

City of Puyallup

July 2021 Financial Summary

General Fund at a Glance...

Budget vs Actual Comparison

	2020 ACT	2021 BUD	2021 EST	VARIANCE
Revenues	49,371,406	50,274,945	53,381,200	3,106,255
Expenditures	49,078,513	50,753,727	49,718,450	1,035,277
Gain/(Loss)	292,892	(478,782)	3,662,750	4,141,532

Results through July continue a strong positive trend for 2021. Revenues are projected to come in about \$3.1 million higher than budget and expenditures \$1 million below budget, creating an overall positive variance from budget of \$4.1 million.

The \$4.1 million difference between the budgeted and actual gain/(loss) amounts is the preliminary estimate of Tier 3 monies that could potentially be 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.

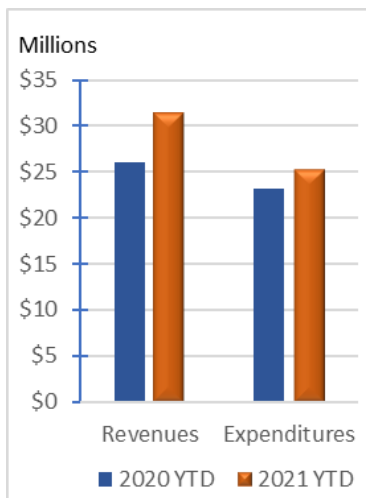
General Fund Reserves

	2020 ACT	2021 BUD	2021 EST
Beginning Balance	7,493,868	5,686,760	5,686,760
Ending Balance	7,786,760	5,207,978	9,349,510
less Tier 3	(2,100,000)		(2,761,000)
General Fund Reserve:	5,686,760	5,207,978	6,588,510
	11.5%	10.4%	12.3%

2021 year-end reserves are estimated at \$6.6 million, or 12.3% of revenues, after setting aside preliminary Tier 3 monies of nearly \$2.8 million for future allocation by Council.

In addition, 2020 Tier 3 monies of \$2.1 million remain available for one-time projects.

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)	25,971,777	31,379,351	5,407,573	20.8%
Expenditures (no trfs)	23,109,108	25,174,150	2,065,042	8.9%
Gain/(Loss)	2,862,670	6,205,201	3,342,531	116.8%

Through July, revenues and expenditures exceed last year and both remain consistent with expectations. The \$5.4 million revenue increase reflects robust sales tax collections, along with engineering, cemetery, plans review and recreation fees, and photo enforcement fines. Expenditures are \$2 million higher because departments are spending normally, whereas significant savings strategies were in place last year.

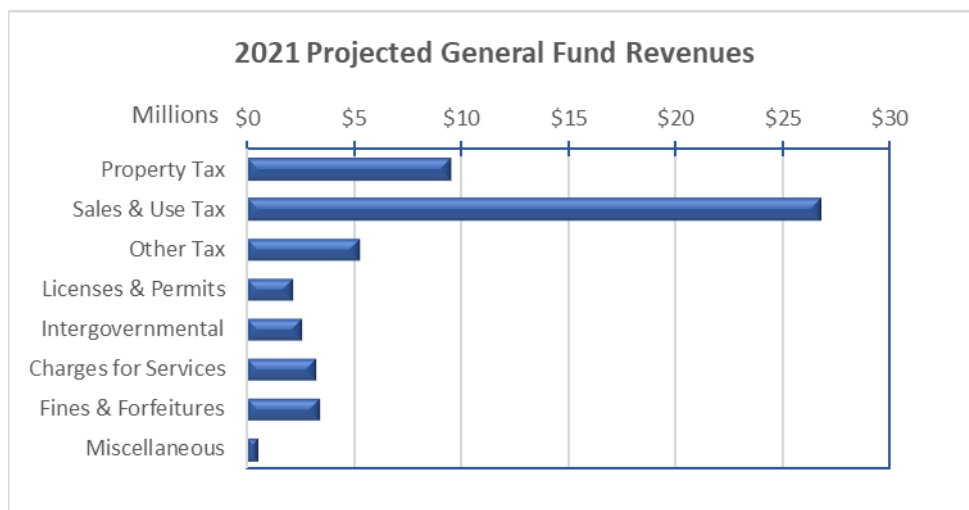
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General Fund Revenues by Type (excluding transfers)					
	2021 BUD	2021 YTD	2021 EST	VARIANCE	
Property Tax	9,370,130	5,152,379	9,531,500	161,370	1.7%
Sales & Use Tax	24,495,870	15,520,679	26,721,700	2,225,830	9.1%
Other Tax	5,207,240	2,690,476	5,231,900	24,660	0.5%
Licenses & Permits	1,888,360	1,307,544	2,145,800	257,440	13.6%
Intergovernmental	2,392,125	1,858,444	2,534,200	142,075	5.9%
Charges for Services	2,956,370	2,067,187	3,195,800	239,430	8.1%
Fines & Forfeitures	3,414,410	2,069,050	3,411,900	(2,510)	-0.1%
Miscellaneous	480,440	713,592	538,400	57,960	12.1%
Total Revenues	50,204,945	31,379,351	53,311,200	3,106,255	6.2%

