



Small Town. Real Life.

**Date:** July 24, 2020  
**To:** Mayor Ockerlander  
**Cc:** Finance & Administration Committee  
**From:** Finance  
**Re:** June/Q6 Financial Report

This report is to provide information on the City’s financial position as it navigates the current economic situation. It focuses primarily on General Fund revenues and expenditures, but also touches on other revenues that may be impacted by an economic slowdown. Each quarter this report will provide additional information on the City’s debt, reserve balances and investments. **The amounts in this report reflect the budget amendments approved by Council in June.**

**75% of the biennium** is complete and the City is still seeing an increase in revenues over the prior year in some revenue categories and the anticipated slowdown in others. Biennium to date, the City has received **77.1% of budgeted revenue** and has spent **69.7% of budgeted expenditures**. Duvall’s financial position is **still strong**, and revenues that may be susceptible to the current pandemic state will continue to be monitored.

**Table 1: Biennium to Date Revenue by Fund Type**

Fund Type	2019-2020 Amended Budget	2019-2020 BTD Revenue	% Received
General Fund	\$11,105,665	\$8,566,029	77.13%
Contingency Fund	\$265,360	\$201,740	76.03%
Special Revenue Funds	\$2,038,355	\$1,551,175	76.10%
Debt Service	\$960,334	\$707,178	73.64%
Capital Project Funds	\$2,847,744	\$2,220,279	77.97%
Utility Funds	\$14,328,972	\$10,776,844	75.21%
Bond Red. & Reserve	\$7,613	\$7,611	99.97%
Internal Service Funds	\$1,440,642	\$1,112,136	77.20%
<b>Total</b>	<b>\$32,994,685</b>	<b>\$25,142,991</b>	<b>76.20%</b>

**Table 2: Biennium to Date Expenditures by Fund Type**

Fund Type	2019-2020 Amended Budget	2019-2020 BTD Expenditures	% Spent
General Fund	\$11,428,172	\$7,963,899	69.69%
Contingency Fund	\$0	\$0	0.00%
Special Revenue Funds	\$2,120,746	\$1,534,457	72.35%
Debt Service	\$958,878	\$533,721	55.66%
Capital Project Funds	\$1,203,813	\$644,406	53.53%
Utility Funds	\$13,823,254	\$8,205,077	59.36%
Bond Redemption & Reserve	\$295,427	\$400	0.14%
Internal Service Funds	\$1,606,724	\$1,087,092	67.66%
<b>Total</b>	<b>\$31,437,014</b>	<b>\$19,969,053</b>	<b>63.52%</b>

## General Fund Revenues

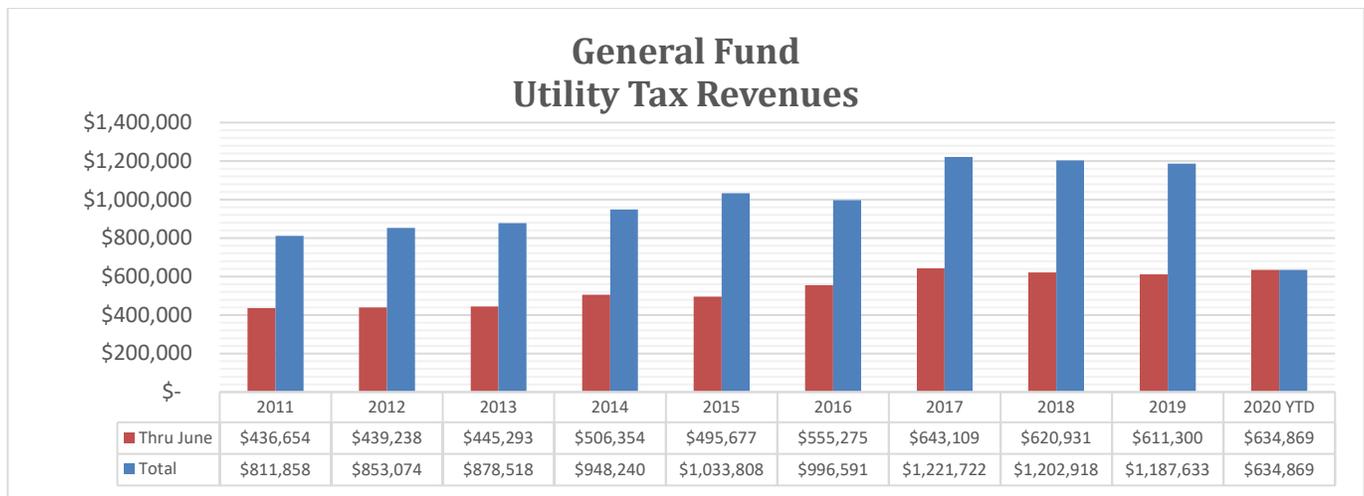
The City receives 72% of its General Fund revenues from **taxes**. As of the end of June 2020, 77.9% of budgeted tax revenue had been received.

**Property tax** is the General Fund's largest and most reliable source of revenue. Most property tax payments are made in April/May or October/November. Due to the COVID-19 outbreak, King County extended the May 30<sup>th</sup> property tax deadline to June 1<sup>st</sup> for those who pay the County directly, rather than through their mortgage. By the end of June 2020, the City had received 75.3% of its property tax levy.

