

City of Kennewick

2014

1st Quarter

Financial Report



Issue Date: June 16, 2014

OVERVIEW

In spite of facing a multitude of budgetary challenges in recent years, the City of Kennewick has been able to maintain a relatively strong financial condition. In doing so, the City has relied heavily on growth related revenues generated through economic development and other new construction activity to help address its budgetary challenges and maintain its service levels. However, this can be a very tenuous budget model that is unpredictable and difficult to sustain over time. If the City is unable to sustain the level of growth we've experienced in our community in the future, it will be challenging to maintain City Council's priority programs and services at their current levels. Considering the importance that growth revenues have in the City's overall financial health, staff continues to monitor our key growth indicators closely.

Like any community, employment is one of the most important indicators of the overall health of the economy in Kennewick and the Tri-Cities region. The unemployment rate in the Kennewick-Pasco-Richland metropolitan statistical area was estimated at 8.6% for March, which is approximately 0.9% lower than a year ago, but 2.3% higher than the statewide unemployment rate of

6.3%. According to the most recent labor data issued by the Bureau of Labor Statistics, non-farm employment in the Tri-Cities was down by roughly 3,500 jobs when compared to its peak in June of 2011, which equates to a reduction of approximately 3.3%. This decline is primarily attributable to a loss of Hanford-related jobs resulting from the completion of projects funded with \$2 billion in one-time stimulus funding the site received starting in 2009.

Building permit activity, which is another key indicator of the growth in the City, demonstrates that growth is still occurring within the City.

In This Report

Overview	1
Significant Events	2
General Government	3
Revenues	3
Expenditures	5
Capital Funds	8
Proprietary Funds	9
Designated Funds	13
Future Outlook	14
Cash Management/ Investments	15
Major Revenue Sources	18

Through the first three months of 2014, the Building Safety division issued 416 permits with a valuation of approximately \$39.4 million. Although this represents a 12%

New Construction Activity

	Comparative Totals	
	2014	2013
Single Family Permits	55	73
Commercial Permits	42	48
Other Permits	319	346
Total Permits	416	467
Permit Valuation	\$39,357,848	\$27,827,233
Building Permit Fees	\$374,431	\$263,810
Planning Fees	\$10,475	\$7,801

reduction in the number of permits issued when compared to the first three months of 2013, the total valuation of these permits is an increase of 41%. The increase in valuation is primarily attributable to a \$14 million permit issued for the construction of a new medical office building that will be located adjacent to the new Trios Hospital in the City's Southridge area.

Other significant projects during the first quarter include the Wetzel's Pretzels, Fiesta Mexican Restaurant, Christopher & Banks, Chinook Home Health Care, Eyemart, Graze "A place to eat", Charmichael Coffee Shop, Trios Health Medical Building, Anderson Law, Perfection Pittsburg Paints and remodels for Footaction, Costco, Tri City Orthodontics, Farmers Exchange, Country Gentlemen and Studio One are underway.

Other key indicators also demonstrate that moderate growth is still

occurring in the area. According to the state's Office of Financial Management (OFM), the City's most recent official population estimate increased to 76,410, which is an increase of slightly less than 2% over the prior year. The number of active water/sewer utility accounts for the City increased by 236 over the past twelve months to

22,511 total accounts, which represented a slight increase of 1%. Lastly, the City processed 4,048 business licenses through the first three months of 2014, which also equates to an increase of less than 1% compared to the previous year.



SIGNIFICANT EVENTS

The Department of Energy authorized a \$1,780,000 Stormwater Proviso Grant for stormwater improvements including comprehensive stormwater planning, design and construction in the Southridge and urban growth area (UGA), and for site acquisition, design and construction of an additional street waste facility on the west side of Kennewick.

As a result of recent collective bargaining agreements, staff negotiated and council approved contract provisions which would modify our current ICMA-RC deferred compensation (457) plan. This modification will enhance the City's plan to provide employees with the ability to

make Roth (post-tax) contributions to their personal ICMA accounts. The advantage of a Roth (post-tax) contribution is that the earnings on the contribution are not taxable when withdrawn if certain criteria are met, as compared to earnings on traditional pre-tax contributions, which are taxable at the time they are withdrawn by the employee during retirement or upon separation of service with the City.

The Mayor signed an agreement with the State Department of Revenue in January approving the increase in the City's tourism promotion area (TPA) charge from \$1.50 per room night to \$2.00 per room night effective January 1,

2014. This same change was also approved by both the City of Richland and the City of Pasco, which brings TPA Assessment funding in the Tri-Cities more in line with other comparative markets in the State of Washington.

On March 18, Council authorized the release of \$134,000 TPA reserve funds to support the following projects:

- Website Development
- Early hire of Sports Manager Position

GENERAL GOVERNMENT

Table 1 provides a comparison of major revenue sources for the current biennium (2013/2014) compared to the previous biennium

(2011/2012). Through March of 2014, general governmental revenue collections totaled \$55.8 million,

which is roughly 60% of the adjusted budget.

General governmental receipts from sales taxes totaled approximately \$12.9 million through March of 2014. On a citywide basis, sales tax receipts increased by 0.5% over the first three months of 2014 after experiencing a 6.1% increase in 2013. A portion of the increase experienced thus far in 2014 is attributable to sales tax generated from the construction of the new Trios Health facility in Southridge. After backing the sales tax generated from this project out of the comparison of 2014 and 2013 results, the change during the first three months of 2014 was a decline of 2.4%.

Criminal justice sales tax receipts totaled approximately \$1.7 million for the biennium through March of 2014. This 1/10% sales tax is distributed within the county based on population, rather than point of sale. After experiencing an increase of 6% in 2013, receipts were up just over 1% through the first three months of 2014.

Utility tax receipts totaled \$11.3 million during the first 15 months of the biennium. For 2013, overall utility tax receipts increased by 4% based on increases from all utility tax sources other than telephone.

At this early stage of 2014, overall utility tax revenue has increased again by 9% when compared to the same time period in 2013. The increase is again attributable to increases in all utility taxes with the exception of telephone.

Utility tax generated from the sale of natural gas has increased by 34% thus far in 2014, which reflects a significant increase in utility tax received from brokered natural gas sales.

The City receives utility tax for garbage services from Waste Management as they provide these services to

Kennewick's citizens under a franchise agreement with the City. Utility tax receipts from this source have increased by approximately 1% during 2014, which reflects a moderate rate increase based on the annual change in the consumer price index under the terms of their franchise agreement.

Utility tax generated from cable television services increased by slightly less than 5% in 2014, primarily as a result of rate increases implemented by the primary local cable provider, coupled with growth in their customer base.

Utility tax revenue received from the sale of electricity has increased by over 13% through the first three months of 2013, which is partly attributable to a deduction taken from the PUD's January 2013 utility tax payment as the final deduction from of a settlement agreement for

overpaid taxes from prior periods. After factoring this deduction into the comparison of 2014 and 2013 electric utility tax revenue, there has still been an 11% change, which is attributable to increases in consumption based on the fact that the PUD has not implemented a rate increase since 2012.

The increases in utility tax revenue outlined above were partially offset by a 4% reduction in utility tax generated from telephone services in 2014, which is a continuation of a trend experienced over the past few years for this tax revenue source. This trend is attributable to several factors, including the loss of taxable revenue resulting from the expansion of non-taxable data services by cellular phone service providers, bundling of services by providers, and a reduction of taxable revenue from land lines as a larger number of individuals are elim-

Table 1: General Governmental Revenues (in \$1,000's)

