



Quarterly Financial Report

As of June 30, 2021

AT A GLANCE:

General Fund revenues are higher than last year by 45 percent. City receives \$1.4 million in American Rescue Plan Act Funds, see page 17 for additional details. Sales tax revenue performance holds steady, see page 4 for additional de-

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Summary of All Operating Funds: *Revenue*

The Financial Management Report is a summary report of the City's Second Quarter 2021 financial results.

- **General Fund** 2021 revenue is **\$2,097,944 or 45 percent over** last years largely due to the receipt of \$1,417,234 of American Rescue Plan Act funds and higher sales tax and development related revenues. Development related revenues are **76.5% or \$50,277 higher** than 2020. A more detailed analysis of General Fund revenue can be found on page 3, with sales tax performance discussed on page 4.
- **Utility Enterprise Funds** revenues **grew over \$156,198** over 2020.
- **Internal Service Funds** 2021 revenues are **up over \$94,075** over last year primarily due to the lowering of 2020 internal service charges from other funds.

Utility Fund reserves are a combination of **committed and restricted** funds for daily operations, operating reserves, debt service reserves, and future capital projects.

Internal Service Funds are used to account for our Fleet & Facilities and Information Services activities and are funded by allocations to cover the maintenance and operations of the City's fleet of vehicles and equipment, City facilities, information systems and technology improvement activities.

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. As noted in the report that follows, the general fund receives the bulk of its revenues from local taxes, followed by State shared revenues, service charges, and other income.

- **Street Fund** 2021 revenues are **\$8,987 or 1.7 percent lower than** of 2020. The 2021 revenue decline is primarily due to lower fuel taxes during the first six months of 2021 compared to 2020.
- **Non-operating Funds** 2021 revenues came in **\$445,972 higher** than 2020 revenues. This is increase is largely due to Real Estate Excise Tax coming in \$82,036 higher than last year and Transportation Benefit District fees coming in \$85,028 higher and receiving the Carnegie Restoration grant.

The Street Fund accounts for the maintenance of City streets and sidewalks, street lights and street signs.

Fund balances for these types of funds are typically restricted as the fund is established for a designated purpose.

Summary of All Operating Funds: *Expenditures*

- **General Fund** expenditures for the first six months of 2021 came in at \$4,385,175 or **22.0% of budget**. 2021 expenditures **decreased 1.1%** over 2020, with actual expenditures **\$47,753 under** last year. The decrease is due primarily to budgeted 2021 transfers to the Street Fund being \$225,000 lower than the 2020 budgeted transfer amount.
- **Street Fund** 2021 expenditures are **\$78,217 or 20 percent higher than 2020**. The 2021 expenditures increase is primarily due to spending more on supplies and higher overhead costs.
- **Utility Enterprise Funds** expenditures **increase \$213,563** over 2020. The increase is primarily due to the Water Fund spending \$222,063 more on capital projects than 2020.
- **Internal Service Funds 2021** expenditures increased \$263,196 over 2020 amounts. This increase is due to increasing the Fleet & Facilities Fund's share of Interdepartmental Cost Allocations **\$167,250** over last year.
- **Non-operating Funds** 2021 expenditures came in **\$9,781 higher** than anticipated 2020 revenues and **coming in as expected**.

Fund Balance Review

Ending Fund Balance As of June 30, 2021

Fund	Fund Name	Beginning Fund Balance 1/1/2021	Increase or (Decrease) Jan-Jun 2021	Fund Balance 6/30/21
001	General	4,393,916	2,374,116	6,768,031
102	Streets	605,804	36,362	642,166
104	Park Impact Fee	728,279	(221,948)	506,331
107	Visitor Promotion	37,896	7,950	45,846
108	PBIA	47,165	10,797	57,962
125	Traffic Impact Fee	399,999	132	400,131
130	Transportation Benefit District	4,969,280	29,700	4,998,981
205	Debt Service	15,911	30,509	46,420
305	Real Estate Excise Tax	569,713	(21,509)	548,204
310	Municipal Capital Projects	95,932	512,030	607,963
311	Street Capital Projects	1,434,853	558,434	1,993,287
401	Water Utility	5,686,408	58,981	5,745,388
402	Wastewater Utility	10,162,719	(136,825)	10,025,894
403	Solid Waste	176,450	74	176,524
404	Stormwater Utility	4,069,223	761,921	4,831,144
501	Fleet & Facilities	715,431	(85,826)	629,605
502	Information Services	717,756	(44,487)	673,269
503	Self-insurance	4,798	(3,911)	887
505	Equipment Replacement	163,639	(72,181)	91,458
	Fund Totals	\$ 34,995,171	\$ 3,794,320	\$ 38,789,491

Ending Fund Balance for all funds increased 10.8% or \$3,794,320 in the first six months of 2021. Fund balances include cash and cash equivalents, and investments.

- The Utility Funds (401 to 404) accounts for \$20,778,950 or 53.6% of overall fund balance.

