



Agenda Bill No. 17-086

TO: Mayor Guier and City Council Members**FROM:** Richard A. Gould, City Administrator**MEETING DATE:** August 14, 2017**SUBJECT:** Motion to approve the 2017 Second Quarter financial reports

ATTACHMENTS: 2017 Second Quarter Financial Reports, which include:

- Cash flow report,
- Investment report
- First Quarter Summary Financial Report.
- Narrative for the quarterly report.

Previous Council Review Date:

Summary: City Finance Staff has reviewed the second quarter financial reports. The Mayor has as well. Department heads will be meeting with the City Administrator this coming week to go over their areas of management to prepare for the budget amendment and second half of the year. The Finance Committee meeting to discuss the 2017 second quarter financial reports was cancelled due to extenuating circumstances. However due to the positive aspect of the 2017 financial reports to date (increase in cash position of \$921.8K) staff feels confident in bringing them before the City Council. Staff will use the information/data from these reports to prepare the mid-year budget amendment that will come to the Council either on August 21st or September 5th addressing areas that need to be cleaned up or added. This will come to the Finance Committee later this month.

Recommendation/Action: Staff recommends that the City Council approve the 2017 second quarter financial reports.

Motion for Consideration: I move to approve the 2017 Second Quarter Financial Reports as reviewed by the Mayor and City staff.

