



"A colorful past, a bright future"

Quarterly Financial Report

Second Quarter 2021

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(This report contains unaudited financial information as of July 5, 2021)

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I. Executive Summary

The second quarter of 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. This trend continues into 2021. Sales and property taxes remained elevated during the pandemic and residents paid most of the utility payments owed.

The national economy grew in the second quarter of 2021 by 6.3 %, according to the Bureau of Economic Analysis. The increase in second-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, and intellectual property purchases. Imports, which are a subtraction in the calculation of GDP, decreased. In the second quarter, government assistance payments in the form of loans to businesses and grants to state and local governments increased, while social benefits to households, such as the direct economic impact payments, declined. In the first quarter of 2021, real GDP increased 6.3 percent (revised).

City of Vancouver General Fund revenues in the second quarter of 2021 totaled \$95.5 million, which is 6.3% higher than the second quarter of 2020. Driven by sales and property tax revenue, overall tax revenue was 10.7% higher than second quarter 2020. Planning permits and miscellaneous revenue are higher than expected. Recreation fees are higher than 2020 but are still affected through pandemic closures and a staged re-opening.

General Fund expenditures at the end of the second quarter for 2021 were \$75.3 million, which is 10.3% higher than last year's expenditures of \$68.3 million. Recreation expenditures are slightly higher than 2020, which reflects the staged re-opening of some facilities. Overall expenditures at the end of the second quarter are at 40% of the total expenditure budget.

The General Fund operating cash balance was \$87.3 million at the end of June 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.

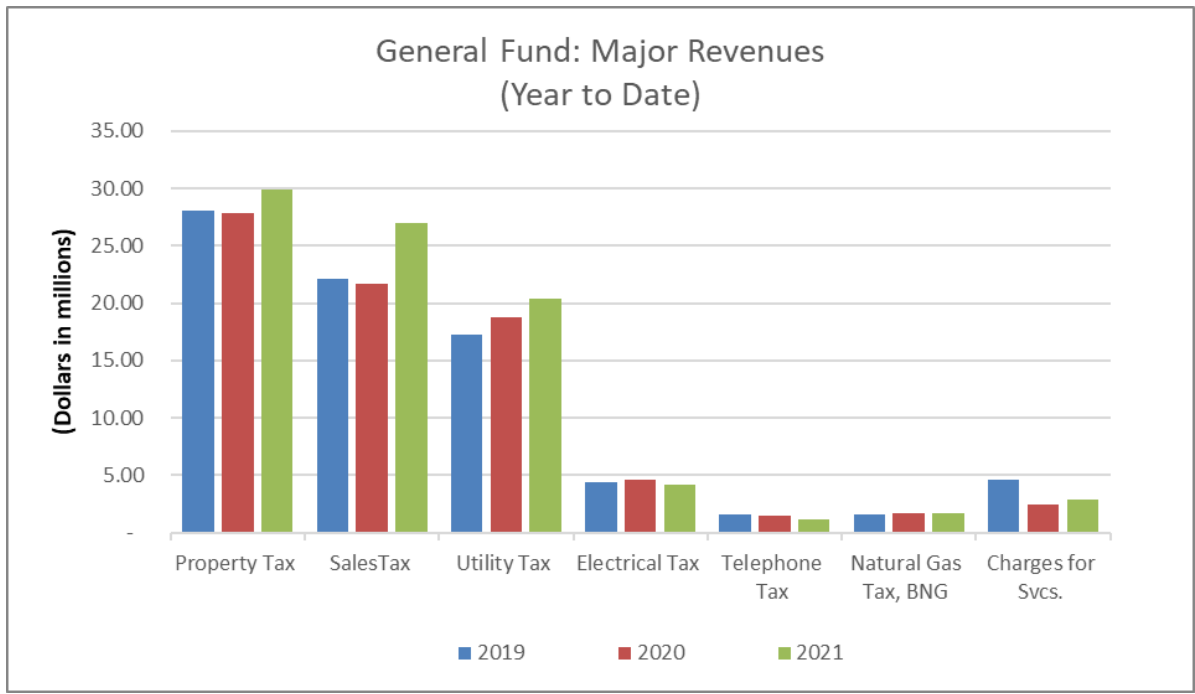


Chart No. 1 – General Fund Major Revenues

II. Economic Report

The national economy continues its growth in the second 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 6.3 percent in the second quarter of 2021, compared with a decrease of 31.4 percent from the same period in 2020. During the first two 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 four 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 Crazy Than It's Been Since 2006 - WSJ](#)

² [Gross Domestic Product, Second Quarter 2021 \(Advance Estimate\) and Annual Update | 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](#)

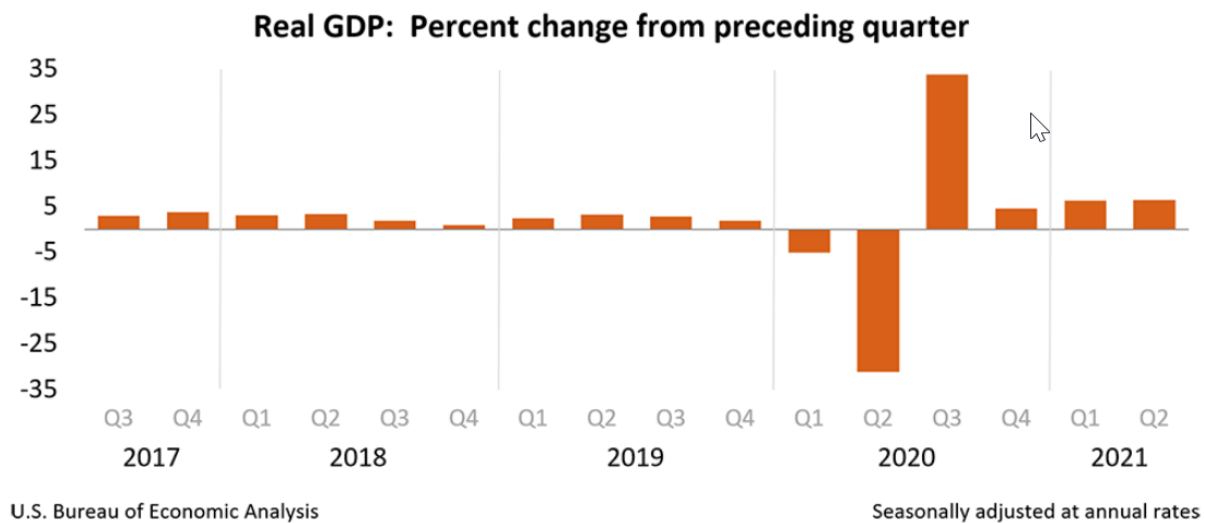


Chart No. 2 – Real GDP: Percent Change from Preceding Quarter

Information reviewed during the Federal Open Market Committee meeting in July 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. With progress on vaccinations and strong policy support, indicators of economic activity and employment have continued to strengthen. The sectors most adversely affected by the pandemic have shown improvement but have not fully recovered. Inflation has risen, largely reflecting transitory factors. 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 continues to depend on the course of the virus. Progress on vaccinations will likely continue to reduce the effects of the public health crisis on the economy, but risks to the economic outlook remain.

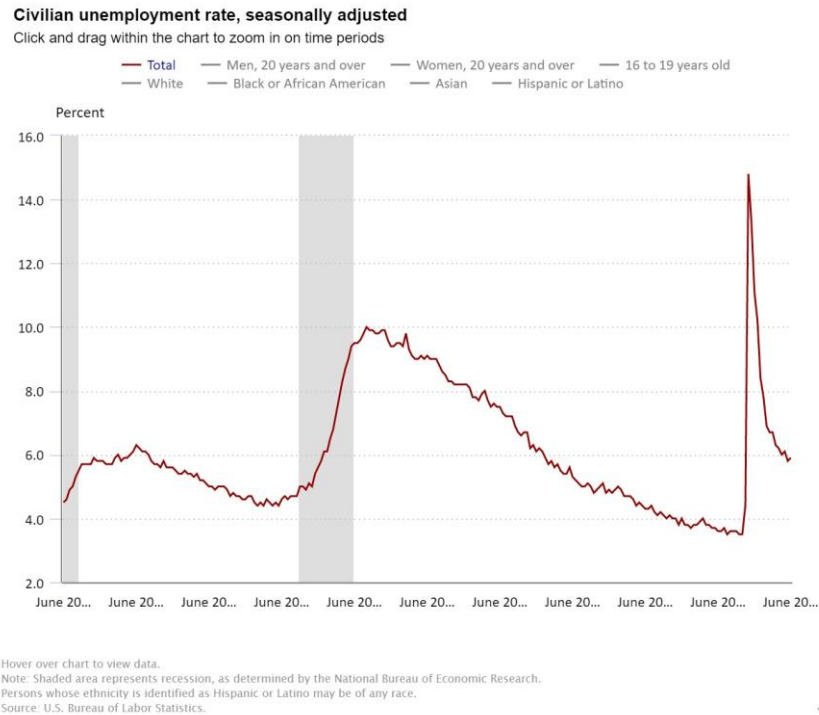
U.S. real gross domestic product (GDP) was expanding in the second quarter at a pace that was faster than in the first quarter of the year. Moreover, labor market conditions had improved further in April and May. Consumer price inflation through April—as measured by the 12-month percentage change in the PCE price index—had picked up notably, largely reflecting transitory factors.

Total nonfarm payroll employment increased solidly over April and May, though at a slower monthly pace than over February and March. As of May, total payroll employment had retraced two-thirds of the job losses seen at the onset of the pandemic, although employment in the leisure and hospitality sector and in the education sector (including both public and private education) had bounced back by less.⁴

Total nonfarm payroll employment rose in June, with notable gains in the leisure and hospitality, public and private education, professional and business services, retail trade and other services while the unemployment was 5.9 percent in June, which was little changed

⁴ [The Fed - Monetary Policy: \(federalreserve.gov\)](https://www.federalreserve.gov/monetarypolicy/)

from May.⁵ 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.⁶



Data Source: www.bls.gov

Chart No. 3 – Civilian Unemployment Rate, Seasonally Adjusted

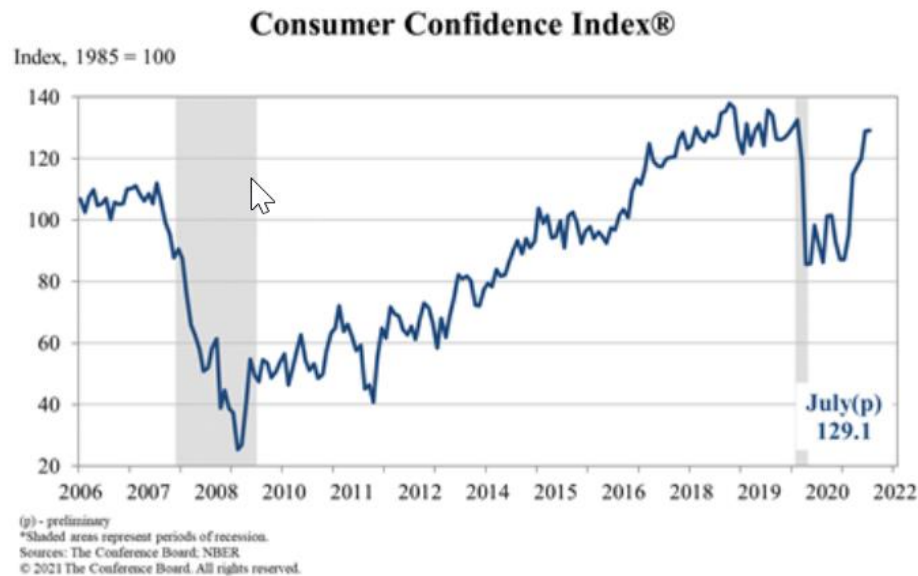
One of the major measures of consumer assurance is the *Conference Board's Compiled Index of Consumer Confidence*. Three thousand households across the country are surveyed each month to determine consumer perceptions of current business and employment conditions, as well as their expectations for the 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 127.3 in June of 2021 and reflects an increase up from 120.0 in May 2021. Economists polled by Reuters had forecast the index to be 119.0. "Consumer confidence was flat in July but remains at its highest level since February 2020 (132.6)," said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. "Consumers' appraisal of present-day conditions held steady, suggesting economic growth in Q3 is off to a strong start. Consumers' optimism about the short-term outlook didn't waver, and they continued to expect that business conditions, jobs, and personal financial prospects will improve. Short-term inflation expectations eased slightly but remained elevated. Spending intentions picked up in July, with a larger percentage of

⁵ [Employment Situation Summary \(bls.gov\)](http://www.bls.gov)

⁶ [State Employment and Unemployment Summary \(bls.gov\)](http://www.bls.gov)

consumers saying they planned to purchase homes, automobiles, and major appliances in the coming months. Thus, consumer spending should continue to support robust economic growth in the second half of 2021.”⁷



A second measure of consumer attitudes, the University of Michigan, known as *The Sentiment Index*, had a reading of 85 in June, with references to high prices in the housing sector.

