

AGENDA

**DES MOINES CITY COUNCIL
REGULAR MEETING
City Council Chambers
21630 11th Avenue S, Des Moines, Washington
Thursday, January 4, 2024 - 6:00 PM**

City Council meeting can be viewed live on the City's website, Comcast Channel 21/321 or on the City's [YouTube](#) channel.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

SWEARING IN OF COUNCILMEMBERS

SELECTION OF MAYOR

SELECTION OF DEPUTY MAYOR

CORRESPONDENCE NOT PREVIOUSLY RECEIVED BY COUNCIL

COMMENTS FROM THE PUBLIC

CITY MANAGER REPORT/PRESENTATIONS/BRIEFINGS

- Item 1. THIRD QUARTER FINANCE REPORT
[2023 3rd Quarter Financial Report](#)

NEW BUSINESS

- Item 1. NEW AGENDA ITEMS FOR CONSIDERATION – 10 Minutes

COUNCILMEMBER REPORTS

(4 minutes per Councilmember) - 30 minutes

PRESIDING OFFICER'S REPORT

EXECUTIVE SESSION

NEXT MEETING DATE

January 11, 2024 City Council Regular Meeting

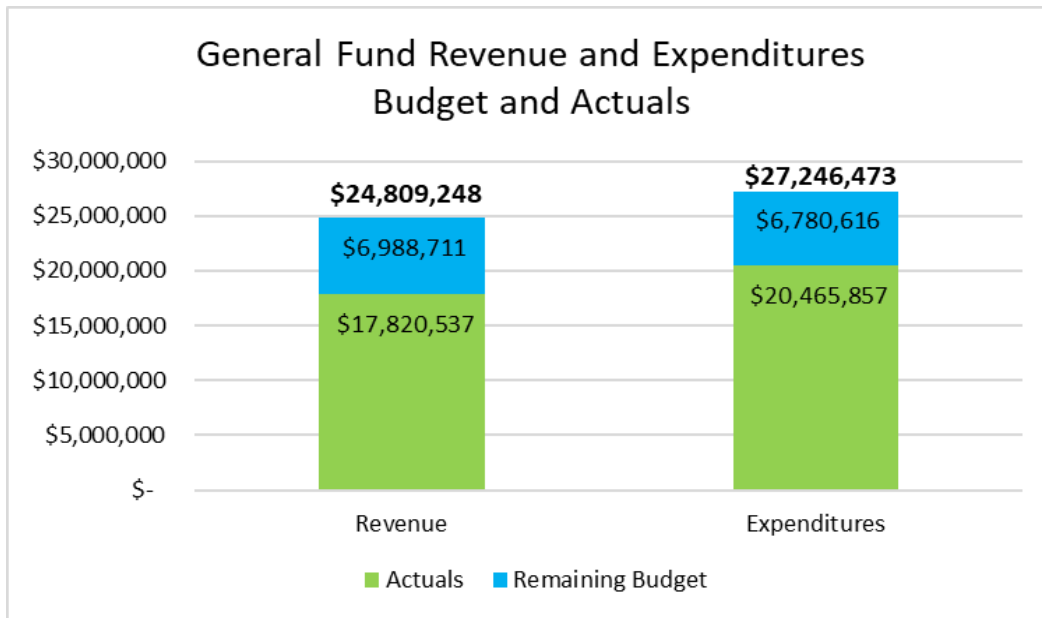
ADJOURNMENT

2023 3RD QUARTER FINANCIAL REPORT

This report provides an overview of the City's overall financial position for the third quarter of 2023, reflecting financial data available November 21, 2023.

GENERAL FUND

Through the third quarter of 2023, the General Fund received \$17,820,537 of revenue which represents 71.8% of budgeted revenue for the year. The general fund also incurred \$20,465,857 of expenditures representing 75.1% of the annual 2023 expenditure budget.

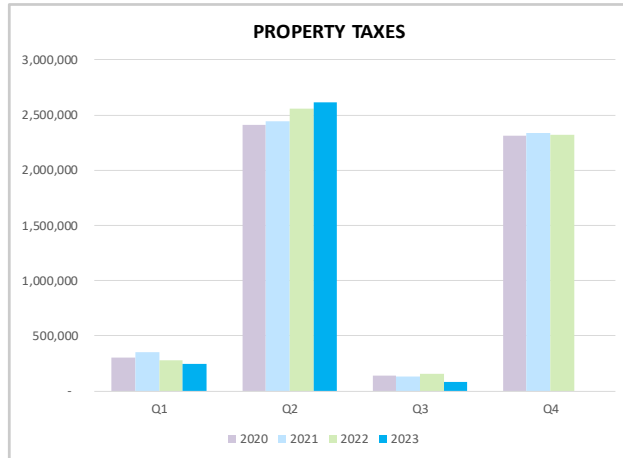


2023 3RD QUARTER FINANCIAL REPORT

Revenue

Property Tax collected through the third quarter was \$2,945,918 which was a \$48,859 (1.6%) decrease from the same period in the prior year. Property tax levies by the City are based on the assessed value of the City which has steadily increased over the past few years. Property taxes are primarily collected in April and October.

PROPERTY TAXES				
	2020	2021	2022	2023
Jan	7,893	15,727	41,595	11,454
Feb	49,315	42,269	8,972	33,302
Mar	244,488	292,081	226,701	204,610
Apr	1,776,167	1,427,756	1,374,884	1,967,536
May	388,009	956,647	1,133,679	618,824
Jun	245,697	56,028	49,571	25,329
Jul	53,783	19,615	6,852	15,166
Aug	11,412	29,051	39,674	21,490
Sep	76,970	84,841	112,850	48,208
Oct	1,841,432	1,815,634	1,592,366	
Nov	443,996	502,576	702,505	
Dec	27,193	19,660	26,685	
Totals	5,166,355	5,261,886	5,316,334	2,945,918
	2020	2021	2022	2023
Q1	301,696	350,077	277,268	249,366
Q2	2,409,872	2,440,432	2,558,134	2,611,689
Q3	142,165	133,507	159,376	84,864
Q4	2,312,621	2,337,870	2,321,557	-
Totals	5,166,355	5,261,886	5,316,334	2,945,918

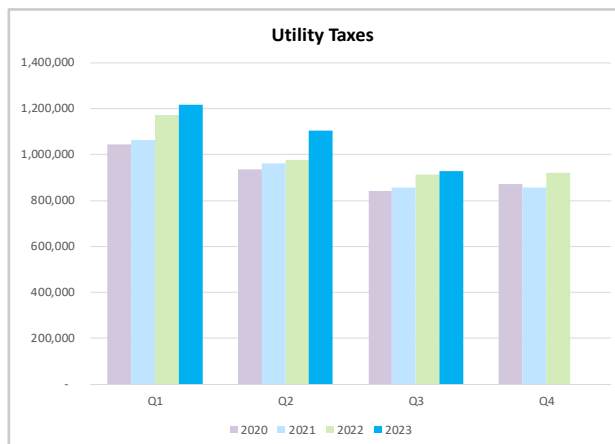


2023 Budget and YTD % collected: 5,522,043 53.3%

2023 YTD to 2022 YTD variance: (48,859) -1.6%

Utility Taxes collected through the third quarter of 2023 were \$3,250,257 which is an \$187,548 (6.1%) increase from the same period in the prior year. The City collects utility tax on the usage of electricity, natural gas, solid waste disposal, cable TV, telephone, and surface water. The City continues to see an increase in utility tax collections over past years.