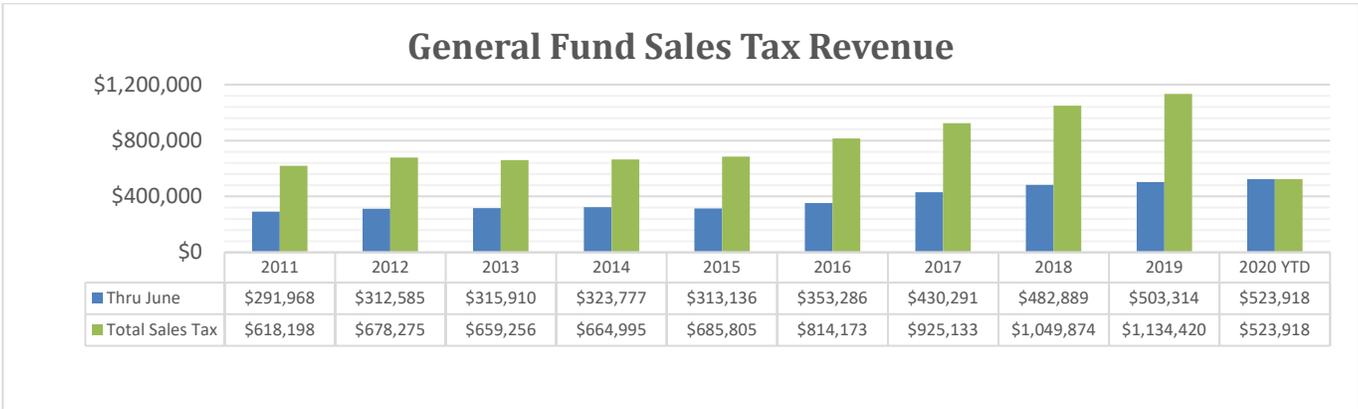
### General Fund Tax Revenue

	Amended				%		
	Budget	Actual	Remaining	Collected	Thru June 2019	Thru June 2020	% Δ
Property Taxes - Levy Lid Lift	\$738,080	\$556,393	\$181,687	75.4%	\$184,520	\$188,446	2%
Real & Personal Property Taxes	\$2,451,561	\$1,845,401	\$606,160	75.3%	\$590,166	\$642,451	9%
<b>Total GF Property Tax</b>	<b>\$3,189,641</b>	<b>\$2,401,794</b>	<b>\$787,847</b>	<b>75.3%</b>	<b>\$774,686</b>	<b>\$830,897</b>	<b>7%</b>
Local Retail Sales & Use Taxes	\$2,049,950	\$1,657,165	\$392,785	80.8%	\$503,314	\$522,745	4%
Affordable Housing Sales Tax	\$0	\$5			\$0	\$5	
Sales Tax-Crim Justice-LOCAL	\$399,930	\$348,414	\$51,516	87.1%	\$113,935	\$108,130	-5%
Business Tax - Electricity	\$555,000	\$414,697	\$140,303	74.7%	\$150,624	\$145,925	-3%
Interfund Utility Tax - Water	\$403,000	\$283,137	\$119,863	70.3%	\$82,712	\$87,436	6%
Business Tax - Natural Gas	\$231,000	\$203,987	\$27,013	88.3%	\$78,727	\$89,068	13%
Interfund Utility Tax - Sewer	\$494,000	\$381,364	\$112,636	77.2%	\$124,912	\$129,796	4%
Business Tax - Garbage	\$205,000	\$183,285	\$21,715	89.4%	\$56,157	\$68,805	23%
Business Tax - TV Cable	\$120,000	\$85,130	\$34,870	70.9%	\$24,173	\$25,220	4%
Business Tax - Telephone	\$210,000	\$152,930	\$57,070	72.8%	\$55,361	\$48,364	-13%
Interfund Utility Tax - Storm	\$153,500	\$117,973	\$35,527	76.9%	\$38,635	\$40,256	4%
Gambling Tax	\$18,400	\$24,858	-\$6,458	135.1%	\$2,329	\$12,840	451%
Leasehold Excise Tax	\$1,400	\$974	\$426	69.6%	\$342	\$280	-18%
<b>Total GF Tax w/o Property Tax</b>	<b>\$4,841,180</b>	<b>\$3,853,918</b>	<b>\$987,267</b>	<b>79.6%</b>	<b>\$1,231,221</b>	<b>\$1,278,870</b>	<b>4%</b>
<b>Total GF Tax Revenue</b>	<b>\$8,030,821</b>	<b>\$6,255,712</b>	<b>\$1,775,113</b>	<b>77.9%</b>	<b>\$2,005,907</b>	<b>\$2,109,767</b>	<b>5%</b>

The General Fund's second largest source of revenue is **utility tax**. Revenue from utility tax is generally stable, but taxes on natural gas, electricity and water are affected by weather. Biennium to date, the City has collected 76.9% of \$1,822,503 of budgeted utility tax.



**Sales tax** is the General Fund’s third largest source of revenue. The City receives sales tax revenue two months after it is collected by businesses, so June receipts were from sales incurred in April, at the height of the COVID shutdown. Surprisingly, June’s sales tax was less than 1%, or \$477, lower than same month in 2019. Year to date, the City has collected 3.9% more in sales tax than in the same time period in 2019. The City is still **on target to meet its biennial sales tax revenue forecast**.



The City’s largest source of sales tax revenue comes from **retail trade**, which increased by 35.9% in June, compared to the same month in 2019, and is up 19.4% year to date. **Construction**, the City’s second largest source of sales tax, decreased by 40.9% over the same month in the prior year, which is slightly less than the decrease in May, and is down 7.3% year to date, but should increase in the next few months given current development activity. **Accommodation and food services**, which includes restaurants and bars, is the third largest source of sales tax revenue in the City, showed a decrease of 15.6% over the same period in the prior year, a vast improvement over the 47.5% decrease in May, and is down 12.3% year to date.

