

"A colorful past, a bright future"

Quarterly Financial Report

First Quarter 2021

First Quarter 2021 Financial Report

(This report contains unaudited financial information as of May 4, 2021)

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I. Executive Summary

The first quarter of Year 2021 continues to be marked by the world-wide pandemic and a level of uncertainty capped by increases in leading economic indicators. Financial impact on the City in the first month of the pandemic during 2020 was estimated to be in the tens of millions of dollars, driven by high unemployment rates and the unpredictability of federal economic support.

The federal government stepped in with several stimulus appropriations, supporting the unemployed, businesses and local and state governments. Residents, businesses, and governments continued to purchase goods and support their mortgage and tax payments. As a result, the City has experienced a lesser financial impact than had originally been anticipated. Sales and property taxes remained elevated during the pandemic and residents paid most of the utility payments owed.

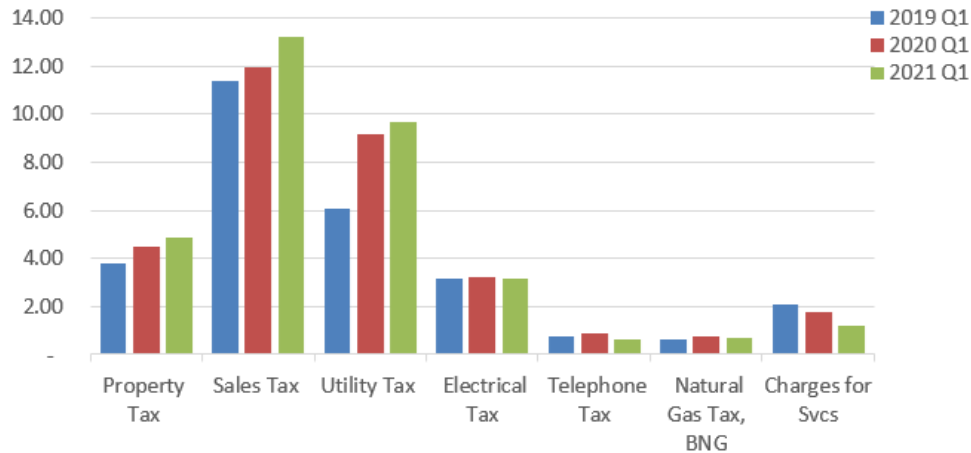
The national economy grew in the first quarter of 2021 by 6.4 %, according to the Bureau of Economic Analysis. The increase in first-quarter GDP reflects both the continued economic recovery from the sharp declines earlier in the year and the ongoing impact of the COVID-19 pandemic, including reopening of many establishments and businesses across the United States. The increase in *real* GDP reflected rises in spending at the consumer and business levels, including residential fixed investment, equipment purchases, PCE, intellectual property purchases. Imports, which are a subtraction in the calculation of GDP, decreased.

City of Vancouver General Fund revenues in the first quarter of 2021 totaled \$36.9 million, which was 2.5% higher than the first quarter of 2020. Driven by sales tax revenue, overall tax revenue was 6% higher than first quarter 2020. Planning permits and miscellaneous revenue are higher than expected, but are offset by lower recreation fees, which have been affected by the pandemic closures.

General Fund expenditures at the end of the first quarter for 2021 were \$35.7 million which is 5.7% higher than last year's revenue of \$33.7 million. Parks expenditures are projecting lower due to closures resulting from the pandemic. Overall expenditures at the end of the first quarter are at 20% of the total expenditure budget.

The General Fund operating cash balance was \$66.7 million at the end of March 2021. Following is detailed information on the main revenue sources of the General Fund. Cumulatively, the five major sources of revenue listed on the chart below represent more than 91% of the total revenues in the City's General Fund.

General Fund: Major Revenues



Note: Utility tax revenue above includes the tax on Solid Waste; charges for Services exclude the Business License revenue.

II. Economic Report

The national economy continues its growth in the first quarter of the year according to the advance estimate published by the Bureau of Economic Analysis. The unemployment rate continues to decline, and housing sales activity is the most active since 2006, due to a high demand from the pandemic and low inventories of available houses.¹ The following is specific information related to some of the major national economic indicators, beginning with Gross Domestic Product.

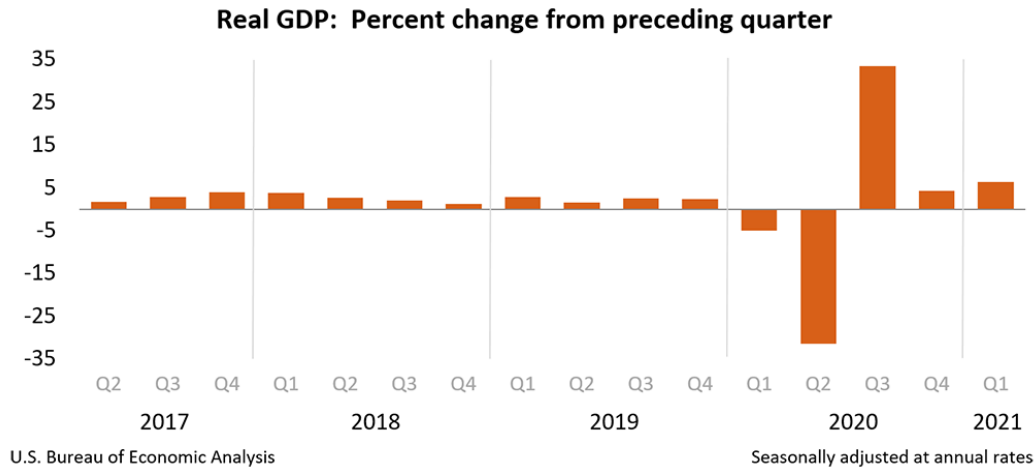
Real GDP increased 6.4 percent in 2021 (from the 2020 fourth quarter), compared with a decrease of 5.0 percent from the same period in 2020. During the first and second quarters of 2020, COVID-19 pandemic created huge shifts in employment, hospitality and medical sectors, which caused real GDP to decrease 5.0 percent in the first quarter and a decrease of 31.4 percent in the second quarter of 2020.² Although the economy has increased the last three consecutive quarters, employment is below pre-pandemic levels, particularly lower-wage employment in hospitality and leisure sectors.³

Reopening of establishments and the continued government response related to the pandemic, most notably the implementation of the American Rescue Plan, contribute towards the positive trend. Additionally, increases in consumer spending in goods (led by motor vehicles and parts) and services (led by food services and accommodations), business and housing investment contributed to the increase, which was partially offset by decreases in inventory investment and exports.

¹ [The Housing Market Is Crazier Than It's Been Since 2006 - WSJ](#)

² [Gross Domestic Product, First Quarter 2021 \(Advance Estimate\) | U.S. Bureau of Economic Analysis \(BEA\)](#)

³ [Economy Statement by Catherine Wolfram, Acting Assistant Secretary for Economy Policy, for the Treasury Borrowing Advisory Committee | U.S. Department of the Treasury](#)



Information received since the Federal Open Market Committee met in March of 2021 indicates that the COVID-19 pandemic and the measures undertaken to contain its spread continued to affect economic activity in the United States and abroad. The information available at the time of the January 16-17 meeting suggested that U.S. real GDP had continued to advance in the first quarter of 2021. This advancement was, at a higher pace than the rate seen in the fourth quarter, while the level of real GDP had not yet returned to the level seen before the onset of the pandemic. Employment continues to be well below its level at the start of 2020. Consumer price inflation through March - as measured by the 12-month percentage change in the PCE price index - has increased due to increases in spending on durable goods.

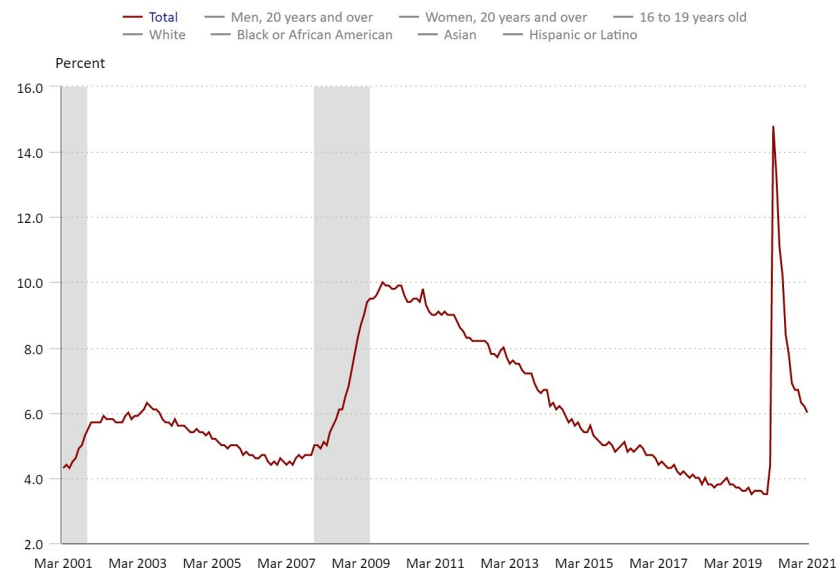
Total nonfarm payroll employment rose in April, with notable gains in the leisure and hospitality sector while the unemployment was 6.1 percent in April, which was little changed from March.⁴ In April 2021, nonfarm payroll employment increased in nine states, decreased in two states and was essentially unchanged in 39 states and the District of Columbia. Over the year, nonfarm payroll employment increased in all states.⁵

⁴ [Employment Situation Summary \(bls.gov\)](https://www.bls.gov/news.release/emp/situation-summary.htm)

⁵ [State Employment and Unemployment Summary \(bls.gov\)](https://www.bls.gov/news.release/state-emp/situation-summary.htm)

Civilian unemployment rate, seasonally adjusted

Click and drag within the chart to zoom in on time periods



Data Source: www.bls.gov

One of the major measures of consumer assurance is the *Conference Board's Compiled Index of Consumer Confidence*. Three thousand households across the country are surveyed each month to determine consumer perceptions of current business and employment conditions, as well as their expectations for the upcoming six months. The level of consumer confidence is associated with anticipation about future developments in the economy and is used as an indicator of the likely general direction of consumer spending in the coming months. The index began rising in 2016 with the trend continuing during 2017, reaching a level of 135.3 by September of 2018. The Index was softer in 2019, ending the year at a reading of 126.5.

The *Conference Board's Consumer Confidence Index* increased to 121.7 in April of 2021 and reflects an increase over the last two months and is the largest increase since April 2003. Economists polled by Reuters had forecast the index to be 96.9. The number of consumers expecting an increase in income rose to 15.5% from 14.8% in March. The proportion anticipating a drop increased to 13.3 % from 12.9% in February. As vaccination levels increase, states are lessening restrictions, and in turn driving optimism, consumers have intention to purchase homes, vehicles and anticipate travel. ⁶

A second measure of consumer attitudes, the University of Michigan, known as *The Sentiment Index*, rose in April 2021 to a reading of 88.3, above the 2020 ending reading of 71.8, which represents a year-over-year change of 23%.