Budget Impact: N/A

Alternatives: N/A

2017 FUND TOTALS

City Of Pacific
MCAG #: 0423

Time: 13:58:28 Date: 07/13/2017

January To June

Page: 1

| REVENUES | January | February | March | April | May | June | July | August | September | October | November | December | Total | Budgeted Amt | % |
|------------------------------------|---------------|------------|--------------|--------------|--------------|--------------|------|--------|-----------|---------|----------|----------|---------------|---------------|------|
| 001 General Fund | 2,524,383.59 | 255,095.12 | 417,340.74 | 632,602.46 | 531,742.17 | 262,866.37 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,624,030.45 | 6,791,198.64 | 68% |
| 098 General Fund Equipment Reserve | 45,059.42 | 12,123.02 | 12,088.13 | 12,203.58 | 12,139.58 | 12,086.33 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 105,700.06 | 205,725.71 | 51% |
| 099 General Fund Cumulative Reserv | 382,566.85 | 669.71 | 32.16 | 700.04 | 276.91 | 40.40 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 384,286.07 | 383,749.49 | 100% |
| 101 Street | 144,862.53 | 25,517.39 | 27,603.04 | 23,588.03 | 27,064.20 | 28,286.34 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 276,921.53 | 945,759.29 | 29% |
| 107 Tourism | 120,735.42 | 1,197.46 | 1,014.99 | 1,593.84 | 1,527.25 | 1,558.28 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 127,627.24 | 154,078.49 | 83% |
| 209 LID 6 Redemption | 4,230,057.63 | 0.00 | 0.00 | 0.00 | 0.00 | 503,654.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,733,712.24 | 0.00 | 0% |
| 210 LID 6 Reserve | 0.00 | 0.00 | 579,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 579,000.00 | 0.00 | 0% |
| 300 Municipal Capital Improvements | 605,820.94 | 5,516.56 | 125,769.33 | 11,638.20 | 13,321.80 | 82,234.73 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 844,301.56 | 673,070.62 | 125% |
| 301 Roads Capital Improvements | 303,706.94 | 15,492.88 | 20,470.95 | 21,509.36 | 23,590.93 | 17,181.35 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 401,952.41 | 1,087,170.06 | 37% |
| 305 Parks Capital Improvement | 99,369.85 | 2,766.51 | 5,099.59 | 3,542.50 | 2,160.59 | 2,094.76 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 115,033.80 | 163,267.42 | 70% |
| 308 Valentine Road Project | 190,496.35 | 439.19 | 14.37 | 310.31 | 120.52 | 17.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 191,398.24 | 254,282.84 | 75% |
| 309 West Valley | 63,484.09 | 9,392.39 | 9,380.72 | 9,511.16 | 9,434.58 | 9,384.68 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 110,587.62 | 428,149.54 | 26% |
| 310 Stewart/Thornton Ave Rd Projec | 56,346.49 | 63.73 | 4.73 | 103.05 | 40.76 | 5.95 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 56,564.71 | 86,424.94 | 65% |
| 333 Fire Capital Improvement | 85,479.71 | 585.79 | 6,224.22 | 4,343.57 | 69.68 | 10.17 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 96,713.14 | 63,231.00 | 153% |
| 401 Water | 458,218.96 | 119,419.32 | 144,428.04 | 111,421.25 | 121,177.98 | 71,568.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,026,234.05 | 1,729,727.43 | 59% |
| 402 Sewer | 202,633.93 | 179,143.67 | 196,939.77 | 190,757.06 | 181,987.84 | 173,694.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,125,156.88 | 2,238,970.86 | 50% |
| 403 Garbage | 278,245.19 | 502.20 | 23.39 | 509.18 | 201.41 | 29.39 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 279,510.76 | 309,137.33 | 90% |
| 406 Water Capital Improvement | 776,665.22 | 5,815.31 | 41,616.33 | 14,719.83 | 638.21 | 188.63 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 839,643.53 | 3,355,134.62 | 25% |
| 408 Sewer Cumulative Fund | 673,625.77 | 6,975.38 | 10,382.38 | 5,383.09 | 4,644.84 | 4,236.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 705,247.46 | 965,732.92 | 73% |
| 409 Storm | 773,340.36 | 68,850.29 | 71,388.59 | 68,868.84 | 68,297.75 | 70,823.46 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,121,569.29 | 1,590,414.43 | 71% |
| 410 Stormwater Facility Fund | 236,525.87 | 11,469.91 | 16,785.24 | 13,092.46 | 10,587.63 | 10,442.18 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 298,903.29 | 471,402.01 | 63% |
| 411 Pierce County Water Area | 122,152.81 | 349.98 | 10.28 | 223.78 | 88.52 | 43,671.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 166,496.37 | 259,963.37 | 64% |
| 499 Utilities Equipment Reserve | 347,154.62 | 15,008.60 | 14,197.05 | 14,854.10 | 14,449.69 | 14,209.44 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 419,873.50 | 603,879.83 | 70% |
| 601 Customer Deposits | 5,159.91 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,159.91 | 5,160.00 | 100% |
| 630 Developer Deposit | 62,995.78 | 2,250.00 | 250.00 | 1,400.00 | 3,900.00 | 2,250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 73,045.78 | 73,235.78 | 100% |
| 635 Pacific Court | 48,813.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 48,813.61 | 61,294.60 | 80% |
| 640 Algona Court | 20,432.40 | 14,503.83 | 19,648.25 | 9,753.35 | 12,462.15 | 12,343.97 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 89,143.95 | 215,450.63 | 41% |
| 800 Payroll EE Benefit Clearing | 11,330.33 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 11,330.33 | 0.00 | 0% |
| | 12,869,664.57 | 753,148.24 | 1,719,712.29 | 1,152,629.04 | 1,039,924.99 | 1,322,878.65 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 18,857,957.78 | 23,115,611.85 | 82% |
| EXPENDITURES | January | February | March | April | May | June | July | August | September | October | November | December | Total | Budgeted Amt | % |
| 001 General Fund | 279,200.17 | 563,547.36 | 356,714.04 | 356,689.88 | 356,894.25 | 407,862.33 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,320,908.03 | 4,330,543.70 | 54% |
| 098 General Fund Equipment Reserve | 0.00 | 0.00 | 3,432.28 | 47.75 | 61,581.47 | 2,722.76 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 67,784.26 | 162,000.00 | 42% |
| 101 Street | 25,260.54 | 55,706.39 | 35,440.40 | 36,755.71 | 40,874.06 | 47,549.42 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 241,586.52 | 670,913.39 | 36% |
| 107 Tourism | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 17,500.00 | 0% |
| 209 LID 6 Redemption | 4,199,287.63 | 13,770.00 | 17,000.00 | 2,394.00 | 32,862.12 | 505,022.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,770,336.36 | 0.00 | 0% |
| 300 Municipal Capital Improvements | 10,138.81 | 99,083.91 | 3,892.54 | 84,248.66 | 13,314.51 | 5,780.51 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 216,458.94 | 324,990.61 | 67% |
| 301 Roads Capital Improvements | 358.77 | 4,091.33 | 11,885.59 | 12,133.90 | 104,406.26 | 151,777.67 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 284,653.52 | 1,027,080.00 | 28% |
| 305 Parks Capital Improvement | -267.00 | 3,934.98 | 0.00 | 0.00 | 590.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,257.98 | 28,234.98 | 15% |
| 308 Valentine Road Project | 0.00 | 19,663.99 | 1,390.00 | 693.25 | 834.83 | 1,048.55 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 23,630.62 | 50,000.00 | 47% |
| 309 West Valley | 0.00 | 4,660.85 | 3,047.67 | 1,438.81 | 0.00 | 265.53 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9,412.86 | 416,830.00 | 2% |
| 333 Fire Capital Improvement | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 30,000.00 | 0% |
| 401 Water | 59,856.00 | 114,169.61 | 72,179.43 | 78,999.04 | 97,542.64 | 74,423.46 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 497,170.18 | 1,320,256.65 | 38% |
| 402 Sewer | 53,278.92 | 185,159.78 | 180,878.56 | 176,194.00 | 174,711.42 | 172,111.48 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 942,334.16 | 2,161,096.44 | 44% |
| 403 Garbage | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 20,000.00 | 0% |
| 406 Water Capital Improvement | 6,458.33 | 6,458.33 | 6,458.33 | 6,458.33 | 6,458.33 | 6,458.33 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 38,749.98 | 3,000,500.00 | 1% |
| 408 Sewer Cumulative Fund | 8,333.33 | 8,333.33 | 8,333.33 | 8,333.33 | 8,333.33 | 8,333.33 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 49,999.98 | 493,750.00 | 10% |