To date, the Utility Funds have spent only 3.1% of their capital budgets. As the construction season kicks into full gear, we will be utilizing significant portions of their fund balances

- The General Fund accounts for \$6,768,031 or 17.4% of the

overall fund balance

- Special Revenue Funds (102 to 130) account for \$6,651,416 or 17.1% of overall fund balance
- The remaining funds account for \$4,591,093 or 11.8% of overall fund balance

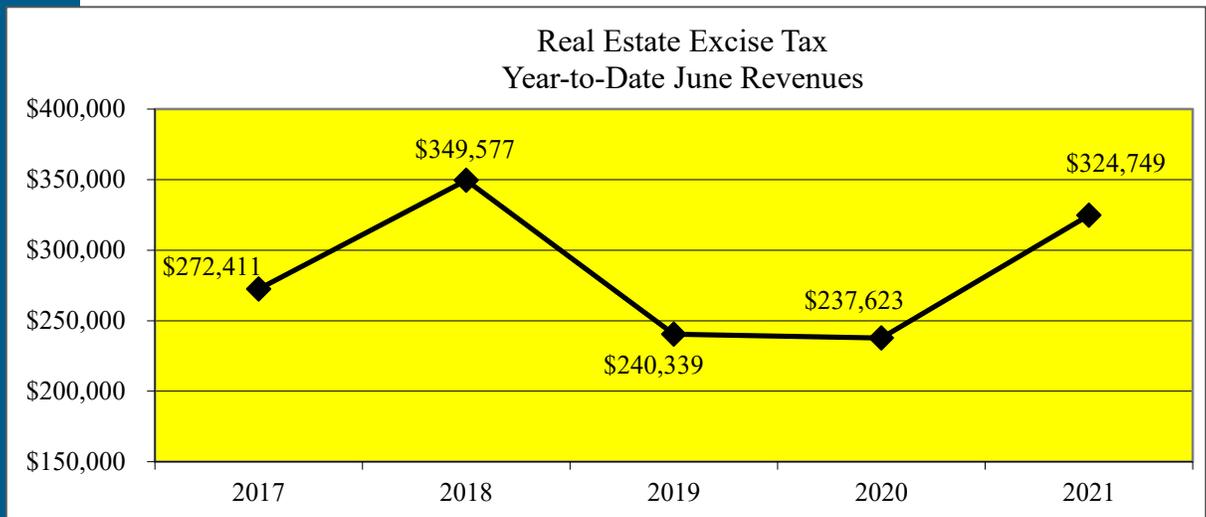


Real Estate Excise Tax Revenues

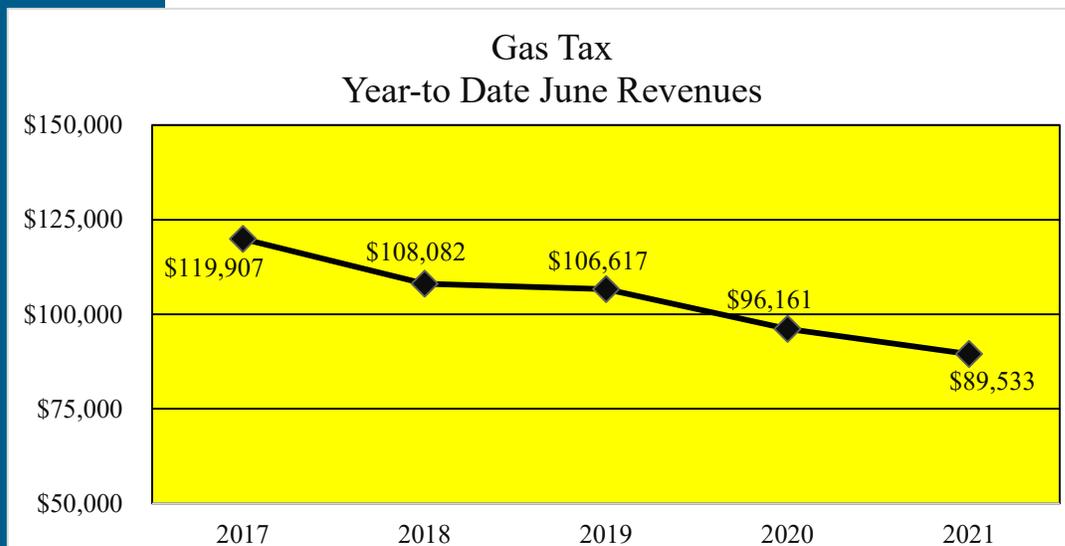
Real Estate Excise Tax (REET) revenues trends have been up and down over the past five years. over 2020, as the graph below indicates. Even

though factors outside the control of the City, such as supply of homes on the market and tight credit standards, this **important source** of

funds for capital projects is showing **over 36% growth** over 2020.



Gas Tax Revenues



Gas tax revenue sees moderate declines.