UTILITY TAXES				
	2020	2021	2022	2023
Jan	317,812	356,912	415,812	408,403
Feb	361,372	333,424	381,052	392,084
Mar	365,521	372,379	373,550	417,758
Apr	339,749	350,317	342,928	396,489
May	318,816	321,555	372,039	392,783
Jun	276,056	289,060	262,819	314,936
Jul	287,198	284,693	334,278	302,561
Aug	279,933	161,581	292,009	318,246
Sep	274,822	409,898	288,223	306,996
Oct	276,644	277,060	343,898	
Nov	228,718	288,366	330,062	
Dec	364,761	289,923	245,224	
Totals	3,691,401	3,735,164	3,981,894	3,250,257
	2020	2021	2022	2023
Q1	1,044,704	1,062,714	1,170,414	1,218,246
Q2	934,621	960,931	977,786	1,104,208
Q3	841,953	856,171	914,509	927,803
Q4	870,123	855,348	919,184	-
Totals	3,691,401	3,735,164	3,981,894	3,250,257



2023 Budget and YTD % collected: 4,550,105 71.4%

2023 YTD to 2022 YTD variance: 187,548 6.1%

2023 3RD QUARTER FINANCIAL REPORT

The table below demonstrates actual revenues compared to prior year collections by the different utility categories:

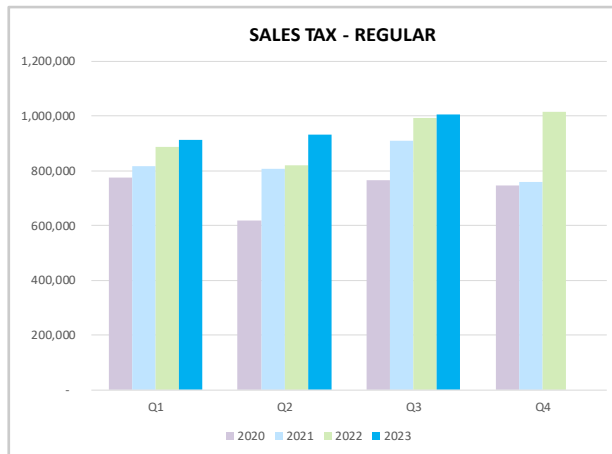
Utility Tax Type	2022 Q3 Total	2023 Q3 Total	Change from 2022	
			Amount	Percent
Electricity	\$ 1,048,257	\$ 1,144,103	\$ 95,846	9.1%
Natural Gas	373,861	439,322	65,461	17.5%
Solid Waste	389,622	411,777	22,154	5.7%
Cable TV	656,021	628,301	(27,720)	-4.2%
Telephone	187,835	175,836	(12,000)	-6.4%
SWM*	407,113	450,919	43,805	10.8%
YE Total	\$3,062,709	\$3,250,257	\$ 187,548	6.1%

*Surface Water Management (SWM) billings include a 15% utility tax. The 15% tax is collected by the Surface Water Management Fund then paid to the General Fund and the Street Fund. The General Fund receives 87% of the SWM utility tax with the Street Fund receiving 13%.

Sales and Use Tax (Regular) collection increased \$148,741 (5.5%) over the same period in the prior year. Through the third quarter, the City collected \$2,849,792 in sales tax which represented 75.2% of budgeted expectations.

SALES TAX - REGULAR				
	2020	2021	2022	2023
Jan	265,951	279,627	307,248	324,361
Feb	267,496	300,346	318,149	348,280
Mar	243,442	238,440	261,291	239,565
Apr	212,562	234,236	250,089	325,182
May	215,822	287,523	309,451	354,939
Jun	191,318	285,449	261,903	250,560
Jul	260,777	308,345	334,498	386,221
Aug	258,143	312,079	314,775	390,611
Sep	247,601	288,774	343,648	230,071
Oct	251,749	312,723	400,408	
Nov	260,740	322,999	362,060	
Dec	232,429	124,590	254,194	
Totals	2,908,029	3,295,131	3,717,713	2,849,792

	2020	2021	2022	2023
Q1	776,888	818,413	886,688	912,207
Q2	619,702	807,207	821,443	930,681
Q3	766,521	909,198	992,921	1,006,904
Q4	744,918	760,312	1,016,662	-
Totals	2,908,029	3,295,131	3,717,713	2,849,792



2023 Budget and YTD % collected: 3,790,875 75.2%

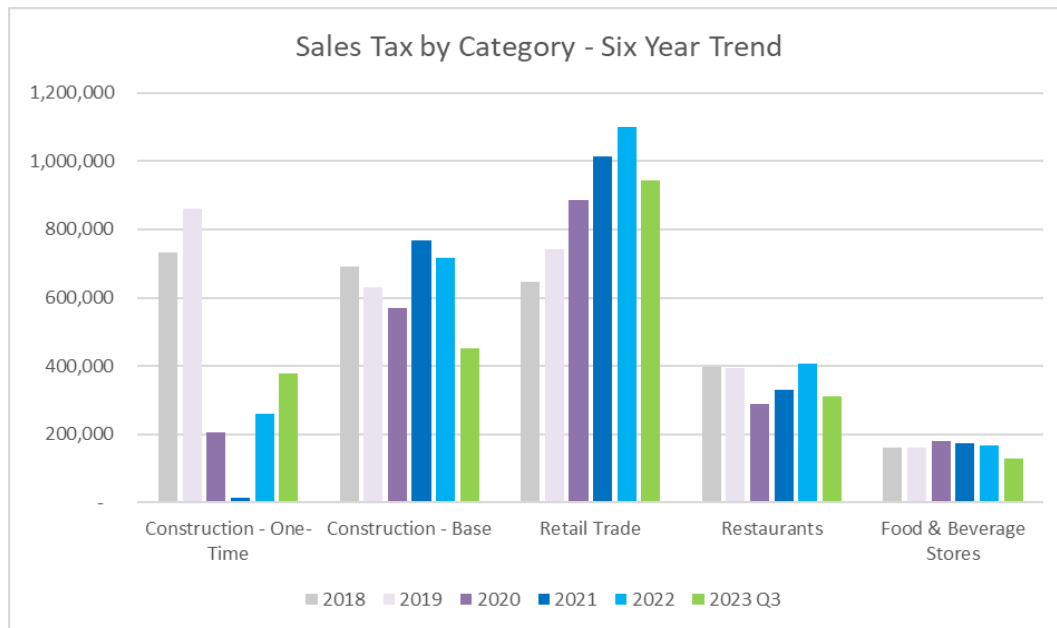
2023 YTD to 2022 YTD variance: 148,741 5.5%

2023 3RD QUARTER FINANCIAL REPORT

The following table breaks out the City's retail sales and use taxes by major business sector (the table includes both "regular" and "one-time" sales and use tax):