2020 Jan - June vs. 2019 Jan - June 2020 Sales Tax by NAICS Category

NAICS_Code_Name	Thru June 2019	Thru June 2020	Δ	Δ%
Retail Trade	\$ 177,677	\$ 212,208	\$ 34,531	19.4%
Construction	\$ 121,819	\$ 112,981	\$ (8,838)	-7.3%
Accommodation & Food Services	\$ 56,094	\$ 49,172	\$ (6,922)	-12.3%
Admin & Support of Waste Mgmt & Remedial Svcs	\$ 32,070	\$ 42,684	\$ 10,614	33.1%
Information/Communication	\$ 21,672	\$ 24,900	\$ 3,228	14.9%
Wholesale Trade	\$ 22,040	\$ 21,535	\$ (505)	-2.3%
Other Services (except Public Administration)	\$ 16,462	\$ 13,525	\$ (2,937)	-17.8%
Professional, Scientific, & Technical Svcs	\$ 11,074	\$ 11,495	\$ 421	3.8%
Manufacturing	\$ 13,851	\$ 9,299	\$ (4,552)	-32.9%
Real Estate & Rental & Leasing	\$ 5,865	\$ 7,498	\$ 1,633	27.8%
Miscellaneous	\$ 10,235	\$ 7,095	\$ (3,140)	-30.7%
Finance	\$ 7,068	\$ 6,924	\$ (144)	-2.0%
Educational Services	\$ 1,166	\$ 2,130	\$ 964	82.7%
Arts, Entertainment, & Recreation	\$ 7,035	\$ 2,053	\$ (4,982)	-70.8%
Utilities	\$ 1,795	\$ 1,398	\$ (397)	-22.1%
Agriculture, Forestry, Fishing & Hunting	\$ 395	\$ 1,219	\$ 824	208.6%
Health Care & Social Assistance	\$ 860	\$ 492	\$ (368)	-42.8%
Transportation & Warehousing	\$ 105	\$ 464	\$ 359	341.9%
Management of Companies & Enterprises	\$ 5	\$ 26	\$ 21	420.0%
Mining	\$ 19	\$ 21	\$ 2	10.5%
Public Administration	\$ 97	\$ 10	\$ (87)	-89.7%
<b>Total</b>	<b>\$ 507,404</b>	<b>\$ 527,129</b>	<b>\$ 19,725</b>	<b>3.9%</b>
Total without Construction	\$ 385,585	\$ 414,148	\$ 28,563	7.4%

8% of budgeted General Fund revenue comes from **licenses and permits**. By the end of June 2020, the City had received 68.9% of budgeted revenue, which was increased during the budget amendment process to reflect **building permits** that have already been received and will be processed through the end of 2020. **Garbage franchise fees** are still lower than prior year to date due to the timing of payments.

#### General Fund Licensing and Permit Revenue

	Amended		Remaining	%	Thru June	Thru June	% Δ
	Budget	Actual					
Fireworks Permits	\$400	\$300	\$200	75.0%	\$200	\$100	
Fire Permits-Operational/Other	\$5,250	\$0	\$5,250	0.0%	\$0	\$0	
Special Events Permits	\$2,000	\$1,275	\$675	63.8%	\$600	\$25	-96%
Franchise Fees - Cable TV	\$268,000	\$203,267	\$33,108	75.8%	\$72,245	\$57,933	-20%
Franchise Fees - Garbage	\$76,000	\$62,166	\$99,510	81.8%	\$23,008	\$18,749	-19%
Business Licenses & Permits	\$84,000	\$57,563	\$38,849	68.5%	\$19,306	\$19,640	2%
Building Permit Fees	\$649,480	\$422,455	\$179,683	65.0%	\$88,246	\$183,288	108%
Permit Fee IT Surcharge	\$74,000	\$51,906	\$38,672	70.1%	\$10,764	\$23,400	117%
Concealed Weapons Permit Fees	\$3,500	\$1,989	\$1,493	56.8%	\$1,103	\$243	-78%
<b>Total GF Licenses &amp; Permits</b>	<b>\$1,162,630</b>	<b>\$800,922</b>	<b>\$397,440</b>	<b>68.9%</b>	<b>\$215,472</b>	<b>\$303,378</b>	<b>41%</b>

Revenue from **charges for services** is 6.8% of the General Fund budget. By the end of June, the City had received 85.2% of budgeted charges for services revenue. The revenue budget for **engineering fees** and **zoning and development fees** was increased during the budget amendment process, to reflect revenues already received. In May of 2020, the City changed the way it collected **plan check fees**, requiring partial payment with permit submittal, which is reflected in the increase over prior year. **Planning deposits** were formerly reported in the City's custodial fund. Changes to reporting requirements moved the revenue stream to the General Fund, which will be offset by an expenditure when the deposit is returned.

#### General Fund Charges for Services Revenue

	Amended		Remaining	%	Thru June	Thru June	% Δ
	Budget	Actual					
Admin Fee-School/Rd/Park Imp	\$7,350	\$4,810	\$2,540	65%	\$780	\$2,470	217%
Admin Fee - Cell Tower Leases	\$15,650	\$8,773	\$6,877	56%	\$0	\$928	
Sale of Maps & Publications	\$200	\$113	\$87	57%	\$9	\$7	-14%
Engineering Fees & Charges	\$180,000	\$188,381	-\$8,381	105%	\$44,002	\$60,231	37%
Admin Fee - Alcohol Use App	\$0	\$100	-\$100		\$25	\$25	0%
Law Enforcement Services	\$340	\$1,323	-\$983	389%	\$0	\$983	
RSD School Officer	\$80,000	\$42,588	\$37,412	53%	\$0	\$0	
Bldg Inspection Fees	\$3,000	\$3,515	-\$515	117%	\$500	\$1,099	120%
Animal Control & Shelter Servi	\$1,683	\$0	\$1,683	0%	\$0	\$0	
Planning Deposits	\$0	\$13,000	-\$13,000		\$101	\$8,177	7976%
Zoning, Subdivision, Dvlp Fees	\$220,000	\$224,593	-\$4,593	102%	\$82,440	\$57,485	-30%
Fire Plan Review & Inspections	\$20,000	\$5,773	\$14,227	29%	\$943	\$1,071	14%
Plan Check Fees	\$375,000	\$269,772	\$105,228	72%	\$44,283	\$142,601	222%
Plan Check - Consultant Review	\$0	\$4,000	-\$4,000		\$0	\$4,000	0%
Stage Sponsorship Fees	\$5,000	\$5,000	\$0	100%	\$0	\$0	
Summerstage Sponsor Fees	\$11,500	\$11,461	\$39	100%	\$6,750	\$0	-100%
<b>Total GF Charges for Services</b>	<b>\$919,723</b>	<b>\$783,201</b>	<b>\$136,522</b>	<b>85.2%</b>	<b>\$179,833</b>	<b>\$279,077</b>	<b>55.2%</b>

## General Fund Expenditures

The City spent approximately 70% of its budgeted biennial General Fund expenditures as of the end of June 2020. Please note that December 2018 benefits were reported in January of 2019, so 2019 benefits are reported as \$33,776 higher than actual in the General Fund, and \$61,148 higher than actual in all funds combined.