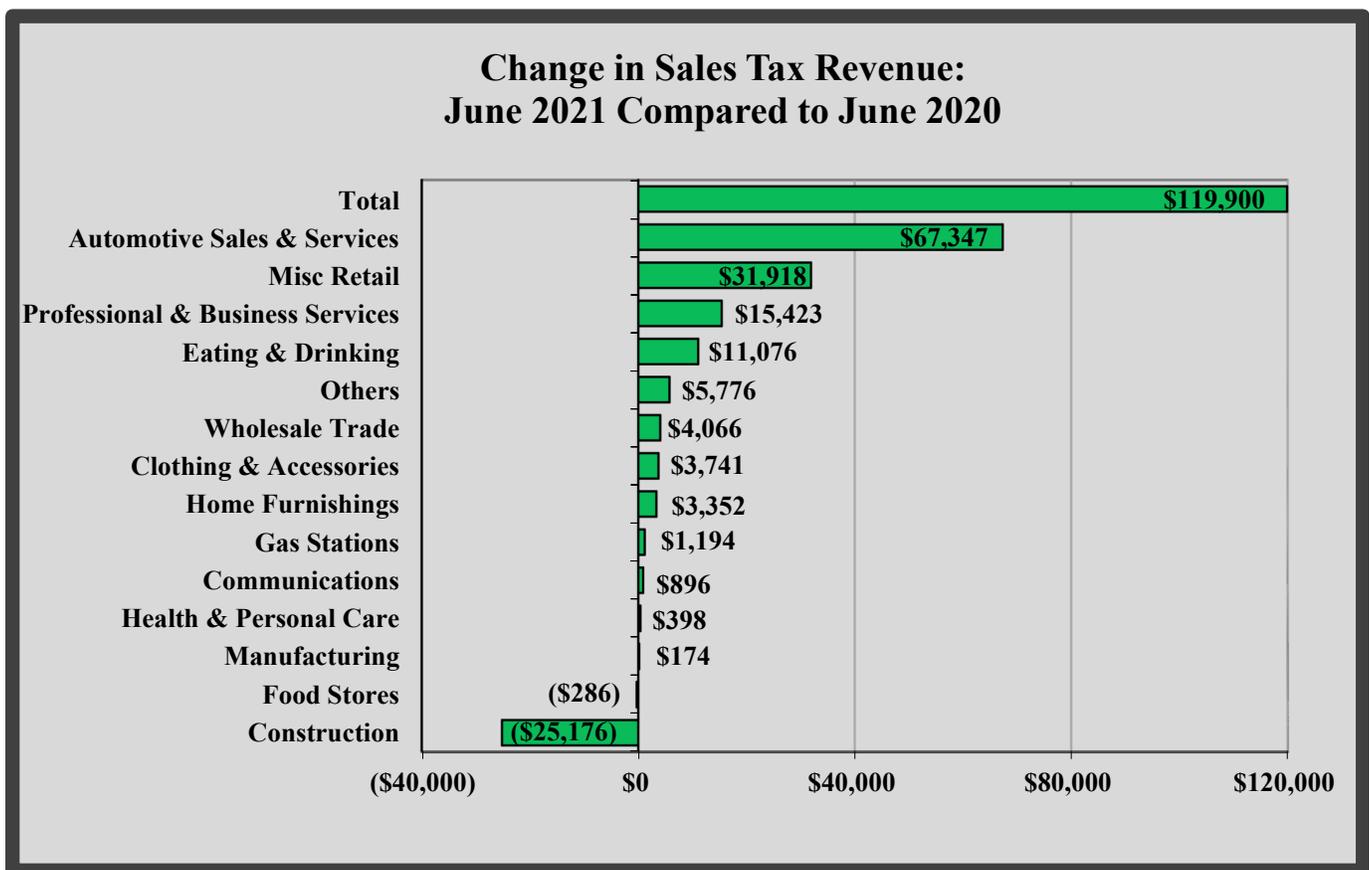
The chart above shows each year's January through June Motor Vehicle Fuel Excise Tax revenues. These funds are used for costs related to maintenance of our streets, sidewalks, street lights and street signs..

Sales Tax Revenue Analysis

2021 revenues turned in a positive performance with majority of the business sectors showing increases and those experiencing negative performance had relatively small decreases. 2021 revenues rose **\$119,900 or 34.2% over 2020** primarily due to increases in **Automotive Sales & Services** and in the **Misc Retail** related revenues. (See chart below)

Review by business sectors:

