



Memorandum

Date: 8/5/2024
Meeting of: City Council

File No. AM No. 24-119
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	Financial Planning Manager
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TITLE:
Second Quarter 2024 Financial Report

OVERVIEW STATEMENT:
Review the City’s financial performance from January 2023 through June 2024.

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, 2023, through June 30, 2024, include the following:

REVENUE

- **Property Tax** is 1.3%, or \$498,000, below target.

- **Sales & Use Tax** is 11.5%, or \$6.8 million, above target primarily due to the level of development activity and retail sales. The total sales tax on construction is \$20.0 million. The total includes retail sales tax, criminal justice sales tax, and use tax.
- **Utility & Other Taxes** are 15.0%, or \$2.4 million, above target primarily due to increase electricity rates by PSE.
- **Development Permit & Fees** are 4.0%, or \$618,000, below target.
- **Business License Fees** are 18.0%, or \$1.8 million, below target primarily due to the timing of license renewals.
- **Other Revenues** are 88.0%, or \$5.7 million, above target primarily due to high Annual Percentage Yield (APY) on short term investments.

EXPENDITURES:

- Total expenditures are 2.0%, or \$4.5 million, below the target.
- Spend rate for some departments is over/below the target:
 - **Non-Departmental** is 1.0%, or \$653,000 million, over the target primarily due to the timing of operating transfers that are processed.
 - **Finance Department** is 8.0%, or \$900,000, under the target primarily due to position vacancies.
 - **Fire Department** is 2.0%, or \$896,000 million, over the target primarily in overtime driven by firefighter backfill while new recruits attend the Fire Academy.
 - **Planning Department** is 9.0%, or \$2.6 million, under the target primarily due to position vacancies and reduced spending in travel and training.
- **Capital Investment Program (CIP):** Total expenditures are 57.0% of budget at the 75.0% point of the 2023-2024 biennium.
- **Business Technology Investment Program (BTIP):** Total expenditures are 22.0% of budget at the 75.0% point of the 2023-2024 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:

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
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:

- Attachment A: Second Quarter 2024 Financial Report
- Attachment B: Second Quarter 2024 Financial Report Presentation