Component Group	Q3 Totals		Change from 2022	
	2022	2023	Amount	Percent
Retail Trade	\$ 939,715	\$ 1,072,720	\$ 133,005	14.2%
Services	847,625	876,183	28,558	3.4%
Construction	654,026	827,379	173,354	26.5%
Wholesale Trade	151,847	163,187	11,340	7.5%
Miscellaneous	112,231	99,579	(12,652)	-11.3%
Automotive	82,024	78,094	(3,929)	-4.8%
Manufacturing	34,176	38,683	4,507	13.2%
Transportation & Warehousing	18,243	25,895	7,652	41.9%
YE Total	\$ 2,839,888	\$ 3,181,722	\$ 341,834	12.0%

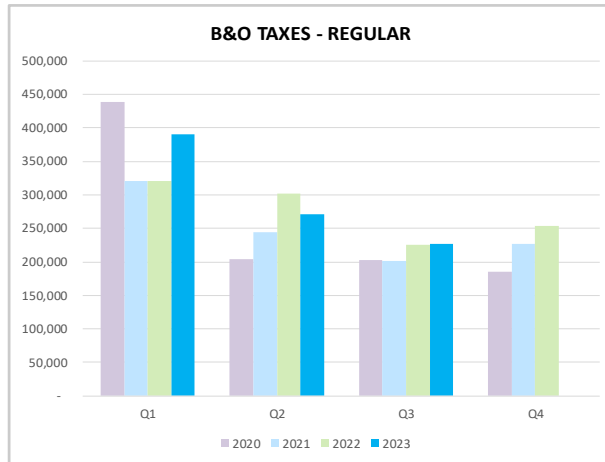
Below is a chart with the six-year trend of notable categories. Note that 2023 only represents data through September 30th.



2023 3RD QUARTER FINANCIAL REPORT

The City received \$889,166 in **Business and Occupation Tax** through the third quarter of 2023. This amount was a \$41,200 (4.9%) increase over the prior year.

B&O TAXES - REGULAR				
	2020	2021	2022	2023
Jan	181,573	66,546	109,430	242,752
Feb	287,559	245,260	191,636	152,492
Mar	(30,676)	8,303	19,159	(4,549)
Apr	58,498	132,192	198,624	170,070
May	151,649	104,127	109,204	103,965
Jun	(6,004)	8,121	(5,444)	(3,069)
Jul	86,791	74,594	92,251	178,738
Aug	109,513	125,512	83,386	79,454
Sep	6,202	878	49,720	(30,687)
Oct	67,009	67,391	163,660	
Nov	119,457	155,885	109,623	
Dec	(874)	4,159	(19,099)	
Totals	1,030,698	992,966	1,102,150	889,166
	2020	2021	2022	2023
Q1	438,456	320,109	320,226	390,695
Q2	204,144	244,440	302,384	270,967
Q3	202,506	200,983	225,357	227,505
Q4	185,592	227,435	254,183	-
Totals	1,030,698	992,966	1,102,150	889,166

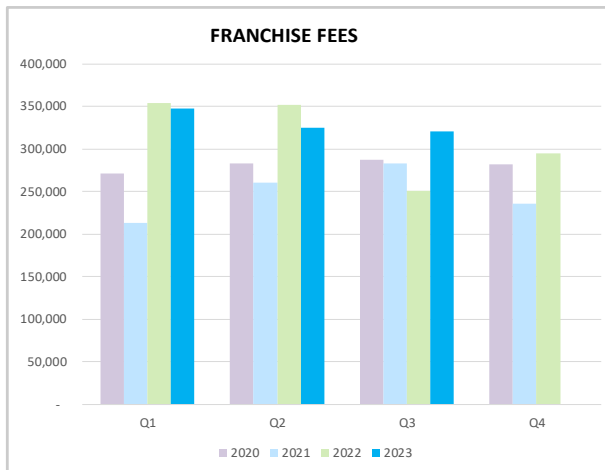


2023 Budget and YTD % collected: 1,251,050 71.1%

2023 YTD to 2022 YTD variance: 41,200 4.9%

Franchise Fees help the City recoup the cost of allowing a utility to use its public space. Through the third quarter of 2023, the City collected \$993,015 in franchise fees which was \$35,728 (3.7%) more than the same period in the prior year.

FRANCHISE FEES				
	2020	2021	2022	2023
Jan	112,153	119,037	245,777	173,449
Feb	86,857	86,631	70,914	123,221
Mar	72,149	7,587	37,062	50,955
Apr	117,654	115,318	256,013	181,577
May	92,344	55,721	96,150	-
Jun	72,643	89,430	-	143,224
Jul	117,875	168,994	159,775	178,140
Aug	94,716	72,647	59,357	84,701
Sep	74,400	41,418	32,238	57,748
Oct	114,376	177,795	179,959	
Nov	37,178	57,945	75,358	
Dec	130,998	-	40,035	
Totals	1,123,342	992,524	1,252,638	993,015
	2020	2021	2022	2023
Q1	271,158	213,255	353,753	347,625
Q2	282,641	260,469	352,163	324,801
Q3	286,991	283,060	251,371	320,589
Q4	282,552	235,740	295,352	-
Totals	1,123,342	992,524	1,252,638	993,015



2023 Budget and YTD % collected: 1,130,000 87.9%

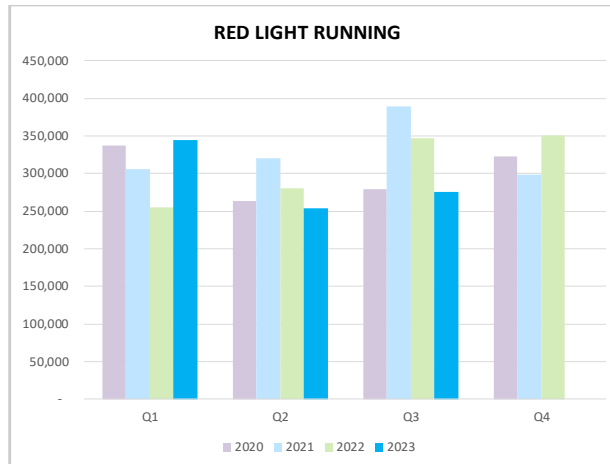
2023 YTD to 2022 YTD variance: 35,728 3.7%

2023 3RD QUARTER FINANCIAL REPORT

Red Light Running Infractions is revenue received from fines generated by the red light camera ticketing system installed at select intersections in the City. Through the third quarter of 2023, the City collected \$874,676 in red light running fee revenue which was \$6,983 (0.8%) less than the same period in the prior year.