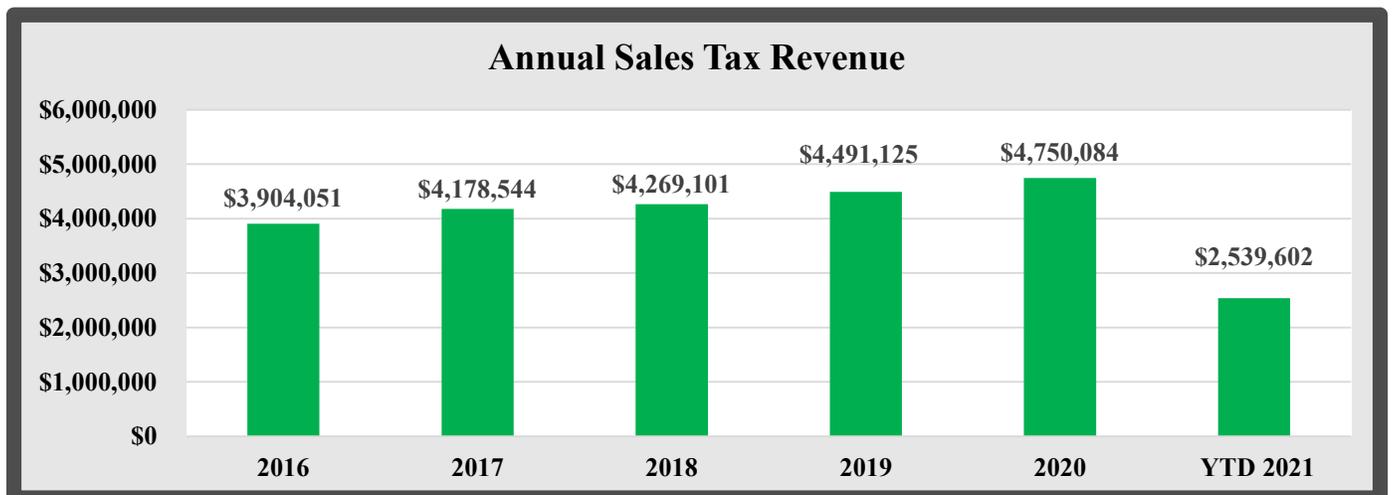
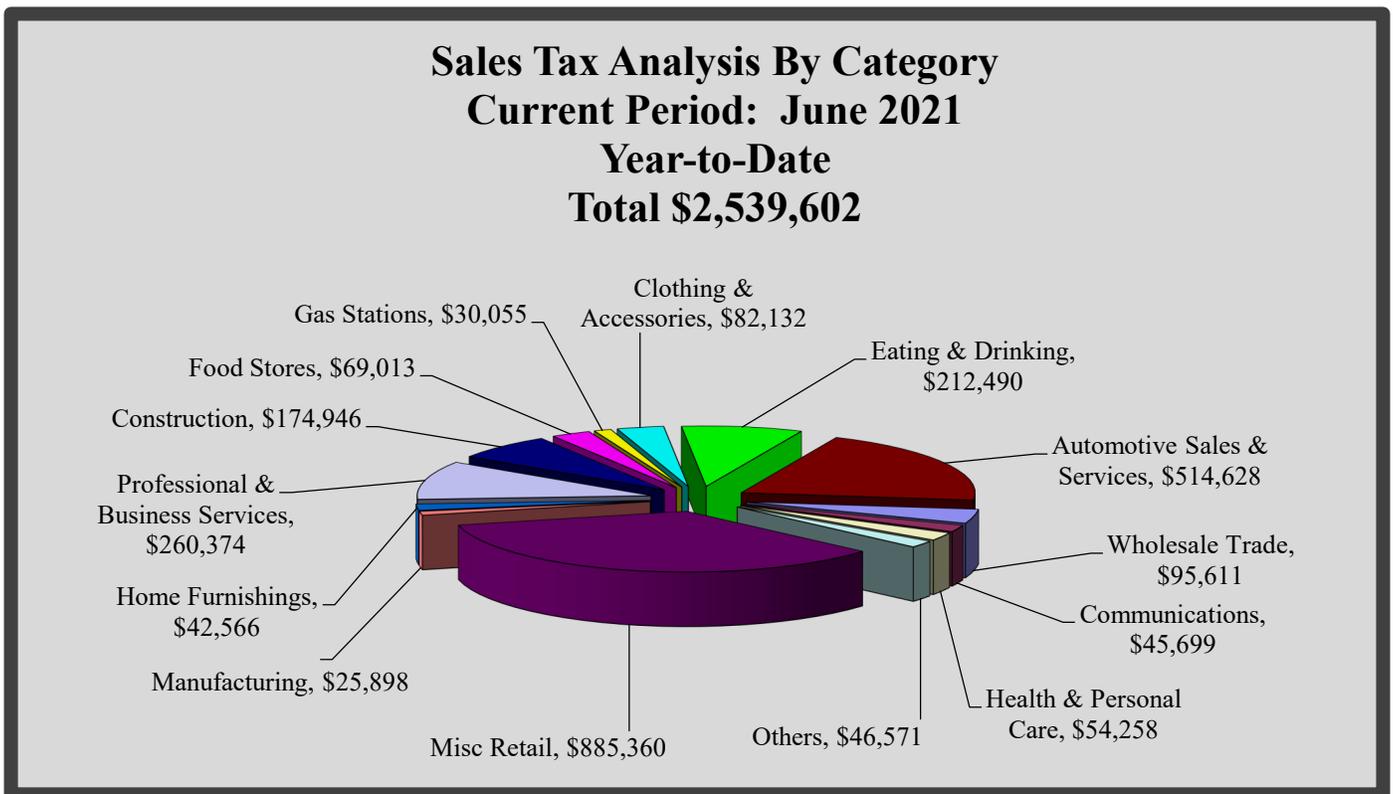
- The **Automotive Sales & Services** sector is \$67,347 ahead of last year,
- **Misc. Retail** is up \$31,918 and the **Professional & Business Services** revenues grew \$15,423, which reflect the regions rebounding economy.
- **Eating & Drinking** continued to gain strength during 2021, growing \$11,076 over 2020 amounts.
- The **Contractors** sector did not lose much ground when compared to 2020, however, this sector will be closely watched during 2021.



Review Sales Tax Analysis by Category:

- The **Misc. Retail** sector reported the **largest share of sales taxes**, accounting for 34.9% or \$885,360 of overall receipts for the for six months of 2021.
- The next largest sector, **Automotive Sales & Services** contributed \$514,628 or 20.3% of overall tax receipts for the year.
- The remaining sectors account for 44.9% or \$1,139,613 of overall sales tax receipts for January to June Sales Tax Revenues.

The **Annual Sales Tax Revenue** chart below **shows a continuing upward trend**. Note: the figures for the years 2016 through 2020 include the annual sales tax revenue amounts received, whereas the 2021 figure includes only the first six months of 2021.



