



## Memorandum

**Date:** 9/16/2025  
**Meeting of:** City Council

**File No.** AM No. 25-142  
**Type:** Staff Report

**TO:** Members of the City Council  
**FROM:** Mayor Angela Birney  
**DEPARTMENT DIRECTOR CONTACT(S):**

Finance	Kelley Cochran	425-556-2748
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**DEPARTMENT STAFF:**

Finance	Haritha Narra	Deputy Finance Director
Finance	Hailey Zurcher	Financial Planning Manager

**TITLE:**  
Second Quarter 2025 Financial Report

**OVERVIEW STATEMENT:**

Review the City's financial performance from January 2025 to June 2025. Please note that the 2024 year-end process is still in progress, and the figures presented here are preliminary due to the impact on January figures.

☒ **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:**

The key financial highlights from January 1, 2025, through June 30, 2025, include the following:

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**REVENUE:**

Total General Fund revenue is 3.0%, or \$1.9 million, above target.

- **Property Tax** is 2.8%, or \$392,000 below target.
- **Sales & Use Tax** is 20.0% (\$2.8 million) above target, driven primarily by growth in wholesale and information industries.
- **Utility & Other Taxes** are 2.5%, or \$153,000, below target.
- **Development Permits and Fees** are 6.3%, or \$490,000, above target.
- **Business License Fees** are 2.8%, or \$136,000, below target.
- **Other Revenues** are 3.8%, or \$658,000, below target.

**EXPENDITURES:**

- Total General Fund and expenditures are 1.1%, or \$3.9 million, under target.
- Spend rate for some departments are above/below target:
  - **Executive Department** is 4.9%, or \$735,000, below target primarily due to position vacancies and timing of spending one-time projects.
  - **Planning Department** is 5.4%, or \$1.6 million, below target primarily due to position vacancies and timing of one-time expenditures.
- **Overtime Expenditures:** Total overtime expenditures are 10% (\$1.2 million) over the expected target. Overages are primarily seen in the Fire department, due to the backfilling of department vacancies to maintain daily staffing levels, and the Police department, due to the review of body-worn camera footage and community outreach.
- **Capital Investment Program (CIP):** Total expenditures are 13.4%, or \$23.0 million, under budget, reflecting the continuation of several major projects, including the Evans Creek Relocation project, Pedestrian and Bicycle Improvements, Downtown Adaptive Signals, Pavement Repairs, MOC Predesign, and ADA Facility Improvements.
- **Business Technology Investment Program (BTIP):** Total expenditures are 11.7%, or \$1.1 million, under budget, reflecting the continuation of major projects, including Workforce Management Phase 2, Dynamics 365, and Tourism Data Software Implementation.

**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:**

Strategic and Responsive

**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
4/15/2025	Business Meeting	Receive Information
5/20/2025	Business Meeting	Receive Information

**Proposed Upcoming Contact(s)**

Date	Meeting	Requested Action
11/18/2025	Business Meeting	Receive Information

**Time Constraints:**

N/A

**ANTICIPATED RESULT IF NOT APPROVED:**

N/A

**ATTACHMENTS:**

Attachment A: Second Quarter 2025 Financial Report Presentation