

# City of Kennewick

## 2015 1st Quarter

### Financial Report



Issue Date: May 7, 2015

#### OVERVIEW

At this early stage of the City of Kennewick's 2015/2016 biennium, the City's financial trends appear to be relatively positive. Although it would be premature to make long-term projections based on only a 3-month period of time, the trends experienced through March of 2015 really are a continuation of those experienced during the latter half of 2014, which provides a real basis for optimism at this early juncture of the biennium. As has been the case for many years now, the City's current budget model is heavily reliant on growth revenues to fund the City's priority programs and services. As a

result, City staff continues to focus a great deal of attention to the City's key growth indicators.

Employment may be the single most important metric in evaluating the overall health of the economy in Kennewick and the Tri-Cities region. The preliminary unemployment rate in the Kennewick-Pasco-Richland metropolitan statistical area was estimated at 7.5% for March, which is approximately 1.5% lower than a year ago and 1.6% higher than the statewide unemployment rate of 5.9%. However, it is important to note that the March unemployment rate for the

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Kennewick-Pasco-Richland metropolitan statistical area has not been seasonally adjusted as of the release of this report, whereas the State unemployment rate has been. According to the most recent labor data issued by the Bureau of Labor Statistics, total non-farm employment in the Tri-Cities was approximately 105,300 in March, which is approximately 3,600 jobs higher than reported a year ago. Employment levels in the latter half of 2014 and first 3 months of 2015 were at the highest levels experienced in the area in the last 10 years, and even exceeded previous peak levels experienced in 2011 when the Hanford area was at its highest levels of employment to complete projects funded with \$2

#### New Construction Activity

	Comparative Totals	
	2015	2014
Single Family Permits	\$69	\$55
Commercial Permits	57	42
Other Permits	326	319
<b>Total Permits</b>	<b>\$452</b>	<b>\$416</b>
Permit Valuation	\$42,853,815	\$39,357,848
Building Permit Fees	\$447,199	\$374,431
Planning Fees	\$27,465	\$10,475

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. Through the first 3 months of 2015, the Building Safety division issued 452 permits with a valuation of approximately \$42.9 million. This activity represents a 9% increase in the number and valuation of permits issued when compared to the same time period in 2014. At this early stage, the increase in valuation is primarily attributable to growth in single family dwelling and multi-family permits.

Some of the more significant projects underway thus far in 2015 include construction of the Southridge Mini Storage, Amistad Elementary, Verizon Wireless Cell Tower, Canyon Lakes Golf Cart Storage, Bush Carwash, Grind Star Coffee, Fieldstone Assisted Living and remodels at Francesca's, Walker's Furniture, Rite Aid, Woodland Park Apartments, Columbia Industries, Domino's



Pizza, Solarium Tanning, Maihouse Grill & Bar, Starbucks and Aeroteck.

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 77,700, 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 388 over the past twelve months to 22,899 total accounts, which represented an increase of 2%. Lastly, the City processed 4,054 business licenses through March of 2015, which equates to a decrease of less than 1%.

### SIGNIFICANT EVENTS

On February 17<sup>th</sup> Council approved the three-year collective bargaining agreement with the International Association of Firefighters, Local #1296, for the years 2014-2016. The changes enacted to the contract primarily consisted of modifications to wages and benefits over the course of the contract period, as well as enhancements to the Fire Department's Paramedic program designed to incentivize individuals to pursue opportunities to attain their paramedic certification.

On March 17<sup>th</sup> Council awarded Premier Excavation a contract for Steptoe Street extension and Hildebrand Boulevard extension Phase 3B, for roadway subgrade, storm drainage, irrigation and sanitary sewer facility installations

from the end of Phase 3A to Sherman in the amount of \$360,870.

City Council authorized the purchase of property located at 4233 West 27<sup>th</sup> Ave. This property is a 3.37 acre lot abutting the City's Southridge Complex. The purchase price is \$440,392. The City intends to retain this property for possible future expansion of the City's Southridge Complex or other projects that would be complimentary to these facilities.

Staff was recently successful in securing an additional \$860,000 on the STP Regional Competitive grant for the Edison Street Widening project to include under-grounding of the overhead Benton Public Utility District #1 power lines. The funding is for the construction phase only. The Local Agency Agreement

and Federal Aid Project Prospectus are required to obligate the funds for the project.

The City also secured a \$951,500 STP Regional Competitive Federal Grant for 86.5% of the Columbia Center Blvd Pavement Preservation project.

City Council authorized art to be placed at the Steptoe and 10<sup>th</sup> Ave. roundabout.



## GENERAL GOVERNMENT

Table 1 provides a comparison of major revenue sources for the 2015/2016 biennium compared to the previous biennium (2013/2014). Through only three months of the 2015/2016 biennium, general governmental revenue collections totaled \$9.9 million, which represented 10.2% of the adopted budget.

General governmental receipts from sales taxes totaled approximately \$2.85 million through March 31, 2015. On a city-wide basis, sales tax receipts had increased by 5.5% through the first 3 months of 2015 when compared to this same time period in 2014. A significant factor in this comparison is the sales tax that was generated from the construction of the new Trios Health

facility in Southridge during 2014. After backing the sales tax generated from this project out of the 2014 results for this period of time, the increase experienced thus far in 2015 is closer to 9.5%.

Criminal justice sales tax receipts totaled approximately \$355,000 through March, which represented an increase of 9.1% when compared to this same time period in 2014. This 1/10% sales tax is distributed within Benton County based on population, rather than point of sale.

Utility tax receipts for the first quarter of 2015 totaled \$2.3 million, which was a decrease of 10.2% compared to the first three months of 2014. The City receives utility taxes from natural gas, garbage collection,

cable television, telephone, electric, ambulance, stormwater and water/sewer services excluding irrigation. The decline in overall utility tax revenue experienced thus far in 2015 is attributable to declines in electric, telephone and natural gas utility taxes, which were partially offset by increases in revenue from garbage and cable utility taxes.

Utility tax revenue received from the sale of electricity had decreased by 9.6% through March of 2015, based primarily on very mild weather conditions during the first 3 months of the year that reduced consumption for this period.

Utility tax revenue derived from telephone services has decreased by approximately 19% thus far in 2015, which is partially the result of

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

Revenue Source	2015/2016			2013/2014		
	3/31/15	Budget	Received	3/31/13	Actual	Received
Property Tax	\$870	\$23,220	3.7 %	\$742	\$22,174	3.3 %
Sales Tax	2,850	22,773	12.5	2,619	21,069	12.4
Criminal Justice Sales Tax	355	2,877	12.3	322	2,694	11.9
Electric Utility Tax	992	7,464	13.3	962	6,703	14.4
Telephone Utility Tax	420	3,958	10.6	537	4,046	13.3
Water/Sewer Utility Tax	318	3,118	10.2	306	2,918	10.5
Cable TV Utility Tax	184	1,526	12.1	172	1,429	12.1
Garbage Utility Tax	153	1,263	12.1	141	1,174	12.0
Natural Gas Utility Tax	250	1,135	22.0	244	1,088	22.4
Ambulance Utility Tax	11	91	12.1	9	78	12.0
Gambling Tax	202	1,527	13.2	191	1,473	13.0
Other Taxes	59	988	5.9	54	876	6.2
<b>Total Taxes</b>	<b>\$6,665</b>	<b>\$69,940</b>	<b>9.5 %</b>	<b>\$6,299</b>	<b>\$65,722</b>	<b>9.6 %</b>
Licenses & Permits	454	1,350	33.6	396	1,189	33.3
State Shared Revenue	-	1,326	-	-	1,377	-
State Entitlements	612	5,323	11.5	555	5,072	10.9
Other Intergovernmental	11	89	12.9	35	311	11.2
Charges for Services:						
Interfund	549	4,406	12.5	418	3,893	10.7
Environment	199	3,130	6.4	381	3,423	11.1
Culture & Recreation	93	995	9.4	79	1,041	7.6
Other	126	1,049	12.1	166	1,364	12.2
Fines & Forfeitures	328	2,782	11.8	330	2,529	13.0
Operating Transfers:						
From Public Safety	696	5,232	13.3	726	4,941	14.7
From Capital Improvement	-	-	-	-	-	-
Others	-	-	-	-	35	-
Interest/Misc.	137	901	15.2	175	1,018	17.2
<b>TOTAL REVENUES</b>	<b>\$9,871</b>	<b>\$96,521</b>	<b>10.2 %</b>	<b>9,560</b>	<b>\$91,913</b>	<b>10.4 %</b>