See below for breakout by department and category. Supplies, services and small tools and equipment related to the COVID-19 have been broken out in the Expenditures by Department under "Emergency Response." Salary and benefit costs related to the outbreak remain embedded in individual departments for now.

### General Fund Budget vs Actual

Revenues	2019-2020	06/30/2020	BTD	Thru June	Thru June	% Δ
	Amended Budget	BTD Actual	%	2019	2020	
Beginning Fund Balance	\$ 2,132,480	\$ 2,132,480	100%			
Taxes	8,030,821	6,255,712	78%	2,005,907	2,109,766	5%
Licenses & Permits	1,162,630	800,922	69%	215,472	303,378	41%
Intergov. Revenues	403,669	259,773	64%	63,329	81,982	29%
Charges for Goods & Serv.	919,723	783,201	85%	179,833	279,077	55%
Fines & Penalties	76,900	45,379	59%	19,825	8,140	-59%
Miscellaneous Revenues	148,352	150,437	101%	42,388	47,747	13%
Other	363,570	270,604	74%	90,750	94,163	4%
<b>Total Revenues</b>	<b>\$ 11,105,665</b>	<b>\$ 8,566,029</b>	<b>77%</b>	<b>\$ 2,617,504</b>	<b>\$ 2,924,253</b>	<b>11.7%</b>

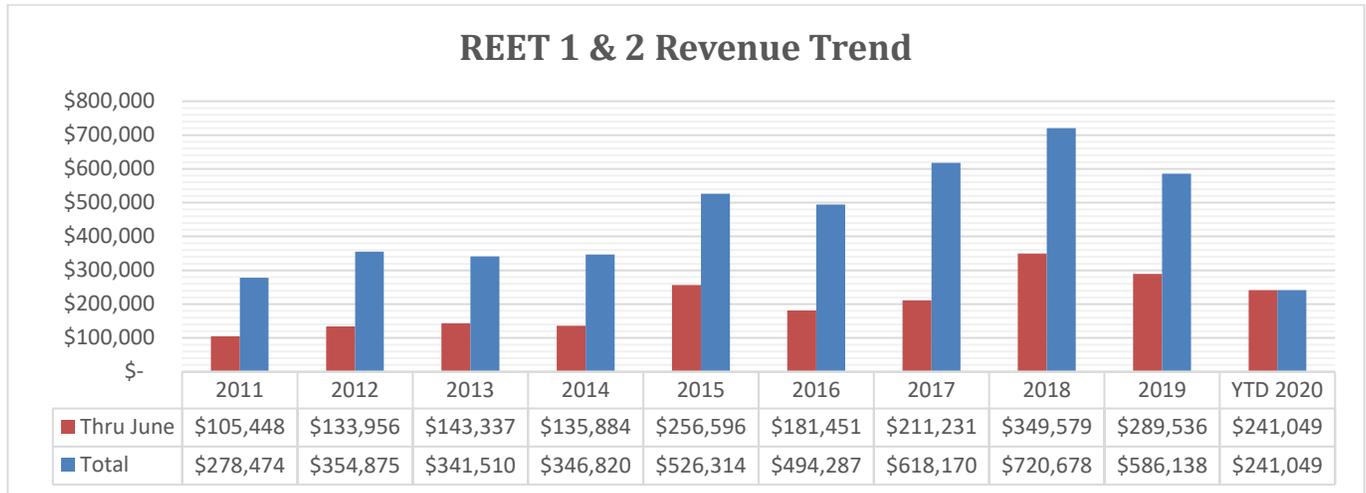
Expenditures by Dept.	2019-2020	06/30/2020	BTD	Thru June	Thru June	% Δ
	Amended Budget	BTD Actual	%	2019	2020	
Legislative	\$ 178,941	\$ 128,439	72%	\$ 45,638	\$ 44,801	-2%
Executive	188,575	143,180	76%	65,255	31,599	-52%
Community Events	64,550	35,771	55%	61	26,480	42971%
Finance Dept.	647,720	470,104	73%	175,379	133,401	-24%
Planning Dept.	929,848	645,055	69%	238,071	191,212	-20%
Building Dept.	740,345	463,159	63%	119,509	188,567	58%
Police Dept.	5,275,903	3,748,114	71%	1,197,610	1,231,798	3%
Economic Development	25,000	11,483	46%	-	-	
Recycling Dept.	45,202	22,806	50%	620	267	-57%
Civil Service	15,600	10,700	69%	3,214	3,140	-2%
Parks Dept.	686,197	464,185	68%	145,511	137,266	-6%
Cultural Commission	83,900	42,590	51%	13,529	4,260	-69%
City Mitigation Projects	12,000	7,593	63%	2,389	4,297	80%
Engineering Dept.	445,261	304,353	68%	85,696	97,415	14%
Fire	45,250	12,752	28%	(2,074)	-	
Emergency Response	40,000	50,333	126%		50,333	
Non-Departmental	2,003,880	1,403,284	70%	512,385	473,565	-8%
<b>Total Expenditures</b>	<b>\$ 11,428,172</b>	<b>\$ 7,963,899</b>	<b>70%</b>	<b>\$ 2,602,792</b>	<b>\$ 2,618,401</b>	<b>1%</b>

