



City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:
January 2019 Financial Report

For Council Meeting Agenda of: June 17, 2019

Department: Finance and Administration

Prepared by: Joanne Gregory

Proposed Council Action/Motion:
Receive and File January 2019 Financial Report
for the City of Kenmore, Washington

Initial & Date
Approved by Department Head: JMG 5/31/19
Approved by City Attorney:
Approved by Finance Director: JMG 5/31/19
Approved by City Manager: [Signature]

Exhibits/Attachments:
January 2019 Financial Report for the City of Kenmore,
Washington.

INFORMATION/BACKGROUND:

The January 2019 monthly financial report is presented for Council review. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's biennium to date revenues and expenditures in comparison to the City's 2019-2020 adopted biennial budget. The budget was adopted on November 19, 2018.

FISCAL CONSIDERATION:

January is the first month of the 2019-2020 biennium. As of January, expenditures exceeded revenue in the General Fund by \$206,960. January expenditures typically include a number of one-time annual costs such as insurance, intergovernmental memberships and dues.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Kenmore Budget Policy 9a: A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date. Kenmore Budget Policy 9b: All budget amendments, both revenues and expenditures, will be noted in the monthly report.

Priority Based Budgeting Result: Governance: Supports decision-making with timely and accurate short-term and long-range analysis that enhances vision and planning.



18120 68TH AVE. NE
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Joanne Gregory, Finance Director
DATE: May 23, 2019
RE: January 2019 Financial Reports for the City of Kenmore, Washington

January 2019 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

- General Fund Summary
- Street Fund Summary
- Cash and Investment Report
- Investment Schedule
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution
- Real Estate Excise Tax Report
- Report for Transportation Benefit District

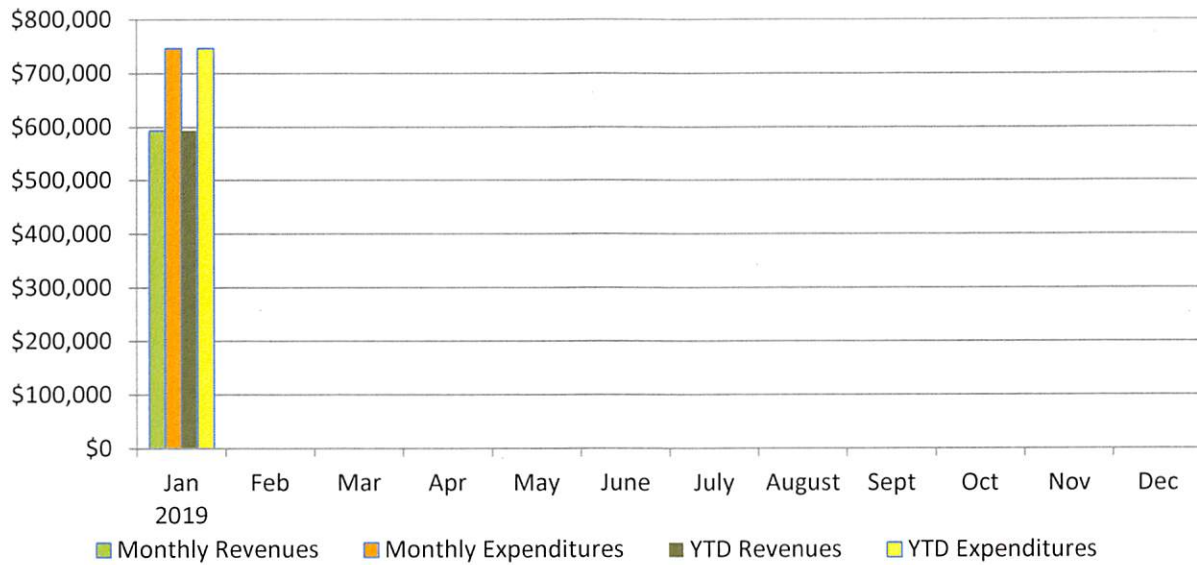
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, January is the first month (4%) of the 2019-2020 biennial budget period. For the month of January, expenditures exceeded revenues in the General Fund by \$206,960.