delinquent payments for providers that will be caught up during the 2<sup>nd</sup> quarter of the year. Additionally, this decline is also attributable to the same factors that have led to declines from this revenue source over the last several years, 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 eliminating their home phone in favor of using their cell phone as their primary phone.

Utility tax generated from the sale of natural gas has declined by 27% during the first 3 months of 2015, despite a 5.6% rate increase implemented by Cascade Natural Gas in November of 2014. The decline in natural gas utility tax experienced through March of 2015 was the direct result of the loss of revenue received from a natural gas broker operating in the area. During 2014, a determination was made by the Washington State Department of Revenue that the nexus for tax purposes on sales from this broker was actually occurring in a neighboring City where the broker's customers used the gas, rather than in Kennewick where title to the natural gas transferred to the customer. As a result of this determination, the revenue the City had been receiving from this broker ceased beginning in July of 2014.

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 increased by approximately 8% during the first quarter of 2015, which reflects a moderate rate increase based on the annual change in the consumer price index under the terms of their franchise agreement and growth in the customer base of Waste Management.

Utility tax generated from cable television services has increased by 2.3% through March of 2015, primarily as a result of rate increases implemented by the local cable provider.

Gambling tax revenue for the City totaled approximately \$202,000 after the first quarter of 2015, which represented a 3.3% increase when compared to 2014.

The category of other taxes includes receipts from admissions taxes and leasehold excise taxes. Total collections from this category through March of 2015 totaled approximately \$59,000.

Revenue for the 2015/2016 biennium through March from licenses & permits totaled \$454,000. The predominant sources of revenue within this category are business license fees and construction engineering permits. For the three months ended March 31, 2015, which coincides with the City's annual renewal period, revenue from business permits has increased by approximately 1.4% despite a 1% decrease in the number of licenses processed during this period. Although business license revenue has increased only moderately thus far, revenue generated from civil permits for residential and commercial construction projects increased by nearly 102%, or approximately \$34,000, when compared to this same timeframe in 2014.

The City has not received any state-shared revenue during the first quarter of the 2015/2016 biennium. This revenue category consists of privilege tax payments made each year based on the previous year's rate revenue by the Benton PUD and Energy Northwest and are typically received by the City 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 \$612,000 through March of 2015, which was a decline of 9% compared to the same time period in 2014. This decline is attributable to a criminal justice distribution the City received through the State's 'High Crime' program in 2014 of approximately \$51,000 that was not received in 2015. Under this criminal justice program administered through the State, cities receive a quarterly distribution if their crime rate for the prior year exceeds 125% of the state-wide average. The City did not qualify for this distribution during the state's 2015 fiscal year under this formula. Additionally, although the City received roughly the same amount of liquor revenues during the first quarter of 2015 and 2014, these amounts were still well below the amount the City has received from this source in the past due to legislation passed by the State in 2013 that diverted half of liquor excise taxes previously allocated to cities to its General Fund from July of 2013 through June of 2015 as part of its budget package for the 2013-2015 biennium.

Fines and forfeiture revenue received by the City from District Court totaled approximately \$328,000 during the first 3 months of the 2015/2016 biennium, which equates to a decrease of 6.6%. Though this trend only reflects activity for 3 months, it is primarily attributable to a decrease in revenue from traffic infraction penalties.

Table 2 provides an expenditure summary by category and department for the City's general governmental operations for the 2015/2016 biennium. At this very early stage of the biennium, total expenditures were approximately \$10.8 million, or 11.2% of the adopted operating budget.

Through the first quarter of 2015, there were no major categorical or departmental variances of note to report within the City's general governmental operations.

In addition to the revenue and expenditure trends for the City's

general governmental operations outlined above, there are several vulnerabilities and opportunities associated with the City's budget to report on that may impact the City during the 2015/2016 biennium.

- As has been the case for the past few bienniums, the State struggled to adopt a balanced budget for its current 2013-2015 biennium during the 2013 legislative session. The session ran to the last day of the 2011-2013 fiscal biennium, at which time a new 2-year state budget was adopted, narrowly averting a state shut-down. The 2013-2015 State 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.

As of the date of this report, the State has again entered into a special legislative session in an effort to adopt an operating budget for its 2015-2017 biennium and potentially a state transportation package. Staff has worked with the City's lobbyist throughout the 2015 legislative session in an effort to restore funding cities lost during the previous State biennium and guard against any new legislation that would be harmful to the City. Due to the State's legal requirements to fund basic education, cities remain vulnerable to further reductions in state-shared revenues and other capital funding programs as the State

finalizes its 2015-2017 budget in the coming months.

- Agencies from Benton and Franklin Counties continue to work in partnership towards a bi-county dispatch program for public safety personnel. In early 2015, agencies from these counties passed a resolution related to the formation of the Multi-Agency Three Rivers Information and Communications Services (MATRICS) entity, which will be followed by a series of interlocal agreements to establish the by-laws and operating parameters for the new agency. The implementation of MATRICS will mean a significant improvement to the level of service offered for the area's public safety departments and may also have a positive long-term impact on the operating costs for dispatch services.

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

Category	2015/2016			2013/2014		
	3/31/15	Budget	Spent	3/31/13	Actual	Spent
Salaries & Benefits	\$8,325	\$69,737	11.9 %	\$8,044	\$67,240	12.0 %
Supplies	303	2,642	11.5	170	2,567	6.6
Other Services & Charges	931	7,952	11.7	1,184	7,717	15.3
Intergov't Services & Taxes	739	10,277	7.2	724	11,317	6.4
Interfund Transfers	500	5,410	9.2	40	3,846	1.0
Capital Outlay	-	-	0.0	7	124	-
<b>TOTAL EXPENDITURES</b>	<b>\$10,799</b>	<b>\$96,017</b>	<b>11.2 %</b>	<b>\$10,169</b>	<b>\$92,810</b>	<b>11.0 %</b>
<b>Department</b>						
City Council	\$66	\$540	12.2 %	\$61	\$521	11.7 %
City Manager	85	720	11.8	80	657	12.2
Finance	383	3,348	11.4	437	3,605	15.0
Management Services	773	6,268	12.3	838	5,602	13.5
City Attorney	170	1,472	11.5	180	1,330	11.4
Civil Service	4	47	9.0	1	34	10.5
Economic Development/Planning	251	2,756	9.1	240	2,104	12.5
Police	4,267	39,186	10.9	3,934	37,496	11.4
Fire	1,855	14,855	12.5	1,995	15,970	11.4
Engineering	457	3,604	12.7	380	3,345	10.6
Employee & Community Relations	410	3,796	10.8	397	3,744	11.0
Parks & Facilities	691	7,092	9.7	714	6,463	6.0
Non-Departmental	938	8,305	11.3	492	8,149	11.1
Street Maintenance	448	4,028	11.1	420	3,790	
<b>TOTAL EXPENDITURES</b>	<b>\$10,799</b>	<b>\$96,017</b>	<b>11.2 %</b>	<b>\$10,169</b>	<b>\$92,810</b>	<b>11.0 %</b>