City of Snohomish

Budget Vs. Actual - Revenues & Expenditures as of June 30, 2021

Description	Budget 2021-2022	Jan-Dec 2021	Actual 2021-2022	% of Budget	Under(Over) Budget
GENERAL FUND					
REVENUES					
Property Tax	2,588,400	704,658	704,658	27.2%	1,883,742
Sales Tax	8,389,100	2,663,218	2,663,218	31.7%	5,725,882
Utility and Other Taxes	3,359,000	764,888	764,888	22.8%	2,594,112
Business Licenses	120,000	44,289	44,289	36.9%	75,711
Building/Other Permits	296,400	115,975	115,975	39.1%	180,425
Grants	-	1,419,234	1,419,234	0.0%	(1,419,234)
State Shared Revenue	467,400	93,972	93,972	20.1%	373,428
Cost Allocation Charges	2,258,000	564,271	564,271	25.0%	1,693,729
Fees, Fines and Penalties	589,000	224,046	224,046	38.0%	364,954
Interest/Miscellaneous	120,000	164,741	164,741	137.3%	(44,741)
Total Revenues	18,187,300	6,759,291	6,759,291	37.2%	11,428,009
EXPENDITURES					
City Council					
Salaries & Wages	86,200	21,546	21,546	25.0%	64,654
Personnel Tax&Benefits	6,800	1,742	1,742	25.6%	5,058
Supplies	500	-	-	0.0%	500
Services/Cost Allocation	21,500	2,130	2,130	9.9%	19,370
Sub-Total City Council	115,000	25,417	25,417	22.1%	89,583
Mayor & Administrator					
Salaries & Wages	425,400	105,596	105,596	24.8%	319,804
Personnel Tax&Benefits	142,500	33,529	33,529	23.5%	108,971
Supplies	800	72	72	9.0%	728
Services/Cost Allocation	174,400	25,240	25,240	14.5%	149,160
Sub-Total Mayor & Administrator	743,100	164,436	164,436	22.1%	578,664
City Clerk					
Salaries & Wages	380,500	83,784	83,784	22.0%	296,716
Personnel Tax&Benefits	150,000	35,526	35,526	23.7%	114,474
Supplies	3,600	1,565	1,565	43.5%	2,035
Services/Cost Allocation	105,800	29,860	29,860	28.2%	75,940
Sub-Total City Clerk	639,900	150,736	150,736	23.6%	489,164
Human Resources					
Supplies	3,400	-	-	0.0%	3,400
Services	506,600	283,875	283,875	56.0%	222,725
Sub-Total Human Resources	510,000	283,875	283,875	55.7%	226,125

Description	Budget 2021-2022	Jan-Dec 2021	Actual 2021-2022	% of Budget	Under(Over) Budget
Economic Development					
Salaries & Wages	225,300	55,494	55,494	24.6%	169,806
Personnel Tax&Benefits	95,900	23,197	23,197	24.2%	72,703
Supplies	3,400	409	409	12.0%	2,991
Services/Cost Allocation	89,200	18,578	18,578	20.8%	70,622
Sub-Total Economic Development	413,800	97,678	97,678	23.6%	316,122
Finance					
Salaries & Wages	899,500	233,509	233,509	26.0%	665,991
Personnel Tax&Benefits	305,200	79,364	79,364	26.0%	225,836
Supplies	7,000	1,443	1,443	20.6%	5,557
Services/Cost Allocation	304,000	51,848	51,848	17.1%	252,152
Finance Totals	1,515,700	366,164	366,164	24.2%	1,149,536
Law Enforcement					
Supplies	2,000	-	-	0.0%	2,000
Services/Cost Allocation	8,396,600	1,693,065	1,693,065	20.2%	6,703,535
Sub-Total Law Enforcement	8,398,600	1,693,065	1,693,065	20.2%	6,705,535
Plan/Permit/Bldg./Inspection					
Salaries & Wages	784,800	195,667	195,667	24.9%	589,133
Personnel Tax&Benefits	311,200	74,192	74,192	23.8%	237,008
Supplies	7,500	598	598	8.0%	6,902
Services/Cost Allocation	388,400	100,649	100,649	25.9%	287,751
Sub-Total Plan/Permit/Bldg,Inspect.	1,491,900	371,106	371,106	24.9%	1,120,794

Description	Budget 2021-2022	Jan-Dec 2021	Actual 2021-2022	% of Budget	Under(Over) Budget
Parks					
Salaries & Wages	782,400	180,113	180,113	23.0%	602,287
Personnel Tax&Benefits	287,700	72,870	72,870	25.3%	214,830
Supplies	175,000	30,831	30,831	17.6%	144,169
Services/Cost Allocation	600,600	139,172	139,172	23.2%	461,428
Capital Outlays	-	7,956	7,956	0.0%	(7,956)
Sub-Total Parks	1,845,700	430,942	430,942	23.3%	1,414,758
Engineering					
Salaries & Wages	1,025,700	249,473	249,473	24.3%	776,227
Personnel Tax&Benefits	437,100	109,045	109,045	24.9%	328,055
Supplies	7,500	233	233	3.1%	7,267
Services/Cost Allocation	343,400	56,871	56,871	16.6%	286,529
Sub-Total Engineering	1,813,700	415,623	415,623	22.9%	1,398,077
Non-Departmental					
Personnel Tax&Benefits	52,000	9,877	9,877	19.0%	42,123
Supplies	2,000	280	280	14.0%	1,720
Services/Cost Allocation	540,600	136,187	136,187	25.2%	404,413
Legal Fees	302,400	57,014	57,014	18.9%	245,386
Debt Service	123,500	30,800	30,800	24.9%	92,700
Transfers to Other Funds	1,440,000	151,974	151,974	10.6%	1,288,026
Sub-Total Non-Departmental	2,460,500	386,133	386,133	15.7%	2,074,367
Total Expenditures	19,947,900	4,385,175	4,385,175	22.0%	15,562,725