RED LIGHT RUNNING				
	2020	2021	2022	2023
Jan	117,300	111,284	85,665	150,079
Feb	105,681	85,275	77,910	99,253
Mar	114,283	109,113	91,168	95,658
Apr	99,100	101,518	81,893	73,351
May	78,670	97,293	96,361	84,756
Jun	85,511	121,298	102,210	95,734
Jul	93,361	81,076	96,754	90,018
Aug	92,523	154,085	142,340	103,026
Sep	93,035	154,312	107,359	82,801
Oct	123,470	121,645	101,010	
Nov	104,826	99,958	97,034	
Dec	94,946	76,358	152,214	
Totals	1,202,707	1,313,215	1,231,918	874,676

	2020	2021	2022	2023
Q1	337,263	305,673	254,743	344,990
Q2	263,282	320,109	280,464	253,841
Q3	278,919	389,473	346,453	275,845
Q4	323,243	297,961	350,259	-
Totals	1,202,707	1,313,215	1,231,918	874,676



2023 Budget and YTD % collected: 1,200,000 72.9%

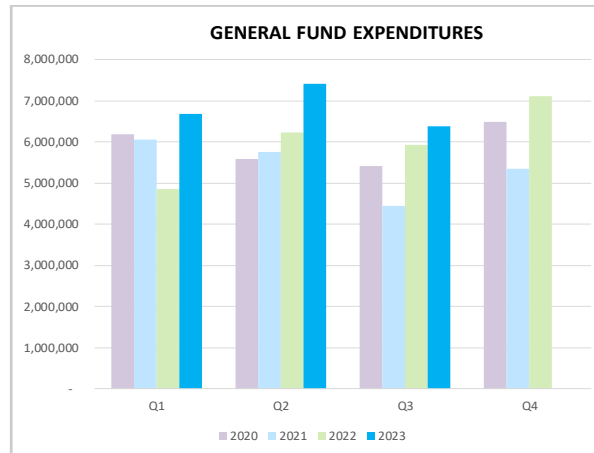
2023 YTD to 2022 YTD variance: (6,983) -0.8%

Expenditures

General Fund expenditures were \$20,465,857 which was \$3,422,902 (20.1%) more than the same period in the prior year.

GENERAL FUND EXPENDITURES				
	2020	2021	2022	2023
Jan	2,525,301	2,144,873	1,732,897	1,665,644
Feb	1,852,855	1,521,148	1,507,316	1,916,153
Mar	1,819,238	2,389,548	1,625,800	3,095,213
Apr	1,750,911	1,617,624	2,492,685	2,659,612
May	1,862,348	1,921,701	1,852,949	1,539,854
Jun	1,973,698	2,225,871	1,894,233	3,215,978
Jul	1,968,490	559,043	1,710,505	2,077,948
Aug	1,625,045	1,699,309	1,832,064	2,018,241
Sep	1,820,620	2,186,707	2,394,505	2,277,215
Oct	2,354,881	1,865,683	1,317,298	
Nov	2,025,944	1,560,582	2,118,374	
Dec	2,110,204	1,917,077	3,670,925	
Totals	23,689,536	21,609,165	24,149,551	20,465,857

	2020	2021	2022	2023
Q1	6,197,395	6,055,568	4,866,013	6,677,010
Q2	5,586,957	5,765,197	6,239,867	7,415,443
Q3	5,414,155	4,445,058	5,937,074	6,373,404
Q4	6,491,029	5,343,342	7,106,596	-
Totals	23,689,536	21,609,165	24,149,551	20,465,857



2023 Budget and YTD % collected: 27,246,473 75.1%

2023 YTD to 2022 YTD variance: 3,422,902 20.1%

2023 3RD QUARTER FINANCIAL REPORT

General Fund Summary of Uses Year to Date through September	2022	2023	2023		2023 vs. 2022		2023 vs. Budget	
	YTD Actual	Annual Budget	YTD Budget	YTD Actual	\$	%	\$	%
	Personnel	\$ 11,543,220	\$ 17,990,069	\$ 13,492,552	\$ 13,510,030	\$ 1,966,811	17.0%	\$ 17,479
Supplies	569,717	854,803	641,102	645,354	75,636	13.3%	4,251	0.7%
Services	4,466,131	6,312,648	4,734,486	4,643,922	177,791	4.0%	(90,564)	-1.9%
Internal Services	456,654	1,565,053	1,173,790	1,270,719	814,065	178.3%	96,930	8.3%
Capital	7,233	35,000	26,250	169,432	162,199	2242.5%	143,182	545.5%
Transfers Out	-	488,900	366,675	226,400	226,400	0.0%	(140,275)	-38.3%
Total Expenditures	\$17,042,955	\$ 27,246,473	\$20,434,855	\$20,465,857	\$3,422,902	20.1%	\$31,002	0.2%

Personnel: Personnel costs represent expenditure of funds for salary and benefits expenses. Through the third quarter, personnel costs were \$1,966,811(17%) higher than at the same point in the prior period. The increase is due to a combination of factors including a retroactive payment to Police Guild members for salary and benefits for 2022 (\$645K). The new Police Guild contract also established a new pay structure for Guild members. Salary and Benefits also increased due to Cost of Living Adjustments for 2023 (4% increases for Teamsters and Police Guild Members and an 8% increase for non-represented employees).

Internal Services: Internal services represents funds paid by General Fund departments to Internal Service Funds such as Computer Replacement (Fund 511), Facility Repair and Replacement (Fund 506), Equipment Rental Maintenance (Fund 500), Equipment Rental Replacement (Fund 501), and Self-Insurance (Fund 520). The increase from the previous year is due to transactions being recorded on a quarterly basis in 2023 whereas they had not been recorded until the end of the fiscal year in 2022.

Capital: Capital expenditures in the General Fund for 2023 consist primarily of the remodel of the Municipal Court area of City Hall including the court/council chambers which was funded by grant funds from the state and funds from the American Rescue Plan Act.

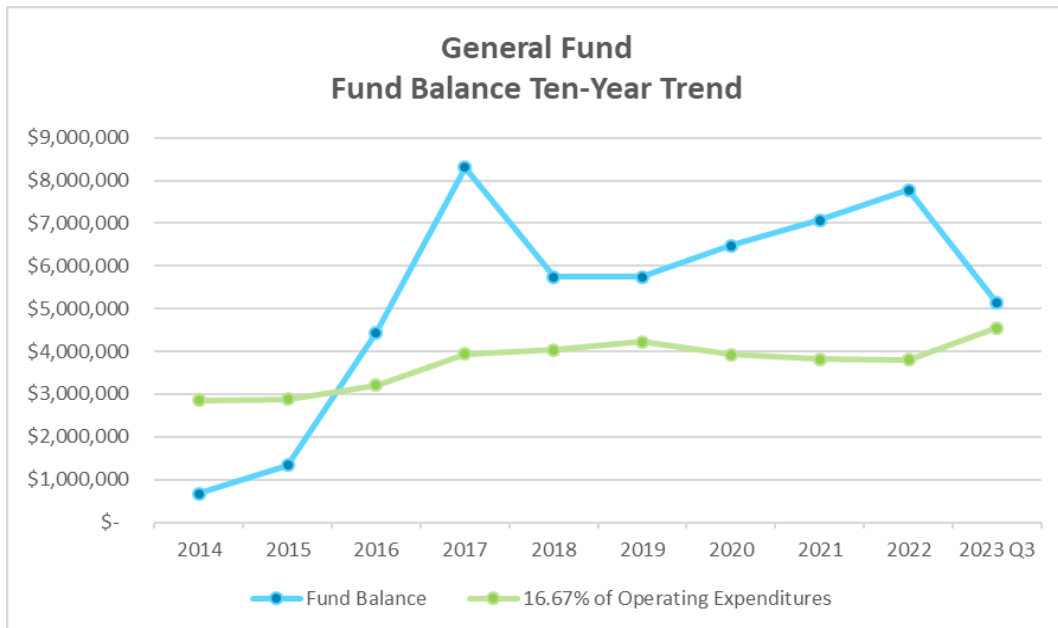
Transfers Out: The transfer out of the General Fund is for the 2018 LTGO bonds debt service payment which is made out of the Debt Service Fund.