As we move further into 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)**

<b>FUND</b>	<b>Beginning Balance</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Ending Balance</b>
<b>GENERAL GOV'T:</b>				
General Fund	\$2,424	\$9,422	\$10,351	\$1,496
Street	-	448	448	-
Subtotal	2,424	9,871	10,799	1,496
<b>CAPITAL FUNDS:</b>				
Arterial Street	9	-	-	9
Urban Arterial Street	1,031	(118)	1,284	(371)
Capital Improvement	7,425	1,768	437	8,757
Subtotal	8,465	1,650	1,721	8,394
<b>PROPRIETARY FUNDS:</b>				
Water & Sewer	8,193	3,875	3,898	8,169
Medical Services	395	1,085	1,469	11
Building Safety	1,061	449	310	1,199
Coliseum	(641)	-	-	(641)
Stormwater	718	288	323	683
Columbia Park Golf Course	(2)	54	50	3
Equipment Rental	3,739	581	372	3,948
Risk Management	497	585	723	359
Central Stores	218	49	43	224
Subtotal	14,178	6,967	7,189	13,957
<b>DESIGNATED FUNDS:</b>				
Cash Reserve Fund	2,716	-	-	2,716
Debt Service	5	3	3	5
BI-PIN Fund	-	170	160	10
Community Development	335	16	114	238
MPD Asst Operations Fund	10	23	8	25
Asset Forfeiture Fund	110	-	2	108
Lodging Tax	124	279	73	331
Public Safety	-	696	696	-
Criminal Justice Sales Tax	-	147	78	69
LID Guaranty	35	-	-	35
Subtotal	3,334	1,334	1,134	3,535
<b>TOTAL</b>	<b>\$28,401</b>	<b>\$19,822</b>	<b>\$20,842</b>	<b>\$27,382</b>

\* The negative ending fund balances in the Urban Arterial Street Fund is due to a timing delay in reimbursable grant proceeds.

## 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 an update to the CIP extending from 2015 through 2020 in conjunction with its adoption of the 2015/2016 biennial budget in November. This update includes 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 total, the adopted capital budget for the 2015/2016 biennium is approximately \$9.6 million. In addition, \$4.1 million was budgeted from the Water and Sewer and Stormwater Funds for new water, sewer and storm drainage system infrastructure improvements and upgrades, some of which coincide with major street projects. However, it should be noted that the capital budget will increase significantly after the completion of the spring 2015 budget adjustment, which is the first adjustment of the biennium and includes the carry forward of all capital projects that began or were in process during the 2013/2014 biennium but were not completed at the end of 2014. Actual project

expenditures at this early stage of the biennium were \$1.6 million in the capital funds and \$933,000 in the Water and Sewer and Stormwater Funds.

Major street projects budgeted for the 2015/2016 biennium currently underway include:

**Olympia St. - SR 397 to West 27<sup>th</sup> 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 of federal funds allocated to Kennewick toward the cost of the \$3,850,000 project to widen and reconstruct Olympia St., south of 27<sup>th</sup> Ave., to the connection with SR 397. The project is complete except for punch list items that will be completed early this year.

**Edison St. – Clearwater Ave. to Canal Dr.** – The City has received a \$1,170,000 State Transportation Improvement Board grant and a \$900,000 Federal Surface Transportation Program grant for the \$2,850,000 Edison St. widening project. The project will add a center turn lane and bike lanes to the length of Edison St. Design, permit applications, and right of way acquisition are currently in progress. The project is scheduled to be advertised for construction later this year.

**Steptoe Phase III/ West 4<sup>th</sup> to Sherman St.** – The City received a State Transportation Improvement Board grant in the amount of

\$3,120,000 for the construction of this project. Phase 3 A and B of the project which will complete the roadway to West 10<sup>th</sup> Ave. was awarded on July 1, 2014. Plans for the portion of the project from West 10<sup>th</sup> Ave. to Sherman St. have been completed by HDR Engineering, Inc. Right-of-way acquisition for the remaining parcels is in progress. Phase 3 A and B are scheduled to be completed February 2016.

**Clearwater Ave. – Leslie to US395** – This project will complete an access management analysis study, stake-holder 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.

**Columbia Center Blvd. Pavement Preservation – West Clearwater Ave. to Quinault Ave.** – This project will overlay Columbia Center Blvd. from West Clearwater Avenue to West Quinault Avenue. The contract will include lowering of existing utilities, planing of the existing asphalt, pavement patching, and pavement lane striping, cross walks, stop bars, signage, and removal and replacement of C-curb. The project is being funded in part by a \$951,500 Federal Surface Transportation Program grant.

## PROPRIETARY FUNDS

The **Water and Sewer Fund** budget for the 2015/2016 biennium is \$41 million, including \$6.3 million in budgeted ending working capital and \$4.1 million for capital expenditures.

Through the first quarter of 2015, revenues from water and sewer rates were 10.2% of the adopted budget for this revenue source, which is in line with projections for the biennium when considering the seasonality of

water consumption. The adjusted budget was developed based on an assumption of 4% revenue growth each year of the biennium resulting from moderate increases in water consumption and anticipated rate

changes tied to the annual change to the consumer price index. Revenue collected for other fees and charges was approximately 11.8% of the adopted budget through March, which was also attributable to the seasonality of development projects that generate the majority of the revenue in this category.

Interest and other miscellaneous revenues collected were 10.9% of the adopted budget at the conclusion of March. This revenue category consists primarily of interest earnings and other minor miscellaneous revenue sources.

The revenue category of other financing sources has an adopted budget of only \$750,000, which represents anticipated developer contributions associated with development projects that will occur in the City during the biennium including projects occurring in the City's Southridge area. However, at the conclusion of 2014, the City had a

project for an upgrade to its wastewater treatment plant that was in progress, but not completed, and is funded through a state revolving loan. Both the remaining project budget and associated balance remaining on the state revolving fund loan will be carried forward and added to the City's 2015/2016 adjusted budget during the spring 2015 budget adjustment.