Revenues are budgeted conservatively per the budget stability policy, with two exceptions for sales tax and development engineering fees. Through July, 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. Construction has significantly improved since the beginning of the year and is on track to be consistent with 2019 collections. While the Accommodations/Food sector has been the hardest hit by the pandemic, sales tax collections over the past three months have been at pre-pandemic levels. This is a positive sign that recovery in this sector is finally underway.

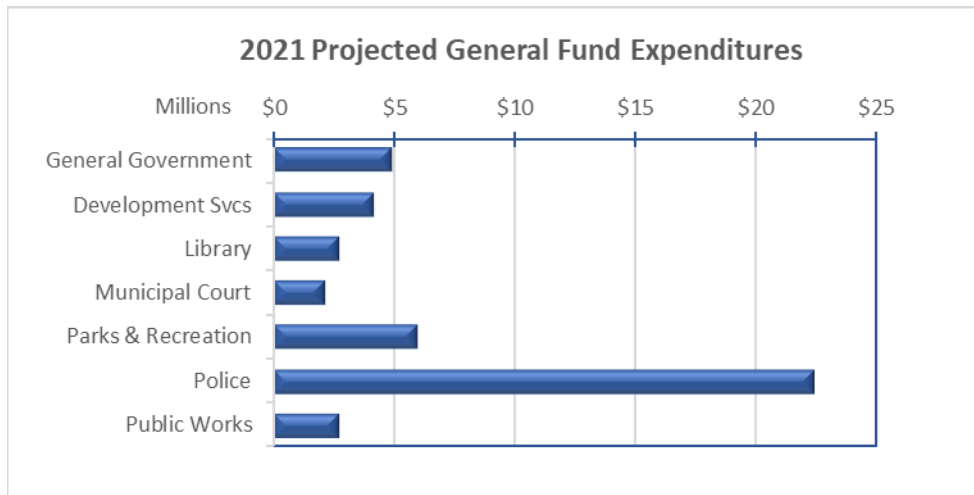


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General Fund Expenditures by Department (excluding transfers)					
	2021 BUD	2021 YTD	2021 EST	VARIANCE	
City Council	225,120	110,072	206,910	18,210	8.1%
City Manager	1,196,038	628,026	1,076,620	119,418	10.0%
City Clerk	391,700	226,915	371,100	20,600	5.3%
Dev & Permitting Svcs	4,261,212	2,562,556	4,137,340	123,872	2.9%
Finance	758,710	416,014	735,940	22,770	3.0%
Human Resources	457,930	234,281	429,780	28,150	6.1%
Legal	1,274,060	751,896	1,288,070	(14,010)	-1.1%
Library	2,979,940	1,406,694	2,695,710	284,230	9.5%
Municipal Court	2,147,323	1,242,202	2,138,410	8,913	0.4%
Non-Departmental	910,343	366,020	768,900	141,443	15.5%
Parks & Recreation	6,244,879	3,087,410	5,968,790	276,089	4.4%
Police	22,457,212	12,984,290	22,358,000	99,212	0.4%
Public Works	2,808,400	1,157,774	2,696,580	111,820	4.0%
Total Expenditures	46,112,867	25,174,150	44,872,150	1,240,717	2.7%