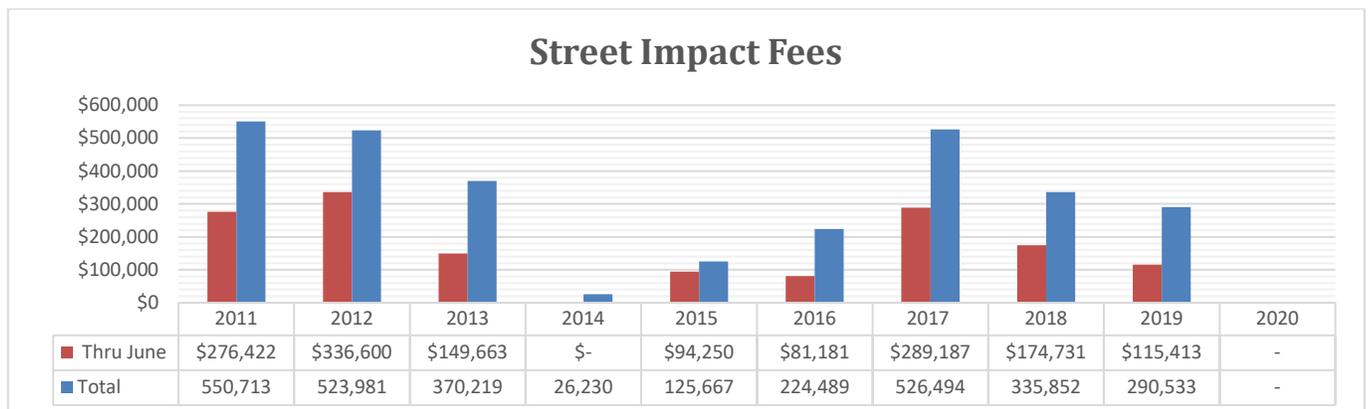
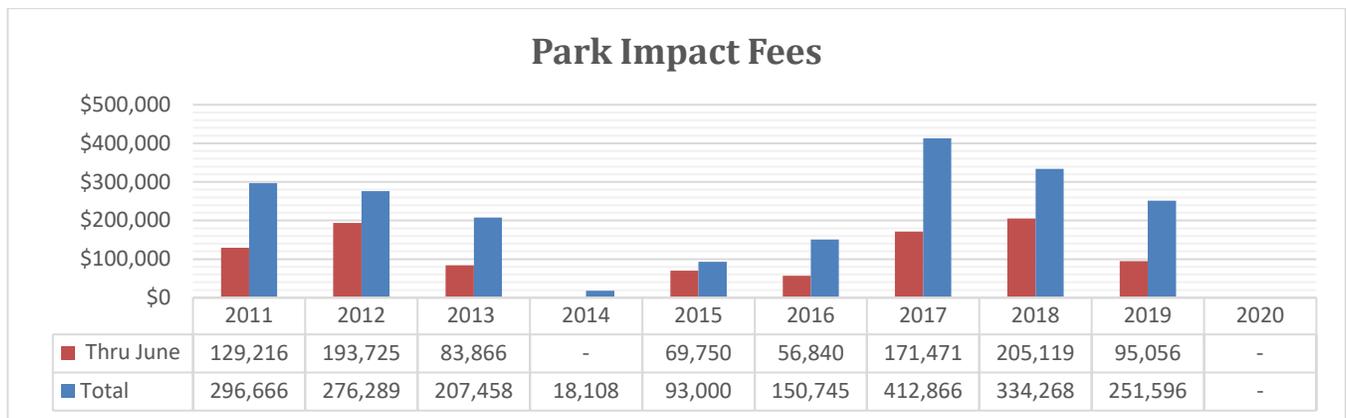
Expenditures by Category	2019-2020	06/30/2020	BTD	Thru June	Thru June	% Δ
	Budget	BTD Actual	%	2019	2020	
Salaries and Wages	\$ 4,740,914	\$ 3,446,296	73%	\$ 1,160,106	\$ 1,184,060	2%
Personnel Benefits	1,885,632	1,329,100	70%	473,331	445,503	-6%
Supplies	279,530	172,553	62%	26,398	90,270	242%
Services	3,561,213	2,287,728	64%	678,924	661,286	-3%
Transfers Out/Deposits	939,883	707,222	75%	264,033	237,281	-10%
Capital Outlays	21,000	21,000	100%	0	0	0%
<b>Total Expenditures</b>	<b>\$ 11,428,172</b>	<b>\$ 7,963,899</b>	<b>70%</b>	<b>\$ 2,602,792</b>	<b>\$ 2,618,401</b>	<b>1%</b>
<b>Revenue minus Expenditures</b>	<b>\$ (322,507)</b>	<b>\$ 602,129</b>		<b>\$ 14,712</b>	<b>\$ 305,853</b>	
<b>Ending Fund Balance</b>	<b>\$ 1,809,973</b>	<b>\$ 2,734,609</b>	<b>151%</b>			

### Capital Funds

The City collected \$827,187 in **Real Estate Excise Tax (REET)** revenue by the end of June 2020, which is 74.4% of the \$1,111,500 budgeted for the biennium. \$56,417 in REET revenue was received in June 2020 from the sale of 17 homes in late April and early May.



The City did not collect any **Street or Park Impact Fees** through June 2020 due to credits given for developer constructed park and street improvements. The street impact fee revenue budget was amended in June to reflect the effect of the credits. Biennium to date, 90% of the \$281,089 of budgeted Park Impact Fees and 50% of the \$585,912 budgeted Street Impact Fees have been collected.



## Utility Funds

Revenue from utility billing is reported on an accrual basis until the year end, when an adjusting entry is made to remove revenue that has been billed in December but will be received in January.