GENERAL FUND

Budgeted Increase (Decrease) in Balance	(1,760,600)	
Increase (Decrease) in Fund Balance		2,374,116
2021 Beginning Fund Balance	4,393,916	
Current Ending Fund Balance		6,768,032

City of Snohomish

Budget Vs. Actual - Revenues & Expenditures as of June 30, 2021

Description	Budget 2021-2022	Jan-Dec 2021	Jan-Dec 2022	Actual 2021-2022	% of Budget	Under(Over) Budget
STREET FUND						
REVENUES						
Taxes	461,000	89,533		89,533	19.4%	371,467
Miscellaneous	200	248		248	124.2%	(48)
Transfer-In Other Funds	1,680,000	420,000		420,000	25.0%	1,260,000
Total Revenues	2,141,200	509,781	-	509,781	23.8%	1,631,419

EXPENDITURES						
Street Maintenance/Traffic-Ped Safety and Admin						
Salaries & Wages	616,700	148,876		148,876	24.1%	467,824
Personnel Tax&Benefits	244,800	67,391		67,391	27.5%	177,409
Supplies	263,600	28,919		28,919	11.0%	234,681
Services/Cost Allocation	1,279,200	228,234		228,234	17.8%	1,050,966
Total Expenditures	2,404,300	473,419	-	473,419	19.7%	1,930,881

STREET FUND						
Increase (Decrease) in Fund Balance	(263,100)					
<i>Increase (Decrease) in Fund Balance</i>		36,362	-			
<i>2021 Beginning Fund Balance</i>	605,804					
<i>Current Ending Fund Balance</i>				642,166		

City of Snohomish

Budget Vs. Actual - Revenues & Expenditures as of June 30, 2021

Description	Budget 2021-2022	Jan-Dec 2021	Jan-Dec 2022	Actual 2021-2022	% of Budget	Under(Over) Budget
WATER FUND						
REVENUES						
License & Permits	1,000	960		960	96.0%	40
Fees for Service	5,400,000	1,309,096		1,309,096	24.2%	4,090,904
Grants-Miscellaneous	105,000	27,907		27,907	26.6%	77,093
Connection/Capital Chg	150,000	54,985		54,985	36.7%	95,015
Total Revenues	5,656,000	1,392,948	0	1,392,948	24.6%	4,263,052
EXPENDITURES						
Salaries & Wages	770,000	195,248		195,248	25.4%	574,752
Personnel Tax&Benefits	309,000	78,407		78,407	25.4%	230,593
Supplies	2,100,300	369,309		369,309	17.6%	1,730,991
Services/Cost Allocation	1,944,400	403,359		403,359	20.7%	1,541,041
Debt	13,600	-		-	0.0%	13,600
Capital Outlays	2,403,000	287,644		287,644	12.0%	2,115,356
Total Expenditures	7,540,300	1,333,968	0	1,333,968	17.7%	6,206,332

WATER FUND

Increase (Decrease) in Fund Balance	(1,884,300)		
Increase (Decrease) in Fund Balance		58,981	-
2021 Beginning Fund Balance	5,686,408		
Current Ending Fund Balance			5,745,389

City of Snohomish

Budget Vs. Actual - Revenues & Expenditures as of June 30, 2021

Description	Budget 2021-2022	Jan-Dec 2021	Jan-Dec 2022	Actual 2021-2022	% of Budget	Under(Over) Budget
SEWER FUND						
REVENUES						
License & Permits	3,000	1,100		1,100	36.7%	1,900
Fees for Service	7,654,000	2,008,124		2,008,124	26.2%	5,645,876
Miscellaneous	50,000	25,423		25,423	50.8%	24,577
Connection/Capital Chg	300,000	122,745		122,745	40.9%	177,255
Total Revenues	8,007,000	2,157,392	-	2,157,392	26.9%	5,849,608

EXPENDITURES**Admin/Collection/Treatment**

Salaries & Wages	932,900	239,860		239,860	25.7%	693,040
Personnel Tax&Benefits	430,500	102,639		102,639	23.8%	327,861
Supplies	651,600	120,341		120,341	18.5%	531,259
Services/Cost Allocation	2,670,700	629,694		629,694	23.6%	2,041,006
Debt Principal	1,430,800	715,403		715,403	50.0%	715,397
Interest	49,400	19,356		19,356	39.2%	30,044
Capital Outlay	7,159,400	78,674		78,674	1.1%	7,080,726
Transfers	1,821,000	388,250		388,250	21.3%	1,432,750
Total Expenditures	15,146,300	2,294,216	-	2,294,216	15.1%	12,852,084

SEWER FUND

Increase (Decrease) in Fund Balance	(7,139,300)		
Increase (Decrease) in Fund Balance		(136,824.6)	-
2021 Beginning Fund Balance	10,162,719		
Current Ending Fund Balance			10,025,894

City of Snohomish

Budget Vs. Actual - Revenues & Expenditures as of June 30, 2021

Description	Budget 2021-2022	Jan-Dec 2021	Jan-Dec 2022	Actual 2021-2022	% of Budget	Under(Over) Budget
STORMWATER FUND						
REVENUES						
Fees for Service	2,800,000	724,454		724,454	25.9%	2,075,546
Miscellaneous	14,000	654		654	4.7%	13,346
Transfer In	2,005,000	501,250		501,250	25.0%	1,503,750
Total Revenues	4,819,000	1,226,358	-	1,226,358	25.4%	3,592,642