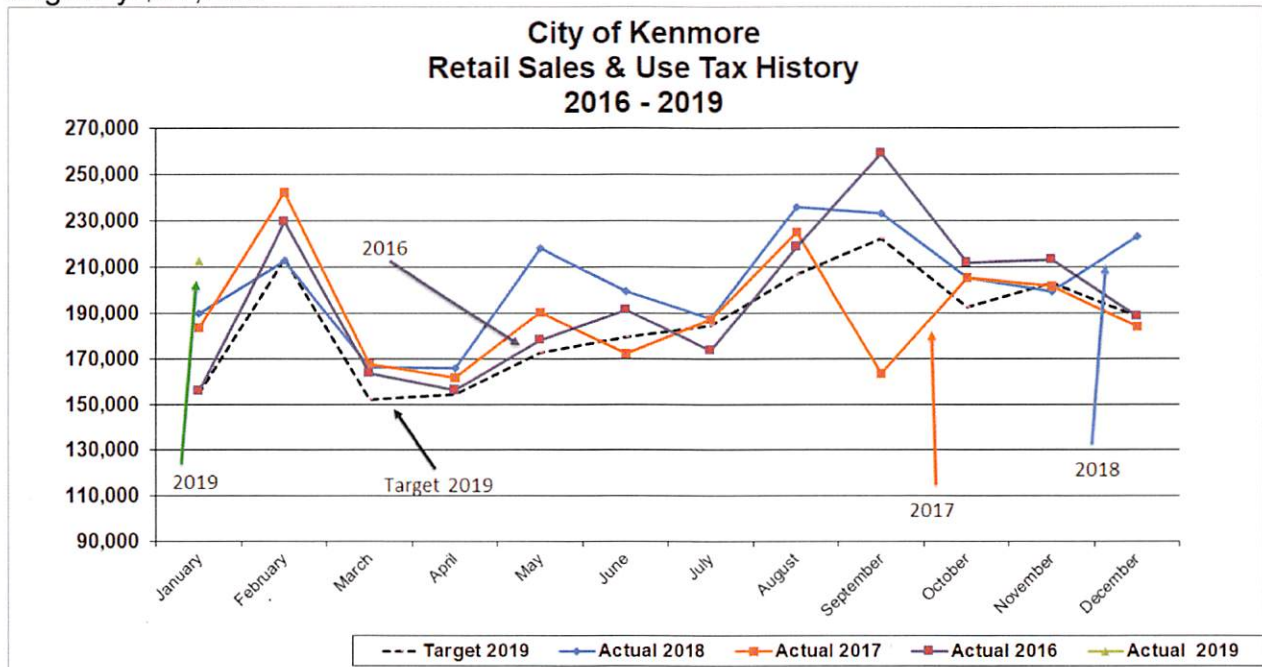
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through January 2019.