“Although consumer sentiment slipped in late June, it still remained 3.1% above the May reading, and the second highest since the start of the pandemic. All of the June gain was among households with incomes above \$100,000, and mainly in the why they judged future economic prospects. Consumers continued to pay close attention to three critical factors: inflation, unemployment, and interest rates. Not only did year-ahead inflation expectations fall slightly to 4.2% in June from May’s decade peak of 4.6%, consumers also believed that the price surges will mostly be temporary. Declines in unemployment rate in the year ahead were expected by 56% of consumers, the largest proportion ever recorded in the history of the surveys. The growing strength in the economy meant that nearly three-quarters of all consumers expected rising interest rates in the year ahead, the highest since 2018 when the economy was near its last peak. When the pandemic first began, consumers were quite uncertain about their job and income prospects, but reported widespread declines in market prices for homes, vehicles, and household durables (see the chart). Those favorable price references have dropped to the most negative in a decade, and job and income prospects have improved, but not quite as favorable as in the last few years of the prior expansion. While many are optimistic about a gradual end to the pandemic, consumers still judged the risks from emerging covid variants as appreciable. It is likely that consumers will not reduce their savings and wealth to pre-pandemic levels but maintain a higher level of precautionary funds.”⁸

⁷ [Consumer Confidence Index® | The Conference Board \(conference-board.org\)](https://www.conference-board.org/consumer-confidence/)

⁸ [Surveys of Consumers \(umich.edu\)](https://www.surveymonkey.com/insights/consumers/)

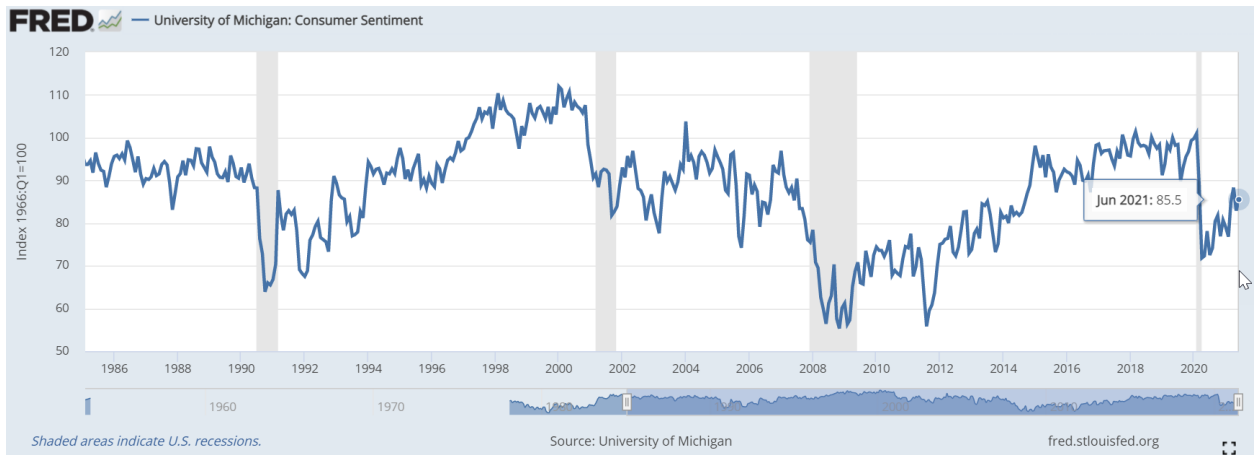


Chart No. 4 – University of Michigan Consumer Sentiment

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 by 0.7 percent in June to 115.1 (2016 = 100), following a 1.2 percent increase in May and a 1.3 percent increase in April. “June’s gain in the U.S. LEI was broad-based and, despite negative contributions from housing permits and average workweek, suggests that strong economic growth will continue in the near term,” said Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board. “While month-over-month growth slowed somewhat in June, the LEI’s overall upward trend—which started with the end of the pandemic-induced recession in April 2020—accelerated further in Q2. The Conference Board still forecasts year-over-year real GDP growth of 6.6 percent for 2021 and a healthy 3.8 percent for 2022.”⁹

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

The Conference Board Leading Economic Index® (LEI) for the U.S. Increased in June

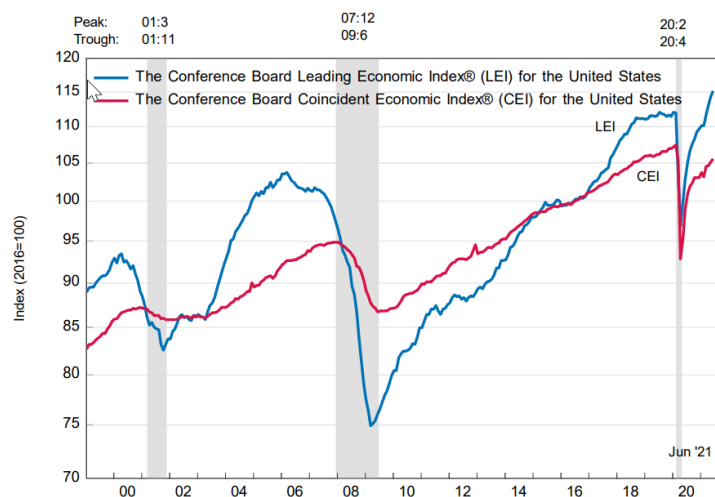


Chart No. 5 – The Conference Board Leading Economic Index (LEI) for the U.S.

⁹ [US LEI PRESS RELEASE – June 2021.pdf \(conference-board.org\)](#)

National level housing sector data indicates consistently strong activity over the second 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 because of the pandemic are causing this increase.

US housing starts jumped 6.3% MOM to a seasonally adjusted annual rate of 1.643 million in June of 2021, the highest in 3 months and above forecasts of 1.59 million, amid strong demand from buyers, elevated materials costs and shortage of qualified workers. Single-family starts were up 6.3% to 1.16 million and those for buildings with five units or more grew by 6.8% to 0.474 million. Starts were up in the West (12.6%) and the South (9.7%) but fell in the Midwest (-7.5%) and the Northeast (-9%), according to the U.S. Census Bureau.¹⁰

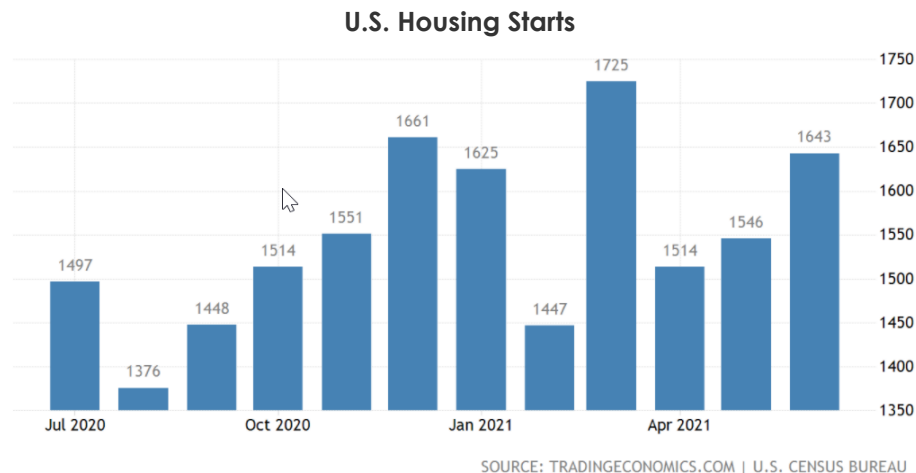


Chart No. 6 – U.S. Housing Starts

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. 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 July of 2021 Washington State Economic and Revenue Update from the Washington Economic and Revenue Forecast Council had the following highlights:

1. Washington employment is now 179,400 (5.1%) lower than at its February 2020 peak. Private services-providing sectors added 18,100 jobs in June. The manufacturing sector added 400 jobs despite the loss of 300 jobs in aerospace manufacturing. Construction employment increased by 1,900 jobs. State and local government employment decreased by 600 jobs in June and federal government employment was unchanged. Washington's unemployment was 5.2% in June matching the revised rate for May.
2. Washington housing construction moderated in April and May after reaching its highest level in nearly 43 years.
3. In June, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) released state personal income estimates for the first quarter of 2021. According to these

¹⁰ [United States Housing Starts | 1959-2021 Data | 2022-2023 Forecast | Calendar \(tradingeconomics.com\)](#)

¹¹ [Consumer Price Index Summary \(bls.gov\)](#)

estimates, Washington personal income rose from \$524.7 billion (SAAR) in the fourth quarter of 2020 to \$579.7 billion in the first quarter of 2021. The increase (SAAR) in Washington personal income was the 46th best among the states and District of Columbia and was significantly lower than the growth rate for the U.S. as a whole. Changes to personal income from Covid-19 relief programs dominated overall personal income growth, accounting for 90% of Washington personal income growth in the first quarter. Most of this was in the form of another round of direct payments to individuals.

4. Washington real GDP was 1.7% above its pre-recession peak in the second quarter of 2021. The economy has improved since the onset of the pandemic. Policymakers have approved trillions of dollars in stimulus payments to individuals.
5. Seattle-area consumer price inflation slightly exceeded the national average in the year ending in June 2021. From June 2020 to June 2021, the Seattle CPI rose 5.6% compared to the 5.3% increase in the U.S. City Average index. These relatively high rates were partially due to much higher energy prices this year compared to last year. Core prices, which exclude food and energy, increased 4.6% in Seattle compared to 4.5% for the U.S. City Average index.

State of Washington General Fund revenues exceed the June forecast by 0.2 percent.¹²

Local Economy

Residential Permits

New construction was up in the second quarter of 2021 due to increase for residential permits. The valuation for single family house permits totaled \$58.2 million in the first quarters of 2021, compared to \$53.1 million from a comparable period of 2020, a 10% increase.

