for other funds that deserve mention, because they do vary significantly, are:

- Government Capital Funds. Revenues for are at 3.4% of budget and expenditures are at 4.0% because of the timing of largely off-setting revenues and expenses.
- Enterprise Capital Funds. Revenues for are at 2.0% of budget and expenditures are at 4.9% because of the timing of largely off-setting revenues and expenses.
- Internal Service Funds. Revenues for are at 19.4% of budget and expenditures are at 14.8% because of the timing of largely off-setting revenues and expenses.
- Debt Service & Agency Funds. Revenues are at 15.8% and expenditures are at 3.7% because of the timing of largely off-setting revenues and expenses.

CITY-WIDE FUND BALANCE SUMMARY

CHANGE IN FUND BALANCE

	2019	As of March 31st		
	Beginning Balance	2019 Actual Rev.	2019 Actual Exp.	Ending Balance
General Fund	\$ 9,061,873	\$ 14,242,060	\$ 14,869,563	\$ 8,434,370
Parks and Recreation	283,427	374,571	882,424	(224,426)
Street & Traffic Operations	120,252	657,840	1,610,336	(832,244)
General Government Subtotal	<u>9,465,552</u>	<u>15,274,471</u>	<u>17,362,323</u>	<u>7,377,700</u>
Other Governmental Operating Funds	5,541,290	1,834,531	3,648,114	3,727,707
Government Capital Funds	16,335,084	1,386,831	1,611,363	16,110,552
Enterprise Operating Funds	12,668,983	11,961,221	10,079,577	14,550,627
Enterprise Capital Funds	38,002,531	401,288	1,208,684	37,195,135
Internal Service Funds	3,891,854	1,188,957	1,072,419	4,008,392
Employee Benefit Reserve	2,912,767	3,884,392	3,340,978	3,456,181
Risk Management Reserves	1,862,082	1,057,824	2,182,790	737,116
Debt Service & Agency Funds	4,494,273	1,181,972	273,624	5,402,621
Total	<u>\$ 95,174,416</u>	<u>\$ 38,171,487</u>	<u>\$ 40,779,872</u>	<u>\$ 92,566,031</u>

CITY WIDE REVENUES & EXPENDITURES BY FUND GROUPING

REVENUE COMPARISON (Budget vs. Actual)

	2018		2019		
	Actual as of 3/31	% Rec'd	Annual		% Rec'd
			Amended Budget	Actual as of 3/31	
General	\$ 15,111,452	22.5%	\$ 67,436,673	\$ 14,242,060	21.1%
Parks and Recreation	823,536	15.1%	5,259,740	374,571	7.1%
Street & Traffic Operations	632,266	11.4%	5,782,582	657,840	11.4%
General Government Subtotal	16,567,254	21.2%	78,478,995	8,534,772	10.9%
Other Government Operating Funds	2,540,657	17.1%	13,620,789	1,834,531	13.5%
Government Capital Funds	1,781,058	3.8%	40,903,961	1,386,831	3.4%
Enterprise Operating Funds	12,661,269	21.9%	60,490,047	11,961,221	19.8%
Enterprise Capital Funds	1,989,087	10.2%	19,892,710	401,288	2.0%
Internal Service Funds	1,059,630	17.3%	6,131,579	1,188,957	19.4%
Employee Benefit Reserves	3,394,028	23.6%	16,388,226	3,884,392	23.7%
Risk Management Reserve	2,121,783	50.8%	4,345,936	1,057,824	24.3%
Debt Service & Agency Funds	2,832,896	26.1%	7,493,200	1,181,972	15.8%
Total	\$ 44,947,662	17.8%	\$ 247,745,443	\$ 31,431,788	12.7%

EXPENDITURE COMPARISON (Budget vs. Actual)

