



MEMO TO: Finance, Administration, and Communications Committee of the Whole

FROM: Malisa Files, Finance Director

DATE: November 27, 2018

SUBJECT: **October Monthly Financial Report**

I. PURPOSE ☒ For Information Only Potential Agenda Item ☐

II. RECOMMENDATION

Discussion of the Monthly Financial Report through October 2018.

III. DEPARTMENT CONTACTS

Malisa Files, Finance Director 425-556-2166

IV. DESCRIPTION/BACKGROUND

As of the end of October 2018, the City's financial outlook remains stable. Revenues are above targets by approximately 6%, while expenditures remain below projections by about 4%. The revenue and expenditure trends have held throughout much of the biennium due to economic conditions, such as:

- Sales tax remains strong at 11% above projections because of the one-time sales tax on construction the City continues to collect from development occurring within City limits.
- Property tax remains stable with the second half of property tax collections scheduled to be receipted in November.
- Growth in licenses and permits and the charges for service category are also being driven by increased development activity. Both are above projections by 22% and 8%, respectively.

On the expenditure side, all departments are under budget.

The Fire Levy Fund and the General Government Major Maintenance Fund are both running with negative cash. Due to the timing of property tax receipts, the Fire Levy Fund is over spent. However, the situation will be mitigated by revenue receipts in November. The General Government Major Maintenance Fund is over budget due to the \$10 million purchase of the Esterra Park property. A budget adjustment will go to Council on December 4, 2018 to recognize additional revenue into the Fund.

Capital expenditures are running 68% of budget. This number should increase once all pay estimates are processed for work completed during the summer construction season.

TIME CONSTRAINTS

None

V. LIST OF ATTACHMENTS

Attachment A: October 2018 Financial Report