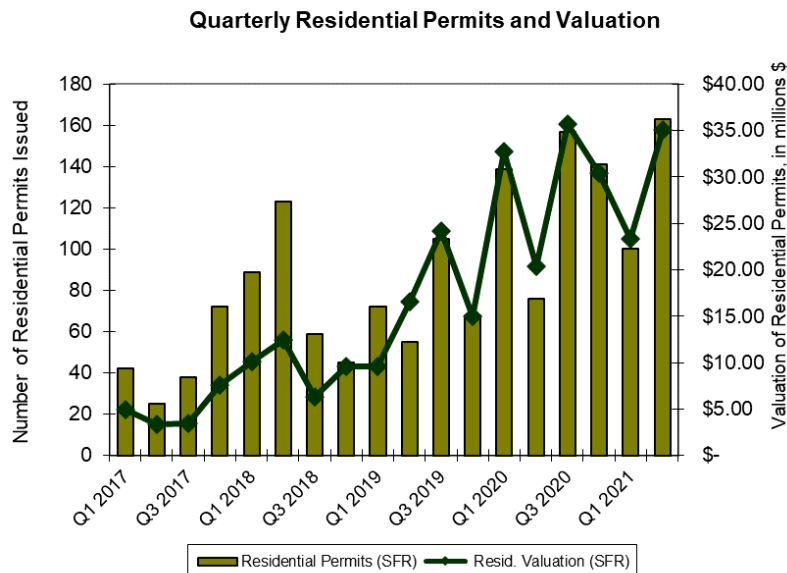


Chart No. 7 – Quarterly Residential Permits and Valuation

¹² [July 2021 Economic and Revenue Update \(wa.gov\)](https://www.wa.gov/economic-revenue-update)

Multi-Family Permits

The City has also seen a continued elevated level of multi-family units permitted within city limits. The number of units for multi-family units for the second quarter of 2021 totaled 633, which is the highest for a quarter since the third quarter of 2018. For the first half of 2021 the City permitted 1064 units, compared to 447 units permitted during the comparable period of 2020.

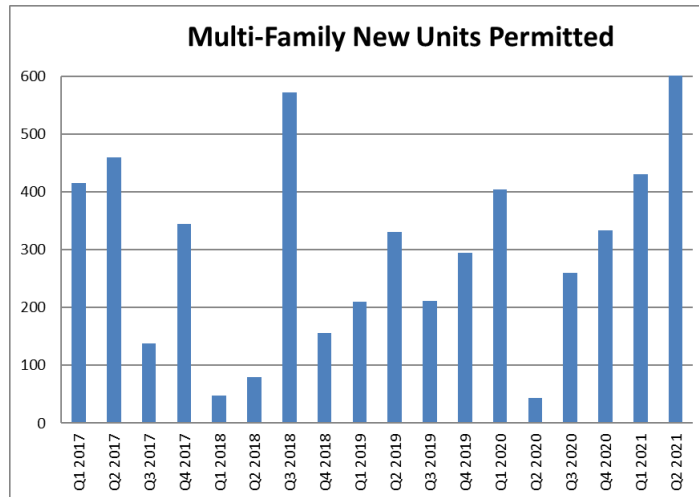
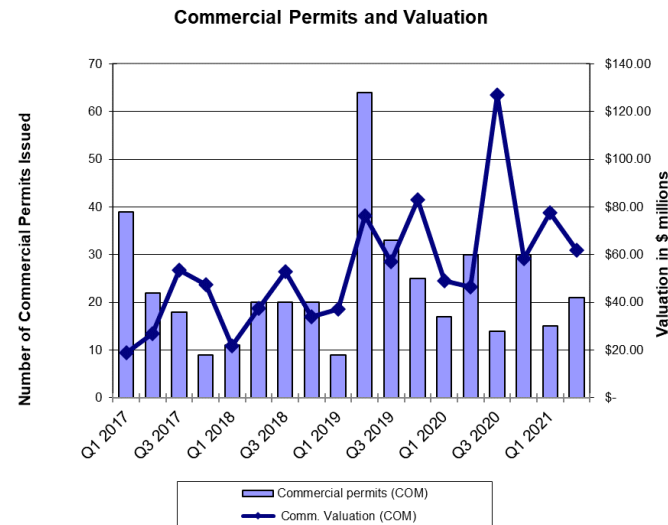


Chart No. 8 – Multi-Family New Units Permitted

Commercial Permits

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. Through the second quarter of 2021 a total of 36 projects were permitted with the combined valuation of \$139.5 million, compared to 37 permits valued at \$95.5 million in the first half of 2020.



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

Chart No. 9 – Commercial Permits and Valuation

Below is the change in the CPI-U for the cities in the Seattle-Tacoma-Bellevue region. Over the last 12 months, ending in June of 2021, prices increased by 2.2%. The inflationary data for Portland-Metro has not been reported since 2017.

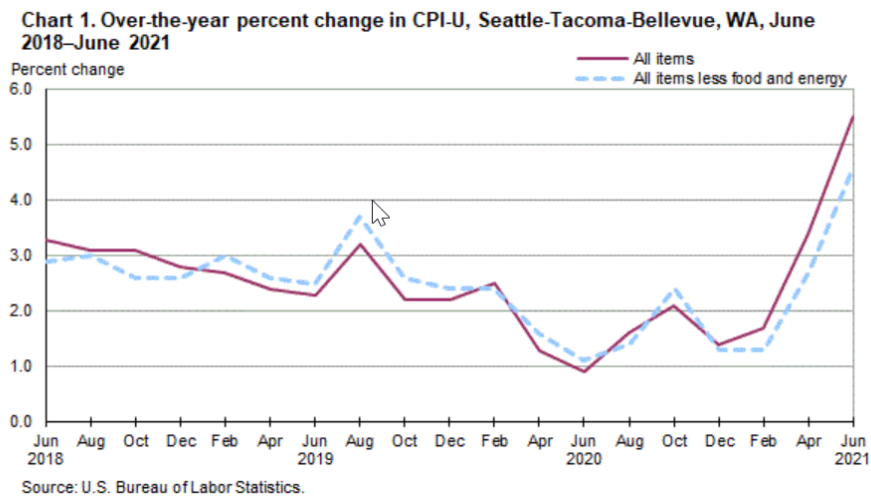
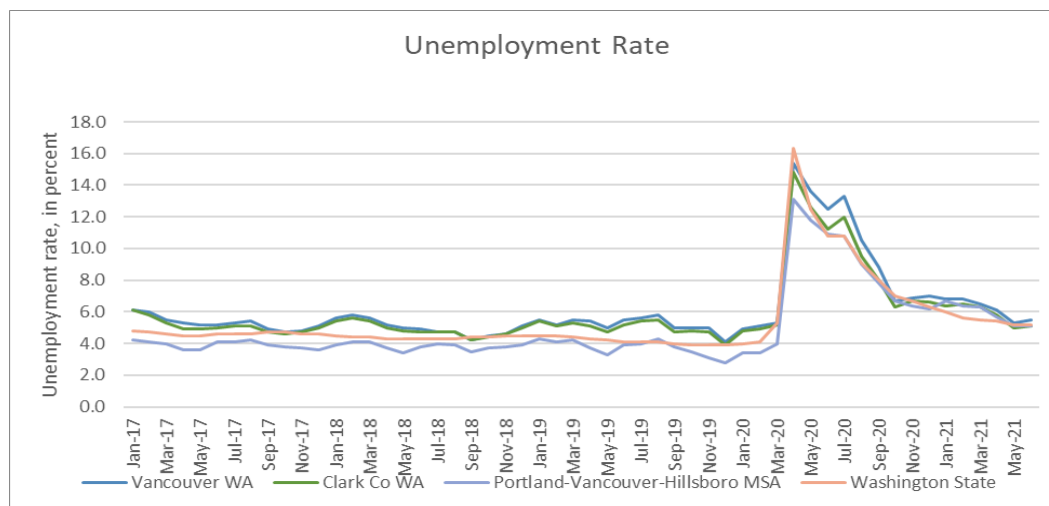


Chart. No 10 – Over-the-Year Percent Change in CPI-U, Seattle-Tacoma-Bellevue WA

According to the Bureau of Labor Statistics, Portland-Vancouver-Hillsboro MSA and Clark County estimated unemployment rate in June 2021 was 5.2%, slightly higher than the Vancouver rate of 5.5% and slightly above the estimated unemployment rate of 5.1 % for the state.



Data provided by the Bureau of Labor Statistics

Chart No. 11 – Unemployment Rate (includes Clark County WA, Portland-Vancouver-Hillsboro MSA, WA State)

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.

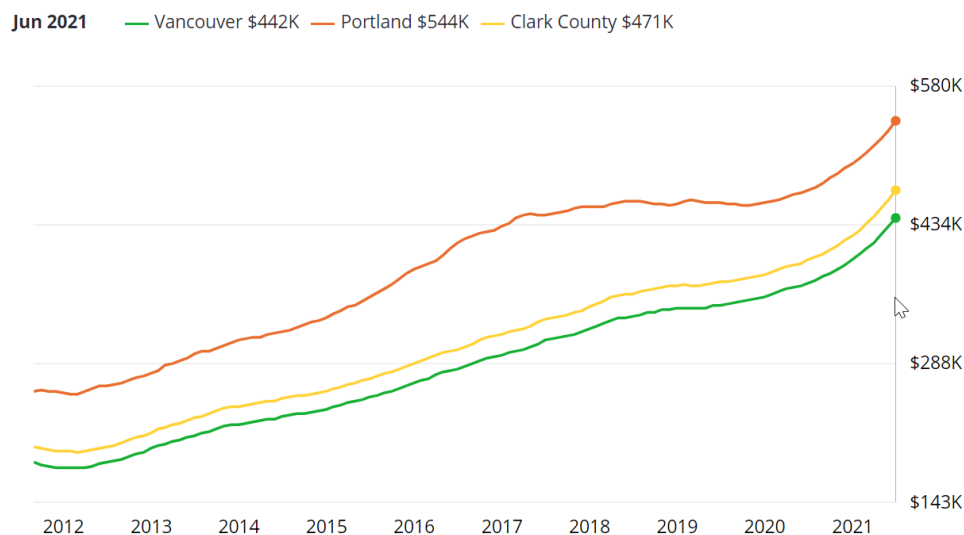
During the last twelve months, home prices have climbed 17.5% in the Portland-Vancouver metro area. Portland metro home prices remain in the record-setting territory, climbing higher than the housing bubble-era prices. Seattle's prices went up by approximately 23.4% over the last twelve months.