"The April survey recorded continued gains in consumer confidence due to a growing sense that the upward momentum in jobs and incomes will persist. The renewed confidence is due to record federal stimulus spending, both recently passed and proposed, as well as the positive impact from a growing share of the population who are vaccinated. The largest and most important change in April was that an all-time record number of consumers expected declines in the unemployment rate during the year ahead. Even if a booming economy resulted in higher inflation, consumer optimism would not diminish since consumers have already anticipated a temporary increase. Overall, the data indicate an exceptional

⁶ [Consumer Confidence Index® | The Conference Board \(conference-board.org\)](https://www.conference-board.org/consumer-confidence-index/)

outlook for consumer spending through mid-2022. The size and persistence of the spending gains depend on continued job growth as well as wages that effectively draw people back into the labor force. While temporary price hikes are anticipated, the robust increases in consumer demand will act to lengthen and heighten inflation above the modest increases now anticipated. It will be a challenge to fine-tune fiscal and monetary policies that allow inflation to modestly exceed the 2% target for a limited time without contributing to an underlying upward momentum in inflation. Home buying conditions slipped only modestly in April in spite of an all-time record number of complaints about high home prices. The natural tendency of higher prices is to lessen demand, but this reaction will be overwhelmed by strong growth in jobs and incomes. Rising home prices and rising incomes create the most fertile soil for the growth of inflationary psychology. While it is critical to first secure robust and equitable economic growth, contingency plans are urgently needed to avoid declining inflation-adjusted incomes and surging interest costs.”⁷



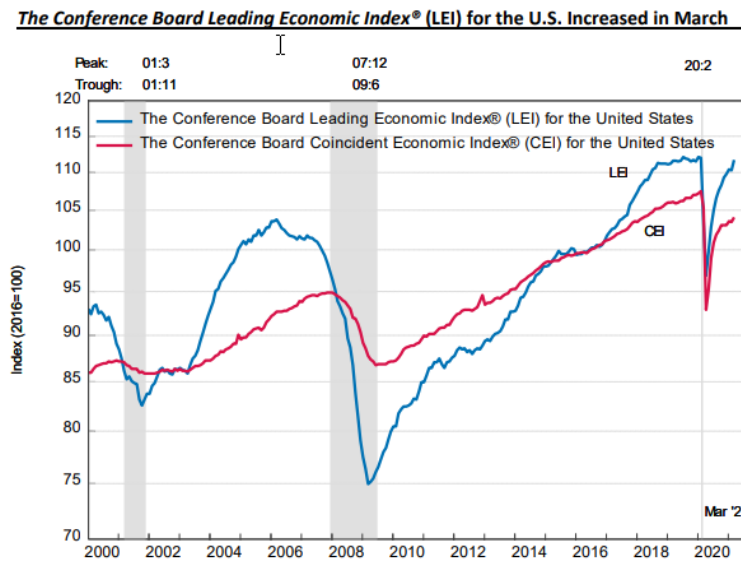
The US Conference Board tracks ten different economic indicators to assess the health of the economy and to evaluate the direction of economic development in the near future. The cumulative product of these indicators is called the *US Leading Economic Index (LEI)*, which has increased steadily since early 2009, remaining at its historically highest level.

*The Conference Board Leading Economic Index® (LEI) for the U.S. increased 1.34 percent in March. “The U.S. LEI rose sharply in March, which more than offset February’s slightly negative revised figure,” said Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board. “The improvement in the U.S. LEI, with all ten components contributing positively, suggests economic momentum is increasing in the near term. The widespread gains among the leading indicators are supported by an accelerating vaccination campaign, gradual lifting of mobility restrictions, as well as current and expected fiscal stimulus. The recent trend in the U.S. LEI is consistent with the economy picking up in the coming months, and The Conference Board now projects year-over-year growth could reach 6.0 percent in 2021.”*⁸

⁷ [Surveys of Consumers \(umich.edu\)](https://www.umich.edu/consumers)

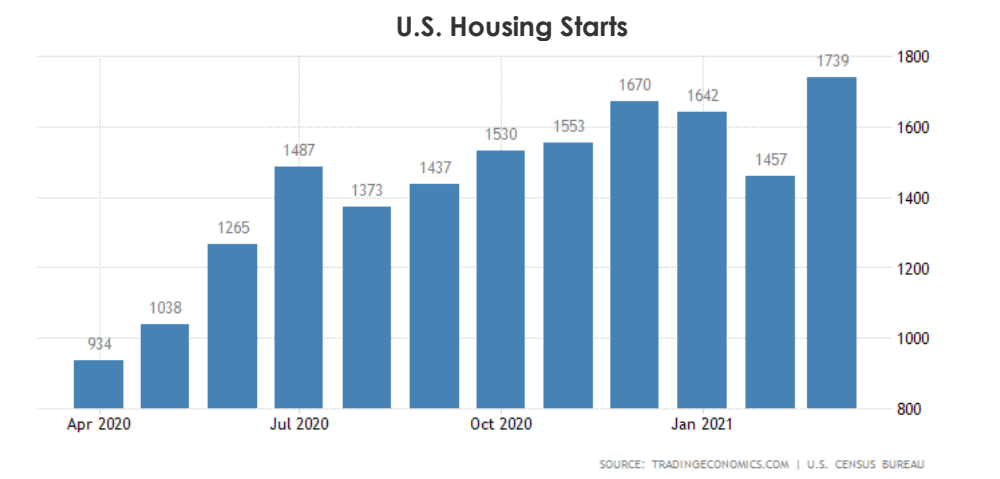
⁸ [US LEI PRESS RELEASE – April 2021.pdf \(conference-board.org\)](https://www.conference-board.org/press-releases/US-LEI-PRESS-RELEASE-April-2021.pdf)

The graphic representation of the LEI for the U.S. since 1999 is shown below.



National level housing sector data indicates consistently strong activity over the first quarter of the year. U.S. homebuilding and permits increased in March as historically low mortgage rates and increased demand due to homeowners fleeing cities due to the pandemic are causing this increase.

Housing starts jumped 19.4% to a seasonally adjusted annual rate of 1.739 million units in March 2021, according to the U.S. Census Bureau.⁹ Economists polled by Reuters said forecast starts would rise to a rate of 1.613 million units in March. Permits, which typically lead starts by one to two months, totaled 1.766 million in March, a 30.2% increase from March 2020.¹⁰



The national inflation rate as measured by the U.S. Consumer Price Index for All Urban Consumers (CPI-U) on a year-over-year basis increased 2.6% over the last 12 months, as reported by the U.S.

⁹ [United States Housing Starts | 1959-2021 Data | 2022-2023 Forecast | Calendar \(tradingeconomics.com\)](#)

¹⁰ [newresconst.pdf \(census.gov\)](#)

Department of Labor for March 2021. Over that period, food prices increased 3.5 percent, a larger increase than during the 12-month 1.7 percent increase in 2020. Food at home prices increased 3.3 percent in 2021.¹¹

State Economy

The January of 2021 Washington State Economic and Revenue Update from the Washington Economic and Revenue Forecast Council had two major takeaways:

1. Washington employment increased in 24,800 March but remains 5.9 % lower than its February peak.
2. Washington housing construction increased and Seattle-area home prices increased rapidly for the seventh consecutive month.

In March, the state unemployment rate declined to 5.4%, compared to the 16.3% rate in April 2020. Private services-providing added 19,700 jobs in March. The manufacturing sector lost 1,400 jobs, 400 of those were aerospace jobs. Construction employment increased by 1,500 jobs and state and local government employment increased by 5,400 jobs. Federal government employment declined by 500 jobs.

Housing construction remained strong at the start of the year. Single family permits averaged 31,500 units in January and February and multi-family permits averaged 37,600 units. Seattle-area home prices increased rapidly for the seventh consecutive month. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle home prices increased 1.5% in January and are up 126% since December 2011 and exceeded the May 2007 peak by 57%. In January, Seattle home prices were up 14.3% over the year. In comparison, the composite-20 index was up 11.1% over the year.

From December 2019 to December 2020, the Seattle CPI rose 1.2% compared to a .4% increase in the U.S. City Average index. Core prices, which exclude food and energy, increased 1.2% over the first two months of the year in Seattle compared to .1% for the U.S. City Average.

State of Washington General Fund revenues exceed the March forecast by 5.2 percent.¹²

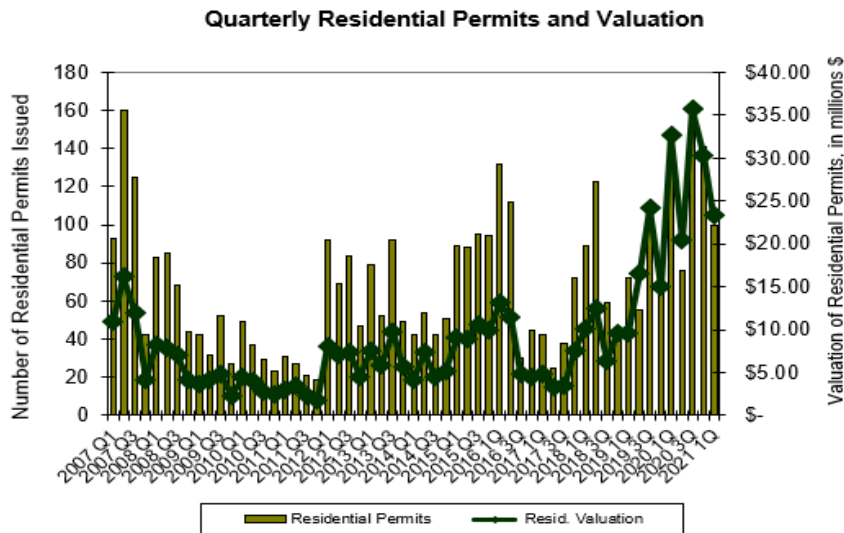
¹¹ [Consumer Price Index Summary \(bls.gov\)](https://www.bls.gov/news.release/cpi.summary.htm)

¹² <https://erfc.wa.gov/sites/default/files/public/documents/forecasts/cc20200130.pdf>

Local Economy

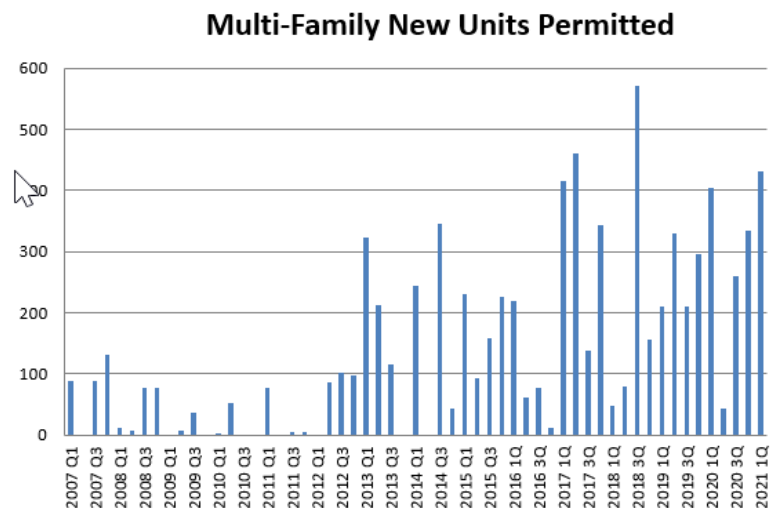
Residential Permits

New construction was down in the first quarter of 2021 increased for multi-family housing permits; but decreased for commercial and residential permits. The number of single-family house permits decreased from the fourth quarter, as did valuation.