City of Kenmore, Washington
Monthly Financial Report
January 2019

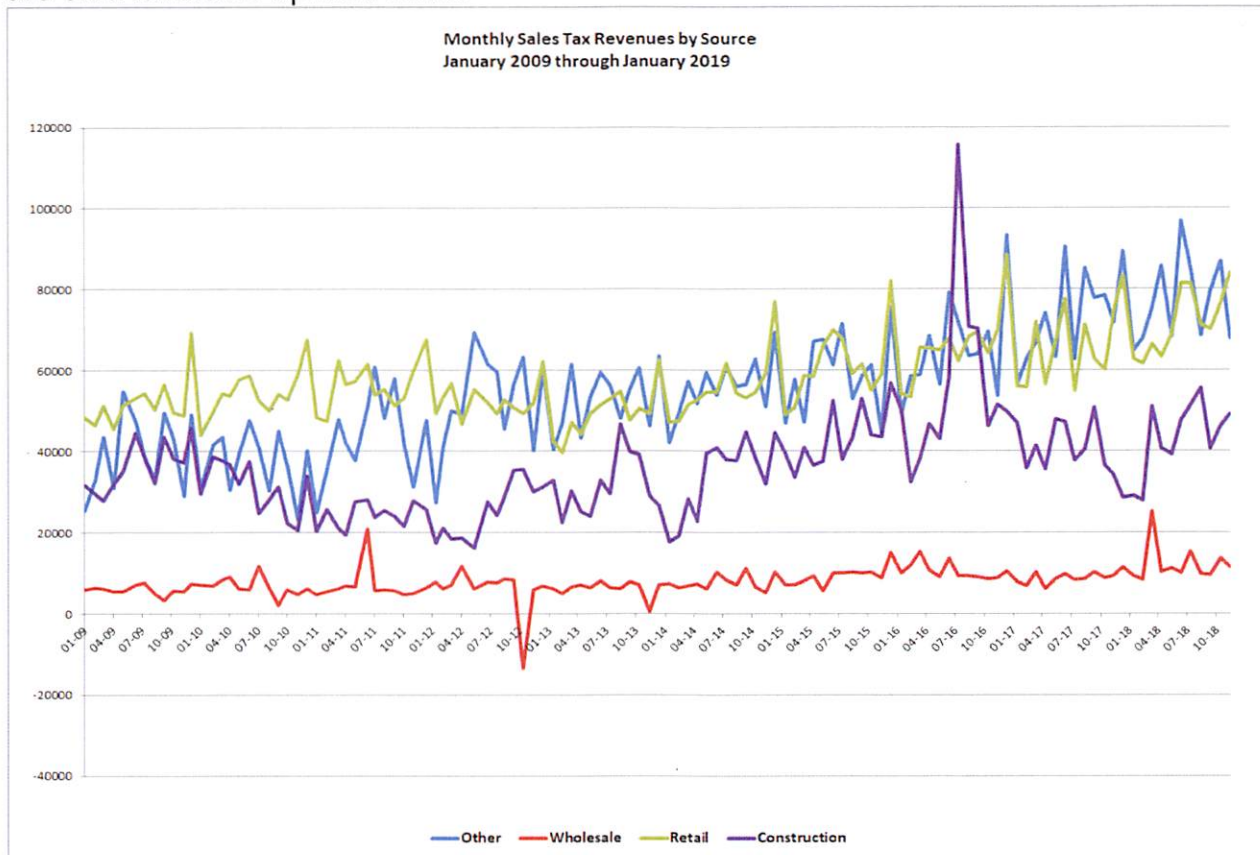


Total **revenues** for the month were **\$539,680**. Biennium to date revenues are \$539,680, which is 2% of the budgeted revenues of \$25,927,872. Primary sources of revenue for the month included property taxes in the amount of \$15,956, development fees & permits in the amount of \$66,225, retail sales and use taxes in the amount of \$212,512, and utility taxes in the amount of \$116,230.

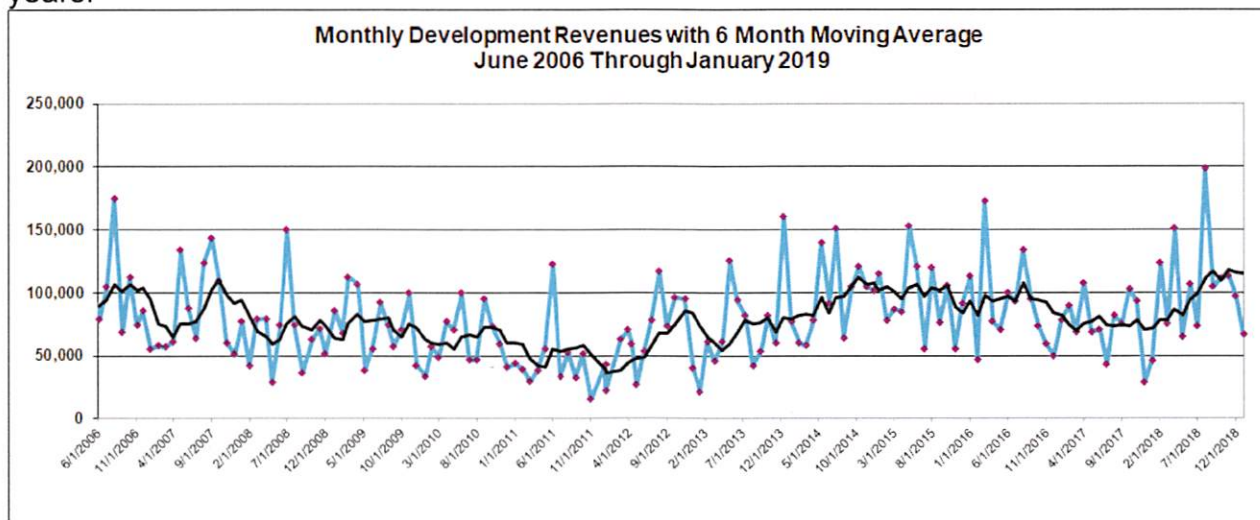
A summary of sales tax revenues received in January is attached. These receipts are based on November sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2019 line is a monthly average of actual receipts during 2016, 2017, and 2018. The green line represents 2019 actual receipts, which are \$22,798 above 2018 and ahead of the 2019 target by \$57,808.



The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2009 through January 2019. Retail and Other are on a favorable upward trend.



The following chart illustrates the development revenue activity over the last twelve years.



January 2019 expenditures were \$746,640. Biennium to date expenditures are \$746,640, which is 3% of the amended biennial budget expenditures of \$25,927,872.

Total City cash (\$17,014,799) and long-term investments (\$9,986,112), at the end of January, totaled \$27,000,911. Proposition 1 levy funds of \$8M are included in this cash balance. The Other Funds Monthly Activity graphs compare biennium to date revenues and expenditures to the 2019-2020 biennial budget.