2023 3RD QUARTER FINANCIAL REPORT

Fund Balance

At the end of the third quarter of 2023, the General Fund's Fund Balance was \$5,133,620; a decrease of \$2,645,320 (34.0%) from the end of 2022 (\$7,778,940). The City is required by code to maintain a fund balance that is equal to or greater than 16.67% of its annual operating expenditures. At September 30th, the General Fund's Fund Balance was 18.8% of annual operating expenditures. It should be noted that the collection of property tax influences the level of fund balance on a quarterly basis. Property tax is collected in the second and fourth quarters of each year resulting in increased fund balance in those quarters and decreased fund balance in the first and third quarters.

Below is the ten-year history of the General Fund's Unrestricted Fund Balance:



2023 3RD QUARTER FINANCIAL REPORT

General Fund Details *(does not include amendments to 2023 adopted annual budget)*

General Fund Summary of Sources and Uses	2023			2023 YTD Budget vs Actual		2023
	Original Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenues						
Property Tax	\$ 5,522,043	\$ 4,141,532	\$ 2,945,918	\$ (1,195,614)	-29%	\$ 2,576,125
Utility Tax	4,550,105	3,412,579	3,250,257	(162,322)	-5%	1,299,848
Sales Tax - Regular	3,790,875	2,843,156	2,849,792	6,636	0%	941,083
Sales Tax - One Time	175,000	131,250	377,196	245,946	187%	(202,196)
B+O Tax - Regular	1,251,050	938,288	889,166	(49,121)	-5%	361,884
B+O Tax - One Time	87,500	65,625	80,838	15,213	23%	6,662
Franchise Fees	1,130,000	847,500	993,015	145,515	17%	136,985
Criminal Justice Tax	1,187,500	890,625	906,619	15,994	2%	280,881
Gambling Tax	50,000	37,500	19,560	(17,940)	-48%	30,440
Leasehold Tax	239,000	179,250	149,938	(29,312)	-16%	89,062
Taxes Subtotal	\$ 17,983,073	\$ 13,487,305	\$ 12,462,300	\$ (1,025,005)	-8%	\$ 5,520,773
Business Licenses and Permits	231,000	173,250	184,481	11,231	6%	46,519
Other Licenses and Permits	12,000	9,000	12,535	3,535	39%	(535)
Intergovernmental (Grants, etc.)	1,016,020	762,015	949,942	187,927	25%	66,078
Charges for Services:						
General Government Services	263,000	197,250	176,939	(20,311)	-10%	86,061
Court	94,624	70,968	73,471	2,503	4%	21,153
Public Safety	80,900	60,675	85,145	24,470	40%	(4,245)
Culture and Recreation	718,900	539,175	310,733	(228,442)	-42%	408,167
Red Light Running Infractions	1,200,000	900,000	874,676	(25,324)	-3%	325,324
Other fees and penalties	157,850	118,388	71,769	(46,619)	-39%	86,081
Fees/Charges/Fines Subtotal	\$ 3,774,294	\$ 2,830,721	\$ 2,739,691	\$ (91,030)	-3%	\$ 1,034,603
Interest Income	40,000	30,000	84,101	54,101	180%	(44,101)
Rentals and Leases	344,869	258,652	304,656	46,004	18%	40,213
Contributions and Donations	10,600	7,950	13,644	5,694	72%	(3,044)
Miscellaneous	25,925	19,444	62,191	42,748	220%	(36,266)
Interfund Charges	1,571,728	1,178,796	1,048,861	(129,935)	-11%	522,867
Transfers In						
Fund 114 (ARPA Fund)	1,058,759	794,069	1,105,093	311,024	39%	(46,334)
Other Revenues Subtotal	\$ 3,051,881	\$ 2,288,911	\$ 2,618,546	\$ 329,636	14%	\$ 433,335
Total Operating Revenues	\$ 24,809,248	\$ 18,606,936	\$ 17,820,537	\$ (786,399)	-4%	\$ 6,988,711

2023 3RD QUARTER FINANCIAL REPORT

General Fund Summary of Sources and Uses	2023			2023 YTD Budget vs Actual		2023
	Original Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Expenditures						
City Council	\$ 96,129	\$ 72,097	\$ 71,028	(1,069)	-1%	25,101
City Manager/Administration	1,627,728	1,220,796	1,529,708	308,912	25%	98,020
City Clerk	718,782	539,087	617,188	78,102	14%	101,594
Human Resources	542,420	406,815	365,023	(41,792)	-10%	177,397
Finance	1,425,025	1,068,769	1,057,474	(11,295)	-1%	367,551
Technology Services	1,322,951	992,213	919,270	(72,943)	-7%	403,681
City Attorney	881,428	661,071	607,481	(53,590)	-8%	273,947
Municipal Court	1,735,114	1,301,336	1,310,568	9,233	1%	424,546
Public Safety - Business Office	1,244,972	933,729	915,955	(17,774)	-2%	329,017
Police	11,393,049	8,544,787	9,235,680	690,893	8%	2,157,369
Social Services	486,416	364,812	316,898	(47,914)	-13%	169,518
Parks, Recreation, and Senior Services	5,283,559	3,962,669	3,293,182	(669,487)	-17%	1,990,377
Transfers Out						
Fund 208 (2018 LTGO Bonds)	226,400	169,800	226,400	56,600	33%	-
Fund 309 (One-Time Sales Tax)	262,500	196,875	-	(196,875)	-100%	262,500
Total Operating Expenditures	\$ 27,246,473	\$ 20,434,855	\$ 20,465,857	\$ 31,002	0%	\$ 6,780,616
Total Operating Income (Loss)	\$ (2,437,225)	\$ (1,827,919)	\$ (2,645,320)	\$ (817,401)		

** September is month 9 of 12 = 75%

BEGINNING FUND BALANCE	7,778,940	
ENDING FUND BALANCE	5,133,620	18.8%
 16.67% Minimum Ending Fund Balance	 4,541,987	

2023 3RD QUARTER FINANCIAL REPORT

Cash Deposits and Investments

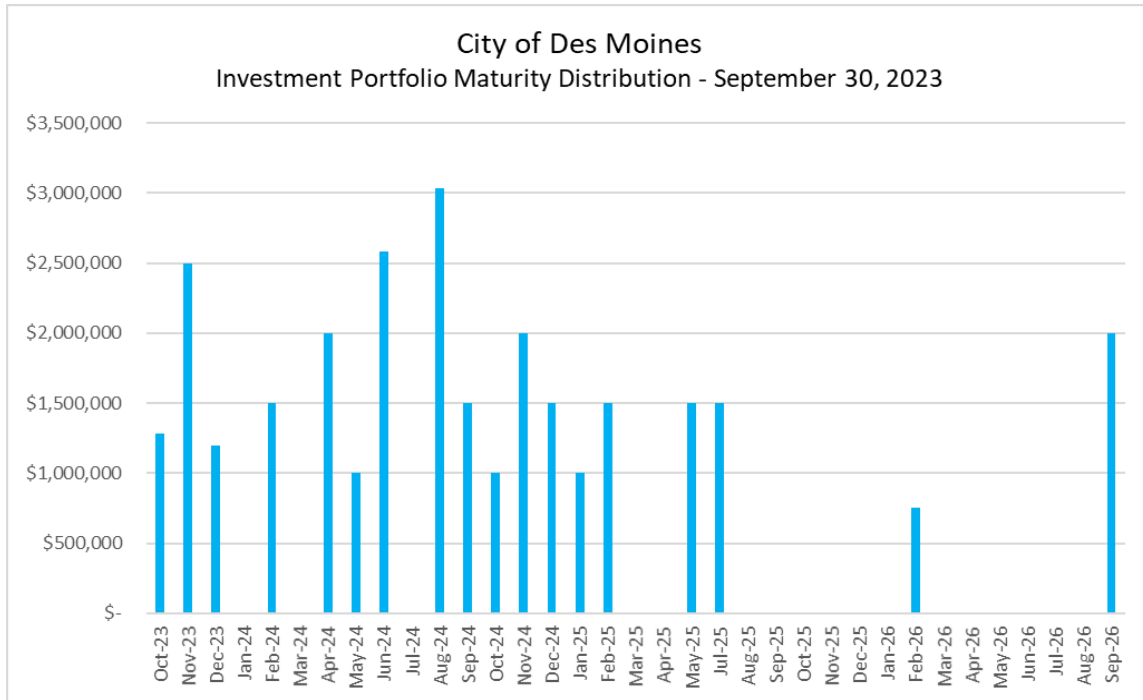
City of Des Moines
Cash Deposits and Investment Portfolio
Year-to-date September 30, 2023