EXPENDITURES						
Salaries & Wages	350,700	88,367		88,367	25.2%	262,333
Personnel Tax&Benefits	184,600	45,992		45,992	24.9%	138,608
Supplies	55,400	729		729	1.3%	54,671
Services/Cost Allocation	845,700	196,958		196,958	23.3%	648,742
Capital Outlay	4,225,200	65,391		65,391	1.5%	4,159,809
Transfers	268,000	67,000		67,000	25.0%	201,000
Total Expenditures	5,929,600	464,437	-	464,437	7.8%	5,465,163

STORMWATER FUND						
Increase (Decrease) in Fund Balance	(1,110,600)					
Increase (Decrease) in Fund Balance		761,921	-			
2021 Beginning Fund Balance	4,069,223					
Current Ending Fund Balance				4,831,144		

City of Snohomish

Budget Vs. Actual - Revenues & Expenditures as of June 30, 2021

Description	Budget 2021-2022	Jan-Dec 2021	Jan-Dec 2022	Actual 2021-2022	% of Budget	Under(Over) Budget
FLEET & FACILITIES FUND						
REVENUES						
Cost Allocation Charges	1,965,500	491,475		491,475	25.0%	1,474,025
Miscellaneous	5,000	259		259	5.2%	4,741
Total Revenues	1,970,500	491,734	-	491,734	25.0%	1,478,766
Salaries & Wages	586,800	137,798		137,798	23.5%	449,002
Personnel Tax&Benefits	222,000	55,748		55,748	25.1%	166,252
Supplies	296,000	82,072		82,072	27.7%	213,928
Services/Cost Allocation	895,000	301,942		301,942	33.7%	593,058
Total Expenditures	1,999,800	577,560	-	577,560	28.9%	1,422,240
FLEET & FACILITIES FUND						
Increase (Decrease) in Fund Balance	(29,300)					
Increase (Decrease) in Fund Balance		(85,826)	-			
2021 Beginning Fund Balance	680,677					
Current Ending Fund Balance				594,852		

City of Snohomish

Budget Vs. Actual - Revenues & Expenditures as of June 30, 2021

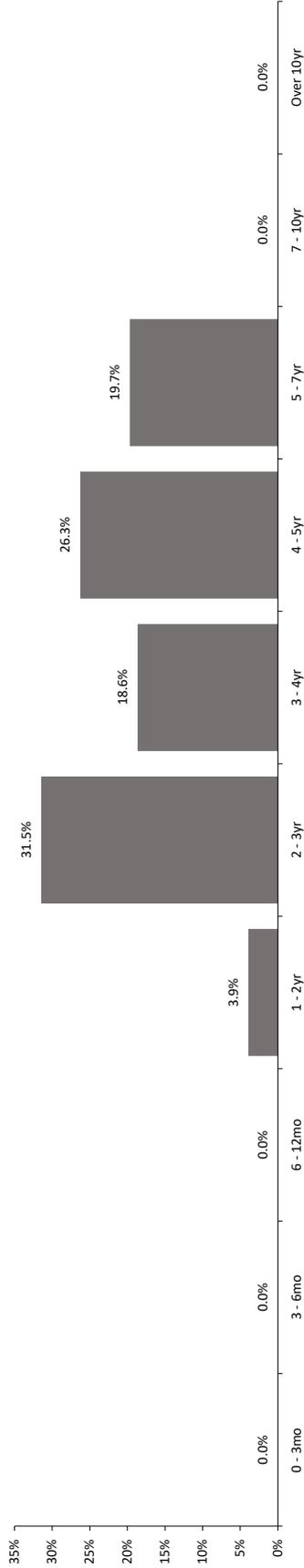
Description	Budget 2021-2022	Jan-Dec 2021	Jan-Dec 2022	Actual 2021-2022	% of Budget	Under(Over) Budget
INFORMATION SERVICES						
REVENUES						
Cost Allocation Charges	1,191,800	297,950		297,950	25.0%	893,850
Miscellaneous	5,000	265		265	5.3%	4,735
Total Revenues	1,196,800	298,215	-	298,215	24.9%	898,585
Salaries & Wages	406,000	100,014		100,014	24.6%	305,986
Personnel Tax&Benefits	181,700	43,969		43,969	24.2%	137,731
Supplies	128,700	45,458		45,458	35.3%	83,242
Services/Cost Allocation	261,000	42,158		42,158	16.2%	218,842
*Capital Project	165,000	111,103		111,103	67.3%	53,897
Total Expenditures	1,142,400	342,702	-	342,702	30.0%	799,698

Information Services

Budgeted Increase (Decrease) in Fund Balance	54,400		
YTD Increase (Decrease) in Fund Balance		(44,487)	-
2021 Beginning Fund Balance	717,756		
Current Ending Fund Balance			673,269