No major expenditure variances through July. Departments are authorized to spend up to their adopted budgets, without specific action needed to reduce spending. This could change if revenue projections become negatively impacted at any point in the year, although this seems unlikely given current trends.



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

City of Puyallup

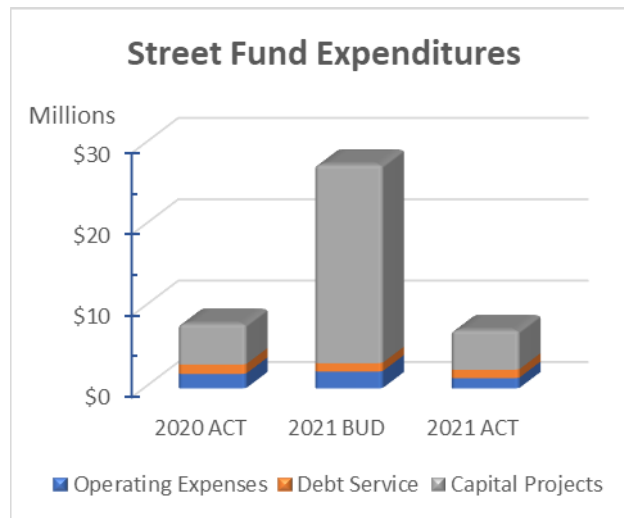
July 2021 Financial Summary

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 aggressively pursued to help offset costs of eligible capital projects.

Street Fund			
	2020 ACT	2021 BUD	2021 ACT
Beginning Balance	8,934,353	10,215,288	10,215,288
Fuel Tax/Multimodal Funds	385,937	429,490	217,930
Traffic Impact Fees	662,116	1,200,000	1,184,564
Capital Project Grants	1,932,349	9,753,550	5,635,180
Other Revenues	413,163	652,560	7,749
Transfers In	5,831,629	6,953,718	83,014
Total Revenues	9,225,195	18,989,318	7,128,438
Operating Expenses	1,784,997	2,077,810	1,265,513
Debt Service	1,156,219	1,031,770	1,030,763
Capital Projects	5,003,043	24,393,595	4,865,511
Transfers Out	-	-	-
Total Expenditures	7,944,260	27,503,175	7,161,787
Ending Balance	10,215,288	1,701,431	10,181,939

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



City of Puyallup

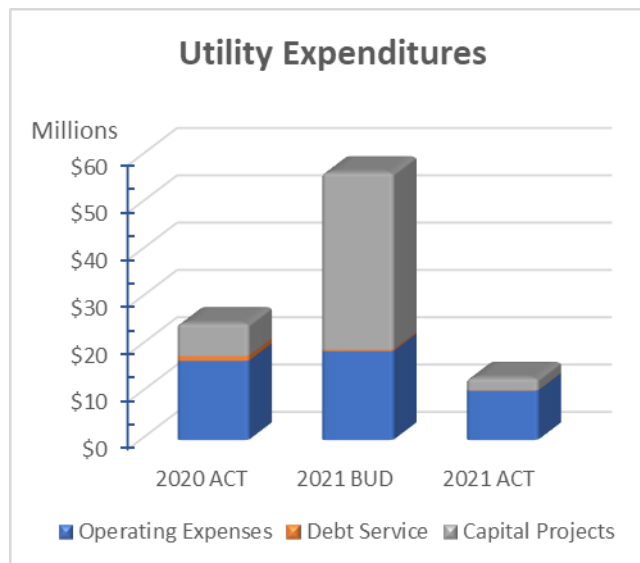
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Utilities at a Glance... (excluding transfers)