2017 FUND TOTALS

City Of Pacific
MCAG #: 0423

Time: 13:58:28 Date: 07/13/2017

January To June

Page: 2

| EXPENDITURES | January | February | March | April | May | June | July | August | September | October | November | December | Total | Budgeted Amt | % |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|-----|
| 409 Storm | 62,214.94 | 82,124.88 | 69,635.04 | 68,400.33 | 70,385.22 | 76,936.41 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 429,696.82 | 872,200.80 | 49% |
| 410 Stormwater Facility Fund | 5,000.00 | 21,661.83 | 5,000.00 | 9,161.00 | 5,000.00 | 5,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 50,822.83 | 212,000.00 | 24% |
| 411 Pierce County Water Area | 0.00 | 0.00 | 0.00 | 0.00 | 124,064.27 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 124,064.27 | 0.00 | 0% |
| 499 Utilities Equipment Reserve | 0.00 | 0.00 | 0.00 | -1,199.96 | 0.00 | 1,058.18 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -141.78 | 200,000.00 | 0% |
| 630 Developer Deposit | 250.00 | 0.00 | 250.00 | 0.00 | 99.06 | 750.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,349.06 | 0.00 | 0% |
| 640 Algona Court | 0.00 | 12,546.99 | 14,595.04 | 19,624.06 | 9,753.35 | 12,462.15 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 68,981.59 | 183,434.00 | 38% |
| 800 Payroll EE Benefit Clearing | 1,839.73 | -827.55 | -2,141.90 | 2,998.38 | -1,865.28 | -1,149.08 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -1,145.70 | 0.00 | 0% |
| | 4,711,210.17 | 1,194,086.01 | 787,990.35 | 863,370.47 | 1,105,839.84 | 1,478,413.64 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10,140,910.48 | 15,521,330.57 | 65% |
| FUND GAIN/LOSS: | 8,158,454.40 | -440,937.77 | 931,721.94 | 289,258.57 | -65,914.85 | -155,534.99 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8,717,047.30 | | |
| FUND NET POSITION: | 8,158,454.40 | 7,717,516.63 | 8,649,238.57 | 8,938,497.14 | 8,872,582.29 | 8,717,047.30 | 8,717,047.30 | 8,717,047.30 | 8,717,047.30 | 8,717,047.30 | 8,717,047.30 | 8,717,047.30 | | | |