Security Type	Fair Value as of 1/1/2023	2023 Activity	Fair Value as of 9/30/2023	% of Portfolio
Federal Farm Credit Bank	\$ 9,024,625	\$ (1,827,875)	\$ 7,196,750	14.9%
Federal Home Loan Bank	4,264,860	(1,899,140)	2,365,720	4.9%
Federal Home Loan Mtg. Corp.	6,228,667	877,810	7,106,476	14.7%
Federal Agricultural Mortgage Corp	748,485	(13,238)	735,248	1.5%
Federal National Mortgage Association	1,422,975	46,245	1,469,220	3.0%
US Treasury Notes/Bonds	5,294,300	1,374,718	6,669,018	13.8%
United States Treasury STRIP	2,819,324	73,690	2,893,014	6.0%
Key Bank	3,573,280	165,341	3,738,621	7.7%
LGIP	17,193,610	(944,758)	16,248,852	33.6%
Total	\$ 50,570,126	\$ (2,147,207)	\$ 48,422,919	100.0%

Cash Management: The City maintains a cash balance with KeyBank to fund the City's day-to-day operations, including an account for Municipal Court operations. Other funds are invested in either the Local Government Investment Pool (LGIP) or in government bonds. The net earnings rate in the LGIP at September 30th was 5.3854%. Interest earned in 2023 through September 30th is \$555,242. In 2022, interest earned at the end of the 3rd quarter was \$127,340.

2023 3RD QUARTER FINANCIAL REPORT

The maturity distribution of the laddered portion of the portfolio is shown in the chart below. The goal of allocating funds across different maturity dates is to mitigate interest rate risk and protect the City's investments from market volatility.



Maturities

During the quarter, the following investments matured:

- Federal Farm Credit Banks Funding Corp, **\$2,000,000**, matured August 2023, **yielding 1.60%**
- Federal Home Loan Banks, **\$2,000,000**, matured September 2023, **yielding 0.23%**

Purchases

During the quarter, the following investment was purchased:

- Federal Home Loan Mortgage Corp, **\$2,000,000**, **yielding 5.13%**, Maturity 9/25/26

OTHER FUNDS

2023 3RD QUARTER FINANCIAL REPORT

SPECIAL REVENUE FUNDS

Development Fund Details

Created in 2017, the purpose of the Development Fund is to account for revenue generated by fee-based development-related activities, including permitting, plan review, etc. and the associated cost of providing services. Divisions included in this fund include Planning and Development Services, Building, Joint and Minor Home Repair, Code Enforcement, Engineering Services, and City Project Management.

Development Fund Summary of Sources and Uses	2023			2023 YTD Budget vs Actual		2023 Remaining Budget
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	
Operating Revenues						
Planning and Building						
Building Permits	\$ 325,000	\$ 243,750	\$ 456,523	\$ 212,773	87%	\$ (131,523)
Other Licenses and Permits	297,250	222,938	278,312	55,375	25%	18,938
Intergovernmental (Grants, etc.)	160,000	120,000	219,791	99,791	83%	(59,791)
Charges for Services:						
Zoning Fees	610,000	457,500	205,254	(252,246)	-55%	404,746
Plan Check Fees	305,000	228,750	499,040	270,290	118%	(194,040)
SEPA-Related Mitigation Fees	100,000	75,000	-	(75,000)	-100%	100,000
Other Fees	6,500	4,875	53,901	49,026	1006%	(47,401)
Credit Card Fees	37,000	27,750	29,019	1,269	5%	7,981
Penalties - Stop Work	3,000	2,250	5,504	3,254	145%	(2,504)
Planning and Building Revenue Subtotal	\$ 1,843,750	\$ 1,382,813	\$ 1,747,343	\$ 364,530	26%	\$ 96,407
Engineering						
Right-Of-Way Permits	\$ 125,000	\$ 93,750	\$ 77,057	\$ (16,693)	-18%	\$ 47,943
Engineering Fees	576,500	432,375	143,300	(289,075)	-67%	433,200
Interfund Charges/ Engineering CIP Support	250,000	187,500	-	(187,500)	-100%	250,000
Engineering Revenue Subtotal	\$ 951,500	\$ 713,625	\$ 220,357	\$ (493,268)	-69%	\$ 731,143
Interest Income	20,000	15,000	46,423	31,423	209%	(26,423)
Total Operating Revenues	\$ 2,815,250	\$ 2,111,438	\$ 2,014,123	\$ (97,315)	-5%	\$ 801,127
Operating Expenditures						
Planning and Building						
Salaries and Benefits	\$ 1,700,699	\$ 1,275,524	\$ 1,075,393	\$ (200,131)	-16%	\$ 625,306
Supplies	30,580	22,935	15,049	(7,886)	-34%	15,531
Services	1,027,738	770,804	509,907	(260,897)	-34%	517,831
Planning and Building Expenditures Subtotal	\$ 2,759,017	\$ 2,069,263	\$ 1,600,348	\$ (468,914)	-23%	\$ 1,158,669
Engineering						
Salaries and Benefits	\$ 1,051,558	\$ 788,669	\$ 735,376	\$ (53,292)	-7%	\$ 316,182
Supplies	8,437	6,328	10,914	4,586	72%	(2,477)
Services	330,827	248,120	183,190	(64,930)	-26%	147,637
Engineering Expenditures Subtotal	\$ 1,390,822	\$ 1,043,117	\$ 929,480	\$ (113,636)	-11%	\$ 461,342
Total Operating Expenditures	\$ 4,149,839	\$ 3,112,379	\$ 2,529,829	\$ (582,551)	-19%	\$ 1,620,010
Total Operating Income (Loss)	\$ (1,334,589)	\$ (1,000,942)	\$ (515,706)	\$ 485,236		

