

2021-2022 Budget
2021 Second Quarter Financial Report

August 17, 2021



City of Redmond
WASHINGTON

Agenda

- Brief review of major funds
 - General Fund
 - Water/Wastewater M&O Fund
 - Recreation Activity Fund
 - Capital Investment Program Funds
- July 27 FAC follow-up items

General Fund Summary

- Total revenues are 35% (\$16.5M) > budget target
 - Significantly above budget target
 - Sales Tax, Licenses and Permits, and Intergovernmental Revenues
 - On budget target
 - Property Tax and Charges for Service
 - Slightly below budget target
 - Utility Taxes
- Total expenditures are 8.6% (\$4.3M) < budget target

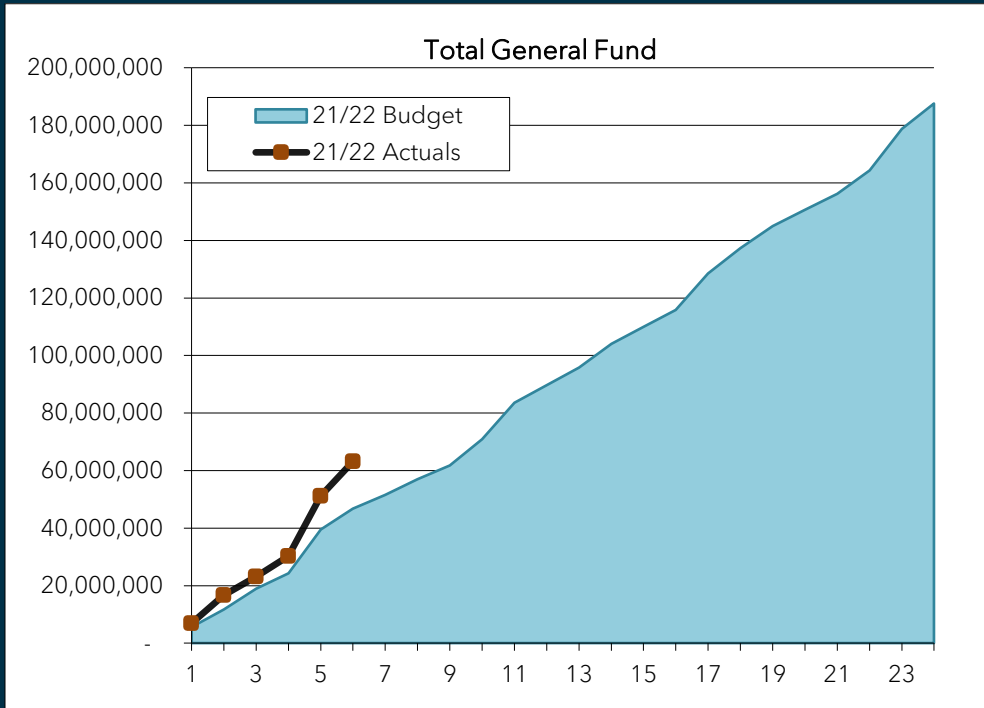
General Fund Revenues

First Half of 2021 vs. First Half of 2020

- Total revenues are up 35% (\$16.5M)
 - Coincidentally, this is the same as total revenues through Q2 2021 vs. budget target through Q2 2021
 - Intergovernmental revenues are up \$10.3M primarily due to American Rescue Plan Act (ARPA) revenue
 - Sales tax is up \$3.9M primarily due to high level of construction activity