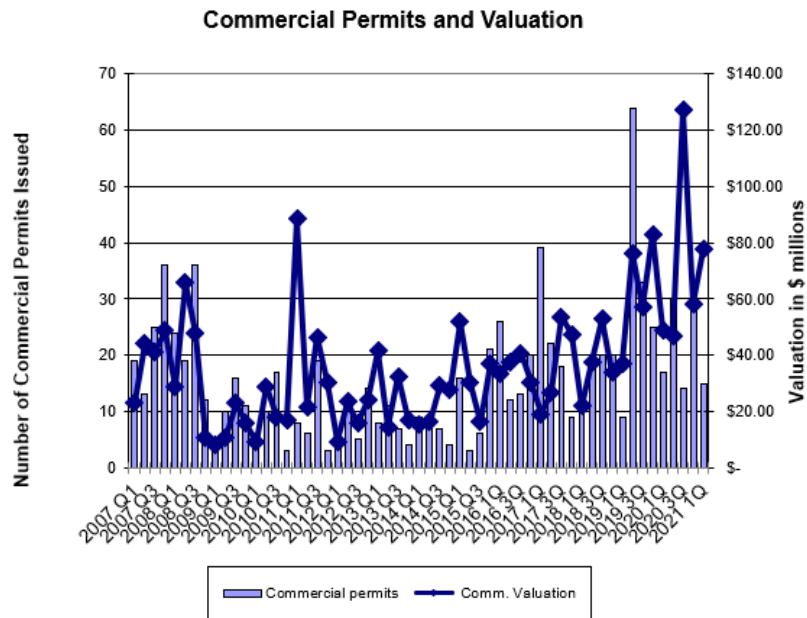
Multi-Family Permits

The City has also seen a continued elevated level of multi-family units permitted within the city limits. The number of units for multi-family units for the first quarter of 2021 totaled 431, which is the highest for a quarter since the third quarter of 2018.



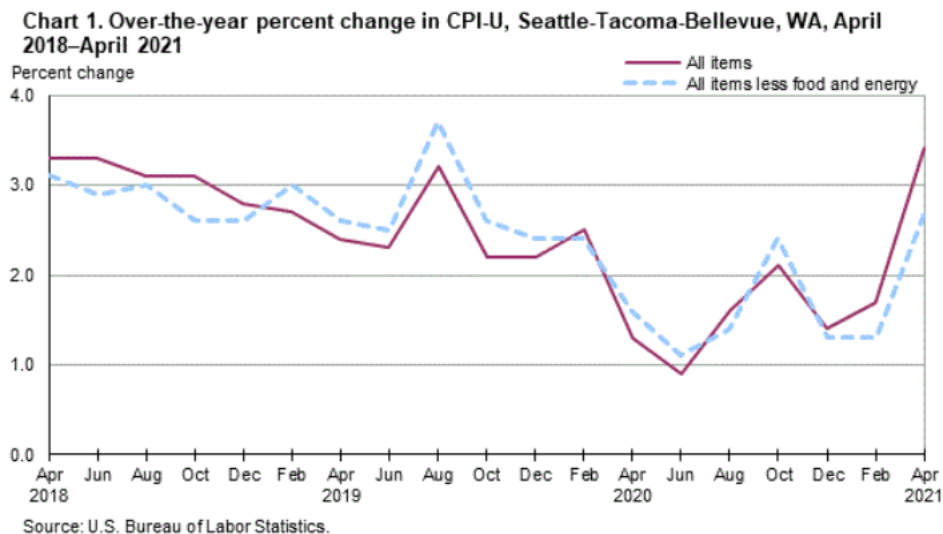
Commercial Permits

Activity in the commercial sector dropped for the first quarter of 2021. Commercial activity is generally volatile, as is the valuation of those projects. A total of 91 commercial projects were permitted in the City of Vancouver in 2020, with a total valuation of \$280.8 million. In the first quarter of 2021 a total of 15 projects were permitted with the combined valuation of \$77.5 million.

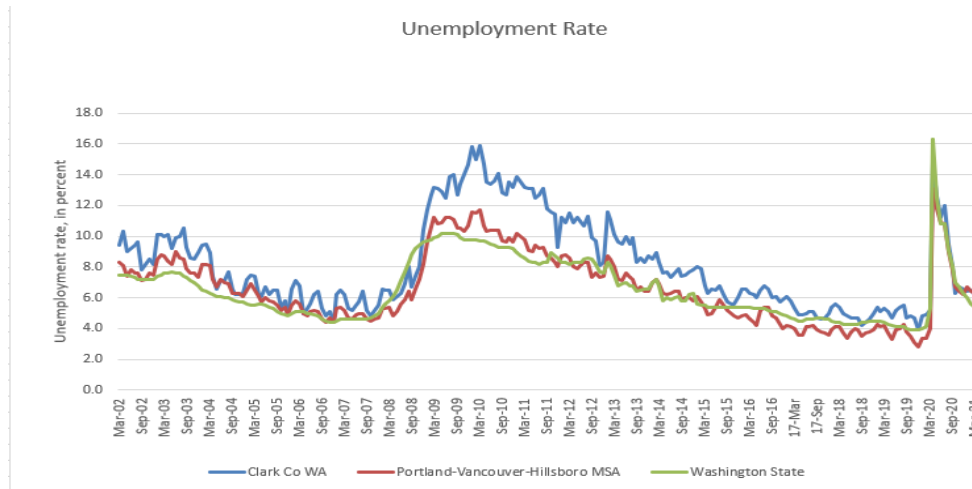


Data provided by the Community and Economic Development Department, City of Vancouver.

Below is the change in the CPI-U for the cities in the Seattle-Tacoma-Bellevue region. Over the last 12 months, ending in April of 2021, prices increased by 3.4%. Prices rose 1.1% over the last two months in the area. The inflationary data for Portland-Metro has not been reported since 2017.



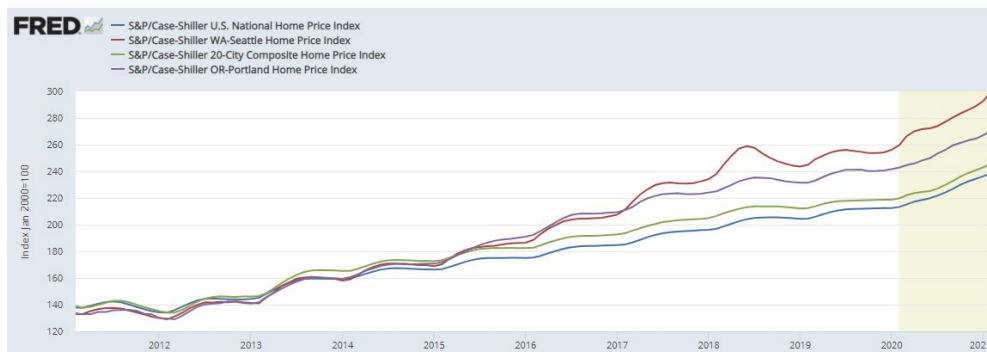
According to the Bureau of Labor Statistics, Portland-Vancouver-Hillsboro MSA estimated unemployment rate at March 2021 was 6.3%, slightly higher than the county rate of 6.2% and above the estimated unemployment rate of 5.4 % for the state.



Data provided by the Bureau of Labor Statistics

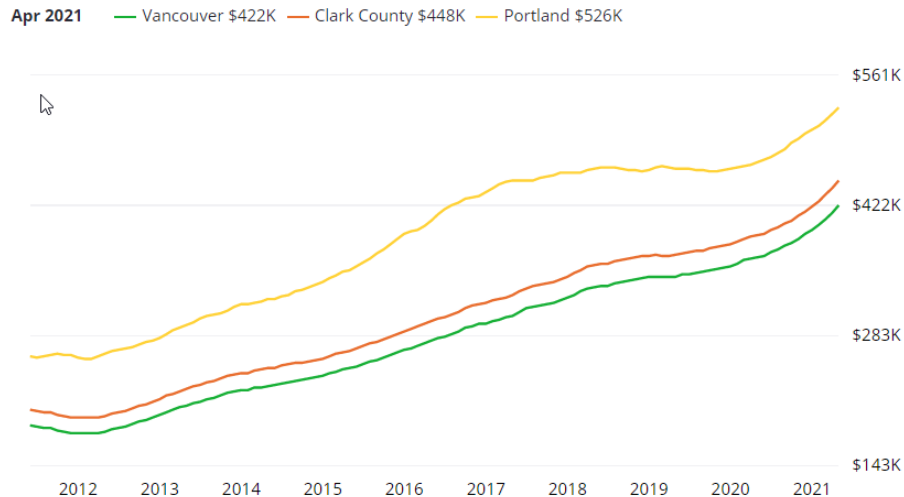
Home sales are cyclical, typically increasing in the second and third quarters of the year. Home prices continue to stabilize both nationally and locally, according to the S&P's Case-Shiller Home Price Index. The real estate market has been the star of the pandemic economy, with home prices increasing at unprecedented rates.

During the last twelve months, home prices have climbed 11.4% in the Portland-Vancouver metro area. Portland metro home prices remain in the record-setting territory, climbing higher than the housing bubble-era prices. Seattle's prices went up by approximately 15.4% over the last twelve months.



The median home value in Vancouver, WA was estimated to be \$422 thousand at April 2021, according to Zillow, slightly lower than that in Clark County. Vancouver home values have increased by an estimated 15% over the past year, but the rate of the increase has accelerated over this quarter.

Comparable Median House Sale Prices



Source: Zillow, <https://www.zillow.com/vancouver-wa/home-values/>

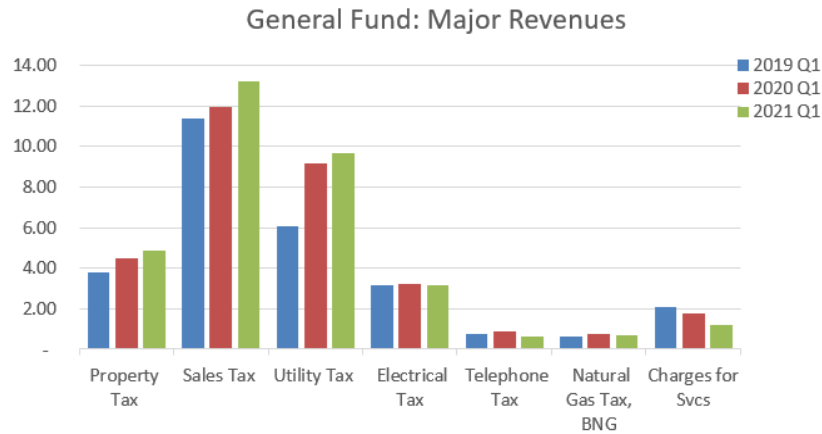
III. Financial Results

General Fund

REVENUES

City of Vancouver General Fund revenues in the first quarter of 2021 totaled \$36.9 million, eight percent below the forecast for the quarter. The 2021 revenue is approximately \$0.9 million higher than comparable revenues from 2020. Driven by sales and property tax revenue, 2021 revenue overall is 6 percent higher than in 2020. Business license fee and surcharge revenue, recreation fees and miscellaneous revenue were lower than last year, which is largely due the suspension of the business license fee and closure of the recreation centers.

For the first quarter of 2021, sales tax revenue was \$13.2 million, which was higher than the same period last year, at \$11.9 million. Property and utility tax were higher than the same period last year, while telephone tax, natural gas tax, and charges for services were lower.

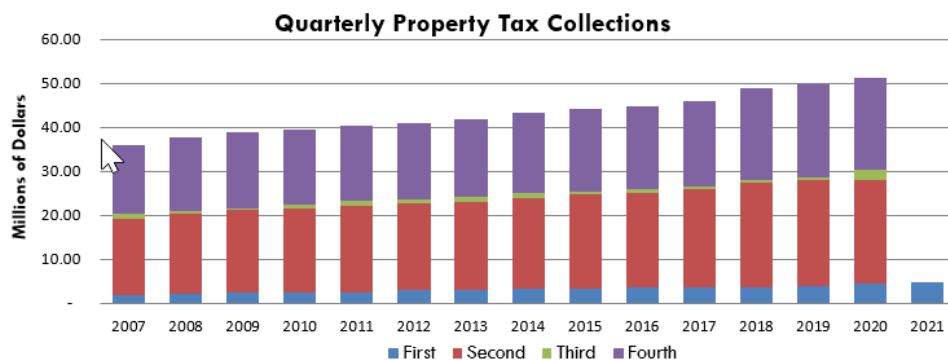


Note: Utility tax revenue above includes the tax on Solid Waste; Charges for Services exclude the Business License revenue.