Investment Schedule

LGIP Cash and Investment Balances

March 31, 2017

| Instrument Type | Settlement Date | Investment Cost | Yield To Maturity | Maturity Date | Annualized Interest | Annualized Interest at LGIP rate (.4694%) |
|-------------------------|-----------------|-----------------|-------------------|---------------|---------------------|---|
| FNMA (Fannie Mae) | 11/21/14 | 992,712 | 1.2430% | 05/21/18 | 12,339.41 | 4,998.58 |
| FICO STRIP PRN-3 | 01/15/15 | 598,038 | 0.9733% | 11/30/17 | 5,820.50 | 3,011.29 |
| FFCB-Fed Farm Credit | 04/07/16 | 1,002,902 | 1.1230% | 04/07/20 | 11,262.59 | 5,049.89 |
| FFCB-Fed Farm Credit | 08/16/16 | 1,002,378 | 1.4400% | 08/16/21 | 14,434.24 | 5,047.25 |
| FNMA (Fannie Mae) | 09/07/16 | 1,002,737 | 1.1500% | 08/23/19 | 11,531.48 | 5,049.06 |
| FHLB-Fed Home Loan Bank | 01/10/17 | 987,409 | 1.7703% | 10/26/20 | 17,480.10 | 4,971.87 |

| | | | | | | |
|------------------|--|-----------|--|--|-----------|-----------|
| <i>Sub Total</i> | | 5,586,177 | | | 72,868.33 | 28,127.92 |
|------------------|--|-----------|--|--|-----------|-----------|

| | | | | | | |
|---------------------------|--|--|---------|-----|--|---------------------|
| Average Maturity (days) | | | | 332 | | |
| Average Yield to Maturity | | | 1.3044% | | | \$ 44,740.41 |

| | | | | | | |
|-----------------------|--|-----------|---------|---|--|--|
| State Investment Pool | | 1,064,917 | 0.5035% | 1 | | |
|-----------------------|--|-----------|---------|---|--|--|

| | | | | | | |
|--------------------------|--|------------------|--|--|--|--|
| Total Investments | | 6,651,094 | | | | |
|--------------------------|--|------------------|--|--|--|--|

Note: Yield to Maturity for the State Investment Pool is a 12 month average.

Portfolio Diversification

| <u>Instrument Type</u> | <u>Percentage</u> | <u>Amount</u> |
|-------------------------|-------------------|---------------------|
| Certificate of Deposit | 1% | 33,935.69 |
| FFCB-Fed Farm Credit | 15% | 1,002,902.44 |
| FNMA (Fannie Mae) | 15% | 992,712.00 |
| FICO STRIP | 9% | 598,038.30 |
| FFCB-Fed Farm Credit | 15% | 1,002,378.00 |
| FNMA (Fannie Mae) | 15% | 1,002,737.22 |
| FHLB-Fed Home Loan Bank | 15% | 987,409.00 |
| State Investment Pool | <u>16%</u> | <u>1,064,916.54</u> |

| | | |
|--------------------------|-------------|---------------------|
| Total Investments | 100% | 6,685,029.19 |
|--------------------------|-------------|---------------------|

| | | |
|-------------------------|--|---------------------|
| Cash inBank | | |
| General Account | | 1,981,339.50 |
| Columbia Webstone | | |
| Columbia Court | | 48,813.61 |
| Sweep Account | | |
| Net Cash in Bank | | 2,032,018.11 |

| | |
|-------------------|---------------------|
| Total Cash | 8,717,047.30 |
|-------------------|---------------------|

