

AGENDA

**DES MOINES CITY COUNCIL
STUDY SESSION
City Council Chambers
21630 11th Avenue S, Des Moines, Washington
Thursday, December 5, 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

CORRESPONDENCE

COMMENTS FROM THE PUBLIC

Comments from the public must be limited to the items of business on the Study Session Agenda. Please sign in prior to the meeting and limit your comments to three (3) minutes.

DISCUSSION ITEMS

- Item 1. DISCUSSION OF 2025 CITY LEGISLATIVE PRIORITIES
[Discussion of 2025 City Legislative Priorities](#)
- Item 2. 2024 3RD QUARTER FINANCIAL REPORT
Staff Presentation by Finance Director Jeff Friend
[2024 3rd Quarter Financial Report](#)
- Item 3. BUDGET WORKSHOP
Staff Presentation by Finance Director Jeff Friend
[Budget Workshop](#)

EXECUTIVE SESSION

NEXT MEETING DATE

December 12, 2024 City Council Regular Meeting

ADJOURNMENT

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Discussion of 2025 City Legislative
Priorities

FOR AGENDA OF: Dec 5, 2024

DEPT. OF ORIGIN: Administration

DATE SUBMITTED: November 26, 2024

ATTACHMENTS:

1. City of Des Moines Draft Legislative Priorities
2. StART Legislative Priorities

CLEARANCES:

- City Clerk _____
- Community Development _____
- Courts _____
- Emergency Management _____
- Finance *ADD 28*
- Human Resources _____
- Legal */s/ TG*
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works *MPS*

APPROVED BY CITY MANAGER
FOR SUBMITTAL: *Katherine Coffey*

Purpose and Recommendation

The purpose of this agenda item is for the City Council to discuss and adopt the 2025 City Council Legislative Priorities for the 2025 Legislative Session.

Suggested Motion

Motion: "I move to adopt of the 2025 City of Des Moines Legislative Priorities, substantially in the form as attached."

Background

The State Legislative Session convenes January 13, 2025 for a scheduled 105-day session.

This is the first year of a biennial budget for all three State budgets - Operating, Capital and Transportation.

This will be a very different Washington State government than existed at the sine die (closing) of the 2024 Legislative session. November's election brought in a new Governor, Attorney General, Public Lands Commissioner and Insurance Commissioner. There was considerable turnover in the Legislature with about 25% of seats having a new Legislator. Democrats added one seat to their majorities in both houses, giving them a supermajority (if all vote on party line), allowing bonds to be approved without Republican votes.

Political Representation and Outlook

Des Moines is split between the 33rd (Senator Karen Keiser, Reps. Tina Orwall & Mia Gregerson) and 30th (Senator Claire Wilson, Reps. Jamila Taylor and Kristine Reeves) Legislative Districts (LD). Neither Senator was up for re-election in 2024. All House members in the 30th & 33rd easily won re-election.

Nevertheless, the change mentioned above will also impact Des Moines' own representation. Most of Des Moines is in the 33rd Legislative District (LD). This has been a very stable, high-powered delegation for many years. At the end of the 2024 session, Senator Karen Keiser announced she'll retire this December. Senator Keiser will be stepping down halfway through her current term. Thus, an appointment process will take place in December/January to fill her position. Democratic Precinct Committee Officers (PCOs) in the 33rd will select three candidates for the King County Council to pick from. Senator Keiser officially steps down on December 10th and the 33rd LD PCOs will meet that day to select potential replacements.

Senator Keiser serves as Speaker Pro Tem and is one of the more influential members of the Legislature. She has been a great ally of Des Moines and will be missed.

There is a good chance that one of the current Representatives in the 33rd will be selected to replace Keiser. If so, the same appointment process will take place for their replacement.

Note, Des Moines's King County Councilor Dave Uptegrove was elected as State Public Lands Commissioner, so there will also soon be an appointment process for his KC Council seat.

With a new Legislature at the start of a new biennium, this is when most Committee changes take place, so even current Legislators could shift onto different Legislative Committees during organizational meetings in December.

Budget Outlook

The last several sessions have seen economic growth, and the influx of new funds from various new taxes (primarily Climate Commitment Act and capital gains) along with Federal covid response funding. Washington's ERFC budget group regularly announced that State tax revenues were outpacing their economic forecasts.

This session is likely to be quite different. Currently the State is looking at a budget shortfall between \$10 - \$12 billion combined in the Operating and Transportation budgets. This, despite the election results that retained both the Climate Commitment Act (CCA) funding and capital gains taxes.

This will be an unusually challenging environment for securing direct budget earmarks for Des Moines.

Session Outlook

Last Biennium 2023 & 2024 Sessions: In the last biennium Des Moines received considerable State funds. These included three different earmarks in the Capital Budget - \$1 million each for the Marina Steps and for the Redondo Fishing Pier and \$100,000 towards electrification upgrades at the marina. In the Transportation Budget we secured \$3.5 million in Transportation funds for the Barnes Creek Trail project. In policy, Des Moines was involved in getting new legislation passed to combat street racing, catalytic converter theft and to help with airport community noise mitigation.

We recommend continuing this policy of pursuing just one or two budget asks per year along with some targeted policy pushes.

Recommended Budget Requests

Due to the success in pursuing funding in recent years, plus the recent bond issuance, Des Moines has several considerable capital projects proceeding right now. Due to limited staff resources for executing these various projects it may be prudent to focus on augmenting funding for those projects rather than new projects.

It makes it much easier for our Legislators if we limit our asks to very top priority issues that can ideally have a larger regional impact. These include:

Helping City Provide Needed Services: As Des Moines, like many cities, is facing a very tight budget, we could strongly advocate for more State help and/or local authority for funding City services. There are several local government revenue enhancements that are being discussed now that could be introduced in the 2025 session. DM could join coalitions to push for some of the below if Council wishes.

This could include:

- Public Safety – Allowing councilmanic sales tax to support local public safety
- Public Safety – New State grant funding program for local public safety recruitment/retention
- General Fund – Lifting the 1% annual property tax increase limit
- Housing – Increasing REET % for local governments
- Transportation – Retail delivery fee on e-commerce

Redondo Fishing Pier: We have already received two State Capital Budget earmarks for the Redondo Fishing Pier and have been used towards initial phases of the upland portions of the project including the restroom component. Unfortunately, costs due to environmental constraints and construction inflation have raised the overall cost of the project. As the City's Public Works Department looks at ways to re-engineer the Fishing Pier reconstruction and looks for cost savings, this could likely be a priority ask for additional State funds. Request: \$2 million.

Policy Issues

Many different policy bills that could directly impact Des Moines will arise during the session. While we will work on those as needed, we recommend pursuing some policy issues proactively.

Public Safety: Public Safety remains a top concern for Des Moines residents. Continue to support bills that promote public safety.

Airport Issues: Continue working to minimize and mitigate SEA’s health and environmental impact on Des Moines residents. Important airport-related legislation was passed in the last session. There could be follow-up legislation on Port Packages and other air/noise/environmental impacts. We could also try and augment the duties of the new Commercial Aviation Work Group (CAWG) that was set-up to replace the CAAC, but most of its duties and budget were vetoed by Governor Inslee.

Historic Preservation: Support prospects to enhance area historic preservation opportunities.

Passenger Ferry Support: Support passenger ferry prospects that can help get passenger-only ferry service to Des Moines, most likely via King County Metro. Anthony and Peter will be meeting with King County Metro in the coming days and are discussing with Rep. Nance his idea of a new “Mosquito Fleet Reauthorization Act of 2025” to ensure that Des Moines’s interests are included.



2025 City of Des Moines City Council State Legislative Priorities

Funding Requests

Redondo Fishing Pier. The Redondo Fishing Pier is a regional attraction that was very popular when it was open. It needs to be replaced this biennium and can be if funding is available. **Capital Budget request: \$2 million.**

Enhancing Local Government Financial Resources. Support lifting the 1% property tax cap and allowing further local government financing tools to address the crisis many local governments have with general government funding.