Chart No. 12 S& P Case-Schiller Home Price Index (includes National, WA-Seattle, 20-city composite, OR-Portland)

The median home value in Vancouver, WA was estimated to be \$442 thousand at June 2021, according to Zillow, slightly lower than that in Clark County. Vancouver home values have increased by an estimated 18.4% 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/>

Chart No. 13 – Composite Median House Sale Prices (includes Vancouver, Clark County, Portland)

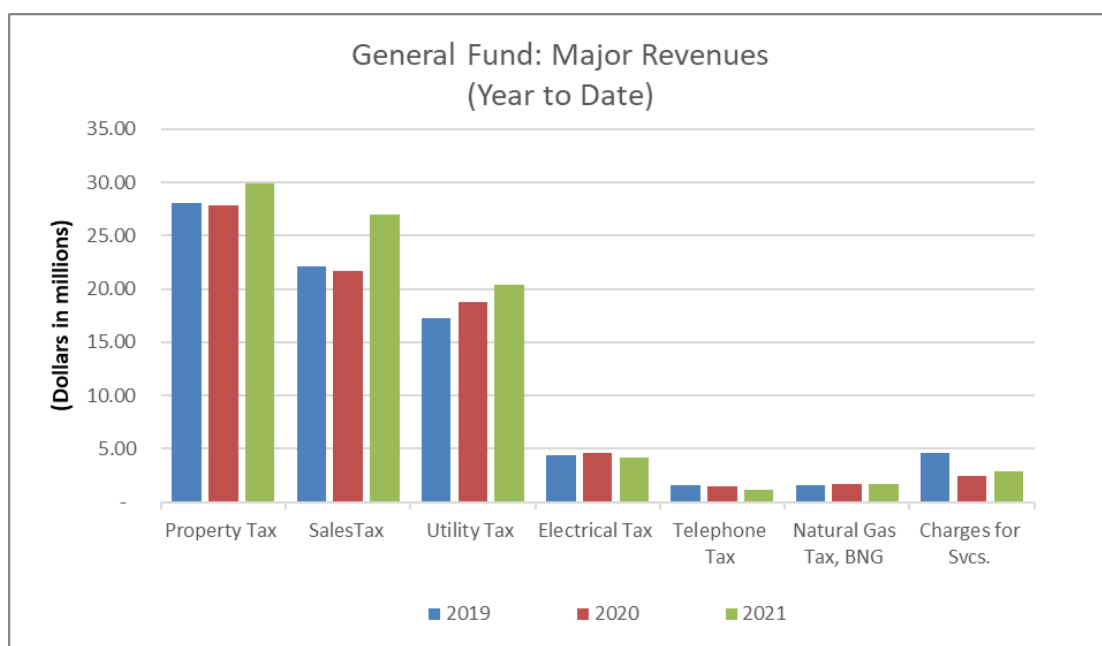
III. Financial Results

General Fund

REVENUES

City of Vancouver General Fund revenues in the second quarter of 2021 totaled \$95.5 million, three percent above the forecast for the quarter. The 2021 revenue is approximately \$5.6 million higher than comparable revenues from 2020. Driven by sales tax, property tax and water-sewer-stormwater revenue, 2021 revenue overall is 6.3% percent higher than in 2020. Business license fee and surcharge revenue were lower than last year, which is largely due to the suspension of the business license fees. Recreation fees are higher than last year, which reflects the staged reopening of some facilities.

For the second quarter of 2021, sales tax revenue totaled \$27 million, which is higher than the same period last year, at \$22 million. Property and utility tax were higher than the same period last year, while telephone tax, and charges for services were lower.



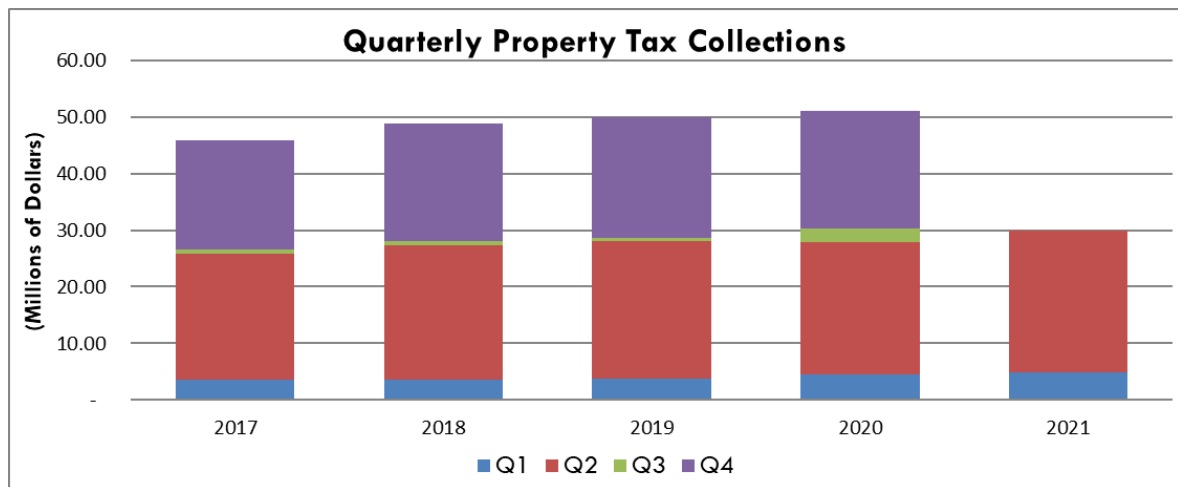
Note: Utility tax revenue above includes the tax on Solid Waste; Charges for Services exclude the Business License revenue.

General Fund: Major Revenues

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 \$29.9 million in general fund property taxes (excluding the Affordable Housing Levy) was collected through the second quarter for 2021 and equates to a \$2 million increase over the same period in 2020. The difference is purely due to the delayed collection of 2020 taxes due to the pandemic.



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

Chart No. 14 Quarterly Property Tax Collections

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 collected through the second quarter of 2021 is \$27 million and represents a 24% increase from the collections during the first two quarters of 2020. Retail sales were strongly influenced by federal stimulus funds received by the consumers in late 2020 and in early 2021.
- Growth in taxable retail sales reflects the improving real estate market, new construction and discretionary spending.

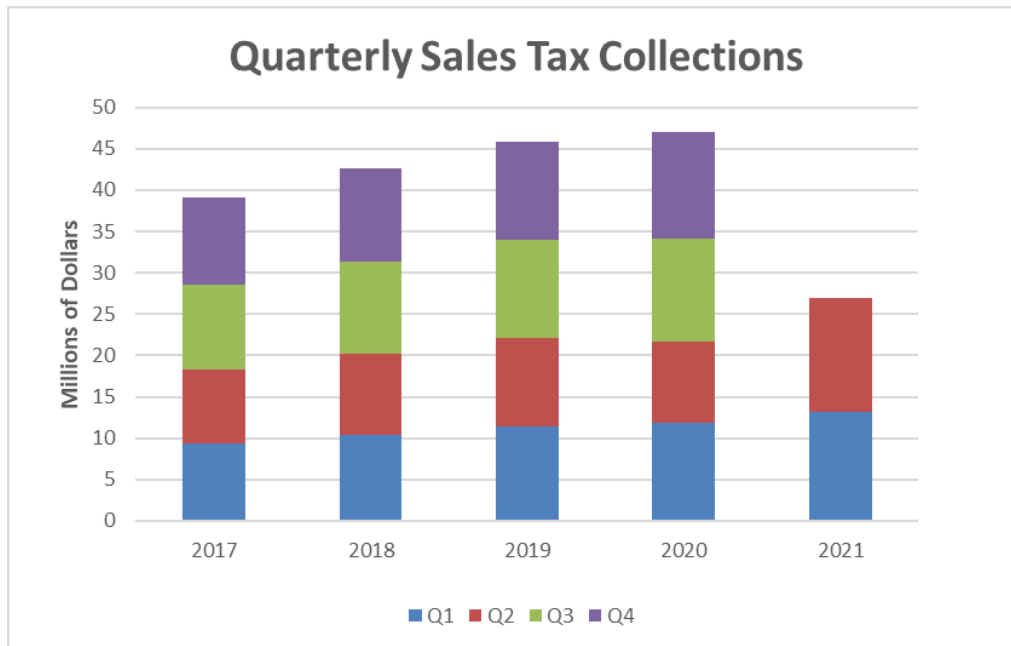


Chart No. 15 – Quarterly Sales Tax Collection

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 \$8 million through the second quarter of 2021, compared to \$8.7 million in comparable collections in 2020, approximately 8% below.
- Natural gas tax revenues through the second quarter of 2021 totaled \$1.7 million, comparable to collections in 2020.
- Telephone tax revenues through the second quarter of 2021 totaled \$1.1 million, approximately \$388 thousand below the 2020 revenues, likely due to the timing of the payment.
- \$4.2 million was collected in electrical tax revenue through the second quarter of 2021, approximately \$446 thousand below the comparable in the 2020 collections.
- The cable franchise fees revenue totaled \$0.97 million through the second quarter of 2021, comparable to the 2020 collections.
- The cumulative second quarter 2021 total for revenues in this sector was \$27.4 million, slightly higher than the previous year's cumulative total of \$26.5 million.

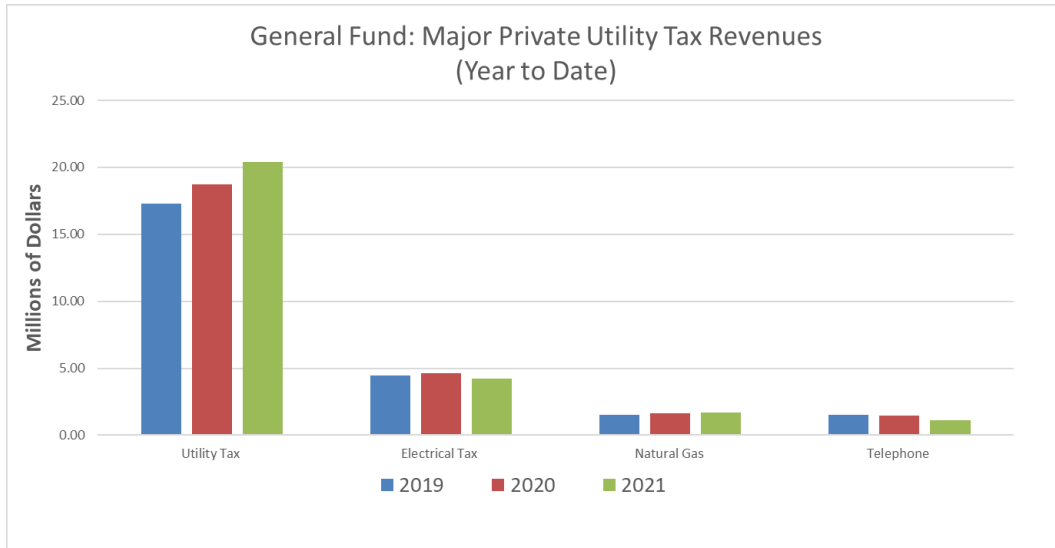


Chart No. 16 – General Fund: Major Private Utility Tax Revenues

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.

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 \$20.4 million in City-owned utilities taxes was collected through the second quarter of 2021.

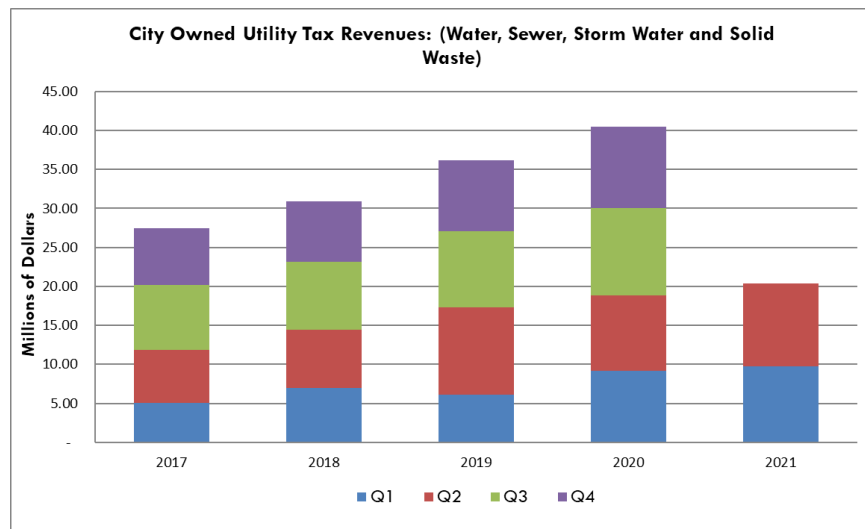


Chart No. 17 – City-Owned Tax Revenues: (Water, Sewer, Storm Water and Solid Waste)

Year-to-date for 2021, residential water revenues generated 50% of total water user revenues, while residential sewer fee revenues made up 48.0% 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 its first tranche of American Rescue Plan Act funds from the federal government in the amount of \$16.6 million. Specific criteria and guidelines accompany the use of the 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.