City of Pacific 2nd Quarter Financial Reports-2017-Line Item

City Of Pacific
MCAG #: 0423

Months: 01 To: 06

Time: 14:04:16 Date: 07/13/2017

Page: 1

| Fund | Revenue Budgeted | Received | | Expense Budgeted | Spent | |
|------------------------------------|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
| 001 General Fund | 6,791,198.64 | 4,624,030.45 | 68.1% | 4,330,543.70 | 2,320,908.03 | 53.6% |
| 007 Tourism | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.0% |
| 098 General Fund Equipment Reserve | 205,725.71 | 105,700.06 | 51.4% | 162,000.00 | 67,784.26 | 41.8% |
| 099 General Fund Cumulative Reserv | 383,749.49 | 384,286.07 | 100.1% | 0.00 | 0.00 | 0.0% |
| 100 Springbrook GF | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.0% |
| 101 Street | 945,759.29 | 276,921.53 | 29.3% | 670,913.39 | 241,586.52 | 36.0% |
| 107 Tourism | 154,078.49 | 127,627.24 | 82.8% | 17,500.00 | 0.00 | 0.0% |
| 206 LID 3 Redemption | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.0% |
| 207 LID 3 Reserve | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.0% |
| 208 2000 Fire GO Bond | 0.00 | 0.00 | 0.0% | 0.00 | 0.00 | 0.0% |
| 209 LID 6 Redemption | 0.00 | 4,733,712.24 | 0.0% | 0.00 | 4,770,336.36 | 0.0% |
| 210 LID 6 Reserve | 0.00 | 579,000.00 | 0.0% | 0.00 | 0.00 | 0.0% |
| 300 Municipal Capital Improvements | 673,070.62 | 844,301.56 | 125.4% | 324,990.61 | 216,458.94 | 66.6% |
| 301 Roads Capital Improvements | 1,087,170.06 | 401,952.41 | 37.0% | 1,027,080.00 | 284,653.52 | 27.7% |
| 305 Parks Capital Improvement | 163,267.42 | 115,033.80 | 70.5% | 28,234.98 | 4,257.98 | 15.1% |
| 308 Valentine Road Project | 254,282.84 | 191,398.24 | 75.3% | 50,000.00 | 23,630.62 | 47.3% |
| 309 West Valley | 428,149.54 | 110,587.62 | 25.8% | 416,830.00 | 9,412.86 | 2.3% |
| 310 Stewart/Thornton Ave Rd Projec | 86,424.94 | 56,564.71 | 65.4% | 0.00 | 0.00 | 0.0% |
| 333 Fire Capital Improvement | 63,231.00 | 96,713.14 | 153.0% | 30,000.00 | 0.00 | 0.0% |
| 401 Water | 1,729,727.43 | 1,026,234.05 | 59.3% | 1,320,256.65 | 497,170.18 | 37.7% |
| 402 Sewer | 2,238,970.86 | 1,125,156.88 | 50.3% | 2,161,096.44 | 942,334.16 | 43.6% |
| 403 Garbage | 309,137.33 | 279,510.76 | 90.4% | 20,000.00 | 0.00 | 0.0% |
| 406 Water Capital Improvement | 3,355,134.62 | 839,643.53 | 25.0% | 3,000,500.00 | 38,749.98 | 1.3% |
| 408 Sewer Cumulative Fund | 965,732.92 | 705,247.46 | 73.0% | 493,750.00 | 49,999.98 | 10.1% |
| 409 Storm | 1,590,414.43 | 1,121,569.29 | 70.5% | 872,200.80 | 429,696.82 | 49.3% |
| 410 Stormwater Facility Fund | 471,402.01 | 298,903.29 | 63.4% | 212,000.00 | 50,822.83 | 24.0% |
| 411 Pierce County Water Area | 259,963.37 | 166,496.37 | 64.0% | 0.00 | 124,064.27 | 0.0% |
| 499 Utilities Equipment Reserve | 603,879.83 | 419,873.50 | 69.5% | 200,000.00 | -141.78 | -0.1% |
| 601 Customer Deposits | 5,160.00 | 5,159.91 | 100.0% | 0.00 | 0.00 | 0.0% |
| 630 Developer Deposit | 73,235.78 | 73,045.78 | 99.7% | 0.00 | 1,349.06 | 0.0% |
| 635 Pacific Court | 61,294.60 | 48,813.61 | 79.6% | 0.00 | 0.00 | 0.0% |
| 640 Algona Court | 215,450.63 | 89,143.95 | 41.4% | 183,434.00 | 68,981.59 | 37.6% |
| 800 Payroll EE Benefit Clearing | 0.00 | 11,330.33 | 0.0% | 0.00 | -1,145.70 | 0.0% |
| | <u>23,115,611.85</u> | <u>18,857,957.78</u> | <u>81.6%</u> | <u>15,521,330.57</u> | <u>10,140,910.48</u> | <u>65.3%</u> |