	2018		2019		
	Actual as of 3/31	% Exp'd	Annual		% Exp'd
			Amended Budget	Actual as of 3/31	
General	\$ 15,329,735	22.9%	\$ 67,182,594	\$ 14,869,563	22.1%
Parks and Recreation	995,852	17.7%	5,169,394	882,424	17.1%
Street & Traffic Operations	645,147	11.8%	7,810,853	1,610,336	20.6%
General Government Subtotal	16,970,734	21.7%	80,162,841	17,362,323	21.7%
Other Government Operating Funds	2,710,684	18.3%	13,582,340	3,648,114	26.9%
Government Capital Funds	571,065	1.4%	40,410,544	1,611,363	4.0%
Enterprise Operating Funds	13,922,222	23.3%	62,162,879	10,079,577	16.2%
Enterprise Capital Funds	1,660,562	6.0%	24,505,154	1,208,684	4.9%
Internal Service Funds	677,725	10.5%	7,229,358	1,072,419	14.8%
Employee Benefit Reserves	3,364,339	22.4%	16,128,416	3,340,978	20.7%
Risk Management Reserve	1,990,365	49.5%	4,292,504	2,182,790	50.9%
Debt Service & Agency Funds	405,564	3.7%	7,480,225	273,624	3.7%
Total	\$ 42,273,260	16.3%	\$ 255,954,261	\$ 40,779,872	15.9%

GENERAL GOVERNMENT REVENUE DETAIL

GENERAL GOVERNMENT REVENUES

General Fund	Revenues as of 3/31			2019 Amended	Percent
	2017	2018	2019	Budget	Rec'd
General Sales Tax	\$ 4,051,702	\$ 4,324,326	\$ 4,305,744	\$ 18,173,950	23.7%
Criminal Justice Sales Tax	810,299	891,971	864,547	3,584,560	24.1%
Property Tax	988,484	1,124,576	958,095	10,557,065	9.1%
Utility & Franchise Taxes	4,112,096	4,171,061	3,962,192	18,976,079	20.9%
Charges for Services	2,059,818	2,231,375	2,024,468	7,977,136	25.4%
State Shared Revenue	525,386	592,383	469,925	2,242,469	21.0%
Other Intergovernmental	126,604	213,878	138,359	728,490	19.0%
Fines and Forfeitures	462,379	457,121	429,505	1,939,817	22.1%
Other Taxes & Fees	663,250	674,511	608,183	1,655,074	36.7%
Licenses and Permits	215,687	296,941	427,528	939,850	45.5%
Other Revenue	46,461	133,307	53,513	662,183	8.1%
Total General Fund	14,062,166	15,111,450	14,242,059	67,436,673	21.1%
Parks & Recreation					
Property Tax	194,382	227,453	195,506	2,560,000	7.6%
Charges for Services	210,417	220,395	149,730	884,050	16.9%
State Shared Revenue	5,775	5,958	5,958	23,830	25.0%
Other Intergovernmental	6,275	9,334	4,787	50,500	9.5%
Transfers from other Funds	326,548	332,093	—	1,513,060	—%
Other Revenue	37,735	28,303	18,591	228,300	8.1%
Total Parks & Recreation	781,132	823,536	374,572	5,259,740	7.1%
Streets					
Property Tax	264,614	253,149	238,374	3,121,325	7.6%
Charges for Services	2,250	1,650	7,766	720,000	1.1%
State Shared Revenue	306,572	311,827	301,069	1,319,812	22.8%
Other Intergovernmental	29,308	61,945	61,146	246,900	24.8%
Other Taxes & Fees	—	—	—	150,000	—%
Transfers from other Funds	—	—	—	176,545	—%
Other Revenue	9,661	3,695	49,484	48,000	103.1%
Total Streets	612,405	632,266	657,839	5,782,582	11.4%
Total General Government	\$ 15,455,703	\$ 16,567,252	\$ 15,274,470	\$ 78,478,995	19.5%