Regarding other grant and entitlement revenue, the City received approximately \$0.4 million in grants to the General Fund through the second quarter of 2021, compared to the budgeted amount of \$3.6 million to be received through the end of the year.

Charges for Goods and Services

The City's largest fee-revenue generating program areas are the Development Review Services and Recreation programs. The second quarter 2021 revenue was \$1.3 million, which is the same amount collected through the second quarter of 2020. The City's recreation centers continue to be impacted by the pandemic and has not offered programming during the second quarter. Staged re-openings for recreation have started to occur in July.

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. Data from 2014 through 2020 indicated a trend of significant annual increases in development activity and the resulting land use fees. Revenue in the second quarter of 2021 were \$0.5 million, which is slightly lower than 2020's revenue of \$0.6 million.

Recreation Program Fees

The City's recreation fees totaled \$0.7 million in the second quarter of 2021, approximately \$77 thousand higher 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 second quarter of 2021 totaled \$75.3 million, or 40% of the year's budget. Expenditures are higher than the second quarter of 2020, which were \$68.3 million.

By the second quarter of 2021, departments within the General Fund spent \$37.4 million, approximately \$0.7 million more than was spent by the second 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, several vacant positions were held frozen during 2020 in most departments but are now expected to be filled in 2021. Salaries and benefits are higher than the previous years, while supplies and services, internal and intergovernmental expenses are lower than 2020.

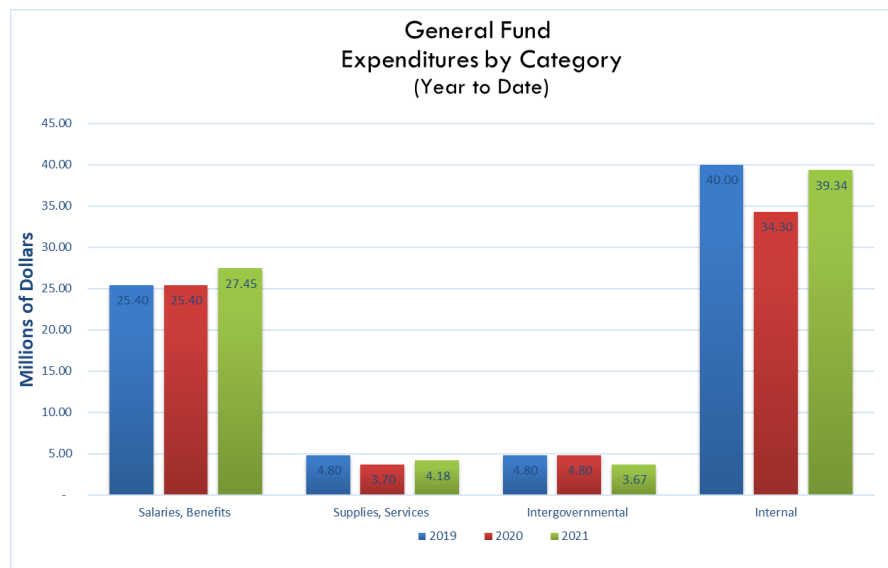


Chart No. 18 – General Fund: Expenditures by Category

- General Fund salaries and benefits expenditures totaled \$27.45 million in the second quarter 2021, higher than 2020, which was \$25.4 million. During 2020, several vacant positions were held intentionally unfilled to generate budget savings for the year.
- General Fund supplies and services category expenditures were \$4.18 million, approximately \$.48 million above those in 2020.
- Intergovernmental expenditures include payments by the City to other jurisdictions based on inter-local agreements. Intergovernmental expenditures reached \$3.67 million in the second quarter of 2021. This category, beginning with 2019, excludes support to 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. For the second quarter of 2021, interfund expenses were at \$39.34 million, approximately \$5 million above comparable expenses in 2020.

- Capital expenses were \$.2 million for the second quarter. Expenses in this category for 2020 were zero, and due to the immateriality of the amounts and comparison, are not included within the graph.

Cash Balance

- The General Fund operating cash balance was \$87.3 million at the end of June 2021. The balance was \$9.2 million more than the cash balance at the end of June 2020.
- In addition to the operating cash balance, the General Fund had an emergency reserve totaling \$14.1 million at the end of June 2021, compared to \$13.9 million at the end of June 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 \$80 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 second quarter of 2021 were \$7 million, approximately \$1.3 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 second quarter of 2021 totaled \$5.9 million, approximately \$0.4 million less from comparable 2020 revenue. 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 \$1.5 million in the second quarter of 2021, approximately \$20 thousand higher 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

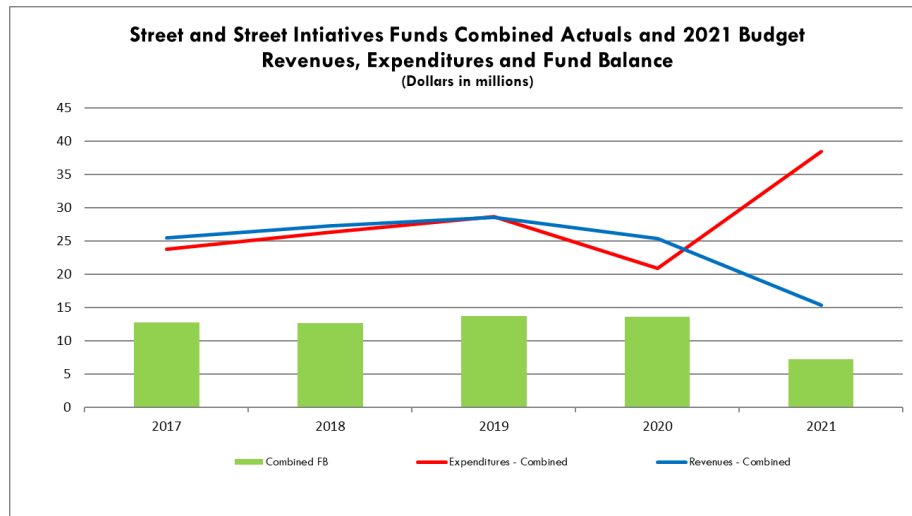


Chart No. 19 – Street Fund and Street Initiatives Fund: Revenues, Expenditures, and Fund Balance

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 \$2.7 million in REET revenue was received through the second quarter of 2021, compared to \$1.8 million received in 2020. The graph below demonstrates the fluctuations in REET collections since 2017.

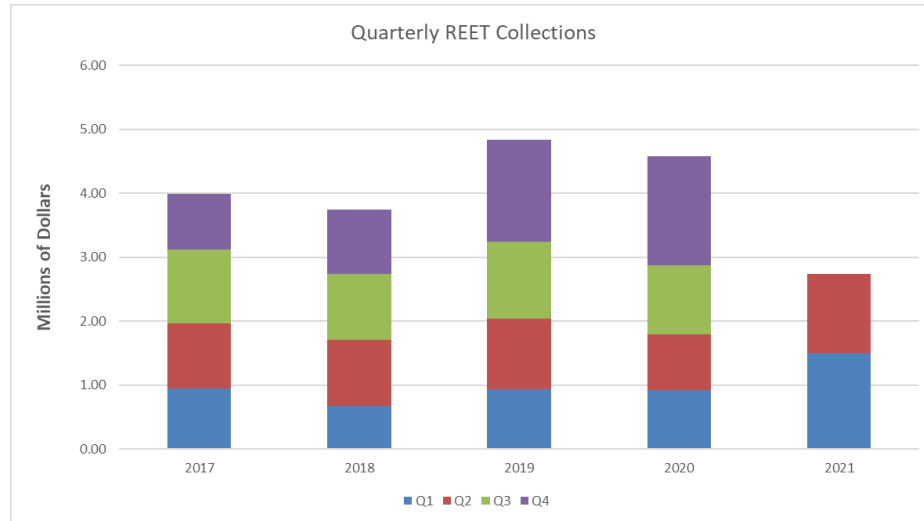
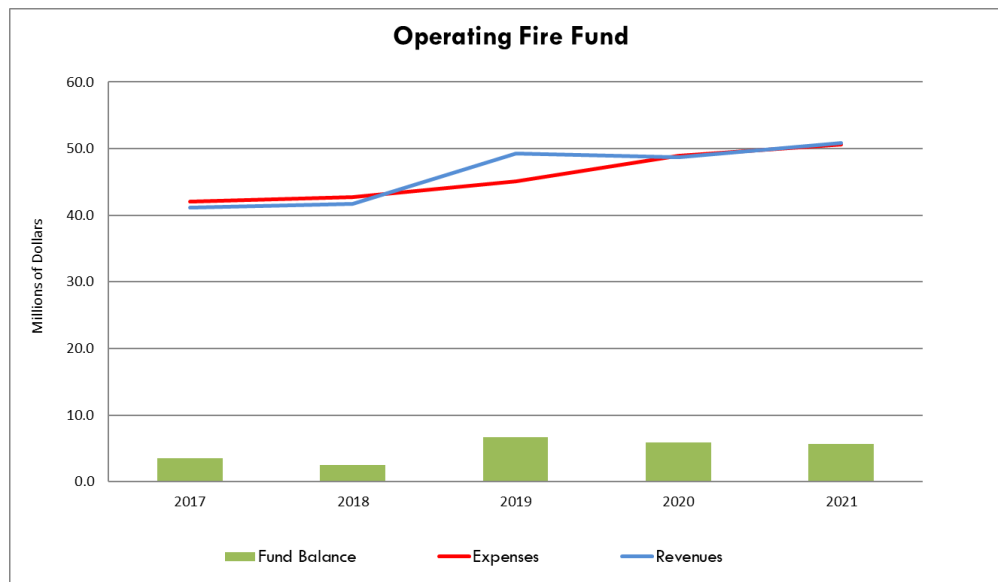


Chart No. 20 – Quarterly REET Collections

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 through the second quarter of 2021 is \$0.3 million (exclusive of General Fund and the Fire District 5 transfers) and is \$0.2 million higher than through the second quarter of 2020. Total Fire operating expenditures through second quarter of 2021 were \$25 million, or 49% of budget, and \$3.3 million higher than those in 2020.



2021 Data Reflects Budgeted Figures

Chart No. 21 – Operating Fire Fund

Building Inspection Fund

- Building review and inspection fee revenues received through the second quarter of 2021 totaled \$5 million, \$0.8 million higher than those in 2020.
- Building Fund expenditures through the second quarter of 2021 totaled \$2.8 million, on par with those in 2020.
- 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.