Following are detailed information on the main revenue sources of the General Fund.

Property Tax

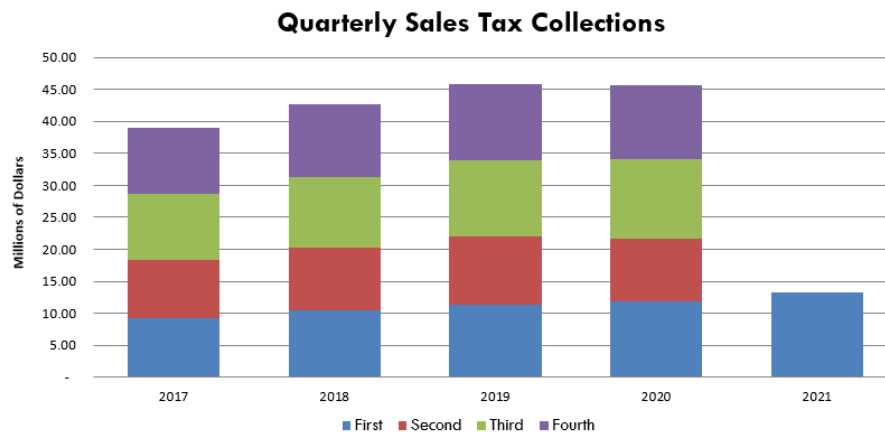
- Property tax revenues are typically received during the second and fourth quarters of the year. The amount of revenue is based on the assessed valuation and is estimated using County Assessor's data. Deviations from estimates in this revenue source are mostly related to the amount of new construction and delinquency rates.
- The total City of Vancouver levy rate is \$2.21 per \$1,000 of assessed value, which was applied to a total taxable value of approximately \$26.6 billion. The General Fund collects \$1.98 per \$1,000 in assessed value of the total levy. An additional \$0.23 levy was approved by voters in November of 2016 for the Affordable Housing Fund. The new levy is generating \$6.0 million per year to be dedicated to increasing the number of affordable housing units in the City.
- A total of \$4.9 million in general fund property taxes (excluding the Affordable Housing Levy) was collected in the first quarter for 2021, a slight increase over the first quarter 2020 revenue by \$0.4 million. The Affordable Housing Levy generated \$0.6 million, as anticipated by the voted property tax initiative.



Note: The dollar amounts above represent the General Fund collections of Property Tax. These have not been adjusted for inflation.

Sales Tax

- The 8.5% sales tax rate in the incorporated area is distributed as follows: 6.5% to the State, 0.5% for the City's "basic" sales tax, 0.3% for the City's "optional" sales tax, 0.2% for the City restricted to funding Public Safety, a new 0.1% City sales tax for affordable housing the County's additional optional 0.1% for Law and Justice, 0.1% for addressing the region's methamphetamine drug addiction and related crime, and 0.7% for C-TRAN.
- Sales tax revenue for the first quarter of 2021 is \$13.2 million and represents a 10.8% increase from the first quarter of 2020. Retail sales were strongly influenced by federal stimulus funds received by the consumers in late 2020, early 2021.
- Growth in taxable retail sales reflects the improving real estate market new construction and discretionary spending.

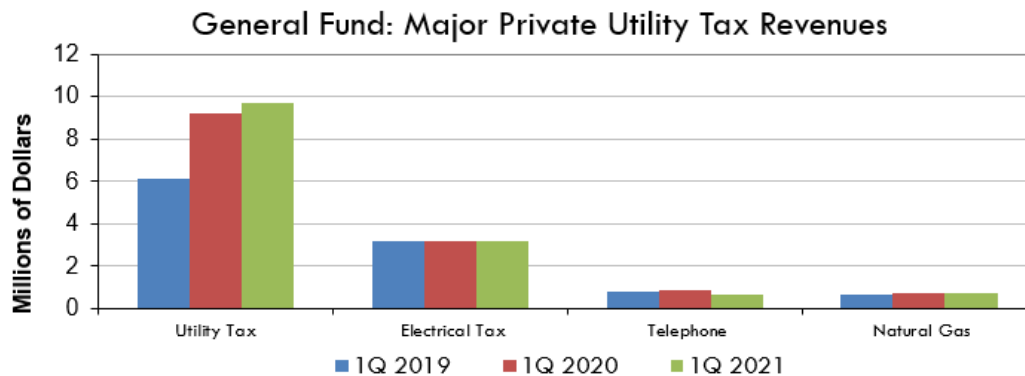


Taxes on Privately Owned Utilities

Vancouver collects a 6.0% utility tax on electrical, natural gas, and telephone services provided within the incorporated area by entities other than the City. The City also charges cable franchise fees.

- The tax on privately owned utilities generated \$14.23 million in the first quarter of 2021, approximately \$0.21 million higher than comparable collections in 2020.
- Natural gas tax revenues in the first quarter of 2021 totaled \$.7 million, approximately \$25 thousand less than was collected in 2020.
- Telephone tax revenues in the first quarter of 2021 totaled \$.6 million, approximately \$257 thousand below the 2020 revenues.
- \$3.2 million was collected in electrical tax revenue in the first quarter of 2021, approximately \$26 thousand below the comparable in the 2020 collections.
- The cable franchise fees revenue totaled \$.5 million in the first quarter of 2021, \$22 thousand higher than the comparable 2020 collections.

- The cumulative first quarter 2021 total for revenues in this sector was \$14.23 million, slightly higher than the previous year's cumulative total of \$14.03 million.



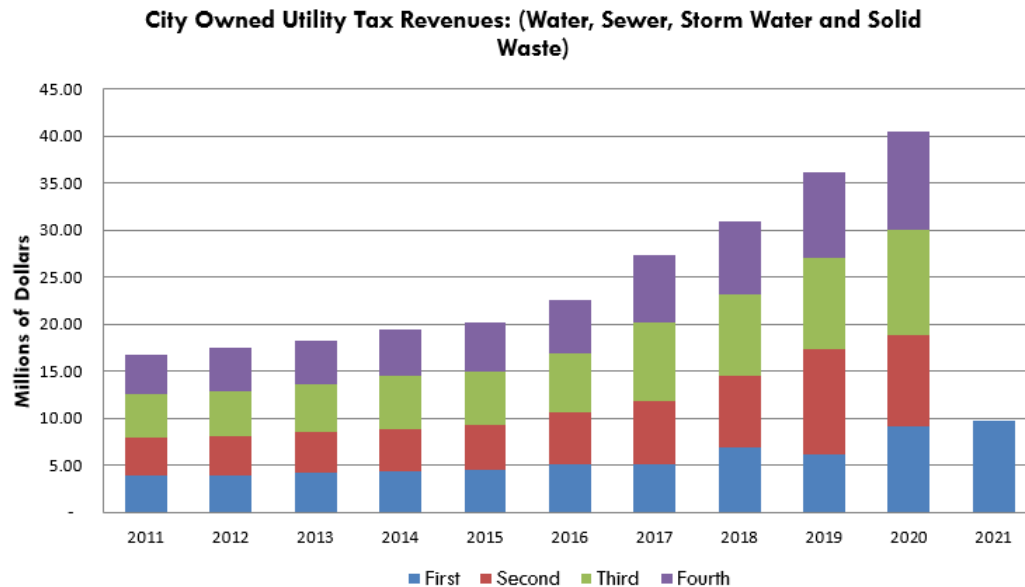
Water, Sewer, Storm Water and Solid Waste Taxes

The City Water, Sewer, and Storm Water Utility tax was increased to 28.9% on January 1, 2020, to fund increased Police staffing and related services.

Before 2010, the City charged a solid waste franchise fee for garbage collection services to fund Solid Waste fund operations. In 2010, the portion of the franchise fee related to general use was converted to a utility tax and levied at the same rate as water, sewer and storm water utilities tax.

Revenue funding city-owned utilities has increased over the years due to a growing customer base as well as the underlying rate increases. The underlying water, sewer, and drainage utility rates had increases annually in recent years to keep up with inflation and the needs of the outdated infrastructure. The rates were also increased to accommodate the additional utility tax for streets and police.

A total of \$9.7 million in City-owned utilities taxes was collected in the first quarter of 2021, which is the highest amount collected during a first quarter from the last 10 years. This is due primarily to a combination of the inflationary rates increase and tax increase to cover expanded police staffing.



In 2020, residential water revenues generated approximately 80.0% of total water user revenues, while residential sewer fee revenues made up 66.0% of total sewer user revenues. The makeup of revenues between residential and commercial/industrial has remained fairly stable over the years.

Grant & Entitlement Revenues

The City received approximately \$66 thousand in grants to the General Fund in the first quarter of 2021. The City will receive their first tranche of American Rescue Plan funds in May 2021. Approximately \$32 million in total are expected in American Rescue Plan funds. As presented in the First Supplemental Workshop, ongoing evaluation and strategic use of the funds is in process. The timeline to incur these funds expires December 31, 2024.

Charges for Goods and Services

The City's largest fee-revenue generating program areas are the Development Review Services and Recreation programs. The first quarter 2021 revenue generated by these two sources was \$.5 million, compared to \$1.0 million received in the first quarter of 2020. The City's recreation centers continue to be impacted by the pandemic and has not offered programming during the first quarter. Closure of the centers has driven the significant decline in revenues. Openings of some facilities are expected in later quarters.

Land Use and Other Planning Permits

From 2008 through 2010, the City experienced a significant decrease in both the number of single-family residential permits issued and in their valuation. Although collections from 2011 through 2013 remained relatively flat, during 2014 through 2020 saw significant annual increases in land use fees. Revenues in the first quarter of 2021 were \$.3 million, which is lower than 2020's revenue of \$.4 million.

Recreation Program Fees

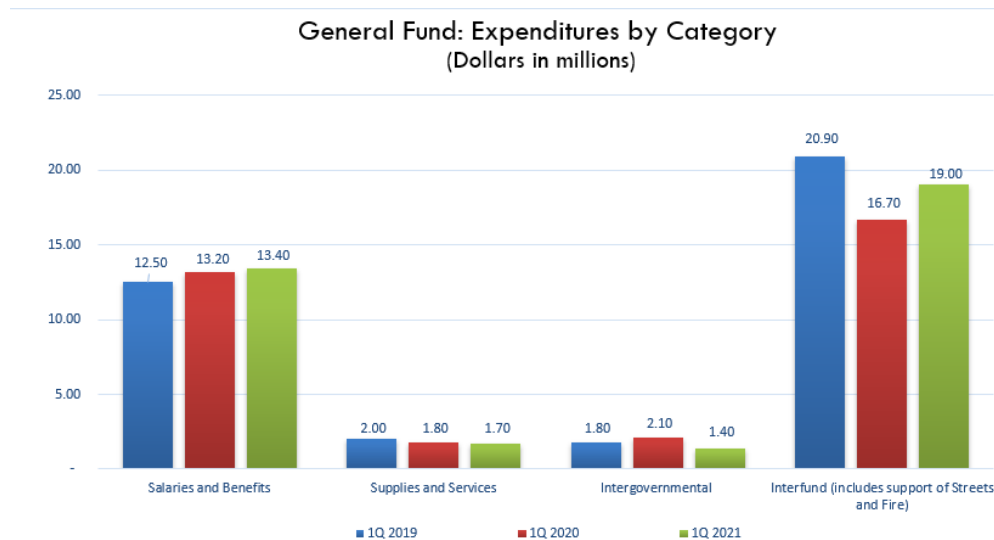
The City received \$0.2 million in recreation fees in the first quarter of 2021, approximately \$.5 million lower than those received in 2020. As previously noted, the City's recreation centers experienced considerable revenue declines due to the extended closure of the facilities resulting from the pandemic. And while COVID restrictions are being lifted, the Parks and Recreation department is currently experiencing challenges in hiring, space restrictions, and lost interest of past consumers. These challenges will continue to affect revenue throughout the summer.