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 ACT
Beginning Balance	25,225,934	27,835,990	27,835,990
User Fees	23,709,811	24,478,020	14,039,371
System Dev Charges	1,945,322	1,980,860	2,322,900
Other Revenues	338,556	294,200	120,177
Grants	1,257,782	6,402,477	327,285
Total Revenues	27,251,471	33,155,557	16,809,734
Operating Expenses	16,724,182	18,760,230	10,428,228
Debt Service	1,039,799	347,200	55,614
Capital Projects	6,877,434	37,393,514	2,592,940
Total Expenditures	24,641,415	56,500,944	13,076,781
Ending Balance	27,835,990	4,490,603	31,568,943



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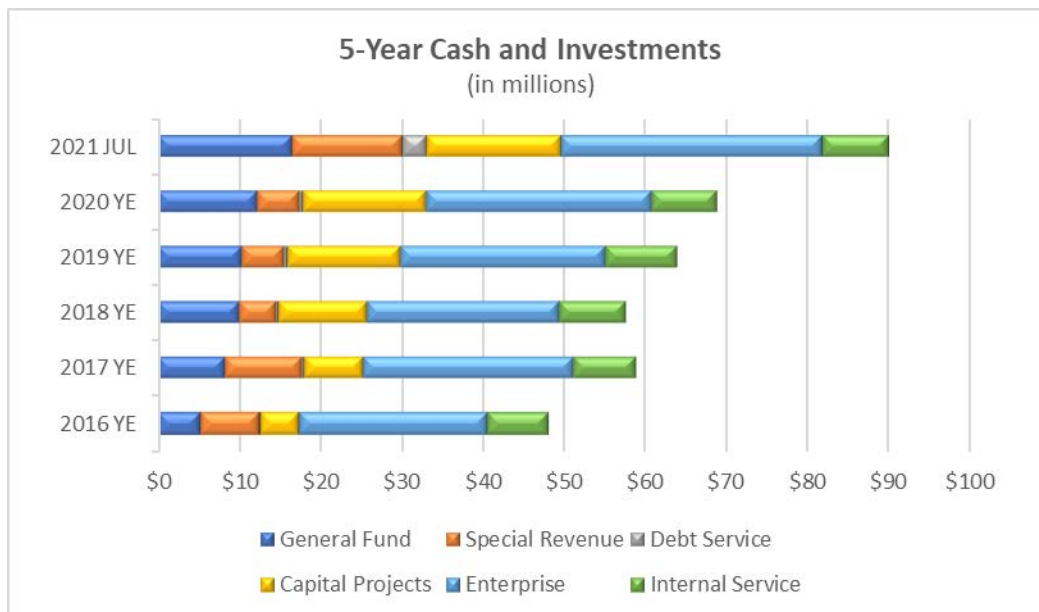
City-Wide Cash and Investments

	2016 YE	2017 YE	2018 YE	2019 YE	2020 YE	2021 JUL
General Fund	1,714,189	5,613,564	7,188,466	7,504,974	7,786,760	11,677,092
General Fund - Other	3,504,895	2,648,335	2,806,831	2,798,442	4,486,592	4,752,866
Special Revenue	7,245,450	9,455,865	4,562,016	5,261,402	5,119,889	13,637,684
Debt Service	282,095	288,292	305,283	517,046	505,658	3,018,207
Street Capital Projects	3,486,440	5,273,289	5,476,894	8,915,411	10,215,288	10,942,112
Parks Capital Projects	1,150,658	1,896,328	4,879,439	2,904,086	2,948,859	3,671,237
Facility Capital Projects	119,948	121,076	558,137	1,984,322	1,961,283	1,912,953
Enterprise - Utilities	23,046,430	25,887,173	23,569,469	25,214,816	27,833,412	32,203,648
Enterprise - Pavilion	101,306	87,234	97,165	95,158	90,373	109,059
Internal Service	7,545,047	7,662,713	8,350,700	8,885,049	8,008,817	8,165,888
Total	48,196,459	58,933,870	57,794,399	64,080,707	68,956,931	90,090,745