Public Safety

Collaborate with WASPC, AWC and other groups in efforts to improve public safety.

This includes:

- Updating the existing local option Public Safety Sales Tax to allow implementation by councilmanic authority and greater flexibility for using the funds to cover increased officer wages and related programs like behavioral health co-response teams.
- Supporting Governor Ferguson's initiative to get more funding to public safety – and ensure that some of those funds flow to local governments.

Airport Issues

Support locating an air quality monitor in Des Moines, including needed budget allocation.

Support the joint StART Airport Community Legislative Agenda promoting 1. noise insulation repair and replacement, 2. progress on an alternative to SeaTac airport, 3. enhancing air quality for airport communities, 4. promoting SAF and 5. decarbonizing SeaTac ground transportation.

Historic Preservation

Support historic preservation funding opportunities in Des Moines.

Ferry Development

Electric passenger-only ferries have the potential to improve connectivity and mobility around Puget Sound. Foil ferries are much quieter, faster and reduce impacts to marine life in Puget Sound. *Des Moines supports efforts to spur the return of Mosquito Fleet passenger-only ferries that will include routes connecting Des Moines.*

*For information, please contact City of Des Moines Legislative Advocate
Anthony Hemstad, 253.335.9163, anthony@hemstad.us*

**SEA Stakeholder Advisory Round Table
Shared Policy Priorities - 2025 State Legislative Session**

The growth of operations at Seattle-Tacoma International Airport (SEA) has provided significant benefit to the region, however near-airport communities also face elevated levels of aircraft noise and emissions from transportation. Meanwhile, the airport will reach its capacity within the coming decades, meaning that the region must identify additional capacity to move people and goods, or else risk increased congestion and a chokepoint on economic growth. To help address these issues, the Port of Seattle and near-airport communities suggest passage and implementation of the following state-level policy and budget items. We hope to partner with the State Legislature and State Government to create these new tools, resources, and approaches that can make a tangible difference in our communities.

- 1) Effectively implement the Noise Insulation Repair and Replacement Program
 - As necessary, pass legislation amending RCW 53.54 and the Port District Equity Fund / Grant, to ensure that State regulations and programming are complementary to Federal and Port programs and funding.
 - Ensure that existing State resources are utilized for maximum return on investment.
 - As appropriate, advocate for additional resources from the State to ensure continual progress with the goal of addressing the full scope of issues identified by ongoing surveys and assessments.

- 2) Make tangible progress toward identifying additional regional airport capacity in the next three years
 - Either administratively or via legislation, assign near-term deadlines for the Commercial Aviation Working Group (CAWG) to identify and achieve clear, substantive, recommendations for action.
 - Secure adequate resources for the CAWG to achieve the abovementioned work within the identified timeline; for 2025, this should be at least \$XXXX.
 - As part of its work, direct the CAWG to explore opportunities to provide incentives to sites of future commercial air service development.

- 3) Sustain existing State programs to enhance air quality
 - As appropriate, request additional resources for existing air quality mitigation programs at the Dept. of Ecology for residences, recreational facilities, and education facilities not covered by other programs.
 - Support continued investment in OSPI programs to improve air quality in schools.
 - Work with OSPI, Ecology, and any other relevant State agencies to ensure that residences, schools, and other public buildings within near-airport communities have adequate access to existing programs.

- 4) Maintain and expand Sustainable Aviation Fuel (SAF) production and use in Washington
 - Ensure effective implementation of enacted SAF incentives (ESSB 5447)
 - In partnership with the broader coalition of SAF stakeholders; advocate for the creation of more policy supports and funding programs benefitting SAF production and supply chain development.
 - Support the continued work of the SAF Research and Development Center at Paine Field, including pushing for additional monetary support from the State.

- 5) Decarbonizing ground transportation, reducing transportation emissions, and electrification
 - Support proven strategies, policies, and investments intended to phase out the use of fossil fuels and to reduce overall emissions from ground transportation networks that serve the airport. This includes, but is not limited to:
 - Investments in EV charging infrastructure;
 - Clean trucking incentives;
 - Continued investments in multi-modal networks, active transportation facilities, and transit;
 - Active engagement in state and federal efforts to create a regional high-speed rail network;
 - Identification of, or a legislative directive to create, a body at the State level tasked with coordinating public and private sector investments in electric aviation and other zero-emission technologies;
 - General support for funding and legislative action that will help facilitate Washington as a leader in transportation innovation.

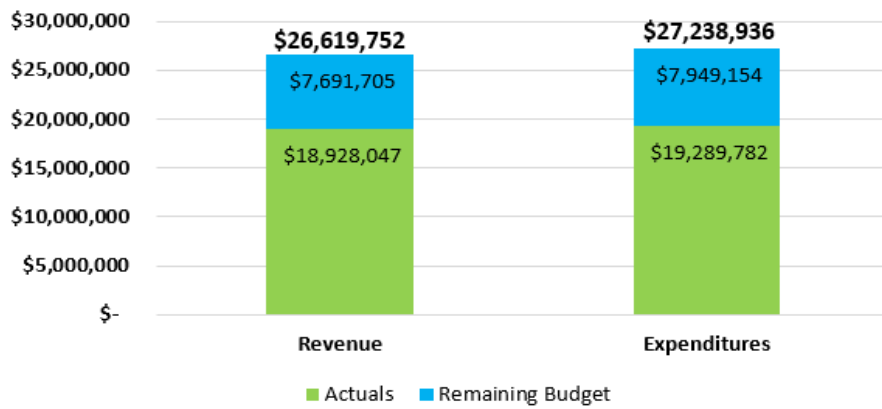
2024 3RD QUARTER FINANCIAL REPORT

This report provides an overview of the City’s overall financial position for the quarter ending September 30, 2024.

GENERAL FUND

Through the third quarter of 2024, the General Fund received \$18,928,047 of revenue, which represents 71.1% of budgeted revenue for the year. The general fund also incurred \$19,289,782 of expenditures representing 70.8% of the annual 2024 expenditure budget. Net loss for the period was \$361,735.

**General Fund Revenue and Expenditures
Budget and Actuals**



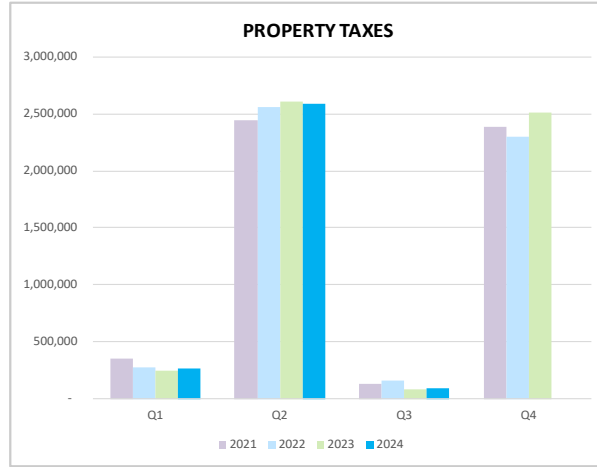
2024 3RD QUARTER FINANCIAL REPORT

Revenue

Property Tax collected through the third quarter was \$2,944,589, which was a \$1,329 (0.05%) 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				
	2021	2022	2023	2024
Jan	15,727	41,595	11,454	27,453
Feb	42,269	8,972	33,302	54,801
Mar	292,081	226,701	204,610	179,549
Apr	1,427,756	1,374,884	1,967,536	1,936,246
May	956,647	1,133,679	618,824	602,982
Jun	56,028	49,571	25,329	47,127
Jul	19,615	6,852	15,166	12,191
Aug	29,051	39,674	21,490	29,238
Sep	84,841	112,850	48,208	55,001
Oct	1,815,634	1,592,366	1,949,538	
Nov	502,576	702,505	525,510	
Dec	63,120	2,194	33,104	
Totals	5,305,346	5,291,843	5,454,070	2,944,589

	2021	2022	2023	2024
Q1	350,077	277,268	249,366	261,803
Q2	2,440,432	2,558,134	2,611,689	2,586,356
Q3	133,507	159,376	84,864	96,431
Q4	2,381,330	2,297,066	2,508,152	-
Totals	5,305,346	5,291,843	5,454,070	2,944,589



