



Memorandum

Date: 2/15/2022
Meeting of: City Council

File No. AM No. 22-017
Type: Staff Report

TO: Choose an item.

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
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TITLE:

2021 Fourth Quarter Financial Report

OVERVIEW STATEMENT:

The purpose of this staff report is to review the City’s quarterly financial performance from January 1, 2021 through December 31, 2021. The key highlights were included in the December 2021 financial report, which was presented to the Finance, Administration and Communications (FAC) Committee of the Whole on February 8, 2022. Please note that these numbers are not final as the City is continuing to go through its 2021 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:

As reported at the February 8, 2021 Finance, Administration and Communications Committee of the Whole meeting, the

key financial highlights through December 31, 2021 include the following:

General Fund

- **Total revenues** are 26.2%, or \$24.7 million, above target.
- **Sales tax** is 83.4%, or \$21.4 million, above target primarily due to the high level of development activity. Ongoing sales tax is 22.3%, or \$5.3 million, above target. One-time sales tax, which primarily relates to construction, is \$17.0 million through year-end.
- **Utility taxes** are 3.3%, or \$360,000, below target.
- **License & permit fees** are 31.3%, or \$3.3 million, above target primarily due to the high level of development activity.
- **Total expenditures** are 12.3%, or \$16.9 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 7.0%, or \$86,000, above target primarily due to summer camps, winter registrations, field rentals, and donations.
- **Water/Wastewater M&O Fund:** Total revenues are 7.8%, or \$2.9 million, more than total expenditures. Commercial water consumption is 2.8% above target, but it is still significantly below the historical average prior to the pandemic.
- **Capital Investment Program:** Total expenditures are 35.8% of budget at the midpoint 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
2/8/2022	Committee of the Whole - Finance, Administration, and Communications	Receive Information

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: 2021 Fourth Quarter Financial Report Presentation