



Memorandum

Date: 11/15/2022
Meeting of: City Council

File No. AM No. 22-180
Type: Staff Report

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

Finance	Chip Corder	425-556-2189
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DEPARTMENT STAFF:

Finance	Kelley Cochran	Deputy Finance Director
Finance	Haritha Narra	Financial Planning Manager

TITLE:
Third Quarter 2022 Financial Report

OVERVIEW STATEMENT:

The purpose of this staff report is to review the City’s quarterly financial performance from January 1, 2021 through September 30, 2022.

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, 2021 through September 30, 2022 include the following:

General Fund

- **Total revenues** are 26.1%, or \$42.9 million, above target.
- **Property tax** is 0.2%, or \$56,000, above target.
- **Sales & use taxes** are 79.1%, or \$37.1 million, above target primarily due to the high level of development activity. This includes retail sales tax, criminal justice sales tax, and use tax. Ongoing retail sales tax is 25.6%, or \$10.7 million, above target. One-time retail sales tax, which primarily relates to construction, is \$30.2 million through September 30, 2022.
- **Utility & other taxes** are 7.6%, or \$1.4 million, above target primarily due to an electric and gas utility tax spike.
- **Intergovernmental revenues** are 5.5%, or \$1.6 million, above target primarily due to the second half of the American rescue Plan Act (ARPA) grant award, which was received in August 2022.
- **License & permit fees** are 22.2%, or \$4.5 million, above target primarily due to the high level of development activity.
- **Total expenditures** are 6.6%, or \$14.1 million, below target primarily due to position vacancies, reduced spending on travel and training, and the budget adjustments adopted by ordinance on August 17, 2021.

Other Funds

- **Recreation Activity Fund:** Total revenues are 42.2%, or \$897,000, above target primarily due to indoor programs starting in 2022, winter/spring/summer program registrations, field rentals, and donations.
- **Water/Wastewater M&O Fund:** Total revenues are 9.1%, or \$5.9 million, more than total expenditures. Commercial water consumption is 2.2% below target.
- **Capital Investment Program:** Total expenditures are 54.6% of budget at the 87.5% point of the 2021-2022 biennium.

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

Time Constraints:
N/A

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

Third Quarter 2022 Financial Report Presentation