Revenue Source	2013/2014			2011/2012		
	3/31/14	Budget	Received	3/31/12	Actual	Received
Property Tax	\$11,647	\$22,209	52.4 %	\$10,967	\$20,879	52.5 %
Sales Tax	12,926	20,694	62.5	12,022	19,399	62.0
Criminal Justice Sales Tax	1,661	2,766	60.0	1,666	2,605	63.9
Electric Utility Tax	4,374	6,997	62.5	4,120	6,199	66.5
Telephone Utility Tax	2,612	4,669	55.9	3,052	4,742	64.4
Water/Sewer Utility Tax	1,748	2,942	59.4	1,297	2,382	54.5
Cable TV Utility Tax	881	1,322	66.6	830	1,317	63.0
Garbage Utility Tax	719	1,181	60.9	670	1,096	61.1
Natural Gas Utility Tax	964	971	99.3	734	997	73.6
Ambulance Utility Tax	49	80	60.7	34	59	57.2
Gambling Tax	923	1,837	50.2	1,218	1,832	66.5
Other Taxes	530	1,113	47.6	593	1,021	58.1
Total Taxes	\$39,033	\$66,781	58.4 %	\$37,203	\$62,529	59.5 %
Licenses & Permits	963	1,144	84.1	925	1,102	83.9
State Shared Revenue	673	1,254	53.7	600	1,144	52.4
State Entitlements	3,144	5,066	62.1	3,083	5,187	59.4
Other Intergovernmental	206	213	96.6	326	559	58.4
Charges for Services:						
Interfund	2,445	4,484	54.5	2,385	3,811	62.6
Environment	2,247	3,004	74.8	1,947	3,037	64.1
Culture & Recreation	612	1,084	56.5	603	1,036	58.2
Other	838	1,081	77.5	911	1,593	57.2
Fines & Forfeitures	1,618	2,658	60.9	1,544	2,425	63.7
Operating Transfers:						
From Public Safety	3,316	5,265	63.0	3,294	4,974	66.2
From Capital Improvement	-	-	-	4	97	4.1
Others	-	-	-	287	514	55.9
Interest/Misc.	696	1,017	68.5	534	871	61.3
TOTAL REVENUES	\$55,791	\$93,051	60.0 %	\$53,646	\$88,878	60.4 %

inating their home phone in favor of using their cell phone as their primary phone.

Gambling tax revenue for the City totaled approximately \$923,000 for the first fifteen months of the biennium. Gambling tax revenue decreased by nearly 18% in 2013, primarily due to the closure of one of the City's larger casinos in the second half of 2012. Through March of 2014, gambling tax receipts increased by 2% compared to this same time period in 2013.

The category of other taxes includes receipts from admissions and leasehold excise taxes. Total collections from this category totaled \$530,000 through March.

Revenue for the 2013/2014 biennium from licenses & permits totaled \$963,000 through March of 2014. The predominant source of revenue within this category is business license fees, which has increased slightly in both 2013 and 2014.

The City received \$673,000 in state-shared revenues through March of 2014, which consisted of privilege tax payments made in 2013 by the PUD and Energy Northwest of \$384,162 and \$289,161, respectively, based on the 2012 rate revenue for each agency. These payments are made to the City annually in June.

State Entitlements, which are also commonly referred to as state-shared revenues, include receipts from the criminal justice programs, liquor excise taxes, liquor board profits, DUI assistance and motor vehicle fuel taxes. Receipts for this category totaled roughly \$3.1 million through the first 15 months of the biennium. Revenue received in this category is up significantly thus far in 2014, which is attributable to legislation passed at the state level in 2012 that completely eliminated state-shared liquor excise taxes from June of 2012 through July of 2013. The estimated loss from this legislation

for the City on an annual basis was approximately \$400,000. Unfortunately, the State also diverted half of city liquor excise taxes to its General Fund from July of 2013 through June of 2015 as part of its 2013-2015 biennial budget.

Fines and forfeiture revenue received by the City from District Court totaled approximately \$1.6 million for the 2013/2014 biennium through March. Revenue from this source has increased by 6% thus far in 2014 after also increasing by 6% in 2013. These increases were primarily attributable to moderate increases in revenue from criminal traffic penalties and non-traffic misdemeanor penalties.

Table 2 provides an expenditure summary by category and department for the City's general governmental operations for the 2013/2014 biennium. Through fifteen months of the biennium, total expenditures were approximately \$57.1 million, or 61% of the

Table 2: General Governmental Expenditures (in \$1,000's)

Category	2013/2014			2011/2012		
	3/31/14	Budget	Spent	3/31/12	Actual	Spent
Salaries & Benefits	\$41,505	\$68,382	60.7 %	\$37,914	\$61,961	61.2 %
Supplies	1,432	2,878	49.8	1,355	2,343	57.8
Other Services & Charges	5,039	8,057	62.5	4,783	7,754	61.7
Intergov't Services & Taxes	6,584	10,637	61.9	5,807	10,472	55.5
Interfund Transfers	2,463	3,690	66.8	4,425	6,374	69.4
Capital Outlay	73	18	414.7	9	69	13.0
TOTAL EXPENDITURES	\$57,096	\$93,661	61.0 %	\$54,293	\$88,974	61.0 %
Department						
City Council	\$328	\$539	60.8 %	\$312	\$495	63.0 %
City Manager	402	647	62.1	375	529	71.0
Finance	2,222	3,641	61.0	5,257	3,204	
Management Services	3,678	5,875	62.6	-	5,245	-
City Attorney	810	1,362	59.5	778	1,265	61.5
Civil Service	21	42	49.2	11	24	46.6
Economic Development/Planning	1,324	2,359	56.1	1,095	1,991	55.0
Police	22,655	38,338	59.1	20,531	34,395	59.7
Fire	9,894	16,361	60.5	8,910	14,647	60.8
Engineering	2,008	3,102	64.7	1,795	2,895	62.0
Employee & Community Relations	2,261	3,782	59.8	2,179	3,669	59.4
Parks & Facilities	4,018	6,731	59.7	3,224	5,481	58.8
Non-Departmental	5,213	6,903	75.5	7,466	11,300	66.1
Street Maintenance	2,262	3,979	56.9	2,360	3,834	61.6
TOTAL EXPENDITURES	\$57,096	\$93,661	61.0 %	\$54,293	\$88,974	61.0 %

adjusted operating budget.

At this juncture of the biennium, there are no major categorical or departmental variances of note to report within the City's general governmental operations. Any apparent anomalies in terms of the percentage of the biennial budget spent at this juncture of the biennium are attributable to the timing of expenditures rather than actual or anticipated budgetary variances.

Although there are no significant categorical or departmental budget variances to report, there are several vulnerabilities and opportunities associated with the City's budget to report on that may impact the City as we complete the second year of the 2013/2014 biennium and plan for the 2015/2016 biennium.

- On the final day of June, 2013, Governor Jay Inslee signed a new 2-year state budget, averting a state shutdown that would have occurred if the budget had not been completed by July 1st. The final budget contained a number of disappointing provisions, including the elimination of close to a quarter of a billion dollars in key infrastructure and public safety funding for cities.

The most significant impacts to the City of Kennewick were the elimination of state funding to the Public Works Trust Fund low-interest loan program through June of 2019 and reallocation of half of the liquor excise taxes historically distributed to cities and counties to the State's general fund through June of 2015. Both items have a significant impact on the City's current and future biennial budgets.

- The City also continues to address budget vulnerabilities as a result of Federal budget issues including sequestration, which went into effect in early March. The following are some of the items of concern for the City:

- Kennewick and the Tri-Cities region as a whole are still very reliant on Hanford employment. The Federal government's inability to balance its budget may result in future reductions in federal funding for Hanford clean-up, particularly in light of the fact that stimulus funding of \$2 billion accelerated clean-up efforts from 2009-2011.
- As a direct result of sequestration, the City's direct subsidy payment from the IRS for its 2010 Build America Bonds (BABs) will be reduced by 8.7%. This equated to a reduction of approximately \$10k to the City's direct subsidy payment for its June, 2013 interest payment.
- Discussions are ongoing at the federal level to eliminate, or cap, the exemption for municipal bond interest. This would significantly increase borrowing costs for state and local governments.
- Sequestration resulted in cuts to transportation, education, housing, public safety and water quality programs. The City benefits directly, or indirectly, from programs in each of these areas. Reductions to the Community Development Block Grant (CDGB) program are also expected to impact the City directly.
- The City has received notification that its Medicare reimbursements for ambulance transports will be reduced by as much as 2% as a result of sequestration. This reduction will likely result in a larger contractual write-off,

rather than an increase to the amount owed by the patient. In either case, the reduction to the reimbursement rate will have a negative impact on the City's net revenue generated from ambulance transports.

- Jail costs are the largest contracted service expense for the City, with a projected cost of \$5.5 million for the 2013/2014 biennium (including work crew services). This projection assumed moderate increases to the bed day rate during the biennium, along with utilization of the facility during these years at similar levels to the prior biennium.