Total non-General Fund revenues were \$321,603 and total non-General Fund expenditures were \$286,482.

In the **Street Fund** revenue from gas tax distributions was \$35,635. \$53,439 was expended for maintenance and operations during the month.

In the **Transportation Capital Fund**, there were expenditures in the amount of \$5,406 on overlay & pedestrian safety projects.

The **Park Impact Fee** fund received \$13,416 in revenues during the month.

There was \$43,698 in revenues for the **Transportation Impact Fee** fund during the month.

The **Real Estate Excise Tax** Fund received \$67,141 of real estate excise taxes (REET) in January from sales activity that occurred in December. 23 transactions were reported during the month. The 2019 year to date revenue is lower than the 2018 revenue by \$32,064, and the 2019 target by \$65,753.

The **Park Capital** fund had expenditures in the amount of \$56,429 on park improvement projects.

The **Walkways & Waterways Debt Service** Fund collected \$3,594 in property taxes related to the Prop 1 Bond for a biennium to date total revenue of \$3,594.

The **Transportation Benefit District** Fund received \$27,661 in vehicle license fees during the month.

SUMMARY

This concludes the financial report for the City of Kenmore as of **January 31, 2019**. I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.



	CURRENT PERIOD 2019-2020				PREVIOUS PERIOD 2017-2018			
	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	January 2019	2019-2020	BUDGET	2019-2020	January 2017	2017-2018	BUDGET	2017-2018
REVENUES								
Beginning Fund Balance		4,934,368		4,934,368		3,138,914		3,131,687
Property Taxes	15,956	15,956	0.2%	10,224,205	7,159	9,479,714	99.9%	9,491,704
Sales and Use Taxes	269,980	269,980	4.8%	5,662,000	230,735	6,020,092	101.9%	5,906,291
Utility Taxes	116,230	116,230	4.7%	2,466,355	135,701	2,375,561	87.4%	2,717,485
Other Taxes	12,299	12,299	6.8%	181,868	905	181,601	83.3%	218,113
Development Fees & Permits	66,225	66,225	3.6%	1,854,042	78,185	2,172,030	105.9%	2,050,518
Franchise Fees	0	0	0.0%	1,831,835	232,484	1,731,286	99.3%	1,743,476
Intergovernmental and Grants	47,201	47,201	4.5%	1,057,677	44,456	982,674	116.8%	841,615
Investment Interest	3,243	3,243	3.4%	95,300	-183	125,116	240.6%	52,000
Fines and Forfeitures	0	0	n/a	0	-295	16,791	0.0%	0
Transfers and Other Revenues	8,546	8,546	0.3%	2,554,590	572	2,107,146	131.6%	1,600,972
Total Revenues	539,680	539,680	2.1%	25,927,872	729,719	25,192,011	102.3%	24,622,174
Total Revenues & Beginning Fund Balance		5,474,049		30,862,240		28,330,925		27,753,861

	CURRENT PERIOD 2019-2020				PREVIOUS PERIOD 2017-2018			
	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET	MONTH	BIENNIUM TO DATE	% of	BIENNIUM BUDGET
	January 2019	2019-2020	BUDGET	2019-2020	January 2017	2017-2018	BUDGET	2017-2018
EXPENDITURES								
Cost Center								
City Council	22,063	22,063	5.5%	400,337	46,414	346,852	105.3%	329,426
City Manager	104,052	104,052	3.1%	3,331,467	90,835	3,316,565	99.6%	3,328,297
City Clerk	11,621	11,621	1.4%	856,966	24,157	474,950	111.7%	425,368
Finance	257,979	257,979	13.9%	1,851,887	247,649	1,757,967	105.1%	1,672,775
Legal	0	0	0.0%	530,000	0	525,190	105.0%	500,000
Interfund Transfers	0	0	0.0%	1,602,484	0	1,198,406	85.4%	1,403,228
Public Safety	4,167	4,167	0.0%	9,133,991	14,595	8,340,562	94.7%	8,806,304
Engineering & Environmental Services	46,711	46,711	2.8%	1,658,620	63,600	1,416,078	100.1%	1,415,011
Community Development	55,205	55,205	3.2%	1,698,893	38,519	1,445,670	84.3%	1,715,510
Developmental Services	118,215	118,215	4.9%	2,436,502	117,098	2,371,159	111.3%	2,131,288
Parks & Facility Maintenance	126,627	126,627	5.2%	2,426,725	21,351	2,203,157	77.2%	2,854,489
Total Expenditures	746,640	746,640	2.9%	25,927,872	664,218	23,396,557	95.2%	24,581,696
Ending Fund Balance	-206,960	4,727,409	0	4,934,368		4,934,368		3,172,165
Total Expenditures and Ending Fund Balance		5,474,049		30,862,240		28,330,925		27,753,861