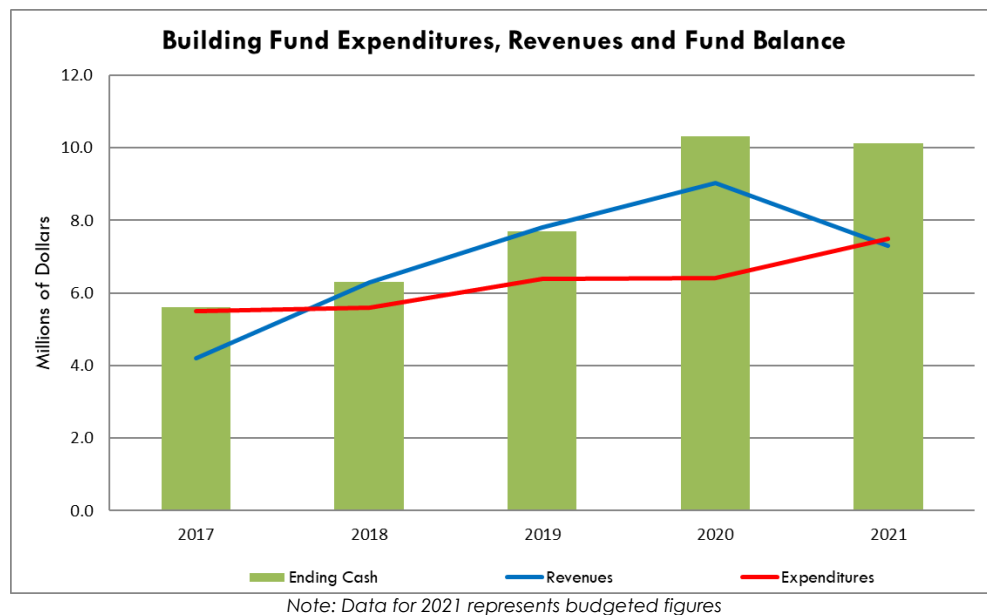


Chart No. 22 – Building Fund Expenditures, Revenues and Fund Balance

Parking Fund

- Parking revenues in the second quarter totaled \$1.8 million, compared to \$1.6 million received by the second quarter of 2020. Expenditures in the fund totaled \$1.2 million, similar to those in 2020. 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 \$4.5 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 \$19.3 million through the second quarter of 2021, compared to \$17.1 million received through the second quarter of 2020, representing a 12.9% increase in revenues. The increase is largely due to the inflationary rate increases and the 2020 delays in customers paying their utility bills due to the pandemic.
- Water fund expenditures during second quarter of 2021 totaled \$17.3 million, approximately \$1 million above those in the second quarter of 2020.

Sewer

- Fee revenues in the Sewer Fund were \$25.6 million in the second quarter of 2021, \$1 million higher than in the second quarter of 2020. Sewer rates experienced inflationary increases in 2021.
- Sewer expenditures during the second quarter of 2021 totaled \$18.1 million, approximately \$2.4 million below those in the second quarter of 2020.

Storm Water

- A total of \$10.7 million in storm water fee revenue was received by the second quarter of 2021, approximately \$0.9 million higher than the 2020 comparable revenues. In 2021, the rates had an inflationary increase.
- Overall, the expenditures in the Storm Water fund were \$8.1 million, \$0.3 million higher than those in the second quarter of 2020.

Internal Service Funds

Equipment Services Operating and Capital Funds

A total of \$2.9 million was spent by Equipment Services on operating activities in the second quarter of 2021, comparable to 2020. The ER&R Capital fund spent \$0.6 million in the second quarter of 2021, \$1.4 million below purchases of the second quarter of 2020, or 8% 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 \$0.3 million, was spent on technology and software replacement in the second quarter of 2021, compared to approximately \$1.4 million spent in the second quarter of 2020.

Internal Administrative Services Fund

A total of \$9 million was spent by HR, Finance, IT and Civil Legal in the second quarter of 2021, approximately 41% of the budget for the year and \$1.3 million above comparable expenditures from 2020. A number of positions were held vacant during 2020 but are being filled in 2021.

Risk Fund

Approximately \$2.2 million was spent in the second quarter of 2021, which was \$.3 million higher than the second quarter of 2020.

Benefits and Self-Insured Health Insurance Funds

A total of \$11.1 million was spent on benefits in the second quarter of this year, including health insurance. The 2021 spending is \$.4 million higher than in 2020.

IV. Outstanding Debt

At the end of the second quarter of 2021, the City had around \$61 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 2.85%.

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.
- With progress on vaccinations and strong policy support, indicators of economic activity and employment have continued to strengthen. The sectors most adversely affected by the pandemic have shown improvement but have not fully recovered. Inflation has risen, largely reflecting transitory factors. 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 continues to depend on the course of the virus. Progress on vaccinations will likely continue to reduce the effects of the public health crisis on the economy but risks to the economic outlook remain.
- 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.

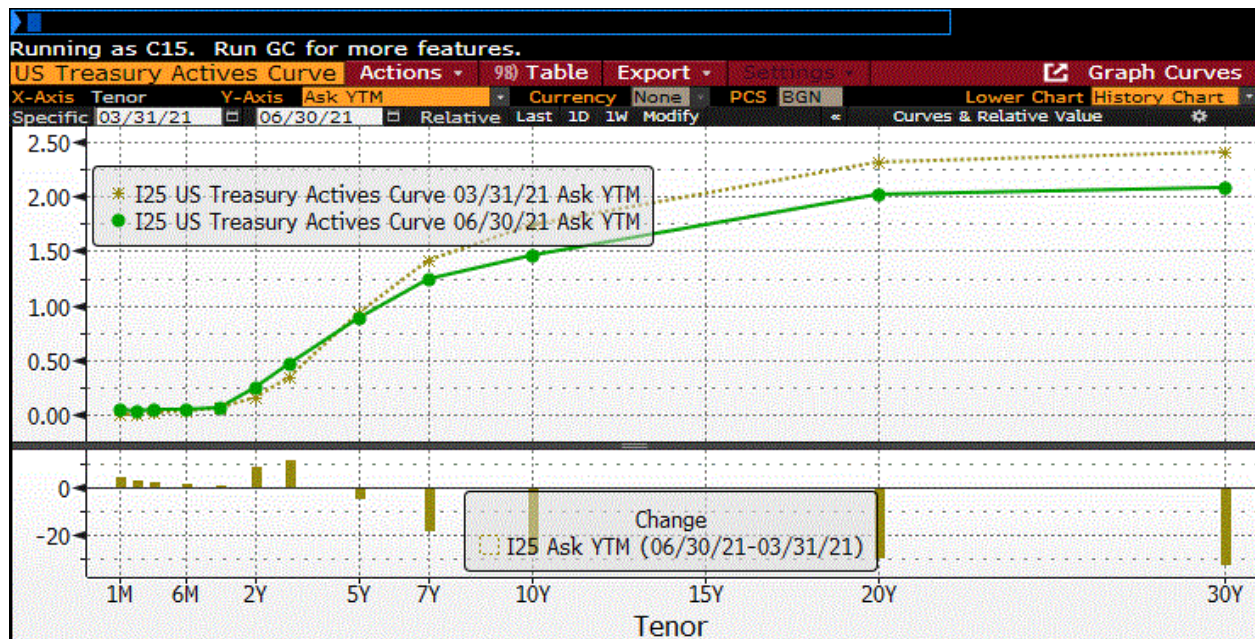


Chart No. 23 – U.S. Treasury Activities Curve

Investment Performance

The average amount invested during the second quarter of June 2021 was \$499 million compared to \$415 million on June 2020. The portfolio had a weighted average yield of 0.20% year-to-date, which is a 5-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 9 bps higher than the State Investment Pool, which had an average yield of 0.11%. The State Pool has a weighted average maturity of 36 days. The City's investment portfolio weighted average maturity is approximately eleven months. Longer-term portfolio yields will underperform shorter-term portfolio yields in a rising interest rate environment. Interest revenue distributed through the second quarter of 2021 to all funds is approximately \$472 thousand compared to \$2.4 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 was one Interfund loan with an outstanding balance at the end of June 2021.

Reporting Quarter >>>

Second

Reporting Year >>>

2021

Reporting Date >>>

06/30/21

City of Vancouver

Outstanding Interfund Loans

Through Second Quarter 2021

Fund	Description	Balance Outstanding 06/30/21	Lending Fund	Interest Rate	Interest Expense Paid in 2021	Repayment Plan
129	Affordable Housing Local Sales Tax	\$ 1,980,142.37		0.17%	\$ 1,988.90	
108	CDBG	-		0.17%	\$ 116.49	
Total Outstanding Interfund Loan Balance		1,980,142.37				

Chart No. 24 – Interfund Loans

Second Quarter Financial Report
Expenditures by Fund

Attachment A

Expenditures	2020 YE Actuals	June 2020 Actuals	% of Year End	2021 Budget	June 2021 Actuals	% of Budget
General Fund						
City Council	644,816	309,634	48%	907,724	372,197	41%
City Manager's Office	4,429,594	2,242,718	51%	6,398,987	2,160,352	34%
Legal Services	3,146,178	1,441,082	46%	3,750,416	1,583,859	42%
Community Economic Development	6,963,035	2,968,996	43%	11,872,940	3,330,631	28%
Parks, Trails, & Natural Resources	8,297,124	3,600,805	43%	11,398,703	4,049,060	36%
Recreation Services	2,945,078	1,614,077	55%	6,665,606	1,162,521	17%
Cultural Services	0	0	0%	152,251	1,179	1%
Police	54,827,904	24,569,838	45%	61,021,283	24,713,809	41%
Subtotal Non-Gen. Governmental	81,253,728	36,747,149	45%	102,167,910	37,373,608	37%
<i>General Governmental</i>						
Child Justice Center Support	462,648	231,324	50%	400,000	353,421	88%
City Cable Programming	515,000	257,500	50%	515,000	257,500	50%
Emergency Mgmt (CRESA)	220,484	102,842	47%	222,635	601,611	270%
Air Pollution Control Authority	97,005	97,005	100%	95,936	97,809	102%
Humane Society	247,065	102,565	42%	400,000	115,540	29%
Animal Control	244,980	122,490	50%	350,200	231,399	66%
Alcoholism Support	53,107	0	0%	68,000	0	0%
Regional Transp Council	48,901	48,901	100%	48,000	0	0%
Election Support	191,148	(0)	0%	350,000	0	0%
AWC, Chamber of Commerce Memberships	88,765	88,765	100%	90,000	90,668	101%
Opportunity Reserve	118,031	31,786	27%	115,513	0	0%
Miscellaneous	2,814,256	612,770	22%	10,659,377	225,861	2%
Real Estate Transactions	12,499,931	409,849	3%	762,994	272,044	36%
Public Defender	1,252,717	717,600	57%	1,422,500	711,043	50%
County Jail Costs	3,762,174	1,476,688	39%	3,600,000	0	0%
County Corrections Costs	1,295,398	583,477	45%	1,550,000	442,382	29%
County District Court Costs	1,037,030	28,579	3%	1,600,000	228,409	14%
General Obligation Debt Payment	3,720,010	640,637	17%	3,104,469	809,788	26%
General Govt Support	3,631,047	1,096,568	30%	3,510,298	2,026,196	58%
Street Support (formerly in General Support)	14,764,558	8,800,938	60%	17,999,110	9,126,810	51%
Fire Support (formerly in General Support)	33,010,378	14,944,684	45%	38,016,791	18,214,546	48%
LEOFF Pension Support (formerly in General Su	4,875,265	1,218,816	25%	2,500,000	1,250,000	50%
Celebrate Freedom	0	0	0%	170,000	0	0%
Subtotal General Governmental	84,949,899	31,613,784	37%	87,550,823	35,055,026	40%
General Fund Total	166,203,627	68,279,172	41%	189,718,733	72,428,635	38%
Special Revenue Funds						
Street	13,471,988	5,710,769	42%	20,044,090	6,528,963	33%
Street Initiative- NEW Fund	7,414,612	728,830	10%	18,384,652	2,533,226	14%
Fire Operating Fund	48,943,743	21,888,179	45%	50,567,997	21,868,576	43%
Fire Capital Fund	838,674	753,569	90%	3,451,206	1,284,190	37%
AMR Compliance Fund	840,766	295,035	35%	810,386	455,949	56%
Drug Enforcement and Investigative Funds	248,887	82,373	33%	373,364	76,808	21%
Community Development Block Grant	1,976,464	685,398	35%	7,662,806	1,351,906	18%
Tourism	1,337,504	583,033	44%	3,816,846	420,494	11%
Affordable Housing	5,866,706	2,127,520	36%	6,066,341	1,988,236	33%
Criminal Justice/LLEBG	200,256	1,528	1%	301,941	1,944	1%
Real Estate Excise Tax	1,831,891	260,946	14%	2,936,260	239,027	8%
Transportation Special Revenue	1,951,856	342,367	18%	3,484,031	358,277	10%
Parks & Recreation Special Revenue	33,225	230	1%	0	0	0%
Downtown Initiatives	111,076	53,080	48%	457,942	56,562	12%
VNHR Properties	512,463	91,385	18%	786,883	199,554	25%
Senior Messenger	264,841	122,203	46%	427,533	427,532	100%
Parkhill Cemetery Improvement Fund	3,174	370	12%	162,331	9,536	6%
TIF Funds	855,760	0	0%	3,402,678	213,839	6%
PIF Funds	2,512,571	83,108	3%	5,812,935	128,139	2%
SIF Funds	6,584,306	0	0%	5,690,530	0	0%
Affordable Housing Local Sales Tax Fund	0	0	0%	2,500,000	2,501,619	100%
Debt Service Funds						
G O Debt Service Fund	15,726,966	1,381,419	9%	25,347,542	1,893,721	7%
L I D Debt Fund	11,675	1,000	9%	5,225	0	0%
Capital Funds						