The final bed day rate for 2013 as reported by the Benton County Sheriff's Office was \$64.99, which was significantly lower than the billing rate of \$68.09 used throughout 2013. As a result, the City received a credit of \$119,167, which was applied against the January 2014 billing for jail services.

Additionally, the 2014 prisoner bed day rate is now estimated at \$67.03, which is lower than anticipated. Although the final bed day rate for 2014 won't be known until the spring of 2015, the estimated bed day rate would result in a significant budgetary savings for the City.

- In 2012, the Washington State Supreme Court adopted misdemeanor caseload standards for public defenders, despite objections raised by cities, AWC, the Washington State Association of Municipal Attorneys (WSAMA), the Washington State Association of Counties (WSAC), and others. The new standards, which initially had an effective date of September 1, 2013 that has now been delayed to January of 2015, limit the

caseload of a full-time public defender to 300 or 400 misdemeanor cases per year, depending on whether a jurisdiction has developed a case weighting system. The City is currently working with the Benton County Office of Public Defense to minimize the financial implications of the new misdemeanor caseload standards. However, the potential exists that these new standards could add a significant amount to the City's current expenditures for indigent defense.

- Agencies from Benton and Franklin Counties continue to work in partnership towards a bi-county dispatch program for public safety personnel. In 2013, County Commissioners from both Franklin and Benton Counties approved for the project to move to the next phase. If a regional partnership can be reached, it could result in cost savings and a much more efficient dispatch program with a better level of service for all participants.

- The City's labor contract with one of its largest labor unions expired at the conclusion of 2013. The City is actively negotiating with this group in an effort to reach agreement on a new contract. Although the City's 2013/2014 adjusted budget reflects estimates of potential wage and benefit

changes that may result from the negotiation process, this item will remain as a potential budget vulnerability until such time that the final terms of any labor agreement are reached.

As we progress further into the second half of the 2013/2014 biennium and begin planning for the 2015/2016 biennium, City staff will

continue to monitor these and other issues that may have an impact on the City's budget.

Table 3 presents the cash flows and fund balances for the biennium for all funds summarized by fund groups – general governmental, capital, proprietary, and designated. The following sections of this report provide highlights for each fund group.

Table 3: Biennial Working Capital and Fund Balances for All Funds (in \$1,000's)

FUND	Beginning Balance	Revenues	Expenditures	Ending Balance
GENERAL GOV'T:				
General Fund	\$3,320	\$53,528	\$54,833	\$2,015
Street	-	2,262	2,262	-
Subtotal	3,320	55,791	57,096	2,015
CAPITAL FUNDS:				
Arterial Street	134	1,531	1,653	13
Urban Arterial Street	924	3,839	4,456	308
Capital Improvement	7,169	11,492	10,864	7,798
Subtotal	8,227	16,863	16,972	8,118
PROPRIETARY FUNDS:				
Water & Sewer	10,314	22,885	24,142	9,057
Medical Services	445	5,340	5,281	504
Building Safety	586	1,497	1,399	684
Coliseum	(454)	5,440	5,625	(639)
Stormwater	395	1,561	1,638	318
Columbia Park Golf Course	(1)	361	357	3
Equipment Rental	3,323	4,480	4,336	3,466
Risk Management	627	1,938	2,193	372
Central Stores	202	299	289	211
Subtotal	15,436	43,800	45,260	13,976
DESIGNATED FUNDS:				
Cash Reserve Fund	2,655	21	-	2,676
Debt Service	3	3,298	3,297	4
BI-PIN Fund	-	452	450	2
Community Development	61	1,054	839	275
MPD Asst Operations Fund	13	49	32	30
Asset Forfeiture Fund	119	56	65	110
Lodging Tax	226	1,454	1,341	339
Public Safety	-	3,316	3,316	-
LID Guaranty	35	-	-	35
Subtotal	3,111	9,699	9,340	3,469
TOTAL	\$30,094	\$126,153	\$128,668	\$27,579

CAPITAL FUNDS

The capital budget is comprised of those funds designated for capital projects or major capital purchases. Included in this category are the Arterial and Urban Arterial Street Funds, and the Capital Improvement Fund.

The capital improvement program (CIP) forms the basis for the City's capital budget. Kennewick City Council formally adopted the current CIP extending from 2013 through 2018 in conjunction with its adoption of the 2013/2014 biennial budget. This update included a wide variety of new capital improvement projects such as infrastructure improvements in the City's Southridge Local Revitalization Area, street reconstruction, new signal installations, street overlays, storm drainage system upgrades, park improvements, city-wide technology improvements and other information systems purchases. In addition, the 2013/2014 biennial budget was adjusted in April and November to reflect the carryover of capital projects that began during the last biennium, but were not completed and the addition of any new capital projects for the biennium. In total, the adjusted capital budget for the 2013/2014 biennium is now approximately \$32.4 million. In addition, \$26.7 million is now budgeted from the Water and Sewer Fund for new water and sewer system infrastructure and system improvements and upgrades that coincide with street projects. Actual project expenditures for the biennium through March of 2014 were only \$9.3 million in the capital funds and \$7.8 million in the Water and Sewer Fund, due in large part to the fact that many of these projects are scheduled to begin construction in 2014 and be completed near the end of the biennium or in 2015.

Major street projects budgeted for the 2013/2014 biennium currently underway include:

Olympia Street - SR 397 to West 27th Ave. – The City received a \$1,710,000 grant from the State Transportation Improvement Board (TIB), a \$192,000 federal grant through Benton County, and \$1,454,000 federal funds allocated to Kennewick toward the cost of the \$3,850,000 project to widen and reconstruct Olympia St., south of 27th Ave., to the connection with SR 397. The project is scheduled to be completed this fall.

Edison Street – Clearwater Ave. to Canal Drive – The City has received a 60% (\$1,170,000) TIB grant for the \$1,950,000 Edison St. widening project. The project will add a center turn lane and bike paths to the length of Edison St. Design, permit applications and right of way acquisition are currently in progress. The project is scheduled to be constructed in 2014.

Dayton Street Bridge - The City received an 80% (\$454,400) federal bridge replacement grant, for the estimated \$568,000 replacement of the Dayton St. - CID canal crossing bridge, near Keewaydin Park. During bridge inspections in 2008, the bridge was identified as having structural problems and last year was required to be posted for load limits. Although a short bridge, it is a critical bridge for the City, serving the Civic Center emergency response, transit and the Kennewick High School. Nichols Engineering, a Spokane consultant, designed the replacement bridge and City staff designed roadway improvements. The project is scheduled to be under construction in June of 2014 with completion this fall.

Columbia Center Boulevard Safety Improvements – This project will improve vehicular and pedestrian access, reduce congestion and improve traffic safety in the area between Quinault Ave. and Canal

Dr. The project will also provide mid-block pedestrian access to the mall at the hotel street access on Quinault Ave. The City received a \$730,000 federal safety grant for this project. The project is under construction and is scheduled to be completed this summer.

Grandridge Boulevard and Young Street Roundabout – This project will construct a new roundabout with public art. The City received a \$380,000 regional STP federal grant for the project. The project was advertised for construction but was not awarded due to cost. A redesign that reduces the cost of the project has been completed. Construction is planned for summer 2014.

Steptoe Phase III/ West 4th to Sherman St. – The City received a TIB grant in the amount of \$3,120,000 for the construction of this project. The project is currently under design by HDR Engineering staff and consultants have held several open house meetings in an effort to develop the designs to accommodate concerns from meeting attendees. The project is scheduled to be advertised for construction this spring.

Clearwater Ave – Leslie to US395 – This will complete an access management analysis study, stakeholder involvement meetings, right-of-way acquisition, design, and construction of various improvements along Clearwater Ave. as needed to improve local access along the corridor. The project is being funded in part by a \$2,120,000 federal safety grant.

PROPRIETARY FUNDS

The **Water and Sewer Fund** budget is \$61.7 million for the biennium, including \$6 million in budgeted ending working capital and \$26.7 million for capital expenditures.

Through the first fifteen months of the 2013/2014 biennium, revenues from water and sewer rates were 59.4% of the biennial budget for this revenue source, which was slightly behind budget projections that included 4% revenue growth each year based on moderate increases in water consumption and anticipated rate changes tied to the annual change to the consumer price index. Revenue collected from other fees and charges was approximately 59.8% of the adjusted budget through March, which was also slightly behind budget projections for this revenue source.