After the first three months of the 2015/2016 biennium, 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, phase 4 cycle testing completed, reviewing report from consultant. Temporary permit received from Department of Ecology for additional cycle testing to be completed between April 1, 2015 and January 1, 2016.
- Zone 4 Reservoir & Booster Station – under construction
- Hildebrand Blvd. – under construction
- Thompson Hill Zone 6 Booster Station – completed and accepted by City Council 2/3/15
- Zone 4 Transmission Main – under construction
- Beech Street Sewer Interceptor Phase II - under construction
- Columbia Gardens Winery Waste Treatment Facility – staff reviewing strong waste surcharge alternative to treatment plant

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

	2015/2016			2013/2014		
	3/31/15	Budget	%	3/31/13	Actual	%
<b>Revenues</b>						
Revenue from Rates	3,549	34,648	10.2 %	3,414	32,423	10.5 %
Other Fees & Charges	306	2,607	11.8	257	2,422	10.6
Intergovernmental	-	-	-	-	-	-
Interest & Miscellaneous	15	133	10.9	18	186	9.7
Other Financing Sources	5	750	0.7	1	6,051	0.0
<b>TOTAL</b>	<b>\$3,875</b>	<b>\$38,137</b>	<b>10.2 %</b>	<b>\$3,690</b>	<b>\$41,082</b>	<b>9.0 %</b>
<b>Expenditures</b>						
Salaries & Benefits	\$1,059	\$9,084	11.7 %	\$871	\$7,455	11.7 %
Supplies	54	568	9.5	40	525	7.6
Other Services & Charges	1,495	14,284	10.5	1,386	13,341	10.4
Transfers:						
General Fund	-	-	-	-	17	-
CIP Fund - Facilities/Capital	-	121	-	34	127	26.8
Fleet	-	24	-	-	-	-
Other	-	-	-	-	7	-
Debt Service	406	6,529	6.2	406	6,113	6.6
Capital Outlay	860	4,148	20.7	705	15,235	4.6
Sewer Area Charge	24	-	-	-	383	-
<b>TOTAL</b>	<b>\$3,899</b>	<b>\$34,758</b>	<b>11.2 %</b>	<b>\$3,442</b>	<b>\$43,203</b>	<b>8.0 %</b>

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 2015/2016 adopted budget to actual revenues for the biennium, as well as a comparison of these same items for the utility during the 2013/2014 biennium.

The primary revenue source for the Medical Services Fund is the net revenue received from ambulance transports. After experiencing significant growth in the number of billable transports during the prior biennium, the number of billable ambulance transports has increased moderately again during the first quarter of 2015 when compared to this same time period in 2014. The net monthly revenue received from these transports during this three month period was approximately \$165,000, which is lower than the net monthly revenue of approximately \$180,000 projected in the 2015/2016 adopted budget. At this early stage of the biennium, it is difficult to determine whether or not the results through March are truly indicative of a long-term trend. Staff will continue

to monitor this area closely as we progress further into the biennium.

In addition to transport revenues, the 2015/2016 biennial budget for the Medical Services Fund also includes a two-year projection of \$5.5 million for revenue from the City's monthly ambulance utility charge. As required under State law, the City completed a comprehensive cost of service study for the ambulance program in 2014 in conjunction with the development of the 2015/2016 biennial budget. The results of that study indicated that the City had capacity to increase its monthly ambulance availability charge assessed to all residential, commercial and multi-family units from its current level of \$5.67 per month to an amount as high as \$9.64 per month. The Kennewick City Council elected to modify the City's ambulance charge to \$6.67 per month effective January 1, 2015 and then to \$7.67 per month effective January 1, 2016, which will bring the City's monthly charge to an amount that is more consistent with the cities of Richland and Pasco and significantly reduce the amount of the operating contribution required from the City's General Fund for this program.

Additionally, the remaining capacity available for the monthly ambulance charge provides a potential funding source for the future needs of the City's ambulance program.

After the first three months of the biennium, expenses within the Medical Services Fund were 12.6% of the adopted budget for the 2015/2016 biennium, which is slightly higher than what might be anticipated in terms of the percentage spent with only 3 months of the 24-month biennium completed. The primary factors in this very minor budget variance are personnel and supply expenditures, which were 12.7% and 18.9% of the budget, respectively. Personnel expenditures are slightly higher than anticipated at this early juncture of the biennium due to a retroactive payment made to IAFF members (Firefighters) in 2015 for 2014 after their labor contract for 2014-2016 was settled. The variance in supply expenditures is largely attributable to timing issues associated with purchases made early in 2015 that will benefit the ambulance utility throughout the entire year.

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

	2015/2016			2013/2014		
	3/31/15	Budget	%	3/31/13	Actual	%
<b>Revenues</b>						
Revenue from Transports	\$495	\$4,327	11.5 %	\$219	\$4,045	5.4 %
Household Ambulance	631	5,480	11.5	847	4,210	-
Intergovernmental Revenue	-	-	-	-	18	-
Interest & Miscellaneous	-	-	-	1	1	-
Transfer from General Fund	275	1,825	-	-	-	-
Other Financing Sources	-	-	-	-	12	-
<b>TOTAL</b>	<b>\$1,401</b>	<b>\$11,632</b>	<b>12.0 %</b>	<b>1,067</b>	<b>\$8,286</b>	<b>12.9 %</b>
<b>Expenditures</b>						
Salaries & Benefits	\$1,126	\$8,894	12.7 %	\$685	\$5,794	11.8 %
Supplies	55	293	18.9	16	322	5.0
Other Services & Charges	287	2,231	12.9	223	2,012	11.1
Intergov't Services & Taxes	21	216	9.8	50	177	28.2
Capital Outlay	-	-	-	-	31	-
<b>TOTAL</b>	<b>\$1,490</b>	<b>\$11,634</b>	<b>12.8 %</b>	<b>\$974</b>	<b>\$8,336</b>	<b>11.7 %</b>

The **Building Safety Fund** 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 2015/2016 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. In 2014, building permit revenues

increased by 45% when compared to 2013. This increase was attributable to a 3% increase in the number of building permits issued during the year, coupled with a 43% increase in the valuation of permits issued. The increase in valuation was 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 outlined earlier in this report, the number of building permits issued

during the first 3 months of 2015 has increased by 9% compared to the same time period in 2014. The valuation of those permits has also increased by 9%, resulting in an increase of over 19% in building permit revenue for the period.

Operating expenses for the Building Safety Fund were 11.8% of the adopted budget for the 2015/2016 biennium through March, with no material variances to report.

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

	2015/2016			2013/2014		
	3/31/15	Budget	%	3/31/13	Actual	%
<b>Revenues</b>						
Licenses & Permits	\$447	\$2,485	18.0 %	\$270	\$2,741	9.9 %
Interest & Miscellaneous	2	8	-	1	9	11.1
Transfer from General Fund	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$449</b>	<b>\$2,493</b>	<b>18.0 %</b>	<b>\$271</b>	<b>\$2,750</b>	<b>9.9 %</b>
<b>Expenditures</b>						
Salaries & Benefits	\$242	\$2,077	11.6 %	\$214	\$1,801	11.9 %
Supplies	7	26	25.5	2	25	8.0
Other Services & Charges	61	490	12.5	43	432	10.0
Operating Transfer/CIP Fund	-	35	-	0	17	-
<b>TOTAL</b>	<b>\$310</b>	<b>\$2,629</b>	<b>11.8 %</b>	<b>\$259</b>	<b>\$2,275</b>	<b>11.4 %</b>

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 2015/2016 adopted budget for the facilities provided 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.

For 2015, the net operating loss approved by the Kennewick Public Facilities District for the Toyota Center and Arena facilities was \$375,000. Through March of 2015, the Toyota Center & Arena had a net operating loss of \$2,121, which is approximately \$5,000 better than the projected net operating loss for the facilities for this period. Although the facilities generated approximately \$44,000 less in revenue than anticipated for this period, there was a corresponding reduction in variable event and operations expenses.

It is also important to note that events at the Toyota Center & Arena 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 2014, the City received approximately \$154,000 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 2015/2016 adopted budget also includes a transfer from the Lodging Tax Fund of \$1,097,700 to cover debt service associated with the acquisition of the facility and to finance the refurbishment of the facilities' marquee sign at the intersection of Okanogan and Columbia Center Boulevard and a budgeted transfer of \$400,000 from the City's Capital Improvement Fund for capital improvements and new equipment needed at the facility.