General Fund Revenues

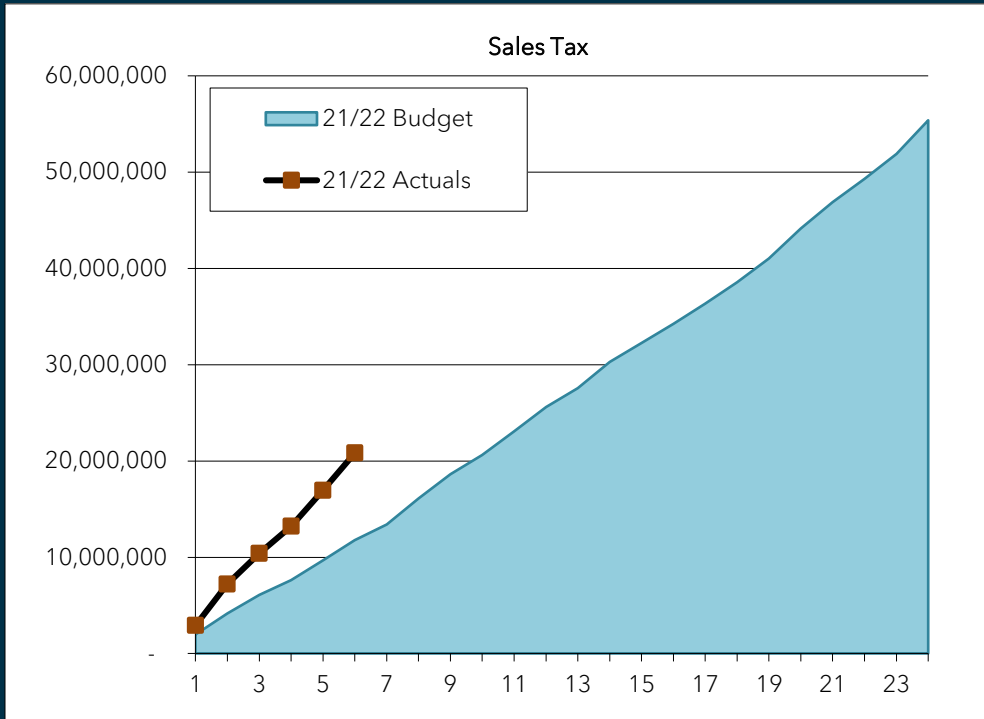
Budget to Actual Through Q2 2021



- Total revenues = \$63.2M
- Total revenues are 35% (\$16.5M) > budget target
- Primary drivers are one-time construction sales tax, licenses & permits, and intergovernmental revenues