Interest and other miscellaneous revenues were 51.4% of the 2013/2014 adjusted budget at this juncture of the biennium. This revenue category consists primarily of interest earnings and other minor, miscellaneous revenues.

The revenue category of other financing sources has an adjusted budget of just under \$16.1 million for the 2013/2014 biennium, which consists of \$2 million in projected grant proceeds from the Department of Ecology (DOE) for the City's Southridge Aquifer Storage & Recovery (ASR) project, \$725,000 for a state revolving loan for improvements at the City's Wastewater Treatment Plant, \$1.1 million in anticipated developer contributions associated with development of the City's Southridge area, and \$12.25 million in anticipated proceeds from Public Works Trust Fund (PWTF) loans for implementation of an automated meter reading (AMR) system, construction of a new interceptor at Beech Street, Zone 4 and 5 transmission main lines and construction of a Zone 4 reservoir and Zone 5 booster station. As outlined earlier in this report, the State essentially eliminated the PWTF loan program as part of its 2013-2015 biennial budget. Fortunately for the City, its Zone 4 reservoir project was

included in the fiscal year 2013 project list and therefore it was funded. However, this is the only project included within the 2013/2014 budget that will be funded through a PWTF loan. Through March of 2014, the City has received approximately \$1.2 million in grant proceeds from DOE for the City's ASR project, \$600,000 in PWTF loans for the Zone 4 reservoir project, and just over \$80,000 from the state revolving loan designated for Wastewater Treatment Plant improvements.

As of March 31, 2014, total operating expenses for the water and sewer fund were in line with budget projections, with no material variances to report. Additionally, there were no unanticipated variances to report in the non-operating expenditure categories as transfers, debt service and capital expenditures were all in line with budget projections.

Major capital projects for the Water and Sewer Fund currently underway include:

- ASR Feasibility Study – project construction completed, cycle testing underway
- Zone 4 Reservoir & Booster Station – under construction
- City wide sewer improvements - under construction
- Hildebrand Blvd. - in design
- Thompson Hill Zone 6 Booster Station – under construction
- Zone 4 Transmission Main - in design
- Beech Street Sewer Interceptor Phase II – project awarded, construction to begin in May 2014
- Columbia Gardens Winery Waste Treatment Facility – in design

Table 4: Water and Sewer Fund (in \$1,000's)

	2013/2014			2011/2012		
	3/31/14	Budget	%	3/31/12	Actual	%
Revenues						
Revenue from Rates	19,433	32,688	59.4 %	17,965	30,014	59.9 %
Other Fees & Charges	1,417	2,369	59.8	979	1,787	54.8
Intergovernmental	-	-	-	-	193	-
Interest & Miscellaneous	106	206	51.4	144	198	72.7
Other Financing Sources	1,929	16,075	12.0	855	930	92.0
TOTAL	\$22,885	\$51,338	44.6 %	\$19,943	\$33,121	60.2 %
Expenditures						
Salaries & Benefits	\$4,548	\$7,834	58.1 %	\$3,991	\$6,524	61.2 %
Supplies	295	580	50.9	214	436	49.1
Other Services & Charges	8,051	13,549	59.4	7,157	11,795	60.7
Transfers:						
General Fund	-	-	-	209	338	-
CIP Fund - Facilities/Capital	127	127	99.8	124	139	89.5
Stormwater	-	-	-	50	50	-
Other	7	23	-	-	6	-
Debt Service	3,473	6,800	51.1	3,706	6,384	58.1
Capital Outlay	7,503	26,002	28.9	4,208	7,214	58.3
Sewer Area Charge	138	725	-	-	-	-
PWTF Projects	-	-	-	3	3	100.0
TOTAL	\$24,142	\$55,640	43.4 %	\$19,662	\$32,889	59.8 %

Table 5: Medical Services Fund (in \$1,000's)

	2013/2014			2011/2012		
	3/31/14	Budget	%	3/31/12	Actual	%
Revenues						
Revenue from Transports	\$2,693	\$4,537	59.3 %	2,367	\$3,860	61.3 %
Household Ambulance	2,618	4,220	62.0	1,445	2,747	-
Intergovernmental Revenue	17	-	-	-	-	-
Interest & Miscellaneous	1	1	-	13	15	-
Transfer from General Fund	-	-	-	1,038	1,325	78.3
Other Financing Sources	12	12	100.0	-	-	-
TOTAL	\$5,340	\$8,770	60.9 %	4,863	\$7,947	61.2 %
Expenditures						
Salaries & Benefits	\$3,632	\$6,091	59.6 %	\$3,479	\$5,540	62.8 %
Supplies	191	279	68.6	142	247	57.5
Other Services & Charges	1,234	2,096	58.8	1,060	1,759	60.3
Operating Transfer/CIP Fund	87	87	-	27	40	68.2
Intergov't Services & Taxes	116	185	62.9	219	1,020	21.5
Debt Service	21	-	-	56	84	66.3
TOTAL	\$5,281	\$8,738	60.4 %	\$4,983	\$8,690	57.3 %

The **Medical Services Fund** is utilized to account for the City's ambulance utility and the third-party ambulance billing program as an enterprise operation. Table 5 provides a comparison of the 2013/2014 adjusted budget to actual revenues for the biennium, as well as a comparison of these same items for the utility during the 2011/2012 biennium.

The primary revenue source for the medical services fund is the net revenue received from ambulance transports. After experiencing relatively flat growth in the number of

billable transports in both 2011 and 2012, the number of billable ambulance transports increased by 8% in 2013 and has increased again by over 6% during the first three months of 2014. The net monthly revenue received from transports has been approximately \$180,000 during the 2013/2014 biennium, which is less than original projected net monthly revenue of approximately \$189,000 included in the 2013/2014 adopted budget. This budget variance is primarily attributable to reductions in the amount of Medicare and Medicaid reimbursement rates.

In addition to transport revenues, the 2013/2014 biennial budget for the Medical Services Fund also includes a two-year projection of \$4.22 million for revenue from the City's monthly ambulance utility charge. Through March of 2014, actual receipts were 62% of this amount.

At this juncture of the 2013/2014 biennium, expenditures within the Medical Services Fund were 60.4% of the adjusted 2013/2014 budget, with no material variances to report.

Table 6: Building Safety Fund (in \$1,000's)

	2013/2014			2011/2012		
	3/31/14	Budget	%	3/31/12	Actual	%
Revenues						
Licenses & Permits	\$1,492	\$2,320	64.3 %	\$1,423	\$2,743	51.9 %
Interest & Miscellaneous	5	-	-	-	2	-
Transfer from General Fund	-	-	-	-	-	-
TOTAL	\$1,497	\$2,320	64.5 %	\$1,423	\$2,745	51.8 %
Expenditures						
Salaries & Benefits	\$1,105	\$1,818	60.8 %	\$1,118	\$1,697	65.9 %
Supplies	16	26	64.5	6	17	35.3
Other Services & Charges	261	391	66.7	207	339	61.1
Operating Transfer/CIP Fund	17	17	-	70	111	63
TOTAL	\$1,399	\$2,252	62.1 %	\$1,401	\$2,164	64.7 %

The **Building Safety Fund** is utilized to isolate the costs of providing the City's building inspection function, including equipment replacement charges and administrative costs.

Table 6 provides a comparison of the budgeted and actual revenues and expenditures for the 2013/2014 biennium, as well as a comparison of these items at the same juncture of the prior biennium.

Building permit fees provide the primary revenue source for this fund.

During 2013, the number of building permits issued by the City increased by 4%. However, the valuation of the

City's building permits decreased by 43%, which was directly associated with the significant valuation of the building permit issued for the Trios Health facility in 2012.

Thus far in 2014, the Building Safety division has issued 416 permits with a valuation of approximately \$39.4 million. Although this represents a 12% reduction in the number of

permits issued when compared to the first three months of 2013, the total valuation of these permits is an increase of 41%. The increase in valuation is primarily attributable to a \$14 million permit issued for the construction of a new medical office building that will be located adjacent to the Trios Hospital in the City's Southridge area. As a result of these trends, building permit revenue has

increased by nearly 39% during this time period.

Operating expenditures for the Building Safety Fund were 62.1% of the adjusted budget as of March 31, 2014, with no material variances to report.