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

	2015/2016			2013/2014		
	3/31/15	Budget	%	3/31/13	Actual	%
<b>Revenues</b>						
Operating Revenue	\$1,037	\$6,250	16.6 %	\$1,026	\$5,519	18.6 %
Capital Contribution	-	-	-	-	-	-
Debt Proceeds	-	400	0.0	-	369	-
Transfers In	-	1,798	0.0	-	2,320	0.0
<b>TOTAL</b>	<b>\$1,037</b>	<b>\$8,448</b>	<b>12.3 %</b>	<b>\$1,026</b>	<b>\$8,208</b>	<b>12.5 %</b>
<b>Expenditures</b>						
Cost of Operations	\$1,039	\$6,950	14.9 %	\$1,039	\$6,400	16.2 %
Interfund Loan Repayment	7	1,098	0.6	9	1,100	0.8
Capital Outlay	177	400	44.3	78	895	8.7
<b>TOTAL</b>	<b>\$1,223</b>	<b>\$8,448</b>	<b>14.5 %</b>	<b>\$1,126</b>	<b>\$8,395</b>	<b>13.4 %</b>

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 2015/2016 biennium and a comparison of these same items for the 2013/2014 biennium. Through March of 2015, revenue collected from the monthly stormwater charge was approximately \$287,000, or 12.3% of the biennial budget of \$2.33 million.

Total expenditures for the Stormwater Utility Fund during the first 3 months of 2015 were 13.0% of the 2015/2016 adopted budget, which is slightly higher than what might be

expected at this juncture in terms of the percentage expended only 3 months into the 24-month biennium. However, there are multiple projects within the utility that are funded through grants or state loans that began during the previous biennium, but were not completed. Although there were expenses related to these projects during the first quarter of the year, the remaining budgeted funding and expenditures associated with them will not be added to the 2015/2016 biennial budget until the Spring 2015 carry forward budget adjustment in May, which creates a temporary budget variance at the conclusion of March.

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

	2015/2016			2013/2014		
	3/31/15	Budget	%	3/31/13	Actual	%
<b>Revenues</b>						
Revenue from Rates	\$287	\$2,333	12.3 %	\$276	\$2,245	12.3 %
Interest & Miscellaneous	1	4	-	-	6	-
Other Financing Sources	-	-	-	5	597	0.8
<b>TOTAL</b>	<b>\$288</b>	<b>2,337</b>	<b>12.3 %</b>	<b>281</b>	<b>2,848</b>	<b>9.9 %</b>
<b>Expenditures</b>						
Salaries & Benefits	\$149	\$1,166	12.8 %	\$114	\$1,012	11.3 %
Supplies	3	41	7.9	5	34	14.7
Other Services & Charges	160	895	17.9	101	1,000	10.1
Operating Transfer	-	38	-	-	75	-
Debt Service	-	354	-	-	7	-
Capital Outlay	11	-	-	6	397	1.5
<b>TOTAL</b>	<b>\$323</b>	<b>\$2,495</b>	<b>13.0 %</b>	<b>\$226</b>	<b>\$2,525</b>	<b>9.0 %</b>

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 Richland's Columbia Point golf course and Pasco's Sun Willows golf course, which has allowed for a unique partnership opportunity between the cities in terms of our ability to better leverage the resources

of these facilities and operate the 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 2015/2016 biennium, as well as a comparison of these same items for the course during 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 2015, the course has a budgeted net operating loss of \$39,382. Through March the course had a net operating loss of \$20,378, which is approximately \$10,000 lower than the net operating loss projected for this 3-

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

	2015/2016			2013/2014		
	3/31/15	Budget	%	3/31/13	Actual	%
<b>Revenues</b>						
Charges for Services	\$27	\$506	5.3 %	\$24	\$362	6.6 %
Concessions & Miscellaneous	2	58	4.0	1	39	2.6
Transfers In	25	185	13.5	40	185	21.6
<b>TOTAL</b>	<b>\$54</b>	<b>\$749</b>	<b>7.3 %</b>	<b>\$65</b>	<b>\$586</b>	<b>11.1 %</b>
<b>Expenditures</b>						
General & Administrative	\$19	\$212	9.0 %	\$25	\$210	11.9 %
Maintenance	16	185	8.8	14	172	8.1
Operations	14	252	5.7	17	194	8.8
Capital Outlay	-	100	-	4	11	36.4
<b>TOTAL</b>	<b>\$50</b>	<b>\$749</b>	<b>6.6 %</b>	<b>\$60</b>	<b>\$587</b>	<b>10.2 %</b>

month period. The operating results experienced through March were attributable to higher revenue from greens fees than anticipated and lower operating costs than expected.

During the preparation of the City's 2015/2016 biennial budget, City Council directed City staff to work with CourseCo to implement new programs in 2015 at the facility to reduce the operating loss to approximately half of what it has

been historically. Current operating projections for the course for 2015 indicate that this will be accomplished. City staff will be presenting an update to the Kennewick City Council late in the summer of 2015 that includes an overview of the operating results for the course for the first half of 2015 as well as a recommendation on the future of the course.

## 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 2015 include:

- The 5-Year Tri-Cities HOME Consortium Consolidated Plan and 2015 Annual Action Plan

was submitted to HUD for approval.

- The 2015 CDBG allocation is \$523,720 which is a 1% reduction from 2014's allocation.
- Environmental reviews have been completed for the 2015 CDBG projects and the City's \$175,000 Pedestrian Ramp and Audible Crossing Button project should be ready to go out for bid in June. The \$314,000 W. 5<sup>th</sup> Ave/Quincy St. to Rainier St. revitalization project will be going out for bid in May.
- As the Responsible Entity, the City is working with Kennewick Housing Authority on an additional environmental request for the purchase of another lot to increase the density of their Volland St.

homeless and low-income multi-family residential unit project that is currently under construction.

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 2015/2016 adopted budget included a two-year projection of \$1,782,000 in hotel/motel tax revenue based on an assumption of

2% annual growth in this tax revenue source each year of the biennium. Through the first three months of 2015, receipts of lodging tax receipts have been higher than anticipated, increasing by slightly more than 11% when compared to this same timeframe in 2014.

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. Effective January 1, 2014, the TPA assessment was increased from \$1.50 to \$2.00 per room night in each of the Tri-Cities. 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.

Through March, the City had received and remitted \$110,183 to the TCVCB from the TPA charge in 2015, which was an increase of 39.7% compared to 2014. However, this comparison is skewed as a result of the two month lag that exists between the date a TPA charge is collected at a hotel and the date it is distributed to the City through the Department of

Revenue. Because of this lag, the first two months of TPA charges received by the City in 2014 were based on hotel nights occurring in November and December of 2013, at which time the previous rate of \$1.50 per room night was still in effect.

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 2015/2016 adopted budget for the Public Safety Fund included an estimate of \$5,232,083 in utility tax revenue for the biennium. Through March of 2015, the City had collected \$695,910, which was 14.6% less than this same time period in 2014. As described in more detail earlier in this report, the overall decrease was attributable to a 9% decrease in electric utility tax, a 19% decrease in telephone utility tax and a 27% decline in natural gas utility tax.

Revenues collected in the criminal justice sales tax fund represent the City's portion of the voter-approved 0.3% criminal justice (public safety) sales tax that was passed in August of 2014 in Benton County and became effective on January 1, 2015. Under state law,

the proceeds of this tax are split 60/40 between the County and the cities located within the County. The portion of the tax allocated to cities is then distributed based on population. Based on this formula, the City anticipates receiving approximately half of the city portion of the tax, or approximately 20% of the total amount collected. With its share of the proceeds, the City of Kennewick will pay for 3 Police Officer positions that were hired in 2013, as well as hiring 4 new Police Officer positions each year in 2015, 2016 and 2017, and a new support position in both 2015 and 2016. The City will also use the funding freed up from the 3 Police Officer positions hired in 2013 to pay for 3 new Fire Captain positions that will be required when the City opens its 5<sup>th</sup> Fire Station in 2016.