EXPENDITURES

General Fund expenditures in the first quarter of 2021 totaled \$35.7 million, or 20% of the year's budget. Expenditures are slightly higher than the first quarter of 2020, which were \$33.8 million, or 18% of the budget. In total, at least \$2.6 million in the 2020 General Fund budget is anticipated to be carried forward into 2021.

Departments in the General Fund spent \$19.3 million, approximately \$.5 million more than was spent during the first quarter of 2020. The City paused spending early in 2020 due to the unknown impact of the pandemic on city operations and finances. Additionally, as part of a savings strategy due to the unknown impacts of the pandemic, a number of vacant positions were held frozen during 2020 in most departments but are now expected to be filled in 2021.

For the first quarter of 2021, total General Fund expenses are at 20% of the appropriated budget. Salaries and benefits are slightly higher than the previous years, while all other categories are lower as illustrated within the graph below.



- General Fund salaries and benefits expenditures totaled \$13.4 million in the first quarter 2021, comparable to those in 2019. During 2020, a number of vacant positions were held intentionally unfilled to generate budget savings for the year.
- General Fund supplies and services category expenditures were \$1.7 million, approximately \$.1 million below those in 2020.
- Intergovernmental expenditures include payments by the City to other jurisdictions based on inter-local agreements. Intergovernmental expenditures reached \$1.4 million in the first quarter of 2021. This category, beginning with 2019, excludes support of Fire, Street, and other funds. Due to a methodology change, those transfers are now grouped in the “Interfund” category.
- Internal expenditures include transfers between City funds. For example, General Fund's support of Fire, Street, CVTV, and other funds, as well as cost of internal services, such as Grounds and Facilities Maintenance, Finance, HR, IT, Risk, and Equipment Services. Interfund transfers were previously included with Intergovernmental expenditures. Through the first quarter of 2021, interfund expenses were at \$19 million, approximately \$2.3 million above comparable expenses in 2020.
- Similar to the first quarter of 2020, there were no capital expenses in the first quarter of 2021.

Cash Balance

- The General Fund operating cash balance was \$66.7 million at the end of March 2021. The balance was \$4.8 million more than the cash balance at the end of March 2020.
- In addition to the operating cash balance, the General Fund had an emergency reserve totaling \$14.1 million at the end of March 2021, compared to \$13.9 million at the end of March 2020. The Council updated the emergency reserve balance financial policy in 2012, requiring that the emergency reserve balance equals 7.0% of actual external

revenues in the preceding fiscal year for the General, Street, and Fire Funds. These funds are intended to be used only for extraordinary events, such as natural disasters.

Fund Balance

- The cash balance represents a snapshot at a particular point in time, while the fund balance factors in revenues and expenditures that are anticipated to occur by the end of the year, as well as the accounting entries that have no bearing on cash.
- The total fund balance in the General Fund at the end of 2020 was \$94.7 million, according to the City's unaudited financial statements, significantly higher than the 2019 ending balance of \$65.3 million. The balance is composed of the Non-spendable (\$1.2 million), Restricted, Committed, Assigned, and Unassigned balances. The Restricted balance of \$0.2 million represents grant revenue received in advance of expenditures in VPD. The Committed balance of \$18.4 million represents reserves in accordance with the City Financial Policies, including the City Emergency reserve of \$14 million and the Revenue Stabilization reserve of \$4.4 million. The Assigned balance represents the Columbia Arts Center capital reserve of \$0.9 million.

The balance pays for the ongoing operations of the General Fund when incoming seasonal revenues are not sufficient to cover expenses. It further eliminates the need for short-term borrowing. The Unassigned balance contains \$36.4 of Working Capital to ensure sufficient cash flow in the fund; \$5.5 million in compensated balances. The remaining \$30 million portion of the balance was determined to be undesignated at the end of 2020. The 2021-2022 Budget anticipates utilizing \$14 million of that balance over the biennium on one time and capital projects.

Street Fund

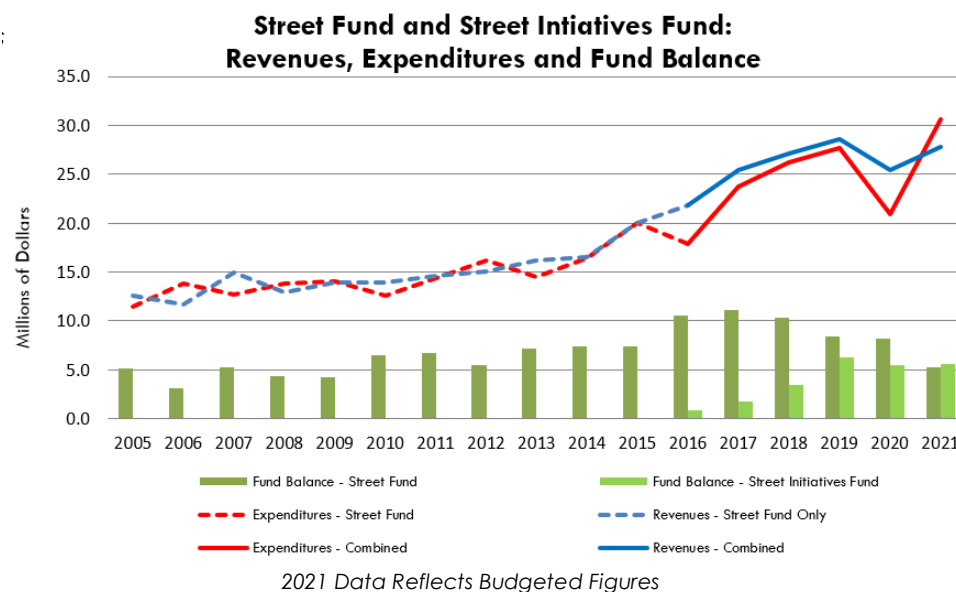
- Street Fund expenditures in the first quarter of 2021 totaled \$3.5 million, approximately \$.3 million above the 2020 expenditures. The pandemic caused delays in a number of street projects in 2020. Those are anticipated to be made up in 2021.
- Street Fund revenues in the first quarter of 2021 totaled \$3.5 million, approximately \$0.2 million above comparable revenues from 2020. Beginning in 2018, REET revenue is being received by the Operating Street Initiatives Fund (fund 103) to better match the consolidated Pavement Management Program, which was moved to the same fund for the ease of operations.
- Motor Vehicle Fuel Tax (MVFT) revenues totaled \$.7 million in the first quarter of 2021, approximately \$0.1 million lower than those in 2020. This revenue source is a set tax per gallon that does not depend on the price of gasoline. The significant nation-wide increase in gasoline prices over the past two years has resulted in declining gasoline consumption. The decline in consumption due to the pandemic negatively impacted tax revenue collections state-wide and decreased the proportionate share of the tax received by the City.
- Below is a pictorial representation of the Street fund's expenditures, revenues and fund balance, and that of the Street Initiatives fund. The Street Initiatives fund primarily represents an increased level of street programming resulting from new revenues

specifically increased for that purpose. The only exception to this is the Pavement Management program. The existing program was consolidated into the Street Initiatives fund with accompanying funding for the Real Estate Excise Tax to ease the administration of program management. Additional information about the Street Initiatives program and funding is outlined below.

- During 2015, a six-month extensive public process took place to determine the desired level of services in the city street and right-of-way maintenance program. It also decided whether additional sources would be most appropriate to fund any desired enhancements in the service level. The recommendations prepared by the Commission were accepted and acted upon by City Council, resulting in new/increased revenues being directed to Streets to fund the desired operating and capital outcomes. The ultimate anticipated results of this initiative are, among other things, an improvement in the condition of City streets from the current “fair” to “good” over a period of twenty years, reconstruction of a major arterial every two years, and improved maintenance of right-of-ways.

Following is a link to the specific set of recommendations:

http://www.cityofvancouver.us/sites/default/files/fileattachments/public_works/page/12554/streets_funding_commission_recommendation_final.pdf

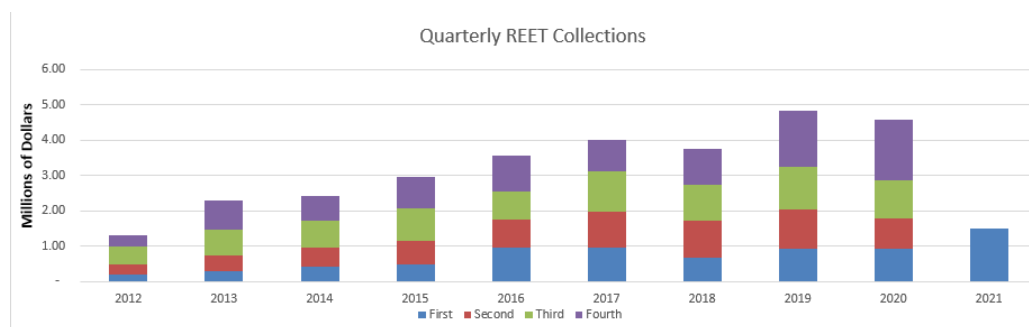


Real Estate Excise Tax (REET)

- A Real Estate Excise Tax (REET) of one-quarter of 1.0% of the selling price is imposed on each sale of real property in the corporate limits of the City. In the past, this tax was deposited into the Street Fund. Beginning in 2018, however, it has been deposited into the Street Initiative fund and is restricted to financing preservation of the City's street

system. The City also collects an additional one-quarter of 1.0% of the selling price in REET for Parks and Transportation capital.

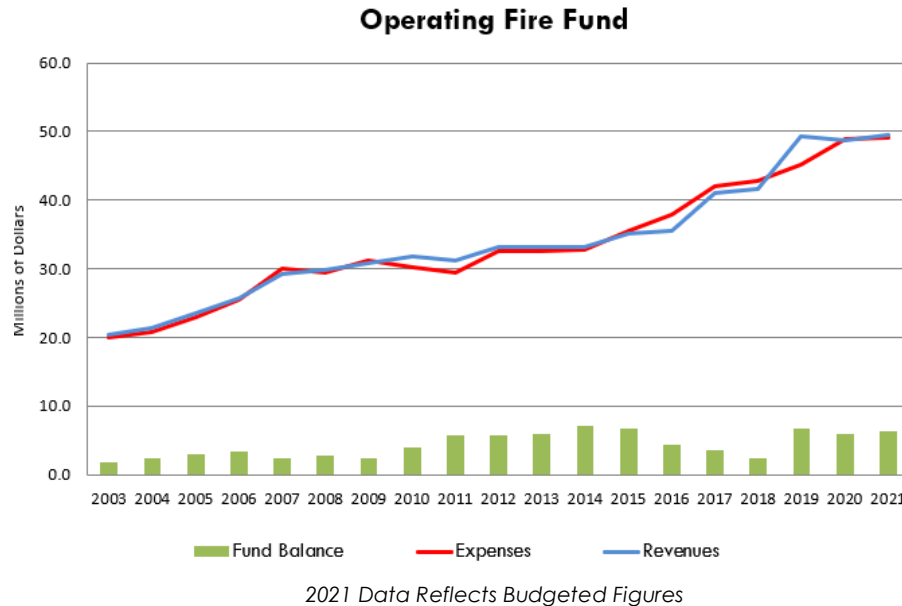
- REET revenue increased rapidly in 2004-2006, fueled by a favorable real estate market and increasing home prices. REET revenues declined significantly through 2010 after the housing bubble in 2005 and 2006. Since 2011, collections have been increasing. Real estate activity remains very upbeat and collections in 2019 and 2020 surpassed historical highs in this revenue source.
- A total of \$1.5 million in REET revenue was received in the first quarter of 2021, compared to \$.9 million received in 2020. The graph below demonstrates the fluctuations in REET collections since 2012.