Table 7: Coliseum Fund (in \$1,000's)

	2013/2014			2011/2012		
	03/31/14	Budget	%	3/31/12	Actual	%
Revenues						
Operating Revenue	\$3,766	\$6,547	57.5 %	\$4,496	\$6,559	68.5 %
Capital Contribution	-	-	-	13	12	108.3
Debt Proceeds	339	400	84.8	-	-	-
Transfers In	1,335	2,280	58.6	1,282	2,054	62.4
TOTAL	\$5,440	\$9,227	59.0 %	\$5,791	\$8,625	67.1 %
Expenditures						
Cost of Operations	\$4,257	\$7,247	58.7 %	\$5,006	7,304	68.5 %
Interfund Loan Repayment	514	1,052	48.9	509	991	51.4
Capital Outlay	854	933	91.5	306	434	70.5
TOTAL	\$5,625	\$9,232	60.9 %	\$5,821	\$8,729	66.7 %

The **Coliseum Fund** accounts for the operating activity of the City's coliseum facility, known as the Toyota Center & Arena, as a separate enterprise including debt service associated with the acquisition of the facility. The City assumed full ownership of the facility and a second sheet of ice in August of 2000. Since 2004, the facilities have been operated under an interlocal agreement with the Kennewick Public Facilities District Board to oversee management of the facility in conjunction with its own convention center facility.

The 2013/2014 adopted budget for the facility provides for a two-year operating contribution of \$700,000, or approximately \$350,000 annually. This contribution consists of a \$400,000 transfer (\$200,000 annually) from the General Fund and a \$300,000 transfer (\$150,000 annually) from the City's Lodging Tax Fund using lodging tax proceeds as the funding source.

The actual result for the facilities in 2013 was a net operating loss of \$400,533, which is approximately \$51,000 higher than the budgeted net operating loss for the facilities. This budgetary shortfall was primarily attributable to lower than anticipated revenue generated from events, including building rental fees, facility fees, food & beverage service fees and revenue generated at the Toyota Arena.

However, VenuWorks and the KPFD have developed an operating budget for 2014 that they believe will allow the facilities to remain within the original \$700,000 operating loss budgeted for the 2013/2014 biennium. Through March of 2014, the net operating loss for the facilities was \$47,087, which unfortunately was approximately \$24,000 higher than the operating loss originally projected for this period. Similar to 2013, the primary factor in this budgetary shortfall is a lack of events at the facilities. VenuWorks and the KPFD remain confident that the facilities

will remain within budget for the 2013/2014 biennium.

It is important to note that events at the Toyota Center & Arena also generate admissions tax that is received into the City's General Fund and is dedicated under a City Council budget policy to fund the contribution provided to the facilities. For example, in 2013, the City received approximately \$161,000 in admissions tax from events held at the Toyota Center & Arena. In addition, the City also receives a great deal of ancillary revenue generated as a result of these events, including sales and hotel/ motel taxes.

In addition to a contribution for operations, the Toyota Center & Arena's 2013/2014 adjusted budget also includes a transfer from the Lodging Tax Fund of \$986,600 to cover debt service associated with the acquisition of the facility and a budgeted transfer of \$400,000 from the City's Capital Improvement Fund for capital improvements and new equipment needed at the facility.

Additionally, the facility has refurbished its marquee sign at the intersection of Okanogan and Columbia Center Boulevard with the

proceeds of an interfund loan from the Water and Sewer Fund that was approved by Council in February of 2013. The loan will be repaid over a

7-year period with excess lodging tax proceeds.

Table 8: Stormwater Utility Fund (in \$1,000's)

	2013/2014			2011/2012		
	3/31/14	Budget	%	3/31/12	Actual	%
Revenues						
Revenue from Rates	\$1,393	\$2,252	61.8 %	839	\$1,639	51.2 %
Intergovernmental	-	-	-	59	220	26.8
Interest & Miscellaneous	4	-	-	2	3	66.7
Transfers In	-	-	-	50	50	100.0
Other Financing Sources	165	3,199	5.1	-	248	-
TOTAL	\$1,561	5,451	28.6 %	950	2,160	44.0 %
Expenditures						
Salaries & Benefits	\$653	\$1,044	62.6 %	\$506	\$849	59.6 %
Supplies	21	53	39.8	14	28	50.0
Other Services & Charges	605	1,276	47.4	415	777	53.4
Operating Transfer	74	75	-	15	254	5.9
Intergov't Services & Taxes	-	-	-	22	45	48.9
Debt Service	-	344	-	-	-	-
Capital Outlay	285	2,962	9.6	9	930	1.0
TOTAL	\$1,638	\$5,753	28.5 %	\$981	\$2,883	34.0 %

The **Stormwater Utility Fund** was established in June of 2009 and accounts for the operating activity of the City's stormwater utility program. The primary revenue source for the stormwater utility is a monthly charge assessed to all residential, multi-family, commercial, and other non-residential customers on their bi-monthly water and sewer bill. Expenses of the utility include the costs associated with operating and

maintaining the City's stormwater system in compliance with the Phase II municipal permit requirements established by the Washington State Department of Ecology, as well as any necessary capital improvements made to the system and any related debt service requirements.

Table 8 provides a comparison of the budgeted and actual revenues and expenditures for the 2013/2014 bi-

ennium. Through March of 2014, revenue collected from the monthly stormwater charge was approximately \$1.4 million, or 61.8% of the biennial budget of \$2.25 million.

Total expenditures for the Stormwater Utility Fund at this juncture of the biennium were 28.5% of the 2013/2014 biennial budget, with no material variances to report.

Table 9: Columbia Park Golf Course Fund (in \$1,000's)

	2013/2014			2011/2012		
	3/31/14	Budget	%	3/31/12	Actual	%
Revenues						
Charges for Services	\$199	\$497	40.0 %	\$195	\$365	53.4 %
Concessions & Miscellaneous	17	41	41.5	16	35	45.7
Transfers In	145	143	101.4	191	226	84.5
TOTAL	\$361	\$681	53.0 %	\$402	\$626	64.2 %
Expenditures						
General & Administrative	\$130	\$219	59.4 %	\$139	\$215	64.7 %
Maintenance	104	196	53.1	88	155	56.8
Operations	112	233	48.1	100	178	56.2
Capital Outlay	11	33	33.3	79	79	100.0
TOTAL	\$357	\$681	52.4 %	\$406	\$627	64.8 %

The **Columbia Park Golf Course Fund**, an enterprise fund, was established beginning on January 1, 2011 and accounts for the operating and maintenance, capital and debt

service costs related to the operation and management of the Columbia Park Golf Links golf course. In the fall of 2010, the City entered into an agreement with CourseCo, Inc. to

manage and operate the golf course on behalf of the City. CourseCo also manages the City of Richland's Columbia Point golf course, which has allowed for a unique partnership

opportunity between the two cities in terms of our ability to better leverage the resources of both facilities and operate both courses in a more efficient manner.

Table 9 provides a comparison of the budgeted and actual revenues and expenditures for the Columbia Park Golf Course Fund for the 2013/2014 biennium. The primary sources of revenue for the golf course are greens fees, range fees, merchandise sales, food and beverage sales and other ancillary revenue associated with the

operation of the course. Expenses for the course consist of costs associated with operating and maintaining the golf course as well as capital outlay for improvements and upgrades to the course and its facilities.

For 2013, the course had a net operating loss of approximately \$95,000. This variance was primarily attributable to lower than anticipated operating revenue generated from greens fees, which was offset to a small degree by a corresponding decreases in variable expenses

associated with the number of rounds played at the course.

Through the first three months of 2014, the course had a net operating loss of \$35,050, which was \$4,420 higher than projected for this period. Similar to 2013, the main factor in this budgetary shortfall was a significant reduction in the number of rounds of golf played at the course and a corresponding reduction in operating revenues.

DESIGNATED FUNDS

Designated funds are restricted to uses outlined in grants, contractual, or statutory agreements.

Activity in the debt service fund relates to the property tax collection of the voter-approved levy for the library project and debt service of the City's bond issues to finance construction of the Three Rivers Convention Center, the Southridge ball fields, levee lowering, central plaza projects, police station facility and projects within the City's Local Revitalization Area (LRA).