The City projected criminal justice sales tax revenue of \$3,785,000 for the biennium in the 2015/2015 adopted budget. Due to the two-month lag that exists between the time sales tax is collected by a retailer and the time the City actually receives its portion of the sales tax from the Department of Revenue, the City received its first distribution of criminal justice sales tax in March of 2015 (for January activity). The amount received in March was \$147,195, which is slightly higher than anticipated based on the seasonality of sales tax revenue.

## FUTURE OUTLOOK

As the City concludes the first three months of its 2015/2016 biennium, its financial trends continue to be relatively positive and indicate continued growth in the City and broader Tri-Cities region. As has been well documented in past financial

reports, growth in our community and the resulting revenues generated from that growth are a key component of the City's current budget model and its ability to maintain City Council's priority programs and services. Although a number of potential budget challenges remain, not the least of

which will be the impacts resulting from the final 2015-2017 biennial budget adopted by the State of Washington during their upcoming special legislative session, the outlook for the City for the remainder of the biennium appears to be positive.

## CASH MANAGEMENT

It's been a fairly quiet quarter to start 2015 from the investment perspective. Colder temperatures across most of the nation slowed consumer spending. Savings from lower gas prices is apparently being used to increase bank account balances and pay down debt. This is one of several conditions which are likely to perpetuate a slow-moving Federal Open Market Committee. Analysis of the FOMC minutes from March lead most analysts to predict that interest rates will rise in 2015, but it may happen only once.

Near the end of March, a \$1 million agency security with FHLMC was called. The Investment Committee met on March 31 to discuss reinvestment options. The City's net cash flow history was also discussed to determine what portion of the state investment pool balances could be invested for a longer period and higher yield. In the three-year period from 2012 through 2014, the largest negative cash flows were experienced

in the months of December at an average -\$4 million. Taking this into account, an estimated state pool balance of approximately \$8 million was targeted for liquid assets needed to assure that investments are not sold to cover operating cash flow needs.

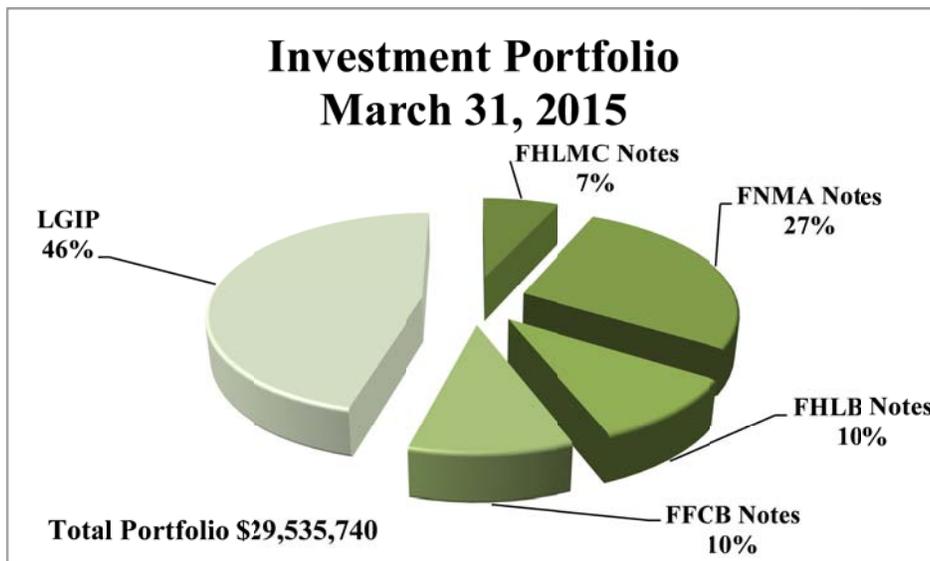
Two days later the Investment Committee met again to review the offerings provided by three broker/dealers. A fourth firm was invited to participate, however, their information was received after the meeting took place. Three agency securities were purchased at a \$5 million cost. Length of the investments ranged from 2.25 to 3.5 years in a variety of structures – one time call, non callable and a step-up bond with quarterly calls.

Balances held at the State Pool ended the quarter at about the same amount as it began. The net interest earnings rate each month was slightly above those of the previous year. Interest

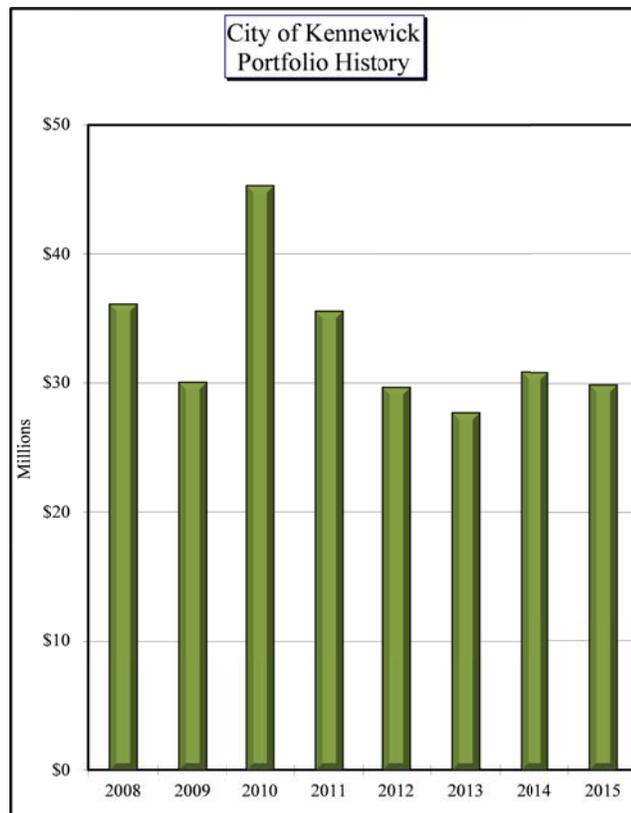
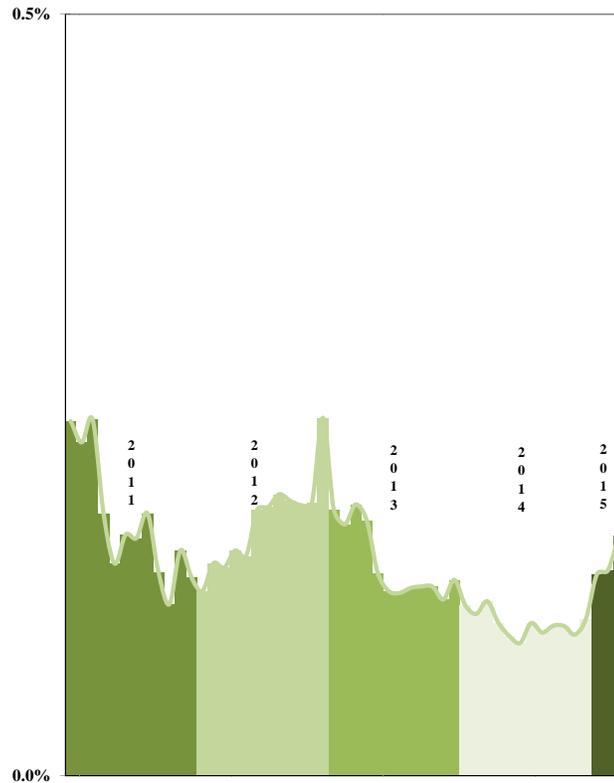
earned during the quarter on Pool balances was \$3,897.

