



Memorandum

Date: 3/8/2022

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

File No. CM 22-221

Type: Committee Memo

TO: Choose an item.

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Chip Corder	425-556-2189
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DEPARTMENT STAFF:

N/A	N/A	N/A
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TITLE:

Monthly Financial Report through January 2022 and Quarterly Overtime Report through December 2021

OVERVIEW STATEMENT:

Review the Monthly Financial Report from January 1, 2021 through January 31, 2022 and the Quarterly Overtime Report from January 1, 2021 through December 31, 2021. Please note these numbers are not final as the City is continuing to go through its year-end closing procedures.

☒ **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 January 2022 include:

General Fund

- **Total revenues** are 26.4%, or \$26.6 million, above target.
- **Sales tax** is 85.9%, or \$23.7 million, above target primarily due to the high level of development activity. Ongoing sales tax is 24.0%, or \$6.1 million, above target. One-time sales tax, which primarily relates to construction, is \$18.4 million through January 2022.
- **Utility taxes** are 3.5%, or \$416,000, above target.
- **License & permit fees** are 20.2%, or \$2.5 million, above target primarily due to the high level of development activity.
- **Intergovernmental revenues** are 3.5%, or \$646,000, above target.
- **Charges for services** are 66.4%, or \$1.8 million, above target primarily due to engineering review services related to the high level of development activity.
- **Total expenditures** are 11.8%, or \$17.2 million, below target primarily due to position vacancies, the timing of one-time expenditures, and the budget adjustments adopted by ordinance on August 17, 2021.

Other Funds

- **Recreation Activity Fund:** Total revenues are 6.7%, or \$85,000, above target primarily due to summer camps, winter registrations, field rentals, and donations.
- **Water/Wastewater Operating Fund:** Total revenues are 9.4%, or \$3.6 million, more than total expenditures. Of particular note, commercial water consumption is 2.3% above target.
- **Stormwater Operating Fund:** The dramatic revenue and expense spikes are temporary and wholly related to the refinancing of revenue bonds last year. The bond proceeds from the newly issued bonds were initially accounted for as an inflow, and the use of the bond proceeds to pay off the old debt was initially accounted for as an outflow. In reality, the inflow is not a revenue, and the outflow is not an expense. Once the final accounting entry gets posted for this complex transaction, the revenue and expense spikes will be eliminated.
- **Capital Investment Program:** Total expenditures are 36.6% of budget at the 54% point of the biennium.

Key highlights from the Quarterly Overtime Report through December 2021 include:

- **Citywide** overtime costs are 101.9% of budget versus a 50.0% target for the biennium primarily due to Fire and Police response activities related to the COVID-19 pandemic. Excluding the pandemic-related costs, which are fully reimbursable, citywide overtime costs are 92.0% of budget.
- **Fire Department** overtime costs are 112.4% of budget versus a 50.0% 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 costs, which are fully reimbursable, Fire Department overtime costs are 100.7% of budget. Looking at regular salaries and overtime together, excluding costs which are fully reimbursable, total costs are 52.9% of budget.
- **Police Department** overtime costs are 74.7% of budget versus a 50.0% 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 66.7% of budget.
- **All Other Department** overtime costs are 72.7% of budget versus a 50.0% target for the biennium primarily due to the February 2021 and December 2021 snow events, the implementation of a new business licensing application, the opening of a cooling shelter during the June 2021 heat dome, 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:**
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:****Previous Contact(s)**

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Proposed Upcoming Contact(s)

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

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Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

Monthly Financial Report Through January 2022

Quarterly Overtime Report Through December 2021