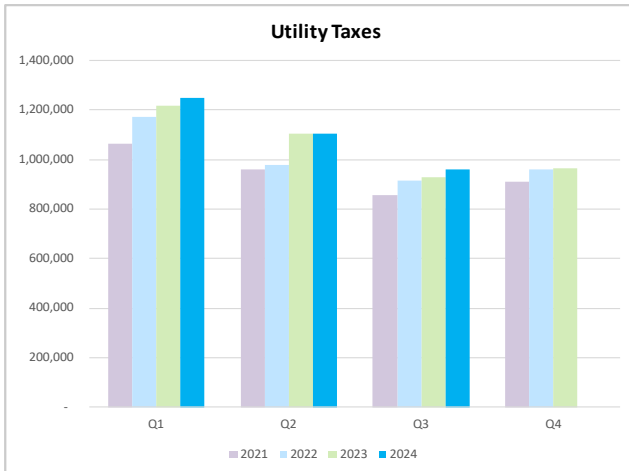
2024 Budget and YTD % collected: 5,639,570 | 52.2%

2024 YTD to 2023 YTD variance: (1,329) | 0.0%

Utility Taxes collected through the third quarter of 2024 were \$3,314,616, which is a \$64,359 (2.0%) 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				
	2021	2022	2023	2024
Jan	356,912	415,812	408,403	451,573
Feb	333,424	381,052	392,084	430,377
Mar	372,379	373,550	417,758	367,997
Apr	350,317	342,928	396,489	413,384
May	321,555	372,039	392,783	356,681
Jun	289,060	262,819	314,936	333,717
Jul	284,693	334,278	302,561	328,104
Aug	161,581	292,009	318,246	312,307
Sep	409,898	288,223	306,996	320,476
Oct	277,060	343,898	314,077	
Nov	288,366	330,062	260,985	
Dec	345,268	285,723	390,568	
Totals	3,790,510	4,022,392	4,215,887	3,314,616

	2021	2022	2023	2024
Q1	1,062,714	1,170,414	1,218,246	1,249,947
Q2	960,931	977,786	1,104,208	1,103,781
Q3	856,171	914,509	927,803	960,887
Q4	910,693	959,683	965,630	-
Totals	3,790,510	4,022,392	4,215,887	3,314,616



2024 Budget and YTD % collected: 4,459,106 | 74.3%

2024 YTD to 2023 YTD variance: 64,359 | 2.0%

2024 3RD QUARTER FINANCIAL REPORT

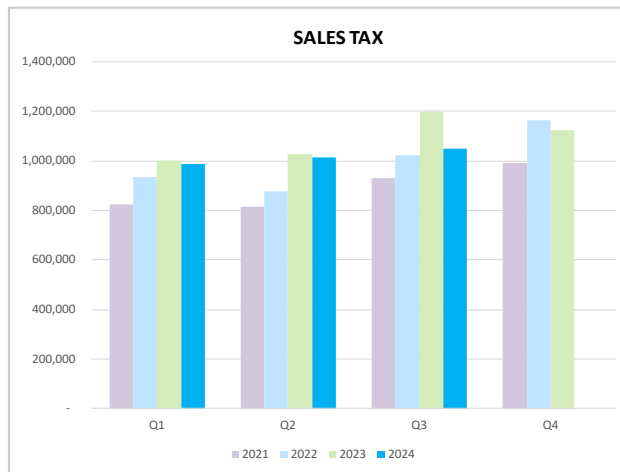
The table below demonstrates actual revenues compared to prior year collections by the different utility categories:

Utility Tax Type	2023 Q3 Total	2024 Q3 Total	Change from 2023	
			Amount	Percent
Electricity	\$ 1,144,103	\$ 1,227,502	\$ 83,400	7.3%
Natural Gas	439,322	368,550	(70,772)	-16.1%
Solid Waste	411,777	526,087	114,310	27.8%
Cable TV	628,301	561,852	(66,449)	-10.6%
Telephone	175,836	158,677	(17,159)	-9.8%
SWM*	450,919	471,947	21,028	4.7%
YE Total	\$ 3,250,257	\$ 3,314,616	\$ 64,359	2.0%

*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 collection decreased \$179,280 (5.6%) over the same period in the prior year. Through the third quarter, the City collected \$3,047,708 in sales tax, which represented 70.5% of budgeted expectations. A flattening or slight reduction in sales tax revenue has been a trend in 2024 for many cities. The chart below includes **both** regular and one-time Sales and Use Tax.

SALES TAX				
	2021	2022	2023	2024
Jan	279,627	318,894	324,361	323,934
Feb	300,346	328,370	348,280	363,347
Mar	242,765	288,274	327,198	299,521
Apr	236,636	271,881	325,182	284,088
May	291,534	320,577	354,939	349,579
Jun	289,025	287,264	346,840	379,315
Jul	321,677	350,183	386,221	326,621
Aug	316,427	330,806	390,611	369,985
Sep	292,786	343,648	423,355	351,317
Oct	316,242	400,408	388,330	
Nov	323,006	362,060	382,509	
Dec	355,429	400,567	355,268	
Totals	3,565,499	4,002,932	4,353,096	3,047,708
	2021	2022	2023	2024
Q1	822,738	935,539	999,839	986,802
Q2	817,195	879,722	1,026,961	1,012,982
Q3	930,889	1,024,637	1,200,188	1,047,924
Q4	994,677	1,163,035	1,126,108	-
Totals	3,565,499	4,002,932	4,353,096	3,047,708



2024 Budget and YTD % collected 4,325,000 70.5%

2024 YTD to 2023 YTD variance: (179,280) -5.6%

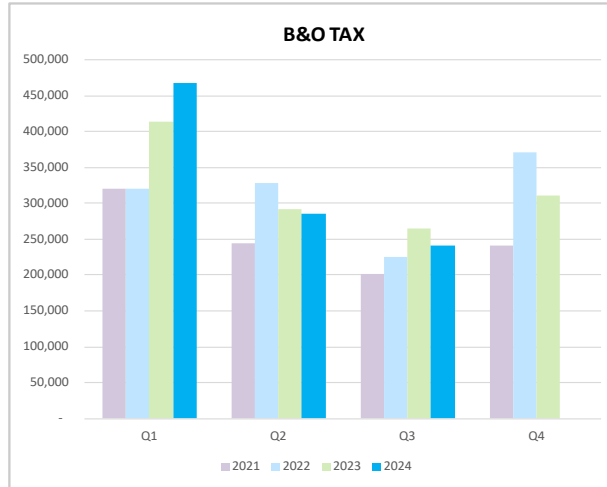
Please see Attachment #1 for a breakdown of sales tax by revenue category.

2024 3RD QUARTER FINANCIAL REPORT

The City received \$994,359 in **Business and Occupation Tax** through the third quarter of 2024. This amount was a \$23,251 (2.4%) increase over the prior year. This amount includes both regular and one-time Business and Occupation Tax.