GENERAL GOVERNMENT EXPENDITURE DETAIL

GENERAL GOVERNMENT EXPENDITURES

	Expenditures as of 3/31			2019	Percent
	2017	2018	2019	Amended Budget	
Police	\$ 6,268,270	\$ 6,348,872	\$ 6,378,160	\$ 30,231,349	21.1%
Fire	3,054,086	3,284,915	3,459,978	14,259,577	24.3%
Information Technology	967,702	952,896	915,238	3,713,248	24.6%
Interfund Distributions	1,150,393	1,119,696	380,000	2,143,060	17.7%
Code Administration	426,953	442,956	413,401	1,974,496	20.9%
Legal	366,815	388,030	428,992	1,938,043	22.1%
Finance	384,123	377,936	390,211	1,787,366	21.8%
Municipal Court	336,169	363,584	370,435	1,711,215	21.6%
Firemen's Relief/Pension	325,082	344,077	406,789	1,216,963	33.4%
Indigent Defense	209,004	164,731	172,351	1,050,000	16.4%
Police Pension	249,485	236,308	241,656	929,497	26.0%
Engineering	165,483	169,247	188,271	778,311	24.2%
Human Resources	147,867	170,136	188,657	768,113	24.6%
City Clerk/Records	105,056	105,595	101,497	717,207	14.2%
Planning	130,305	155,313	157,001	704,117	22.3%
Purchasing	122,795	144,361	149,158	646,038	23.1%
City Management	95,139	103,298	117,214	629,681	18.6%
City Hall Facility	175,006	165,903	129,567	602,352	21.5%
Economic Development	95,358	101,177	86,349	313,243	27.6%
City Council	107,515	122,010	105,039	275,686	38.1%
Parking	40,472	37,210	42,769	186,854	22.9%
Intergovernmental	30,978	31,483	47,088	162,689	28.9%
State Auditor	6,703	—	831	130,000	0.6%
Contingency	—	—	—	313,489	n/a
Total General Fund	14,960,759	15,329,734	14,870,652	67,182,594	22.1%
Parks & Recreation Fund	1,049,286	995,852	882,424	5,169,394	17.1%
Street & Traffic Ops.	1,750,999	645,147	1,610,336	7,810,853	20.6%
Total General Government	\$ 17,761,044	\$ 16,970,733	\$ 17,363,412	\$ 80,162,841	21.7%

OTHER FUNDS DETAIL

OTHER GOVERNMENT OPERATING FUNDS

Fund	2019	As of March 31		
	Beginning Balance	2019 Actual Rev.	2019 Actual Exp.	Ending Balance
Economic Development	\$ 70,321	\$ 22,984	\$ 13,224	\$ 80,081
Neighborhood Development	862,584	105,888	1,051,288	(82,816)
Community Relations	741,290	166,354	136,146	771,498
Cemetery	118,508	20,152	106,858	31,802
Emergency Services	9,414	118,922	197,091	(68,755)
Public Safety Communication	718,371	487,210	948,728	256,853
Police Grants	1,185,643	14,527	54,835	1,145,335
PBIA (Park/Bus Impr Area)	63,947	56,092	2,856	117,183
Trolley	19,856	1,275	7,074	14,057
Front Street Bus Impr Area	1,090	1,850	—	2,940
Conv Center (Tourist Promo)	377,237	194,676	502,902	69,011
Capitol Theatre	34,144	112,359	114,853	31,650
PFD - Convention Center	1,028,440	243,993	238,674	1,033,759
Tourism Promotion Area	69,902	103,409	103,409	69,902
PFD - Capitol Theatre	240,544	184,841	170,175	255,210
Capitol Theatre Reserve	—	—	—	—
Total Other Gov't Oper Funds	\$ 5,541,291	\$ 1,834,532	\$ 3,648,113	\$ 3,727,710

GOVERNMENTAL CAPITAL FUNDS

Fund	2019	As of March 31		
	Beginning Balance	2019 Actual Rev.	2019 Actual Exp.	Ending Balance
Arterial Street	\$ 2,147,691	\$ 138,978	\$ 96,449	\$ 2,190,220
Central Bus District Capital	(532,523)	14,114	—	(518,409)
Capitol Theatre Construction	149,087	15,000	8,070	156,017
Yakima Redevelopment Area	3,080,389	16,432	16,393	3,080,428
Parks & Recreation Capital	4,021,729	41,683	1,406,373	2,657,039
Fire Capital	393,621	65,341	3,493	455,469
Law and Justice Capital	444,425	117,987	2,861	559,551
Public Works Trust Construction	2,980,111	218,237	10,727	3,187,621
REET 2 Capital	1,060,389	218,237	—	1,278,626
Street Capital	951,821	351,171	35,735	1,267,257
Convention Center Cap Impr	1,056,992	189,650	20,402	1,226,240
Reserve for Capital Impr	581,353	—	10,860	570,493
Total Gov't Capital Funds	\$ 16,335,085	\$ 1,386,830	\$ 1,611,363	\$ 16,110,552