- 75.7%, or \$3,222,293, of budgeted **Water Fund** operating revenue was billed by the end of June 2020, and 69.0%, or \$2,922,667, of budgeted expenditures was spent. Expenditures through June 2019 are higher than expenditures through June of 2020 due to the timing of the water meter replacement project in 2019.
- 78.1%, or \$4,101,230, of budgeted **Sewer Fund** operating revenue was billed by the end of June 2020, and 67.7%, or \$3,239,067, of budgeted expenditures was spent.
- 81.2%, or \$1,309,365, of budgeted **Storm Drainage Fund** operating revenue was billed by the end of June 2020, and 69.7%, or \$1,082,547, of budgeted expenditures was spent.

### Utility Fund Budget to Actual Revenues and Expenditures

	Amended Budget	Actual	Remaining	% Collected	Thru June 2019	Thru June 2020	% Δ
<b>Water Fund</b>							
Revenue	\$4,257,804	\$3,222,293	\$1,035,511	75.7%	\$1,004,167	\$1,114,636	11%
Expenditures	\$4,235,157	\$2,922,667	\$1,312,490	69.0%	\$1,110,325	\$789,565	-29%
<b>Sewer Fund</b>							
Revenue	\$5,248,290	\$4,101,230	\$1,147,060	78.1%	\$1,281,998	\$1,534,925	20%
Expenditures	\$5,084,032	\$3,440,953	\$1,643,079	67.7%	\$1,093,709	\$972,454	-11%
<b>Storm Drainage Fund</b>							
Revenue	\$1,612,298	\$1,309,365	\$302,934	81.2%	\$412,464	\$495,814	20%
Expenditures	\$1,552,879	\$1,082,547	\$470,333	69.7%	\$361,250	\$332,227	-8%

\*See narrative above

## Utility Past Due

On March 18, 2020, Governor Inslee called on all public utilities to suspend water shut offs and to waive late fees on utilities until the end of COVID-19 State of Emergency or 11:59 PM on July 28, 2020, whichever occurs first. The Governor’s Office is working on guidance for utilities to develop COVID-19 customer support programs once the suspension is lifted.

Below is a table that shows effects of the suspension on past due utility accounts as of July 1, 2020 compared to July 1, 2019. \$5,060 of the \$15,320 that is over 120 days past due is from a single developer.

	60 to 90 Days Past Due		90 to 120 Days Past Due		Over 120 Days Past Due	
	Total Amount	# of Accounts	Total Amount	# of Accounts	Total Amount	# of Accounts
<b>2019</b>	\$1,473	25	\$262	5	\$5,704	20
<b>2020</b>	\$9,825.52	83	\$4,586	47	\$15,320	57

### Ending Fund Balance

At the end of June 2020, the City had an ending fund balance of \$21,656,162 for all funds, which is \$5,173,938 more than the beginning biennial fund balance, as shown in the table below, and \$3,616,268 higher than the amended budget ending fund balance. Budget to actual expenditures and revenues for each fund can be found on the following two pages.

## CITY OF DUVALL 2019-2020 REVENUE AND EXPENDITURE SUMMARY

Biennium to Date as of June 30, 2020

Fund	Description	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance	Net Change		
001	General Fund	\$ 2,132,480	\$ 8,566,029	\$ 7,963,899	\$ 2,734,609	\$ 602,129	803,869	General Fund
002	Contingency Fund	231,954	201,740	-	433,694	201,740		
101	Street Fund	177,846	1,319,269	1,368,388	128,726	(49,119)	16,718	Special Revenue Funds
102	Transportation Benefit District	-	17,085	-	17,085	17,085		
106	Big Rock Ball Park Maintenance	35,150	213,710	166,069	82,791	47,642		
107	Sensitive Areas Mitigation Fund	39,407	1,111	-	40,518	1,111		
206	2016 LTGO - Main St Debt Svc	19,866	707,178	533,721	193,323	173,457	173,457	Debt Svc Fd
304	Real Estate Excise Tax Fund 1	990,664	445,788	123,951	1,312,501	321,837	1,575,873	Capital Project Funds
305	Real Estate Excise Tax Fund 2	810,389	440,542	131,478	1,119,452	309,064		
306	Main Street Improvement	1,188,870	32,771	59,972	1,161,669	(27,201)		
307	Street CIP Fund	589,810	710,851	171,331	1,129,329	539,520		
308	Parks CIP Fund	690,840	590,328	157,674	1,123,494	432,654		
401	Water Fund	3,314,348	3,222,293	2,922,667	3,613,974	299,626		
402	Sewer Fund	2,462,035	4,101,230	3,440,953	3,122,312	660,276	2,578,978	Proprietary Funds
404	Storm Drainage Fund	775,113	1,309,365	1,082,547	1,001,931	226,818		
407	Water CIP Fund	1,315,436	832,946	240,696	1,907,686	592,250		
408	Sewer CIP Fund	502,693	1,055,177	515,489	1,042,381	539,688		
409	Storm Drainage CIP Fund	113,978	255,833	2,725	367,086	253,108		
410	Bond Redemption Fund	19,940	905	-	20,844	905		
411	Bond Reserve Fund	267,873	6,706	400	274,180	6,306		
501	Equipment Fund	464,099	478,595	555,401	387,294	(76,805)	25,044	Internal Service Funds
502	IT Fund	190,939	429,640	340,206	280,373	89,434		
503	Building Maintenance Fund	148,495	203,901	191,486	160,910	12,415		
<b>TOTAL</b>		<b>\$ 16,482,223</b>	<b>\$ 25,142,991</b>	<b>\$ 19,969,053</b>	<b>\$ 21,656,162</b>	<b>\$ 5,173,938</b>		

$$\$ 41,625,215 = \$ 41,625,215$$

## Revenues

Revenues in the **Street Fund** are higher through June 2020, compared to through June 2019, from a Transportation Improvement Board grant reimbursement for the City's LED Streetlight Conversion Project. The **Transportation Benefit District Fund** received its first significant sales tax revenue payment in June. The **Water, Sewer and Storm Drainage CIP Funds** received more General Facilities Charge revenue year to date June 2020, compared to year to date June 2019, as the City processes the permits it has on hand.