Consolidated Fire Fund

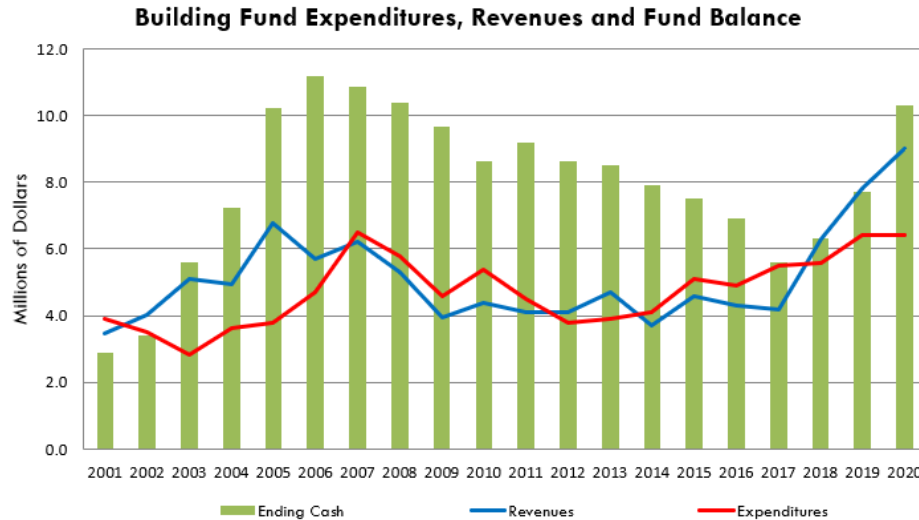
The City has an Operating Fire Fund and a Capital Fire Fund. The Capital Fire Fund contains budget and cash for vehicle replacements and purchases. The Operating Fire Fund fully supports the Capital Fire Fund. The graph below represents the Operating Fire Fund's financial information.

Operating Fire Fund revenues in the first quarter of 2021 were \$.4 million (exclusive of General Fund and the Fire District 5 transfers) and is the same as first quarter of 2020, mostly representing permit and inspection fee revenue. Total Fire operating expenditures during first quarter of 2021 were \$11.3 million, or 23% of budget, and \$.3 million higher than those in 2020.



Building Inspection Fund

- Building review and inspection fee revenues received in 2020 totaled \$8.3 million, \$0.5 million higher than those in 2019.
- Building Fund expenditures during 2020 totaled \$6.5 million, on par with those in 2019.
- The fund balance in the Building fund targets funding for 18 months of permitting activity after revenue is collected and the replacement cost of the Infor and other software systems to ensure sufficient funding exists at the end of their useful lives. Fees and valuation tables were increased to start building the fund's balance, which has continuously declined over several prior years. The projected fund balance at the end of 2020 should cover approximately 18 months of permitting activity.



Parking Fund

- Parking revenues in the first quarter totaled \$0.7 million, compared to \$1.2 million received in the first quarter of 2020. Expenditures in the fund totaled \$0.6 million, consistent with the 2020 trend. Year 2020 revenues were significantly impacted by the pandemic. The parking fund is no longer supported by the General Fund.
- Parking fund cash was at \$4.2 million at the end of 2020.

Utility Operations

Operating transfers between the Water, Sewer and Storm Water funds are included in the accompanying **Attachment A**, per budget requirements. These transfers are generally eliminated when quarterly financial statements are prepared. Please call (360) 487-8441 to receive a copy of the detailed financial statements for the Utility Funds.

Water

- Water sale revenues totaled \$8.9 million in the first quarter of 2021, compared to \$8.2 million received in the first quarter of 2020, representing a 7.3% increase in revenues. The increase is largely due to the inflationary rate increases.
- Water fund expenditures during first quarter of 2021 totaled \$8.2 million, approximately \$0.3 million above those in the first quarter of 2020, mostly due to the impact of the construction program.

Sewer

- Fee revenues in the Sewer Fund were \$12.3 million in the first quarter of 2021, comparable to those in the first quarter of 2020. Sewer rates experienced inflationary increases in 2021.

- Sewer expenditures during the first quarter of 2021 totaled \$7.7 million, approximately \$4 million below those in the first quarter of 2020 due to fluctuations in construction program spending.

Storm Water

- A total of \$5 million in storm water fee revenue was received in the first quarter of 2021, approximately \$0.6 million higher than the 2020 comparable revenues, or 14.9% higher. In 2021, the rates had an inflationary increase.
- Overall, the expenditures in the Storm Water fund were \$4.1 million, \$0.3 million higher than those in the first quarter of 2020.

Internal Service Funds

Equipment Services Operating and Capital Funds

A total of \$1.2 million was spent by Equipment Services on operating activities in the first quarter of 2021, \$0.4 million below that in 2020. The ER&R Capital fund spent \$0.3 million in the first quarter of 2021, \$1.3 million below purchases of the first quarter of 2020, or 5% of the budget for the year. The amount spent so far represents the City's attempt to replace the vehicles that are at or beyond their useful lives. The vehicle purchase scheduling was impacted by the pandemic and vehicle availability.

Technology ER&R Fund

A total of \$0.2 million, was spent on technology and software replacement in the first quarter of 2021, compared to approximately \$1.0 million spent in the first quarter of 2020.

Internal Administrative Services Fund

A total of \$1.4 million was spent by HR, Finance, IT and Civil Legal in the first quarter of 2021, approximately 25% of the budget for the year and \$1.3 million above comparable expenditures from 2020. A number of positions was held vacant during 2020.

Risk Fund

Approximately \$1 million was spent in the first quarter of 2021, comparable to the first quarter of 2020, largely driven by settled claims and the cost increases of liability and workers compensation insurances.

Benefits and Self-Insured Health Insurance Funds

A total of \$5.5 million was spent on benefits in the first quarter of this year, including health insurance. The 2021 spending so far is comparable to that in 2020.

IV. Outstanding Debt

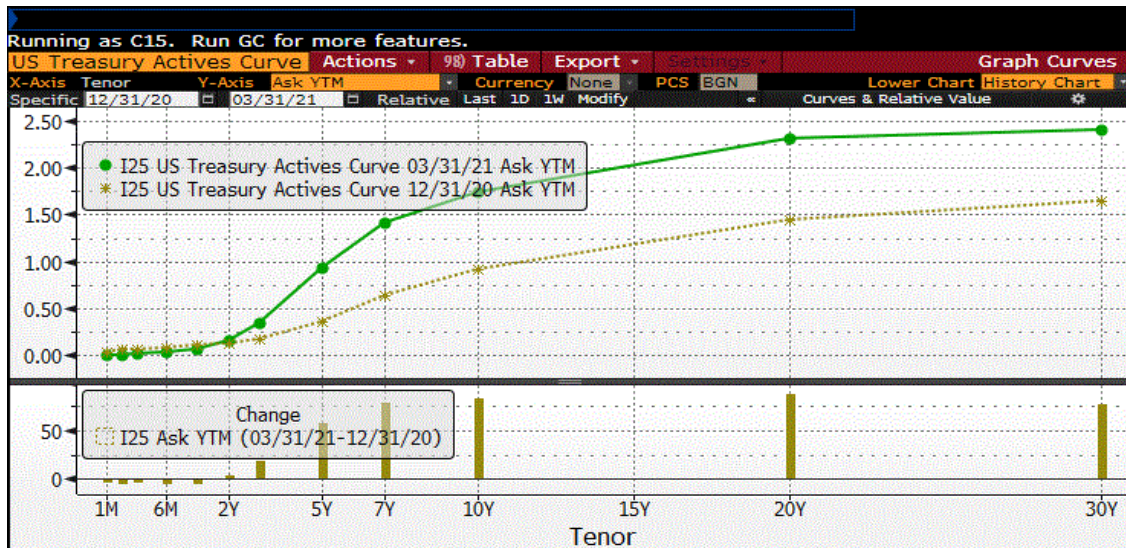
At the end of the first quarter of 2021, the City had around \$53.7 million of general obligation (G.O.) debt outstanding. General obligation debt is backed by the full faith and credit of the City and by general taxes. The weighted-average interest rate for the City's general obligation debt is 2.7%.

A complete list of the City's outstanding debt is included in Attachment C.

V. Investments

Market Conditions

- The Federal Reserve is committed to using its full range of tools to support the U.S. economy in this challenging time, thereby promoting its maximum employment and price stability goals.
- The COVID-19 pandemic is causing tremendous human and economic hardship across the United States and around the world. Following a moderation in the pace of the recovery, indicators of economic activity and employment have turned up recently, although the sectors most adversely affected by the pandemic remain weak. Inflation continues to run below 2 percent. Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.
- The path of the economy will depend significantly on the course of the virus, including progress on vaccinations. The ongoing public health crisis will continue to weigh on economic activity, employment, and inflation, and poses considerable risks to the economic outlook.
- The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. With inflation running persistently below this longer-run goal, the Committee will aim to achieve inflation moderately above 2 percent for some time so that inflation averages 2 percent over time and longer-term inflation expectations remain well anchored at 2 percent. The Committee expects to maintain an accommodative stance of monetary policy until these outcomes are achieved. The Committee decided to keep the target range for the federal funds rate at 0 to 1/4 percent and expects it will be appropriate to maintain this target range until labor market conditions have reached levels consistent with the Committee's assessments of maximum employment and inflation has risen to 2 percent and is on track to moderately exceed 2 percent for some time. In addition, the Federal Reserve will continue to increase its holdings of Treasury securities by at least \$80 billion per month and of agency mortgage-backed securities by at least \$40 billion per month until substantial further progress has been made toward the Committee's maximum employment and price stability goals. These asset purchases help foster smooth market functioning and accommodative financial conditions, thereby supporting the flow of credit to households and businesses.



Investment Performance

The average amount invested during the first quarter of March 2021 was \$453 million compared to \$399 million on March 2020. The portfolio had a weighted average yield of 0.22% year-to-date, which is a 7-basis point higher than the projected annual yield of .15% for 2021. The projected yield is based upon the blended yield between existing rates and expected market rates when new investments are purchased during the year. The year-to-date yield is 8 bps higher than the State Investment Pool, which had an average yield of 0.13%. The State Pool has a weighted average maturity of 47 days. The City's investment portfolio weighted average maturity is approximately nine months. Longer-term portfolio yields will underperform shorter-term portfolio yields in a rising interest rate environment. Interest revenue distributed through the first quarter of 2021 to all funds is approximately \$246 thousand compared to \$1.6 million during the same period of 2020.

The City's investment portfolio profile is detailed in Attachment D.

VI. Interfund Loans

In 2003, Council passed an ordinance giving the City Treasurer the authority to make interfund loans to meet the short-term liquidity and cash flow needs of the City's various funds. The ordinance requires the City Treasurer to provide a quarterly report to City Council showing the amount of all interfund loans outstanding and the repayment plan for those loans. During 2021 there were two Interfund loans with an outstanding balance at the end of March 2021.