B&O TAX				
	2021	2022	2023	2024
Jan	66,546	109,447	242,752	239,860
Feb	245,260	191,636	152,492	215,092
Mar	8,303	19,159	18,194	11,983
Apr	132,192	198,624	170,070	185,292
May	104,127	125,808	103,965	75,163
Jun	8,121	3,117	18,260	25,469
Jul	74,594	92,251	178,738	185,606
Aug	125,512	83,386	79,454	52,789
Sep	878	49,720	7,183	3,104
Oct	67,391	163,660	184,516	
Nov	155,885	109,623	70,141	
Dec	18,389	96,950	56,616	
Totals	1,007,196	1,243,381	1,282,381	994,359

	2021	2022	2023	2024
Q1	320,109	320,243	413,438	466,936
Q2	244,440	327,548	292,295	285,925
Q3	200,983	225,357	265,375	241,499
Q4	241,665	370,233	311,273	-
Totals	1,007,196	1,243,381	1,282,381	994,359



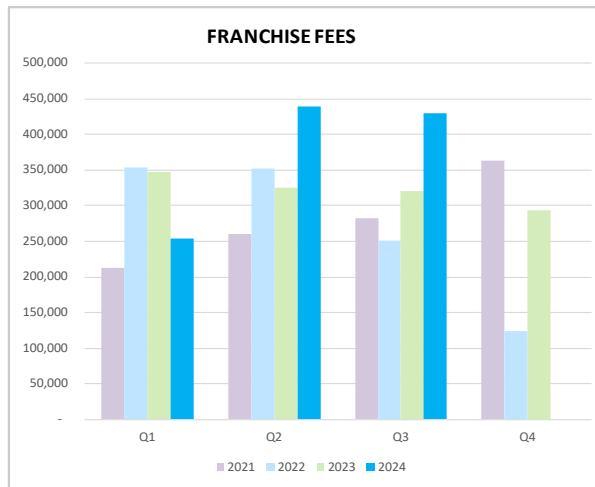
2024 Budget and YTD % collected: 1,440,000 69.1%

2024 YTD to 2023 YTD variance: 23,251 2.4%

Franchise Fees help the City recoup the cost of allowing a utility to use its public space. Through the third quarter of 2024, the City collected \$1,122,315 in franchise fees, which was \$129,300 (13.0%) increase than the same period in the prior year.

FRANCHISE FEES				
	2021	2022	2023	2024
Jan	119,037	245,777	173,449	88,987
Feb	86,631	70,914	123,221	165,479
Mar	7,587	37,062	50,955	-
Apr	115,318	256,013	181,577	270,581
May	55,721	96,150	-	101,142
Jun	89,430	-	143,224	67,154
Jul	168,994	159,775	178,140	209,316
Aug	72,647	59,357	84,701	88,681
Sep	41,418	32,238	57,748	130,975
Oct	177,795	179,959	192,773	
Nov	57,945	75,358	100,000	
Dec	126,740	(131,661)	-	
Totals	1,119,264	1,080,943	1,285,788	1,122,315

	2021	2022	2023	2024
Q1	213,255	353,753	347,625	254,466
Q2	260,469	352,163	324,801	438,878
Q3	283,060	251,371	320,589	428,971
Q4	362,480	123,656	292,773	-
Totals	1,119,264	1,080,943	1,285,788	1,122,315



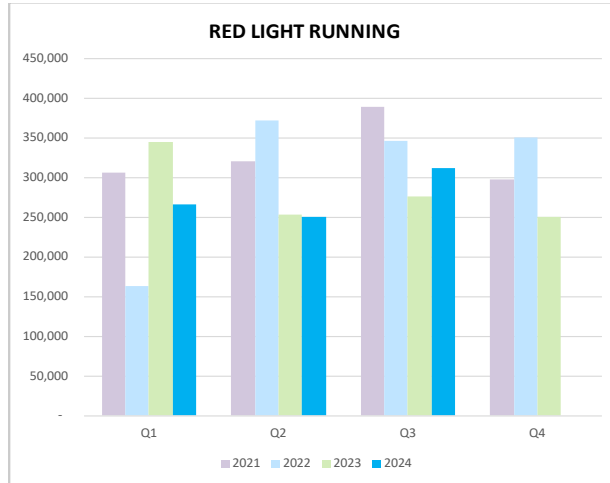
2024 Budget and YTD % collected: 1,450,000 77.4%

2024 YTD to 2023 YTD variance: 129,300 13.0%

2024 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 2024, the City collected \$828,188 in red light running fee revenue, which was \$46,488 (5.3%) less than the same period in the prior year.

RED LIGHT RUNNING				
	2021	2022	2023	2024
Jan	111,284	85,665	150,079	98,243
Feb	85,275	77,910	99,253	79,761
Mar	109,113	-	95,658	87,930
Apr	101,518	173,061	73,351	86,674
May	97,293	96,361	84,756	75,221
Jun	121,298	102,210	95,734	88,300
Jul	81,076	96,754	90,018	94,467
Aug	154,085	142,340	103,026	107,214
Sep	154,312	107,359	82,801	110,377
Oct	121,645	101,010	90,115	-
Nov	99,958	97,034	74,921	-
Dec	76,358	152,214	85,015	-
Totals	1,313,215	1,231,918	1,124,727	828,188
	2021	2022	2023	2024
Q1	305,673	163,575	344,990	265,934
Q2	320,109	371,632	253,841	250,195
Q3	389,473	346,453	275,845	312,059
Q4	297,961	350,259	250,051	-
Totals	1,313,215	1,231,918	1,124,727	828,188



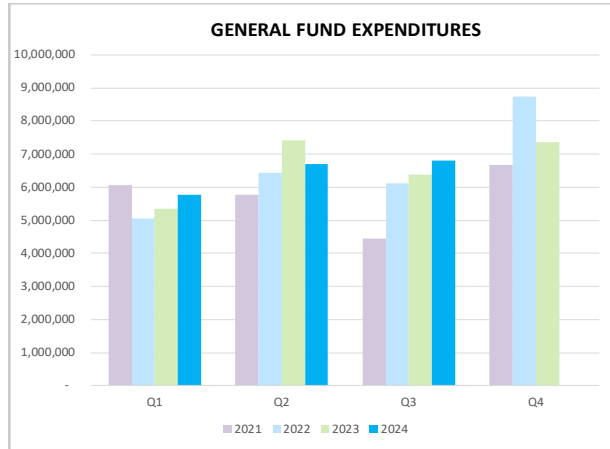
2024 Budget and YTD % collected: 1,200,000 69.0%

2024 YTD to 2023 YTD variance: (46,488) -5.3%

Expenditures

General Fund expenditures were \$19,289,772, which was \$164,911 (0.86%) more than the same period in the prior year.

GENERAL FUND EXPENDITURES				
	2021	2022	2023	2024
Jan	2,144,873	1,793,863	1,056,241	1,386,166
Feb	1,521,148	1,568,282	1,916,153	2,259,451
Mar	2,389,548	1,686,766	2,363,620	2,129,517
Apr	1,617,624	2,553,651	2,659,612	2,183,092
May	1,921,701	1,913,915	1,539,854	2,425,572
Jun	2,225,871	1,955,199	3,215,978	2,095,374
Jul	559,043	1,771,471	2,077,948	2,381,588
Aug	1,699,309	1,893,030	2,018,241	2,289,181
Sep	2,186,707	2,455,471	2,277,215	2,139,832
Oct	1,865,683	1,378,264	2,156,507	-
Nov	1,560,582	2,179,340	1,957,621	-
Dec	3,246,002	5,172,142	3,245,339	-
Totals	22,938,090	26,321,394	26,484,327	19,289,772
	2021	2022	2023	2024
Q1	6,055,568	5,048,911	5,336,014	5,775,134
Q2	5,765,197	6,422,765	7,415,443	6,704,038
Q3	4,445,058	6,119,972	6,373,404	6,810,600
Q4	6,672,266	8,729,745	7,359,467	-
Totals	22,938,090	26,321,394	26,484,327	19,289,772



2024 Budget and YTD % expended: 27,238,936 70.8%

2024 YTD to 2023 YTD variance: 164,911 0.86%

2024 3RD QUARTER FINANCIAL REPORT

General Fund Summary of Uses Year to Date through September	2023	2024	2024		2024 vs. YTD Budget		2024 vs. 2023 Actuals	
	YTD Actual	Annual Budget	YTD Budget	YTD Actual	\$	%	\$	%
Personnel	\$ 12,169,034	\$ 18,527,028	\$ 13,101,791	\$ 12,798,103	\$ (303,688)	-2.3%	\$ 629,069	5.2%
Supplies	645,354	672,264	504,198	590,097	85,899	17.0%	(55,256)	-8.6%
Services	4,643,922	6,184,666	4,638,500	4,557,560	(80,940)	-1.7%	(86,362)	-1.9%
Internal Services	1,270,719	1,577,378	1,183,033	1,119,188	(63,845)	-5.4%	(151,531)	-11.9%
Capital	169,432	-	-	54,883	54,883	0.0%	(114,549)	-67.6%
Transfers Out	226,400	277,600	208,200	169,950	(38,250)	-18.4%	(56,450)	0.0%
Total Expenditures	\$ 19,124,861	\$ 27,238,936	\$ 19,635,722	\$ 19,289,782	\$ (345,940)	-1.8%	\$ 164,921	0.9%

Personnel: Personnel costs represent expenditure of funds for salary and benefits expenses. Through the third quarter, personnel costs were \$629,069 (5.2%) higher than at the same point in the prior period. The increase is primarily due to cost-of-living adjustments for 2024 and the retirements of several long-term 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).