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

July 2021 Financial Summary

Summary by Fund (excluding transfers)						
	Revenues			Expenditures		
	Budget	YTD JUL	Balance	Budget	YTD JUL	Balance
General						
General Fund	50,204,945	31,379,351	18,825,594	46,112,867	25,174,150	20,938,717
Budget Stability Reserves	3,240	1,296	1,944	33,000	18,345	14,655
Radio Replacement	2,100	254	1,846	63,000	62,735	265
Donations to Puyallup	83,172	5,100	78,072	109,052	10,685	98,367
LEOFF 1 Retiree Benefits	4,330	671	3,659	557,840	248,511	309,329
Firemen's Pension	66,650	68,294	(1,644)	172,000	99,034	72,966
Total General Fund	50,364,437	31,454,966	18,909,471	47,047,759	25,613,460	21,434,299
Special Revenue						
Seizure and Forfeiture	50,550	69,802	(19,252)	65,960	19,116	46,844
DUI Cost Recovery	68,400	65,315	3,085	52,800	55,448	(2,648)
American Rescue Plan	-	5,913,156	(5,913,156)	-	11,922	(11,922)
Affordable Housing Sales Tax	-	109,844	(109,844)	-	-	-
Motel Tax	1,377,120	571,397	805,723	755,900	262,114	493,786
Trial Court Improvement	21,750	10,770	10,980	-	-	-
Lift Grant	1,011,000	360,524	650,476	-	-	-
Real Estate Excise Tax	2,011,000	1,543,190	467,810	-	-	-
Total Special Revenue Funds	4,539,820	8,643,998	(4,104,178)	874,660	348,600	526,060
Debt Service						
GO Bonds	-	-	-	3,389,950	873,897	2,516,053
PWTF & HIA Loans	-	-	-	332,120	332,116	4
Total Debt Service Funds	-	-	-	3,722,070	1,206,013	2,516,057
Capital Projects						
Streets	12,035,600	7,045,423	4,990,177	26,471,405	6,131,024	20,340,381
Parks	741,260	925,275	(184,015)	3,228,578	203,311	3,025,267
Facility	9,170	1,371	7,799	985,217	62,269	922,948
Total Capital Projects Funds	12,786,030	7,972,069	4,813,961	30,685,200	6,396,604	24,288,596
Enterprise						
Sanitation Utility	450,330	262,953	187,377	227,260	109,697	117,563
Water Utility	7,385,000	4,066,394	3,318,606	9,885,970	3,554,801	6,331,169
Sewer Utility	12,944,360	7,988,137	4,956,223	27,297,839	5,547,833	21,750,006
Storm & Surface Water Utility	12,375,867	4,492,251	7,883,616	19,089,875	3,864,450	15,225,425
Pavilion	289,250	138,513	150,737	355,040	132,941	222,099
Total Enterprise Funds	33,444,807	16,948,248	16,496,559	56,855,984	13,209,722	43,646,262
Internal Service						
Equipment Rental	2,390,790	1,439,905	950,885	2,585,940	1,410,665	1,175,275
Insurance	2,353,500	2,091,644	261,856	2,359,838	2,173,597	186,241
IT & Communications	3,843,160	2,211,316	1,631,844	4,981,511	2,185,699	2,795,812
Health Insurance	8,354,550	4,863,426	3,491,124	8,532,160	5,774,082	2,758,078
Facility Maintenance	2,443,290	1,212,600	1,230,690	2,440,350	1,222,544	1,217,806
Total Internal Service Funds	19,385,290	11,818,891	7,566,399	20,899,799	12,766,587	8,133,212
Grand Total	120,520,384	76,838,172	43,682,212	160,085,472	59,540,986	100,544,486