Significant events taking place in the **Community Development Block Grant / HOME** program during the first quarter of 2014 include:

- Kennewick Perry Suites, a 15-unit complex on the corner of Kennewick Avenue and Perry Street has been completed and is in the process of being fully occupied. Full occupancy is expected to occur in April and an official opening ceremony is being planned for May.

The 5-Year Tri-Cities HOME Consortium Consolidated Plan expires this year and staff advertised for and selected a consultant to assist with data collection and implementation

for the 2015-2019 Plan which is due to HUD in November.

- The 2014 Annual Action Plan, which was put on hold due to a change HUD procedures, has been re-written and re-advertised. The Plan will be going to Council and HUD for approval in April. The 2014 CDBG allocation is \$539,970 which is a 9% reduction from 2013's allocation.
- Environmental reviews have been completed for the 2014 CDBG projects and the City's Pedestrian Ramp and Audible Crossing Button project should be ready to go out for bid in April. The \$359,000 project will remove architectural barriers in various locations throughout the City and install audible crossing buttons at existing signalized intersections.
- As the Responsible Entity, the City will be working with Kennewick Housing Authority on an Environmental Assessment for their Volland Street homeless and low-income multi-family residential unit project that is currently in the planning stage.

Receipts of the basic 2% hotel/motel tax in the Lodging Tax Fund

are allocated to the Tri-Cities Visitor and Convention Bureau and to support event promotion. Proceeds from the additional 2% are transferred to the Coliseum Fund for debt service on an interfund loan made from the City's Capital Improvement Fund. Also, \$150,000 is transferred annually from a combination of the basic 2% and the additional 2% tax to the Coliseum Fund to cover a portion of the Toyota Center's annual operating contribution.

The 2013/2014 adjusted budget includes a two-year projection of \$1,726,000 in hotel/motel tax revenue based on an assumption of 2% annual growth in this tax revenue source each year of the biennium. During 2013, receipts of lodging tax increased by only 1.2%. Through the first 3 months of 2014, lodging tax receipts have declined by slightly less than 1%.

In addition to hotel/motel tax, the Lodging Tax Fund also receives proceeds from the regional Tourism Promotion Area (TPA) established under an agreement with the cities of Richland and Pasco. Under this agreement, the TPA assesses a flat fee per guest room in hotels of each of the three cities. All funds collected are dedicated to marketing tourism in the region and are remitted to the Tri-Cities Visitor & Convention Bureau

(TCVCB) as the administrator of this program. At its October 15, 2013 meeting, the Kennewick City Council approved an interlocal agreement to increase the TPA assessment from \$1.50 to \$2.00 per room night effective January 1, 2014, as recommended by the TPA Commission and local hoteliers. The additional revenue generated from this assessment will help to bring tourism funding in the Tri-Cities on par with other comparable regions in the state.

The City received and remitted \$382,430 to the TCVCB from the TPA charge in 2013, which was an increase of 1.2%. Through the first

quarter of 2014, the City has received and remitted \$78,854 to the TCVCB from the TPA charge.

Revenues collected in the public safety fund of the voted 2½% utility tax on natural gas, telephone and electricity are transferred to the general fund to reimburse fire and police personnel costs. 21 positions in the police department and 11 positions in the fire department were created and are partially maintained through this funding source.

The 2013/2014 adjusted budget for the Public Safety Fund includes an estimate of \$5,265,416 in utility tax

revenue for the biennium. In 2013, the City received \$2,500,772, which represented 47.5% of the adjusted budget. Through March of 2014, the City had received \$815,047, which was an overall increase of 12% when compared to this same time period in the previous year. As described in more detail earlier in this report, the overall increase was attributable to a 13% increase in electric utility tax and a 40% increase in natural gas utility tax, which was partially offset by a 4% decline in telephone utility tax.

FUTURE OUTLOOK

As the City progresses into the second half of its 2013/2014 biennium, its financial condition remains relatively healthy in spite of numerous budgetary challenges. Unfortunately, although the City has weathered these challenges to this point, a number of challenges still remain.

The City's ability to generate new growth-related revenues has been critical in allowing it to maintain adequate funding for City Council's existing priority programs and services during this difficult period and is a direct result of the emphasis the Council has placed on the City's economic development efforts. However, this leaves the City with a budget model predicated on ongoing

growth in the future, which can be very difficult to sustain.

As we now begin to turn our focus to the upcoming 2015/2016 biennium, it will be critical for the City to continue to foster new economic development opportunities in the City of Kennewick, which in turn provides the growth-related revenue sources needed to providing service to the existing community.

Trios Southridge Hospital, opens July 15th



CASH MANAGEMENT

So far in 2014, the Federal Open Market Committee (FOMC) has reaffirmed its view that an accommodative monetary policy is appropriate. In determining how long to maintain the current 0 to ¼ percent target range for the federal funds rate, the Committee will assess progress toward its maximum employment and inflation objectives. There has been some progress in labor market conditions, but the business disruptions caused by a harsh winter make recovery complicated. It is expected that the FOMC will remain the most accommodative and supportive in history to maintain a long and sustained path toward economic recovery.

In March, a \$2 million agency security was called prior to maturity date. The proceeds were deposited

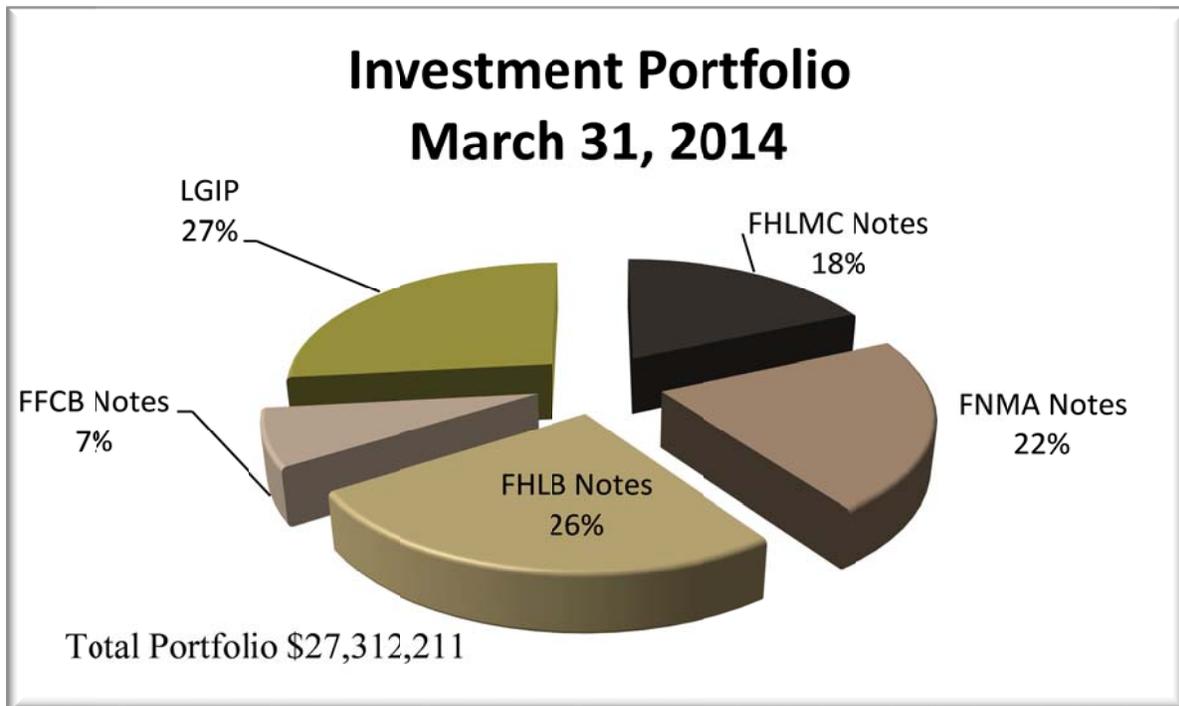
into the City's account with the State Investment Pool. The percent increase in the State Pool was offset by the decrease in FFCEB notes. The remainder of the percentages by security type stayed the same as illustrated in the *Investment Portfolio* pie chart.

At March 31, the City's investments by maturity were 37% each in the 0 to 1 year and 3 to 5 year ranges, with the remainder in the 1 to 3 year range. Overall, the weighted average maturity in years was 2.44 for agency securities and 1.79 when including the State Pool balance. The detail of each investment is listed in the *Cash & Investment Summary*.