*Non-Departmental expenditures have been moved to other General Fund Cost Centers

City of Kenmore, Washington
Street Fund Summary Report
January 31, 2019



	MONTH	BIENNIUM TO DATE	% of	BUDGET
	<u>January 2019</u>	<u>2019-2020</u>	<u>BUDGET</u>	<u>2019-2020</u>
REVENUES				
Beginning Fund Balance		926,962		926,962
Fuel Tax	35,635	35,635	3.5%	1,006,385
Investment Interest	507	507	10.1%	5,000
Miscellaneous	5,964	5,964	298.2%	2,000
ROW Permit Fees/Inspections	314	314	0.1%	240,000
Multimodal Transportation	0	0	0.0%	62,910
Transfer from General Fund	0	0	0.0%	1,602,484
Transfer from TBD	0	0	0.0%	716,000
Total Revenues	42,419	42,419	1.2%	3,634,779

Total Revenues & Beginning Fund Balance	969,381	4,561,741
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	BIENNIUM TO DATE	% of	BUDGET
	<u>2019-2020</u>	<u>BUDGET</u>	<u>2019-2020</u>
EXPENDITURES			
Salary and Benefits	50,417	50,417	3.8%
Maintenance & Operations	53,439	53,439	2.5%
Capital	1,348	1,348	0.9%
Total Expenditures	105,203	105,203	2.9%

Ending Fund Balance	864,178	926,962
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Total Expenditures and Ending Fund Balance	969,381	4,561,741
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City of Kenmore, Washington
Cash and Investment Report
January 31, 2019



<u>Fund</u>	Beg. Cash & Inv. from Prev. Mo.	Monthly Revenues	Monthly Expenditures	End. Cash & Inv. Current Month
General	\$4,934,368	\$539,680	\$746,640	4,727,408
Street	926,961	42,419	105,203	864,178
Transportation Capital	1,307,870	0	5,406	1,302,464
Public Art	69,515	54	0	69,569
Park Impact Fee	590,511	13,951	0	604,462
Transportation Impact Fee	2,711,962	45,894	0	2,757,857
Swamp Creek Basin	1,455,279	1,133	0	1,456,413
Transportation Benefit District	114,360	27,793	0	142,153
Sammamish Bridge Replacement	1,422,970	7,133	453	1,429,650
Walkways & Waterways Debt Service	189,963	3,594	0	193,556
Real Estate Excise Tax	771,265	70,148	0	841,414
Kenmore Village	3	0	0	3
Park Capital	130,204	0	56,429	73,775
Walkways & Waterways Bond	6,793,791	17,110	0	6,810,901
Surface Water Management	929,538	15,456	88,968	856,026
Surface Water Capital	0	0	1,302	(1,302)
Public Works Shop Fund	0	0	0	0
Strategic Reserve	1,309,777	1,020	0	1,310,797
Strategic Opportunities	2,169,361	1,714	0	2,171,075
Equipment Replacement	518,651	396	10,623	508,424
Trust & Agency	826,166	73,788	18,098	881,855
Totals	\$27,172,516	\$861,284	\$1,033,122	\$27,000,678

<u>Fund</u>	Cash, Savings, Local Govt Investment Pool	(> One Year) Fixed Investments	Total
General	-\$123,402	\$4,851,113	4,727,711
Street	14,178	850,000	864,178
Transportation Capital	1,302,464	0	1,302,464
Public Art	54,568	15,000	69,568
Park Impact Fee	-325,536	930,000	604,464
Transportation Impact Fee	2,727,860	30,000	2,757,860
Swamp Creek Basin	56,413	1,400,000	1,456,413
Transportation Benefit District	142,153	0	142,153
Sammamish Bridge Replacement	1,429,650	0	1,429,650
Walkways & Waterways Debt Service	193,556	0	193,556
Real Estate Excise Tax	841,412	0	841,412
Kenmore Village	0	0	0
Park Capital	73,775	0	73,775
Walkways & Waterways Bond	6,810,901	0	6,810,901
Surface Water Management	346,027	510,000	856,027
Surface Water Capital	-1,302	0	(1,302)
Public Works Shop Fund	0	0	0
Strategic Reserve	460,798	850,000	1,310,798
Strategic Opportunities	2,171,076	0	2,171,076
Equipment Replacement	58,424	450,000	508,424
Trust & Agency	781,851	100,000	881,851
Totals	\$17,014,865	\$9,986,113	\$27,000,978