Reporting Quarter >>>		First				
Reporting Year >>>		2021				
Reporting Date >>>		03/31/21				
City of Vancouver						
Outstanding Interfund Loans						
Through First Quarter 2021						
		Balance Outstanding 03/31/21		Interest Rate	Interest Expense Paid in 2021	Repayment Plan
Fund	Description		Lending Fund			
129	Affordable Housing Local Sales Tax	\$ 2,500,000.00		0.25%	\$ -	
108	CDBG	7,191.68		0.23%	\$ 77.06	
Total Outstanding Interfund Loan Balance		2,507,191.68				

Expense Summary by Fund

Attachment A

Expenditures	March 2020 Actuals	2021 Budget	March 2021 Actuals	% of Budget
General Fund				
City Council	166,733	882,527	248,939	28%
City Manager's Office	1,196,572	6,056,958	1,078,053	18%
Legal Services	775,573	3,630,225	868,880	24%
Community Economic Development	1,530,229	10,814,235	1,687,777	16%
Parks, Trails, & Natural Resources	1,618,686	11,280,806	1,688,470	15%
Recreation Services	1,101,669	6,494,388	511,885	8%
Cultural Services	0	90,000	0	0%
Police	12,382,922	58,447,319	13,177,743	23%
Subtotal Non-Gen. Governmental	18,772,385	97,696,458	19,261,746	20%
General Governmental				
Child Justice Center Support	0	400,000	0	0%
City Cable Programming	128,750	515,000	128,750	25%
Fire District #6	0	0	0	0%
Emergency Mgmt (CRESA)	51,421	222,635	50,271	23%
Air Pollution Control Authority	0	95,936	0	0%
Humane Society	55,075	400,000	56,295	14%
Animal Control	0	350,200	154,266	44%
Alcoholism Support	0	68,000	0	0%
Regional Transp Council	48,901	48,000	0	0%
Election Support	(0)	350,000	0	0%
AWC, Chamber of Commerce Memberships	88,765	90,000	90,668	101%
Opportunity Reserve	11,279	150,513	0	0%
Miscellaneous	201,760	4,310,231	111,774	3%
Real Estate Transactions	138,007	649,577	102,447	16%
Public Defender	412,746	1,422,500	304,549	21%
County Jail Costs	0	3,600,000	0	0%
County Corrections Costs	283,501	1,550,000	94,526	6%
County District Court Costs	4,864	1,600,000	0	0%
General Obligation Debt Payment	85,140	3,104,469	167,376	5%
General Govt Support	765,922	3,620,298	934,962	26%
Street Support (formerly in General Support)	4,095,841	17,849,119	4,505,998	25%
Fire Support (formerly in General Support)	7,472,342	36,467,672	9,107,273	25%
LEOFF Pension Support (formerly in General Sup	1,218,816	2,500,000	625,000	25%
Celebrate Freedom	0	170,000	0	0%
Subtotal General Governmental	15,063,130	79,534,150	16,434,155	21%
General Fund Total	33,757,739	177,230,607	35,695,901	20%
Special Revenue Funds				
Street	3,078,554	17,593,693	3,067,507	17%
Street Initiative- NEW Fund	147,376	12,963,533	443,104	3%
Fire Operating Fund	11,039,398	49,000,222	11,378,279	23%
Fire Capital Fund	110,304	2,901,914	0	0%
AMR Compliance Fund	132,435	788,527	193,360	25%
Drug Enforcement and Investigative Funds	8,351	391,364	7,042	2%
Community Development Block Grant	277,285	6,422,905	631,724	10%
Tourism	290,276	3,812,246	170,098	4%
Affordable Housing	588,055	6,140,071	678,258	11%
Criminal Justice/LLEBG	764	228,745	972	0%
Real Estate Excise Tax	34	2,963,054	43	0%
Transportation Special Revenue	4,710	3,384,031	5,994	0%
Parks & Recreation Special Revenue	57	0	0	0%
Downtown Initiatives	27,167	356,700	30,655	9%
VNHR Properties	31,380	786,883	61,735	8%
Senior Messenger	76,195	319,122	427,532	134%
Parkhill Cemetery Improvement Fund	168	20,006	4,702	24%
TIF Funds	0	3,202,678	0	0%
PIF Funds	(497)	5,104,943	0	0%
SIF Funds	0	5,690,530	0	0%
Affordable Housing Local Sales Tax Fund	0	0	2,500,000	0%
Affordable Housing State Sales Tax Credit Fund	0	0	0	0%
Debt Service Funds				
G O Debt Service Fund	36,126	7,321,767	33,849	0%
L I D Debt Fund	1,000	5,225	0	0%
Capital Funds				

Attachment A

Expense Summary by Fund

Attachment A

Expenditures	March 2020 Actuals	2021 Budget	March 2021 Actuals	% of Budget
2011 Bond Capital Fund - Waterfront	0	0	0	0%
Transportation Capital Fund	1,444,339	15,563,482	905,268	6%
Capital Streets Initiative Fund	125,049	8,217,071	151,384	2%
Fire Acquisition Fund	58,105	10,484,366	116,540	1%
Capital Improvement Fund	83,187	7,390,257	165,444	2%
VNHR Property Capital	3,298	376,828	7,572	2%
2015 Bond Capital Fund - VNHR	0	0	0	0%
Parks Construction Fund (Capital Projects only)	91,257	5,402,007	192,790	4%
City Tree Reserve Fund	13,431	121,342	6,494	5%
Drainage Construction Fund	99,132	3,486,866	253,903	7%
Systems Development Reserves	0	2,550,000	0	0%
Water Construction Fund	2,341,810	26,432,887	4,668,001	18%
SCIP Fund	0	900,000	0	0%
Utility Customer Assistance	4,484	50,000	25,458	51%
Water Revenue Bond Debt Service Fund	0	0	0	0%
Sewer Revenue Bond Debt Service Fund	0	0	0	0%
Debt Service Reserves	1,968,000	0	0	0%
Sewer System Development	0	3,720,000	0	0%
Sewer Construction Fund	1,538,942	22,545,339	571,067	3%
Enterprise Funds				
Storm Water	3,919,489	21,004,966	4,139,983	20%
Water	7,937,346	51,858,482	8,233,920	16%
Sewer	11,700,468	54,175,301	7,708,349	14%
Building Inspection	1,417,784	7,465,865	1,471,675	20%
Solid Waste	305,608	2,495,642	318,705	13%
Parking	581,763	4,294,585	565,999	13%
Tennis Center	0	752,992	0	0%
Airpark	(456,281)	816,867	196,994	24%
Internal Service Funds				
Facilities Asset Mgmt & Replacement Reserve Fund	102	2,539,519	130	0%
Equipment Services Operations Fund	1,624,581	7,236,269	1,230,044	17%
Equipment ER&R Capital	1,572,596	6,402,713	304,445	5%
Technology ER&R	967,484	1,935,460	192,765	10%
Grounds & Facilities Services Fund	2,425,032	15,025,619	2,389,967	16%
Risk Fund	942,958	6,849,561	967,329	14%
Internal Administrative Services Fund				
Finance	1,401,784	6,619,264	1,605,526	24%
Information Technology	1,671,896	9,219,674	2,663,738	29%
Human Resources	501,658	2,829,156	575,661	20%
General Services	0	0	0	0%
Legal: Civil	393,293	2,499,762	504,950	20%
Total Internal Administrative Services Fund	3,968,631	21,167,855	5,349,875	25%
Benefits Fund	2,713,978	13,158,221	2,662,505	20%
Self Insured Health Insurance	2,889,723	11,850,882	2,814,808	24%
Agency Funds				
SWAT Team	30,310	260,790	10,428	4%
Police Pension	222,807	1,002,402	262,243	26%
Fire Pension	319,725	1,390,180	314,100	23%
Cable TV	297,857	1,384,304	248,634	18%
PEG	8,063	728,000	16,595	2%
Transportation Benefits District	0	2,930,000	400,000	14%

Notes:

1. This report was prepared using the methodology prescribed under the basis of budgeting, depreciation, appreciation costs have been excluded
2. Operating transfers between funds are included within this report
3. In 2015, Finance, Information Technology, Human Resources and General Services moved from General Fund to an Internal Administrative Services Fund

Attachment A

Revenue Summary by Fund

Attachment B

Revenue	March 2020 Actuals	2021 Budget	March 2021 Actuals	% of Budget
General Fund				
Tax Revenue				
Property Tax	4,493,483	48,999,887	4,885,455	10%
Sales Tax	11,943,308	45,054,976	13,237,240	29%
Electrical Tax	3,210,924	8,458,206	3,184,731	38%
Natural Gas	730,093	2,479,347	704,959	28%
Telephone	892,140	3,600,000	634,567	18%
Cable Franchise Fee	472,101	1,800,000	494,614	27%
Water/Sewer/Storm Water	7,250,089	33,328,558	7,599,056	23%
Solid Waste Utility Tax	1,935,393	6,677,529	2,103,444	32%
Gambling and Leasehold	172,903	800,000	182,585	23%
Subtotal Tax Revenue	31,100,433	151,198,503	33,026,651	22%
Business Licenses	749,162	1,011,033	63,571	6%
Grants & Entitlements	133,904	2,438,360	65,840	3%
State Shared Revenues	734,312	4,296,263	793,951	18%
Parks Contract with Clark	8,573	80,000	15,751	20%
Charges for Services				
Planning Permits	367,303	676,843	274,375	41%
Recreation Program Fees	704,421	3,030,000	195,215	6%
Interfund Service Charges	366,781	2,326,405	270	0%
Other Charges & Services	278,272	1,005,778	463,596	46%
Subtotal Charges for Services	1,716,777	7,039,026	933,456	13%
District Court	409,094	900,000	288,656	32%
Miscellaneous	532,173	875,000	198,993	23%
Lease Revenue (short and long term)	593,033	1,808,380	1,063,517	59%
Operating Transfers	0	1,016,423	427,532	42%
Total General Fund	35,977,460	170,662,989	36,877,918	22%
Street Fund				
Real Estate Excise Tax	0	0	0	0%
Motor Vehicle Fuel Tax	862,186	3,400,000	749,380	22%
Operating Transfers	2,151,982	10,233,288	2,539,988	25%
Permits and Misc.	357,160	1,091,981	215,988	20%
Total Street Fund	3,371,327	14,725,269	3,505,357	24%
Operating Street Initiative Fund				
Real Estate Excise Tax	918,057	4,052,027	1,505,696	37%
Business License	255,932	0	12,007	0%
Surcharge	0	0	0	0%
Operating Transfers	1,943,860	7,659,143	2,504,017	33%
Motor Vehicle Fuel Tax and Misc.	185,381	1,436,210	149,778	10%
Total Operating Street	3,303,230	13,147,380	4,171,497	32%
Operating Fire Fund				
Grant Revenue	(16,459)	439,677	1,260	0%
Operating Transfers	7,515,204	36,860,192	9,191,772	25%
Permit/Other Fees and Misc	461,430	12,223,168	434,585	4%
Total Operating Fire Fund	7,960,174	49,523,036	9,627,617	19%
Fire Equipment Fund	53,242	1,025,627	27,412	3%
AMR Compliance Fund (New)	259,567	762,000	341,800	45%
Other Special Revenue Funds				
Drug Enforcement	126,174	205,000	31,326	15%
Community Development	541,956	7,959,304	665,954	8%
Block Grant	0	0	0	0%
Tourism	549,378	1,555,000	292,923	19%
Affordable Housing	601,822	10,375,000	587,871	6%
Criminal Justice/LLEBG	73,708	290,000	213,313	74%