Other highlights for the 1<sup>st</sup> quarter 2015:

- The City's agency portfolio averaged a .99% rate of return and earned interest of \$42,806.
- The market value of agency investments at March 31 was \$16,059,858 or \$53,647 higher than the principal cost. The unrealized gain associated with this difference will not be recorded because the investments will be held until call or maturity date. The book value was \$16,057,602.



## LOCAL GOV'T INVESTMENT POOL NET EARNINGS RATE



**Cash & Investment Summary**  
As of 3/31/2015

Maturity Date	CUSIP/Ticker	Description	Broker/Dealer	YTM @ Cost	Trade Date	Cost Value
12/18/2017	3133EDC26	FFCB 1.27 12/18/2017-14	Wells Fargo Securities	1.278	12/18/2013	999,700.00
5/29/2019	3133EDMM1	FFCB 1.77 5/29/2019-15	Vining Sparks	1.77	5/22/2014	2,000,000.00
12/28/2016	313381KR5	FHLB 0.625 12/28/2016-13	Piper Jaffray	0.63	12/13/2012	999,800.00
6/20/2018	313383EP2	FHLB 1.25 6/20/2018-13	Time Value Investments	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
6/1/2017	31359MEL3	FNMA 0 6/1/2017	Wells Fargo Securities	0.869	5/22/2014	2,001,775.50
6/1/2017	31359MEL3	FNMA 0 6/1/2017	Time Value Investments	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		0.158		<u>13,529,529.39</u>
		Total Investments				29,535,740.40
N/A	CASH	US Bank Operating Account				360,315.92
<b>Total / Average</b>		<b>Total Cash &amp; Investments</b>		<b>0.586</b>		<b>29,896,056.32</b>

Columbia Center Blvd Safety Project

Before



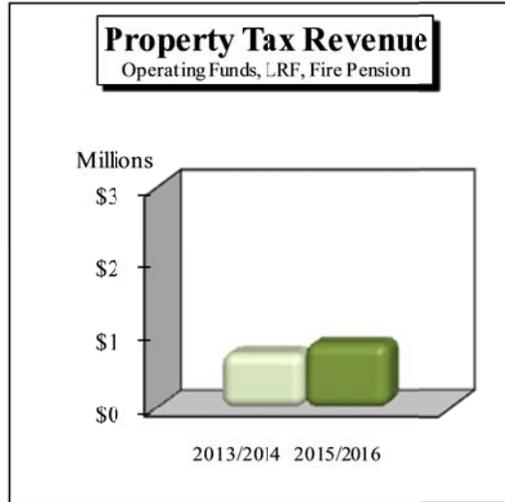
After



# MAJOR REVENUE SOURCES

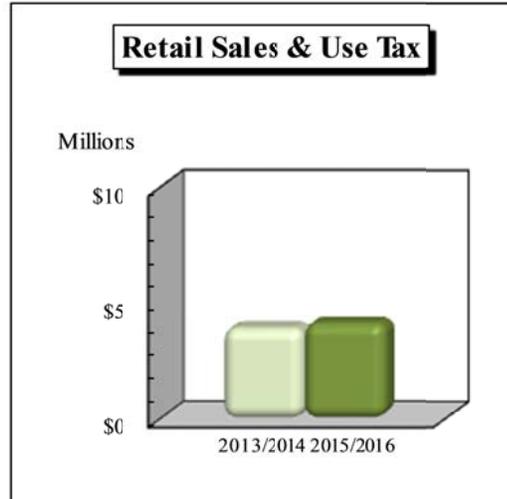
## *Property Tax Revenue*

		2013/2014	2015/2016
Year 1	Jan-Mar	\$740,886	\$869,905
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Year 2	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
<b>Total</b>		<b>\$740,886</b>	<b>\$869,905</b>
15/16 Biennial Budget			\$23,909,507
Actual vs Budget			4%



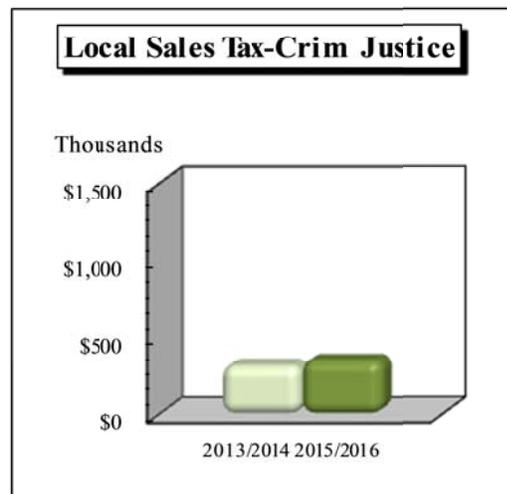
## *Retail Sales & Use Tax*

		2013/2014	2015/2016
Year 1	Jan-Mar	\$3,923,276	\$4,127,346
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Year 2	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
<b>Total</b>		<b>\$3,923,276</b>	<b>\$4,127,346</b>
15/16 Biennial Budget			\$32,768,600
Actual vs Budget			13%



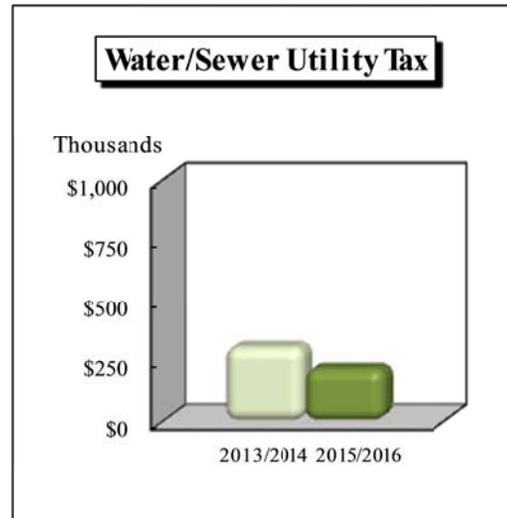
## *Local Sales Tax-Criminal Justice*

		2013/2014	2015/2016
Year 1	Jan-Mar	\$321,544	\$354,963
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Year 2	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
<b>Total</b>		<b>\$321,544</b>	<b>\$354,963</b>
15/16 Biennial Budget			\$2,877,100
Actual vs Budget			12%

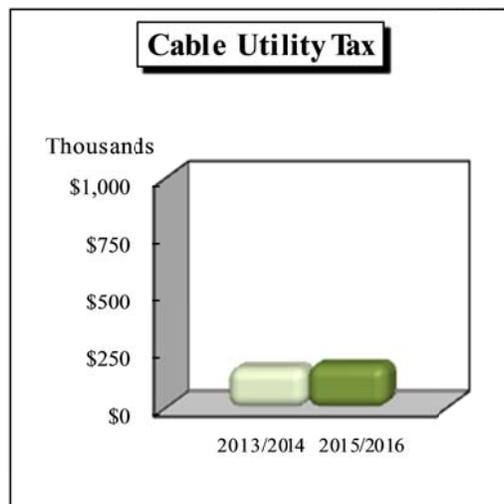




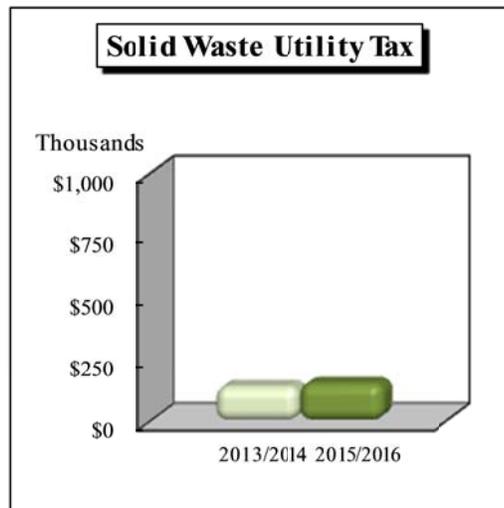
		<b>Water/Sewer Utility Tax</b>	
		2013/2014	2015/2016
Year 1	Jan-Mar	\$306,155	\$215,506
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Year 2	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
<b>Total</b>	<b>\$306,155</b>	<b>\$215,506</b>	
15/16 Biennial Eudget			\$2,941,932
Actual vs Budget			7%