ENTERPRISE OPERATING FUNDS

Fund	2019	As of March 31		
	Beginning Balance	2019 Actual Rev.	2019 Actual Exp.	Ending Balance
Airport Operating	\$ 156,648	\$ 316,708	\$ 356,152	\$ 117,204
Stormwater Operating	1,162,243	330,668	418,249	1,074,662
Transit Operating	4,143,507	1,791,399	1,907,665	4,027,241
Refuse	1,630,791	1,647,134	1,499,753	1,778,172
Wastewater Operating	3,392,602	5,366,656	3,266,205	5,493,053
Water Operating	1,550,591	2,033,137	1,694,535	1,889,193
Irrigation	632,600	368,308	605,368	
Utility Services	—	107,211	331,649	(224,438)
Total Enterprise Oper Funds	\$ 12,668,982	\$ 11,961,221	\$ 10,079,576	\$ 14,155,087

ENTERPRISE CAPITAL FUNDS

Fund	2019	As of March 31		
	Beginning Balance	2019 Actual Rev.	2019 Actual Exp.	Ending Balance
Airport Capital	\$ 942,680	\$ 129,873	\$ 99,937	\$ 972,616
Stormwater Capital	5,605,362	1,265	19,885	5,586,742
Transit Capital	5,306,396	5,800	81,331	5,230,865
Wastewater Facilities Capital	3,133,277	20,167	18,441	3,135,003
Wastewater Const Capital	8,674,952	—	668,891	8,006,061
Wastewater Capital	5,787,084	—	117,262	5,669,822
Water Capital	4,324,604	—	202,936	4,121,668
Irrigation Capital	4,228,176	244,183	—	4,472,359
Total Enterprise Oper Funds	\$ 38,002,531	\$ 401,288	\$ 1,208,683	\$ 37,195,136

INTERNAL SERVICE FUNDS

Fund	2019	As of March 31		
	Beginning Balance	2019 Actual Rev.	2019 Actual Exp.	Ending Balance
Equipment Rental	\$ 2,739,799	\$ 775,034	\$ 751,822	\$ 2,763,011
Environmental	523,398	103,873	32,069	595,202
Public Works Admin	628,658	310,050	288,527	650,181
Total Enterprise Oper Funds	\$ 3,891,855	\$ 1,188,957	\$ 1,072,418	\$ 4,008,394

EMPLOYEE BENEFIT RESERVES

Fund	2019	As of March 31		
	Beginning Balance	2019 Actual Rev.	2019 Actual Exp.	Ending Balance
Unemployment Comp Rsv	\$ 195,913	\$ 84,394	\$ 18,774	\$ 261,533
Employees Health Ben Rsv	2,685,318	3,021,731	3,044,867	2,662,182
Worker's Comp Rsv	(3,580)	778,267	261,794	512,893
Wellness/EAP	35,116	—	15,542	19,574
Total Employee Ben Reserve	\$ 2,912,767	\$ 3,884,392	\$ 3,340,977	\$ 3,456,182

RISK MANAGEMENT RESERVE

Fund	2019	As of March 31		
	Beginning Balance	2019 Actual Rev.	2019 Actual Exp.	Ending Balance
Risk Management Reserve	\$ 1,862,082	\$ 1,057,824	\$ 2,182,790	\$ 737,116

DEBT SERVICE & AGENCY FUNDS

Fund	2019	As of March 31		
	Beginning Balance	2019 Actual Rev.	2019 Actual Exp.	Ending Balance
GO Bond Redemption				
2002 GO Convention Center	\$ 166,440	\$ 231,199	\$ —	\$ 397,639
2005 GO Various Bonds	8,733	224,184	—	232,917
1996 GO LTD - Convention Center	73,292	61,522	—	134,814
LID Debt Service Control	41,826	27,338	—	69,164
Total GO Bond Redemption	\$ 290,291	\$ 516,905	\$ —	\$ 834,534
Water/Sewer Revenue Bond Redemption				
Water Rev Bonds & Debt Service	\$ 590,003	\$ —	\$ —	\$ 590,003
WW Rev Bond & 2008 Debt Service	260,397	—	(20,844)	281,241
Irrigation Bond Debt Service	120,276	—	27,526	92,750
WW Rev Bond Rsv & 2012 Debt Svc	2,548,911	—	(34,567)	2,583,478
Total W/S Rev Bond Redemption	\$ 3,519,587	\$ —	\$ (27,885)	\$ 3,547,472
Agency Funds				
Yakcorps	—	635,912	301,509	334,403
Cemetery Trust	684,396	1,817	—	686,213
Total Agency Funds	\$ 684,396	\$ 637,729	\$ 301,509	1,020,616