** September is month 9 of 12 = 75%

BEGINNING FUND BALANCE	2,395,991
ENDING FUND BALANCE	<u>1,880,285</u>

2023 3RD QUARTER FINANCIAL REPORT

American Rescue Plan Act

In 2021, the City was awarded \$9,029,879 from the federal government through the American Rescue Plan Act (ARPA). The intent of the grant is to replace revenue the City lost due to the impact of the COVID-19 pandemic. ARPA funds must be fully obligated by December 31, 2024 and fully expended by December 31, 2026. Below is the list of projects approved by the City Council to be funded by ARPA:

Completed Projects	Allocated	Expended	Remaining
Passenger Ferry	45,631	45,631	-
Finance Budgeting Software	35,000	35,000	-
SR3	75,000	75,000	-
Human Resources Recruitment	14,400	14,400	-
Emergency Management Comp Plan	8,000	8,000	-
People Movers	42,237	42,237	-
Food Trucks - Limited Term	50,000	50,000	-
Tenant Eviction Resources	250,000	250,000	-
Human Services Committee Enhancement	75,000	75,000	-
Metro Transit	250,000	250,000	-
Small Business Grants	495,000	495,000	-
EATS Program	80,471	80,471	-
Municipal Court	550,000	550,000	-
Body Cams and Program Consultant	91,925	91,925	-
Evidence Van	37,733	37,733	-
Parks Program Support	1,000,000	1,000,000	-
ARPA Administration Support	90,557	90,557	-
Workforce training scholarships	125,000	125,000	-
Utility Voucher Fund	57,741	57,741	-
Arts Commission	50,000	50,000	-
Subtotal	3,423,695	3,423,695	-
Continuing Projects	Allocated	Expended	Remaining
SCORE	250,000	230,671	19,329
Marina Redevelopment Community Presentation Materials	20,000	-	20,000
Redondo Space Lease	63,000	19,243	43,757
Nonprofit Foundation	100,000	49,500	50,500
Police Vehicles	335,000	283,698	51,302
ADA Compliance Program	100,000	31,064	68,936
Additional Traffic Calming	100,000	-	100,000
Field House Play Equipment	100,000	-	100,000
Non-Profit Hiring Assistance (Mental Health Support)	250,000	147,951	102,049
Police Officers	830,000	443,976	386,024
Tenant Restroom	400,000	-	400,000
2024 General Fund Support	1,193,184	-	1,193,184
Marina Infrastructure	1,865,000	150,953	1,714,047
Subtotal	5,606,184	1,357,056	4,249,128
Total ARPA funds	9,029,879	4,780,751	4,249,128

2023 3RD QUARTER FINANCIAL REPORT

Summary of Other Special Revenue Funds

Fund	Revenue			Expenditures			Fund Balance
	Budget	Actual	% Actual to Budget	Budget	Actual	% Actual to Budget	
Special Revenue Funds:							
Street	\$ 1,910,518	\$ 1,547,758	81.0%	\$ 2,032,774	\$ 1,385,130	68.1%	\$ 906,878
Arterial Pavement	1,642,086	1,512,246	92.1%	3,151,000	366,625	11.6%	3,019,194
Police Drug Seizure	40,000	6,325	15.8%	11,000	17,836	162.1%	137,857
Hotel-Motel Tax	120,750	88,976	73.7%	120,000	120,986	100.8%	153,611
Affordable Housing Sales Tax	34,200	24,327	71.1%	30,000	-	0.0%	113,201
Redondo Zone*	77,850	56,368	72.4%	80,934	87,959	108.7%	(15,962)
Waterfront Zone	128,350	29,781	23.2%	121,692	128,638	105.7%	112,726
PBPW Automation Fee	126,500	122,166	96.6%	78,429	58,822	75.0%	630,057
Urban Forestry	5,000	-	0.0%	5,000	-	0.0%	0
Abatement	5,400	4,141	76.7%	5,000	901	18.0%	66,460
Automated Speed Enforcement (ASE)	365,500	274,220	75.0%	397,000	203,872	51.4%	451,492
Transport Benefit District	1,044,000	793,412	76.0%	1,450,000	1,450,000	100.0%	2,449,704

*Beginning fund balance for the Redondo Zone Fund was \$15,629. Through September 30th, Redondo Zone expenditures exceeded revenue by \$31,591 resulting in a negative fund balance of \$15,962 that included a negative cash balance of \$14,154. On November 9th, the City Council adopted a budget amendment to transfer \$75,000 from the General Fund to the Redondo Zone fund.

CAPTIAL PROJECT FUNDS

Real Estate Excise Tax

The State of Washington levies a real estate excise tax (REET) upon most sales of real property. The tax is calculated based on the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The tax is due at the time of sale and is collected by the county when the documents of sale are presented for recording.

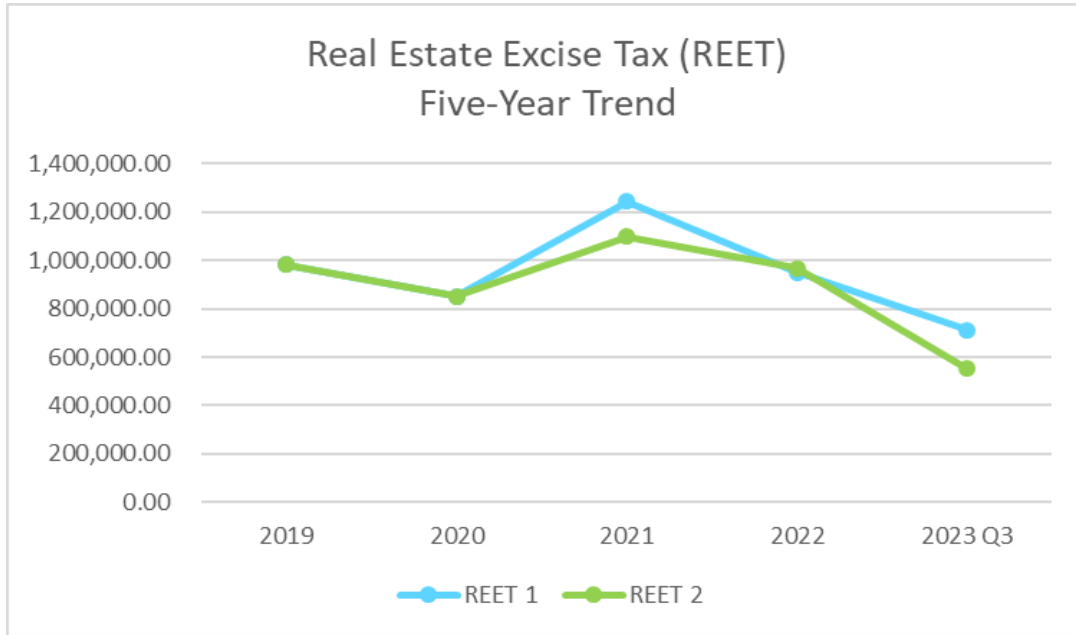
In addition to the state real estate excise tax, cities and counties may impose local real estate excise taxes. The City collects the following:

- **REET 1, or the “first quarter percent”** – a 0.25% REET which may be imposed by any city, town, or county primarily for capital projects and limited maintenance;
- **REET 2, or the “second quarter percent”** – an additional 0.25% REET which may be imposed by any city, town, or county fully planning under the Growth Management Act, to be used primarily for capital projects and limited maintenance;

REET revenue amounts are primarily dependent on the real estate market. Below is a chart showing the historical five-year trend of REET revenue. REET 1 and REET 2 received from King County tend to be equal amounts. However, the City does receive REET 1 revenue from the state annually each March.