Capital: Capital expenses incurred include the court remodel (\$15.5K) and Beach Park lighting (\$39K).

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.

2024 3RD QUARTER FINANCIAL REPORT

General Fund Details

General Fund Summary of Sources and Uses	2024			2024 YTD Budget vs Actual		2024
	Amended Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenues						
Property Tax	\$ 5,639,570	\$ 3,056,999	\$ 2,944,589	\$ (112,410)	-4%	\$ 2,694,981
Utility Tax	4,459,106	3,344,330	3,314,616	(29,714)	-1%	1,144,490
Sales Tax - Regular	4,150,000	3,112,500	2,952,889	(159,611)	-5%	1,197,111
Sales Tax - One Time	175,000	131,250	94,819	(36,431)	-28%	80,181
B+O Tax - Regular	1,350,000	1,012,500	962,153	(50,347)	-5%	387,847
B+O Tax - One Time	90,000	67,500	32,205	(35,295)	-52%	57,795
Franchise Fees	1,450,000	1,087,500	1,122,315	34,815	3%	327,685
Criminal Justice Tax	1,300,000	975,000	883,989	(91,011)	-9%	416,011
Gambling Tax	35,000	26,250	17,363	(8,887)	-34%	17,637
Leasehold Tax	240,000	180,000	171,484	(8,516)	-5%	68,516
Taxes Subtotal	\$ 18,888,676	\$ 12,993,829	\$ 12,496,423	\$ (497,405)	-4%	\$ 6,392,253
Business Licenses and Permits	300,000	225,000	196,675	(28,325)	-13%	103,325
Other Licenses and Permits	15,000	11,250	8,946	(2,304)	-20%	6,054
Intergovernmental (Grants, etc.)	1,043,304	782,478	807,027	24,549	3%	236,277
Charges for Services:						
General Government Services	212,944	159,708	200,669	40,961	26%	12,275
Court	103,300	77,475	80,115	2,640	3%	23,185
Public Safety	83,300	62,475	73,059	10,584	17%	10,241
Culture and Recreation	438,900	329,175	322,797	(6,378)	-2%	116,103
Red Light Running Infractions	1,200,000	900,000	828,188	(71,812)	-8%	371,812
Other fees and penalties	352,150	264,113	68,726	(195,387)	-74%	283,424
Fees/Charges/Fines Subtotal	\$ 3,748,898	\$ 2,811,674	\$ 2,586,202	\$ (225,471)	-8%	\$ 1,162,696
Interest Income	106,000	79,500	66,230	(13,270)	-17%	39,770
Rentals and Leases	511,570	383,678	283,297	(100,380)	-26%	228,273
Contributions and Donations	24,000	18,000	10,433	(7,567)	-42%	13,567
Miscellaneous	30,700	23,025	176,667	153,642	667%	(145,967)
Interfund Charges	1,459,291	1,094,468	1,229,485	135,017	12%	229,806
Transfers In						
Fund 114 (ARPA Fund)	1,850,617	1,387,963	1,824,010	436,047	31%	26,607
Fund 506 (Facility Repair and Replacement)	0	-	255,299	255,299	0%	(255,299)
Other Revenues Subtotal	\$ 3,982,178	\$ 2,986,634	\$ 3,845,422	\$ 858,788	29%	\$ 392,055
Total Operating Revenues	\$ 26,619,752	\$ 18,792,136	\$ 18,928,047	\$ 135,912	1%	\$ 7,947,004
Operating Expenditures						
City Council	\$ 103,781	\$ 74,502	\$ 104,452	29,949	40%	(670)
City Manager/Administration	1,255,148	878,929	1,252,977	374,048	43%	2,171
City Clerk	854,703	618,097	692,943	74,846	12%	161,760
Human Resources	407,370	293,854	202,978	(90,876)	-31%	204,393
Finance	1,334,670	956,001	903,418	(52,583)	-6%	431,252
Technology Services	1,618,534	1,186,798	1,244,504	57,706	5%	374,030
City Attorney	889,357	633,810	434,165	(199,644)	-31%	455,191
Municipal Court	1,735,021	1,238,980	1,166,266	(72,714)	-6%	568,755
Public Safety - Business Office	1,061,350	796,013	918,458	122,446	15%	142,892
Police	12,133,208	8,726,024	8,868,369	142,345	2%	3,264,840
Social Services	427,509	303,980	339,277	35,297	12%	88,232
Parks Maintenance	2,074,107	1,491,560	1,312,096	(179,465)	-12%	762,011
Recreation & Senior Services	3,066,577	2,228,976	1,679,930	(549,045)	-25%	1,386,647
Transfers Out						
Fund 208 (2018 LTGO Bonds)	226,600	169,950	169,950	-	0%	56,650
Fund 506 (Facility Repair and Replacement)	51,000	38,250	0	(38,250)	-100%	51,000
Total Operating Expenditures	\$ 27,238,936	\$ 19,635,722	\$ 19,289,782	\$ (345,940)	-2%	\$ 7,949,154
Total Operating Income (Loss)	\$ (619,184)	\$ (843,586)	\$ (361,735)	\$ 481,851		

**September is month 9 of 12 = 75%

OTHER FUNDS

2024 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	2024			2024 YTD Budget vs Actual		2024 Remaining Budget
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	
Operating Revenues						
Planning and Building						
Building Permits	\$ 500,000	\$ 375,000	\$ 488,262	\$ 113,262	30%	\$ 11,738
Other Licenses and Permits	462,270	346,703	240,850	(105,853)	-31%	222,420
Intergovernmental (Grants, etc.)	110,000	82,500	159,275	76,775	93%	(49,275)
Charges for Services:						
Zoning Fees	336,168	252,126	416,406	164,280	65%	(80,238)
Plan Check Fees	585,000	438,750	362,954	(75,796)	-17%	222,046
SEPA-Related Mitigation Fees	100,000	75,000	-	(75,000)	-100%	100,000
Other Fees	6,800	5,100	4,609	(491)	-10%	2,191
Credit Card Fees	40,000	30,000	35,598	5,598	19%	4,402
Penalties - Stop Work	3,000	2,250	9,511	7,261	323%	(6,511)
Planning and Building Revenue Subtotal	\$ 2,143,238	\$ 1,607,429	\$ 1,717,466	\$ 110,038	7%	\$ 425,772
Engineering						
Right-Of-Way Permits	\$ 125,000	\$ 93,750	\$ 143,118	\$ 49,368	53%	\$ (18,118)
Engineering Fees	240,224	180,168	147,855	(32,313)	-18%	92,369
Interfund Charges/ Engineering CIP Support	250,000	187,500	1,387.59	(186,112)	-99%	248,612
Engineering Revenue Subtotal	\$ 615,224	\$ 461,418	\$ 292,361	\$ (169,057)	-37%	\$ 322,863
Transfers in	-	-	\$ 129,563	\$ 129,563	0%	\$ (129,563)
Miscellaneous	-	-	(1,150.00)	(1,150.00)	0%	1,150.00
Interest Income	20,000	15,000	72,361	57,361	382%	(52,361)
Total Operating Revenues	\$ 2,778,462	\$ 2,083,847	\$ 2,210,601	\$ 126,754	6%	\$ 567,861
Operating Expenditures						
Planning and Building						
Salaries and Benefits	\$ 1,483,850	\$ 1,051,060	\$ 1,131,865	\$ 80,804	8%	\$ 351,985
Supplies	32,380	24,285	14,011	(10,274)	-42%	18,369
Services	761,741	571,306	471,624	(99,682)	-17%	290,117
Planning and Building Expenditures Subtotal	\$ 2,277,971	\$ 1,646,651	\$ 1,617,500	\$ (29,152)	-2%	\$ 660,471
Engineering						
Salaries and Benefits	\$ 1,070,041	\$ 757,946	\$ 540,937	\$ (217,009)	-29%	\$ 529,104
Supplies	10,000	7,500	6,041	(1,459)	-19%	3,959
Services	224,812	168,609	161,105	(7,504)	-4%	63,707
Engineering Expenditures Subtotal	\$ 1,304,853	\$ 934,055	\$ 708,083	\$ (225,972)	-24%	\$ 596,770
Total Operating Expenditures	\$ 3,582,824	\$ 2,580,706	\$ 2,325,583	\$ (255,123)	-10%	\$ 1,257,241
Total Operating Income (Loss)	\$ (804,362)	\$ (496,859)	\$ (114,982)	\$ 381,877		