General Fund - Sales Tax

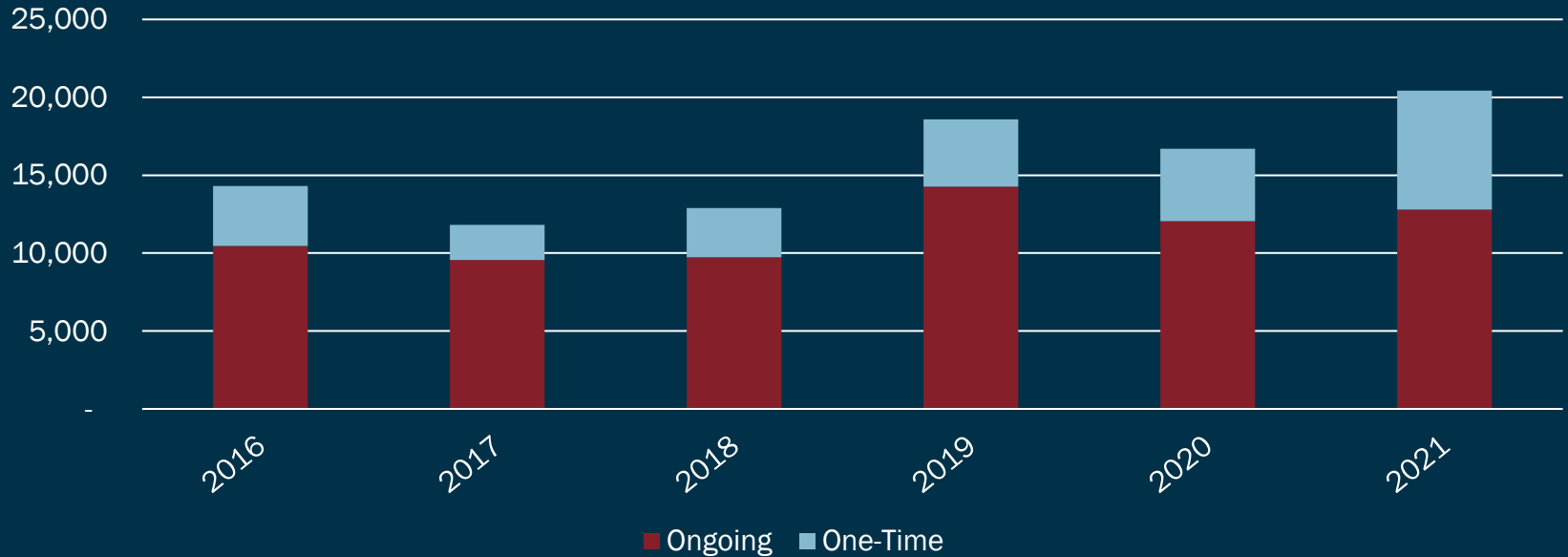
Budget to Actual Through Q2 2021



- Sales tax is 77% (\$9.1M) > budget target
- Primary driver is one-time construction sales tax (\$7.6M)

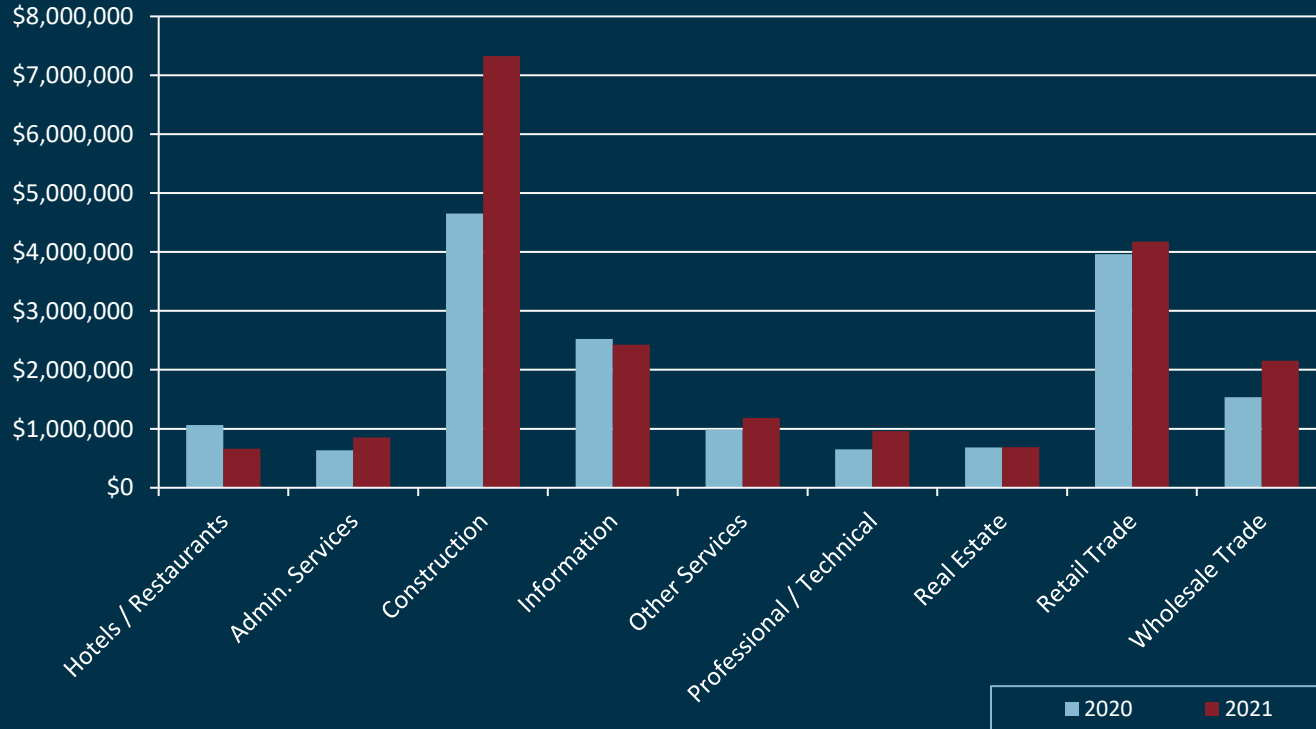
General Fund - Sales Tax

June YTD 2016-2021
(In Thousands)