2017 June Financial Reports

Enclosed are the fund reports as of June 30th (year to date) 2017.

Staff is presenting the summary reports for the City Council's review. The line item reports are in greater detail and reviewed by the Mayor and City Administrator. Then they are distributed to the department heads to review with the City Administrator and Mayor once again over each area of control. The Finance Committee usually will review the summary Fund reports at the Committee meeting did not as the meeting was cancelled. Staff is confident that these reports have no significant issues and a positive increase in cash position so as to present them to Council for review and a motion to approve (August 2017).

The first six months is somewhat indicative of the budget due to the receipts of April-May's property tax revenue. A few expenses that are paid once a year, the liability insurance and the PWTF loan, still slightly affect the revenue to expense balance, but not as significantly as after the first quarter of the year. However due to two extraordinary items (LID refund from Sumner \$579K & LID3 past due payment from Tri-Delt \$136K) that has the City of Pacific's cash position up by \$921,816.89 in the first half of 2017. The utilities cash position has increased by \$339K (including capital funds) noting a significant up-swing in Water (\$157K). Sewer appears to show an increase of \$155K however, when the June invoice to King County Metro is factored in then it is reduced to \$37K. Stormwater is down by \$21K and staff will monitor this over the year. Please know that the new rates did not go into effect until the February 1st billing which means that only five months have increased rates. The General Fund is now up due to the property tax receipts and this includes the annual liability insurance payment of over \$247K to RMSA that impacted the General Fund more significantly than the other operating funds such as Streets and Water for example. The table on the next page shows the increases and decreases in the individual funds. The significant ones are highlighted in yellow/green and discussed in the following paragraph.

- The General Fund (001) has increased to a gain of \$182K; up \$304K from the decrease of \$122K at the end of March. The increase is primarily due to the first half of the year property tax receipts.
- The General Equipment Reserve Fund is down \$5K, due to the purchase of two new patrol cars that were budgeted for the year. Operating transfers will offset the current \$5K decrease in the Fund balance as the year progresses.
- The Street Fund (101) is down (\$83K) due to the reclassification of the REET revenues (after budget was made in 2016) and will be addressed in a mid-year budget amendment. This will be covered by increased interfund transfers and a reduction in public works crew time. Jim Morgan informed me that the first quarter is usually higher than the rest of the year in road maintenance so there will be a reduction in payroll costs over the 3rd quarter as well.
- Fund 300, the Municipal Capital Improvements Fund's balance has increased by 26K, which is due to the receipt of the final grant payment of 75K for the generator.
- Fund 301 is temporarily at a lower fund balance by 172K. This is just a timing issue and will be corrected with future TIB Grant funds.
- LID 6 Redemption Fund is negative at (\$36K) due to payouts on related costs (legal & City of Sumner) for the final payouts on the Valentine Project. This will be cleared up by the final transfer of funds from Cashmere Bank on the note.
- LID 6 Reserve Fund (210) is up by the refund payment from the City of Sumner of \$579K which was expected (reimbursement for 2012 ILA-transfer).
- The Water Fund (401) is up due to the increased rates passed in 2016 (\$157K).
- The Sewer Cumulative Fund (408) is down (14K), but only temporarily, as the Bond revenue

and continuing Operating Transfers will naturally correct.