REET revenue is used to fund the City’s capital projects. For more information about the usage of REET funds, please see the City’s [Capital Improvements Plan](#) located on the City website under Departments>Finance>Budget>Financial Reports.

2023 3RD QUARTER FINANCIAL REPORT



Summary of Capital Project Funds

Fund	Revenue			Expenditures			Fund Balance
	Budget	Actual	% Actual to Budget	Budget	Actual	% Actual to Budget	
Capital Project Funds:							
REET 1	\$ 810,000	\$ 586,596	72.4%	\$ 1,742,000	\$ -	0.0%	\$ 1,931,475
REET 2	802,500	417,749	52.1%	983,492	233,492	29.1%	1,690,021
Park Levy	183,000	137,629	75.2%	108,000	-	0.0%	231,910
Park in Lieu	402,844	77,923	19.3%	17,000	-	0.0%	284,667
One-Time Sales & B+O Tax Revenues	267,500	29,199	10.9%	270,000	-	0.0%	1,767,672
Municipal Capital Improvements	4,550,000	86,237	1.9%	5,074,105	993,345	21.8%	24,754
Transportation Capital Improvements	8,559,000	80,661	0.9%	8,534,000	697,513	8.1%	1,777,372
Traffic in Lieu	1,150,500	33,515	2.9%	1,150,000	-	0.0%	131,183
Traffic Impact - Citywide	351,250	166,049	47.3%	926,000	-	0.0%	898,894
Traffic Impact - Pac Ridge	100,750	10,645	10.6%	-	-	0.0%	594,137

2023 3RD QUARTER FINANCIAL REPORT

ENTERPRISE FUNDS

Marina Fund Details

The purpose of the Marina Fund is to account for the revenues and expenditures related to Marina operations, construction, and debt.

Marina Fund Summary of Sources and Uses	2023			2023 YTD Budget vs Actual		2023
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenue						
Charges for Services	\$ 3,778,827	\$ 2,834,120	\$ 2,643,344	\$ (190,777)	-7%	\$ 1,135,483
Fuel Sales	1,313,000	984,750	1,339,689	354,939	36%	(26,689)
Intergovernmental Revenues	-	-	31,678	31,678	0%	(31,678)
Miscellaneous Revenues	9,909	7,432	10,478	3,046	41%	(569)
Transfer In - One-Time Sales Tax	383,000	287,250	-	(287,250)	-100%	383,000
Operating Revenue Subtotal	\$ 5,484,736	\$ 4,113,552	\$ 4,025,189	\$ (88,363)	-2%	\$ 1,459,547
Operating Expense						
Salaries and Benefits	\$ 1,322,727	\$ 992,045	\$ 931,665	\$ (60,380)	-6%	\$ 391,062
Supplies	146,460	109,845	103,441	(6,404)	-6%	43,019
Fuel Purchases	1,175,000	881,250	1,084,402	203,152	23%	90,598
Services	587,020	440,265	394,972	(45,293)	-10%	192,048
Services - Interfund	663,805	497,854	531,779	33,925	7%	132,026
Total Operating Expenses (excl. depreciation)	\$ 3,895,012	\$ 2,921,259	\$ 3,046,260	\$ 125,001	4%	\$ 848,753
Operating Income/(Loss)	\$ 1,589,724	\$ 1,192,293	\$ 978,929	\$ (213,364)	-18%	\$ 610,795
Non-Operating Revenue						
Bond Revenue	\$ 3,500,000	\$ 2,625,000	\$ -	\$ (2,625,000)	-100%	\$ 3,500,000
Insurance Recoveries	-	-	12,148	12,148	-	(12,148)
Interest Income	5,000	3,750	127,667	123,917	3304%	(122,667)
Non-operating Revenue Subtotal	\$ 3,505,000	\$ 2,628,750	\$ 139,815	\$ (2,488,935)	-95%	\$ 3,365,185
Non-operating Expense						
Capital Outlay	\$ 4,958,000	\$ 3,718,500	\$ 333,924	\$ (3,384,576)	-91%	\$ 4,624,076
Debt Service	469,182	351,887	49,387	(302,500)	-86%	419,795
Non-operating Expense Subtotal	\$ 5,427,182	\$ 4,070,387	\$ 383,311	\$ (3,687,075)	-91%	\$ 5,043,871
Net Change in Unrestricted Net Position	\$ (332,458)	\$ (249,344)	\$ 735,433	\$ 984,776	-395%	\$ (1,067,891)

** September is month 9 of 12 = 75%

Fuel Profits (Using COGS) \$ 306,503

BEGINNING NET POSITION	<u>6,611,038</u>
ENDING NET POSITION	<u>7,346,471</u>

2023 3RD QUARTER FINANCIAL REPORT

Surface Water Management (SWM) Fund Details

The purpose of the Surface Water Management(SWM) Fund is to account for revenues and expenses related to Surface Water Management operations and construction.

Surface Water Management Fund Summary of Sources and Uses	2023			2023 YTD Budget vs Actual		2023
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenue						
Charges for Services	\$ 5,393,077	\$ 4,044,808	\$ 3,212,486	\$ (832,322)	-21%	\$ 2,180,591
Intergovernmental Revenue	1,064,000	798,000	33,917	(764,083)	-96%	1,030,083
Operating Revenue Subtotal	\$ 6,457,077	\$ 4,842,808	\$ 3,246,403	\$ (1,596,405)	-33%	\$ 3,210,674
Operating Expense						
Salaries and Benefits	\$ 1,545,802	\$ 1,159,352	\$ 994,274	\$ (165,077)	-14%	\$ 551,528
Supplies	116,800	87,600	61,132	(26,468)	-30%	55,668
Services	1,375,443	1,031,582	883,368	(148,214)	-14%	492,075
Services - Interfund	613,268	459,951	474,233	14,282	3%	139,035
Total Operating Expenses (excl. depreciation)	\$ 3,651,313	\$ 2,738,485	\$ 2,413,007	\$ (325,477)	-12%	\$ 1,238,306
Operating Income/(Loss)	\$ 2,805,764	\$ 2,104,323	\$ 833,395	\$ (1,270,928)	-60%	\$ 1,972,369
Non-Operating Revenue						
Judgements and Settlements	\$ -	\$ -	\$ 17,414	\$ 17,414	0%	\$ (17,414)
Interest Income	20,000	15,000	170,103	155,103	1034%	(150,103)
Non-operating Revenue Subtotal	\$ 20,000	\$ 15,000	\$ 187,517	\$ 172,517	1150%	\$ (167,517)
Non-operating Expense						
Capital Outlay	\$ 4,428,000	\$ 3,321,000	\$ 260,120	\$ (3,060,881)	-92%	\$ 4,167,881
Non-operating Expense Subtotal	\$ 4,428,000	\$ 3,321,000	\$ 260,120	\$ (3,060,881)	-92%	\$ 4,167,881
Net Change in Unrestricted Net Position	\$ (1,602,236)	\$ (1,201,677)	\$ 760,793	\$ 1,962,470	-163%	\$ (2,363,029)

** September is month 9 of 12 = 75%

BEGINNING NET POSITION	11,618,544
ENDING NET POSITION	<u>12,379,337</u>