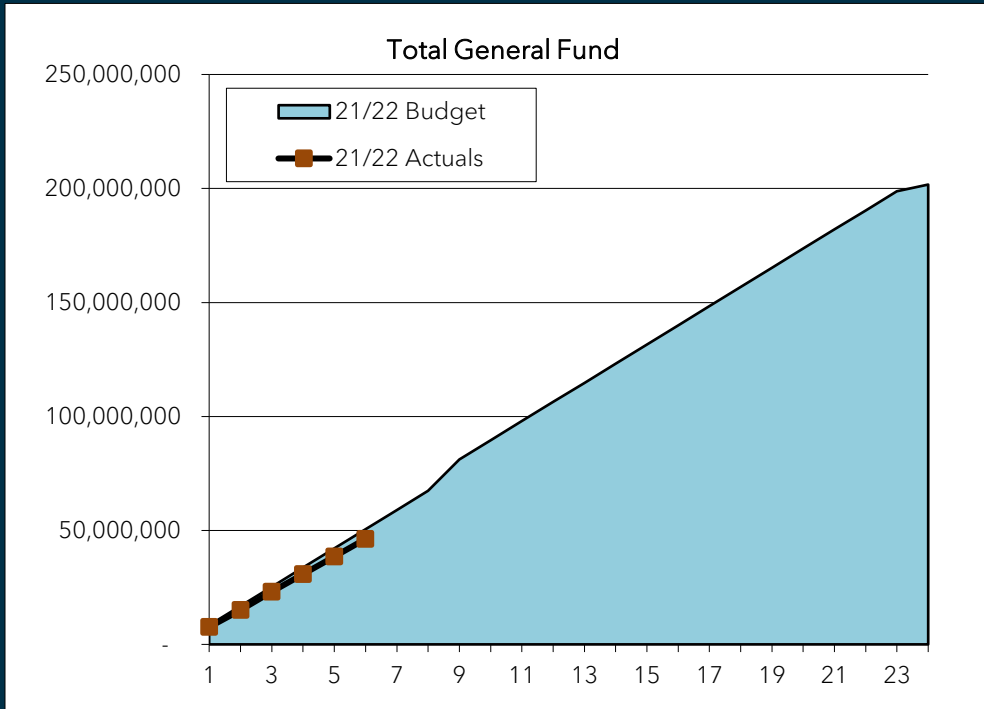
General Fund - Sales Tax

June YTD 2020-2021 by Business Sector



General Fund Expenditures

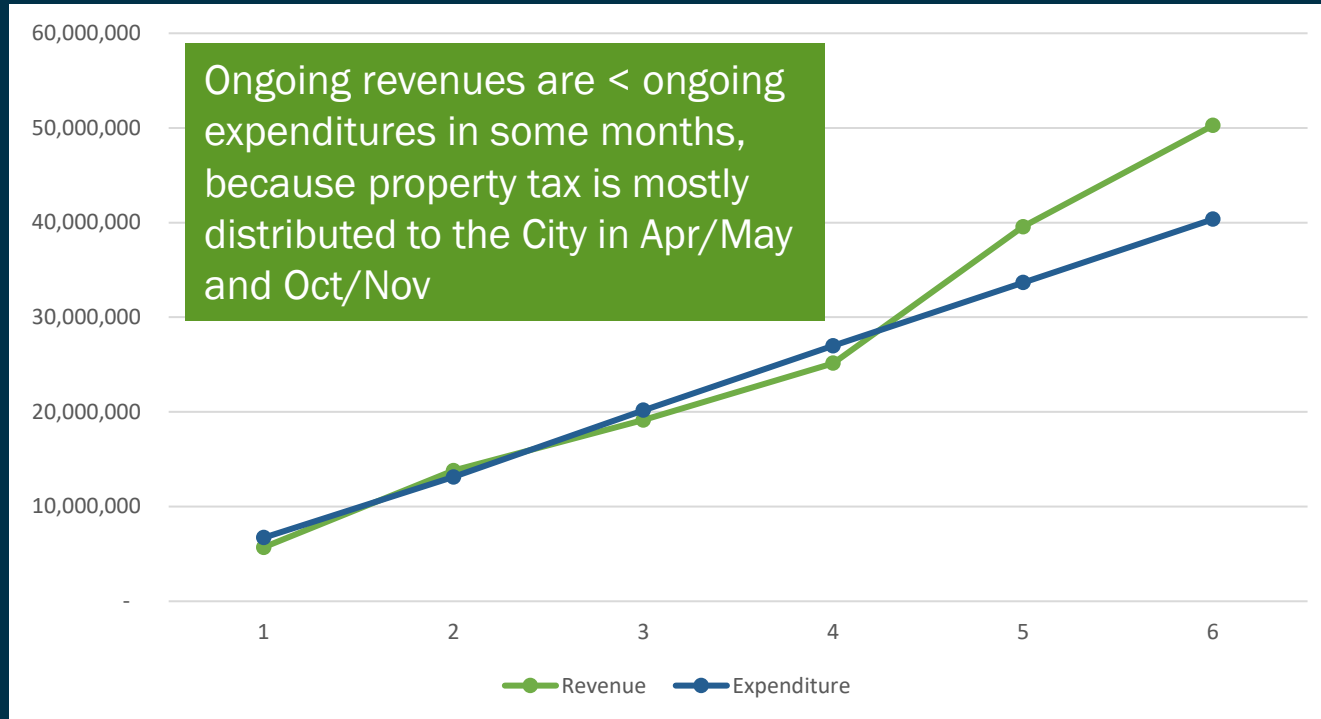
Budget to Actual Through Q2 2021



- Total expenditures = \$46.3M
- Total expenditures are 8.6% (\$4.3M) < budget target
- Primarily due to position vacancies and timing of one-time expenditures
- June 2021 CPI-W for Seattle metro area was 6.3%

