



## Memorandum

**Date:** 11/23/2021

**Meeting of:** Committee of the Whole - Finance, Administration, and Communications

**File No.** CM 21-622

**Type:** Committee Memo

**TO:** Committee of the Whole - Finance, Administration, and Communications

**FROM:** Mayor Angela Birney

**DEPARTMENT DIRECTOR CONTACT(S):**

Finance	Chip Corder	425-556-2189
---------	-------------	--------------

**DEPARTMENT STAFF:**

Finance	Kelley Cochran	Deputy Finance Director
---------	----------------	-------------------------

**TITLE:**

Monthly Financial Report through October 2021 and Quarterly Overtime Report through September 2021

**OVERVIEW STATEMENT:**

Review the Monthly Financial Report from January 1, 2021 through October 31, 2021 and the Quarterly Overtime Report from January 1, 2021 through September 30, 2021.

☒ **Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

☒ **Receive Information**

☐ **Provide Direction**

☐ **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
N/A
- **Required:**  
N/A
- **Council Request:**  
N/A
- **Other Key Facts:**  
N/A

**OUTCOMES:**

Key highlights from the Monthly Financial Report through October 2021 include:

**General Fund**

- Total revenues are 24.0%, or \$17.9 million, above target.
- Sales tax is 89.0%, or \$18.3 million, above target primarily due to the high level of development activity. Ongoing sales tax is 37.6%, or \$6.7 million, above target. One-time sales tax, which primarily relates to construction, is \$13.7 million through October 2021.
- Utility taxes are 0.23%, or \$22,000, below target.
- License & permit fees are 29.2%, or \$2.7 million, above target primarily due to the high level of development activity.
- Intergovernmental revenues are 20.9%, or \$2.4 million, above target primarily due to the American Rescue Act Plan (ARPA) allocation to the City.
- Total expenditures are 14.5%, or \$17.5 million, below target due to position vacancies, the timing of one-time expenditures, and the budget adjustments adopted by ordinance on August 17, 2021 that impact 2022 and beyond. Regarding the budget adjustments, staff will fix the planned spend rate in 2021-2022 for the November 2021 financial report.

**Other Funds**

- Recreation Activity Fund: Total revenues are 7.3%, or \$83,000, above target primarily due to summer camps, field rentals, and donations.
- Water/Wastewater M&O Fund: Total revenues are 6.4%, or \$2.0 million, more than total expenditures. Of particular note, commercial water consumption is 6.1% above target, but is still well below the historical average prior to the pandemic.
- Capital Investment Program: Total expenditures are 28.8% of budget at the 41.7% point of the biennium.

**Key highlights from the Quarterly Overtime Report through September 2021 include:**

- Citywide overtime costs are 74.7% of budget versus a 37.5% target for the biennium primarily due to unanticipated overtime related to Fire and Police response to the COVID-19 pandemic. Excluding the pandemic-related costs, which are fully reimbursable, citywide overtime costs are 64.5% of budget.
- Fire Department overtime costs are 84.5% of budget versus a 37.5% target for the biennium primarily due to response activities related to the COVID-19 pandemic, King County Medic One services, and Fire Academy/Paramedic training. Excluding the pandemic-related costs, which are fully reimbursable, Fire Department overtime costs are 72.2% of budget. Looking at regular salaries and overtime together, excluding costs which are fully reimbursable, total costs are 38.8% of budget.
- Police Department overtime costs are 66.1% of budget versus a 37.5% target for the biennium primarily due to response activities related to the COVID-19 pandemic, investigations of sensitive criminal cases, and recruitment and testing for vacancies of commissioned positions. Excluding the pandemic-related costs, which are fully reimbursable, Police Department overtime costs are 47.5% of budget.
- All Other Department overtime costs are 53.4% of budget versus a 37.5% target for the biennium primarily due to the February 2021 snow event, the implementation of a new business licensing application, the opening of a cooling shelter during the June 2021 heat dome, the reopening of recreation activities, and the impact of the high development activity level on the Planning & Community Development Department, which is short staffed.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
N/A
- **Outreach Methods and Results:**

**Date:** 11/23/2021

**Meeting of:** Committee of the Whole - Finance, Administration, and Communications

**File No.** CM 21-622

**Type:** Committee Memo

N/A

- **Feedback Summary:**

N/A

**BUDGET IMPACT:**

**Total Cost:**

N/A

**Approved in current biennial budget:**

☐ Yes

☐ No

☒ N/A

**Budget Offer Number:**

N/A

**Budget Priority:**

N/A

**Other budget impacts or additional costs:**

☐ Yes

☐ No

☒ N/A

*If yes, explain:*

N/A

**Funding source(s):**

N/A

**Budget/Funding Constraints:**

N/A

☐ Additional budget details attached

**COUNCIL REVIEW:**

**Proposed Upcoming Contact(s)**

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

**Time Constraints:**

N/A

**ANTICIPATED RESULT IF NOT APPROVED:**

N/A

**ATTACHMENTS:**

Attachment A: Monthly Financial Report Through October 2021

Attachment B: Quarterly Overtime Report Through September 2021