City of Kenmore, Washington
Investment Schedule
January 31, 2019



			Average Yield to Maturity-Securities				Overall Average Yield		2.13%
Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield	Principal or Balance	Yield Equivalents	
Morgan Stanley									
	3134G9GR2	FHLMC	8/18/2020	8/7/2017	1.60%	1.62%	999,500.00	16,191.90	
	3130ACTL8	FHLB	11/25/2020	12/22/2017	1.95%	1.95%	997,650.00	19,454.18	
	3134GSEU5	FHLB	2/24/2021	5/23/2018	2.62%	2.62%	996,714.35	26,153.78	
	3133EHXL2	FHLB	3/5/2020	9/19/2017	1.54%	1.54%	999,000.00	15,384.60	
	3130AB3N4	FHLB	10/29/2019	4/28/2017	1.55%	1.55%	1,000,750.00	15,511.63	
Total Morgan Stanley Purchases							4,993,614.35	92,696.08	
Time Value Investments									
	3130A7RL1	FHLB	4/19/2021	1/26/2017	1.80%	1.80%	992,893.00	17,872.07	
	3133EJSU4	FFCB	12/26/2019	7/11/2018	2.53%	2.53%	1,001,561.00	25,339.49	
	76116FAG2	RFCSP	1/15/2021	5/31/2018	2.50%	2.50%	999,718.18	24,992.95	
	3135G0G23	FNMA	4/29/2019	11/24/2015	1.35%	1.35%	998,326.00	13,477.40	
Total TVI Purchases							3,992,498.18	81,681.92	
Sound Community Bank CD's									
Total Sound Community Bank CD's							0.00	0.00	
Opus Bank CD's									
	11495975	CD	8/10/2019	8/10/2018	2.37%	2.40%	1,000,000.00	24,000.00	
Total Cascade Bank CD's							1,000,000.00	24,000.00	
TOTAL ALL SECURITIES							\$ 9,986,112.53	\$ 198,378.01	
Banner Checking and Savings						0.07% Banner	2,026,742.39	1,418.72	
Opus Savings						2.55% Opus	3,065,152.05	78,161.38	
LGIP - Primary Account						2.49% LGIP	3,821,695.70	95,160.22	
LGIP - Bond Proceeds Account						2.49% LGIP	8,101,208.56	201,720.09	
Total Accounts						\$	27,000,911.23	574,838.42	

City of Kenmore, Washington
SALES TAX RECEIPTS BY BUSINESS TYPE
 January 2019

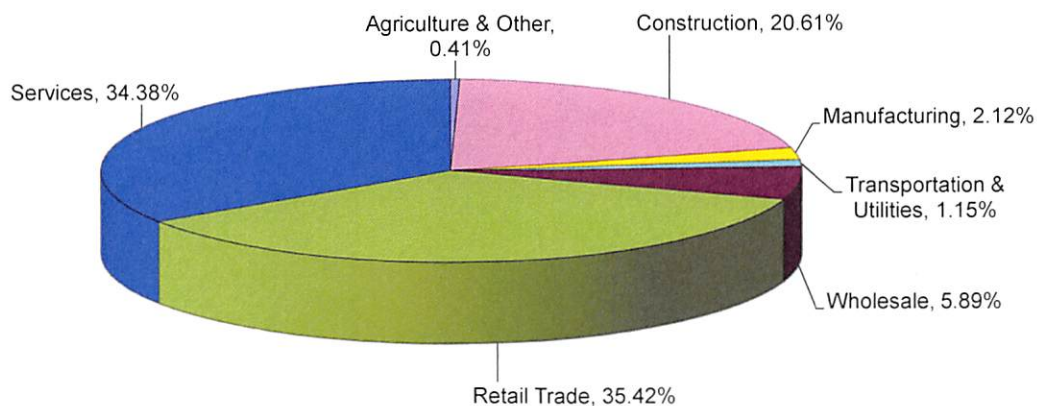
	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	22.78	0.00	22.78	0.0%
CONSTRUCTION	47,754.34	1,442.70	49,197.04	23.2%
MANUFACTURING	3,184.18	0.16	3,184.34	1.5%
TRANSPORTATION & UTILITIES	609.99	523.14	1,133.13	0.5%
WHOLESALE	11,291.78	62.18	11,353.96	5.3%
RETAIL TRADE	83,874.40	202.55	84,076.95	39.6%
SERVICES	50,261.03	486.55	50,747.58	23.9%
INFORMATION	8,769.78	17.50	8,787.28	4.1%
PUBLIC SERVICES	6.05	4,003.14	4,009.18	1.9%
	<u>205,774.33</u>	<u>6,737.92</u>	<u>212,512.25</u>	<u>100.0%</u>