Expenditures	2020 YE Actuals	June 2020 Actuals	% of Year End	2021 Budget	June 2021 Actuals	% of Budget
2011 Bond Capital Fund - Waterfront	331,451	0	0%	0	0	0%
Transportation Capital Fund	9,955,210	4,498,931	45%	16,862,111	2,132,462	13%
Capital Streets Initiative Fund	1,274,780	354,608	28%	8,493,300	420,366	5%
Fire Acquisition Fund	481,740	121,295	25%	13,575,720	512,471	4%
Capital Improvement Fund	2,131,759	306,317	14%	19,912,070	1,001,546	5%
VNHR Property Capital	154,628	22,924	15%	1,057,257	178,335	17%
Parks Construction Fund (Capital Projects only)	4,114,900	1,165,790	28%	8,799,673	570,779	6%
City Tree Reserve Fund	31,306	20,036	64%	121,342	25,354	21%
Drainage Construction Fund	768,663	295,848	38%	3,211,448	508,308	16%
Systems Development Reserves	3,000,000	0	0%	2,550,000	0	0%
Water Construction Fund	19,757,285	4,813,773	24%	33,092,532	8,347,299	25%
SCIP Fund	995,910	0	0%	900,000	0	0%
Utility Customer Assistance	29,987	12,706	42%	230,000	43,743	19%
Water Revenue Bond Debt Service Fund	78,720	78,720	100%	0	0	0%
Sewer Revenue Bond Debt Service Fund	3,857,280	3,857,280	100%	0	0	0%
Debt Service Reserves	3,272,179	3,272,179	100%	0	0	0%
Sewer System Development	3,000,000	0	0%	3,720,000	0	0%
Sewer Construction Fund	12,486,861	4,360,595	35%	25,399,344	2,487,806	10%
Enterprise Funds						
Storm Water	18,402,673	7,745,026	42%	21,248,997	8,075,611	38%
Water	39,042,212	16,279,678	42%	52,145,762	17,279,478	33%
Sewer	46,205,220	20,479,734	44%	56,522,165	18,060,460	32%
Building Inspection	6,405,721	2,850,942	45%	7,482,448	2,832,521	38%
Solid Waste	2,092,933	803,039	38%	2,523,860	757,751	30%
Parking	3,354,912	1,177,691	35%	4,433,113	1,227,097	28%
Tennis Center	1,031,909	0	0%	752,992	180,654	24%
Airpark	2,048,312	(332,342)	-16%	1,799,875	353,469	20%
Internal Service Funds						
Facilities Asset Mgmt & Replacement Reserve Fund	1,061,853	204	0%	5,161,332	260	0%
Equipment Services Operations Fund	6,601,469	3,072,191	47%	7,287,018	2,913,641	40%
Equipment ER&R Capital	4,169,557	2,172,011	52%	7,767,294	586,680	8%
Technology ER&R	3,386,259	1,392,495	41%	1,977,265	338,730	17%
Grounds & Facilities Services Fund	11,831,708	4,737,467	40%	15,388,880	5,197,302	34%
Risk Fund	7,326,282	1,917,705	26%	7,019,171	2,237,509	32%
Internal Administrative Services Fund						
Finance	5,994,329	2,669,122	45%	6,956,747	2,888,728	42%
Information Technology	5,805,652	3,142,317	54%	9,369,130	4,204,615	45%
Human Resources	2,188,106	1,031,894	47%	3,164,001	1,017,547	32%
Legal: Civil	1,782,120	824,793	46%	2,570,698	914,243	36%
Total Internal Administrative Services Fund	15,770,208	7,668,125	49%	22,060,575	9,025,134	41%
Benefits Fund	11,008,092	5,449,618	50%	13,158,221	5,562,255	42%
Self Insured Health Insurance	15,285,974	5,282,259	35%	11,920,882	5,607,987	47%
Agency Funds						
SWAT Team	249,578	58,533	23%	338,955	48,856	14%
Police Pension	928,983	426,688	46%	1,002,402	534,585	53%
Fire Pension	1,185,710	592,754	50%	1,390,180	592,480	43%
Cable TV	1,225,523	645,552	53%	1,510,380	458,872	30%
PEG	861,924	232,993	27%	904,288	194,557	22%
Transportation Benefits District	2,000,000	0	0%	2,930,000	2,130,000	73%

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*

Second Quarter Financial Report
City of Vancouver Revenues by Fund

Attachment B

Revenue	2020 YE Actuals	June 2020 Actuals	% of Year End	Budget 2021	June 2021 Actuals	% of Budget
General Fund						
<u>Tax Revenue</u>						
Property Tax	51,105,020	27,878,587	55%	52,299,887	29,937,253	57%
Sales Tax	46,979,033	21,712,845	46%	49,754,976	27,014,753	54%
Electrical Tax	8,416,780	4,656,692	55%	8,458,206	4,210,760	50%
Natural Gas	2,518,004	1,646,568	65%	2,479,347	1,682,267	68%
Telephone	2,832,595	1,494,040	53%	2,900,000	1,105,846	38%
Cable Franchise Fee	1,903,829	949,319	50%	1,800,000	972,559	54%
Water/Sewer/Storm Water	32,260,846	14,847,692	46%	33,328,558	16,088,005	48%
Solid Waste Utility Tax	8,272,183	3,894,305	47%	7,677,529	4,301,113	56%
Gambling and Leasehold Taxes	693,438	205,501	30%	700,000	374,647	54%
Subtotal Tax Revenues	154,981,729	77,285,549	50%	159,398,503	85,687,203	54%
Business Licenses	812,396	802,236	99%	837,280	618,512	74%
Grants & Entitlements	4,666,374	312,065	7%	3,590,156	412,169	11%
State Shared Revenues	4,028,417	1,508,539	37%	4,296,263	1,633,277	38%
Parks Contract with Clark County	49,917	24,039	48%	80,000	31,541	39%
<u>Charges for Services</u>						
Planning Permits	1,135,321	614,903	54%	676,843	537,247	79%
Recreation Program Fees	826,668	666,155	81%	1,530,000	616,484	40%
Interfund Service Charges	3,745,064	1,208,907	32%	2,326,405	443,980	19%
Other Charges & Services	483,623	403,186	83%	1,191,578	955,245	80%
Subtotal Charges for Services	6,190,675	2,893,151	47%	5,724,826	2,552,956	45%
District Court	1,246,585	760,276	61%	900,000	638,237	71%
Miscellaneous	1,328,820	4,132,621	311%	2,200,000	1,680,301	76%
Lease Revenue (short and long-term)	2,253,389	1,158,976	51%	1,808,380	1,715,191	95%
Operating Transfers	1,500,848	1,000,000	67%	1,309,424	427,532	33%
Total General Fund	177,042,092	89,877,451	51%	180,144,833	95,396,918	53%
Street Fund						
Real Estate Excise Tax	0	0	0%	0	0	0%
Motor Vehicle Fuel Tax	3,192,309	1,510,114	47%	3,400,000	1,539,289	45%
Operating Transfers	8,692,926	4,303,963	50%	14,267,781	3,979,977	28%
Permits and Misc.	1,663,857	527,958	32%	1,156,402	415,558	36%
Total Street Fund	13,549,092	6,342,035	47%	18,824,183	5,934,823	32%
Operating Street Initiative Fund						
Real Estate Excise Tax	4,586,632	1,794,446	39%	4,052,027	2,740,650	68%
Business License Surcharge	287,874	286,794	100%	0	183,846	0%
Operating Transfers	6,189,632	4,496,975	73%	7,659,143	6,194,625	81%
Motor Vehicle Fuel Tax and Misc.	768,618	333,627	43%	1,436,210	310,349	22%
Total Operating Street Initiatives Fund	11,832,756	6,911,843	58%	13,147,380	9,429,470	72%
Operating Fire Fund						
Grant Revenue	2,970,190	71,393	2%	1,162,804	311,881	27%
Operating Transfers	33,309,873	15,030,407	45%	37,094,326	18,383,543	50%
Permit/Other Fees and Misc	12,385,799	6,566,538	53%	12,524,731	6,269,843	50%
Total Operating Fire Fund	48,665,862	21,668,338	45%	50,781,860	24,965,267	49%
Fire Equipment Fund	1,043,520	90,088	9%	1,494,721	52,412	4%
AMR Compliance Fund (New)	722,575	389,183	54%	763,245	545,303	71%
Other Special Revenue Funds						
Drug Enforcement	303,387	166,646	55%	205,000	162,785	79%
Community Development Block Grant	1,941,732	959,944	49%	9,358,508	1,382,885	15%
Tourism	1,565,733	814,243	52%	1,555,000	741,899	48%
Affordable Housing	6,074,330	3,326,421	55%	10,375,000	3,374,238	33%
Criminal Justice/LLEBG	568,308	145,730	26%	290,000	426,870	147%
Transportation Special Fund	845,858	831,973	98%	1,622,118	480,358	30%
Real Estate Excise Tax - I	4,455,580	1,561,640	35%	3,335,000	2,499,740	75%