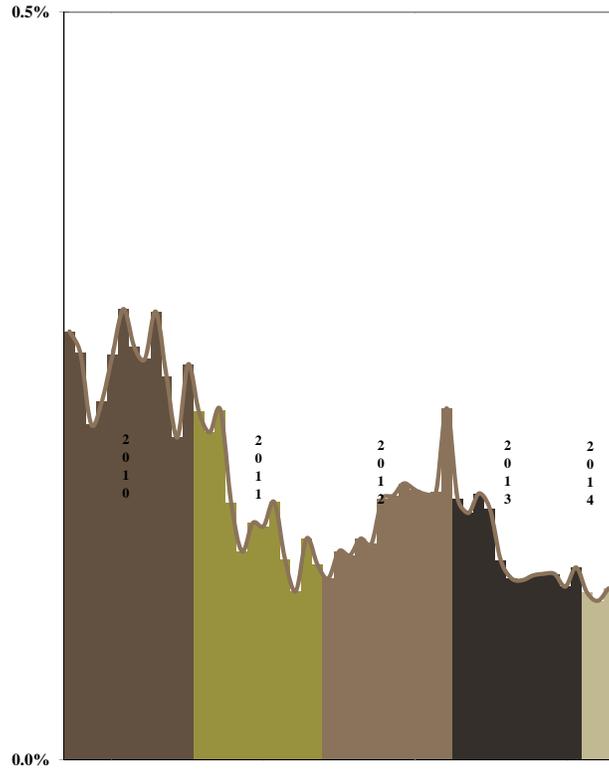
Other highlights for the 1st quarter of 2014:

- The yield for city balances invested at the State Pool was .11%. Interest earned during the quarter for Pool balances was \$1,148.
- The City's agency portfolio averaged a .83% rate of return and earned interest of \$42,853.

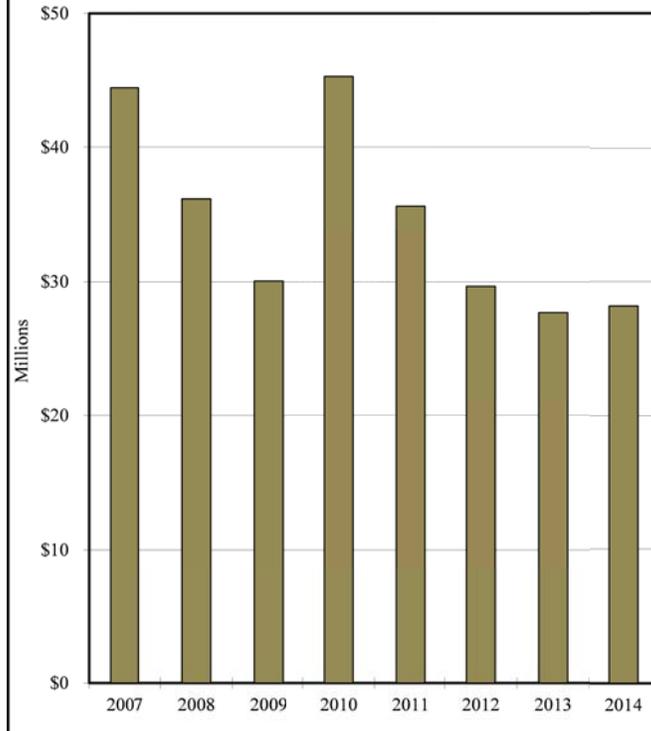
The market value of agency investments at March 31 was \$27,221,392 or \$90,819 lower than the principal cost. The unrealized loss associated with this difference will not be recorded because the investments will be held until call or maturity date.



**LOCAL GOV'T INVESTMENT POOL
NET EARNINGS RATE**



**City of Kennewick
Portfolio History**



Cash & Investment Summary As of 3/31/2014

Maturity Date	CUSIP/Ticker	Description	Broker/Dealer	YTM @ Cost	Trade Date	Cost Value
10/2/2014	3133EA3C0	FFCB 0.27 10/2/2014	Wells Fargo Securities	0.295	10/11/2012	999,510.00
12/18/2017	3133EDC26	FFCB 1.27 12/18/2017-14	Wells Fargo Securities	1.278	12/18/2013	999,700.00
5/19/2014	313379FL8	FHLB 0.35 5/19/2014	Wells Fargo Securities	0.35	5/10/2012	2,000,000.00
5/29/2015	313379LE7	FHLB 0.6 5/29/2015-14	Vining Sparks	0.6	5/16/2012	2,000,000.00
12/28/2016	313381KR5	FHLB 0.625 12/28/2016-13	Seattle NW Securities	0.63	12/13/2012	999,800.00
6/20/2018	313383EP2	FHLB 1.25 6/20/2018-13	Time Value Investment	1.25	5/23/2013	2,000,000.00
8/28/2015	3134G3ZA1	FHLMC 0.5 8/28/2015	Wells Fargo Securities	0.405	10/11/2012	2,005,420.00
5/30/2017	3134G3VR8	FHLMC 1.2 5/30/2017-14	Vining Sparks	1.2	5/10/2012	2,000,000.00
12/27/2018	3134G4QV3	FHLMC 1.85 12/27/2018-14	Wells Fargo Securities	1.85	12/18/2013	1,000,000.00
6/1/2017	31359MEL3	FNMA 0 6/1/2017	Time Value Investment	0.83	10/11/2012	1,999,715.51
10/22/2015	3135G0QB2	FNMA 0.5 10/22/2015-13	Vining Sparks	0.466	10/11/2012	2,002,000.00
5/25/2018	3135G0XM0	FNMA 1.125 5/25/2018-13	Wells Fargo Securities	1.148	5/23/2013	1,997,800.00
N/A	LGIP	State of Washington LGIP	None	0.115		<u>7,308,265.55</u>
		Total Investments				27,312,211.06
N/A	CASH	US Bank Operating Account	None			849,313.59
Total / Average		Total Cash & Investments		0.617		28,161,524.65

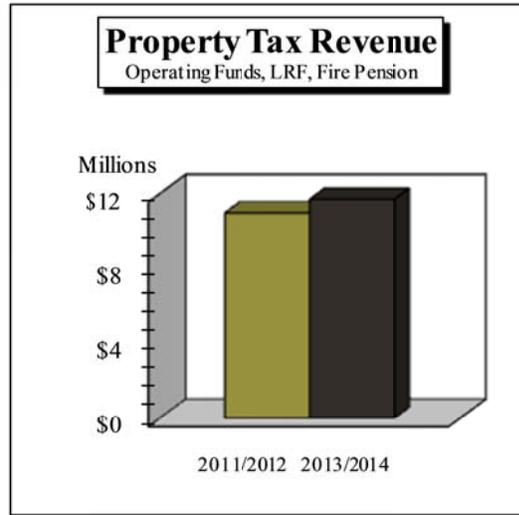
GESA CAROUSEL OF DREAMS



MAJOR REVENUE SOURCES

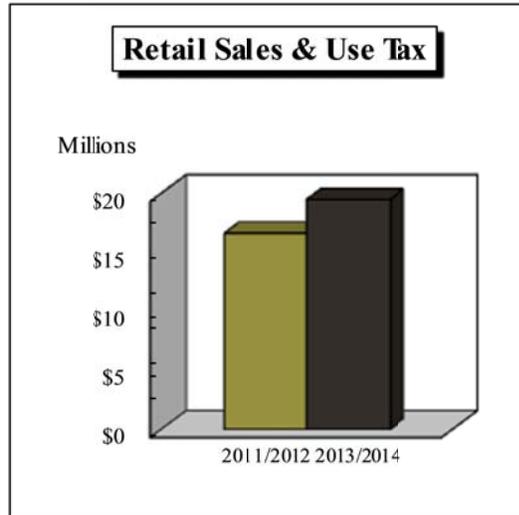
Property Tax Revenue

		2011/2012	2013/2014
Year 1	Jan-Mar	\$654,614	\$740,886
	Apr-Jun	4,998,922	5,286,678
	Jul-Sep	252,034	440,895
	Oct-Dec	4,435,979	4,488,372
Year 2	Jan-Mar	638,132	749,133
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Total		\$10,979,680	\$11,705,964
13/14 Biennial Budget			\$22,521,204
Actual vs Budget			52%



