



City of Redmond

15670 NE 85th Street
Redmond, WA

Memorandum

Date: 5/17/2022
Meeting of: City Council

File No. AM No. 22-079
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:
First 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 March 31, 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 March 31, 2022 include the following:

General Fund

- **Total revenues** are 23.8%, or \$27.6 million, above target.
- **Property tax** is 1.4%, or \$326,000, below target due to the timing of the first half property tax payment to King County, which is due April 30, 2022.
- **Sales & use taxes** are 83.5%, or \$26.9 million, above target primarily due to the high level of development activity. This includes retail sales tax, criminal justice sales tax, and use taxes. Ongoing retail sales tax is 23.5%, or \$6.9 million, above target. One-time retail sales tax, which primarily relates to construction, is \$21.5 million through March 31, 2022.
- **Utility taxes** are 3.3%, or \$450,000, above target primarily due to an electric utility tax spike.
- **License & permit fees** are 19.6%, or \$3.0 million, above target primarily due to the high level of development activity.
- **Intergovernmental revenues** are 4.3%, or \$893,000, below target due to the timing of King County EMS payments to the City. The fourth quarter 2021 payment was received in the first quarter of 2022, but it was accrued back to 2021.
- **Total expenditures** are 10.5%, or \$17.0 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 that impact 2022 and beyond.

Other Funds

- **Recreation Activity Fund:** Total revenues are 12.7%, or \$173,000, above target primarily due to program registrations, with indoor programs starting in 2022, field rentals, and donations.
- **Water/Wastewater M&O Fund:** Total revenues are 5.1%, or \$2.4 million, more than total expenditures. Commercial water consumption is 1.9% below target.
- **Capital Investment Program:** Total expenditures are 40.5% of budget at the 62.5% 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:

First Quarter 2022 Financial Report Presentation