



Memorandum

Date: 4/6/2021
Meeting of: City Council

File No. AM No. 21-051
Type: Staff Report

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

| | | |
|---------|----------------|--------------|
| Finance | Kelley Cochran | 425-556-2748 |
|---------|----------------|--------------|

TITLE:
2020 Fourth Quarter Financial Report

OVERVIEW STATEMENT:

Each month the Redmond City Council's Finance, Administration and Communications (FAC) Committee reviews the City's monthly financial report. At the end of each calendar quarter the full City Council reviews the highlights from that quarter's financial statements. The purpose of this staff report is to review the quarterly financial performance from January 1, 2019 through December 31, 2020.

In addition, the preparation of the City's 2020 annual financial statements has begun and are due to the Washington State Auditor's Office (SAO) on May 1, 2021. After which the SAO will begin their audit and the Finance Department will bring forward and budget adjustment to Council to recognize the calculated beginning fund balances.

☒ **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 January Finance, Administration and Communications Committee of the Whole meeting, some

financial highlights at the end of December include:

General Fund

- Revenue collections are over targets by approximately 8.5% or \$16.5 million.
- One-time sales tax on construction continues to be the revenue driver. Sales tax has exceeded targets by approximately 33.6% or \$20 million.
- Property taxes are on target for the year.
- Utility taxes are below budgeted projections by approximately \$4.4 million, consistent with past months, due to the purchase of wholesale electricity by a large customer and the vacancy of commercial buildings because of pandemic.
- Miscellaneous revenue is showing increased collections due to the sale of investments.
- Expenditures are below budget by approximately 7% or \$16 million due to the curtailment of non-critical expenditures and the hiring freeze.

Other Funds

- The Recreation Activity Fund has been drawn down to zero due to the lack of allowed recreational activity.
- The utility funds remain on target.
- Expenditures in the CIP remain low at 52%.

COVID Expenses

- As of December 2020, direct COVID expenses totaled \$602,282. A total of 75% of these costs will be reimbursable by FEMA.

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 |
|---------|--|---------------------|
| Monthly | 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 - 2020 Fourth Quarterly Monthly Financial Report Presentation