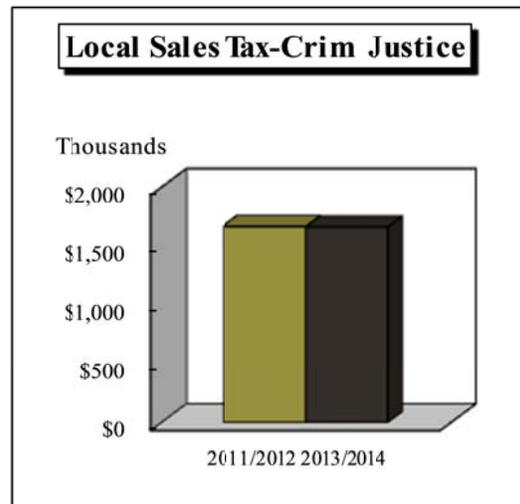
Retail Sales & Use Tax

		2011/2012	2013/2014
Year 1	Jan-Mar	\$3,466,522	\$3,923,276
	Apr-Jun	3,428,401	3,537,338
	Jul-Sep	2,441,210	3,970,129
	Oct-Dec	3,589,877	4,145,065
Year 2	Jan-Mar	3,724,733	3,923,260
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Total		\$16,650,742	\$19,499,068
13/14 Biennial Budget			\$31,161,023
Actual vs Budget			63%



Local Sales Tax-Criminal Justice

		2011/2012	2013/2014
Year 1	Jan-Mar	\$310,208	\$321,544
	Apr-Jun	329,296	318,048
	Jul-Sep	374,197	359,300
	Oct-Dec	328,964	336,823
Year 2	Jan-Mar	323,506	325,263
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Total		\$1,666,171	\$1,660,978
13/14 Biennial Budget			\$2,766,261
Actual vs Budget			60%

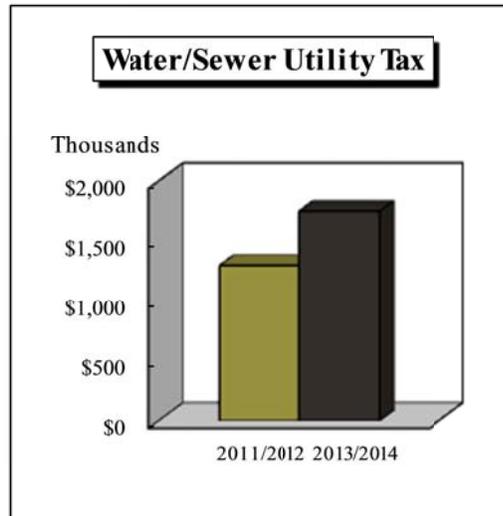


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Water/Sewer Utility Tax

		2011/2012	2013/2014
Year 1	Jan-Mar	\$213,800	\$306,155
	Apr-Jun	247,731	362,587
	Jul-Sep	291,736	410,356
	Oct-Dec	265,658	354,299
Year 2	Jan-Mar	277,635	314,106
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Total		\$1,296,561	\$1,747,503

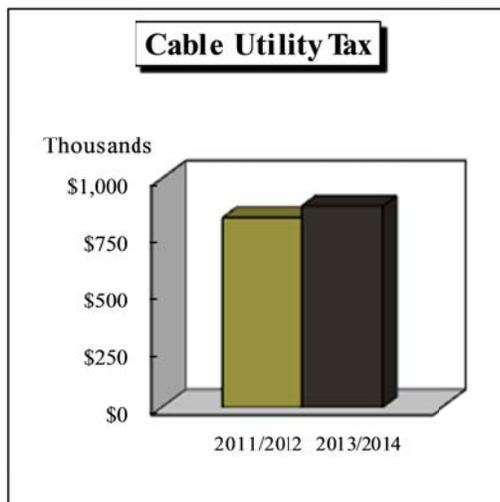
13/14 Biennial Budget \$2,941,932
 Actual vs Budget 59%



Cable TV Utility Tax

		2011/2012	2013/2014
Year 1	Jan-Mar	\$170,678	\$172,351
	Apr-Jun	173,375	177,600
	Jul-Sep	168,742	175,160
	Oct-Dec	158,278	175,480
Year 2	Jan-Mar	158,901	180,232
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Total		\$829,975	\$880,823

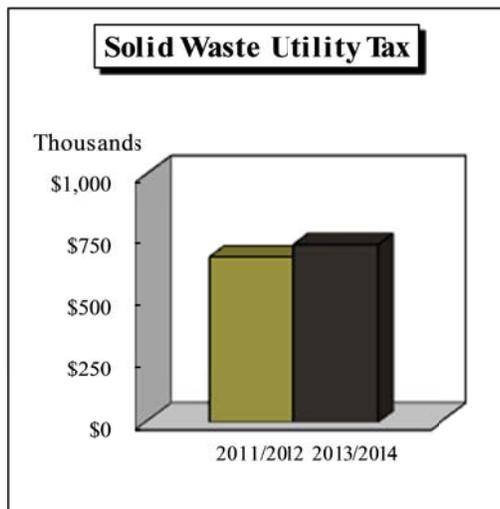
13/14 Biennial Budget \$1,322,000
 Actual vs Budget 67%



Solid Waste Utility Tax

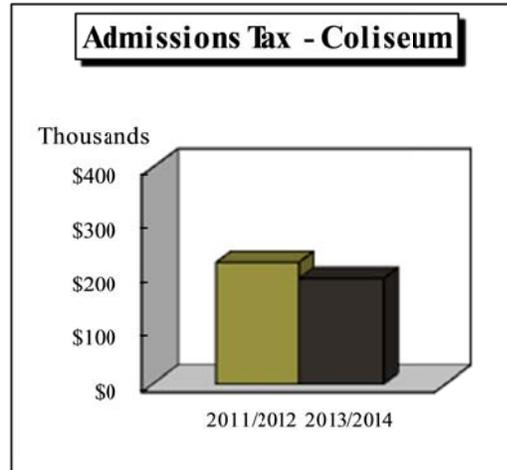
		2011/2012	2013/2014
Year 1	Jan-Mar	\$129,858	\$140,716
	Apr-Jun	134,660	146,420
	Jul-Sep	135,323	144,433
	Oct-Dec	135,319	145,816
Year 2	Jan-Mar	134,709	141,644
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Total		\$669,868	\$719,029

13/14 Biennial Budget \$1,181,000
 Actual vs Budget 61%



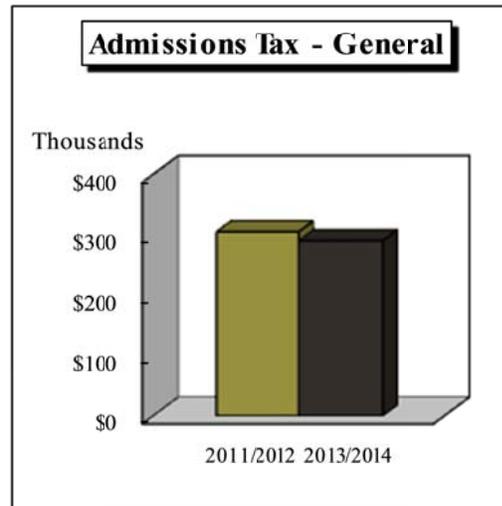
Admissions Tax - Coliseum

		2011/2012	2013/2014
Year 1	Jan-Mar	\$58,829	
	Apr-Jun	76,333	
	Jul-Sep	14,707	81,678
	Oct-Dec	76,866	79,535
Year 2	Jan-Mar		35,907
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Total		\$226,735	\$197,120
13/14 Biennial Budget			\$481,000
Actual vs Budget			41%



Admissions Tax - General

		2011/2012	2013/2014
Year 1	Jan-Mar	\$47,248	\$45,474
	Apr-Jun	76,333	50,593
	Jul-Sep	87,704	87,763
	Oct-Dec	51,452	58,229
Year 2	Jan-Mar	40,997	46,967
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Total		\$303,734	\$289,026
13/14 Biennial Budget			\$547,000
Actual vs Budget			53%



*“What lies behind you and what lies in front of you,
pales in comparison to what lies inside of you.”*

Ralph Waldo Emerson