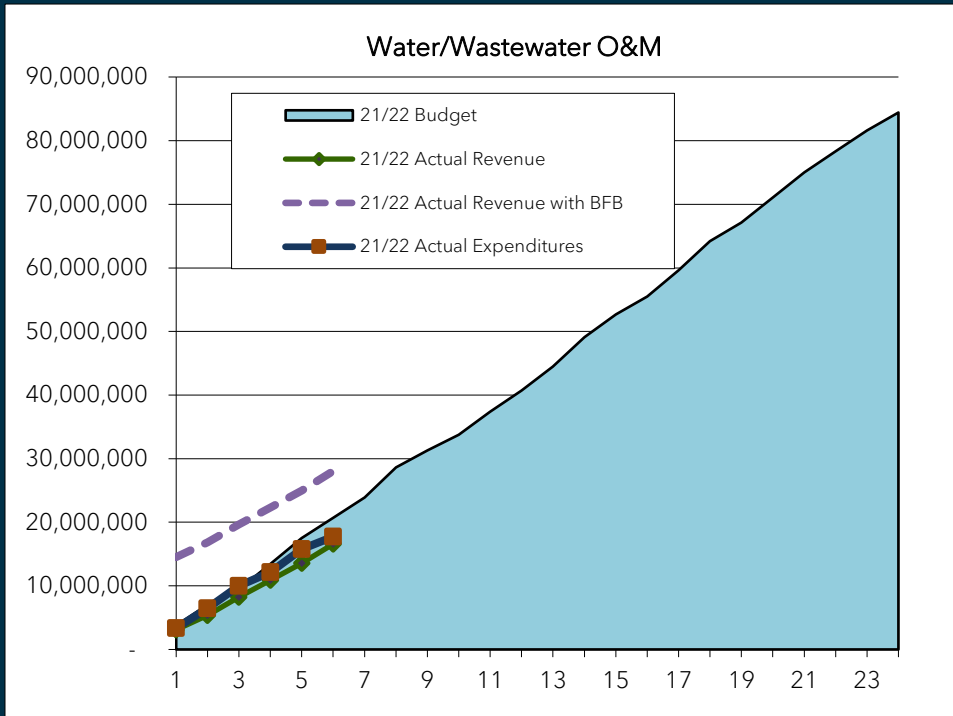
General Fund

Ongoing Revenues vs. Ongoing Expenditures



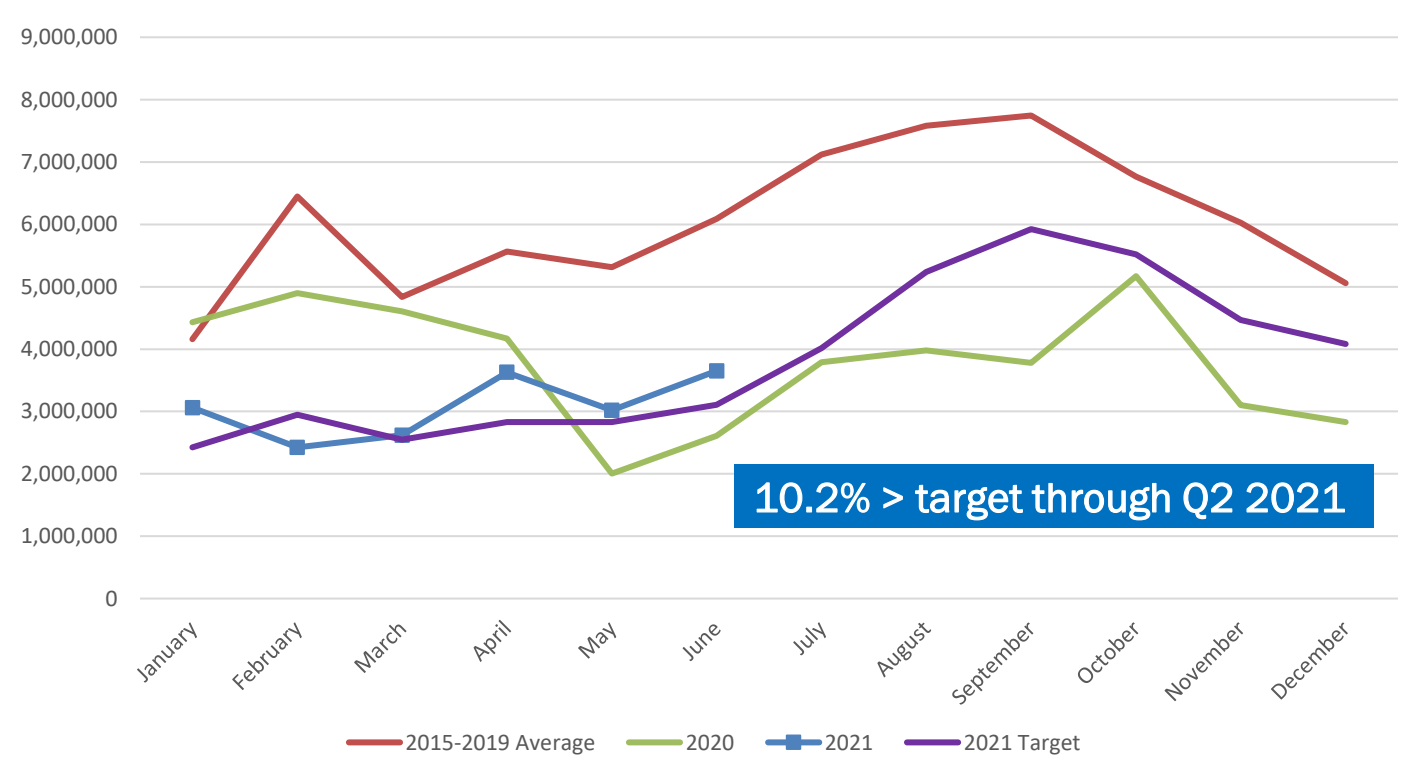
Water/Wastewater M&O Fund

Budget to Actual Through Q2 2021

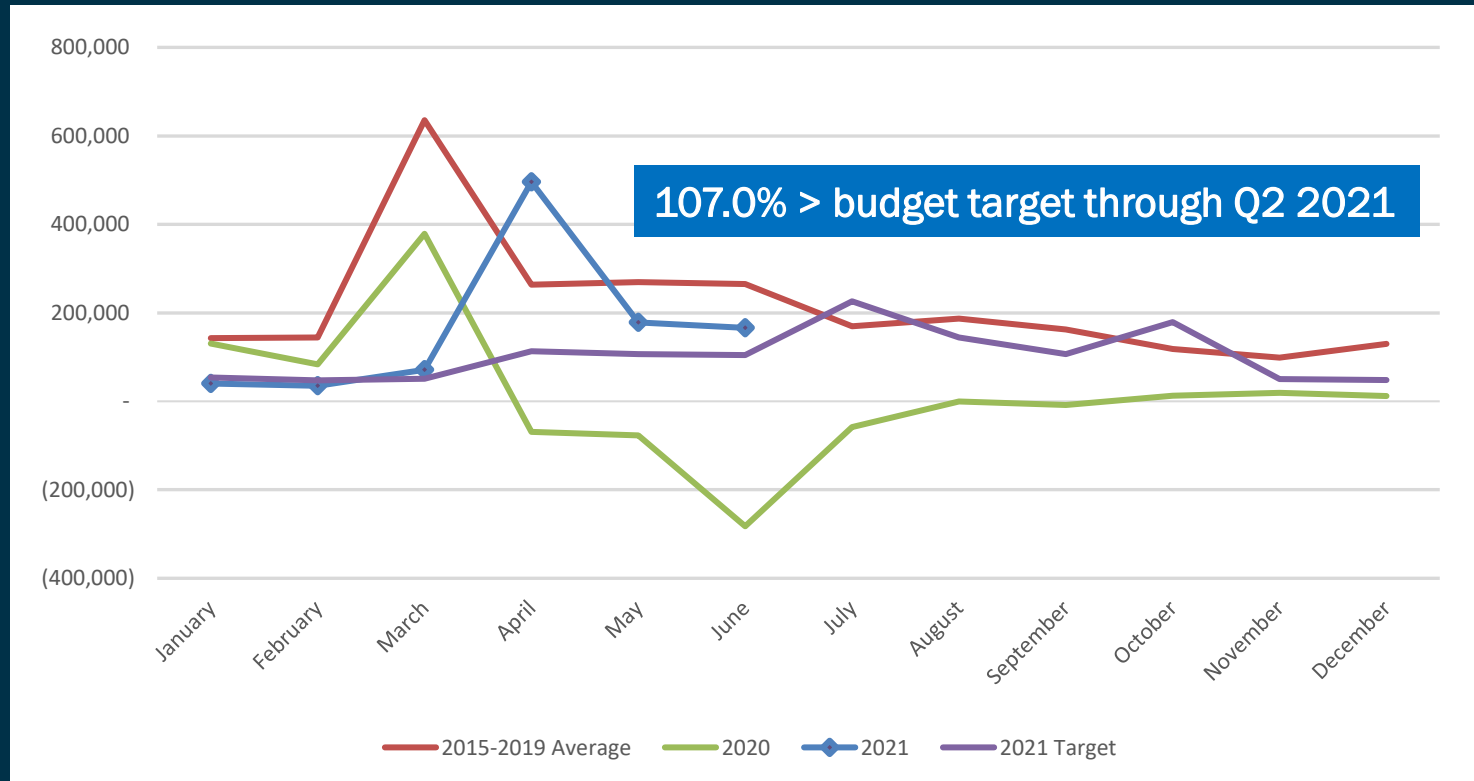


- Total revenues are 6.9% (\$1.1M) < total expenditures
- Primary drivers are:
 - Lower commercial water consumption due to pandemic
 - Higher irrigation in summer months (resulting in higher revenues in Q3 2021)
 - Large Cascade Water Alliance payment in Q1 2021
- Commercial water sales are improving, but still well below historical average

Commercial Water Consumption



Recreation Activity Fund Revenues



Capital Investment Program Funds

Fund	Budget	Expenditures	% Expended
CIP Maintenance	\$30,836,985	\$11,806,075	38.3%
General CIP	47,913,675	6,950,764	14.5%
Utility CIP	55,848,101	7,691,171	13.8%
Grand Total	\$134,598,761	\$26,448,010	19.7%

Total CIP expenditures are 19.7% of budget at 25% point of the biennium

Projects of note:

- **General CIP:** Transportation projects associated with Sound Transit and Microsoft
- **Facilities Master Plan:** Redmond Senior and Community Center rebuild and Seismic Upgrades to Fire Stations
- **Utility CIP:** Pump Station Replacements and Pressure Reducing Valves

July 27 FAC Follow-up Items

- General Fund balance and reserves update
 - Can provide as part of next quarterly financial report in Nov
 - Need clarification on what Council wants to see
- Budget forecast update
 - Will provide as part of next quarterly financial report in Nov
- Business license update
 - Will provide as part of next quarterly financial report in Nov



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