Attachment B

Revenue Summary by Fund
Attachment B

Revenue	March 2020 Actuals	2021 Budget	March 2021 Actuals	% of Budget
Transportation Special Fund	733,133	1,948,365	33,869	2%
Real Estate Excise Tax - I	826,848	3,335,000	1,373,671	41%
Parks & Recreation Special Revenue Fund	1,272	0	0	0%
Downtown Initiatives	46,130	190,000	46,465	24%
VNHR Properties	54,740	692,800	53,514	8%
Senior Messenger	67,491	0	(92)	0%
TIF Funds	756,224	1,851,500	448,688	24%
PIF Funds	613,665	2,678,702	772,228	29%
SIF Funds	0	11,687,366	0	0%
Parkhill Cemetery Fund	6,951	25,000	10,573	42%
Affordable Housing Local Sales Tax Fund	0	650,000	0	0%
Affordable Housing State Sales Tax Credit Fund	933	0	211,481	0%
Debt Service Funds				
G O Debt Service Fund	36,126	7,321,766	33,849	0%
L I D Fund	312	2,500	23	1%
Capital Funds				
2011 Bond Capital Fund - Waterfront	2,484	0	0	0%
Transportation Capital Fund	54,819	12,594,777	1,421,803	11%
Capital Streets Initiative Fund (NEW)	318,014	6,592,000	144,239	2%
Capital Improvement Fund	37,303	2,650,000	4,677	0%
Fire Acquisition Fund	42,713	891,800	580,850	65%
VNHR Property Capital	477,861	498,000	253,036	51%
Parks Construction Fund (Capital Projects only)	8,156	5,157,585	36,058	1%
City Tree Reserve Fund	31,294	120,000	15,439	13%
Drainage Construction Fund	106,453	2,628,578	6,413	0%
Water/Sewer Capital Reserves	13,777	0	1,654	0%
Systems Development Reserves	718,782	3,545,000	981,786	28%
Water Construction Fund	232,501	11,850,000	20,309	0%
SCIP Fund	172,552	865,000	201,777	23%
Utility Customer Assistance	3,488	20,000	5,508	28%
Water Revenue Bond Debt Service Fund	39,466	0	0	0%
Sewer Revenue Bond Debt Service Fund	1,933,824	10,000	0	0%
Debt Service Reserves	14,439	0	417	0%
Sewer System Development	820,192	4,508,216	1,160,267	26%
Sewer Construction Fund	28,676	16,610,000	3,888	0%
Enterprise Funds				
Storm Drainage Fees	4,387,599	20,383,235	5,040,547	25%
Private Capital Contributions	0	0	0	0%
Miscellaneous	129,432	385,360	69,525	18%
Total Storm Water Fun	4,517,031	20,768,595	5,110,073	25%
Water				
Water Sales				
Residential Water Sales	6,945,826	31,884,255	7,545,263	24%
Commercial Water Sales	1,158,504	6,640,849	1,149,249	17%

Attachment B

Revenue Summary by Fund

Attachment B

Revenue	March 2020 Actuals	2021 Budget	March 2021 Actuals	% of Budget
Governmental Water Sales	152,389	1,429,958	169,692	12%
Subtotal Water Sales	8,256,718	39,955,062	8,864,203	22%
Private Capital Contributions	78,523	320,000	146,683	46%
Interfund Transfers	0	3,208,391	0	0%
Indirect Cost Plan Revenue	436,510	2,332,663	448,131	19%
Miscellaneous	422,127	2,865,960	462,548	16%
Total Water Fund	9,193,878	48,682,076	9,921,566	20%
Sewer				
Sewer Charge				
Residential Sewer Charges	8,522,348	37,912,007	8,804,380	23%
Commercial, Industrial Sewer Charges	3,361,361	14,995,312	3,204,626	21%
Governmental Sewer Charges	340,300	1,354,459	295,453	22%
Subtotal Sewer Charge	12,224,009	54,261,778	12,304,459	23%
Private Capital Contributions	29,979	300,000	77,570	26%
Interfund Transfers	3,800,000	300,000	0	0%
Miscellaneous	269,386	840,860	213,976	25%
Total Sewer Fund	16,323,374	55,702,638	12,596,006	23%
Sewer Cap Contingency Replacement	34	0	4	0%
Building Inspection				
Permits	2,092,813	6,610,000	2,353,201	36%
Interfund Services	0	495,916	15	0%
Miscellaneous	91,756	237,546	6,043	3%
Total Building Fund	2,184,569	7,343,462	2,359,259	32%
Solid Waste				
Solid Waste Utility Tax	450,582	1,708,530	434,980	25%
Service Charges-Recycling	45,097	250,000	122,223	49%
Miscellaneous	11,822	65,000	23,841	37%
Total Solid Waste Fund	507,501	2,023,530	581,044	29%
Parking				
Parking Fines	195,271	375,000	93,824	25%
Parking Meters & Lots	939,467	2,423,108	613,265	25%
Operating Transfers	0	0	0	0%
Miscellaneous	80,086	90,000	26,330	29%
Total Parking Fund	1,214,823	2,888,108	733,419	25%
Tennis Center				
Membership Fees	0	752,992	0	0%
Operating Transfers	0	0	0	0%
Instruction and	1	0	0	0%
Miscellaneous				
Total Tennis Center Fund	1	752,992	0	0%
Other Enterprise Funds				
Pearson Airfield	250,409	710,000	172,618	24%
Utility Customer Assistance	3,488	20,000	5,508	28%
Internal Service Funds				
Facilities Asset Mgmt & Replacement Reserve Fund	638,234	2,250,000	514,116	23%

Attachment B

Revenue Summary by Fund
Attachment B

Revenue	March 2020 Actuals	2021 Budget	March 2021 Actuals	% of Budget
Equipment Services Operations Fund	1,595,537	7,819,798	1,367,973	17%
Equipment Services Capital Fund	1,146,198	5,734,541	1,339,729	23%
Computer Repair & Replacement	1,020,315	2,794,539	678,085	24%
Grounds and Facilities Services	1,709,538	14,757,283	2,011,864	14%
Self-Insured Worker's Comp & Liability Fund	1,963,271	7,393,309	1,900,080	26%
Internal Administrative Services Fund	4,221,752	21,616,417	5,332,249	25%
Benefits Fund	2,844,034	12,025,000	2,984,381	25%
Self-Insured Health Insurance Fund	2,688,384	10,891,296	4,251,219	39%
Agency Funds				
SWAT Team	109,872	300,000	113,933	38%
Police Pension	524,895	1,000,000	252,857	25%
Fire Pension	755,767	1,820,000	388,936	21%
Cable TV	145,484	1,122,502	249,470	22%
PEG Capital Support Fund Comcast	195,830	625,000	181,181	29%
PEG Capital Support Fund Century Link	0	0	0	0%
Transportation Benefits District	21,383	2,950,000	1,271,160	43%

Notes:

1. This report was prepared using the methodology prescribed under the basis of budgeting
2. Operating transfers between funds are included within this report

City of Vancouver
Outstanding Debt - General Obligation Bonds
First Quarter 2021

Attachment C

Issue Date	Purpose	Original Issue Amount	Amount Outstanding	True Interest Cost (TIC)	Final Maturity Date
Jun-11	To fund Transportation Projects for the Waterfront Access Project	10,515,000	7,670,000	3.93%	12/1/2035
Jan-12	To partially refund the 2003 LTGO bond issue for the Firstenburg Community Center	15,945,000	10,765,000	3.26%	12/1/2029
Dec-12	To partially refund the 2002 LTGO & Refunding bond issue for VancouverCenter, West Coast Bank, and Street Improvements	9,515,000	5,160,000	2.36%	12/1/2025
Jun-15	To fund the West Barracks renovations (Vancouver Heritage Bonds)	1,296,500	1,296,500	4.33%	12/1/2028
Jun-15	To fund the West Barracks renovations and to partially refund the 2005 LTGO, 2006 LTGO, and the 2008 LTGO issued for the East Police Precinct, West Police Precinct, Evidence Building, Fire Station 810, Transportation Projects, and the Marshall CC remodel.	23,100,000	15,620,000	2.54%	12/1/2034
Jun-16	To Partially refund 2009 LTGO issued for Transportation Projects.	\$ 7,810,000	\$ 6,340,000	1.89%	12/1/2028
Sep-20	Partially refund 2010 LTGO issued for 415 City Hall building	\$ 7,045,000	\$ 6,935,000	1.56%	12/1/2035
Total Outstanding General Obligation Bonds			<u>\$ 53,786,500</u>		

City of Vancouver
Investment Activity
First Quarter of 2021
(Dollars in thousands)

	<u>As of</u> <u>12/31/2020</u>	<u>Percent of</u> <u>Portfolio</u>		<u>As of</u> <u>3/31/2021</u>	<u>Percent of</u> <u>Portfolio</u>	
State Investment Pool	\$ 320,732	70.9%		\$ 304,688	66.4%	
Clark County Investment Pool	\$ -	0.0%		\$ -	0.0%	
U.S. Agencies	\$ 89,979	19.9%		\$ 109,973	24.0%	
Municipal Bonds	\$ 41,806	9.2%		\$ 44,107	9.6%	
Total by Investment	\$ 452,318	100.0%		\$ 458,768	100.0%	

	<u>As of</u> <u>12/31/2020</u>	<u>Percent of</u> <u>Portfolio</u>	<u>Cumulative</u>	<u>As of</u> <u>3/31/2021</u>	<u>Percent of</u> <u>Portfolio</u>	<u>Cumulative</u>
Overnight	\$ 320,732	70.9%	70.9%	\$ 304,688	66.4%	66.4%
One Month	\$ -	0.0%	70.9%	\$ -	0.0%	66.4%
Two to Six Months	\$ 7,007	1.5%	72.5%	\$ 6,000	1.3%	67.7%
Six Months to One Year	\$ 1,550	0.3%	72.8%	\$ 10,189	2.2%	69.9%
One to Five Years	\$ 123,028	27.2%	100.0%	\$ 137,891	30.1%	100.0%
Total by Length of Term	\$ 452,318	100.0%		\$ 458,768	100.0%	

	9 Months		9 Months
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Investment Activity
1st Quarter 2021

Issuer	Type of Investment	Transaction Date	Purchase or Deposit	Redemption or Withdrawal	Effective Interest Rate
January					
FHLMC	Federal Agency Coupon Securities	1/28/2021		5,000,000.00	0.45%
FHLMC	Federal Agency Coupon Securities	1/28/2021		5,000,000.00	0.45%
Washington State Treasurer*	Local Government Investment Pool		18,655,981.34	9,000,000.00	0.12%
			18,655,981.34	19,000,000.00	
February					
FFCB	Federal Agency Coupon Securities	2/3/2021	5,000,000.00		0.17%
FFCB	Federal Agency Coupon Securities	2/3/2021	5,000,000.00		0.17%
FHLMC	Federal Agency Coupon Securities	2/26/2021	5,000,000.00		0.25%
FHLMC	Federal Agency Coupon Securities	2/26/2021	5,000,000.00		0.25%
Hawaii State	Municipal Bonds	2/22/2021	3,190,000.00		0.57%
Washington State Treasurer*	Local Government Investment Pool		7,448,765.39	30,000,000.00	0.12%
			30,638,765.39	30,000,000.00	
March					
County of Milwaukee Wisconsin	Municipal Bonds	3/18/2021	350,000.00		0.05%
FHLB	Federal Agency Coupon Securities	3/10/2021	5,000,000.00		0.30%
FHLB	Federal Agency Coupon Securities	3/10/2021	5,000,000.00		0.30%
Richland County School District	Municipal Bonds	3/1/2021		1,000,000.00	3.00%
Washington State Treasurer*	Local Government Investment Pool		11,850,838.07	15,000,000.00	0.12%
			22,200,838.07	16,000,000.00	

* Investments in the County and State Local Government Investment Pools can change daily, therefore no purchase dates are shown and the maturity dates are the last date for each reporting period.

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First Quarter FY 2021 Financial Report