Report Date: 6/30/2021

Maturity Distribution



Portfolio Details - Sorted by Maturity

#	CUSIP/Sec-ID	Sec Desc 1	Weight	Par Value	Coupon *	Settle Dt	Mat Dt	Nxt Call Dt	Rating ***	YTM **	Duration	Call Type	Estimated Bps to Call	Estimated Redem. Date
1	3133EIPX1	FFCB 2.875 12/21/22	3.9%	500,000	2.875	10/26/2018	12/21/2022		AA+	2.95	1.45			12/21/2022
2	3133EKZK5	FFCB	3.9%	500,000	1.600	9/12/2019	8/14/2023		AA+	1.52	2.08			8/14/2023
3	3133EMJ94	FFCB	7.8%	1,000,000	0.160	6/30/2021	9/15/2023	9/15/2021	AAA	0.22	0.21	Anytime	5	9/15/2021
4	91282CBA8	T	7.8%	1,000,000	0.125	6/30/2021	12/15/2023		AAA	0.25	2.45			12/15/2023
5	3130A7PH2	FHLB	4.0%	510,000	1.875	8/26/2019	3/8/2024		AA+	1.40	2.62			3/8/2024
6	3130AMVJ8	FHLB	7.8%	1,000,000	0.350	6/30/2021	6/28/2024	12/28/2021	AA+	0.40	0.49	Monthly	10	12/28/2021
7	3134GWGB0	FHLMC	4.1%	527,000	0.450	7/22/2020	7/22/2024	7/22/2022	AA+	0.41	1.06	Onetime	21	7/22/2022
8	912828YV6	T	7.8%	1,000,000	1.500	6/30/2021	11/30/2024		AAA	0.44	3.33			11/30/2024
9	3133ELC28	FFCB	6.7%	850,000	0.750	5/29/2020	5/27/2025	8/9/2021	AA+	0.70	0.11	Anytime	7	8/9/2021
10	91282CAJ0	T	7.8%	1,000,000	0.250	6/30/2021	8/31/2025		AAA	0.65	4.13			8/31/2025
11	3133ELBW3	FFCB	6.7%	850,000	1.950	12/2/2019	12/2/2025	12/2/2021	AA+	1.90	0.42	Anytime	121	12/2/2021
12	3133EMQX3	FFCB	3.9%	500,000	0.590	2/17/2021	2/17/2026	8/17/2021	AA+	0.60	4.55	Anytime	(20)	2/17/2026
13	3133EMH21	FFCB	7.8%	1,000,000	0.900	6/30/2021	6/15/2026	6/15/2022	AA+	0.90	0.95	Anytime	16	6/15/2022
14	3134AA4C2	FHLMC	5.0%	635,000	0.000	9/25/2020	9/15/2026		AA+	0.53	5.18			9/15/2026
15	912833PB0	U.S. TREASURY STRIP PROPRIETARY	6.9%	875,000	0.000	11/18/2020	11/15/2026		AA+	0.51	5.35			11/15/2026
16	3133EMMB5	FFCB	3.9%	500,000	0.640	1/14/2021	1/5/2027	1/5/2022	AA+	0.64	5.38	Anytime	(21)	1/5/2027
17	3133ELNZ3	FFCB	3.9%	500,000	1.850	2/25/2020	2/25/2027	2/25/2022	AA+	1.82	1.75	Anytime	100	2/25/2022

TOTAL and AVERAGES 100.0% 12,747,000 3.77 yrs 1.93 yrs 0.81 2.27

* Semi-Annual interest payment

** Yields calculated using cost price, at settlement date

*** Ratings Shown Are: Lowest Rating in S&P format, NR AGY = Non-Rated U.S. Government Agency

The following investment notes were added by City Staff: Today's ultra-low rate environment poses a special challenge for investors. For example, our investment portfolio with the Washington State Local Government Investment Pool (LGIP), returned 0.0754% for the month of June 2021. At this rate, the City would earn \$754 per year on each million dollars invested - not much for a million dollar investment.

To increase our investment earnings, staff invested \$6 million into the six highlighted bonds above, numbers 3, 4, 6, 8, 10 & 13. Holding these new investment purchases to maturity would earn the City an additional \$94,332 over current LGIP rates.

Over the coming weeks, staff will continue working with our investment brokers in monitoring the bond market and searching for additional bonds to add to our investment portfolio.



The Finance Team

Financial Reports are available on the City's website or can be requested from the Finance Department. Website address:

<https://www.snohomishwa.gov/135/Budget-Finance>

Copies of the City's audited annual financial statements can be requested from the Finance Department:

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- Diana, Senior Accountant
- Charleen, Utility Clerk II
- Angela, Utility Billing & Accounts Receivable
- Julie, Payroll & Accounts Payable

A Brief Look Forward

American Rescue Plan Act signed into law, March 2021

- This year the American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021, which provides financial relief to address the continued impacts of COVID-19 on the economy, public health, state and local governments, individuals, and businesses
- The City of Snohomish has been allocated \$2,834,468 from ARPA, of which the first payment of \$1,417,234 was received on 6/25/21. The remaining amount will be received approximately one year later.

City Council Meetings on Use of ARPA Funds:

- During the July 6, 2021 City Council meeting, the City Council and Mayor discussed the U.S. Department of the Treasury's rules governing the use of the ARPA funds
- The City of Snohomish can use ARPA funds to:
 - ◊ Support public health expenditures;
 - ◊ Address the negative economic impacts caused by the public health emergency;
 - ◊ Replace lost public sector revenue;
 - ◊ Provide premium pay for essential workers; and
 - ◊ Invest in water, sewer, and broadband infrastructure
- City Council and the Mayor are next scheduled to further discuss the use of the ARPA funds during the September 7th Council meeting.