



CITY OF  
BAINBRIDGE ISLAND

MEMORANDUM

DATE: March 23, 2021  
 TO: Ellen Schroer, Interim City Manager; City Council  
 FROM: Finance Department  
 SUBJECT: February 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 I shows which funds fall into each of the two categories, and includes revenue, expenditure, and fund balance data by fund. 2021 starting fund balances are not finalized and are subject to change through April 2021 while the 2020 year-end processes continue.

FUND NAME	2021 STARTING FUND BALANCE	YTD 2021 REVENUES	YTD 2020 REVENUES	YTD 2021 EXPENSES	YTD 2020 EXPENSES	YTD 2021 TRANSFERS	YTD 2020 TRANSFERS	FEBRUARY 2021 ENDING FUND BALANCE	RESERVES
<b>Tax Supported Funds</b>									
General Fund	\$ 16,236,596	\$ 2,337,394	\$ 2,485,519	\$ (2,674,932)	\$ (2,649,703)	\$ (936,240)	\$ (101,886)	\$ 14,962,818	\$ 6,081,361
Street Fund	\$ 61,824	\$ 112,884	\$ 331,599	\$ (459,889)	\$ (439,559)	\$ 449,956	\$ 436,000	\$ 164,775	N/A
REET Fund	\$ 2,211,651	\$ 322,352	\$ 314,950	\$ -	\$ -	\$ (1,131,022)	\$ (143,507)	\$ 1,402,982	N/A
Civic Impr. Fund	\$ 404,264	\$ 24,504	\$ 40,254	\$ (8,337)	\$ (17,877)	\$ -	\$ (12,000)	\$ 420,431	N/A
Affordable Housing Fund	\$ 375,502	\$ 8,499	\$ 56	\$ (1,400)	\$ (22,510)	\$ -	\$ -	\$ 382,602	N/A
General Obligation Bond Fund	\$ 5,199	\$ 20,195	\$ 18,003	\$ -	\$ -	\$ 157,066	\$ 143,507	\$ 182,459	N/A
Trans. Benefit Fund	\$ 1,190,732	\$ 111,865	\$ 113,914	\$ -	\$ -	\$ -	\$ (400,000)	\$ 1,302,597	N/A
Trans. Impact Fund	\$ 181,901	\$ 34,495	\$ 23,761	\$ -	\$ -	\$ -	\$ -	\$ 216,396	N/A
Capital Const. Fund	\$ 10,056,321	\$ 336,756	\$ 98,810	\$ (229,930)	\$ (9,017,201)	\$ 1,099,000	\$ -	\$ 11,262,147	N/A
Building Svcs. Fund	\$ 17,229	\$ 179,813	\$ 142,992	\$ (548,282)	\$ (544,719)	\$ 361,240	\$ 77,886	\$ 10,000	N/A
	\$ 30,741,220	\$ 3,488,758	\$ 3,569,860	\$ (3,922,770)	\$ (12,691,568)	\$ -	\$ -	\$ 30,307,208	\$ 6,081,361
<b>Utility Funds</b>									
Water Fund	\$ 7,208,298	\$ 205,452	\$ 238,420	\$ (315,415)	\$ (262,328)	\$ -	\$ -	\$ 7,098,334	\$ 356,574
Sewer Fund	\$ 6,087,437	\$ 690,519	\$ 700,685	\$ (551,734)	\$ (590,948)	\$ -	\$ -	\$ 6,226,222	\$ 1,665,732
Storm Water Fund	\$ 3,782,075	\$ 72,081	\$ 408,077	\$ (211,012)	\$ (248,297)	\$ -	\$ -	\$ 3,643,144	\$ 491,121
	\$ 17,077,810	\$ 968,052	\$ 1,347,182	\$ (1,078,162)	\$ (1,101,573)	\$ -	\$ -	\$ 16,967,700	\$ 2,513,427

**TAX-SUPPORTED FUNDS:**

Revenues of \$3.5 million in the City's tax-supported funds were \$148,000 or 6% lower through the month of February 2021 compared to the same time frame in 2020. This variance is largely due to lower commercial parking tax received compared to February 2020. Other notable variances are further explained below. Expenditures were \$8.8 million lower through the month of February 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 \$167,000 or XX% more in 2021 than this time last year. Staff are closely monitoring trends in the following revenues and expenditures:

- Sales tax revenue through the end of February was \$45,000 or 4% more than the same period in 2020. This is remarkable in that the impact of Covid-19 was not reflected in revenue in February of 2020. Revenue from the construction and retail trade industries each accounted for 28% and 39% of the 2021 sales tax revenue, respectively.
- REET revenue through the end of February was \$7,000 or 2% lower in 2021 compared to February 2020. Volume is up 21% with 82 properties sold, but the average selling price is down 22% at \$792,000.
- Street Fund revenue through the end of February at \$113,000 was \$219,000 or 66% lower than February 2020 primarily from less commercial parking lot tax collected through February due to less ferry travel during the pandemic.
- Revenue generated by building and development service (B&DS) fees through the end of February at \$180,000 was 26% greater than in February 2020.
- Federal and state grant revenue at \$371,000 was \$268,000 higher in February 2021 compared to the same period in 2020. The majority of the funding received in 2021 to date was for the Wyatt Way Reconstruction.
- Transfers out of REET were for operating transfers to Streets Fund, debt service, and to fund capital projects for Country Club Rd and Sound to Olympics - Sakai Pond Trail.
- Salary and Benefits for Tax Supported Funds were \$75,000 or 3% lower through February 2021 than through February 2020 due to vacancies.

#### UTILITY FUNDS:

Revenues in the City's utility funds were \$379,000 or 28% lower in February 2021, and expenditures were \$23,000 or 2% lower compared to February 2020<sup>1</sup>. The decrease in revenues is largely attributed to the timing of Storm Water Management charges being mainly in March 2021 vs. February last year for the first quarter. The decrease in expenditures are 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 February 2021 increased \$35,000 or 4% 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 February 2021 were at \$57,000 compared to \$80,000 at the end of February 2020. This revenue source varies depending on development activity and is largely supported by residential development.
- Capital expenditures in the utility funds through the end of February 2021 were \$152,000 which was \$11,000 less than through February of 2020.

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<sup>1</sup> 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.