**September is month 9 of 12 = 75%

2024 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, as of September 30, 2024 of projects approved by the City Council to be funded by ARPA:

Completed Projects	Allocated	Expended	Remaining
Parks Program Support	1,000,000	1,000,000	-
Municipal Court	550,000	550,000	-
Small Business Grants	495,000	495,000	-
Police Vehicles	255,486	255,486	-
Tenant Eviction Resources	250,000	250,000	-
Metro Transit	250,000	250,000	-
Workforce training scholarships	125,000	125,000	-
Body Cams and Program Consultant	91,925	91,925	-
ARPA Administration Support	90,557	90,557	-
EATS Program	80,471	80,471	-
SR3	75,000	75,000	-
Human Services Committee Enhancement	75,000	75,000	-
Utility Voucher Fund	70,050	70,050	-
Redondo Space Lease	63,000	63,000	-
Food Trucks - Limited Term	50,000	50,000	-
Arts Commission	50,000	50,000	-
Passenger Ferry	45,631	45,631	-
ADA Compliance Program	11,064	11,064	-
Additional Traffic Calming	19,727	19,727	-
Police/Police Support Overtime	200,000	200,000	-
People Movers	42,237	42,237	-
Evidence Van	37,733	37,733	-
Finance Budgeting Software	35,000	35,000	-
SCORE	515,656	515,656	-
Human Resources Recruitment	14,400	14,400	-
Emergency Management Comp Plan	8,000	8,000	-
Subtotal	4,500,937	4,500,937	-
Continuing Projects	Allocated	Expended	Remaining
Marina Infrastructure	1,865,000	556,600	1,308,400
2024 General Fund Support	1,260,389	1,065,153	195,236
Police Officers	830,000	743,003	86,997
Non-Profit Hiring Assistance (Mental Health Support)/Crime Analyst	393,957	335,341	58,616
Nonprofit Foundation	74,596	71,000	3,596
Field House Play Equipment	105,000	50,000	55,000
Subtotal	4,528,942	2,821,096	1,707,846
Total ARPA funds	9,029,879	7,322,033	1,707,846

2024 3RD QUARTER FINANCIAL REPORT

Summary of Other Special Revenue Funds

Fund	Revenue			Expenditures		
	Budget	Actual	% Actual to Budget	Budget	Actual	% Actual to Budget
Special Revenue Funds:						
Street	\$ 2,400,331	\$ 1,562,220	65.1%	\$ 2,198,602	\$ 1,296,759	59.0%
Arterial Pavement	1,122,500	507,958	45.3%	1,308,000	45,477	3.5%
Police Drug Seizure	26,000	-	0.0%	20,500	-	0.0%
Hotel-Motel Tax	110,750	67,214	60.7%	130,000	102,607	78.9%
Affordable Housing Sales Tax	30,000	21,690	72.3%	30,000	34,012	113.4%
American Rescue Plan Act	1,750	-	0.0%	3,973,617	1,919,450	48.3%
Redondo Zone	69,500	43,438	62.5%	102,151	103,833	101.6%
Waterfront Zone	260,750	190,859	73.2%	356,204	110,860	31.1%
PBPW Automation Fee	141,500	149,223	105.5%	77,924	200,070	256.7%
Urban Forestry	5,000	-	0.0%	5,000	-	0.0%
Abatement	5,500	3,614	65.7%	2,500	988	39.5%
Automated Speed Enforcement (ASE)	381,500	196,467	51.5%	442,000	201,802	45.7%
Redondo Speed Enforcement	-	453,473	0.0%	-	80,743	0.0%
Transportation Benefit District	959,000	824,716	86.0%	1,450,000	337,500	23.3%

CAPITAL PROJECTS FUND

Capital Projects Funds are funds used to account for financial resources that are restricted or committed to the construction, acquisition, or improvement of major capital facilities.

The Capital Project Fund per City Code is a single fund for accounting and budgeting purposes. The fund it is comprised of a series of managerial funds intended to account for the receipt and expenditure of capital monies. Managerial funds are for informational purposes only.

Fund	Revenue			Expenditures		
	Budget	Actual	% Actual to Budget	Budget	Actual	% Actual to Budget
Capital Project Fund:						
REET 1	\$ 560,000	\$ 537,046	95.9%	\$ 1,545,000	\$ 50,331	9.0%
REET 2	552,500	502,193	90.9%	1,585,576	76,185	13.8%
Park Levy	195,500	152,739	78.1%	285,000	315,237	161.2%
Park in Lieu	100,750	-	0.0%	46,000	-	0.0%
One-Time Sales & B+O Tax Revenues	5,000	59,351	1187.0%	660,000	500,000	10000.0%
Municipal Capital Improvements	15,626,000	873,484	5.6%	16,558,359	1,653,533	10.6%
Transportation Capital Improvements	8,008,000	3,473,889	43.4%	8,320,641	4,194,318	52.4%
Traffic in Lieu	452,500	13,881	3.1%	540,000	-	0.0%
Traffic Impact - Citywide	301,250	438,119	145.4%	473,000	-	0.0%
Traffic Impact - Pac Ridge	100,750	21,337	21.2%	-	-	0.0%

2024 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	2024			2024 YTD Budget vs Actual		2024
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenue						
Charges for Services	\$ 3,558,167	\$ 2,668,625	\$ 3,101,283	\$ 432,658	16%	\$ 456,884
Fuel Sales	1,503,000	1,127,250	1,003,801	(123,449)	-11%	499,199
Miscellaneous Revenues	12,800	9,600	21,058	11,458	119%	(8,258)
Operating Revenue Subtotal	\$ 5,073,967	\$ 3,805,475	\$ 4,126,142	\$ 320,666	8%	\$ 947,825
Operating Expense						
Salaries and Benefits	\$ 1,310,733	\$ 928,436	\$ 938,265	\$ 9,829	1%	\$ 372,468
Supplies	147,500	110,625	78,352	(32,273)	-29%	69,148
Fuel Purchases	1,200,000	900,000	770,318	(129,682)	-14%	429,682
Services	612,145	459,109	369,286	(89,822)	-20%	242,859
Services - Interfund	930,106	697,580	737,762	40,182	6%	192,344
Total Operating Expenses (excl. depreciation)	\$ 4,200,484	\$ 3,095,749	\$ 2,893,984	\$ (201,765)	-7%	\$ 1,306,500
Operating Income/(Loss)	\$ 873,483	\$ 709,726	\$ 1,232,157	\$ 522,431	74%	
Non-Operating Revenue						
Interest Income	90,000	67,500	430,902	363,402	538%	(340,902)
Non-operating Revenue Subtotal	\$ 90,000	\$ 67,500	\$ 430,902	\$ 363,402	538%	\$ (340,902)
Non-operating Expense						
Capital Outlay	\$ 7,687,000	\$ 5,765,250	\$ 79,330	\$ (5,685,920)	-99%	\$ 7,607,670
Debt Service	1,272,523	954,392	431,085	(523,308)	-55%	841,438
Non-operating Expense Subtotal	\$ 8,959,523	\$ 6,719,642	\$ 510,414	\$ (6,209,228)	-92%	\$ 8,449,109
Net Income	\$ (7,996,040)	\$ (5,942,416)	\$ 1,152,645	\$ 7,095,062	-119%	