City of Kenmore, Washington
Retail Sales and Use Tax Distribution
January 31, 2019



Industry	Prior 12 Months ending January 2018	Current 12 Months ending January 2019	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	\$1,440	\$10,127	603.20%	0.41%
Construction	503,592	507,007 *	0.68%	20.61%
Manufacturing (Printing, Publishing, Other Manuf.)	48,582	52,266	7.58%	2.12%
Transp/Comm/Utilities (Telecomm., Air Transport.)	21,393	28,368	32.60%	1.15%
Wholesale (Lumber, Other Wholesale)	105,118	144,973	37.92%	5.89%
Retail Trade (Eating, Merchandise, Food Stores)	797,796	871,380	9.22%	35.42%
Services (Auction, Recreation, Auto Repair, Financial)	812,619	845,846	4.09%	34.38%
Totals	\$2,290,539	\$2,459,966	7.40%	100%
Increase/(Decrease)		\$169,427	7.40%	

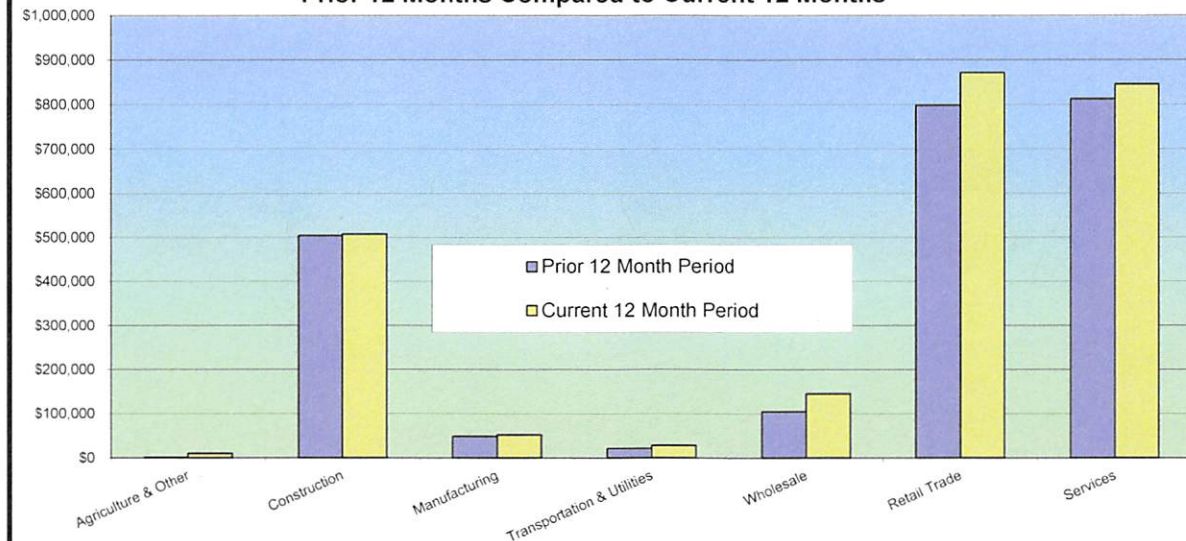
Retail Sales and Use Taxes by Industry
Current 12 Months Ending January 2019



NOTE: Due to the City's Confidentiality Agreement with the Department of Revenue, specific business information cannot be disclosed.

There is a sixty-day lag between sales taxes collected and when they are remitted to the City

Retail Sales and Use Taxes by Industry
Prior 12 Months Compared to Current 12 Months



City of Kenmore, Washington
Real Estate Excise Tax Report
January 31, 2019



Real Estate Excise Taxes (REET)
2016 - 2019 Monthly Receipts

	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Target 2019
January	122,819	176,657	99,205	67,141	132,894
February	70,146	94,134	82,263		82,181
March	110,066	170,086	89,698		123,284
April	133,161	126,245	148,514		135,973
May	129,599	139,422	144,906		137,976
June	167,575	211,430	181,182		186,729
July	177,426	163,138	181,974		174,179
August	165,397	114,754	115,421		131,857
September	136,176	221,719	128,704		162,200
October	150,786	186,805	97,998		145,196
November	124,437	150,187	102,373		125,666
December	131,651	146,159	112,490		130,100
	\$1,619,239	\$1,900,736	\$1,484,728	\$67,141	\$1,668,234