Revenue	2020 YE Actuals	June 2020 Actuals	% of Year End	Budget 2021	June 2021 Actuals	% of Budget
Downtown Initiatives	3,482,583	88,622	3%	190,000	92,222	49%
VNHR Properties	591,835	164,644	28%	692,800	158,106	23%
Senior Messenger	233,094	104,853	45%	91	(92)	-101%
TIF Funds	2,248,090	975,361	43%	1,851,500	1,064,204	57%
PIF Funds	2,466,881	923,541	37%	2,678,702	1,433,888	54%
SIF Funds	6,588,273	0	0%	5,707,366	0	0%
Parkhill Cemetery Fund	38,413	13,895	36%	25,000	24,070	96%
Affordable Housing Local Sales Tax Fund	0	0	0%	2,500,000	521,847	9%
Affordable Housing State Sales Tax Credit Fund	612,649	52,613	9%	650,000	259,903	40%
American Rescue Plan Act Fund	0	0	0%	0	16,567,935	0%
Debt Service Funds						
G O Debt Service Fund	15,726,966	1,381,419	9%	25,424,073	1,893,721	7%
L I D Fund	14,540	391	3%	2,500	37	1%
Capital Funds						
2011 Bond Capital Fund - Waterfront	33,124	3,079	9%	0	0	0%
Transportation Capital Fund	10,786,539	1,781,001	17%	15,325,933	1,905,197	12%
Capital Streets Initiative Fund (NEW)	838,560	386,358	46%	7,415,000	1,979,732	27%
Capital Improvement Fund	6,887,679	43,738	1%	9,465,386	7,268	0%
Fire Acquisition Fund	1,630,340	61,162	4%	2,791,846	584,164	21%
VNHR Property Capital	483,495	480,810	99%	708,647	253,528	36%
Parks Construction Fund (Capital Projects only)	3,147,421	94,664	3%	11,139,056	1,339,920	12%
City Tree Reserve Fund	124,644	49,705	40%	120,000	44,955	37%
Drainage Construction Fund	(35,581)	157,948	-444%	2,537,768	80,408	3%
Water/Sewer Capital Reserves	25,329	19,778	78%	0	2,600	0%
Systems Development Reserves	4,138,940	1,831,615	44%	3,545,000	2,693,330	76%
Water Construction Fund	4,156,426	327,689	8%	11,650,000	30,649	0%
SCIP Fund	703,100	272,027	39%	865,000	402,020	46%
Utility Customer Assistance	233,518	17,020	7%	20,000	11,030	55%
Water Revenue Bond Debt Service Fund	65,891	65,630	100%	0	0	0%
Sewer Revenue Bond Debt Service Fund	3,217,466	3,215,884	100%	10,000	0	0%
Debt Service Reserves	18,772	17,371	93%	0	656	0%
Sewer System Development	4,556,751	2,081,729	46%	4,508,216	3,184,884	71%
Sewer Construction Fund	13,193,646	36,208	0%	18,610,000	5,656	0%
Enterprise Funds						
Storm Water Fund						
Storm Drainage Fees	19,429,726	9,489,173	49%	20,383,235	10,532,938	52%
Miscellaneous	648,868	206,095	32%	385,360	118,174	31%
Total Storm Water Fund	20,078,593	9,695,268	48%	20,768,595	10,651,112	51%
Water						
<u>Water Sales</u>						
Residential Water Sales	33,937,448	14,293,904	42%	31,884,255	15,892,746	50%
Commercial Water Sales	6,472,190	2,474,203	38%	6,640,849	2,893,657	44%
Governmental Water Sales	1,194,515	339,365	28%	1,429,958	492,009	34%
Subtotal Water Sales	41,604,154	17,107,472	41%	39,955,062	19,278,413	48%
Private Capital Contributions	325,440	145,699	45%	320,000	231,142	72%
Interfund Transfers	3,135,028	0	0%	3,208,391	0	0%
Indirect Cost Plan Revenue	1,806,308	815,442	45%	2,332,663	896,222	38%
Miscellaneous	2,045,547	705,148	34%	2,865,960	782,350	27%
Total Water Fund	48,916,477	18,773,760	38%	48,682,076	21,188,126	44%
Sewer						
<u>Sewer Charge</u>						
Residential Sewer Charges	34,670,780	17,274,718	50%	37,912,007	18,079,903	48%
Commercial, Industrial Sewer Charges	14,038,836	6,599,667	47%	14,995,312	6,843,727	46%
Governmental Sewer Charges	1,359,216	640,047	47%	1,354,459	647,026	48%
Subtotal Sewer Charges	50,068,833	24,514,432	49%	54,261,778	25,570,655	47%
Private Capital Contributions	228,540	40,729	18%	300,000	165,075	55%
Interfund Transfers	(476,972)	3,800,000	-797%	300,000	0	0%
Miscellaneous	1,176,063	527,843	45%	840,860	484,330	58%

Revenue	2020 YE Actuals	June 2020 Actuals	% of Year End	Budget 2021	June 2021 Actuals	% of Budget
Total Sewer Fund	51,005,575	28,883,004	57%	55,702,638	26,220,060	47%
Building Inspection						
Permits	8,339,153	3,926,217	47%	6,610,000	4,913,267	74%
Interfund Services	368,118	81,657	22%	495,916	92,563	19%
Miscellaneous	315,196	164,137	52%	237,546	10,282	4%
Total Building Fund	9,022,467	4,172,010	46%	7,343,462	5,016,112	68%
Solid Waste						
Solid Waste Utility Tax	1,496,738	788,518	53%	1,708,530	869,959	51%
Service Charges-Recycling	306,587	105,530	34%	250,000	269,467	108%
Miscellaneous	166,585	16,922	10%	65,000	31,421	48%
Total Solid Waste Fund	1,969,911	910,970	46%	2,023,530	1,170,847	58%
Parking						
Parking Fines	304,207	177,123	58%	375,000	192,944	51%
Parking Meters & Lots	2,573,537	1,278,473	50%	2,436,223	1,430,283	59%
Miscellaneous	1,268,857	148,376	12%	90,000	168,669	187%
Total Parking Fund	4,146,601	1,603,972	39%	2,901,223	1,791,895	62%
Tennis Center						
Membership Fees	683,687	0	0%	752,992	263,145	35%
Instruction and Miscellaneous	347,998	1	0%	0	(82,491)	0%
Total Tennis Center Fund	1,031,685	1	0%	752,992	180,654	24%
Other Enterprise Funds						
Pearson Airfield	2,879,457	438,025	15%	1,632,607	412,672	25%
Utility Customer Assistance	233,518	17,020	7%	20,000	11,030	55%
Internal Service Funds						
Facilities Asset Mgmt & Replacement Reserve Fund	7,957,188	676,833	9%	2,250,000	1,022,315	45%
Equipment Services Operations Fund	7,952,399	3,098,811	39%	7,965,223	3,019,037	38%
Equipment Services Capital Fund	6,245,564	1,228,406	20%	7,261,482	1,716,191	24%
Computer Repair & Replacement	4,183,328	1,032,566	25%	2,831,191	1,358,459	48%
Grounds and Facilities Services	11,815,812	4,937,508	42%	15,416,003	4,667,733	30%
Self-Insured Worker's Comp & Liability Fund	7,421,349	2,045,494	28%	7,393,309	3,835,448	52%
Internal Administrative Services Fund	16,873,479	8,422,243	50%	21,684,326	10,622,467	49%
Benefits Fund	11,408,338	5,724,303	50%	12,025,000	5,338,645	44%
Self-Insured Health Insurance Fund	15,561,289	5,348,504	34%	10,891,296	6,898,204	63%
Agency Funds						
SWAT Team	255,745	158,590	62%	725,893	198,974	27%
Police Pension	2,090,074	525,672	25%	1,000,000	510,269	51%
Fire Pension	3,138,614	995,871	32%	1,820,000	993,679	55%
Cable TV	1,202,879	413,679	34%	1,237,146	518,598	42%
PEG Capital Support Fund Comcast	752,351	383,988	51%	625,000	359,615	58%
Transportation Benefits District	5,467,526	33,013	1%	2,950,000	2,713,858	92%

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
Second 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	14,960,000	3.93%	12/1/2035
Jan-12	To partially refund the 2003 LTGO bond issue for the Firstenberg 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>\$ 61,076,500</u>		

**City of Vancouver
Investment Activity
Second Quarter of 2021**

(Dollars in thousands)

	<u>As of 3/31/2021</u>	<u>Percent of Portfolio</u>		<u>As of 6/30/2021</u>	<u>Percent of Portfolio</u>	
State Investment Pool	\$ 304,688	66.4%		\$ 310,205	60.7%	
Clark County Investment Pool	\$ -	0.0%		\$ -	0.0%	
U.S. Agencies	\$ 109,973	24.0%		\$ 161,960	31.7%	
Municipal Bonds	\$ 44,107	9.6%		\$ 39,052	7.6%	
Total by Investment Type	<u>\$ 458,768</u>	<u>100.0%</u>		<u>\$ 511,218</u>	<u>100.0%</u>	
	<u>As of 3/31/2021</u>	<u>Percent of Portfolio</u>	<u>Cumulative</u>	<u>As of 6/30/2021</u>	<u>Percent of Portfolio</u>	<u>Cumulative</u>
Overnight	\$ 304,688	66.4%	66.4%	\$ 310,205	60.7%	60.7%
One Month	\$ -	0.0%	66.4%	\$ -	0.0%	60.7%
Two to Six Months	\$ 6,000	1.3%	67.7%	\$ 1,534	0.3%	61.0%
Six Months to One Year	\$ 10,189	2.2%	69.9%	\$ 10,493	2.1%	63.0%
One to Five Years	\$ 137,891	30.1%	100.0%	\$ 188,986	37.0%	100.0%
Total by Length of Maturity	<u>\$ 458,768</u>	<u>100.0%</u>		<u>\$ 511,218</u>	<u>100.0%</u>	
	9 Months			11 Months		

**Investment Activity
2nd Quarter 2021**

Issuer	Type of Investment	Transaction Date	Purchase or Deposit	Redemption or Withdrawal	Effective Interest Rate
<u>April</u>					
FFCB	Federal Agency Coupon Securities	4/6/2021	5,000,000.00		0.33%
FFCB	Federal Agency Coupon Securities	4/6/2021	5,000,000.00		0.33%
State of California	Muni	4/1/2021		5,000,000.00	1.50%
State of California	Muni	4/1/2021		1,000,000.00	1.50%
FHLB	Federal Agency Coupon Securities	4/30/2021	5,000,000.00		0.60%
Washington State Treasurer*	Local Government Investment Pool		29,825,605.38	16,000,000.00	0.18%
			44,825,605.38	22,000,000.00	
<u>May</u>					
City of Buenaventura CA	Municipal Bonds	5/18/2021	1,000,000.00		0.74%
FFCB	Federal Agency Coupon Securities	5/6/2021	3,000,000.00		0.38%
FFCB	Federal Agency Coupon Securities	5/4/2021	3,000,000.00		0.13%
FFCB	Federal Agency Coupon Securities	5/13/2021	1,000,000.00		0.23%
FFCB	Federal Agency Coupon Securities	5/13/2021	5,000,000.00		0.23%
FFCB	Federal Agency Coupon Securities	5/13/2021	5,000,000.00		0.23%
Washington State Treasurer*	Local Government Investment Pool		15,908,650.14	25,000,000.00	0.18%
			33,908,650.14	25,000,000.00	
<u>June</u>					
FFCB	Federal Agency Coupon Securities	6/29/2021	5,000,000.00		0.31%
FNMA	Federal Agency Coupon Securities	6/24/2021	5,000,000.00		0.30%
FHLB	Federal Agency Coupon Securities	6/28/2021	5,000,000.00		0.32%
FHLB	Federal Agency Coupon Securities	6/9/2021	5,000,000.00		0.38%
Washington State Treasurer*	Local Government Investment Pool		32,782,622.31	32,000,000.00	0.18%
			52,782,622.31	32,000,000.00	

* 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.

6/30/2021

11 months	\$ 511,217,577.78
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