**September is month 9 of 12 = 75%

2024 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	2024			2024 YTD Budget vs Actual		2024
	Adopted Budget	YTD Budget	YTD Actual	Amount	Percentage	Remaining Budget
Operating Revenue						
Charges for Services	\$ 5,529,436	\$ 3,321,231	\$ 3,456,469	\$ 135,238	4%	\$ 2,072,967
Intergovernmental Revenue	613,000	459,750	456,884	(2,866)	-1%	156,116
Operating Revenue Subtotal	\$ 6,142,436	\$ 3,780,981	\$ 3,913,353	\$ 132,372	4%	\$ 2,229,083
Operating Expense						
Salaries and Benefits	\$ 1,672,255	\$ 1,254,191	\$ 972,798	\$ (281,393)	-22%	\$ 699,457
Supplies	116,100	87,075	63,054	(24,021)	-28%	53,046
Services	1,269,027	951,770	971,704	19,934	2%	297,323
Services - Interfund	727,599	545,699	588,834	43,135	8%	138,765
Total Operating Expenses (excl. depreciation)	\$ 3,784,981	\$ 2,838,736	\$ 2,596,390	\$ (242,346)	-9%	\$ 1,188,591
Operating Income/(Loss)	\$ 2,357,455	\$ 942,245	\$ 1,316,963	\$ 374,718	40%	
Non-Operating Revenue						
Miscellaneous Revenue	\$ -	\$ -	\$ 1,030	\$ 1,030	0%	\$ (1,030)
Interest Income	20,000	15,000	380,219	365,219	2435%	(360,219)
Non-operating Revenue Subtotal	\$ 20,000	\$ 15,000	\$ 381,249	\$ 366,249	2442%	\$ (361,249)
Non-operating Expense						
Capital Outlay	\$ 3,123,000	\$ 2,342,250	\$ 1,814,445	\$ (527,805)	-23%	\$ 1,308,555
Non-operating Expense Subtotal	\$ 3,123,000	\$ 2,342,250	\$ 1,814,445	\$ (527,805)	-23%	\$ 1,308,555
Net Income	\$ (745,545)	\$ (1,385,005)	\$ (116,233)	\$ 1,268,772	-92%	

**September is month 9 of 12 = 75%

2024 3RD QUARTER FINANCIAL REPORT

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the government and to other government units on a cost reimbursement basis.

Fund	Revenue			Expenditures		
	Budget	Actual	% Actual to Budget	Budget	Actual	% Actual to Budget
<i>Internal Service Funds:</i>						
Equipment Rental Operations	1,238,024	558,247	45.1%	811,082	551,131	44.5%
Equipment Rental Replacement	753,280	679,356	90.2%	1,122,000	608,860	80.8%
Facility Major Repairs	461,150	(60,789)	-13.2%	546,000	222,696	48.3%
Computer Replacement	412,800	235,708	57.1%	939,985	217,299	52.6%
Self Insurance	1,286,315	837,839	65.1%	1,266,927	1,170,430	91.0%
Unemployment Insurance	51,950	51,885	99.9%	42,500	21,901	42.2%

CASH BALANCES – ALL FUNDS

Fund Description	Cash Balance				
	Unassigned	Assigned	Committed	Restricted	Total
General Fund	\$ 1,857,186	\$ -	\$ -	\$ 417,808	\$ 2,274,994
Street Fund	-	910,361	-	3,996	914,357
Arterial Pavement Fund	-	3,248,140	-	2,468	3,250,608
Development Fund	-	1,488,459	-	627,634	2,116,093
Police Drug Seizure Fund	-	-	-	138,833	138,833
Hotel Motel Tax Fund	-	-	-	138,845	138,845
Affordable Housing Sales Tax Fund	-	-	-	77,769	77,769
American Rescue Plan Act Fund	-	-	-	1,933,107	1,933,107
Redondo Zone Fund	-	(23,729)	-	-	(23,729)
Waterfront Zone Fund	-	183,882	-	-	183,882
PBPW Automation Fee Fund	-	596,016	-	-	596,016
Urban Forestry Fund	-	-	-	-	-
Abatement Fund	-	38,143	-	-	38,143
ASE Automated Speed Enforcement Fund	-	327,215	-	-	327,215
Transport Benefit District Fund	-	-	-	3,098,995	3,098,995
Debt Service Fund	-	-	-	(208,025)	(208,025)
Capital Projects Fund	-	2,792,861	2,587,819	14,581,282	19,961,962
Marina Fund	-	8,289,618	-	12,988,929	21,278,547
Surface Water Management Fund	-	10,221,866	200,000	4,066	10,425,932
Equipment Rental Operations Fund	-	99,321	-	-	99,321
Equipment Rental Replacement Fund	-	3,075,352	-	-	3,075,352
Facility Repair and Replacement Fund	-	309,624	-	-	309,624
Computer Equipment Capital Fund	-	1,296,141	-	-	1,296,141
Self-Insurance Fund	-	542,062	-	-	542,062
Unemployment Insurance Fund	-	555,807	-	-	555,807
Total Cash Balance	\$ 1,857,186	\$ 33,951,141	\$ 2,787,819	\$ 33,805,707	\$ 72,401,853

2024 3RD QUARTER FINANCIAL REPORT

Types of Cash Balances

Restricted cash is the portion of cash and investments balance that is subject to externally enforceable legal restrictions (imposed by creditors, grantors, donors, other governments, etc.). The restrictions may also be imposed by law through constitutional provisions or enabling legislation.

Committed cash is the portion of cash and investments' balance that represents resources whose use is constrained by specific limitations that the government imposes upon itself at the highest level of decision making (The City of Des Moines City Council) through a most binding formal action (e.g., resolution, ordinance, etc.) and that remains binding unless removed in the same manner. A motion, plan or stated management intent regarding how resources will be used does not meet the criteria for classifying balances as committed because the commitment has to occur at the highest level of authority through the most binding formal action.

Assigned cash is the portion of cash and investments that reflects a government's intended use of resources. These are amounts intended to be used by the government for specific purposes that are neither restricted nor committed. Example: the governing body can state its intent to use resources for a specific purpose in an informal way like a motion or other form of a directive. The governing body could also delegate authority to others (directors, managers, etc.) to express intent. Any transfer of resources to funds other than the general fund represents an assignment.

Unassigned cash is available for any purpose. Only the General Fund can report a positive unassigned cash and investments balance.

2024 3RD QUARTER FINANCIAL REPORT

City of Des Moines Cash Deposits and Investment Portfolio Year-to-date September 30, 2024

Security Type	Fair Value as of 1/1/2024	2024 Activity	Fair Value as of 9/30/2024	% of Portfolio
Federal Farm Credit Bank	\$ 8,606,090	\$ 1,735,742	\$ 10,341,832	14.3%
Federal Home Loan Bank	2,422,065	4,001,750	6,423,815	8.9%
Federal Home Loan Mtg. Corp.	3,468,460	(1,979,605)	1,488,855	2.1%
Federal Agricultural Mortgage Corp	3,290,303	15,813	3,306,115	4.6%
Federal National Mortgage Association	1,488,930	(1,488,930)	-	0.0%
US Treasury Notes/Bonds	5,457,923	(984,455)	4,473,468	6.2%
United States Treasury STRIP	2,940,161	(2,940,161)	-	0.0%
Key Bank	31,083,449	(25,827,994)	5,255,456	7.3%
LGIP	16,471,860	24,640,452	41,112,312	56.8%
Total	\$ 75,229,240	\$ (2,827,387)	\$ 72,401,853	100.0%

Bond Investments	27,673,931	36.8%	26,034,085	36.0%
Local Government Investment Pool	16,471,860	21.9%	41,112,312	56.8%
Key Bank Account	31,083,449	41.3%	5,255,456	7.3%
Total	\$ 75,229,240	100%	\$ 72,401,853	100.0%

Local Government Investment Pool Composition

Operating Funds	16,471,860	100%	16,952,917	41%
Debt Proceeds	-	0%	24,159,395	59%
Total LGIP Funds	16,471,860	100%	41,112,312	100%

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 5.2278%, a decrease of 0.1576% from September of 2023. LGIP Interest earned in 2024 through September 30th is **\$1,540,239**. In 2023, interest earned through September was \$555,242. The increase in interest is primarily due to bond proceeds being transferred to the LGIP.