### CITY OF DUVALL 2019-2020 BUDGET vs ACTUAL - REVENUES

Biennium to date as of 06/30/2020								
Fund	Description	Amended	BTD		BTD %	Thru June	Thru June	% Δ
		Budget	BTD Actual	Difference	Collected	2019	2020	
001	General Fund	\$ 11,105,665	\$ 8,566,029	\$ 2,539,636	77%	\$ 2,617,504	\$ 2,924,253	12%
002	Contingency Fund	265,360	201,740	63,620	76%	66,932	67,342	1%
101	Street Fund	1,699,210	1,319,269	379,941	78%	309,576	460,503	49%
102	Transportation Benefit District	-	17,085			-	17,085	
106	Big Rock Ball Park Maintenance	337,974	213,710	124,264	63%	72,936	43,213	-41%
107	Sensitive Areas Mitigation Fund	1,171	1,111	60	95%	394	328	-17%
206	2016 LTGO - Main St Debt Svc	960,334	707,178	253,156	74%	235,241	235,241	0%
304	Real Estate Excise Tax Fund 1	588,910	445,788	143,122	76%	155,220	130,819	-16%
305	Real Estate Excise Tax Fund 2	583,370	440,542	142,828	76%	153,383	129,257	-16%
306	Main Street Improvement	35,227	32,771	2,456	93%	11,846	9,429	-20%
307	Street CIP Fund	1,006,242	710,851	295,391	71%	494,585	20,688	-96%
308	Parks CIP Fund	633,995	590,328	43,667	93%	270,167	110,037	-59%
401	Water Fund	4,257,804	3,222,293	1,035,511	76%	1,004,167	1,114,636	11%
402	Sewer Fund	5,248,290	4,101,230	1,147,060	78%	1,281,998	1,534,925	20%
404	Storm Drainage Fund	1,612,298	1,309,365	302,934	81%	412,464	495,814	20%
407	Water CIP Fund	1,313,612	832,946	480,666	63%	219,498	356,309	62%
408	Sewer CIP Fund	1,547,129	1,055,177	491,952	68%	169,100	466,926	176%
409	Storm Drainage CIP Fund	349,838	255,833	94,005	73%	17,751	55,417	212%
410	Bond Redemption Fund	907	905	2	100%	403	106	-74%
411	Bond Reserve Fund	6,706	6,706	-	100%	2,680	1,388	-48%
501	Equipment Fund	571,111	478,595	92,516	84%	112,048	95,798	-15%
502	IT Fund	571,285	429,640	141,645	75%	143,378	142,962	0%
503	Building Maintenance Fund	298,246	203,901	94,345	68%	68,044	67,776	0%
<b>TOTAL</b>		<b>\$ 32,994,685</b>	<b>\$ 25,142,991</b>	<b>\$ 7,868,778</b>	<b>76%</b>	<b>\$ 7,819,312</b>	<b>\$ 8,480,251</b>	<b>8%</b>

## Expenditures

Expenditures in the **Street Fund** are higher than in 2019 due to the LED Streetlight Conversion Project, which is being reimbursed in part, by a grant from the Transportation Improvement Board.

### CITY OF DUVALL 2019-2020 BUDGET vs ACTUAL - EXPENDITURES

Biennium to date as of 06/30/2020

Fund	Description	Amended	BTD Actual	BTD Difference	BTD %	Thru June	Thru June	% Δ
		Budget			Spent	2019	2020	
001	General Fund	\$ 11,428,172	\$ 7,963,899	\$ 3,464,273	70%	2,602,792	2,618,401	1%
002	Contingency Fund	-	-	-		-	-	
101	Street Fund	1,794,811	1,368,388	426,423	76%	283,350	484,090	71%
102	Transportation Benefit District	-	-	-		-	-	
106	Big Rock Ball Park Maintenance	294,735	166,069	128,667	56%	44,265	48,497	10%
107	Sensitive Areas Mitigation Fund	31,200	-	31,200	0%	-	-	
206	2016 LTGO - Main St Debt Svc	958,878	533,721	425,157	56%	51,294	58,201	13%
304	Real Estate Excise Tax Fund 1	194,200	123,951	70,249	64%	42,454	40,749	-4%
305	Real Estate Excise Tax Fund 2	179,857	131,478	48,379	73%	49,170	40,865	-17%
306	Main Street Improvement	207,000	59,972	147,028	29%	11,175	5,783	-48%
307	Street CIP Fund	452,241	171,331	280,909	38%	48,670	79,486	63%
308	Parks CIP Fund	170,516	157,674	12,841	92%	138,925	-	-100%
401	Water Fund	4,235,157	2,922,667	1,312,490	69%	1,110,325	789,565	-29%
402	Sewer Fund	5,084,032	3,440,953	1,643,079	68%	1,093,709	972,454	-11%
404	Storm Drainage Fund	1,552,879	1,082,547	470,333	70%	361,250	332,227	-8%
407	Water CIP Fund	1,600,833	240,696	1,360,137	15%	58,989	96,692	64%
408	Sewer CIP Fund	1,346,352	515,489	830,863	38%	168,685	172,511	2%
409	Storm Drainage CIP Fund	4,000	2,725	1,275	-	675	617	-9%
410	Bond Redemption Fund	20,847	-	20,847	0%	127	-	
411	Bond Reserve Fund	274,580	400	274,180	0%	200	-	
501	Equipment Fund	699,093	555,401	143,692	79%	205,188	149,732	-27%
502	IT Fund	546,638	340,206	206,432	62%	119,225	88,620	-26%
503	Building Maintenance Fund	360,993	191,486	169,507	53%	47,635	63,314	33%
<b>TOTAL</b>		<b>\$ 31,437,014</b>	<b>\$ 19,969,053</b>	<b>\$ 11,467,961</b>	<b>64%</b>	<b>\$ 6,438,103</b>	<b>\$ 6,041,803</b>	<b>-6.2%</b>

