



CITY OF
BAINBRIDGE ISLAND

Memorandum

Date: February 26, 2021
 To: Ellen Schroer, Interim City Manager; City Council
 From: Finance Department
 Subject: January 2021 Financial Report

INTRODUCTION:

This report presents a comparison of year-to-date (YTD) financial information between the current year and prior year in two categories: tax-supported funds and utility funds. Generally, tax-supported funds' revenues are supported by tax inflows, while utility funds generate revenue by charging fees for services. Table 1 shows which funds fall into each of the two categories, and includes revenue, expenditure, and fund balance data by fund. January 2021 starting fund balances are not finalized and are subject to change through April 2021 while 2020 year-end processes continue.

Table 1

FUND NAME	2021 STARTING FUND BALANCE	YTD 2021 REVENUES	YTD 2020 REVENUES	YTD 2021 EXPEN SES	YTD 2020 EXPEN SES	YTD 2021 TRAN SFERS	YTD 2020 TRAN SFERS	JANUARY 2021 ENDING FUND BALANCE	RESERVES
Tax Supported Funds									
General Fund	\$ 16,298,524	\$ 967,806	\$ 1,175,586	\$ (1,290,584)	\$ (1,391,916)	\$ (800,537)	\$ -	\$ 15,175,209	\$ 6,101,420
Street Fund	\$ 81,176	\$ 37,048	\$ 244,013	\$ (197,306)	\$ (261,225)	\$ 160,258	\$ 400,000	\$ 81,176	N/A
REET Fund	\$ 2,211,651	\$ 164,582	\$ 198,795	\$ -	\$ -	\$ (762,791)	\$ -	\$ 1,613,443	N/A
Civic Impr. Fund	\$ 404,264	\$ 13,439	\$ 20,242	\$ -	\$ -	\$ -	\$ -	\$ 417,704	N/A
Affordable Housing Fund	\$ 405,502	\$ 3,850	\$ -	\$ (700)	\$ (22,510)	\$ -	\$ -	\$ 408,652	N/A
General Obligation Bond Fund	\$ 5,032	\$ 1,245	\$ 1,198	\$ -	\$ -	\$ 78,533	\$ -	\$ 84,810	N/A
Trans. Benefit Fund	\$ 1,190,732	\$ 60,781	\$ 40,918	\$ -	\$ -	\$ -	\$ (400,000)	\$ 1,251,513	N/A
Trans. Impact Fund	\$ 181,901	\$ 3,503	\$ 20,257	\$ -	\$ -	\$ -	\$ -	\$ 185,405	N/A
Capital Const. Fund	\$ 10,055,891	\$ 150,000	\$ 89,039	\$ (24,435)	\$ (8,770,536)	\$ 1,099,000	\$ -	\$ 11,280,456	N/A
Building Svs. Fund	\$ 10,000	\$ 78,311	\$ 77,481	\$ (303,848)	\$ (303,550)	\$ 225,537	\$ -	\$ 10,000	N/A
	\$ 30,844,673	\$ 1,480,566	\$ 1,867,530	\$ (1,816,873)	\$ (10,749,738)	\$ -	\$ -	\$ 30,508,366	\$ 6,101,420
Utility Funds									
Water Fund	\$ 7,229,414	\$ 80,927	\$ 103,009	\$ (130,424)	\$ (135,636)	\$ -	\$ -	\$ 7,179,918	\$ 353,055
Sewer Fund	\$ 6,120,693	\$ 265,765	\$ 275,711	\$ (254,769)	\$ (362,799)	\$ -	\$ -	\$ 6,131,688	\$ 1,667,055
Storm Water Fund	\$ 3,740,238	\$ 8,042	\$ 8,823	\$ (122,089)	\$ (128,551)	\$ -	\$ -	\$ 3,626,191	\$ 501,220
	\$ 17,090,345	\$ 354,734	\$ 387,543	\$ (507,282)	\$ (626,986)	\$ -	\$ -	\$ 16,937,798	\$ 2,521,330

TAX-SUPPORTED FUNDS:

Revenues of \$1.5 million in the City's tax-supported funds were \$387,000 or 20.7% lower through the month of January 2021 compared to the same time frame in 2020. This variance is largely due to lower utility tax and commercial parking tax received compared to January 2020. Other notable variances are further explained below. Expenditures were \$8.9 million lower through the month of January compared to the same time frame in 2020 due to the purchase of the Harrison Property for the Police Court Facility

in January of 2020. Otherwise, 2021 expenses were very close to this time last year. Staff are closely monitoring trends in the following revenues and expenditures:

- Sales tax revenue through the end of January at \$484,000 was within a \$1000 of the same period in 2020. This is remarkable in that the impact of Covid-19 was not reflected in revenue in January of 2020. Revenue from the construction and retail trade industries each accounted for 29% and 38% of the 2021 sales tax revenue respectively.
- REET revenue through the end of January at \$164,000 was \$33,000 or 17% lower in 2020 compared to January 2020. Volume is up 17% with 42 properties sold, but the average selling price is down 22% at \$790,000.
- Street Fund revenue through the end of January at \$37,000 was \$207,000 or 85% lower than January 2020 primarily from less commercial parking lot tax collected in January due to less ferry travel during the pandemic.
- Revenue generated by building and development service (B&DS) fees through the end of January at \$78,000 was 1% greater than in January 2020.
- Federal and state grant revenue through the end of January at \$157,000 was \$68,000 or 74% higher in January 2021 compared to January 2020. Funding received in 2021 was for the Wyatt Way Reconstruction Project and Vessel Removal Grant.
- Expenditures for professional services through the end of January were \$28,000 or 62% lower in 2021 compared to the end of January in 2020. 2021 expenditures include professional services for legal matters, providing community services, and a B&DS rate study.
- Salary and Benefits for Tax Supported Funds were \$99,000 or 8% lower in January 2021 than in January 2020 due to vacancies.

UTILITY FUNDS:

Revenues in the City's utility funds were \$33,000 or 8% lower in January 2021, and expenditures were \$120,000 or 19% lower compared to January 2020¹. The decrease in expenditures is mainly due to variations in capital project spending and operating labor. Staff are closely monitoring trends in the following key revenues and expenditures:

- Water and Sewer charges through the end of January 2021 increased \$15,000 or 5% compared to the same time frame in 2020 due to increased rates and new customers.
- Water and sewer connection fee revenues through the end of January 2021 were at \$10,000 compared to \$36,000 at the end of January 2020. This revenue source varies depending on development activity and is largely supported by residential development.
- Investment Revenue decreased by \$24,000 or 84% through the end of January 2021 compared to the same time frame in due to changing economic conditions.
- There were no capital expenditures in the utility funds through the end of January 2021 compared to \$126,000 on the Village Pump Station Project in January 2020.

¹ The City's three utility funds are individually self-supporting, generating revenue by charging for services provided. While utility revenue figures are combined and reported on together for this report, it should be noted that revenue from one utility cannot be used to support the expenditures of another utility. Please see Table 1 for additional details on each of the City's three utility funds.