- The Stormwater (409) Fund balance has decreased by 21K which should correct itself as the increased rate generated revenues are receipted throughout the year.
- The Pierce County Area Water (411) Fund is down the amount of the Public Works Trust Fund annual loan payment amount (80K).

The \$921,816 increase in cash position is overstated and as the year progresses should level out though it will still have the overall impact of keeping the cash at positive levels for 2017.

Please feel free to contact me to discuss any matters with this report.

Richard A. Gould

City Administrator

Fund Cash change:

| Fund | 2016 | 2017 | Net Gain (loss) |
|---|-----------------|-----------------|-----------------|
| 001 General Fund | \$ 2,120,313.09 | \$ 2,303,122.42 | \$ 182,809.33 |
| 098 General Fund Equipment Reserve | \$ 32,976.09 | \$ 37,915.80 | \$ 4,939.71 |
| 099 General Fund Cumulative Reserve | \$ 382,538.58 | \$ 384,286.07 | \$ 1,747.49 |
| 101 Street Fund | \$ 118,577.91 | \$ 35,335.01 | \$ (83,242.90) |
| 107 Tourism Fund | \$ 119,482.48 | \$ 127,627.24 | \$ 8,144.76 |
| 209 LID 6 Redemption Fund | \$ - | \$ (36,624.12) | \$ (36,624.12) |
| 210 LID 6 Reserve Fund | \$ - | \$ 579,000.00 | \$ 579,000.00 |
| 300 Municipal Capital Improvements Fund | \$ 601,658.89 | \$ 627,842.62 | \$ 26,183.73 |
| 301 Stewart/8th St Corridor Fund | \$ 289,146.63 | \$ 117,298.89 | \$ (171,847.74) |
| 305 Parks Capital Improvement Fund | \$ 97,278.61 | \$ 110,775.82 | \$ 13,497.21 |
| 308 Valentine Road Project Fund | \$ 190,482.26 | \$ 167,767.62 | \$ (22,714.64) |
| 309 West Valley | \$ 54,108.79 | \$ 101,174.76 | \$ 47,065.97 |
| 310 Stewart/Thornton Ave Rd Project | \$ 56,346.02 | \$ 56,564.71 | \$ 218.69 |
| 333 Fire Capital Improvement | \$ 85,473.45 | \$ 96,713.14 | \$ 11,239.69 |
| 401 Water Fund | \$ 371,705.21 | \$ 529,063.87 | \$ 157,358.66 |
| 402 Sewer Fund | \$ 27,365.13 | \$ 182,822.72 | \$ 155,457.59 |
| 403 Garbage Fund | \$ 278,224.01 | \$ 279,510.76 | \$ 1,286.75 |
| 406 Water Capital Improvement Fund | \$ 769,352.75 | \$ 800,893.55 | \$ 31,540.80 |
| 408 Sewer Cumulative Fund | \$ 669,403.77 | \$ 655,247.48 | \$ (14,156.29) |
| 409 Stormwater Fund | \$ 713,402.75 | \$ 691,872.47 | \$ (21,530.28) |
| 410 Stormwater Facility Fund | \$ 226,088.78 | \$ 248,080.46 | \$ 21,991.68 |
| 411 Pierce County Water Area Fund | \$ 122,143.78 | \$ 42,432.10 | \$ (79,711.68) |
| 499 Utilities Equipment Reserve Fund | \$ 332,959.64 | \$ 420,015.28 | \$ 87,055.64 |
| 601 Customer Deposits Fund | \$ 5,159.91 | \$ 5,159.91 | \$ - |
| 630 Developer Deposits Fund | \$ 62,995.78 | \$ 71,696.72 | \$ 8,700.94 |
| 635 Pacific Court | \$ 48,813.61 | \$ 48,813.61 | \$ - |
| 640 Algona Court Fund | \$ 7,902.16 | \$ 20,162.36 | \$ 12,260.20 |
| 800 Payroll EE Benefit Clearing | \$ 11,330.33 | \$ 12,476.03 | \$ 1,145.70 |
| | \$ 7,795,230.41 | \$ 8,717,047.30 | \$ 921,816.89 |