**CITY OF DUVALL**  
**Debt Service as of 06/30/2020**

**2017 General Obligation Bonds**

Description	Date of Final Payment	Principal	Interest	Total	Remaining 2020 Payment	Remaining 2020 Funding Source(s)			
						Property Tax Levy	REET I	REET II	Street Impact Fees
Big Rock Ball Field	12/1/2025	\$1,250,000	\$95,865	\$1,345,865	\$210,563	\$210,563			
Main Street Project	12/1/2031	\$2,500,000	\$392,549	\$2,892,549	\$211,125		\$70,375	\$70,375	\$70,375

**State of WA Local Program**

Description	Date of Final Payment	Principal	Interest	Total	Remaining 2020 Payment	Remaining 2020 Funding Source(s)
						Internal Service Charges to Fund 501
Dump Truck Purchase	6/1/2029	\$131,627	\$35,041	\$166,667	\$3,291	\$3,291

**Utility Revenue Debt**

Utility Revenue Debt	Date of Final Payment	Principal	Interest	Total	Remaining 2020 Payment	Remaining 2020 Funding Source(s)
						Sewer General Facility Charges
SRF WWTP Construction Loan	6/30/2025	\$1,649,980	\$22,796	\$1,672,776	\$167,278	\$ 167,278

The City's long-term debt outstanding balances are shown in the table above. Limited-Term General Obligation (LTGO) Bonds interest payments are due twice annually, on the 1st of June and December, and the principal amount is due once a year on December 1. The City will pay \$226,125 in debt payments related to the Big Rock Ball Field and \$242,250 in payments related to the Main Street Project in 2020.

In November of 2019, the City took out a State of Washington Local Program loan in 2019 to purchase a dump truck. Interest payments are due twice annually on June 1 and December 1, and a principal payment is due annually on June 1. The City will make \$14,984 in debt payments for its dump truck loan in 2020.

Both principal and interest payments for the Wastewater Treatment Plant (WWTP) construction loan are due twice annually, on June 30 and December 30. The City will pay \$334,555 in payments related to its WWTP loan in 2020.

## Reserve Balance Requirements

Fund #	Fund Description	Budgeted	Required	Ending Fund Balance	Notes
001	General Fund	\$ 832,615	\$ 893,103	\$ 2,734,609	17% per Resolution 04-04 Internally Restricted
001	Disaster Relief	25,000	25,000		Established by City Council
001	Internal Restricted- Other	22,408	22,412		Drug Enforcement & Mitigation
002	Contingency	494,814	549,930	433,694	<b>Maximum</b> allowed is 37.5% of Assessed Value (AV) - \$1,466,479,816 in 2020
106	Big Rock Ball Park Fund	126,000	57,631	82,791	Resolution 18-16 - 50% of ballfield revenue held for turf replacement
401	Water Utility	749,132	698,625	3,613,974	Resolution 04-04. Increased by CPI-U every Jan. 1
402	Sewer Utility	998,844	987,263	3,440,953	Resolution 04-04. Increased by CPI-U every Jan. 1
402	Sewer Utility, DOE Loan	335,000	335,000		Annual Loan Amount
404	Storm Drain	312,139	305,749	367,086	Resolution 04-04. Increased by CPI-U every Jan. 1
501	Equipment Fund	200,000	200,000	371,867	Resolution 04-04 - flat amount in reserve
<b>Total Restricted Funds</b>		<b>\$ 4,095,952</b>	<b>\$ 4,074,713</b>	<b>\$ 11,044,974</b>	

Reserve balance requirements are shown in the table above. Amounts budgeted are for the two-year biennium, amounts required are for 2020. All 2020 required reserve balances are being met.

In accordance with the requirements of Governmental Accounting Standards Board Statement No.54, Fund Balance Reporting and Governmental Fund Type Definitions, some internally designated reserves (including the 17% reserve established by Resolution 04-04) will be reported as unreserved in the annual financial statements.

### City of Duvall Investments

At the end of the second quarter of 2020, the City held the following investments:

#### City Investments as of June 30, 2020

Description	Amount	June Interest Rate	% of Total
Bank of America Money Market*	(\$4)	0.02%	0%
State Local Government Investment Pool (LGIP)	\$11,091,073	0.37%	54%
Opus Bank – Public Interest Checking	\$4,985,768	0.40%	24%
Government Securities	\$4,297,703	1.6% -2.25%	21%
<b>Total</b>	<b>\$20,374,539</b>		<b>100%</b>

\*Closed. A zero-balance fee was incurred in June and reversed in July.

Interest rates continued to decline during the second quarter of 2020. LGIP interest rates fell from 1.29% to 0.37% from the end of the 1st quarter of 2020 to the end of June 2020, while the City's public interest checking account with Opus Bank followed suit and decreased 1.83% to 0.40%.

No bonds matured or were called during the 2<sup>nd</sup> quarter.

The City has moved its checking account to a new bank, Washington Federal. The Bank of America Money Market account, which earns at a low rate, was closed, and a new Public Funds Savings Account will be opened for when interest rates increase. Until then, the bulk of the City’s investments will be held in its Opus Public Interest account and the LGIP.

The City earned \$509,068 in investment interest through June 30, 2020. This represents 97% of the amended biennial interest revenue budget of \$522,802. The City continues to look for investment opportunities with the primary objectives of safety, liquidity and yield. At June 30, 2020, the City’s total cash balance was as follows:

Description	Amount
<b>Investments</b>	\$20,374,539
<b>Checking Account*</b>	\$1,046,079
<b>Local Program Funds</b>	\$0
<b>Drug Seizure Account</b>	\$10,412
<b>Total</b>	<b>\$21,431,030</b>

*\*General ledger checking balance*