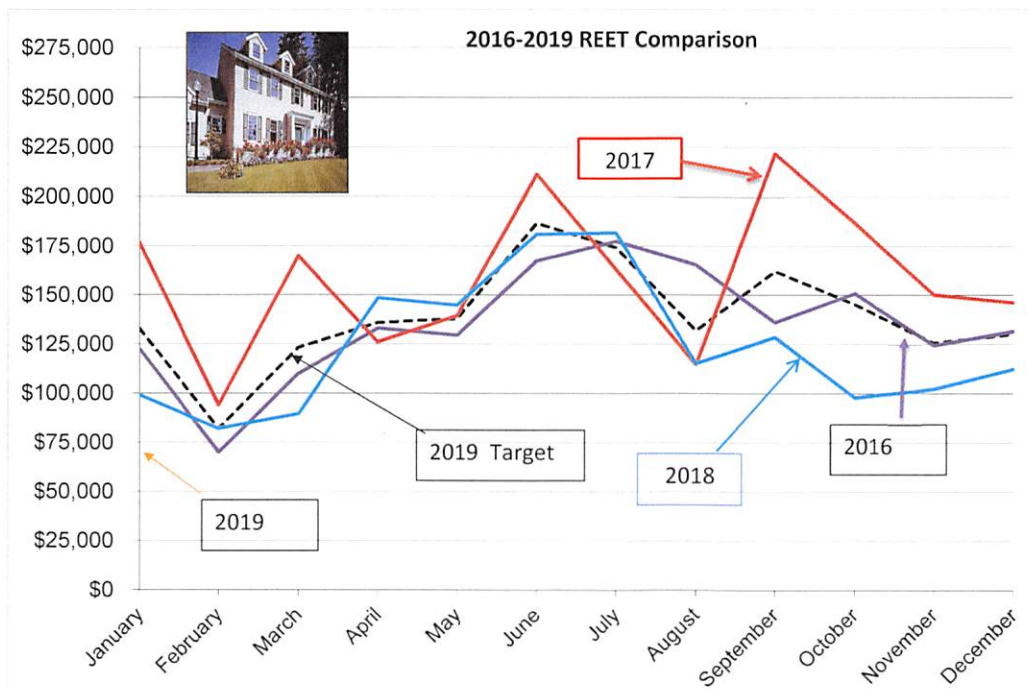
For 2019, REET is \$32,064 less than the same period last year and less than the 2019 target by \$65,753

* NOTE THE 2019 target is computed on a 3 year average (2016-2018) of actual receipts

Real Estate Excise Taxes (REET)
2016 - 2019 Property Sales > \$500,000

sales actually occur in the prior month; there is a 30 day lag between sales and when the City receives the rev.

	2016	2017	2018	2019	2016	2017	2018	2019
January	18,590,517	27,548,430	17,379,581	12,424,500	92,023	136,365	86,029	61,501
February	9,701,034	19,017,050	15,277,640		48,020	94,134	75,624	0
March	15,147,174	29,692,641	13,818,387		74,979	146,979	68,401	0
April	21,160,913	19,953,544	23,896,450		104,747	98,770	118,287	0
May	19,813,122	24,277,456	25,710,632		98,075	120,173	127,268	0
June	26,065,161	36,414,050	31,816,871		129,023	180,250	157,494	0
July	24,020,546	28,779,145	32,800,185		118,902	142,457	162,361	0
August	21,648,781	18,859,991	19,693,600		107,161	93,357	97,483	0
September	16,950,242	38,431,272	22,172,221		83,904	190,235	109,752	0
October	21,157,409	31,278,148	14,697,849		104,729	154,827	72,754	0
November	16,916,011		16,347,581		83,734	0	80,921	0
December	20,607,695	25,603,889	19,908,284		102,008	126,739	98,546	0
	\$231,778,605	\$299,855,616	\$253,519,281	\$12,424,500	1,147,305	\$1,484,286	\$1,254,920	\$61,501



Kenmore Transportation Benefit District
Monthly Report
January 31, 2019



<u>Revenues</u>	<u>January 2019</u>	<u>Biennium-to-Date</u>	<u>Percent of Budget</u>	<u>Biennium Budget</u>
Vehicle Fees	27,661	27,661	3.90%	710,000
Investment Interest	132	132	1.65%	8,000
Total Revenues	<u>\$27,793</u>	<u>\$27,793</u>	3.87%	<u>\$718,000</u>
 <u>Expenditures</u>				
Reimbursement to Street Fund	0	0	0.00%	716,000
Total Expenditures	<u>0</u>	<u>0</u>	0.00%	<u>716,000</u>
Net Income (Loss)	<u>\$27,793</u>	<u>\$27,793</u>		<u>\$2,000</u>

Monthly TBD Revenues from May 2013 (Inception) to January 2019