		<b>Cable TV Utility Tax</b>	
		2013/2014	2015/2016
Year 1	Jan-Mar	\$172,351	\$184,390
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Year 2	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
<b>Total</b>	<b>\$172,351</b>	<b>\$184,390</b>	
15/16 Biennial Eudget			\$1,526,000
Actual vs Budget			12%

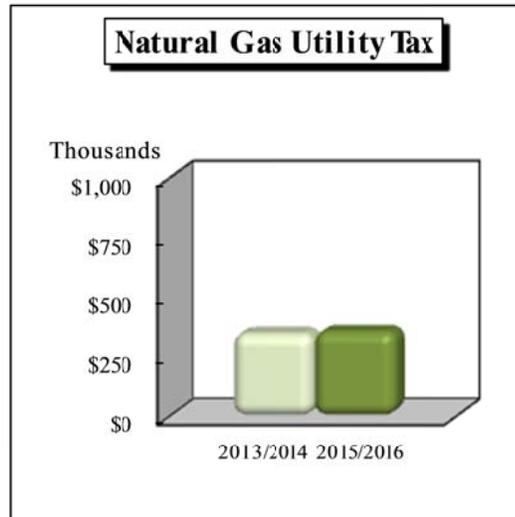


		<b>Solid Waste Utility Tax</b>	
		2013/2014	2015/2016
Year 1	Jan-Mar	\$140,716	\$153,271
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Year 2	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
<b>Total</b>	<b>\$140,716</b>	<b>\$153,271</b>	
15/16 Biennial Eudget			\$1,263,000
Actual vs Budget			12%



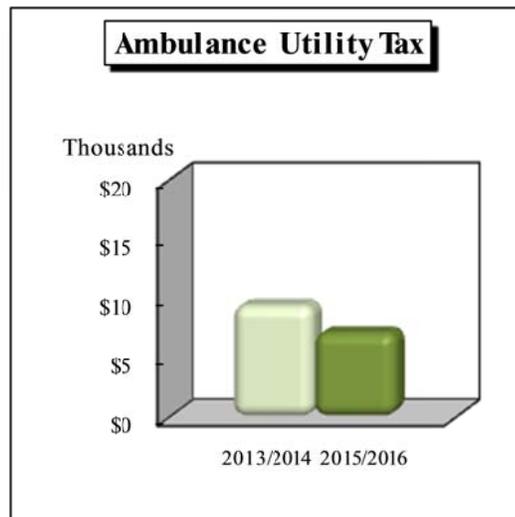
***Natural Gas Utility Tax***

		2013/2014	2015/2016
Year 1	Jan-Mar	\$345,858	\$354,432
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Year 2	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
<b>Total</b>		<b>\$345,858</b>	<b>\$354,432</b>
15/16 Biennial Budget			\$1,607,917
Actual vs Budget			22%



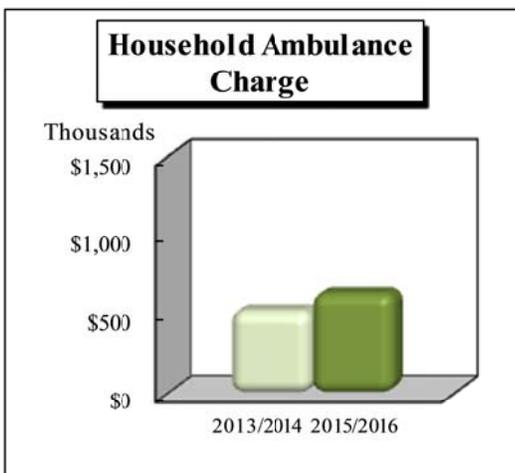
***Ambulance Utility Tax***

		2013/2014	2015/2016
Year 1	Jan-Mar	\$9,429	\$7,133
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Year 2	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
<b>Total</b>		<b>\$9,429</b>	<b>\$7,133</b>
15/16 Biennial Budget			\$91,000
Actual vs Budget			8%



***Household Ambulance Tax***

		2013/2014	2015/2016
Year 1	Jan-Mar	\$521,936	\$630,508
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Year 2	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
<b>Total</b>		<b>\$521,936</b>	<b>\$630,508</b>
15/16 Biennial Budget			\$5,480,000
Actual vs Budget			12%

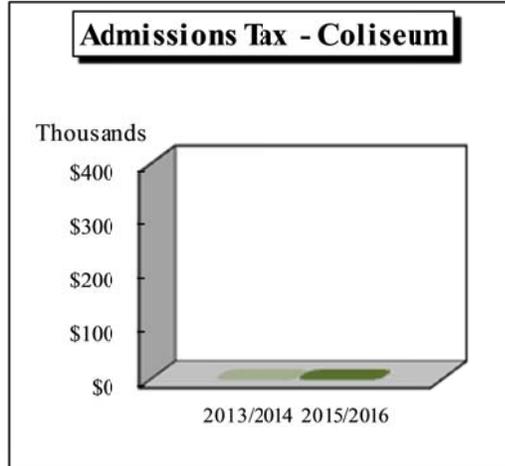






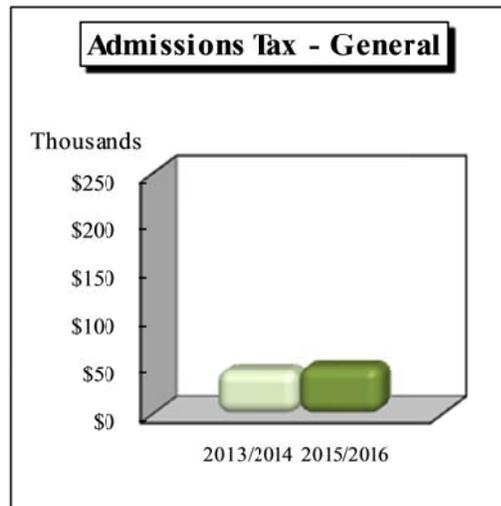
***Admissions Tax - Coliseum***

		2013/2014	2015/2016
Year 1	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Year 2	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
<b>Total</b>			
15/16 Biennial Budget			\$339,000
Actual vs Budget			



***Admissions Tax - General***

		2013/2014	2015/2016
Year 1	Jan-Mar	\$45,474	\$49,516
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
Year 2	Jan-Mar		
	Apr-Jun		
	Jul-Sep		
	Oct-Dec		
<b>Total</b>		<b>\$45,474</b>	<b>\$49,516</b>
15/16 Biennial Budget			\$509,000
Actual vs Budget			10%



*“Lost time is never found again.”*  
Benjamin Franklin