Interest Allocation: Investment interest is allocated across all City funds based on their portion of the overall cash balance at the end of the month.

2024 3RD QUARTER FINANCIAL REPORT

Investment Transaction Listing

Maturities

During the third quarter, the following investments matured or were called:

- United States Treasury Strips, **\$3,030,000**, matured August 2024, **yielding 0.350%**
- Federal Home Loan Mtg.Corp, **\$2,000,000**, called September 2024, **yielding 5.155%**
- US Treasury Notes/Bonds, **\$1,500,000**, matured September 2024, **yielding 0.320%**

Purchases

During the third quarter, the following investments were purchased:

- Federal Home Loan Bank, **\$2,000,000**, **yielding 3.650%**, maturity 3/10/2028
- Federal Home Loan Bank, **\$2,000,000**, **yielding 3.530%**, maturity 9/4/2026
- US Treasury Notes/Bonds, **\$1,000,000**, **yielding 3.440%**, maturity 11/15/2027

2024 3RD QUARTER FINANCIAL REPORT

ATTACHMENT 1

SALES TAX SUMMARY

JUNE 2024 (APRIL 2024 SALES)

NAICS	CONSTRUCTION	23 TOTAL	23 YTD	24 YTD	YTD % Diff
236	Construction of Buildings	714,343	325,336	174,359	-46.4%
237	Heavy & Civil Construction	50,465	29,511	20,295	-31.2%
238	Specialty Trade Contractors	360,010	135,901	156,917	15.5%
TOTAL CONSTRUCTION		\$ 1,124,818	\$ 490,748	\$ 351,572	
<i>Overall Construction Change from Previous Year</i>				\$ (139,177)	-28.4%
MANUFACTURING		23 TOTAL	23 YTD	24 YTD	YTD % Diff
311	Food Manufacturing	\$ 1,607	\$ 894	\$ 444	-50.3%
312	Beverage & Tobacco Products	2,444	1,248	1,052	-15.7%
313	Textile Mills	244	170	111	-35.0%
314	Textile Product Mills	207	167	135	-19.1%
315	Apparel Manufacturing	310	171	164	-4.0%
316	Leather & Allied Products	365	139	202	45.4%
321	Wood Product Manufacturing	2,141	602	3,831	535.9%
322	Paper Manufacturing	460	273	83	-69.7%
323	Printing & Related Support	4,336	1,845	2,400	30.1%
324	Petroleum & Coal Products	41	1	8	508.7%
325	Chemical Manufacturing	1,254	561	685	22.1%
326	Plastic & Rubber Products	384	51	223	340.9%
327	Nonmetallic Mineral Products	4,380	1,978	1,866	-5.7%
331	Primary Metal Manufacturing	25	(1)	5	-810.4%
332	Fabricated Metal Mfg Products	6,380	4,566	853	-81.3%
333	Machinery Manufacturing	854	216	433	100.5%
334	Computer & Electronic Products	3,309	1,110	1,033	-7.0%
335	Electric Equipment, Appliances	790	53	212	301.3%
336	Transportation Equipment Mfg	16,069	5,187	7,274	40.2%
337	Furniture & Related Products	4,229	1,807	3,122	72.7%
339	Miscellaneous Manufacturing	4,628	1,741	2,369	36.1%
TOTAL MANUFACTURING		\$ 54,458	\$ 22,780	\$ 26,504	
<i>Overall Manufacturing Change from Previous Year</i>				\$3,724	16.3%
TRANSPORTATION & WAREHOUSING		23 TOTAL	23 YTD	24 YTD	YTD % Diff
482	Rail Transportation	5	2	1	-50.0%
484	Truck Transportation	6,501	3,577	3,549	-0.8%
487	Scenic and Sightseeing Trans	669	669	-	-100.0%
488	Transportation Support	2,121	1,060	1,331	25.5%
491	Postal Services	115	57	57	-0.4%
492	Couriers & Messengers	23,390	11,600	14,047	21.1%
493	Warehousing & Storage	1,143	104	316	202.4%
TOTAL TRANSP & WHSING		\$ 33,944	\$ 17,071	\$ 19,301	
<i>Overall Transportation Change from Previous Year</i>				\$2,230	13.1%
WHOLESALE TRADE		23 TOTAL	23 YTD	24 YTD	YTD % Diff
423	Whls Trade-Durable Goods	\$ 162,845	\$ 83,025	\$ 70,235	-15.4%
424	Whls Trade-Nondurable Goods	52,346	25,638	27,530	7.4%
425	Wholesale Electronic Markets	796	348	656	88.7%
WHOLESALE TRADE TOTAL		\$ 215,987	\$ 109,010	\$ 98,420	
<i>Overall Wholesale Change from Previous Year</i>				(\$10,590)	-9.7%

2024 3RD QUARTER FINANCIAL REPORT

ATTACHMENT 1 (Cont.)

SALES TAX SUMMARY

JUNE 2024 (APRIL 2024 SALES)

NAICS	AUTOMOTIVE	23 TOTAL	23 YTD	24 YTD	YTD % Diff
441	Motor Vehicle & Parts Dealer	\$ 102,216	\$ 63,550	\$ 147,063	131.4%
	TOTAL AUTOMOTIVE	\$ 102,216	\$ 63,550	\$ 147,063	
	<i>Overall Automotive Change from Previous Year</i>			\$83,513	131.4%
	RETAIL TRADE	23 TOTAL	23 YTD	24 YTD	YTD % Diff
444	Building Material & Garden	53,538	28,167	26,351	-6.5%
445	Food & Beverage Stores	171,323	81,486	86,330	5.9%
449	Furniture, Home Furnishings, Electronic	215,111	96,464	78,748	-18.4%
455	General Merchandise Retailers	57,547	27,195	30,711	12.9%
456	Health and Personal Care Retailers	155,417	101,919	32,347	-68.3%
457	Gasoline Stations and Fuel Dealers	66,686	33,068	29,538	-10.7%
458	Clothing, Clothing Accessories, Shoe an	51,776	27,167	25,958	-4.5%
459	Sporting Goods, Hobby, Musical Instrur	622,518	286,590	336,714	17.5%
	TOTAL RETAIL TRADE	\$1,393,916	\$ 682,056	\$ 646,696	
	<i>Overall General Retail Change from Previous Year</i>			(\$35,360)	-5.2%
	SERVICES	23 TOTAL	23 YTD	24 YTD	YTD % Diff
51*	Information	\$ 189,478	\$ 91,790	\$ 113,046	23.2%
52*	Finance & Insurance	23,393	11,176	12,414	11.1%
53*	Real Estate, Rental, Leasing	69,057	23,514	23,815	1.3%
541	Professional, Scientific, Tech	84,983	35,315	42,288	19.7%
551	Company Management	817	203	949	368.1%
56*	Admin, Supp, Remed Svcs	251,426	118,229	133,313	12.8%
611	Educational Services	16,075	7,702	9,264	20.3%
62*	Health Care Social Assistance	6,030	1,861	3,443	85.0%
71*	Arts & Entertainment	32,618	15,235	15,165	-0.5%
72*	Accommodation & Food Svcs	415,966	196,818	195,959	-0.4%
81*	Other Services	117,907	53,565	74,609	39.3%
92*	Public Administration	867	206	246	19.2%
	TOTAL SERVICES	\$1,208,618	\$ 555,615	\$ 624,511	
	<i>Overall Services Change from Previous Year</i>			\$68,897	12.4%
	MISCELLANEOUS	23 TOTAL	23 YTD	24 YTD	YTD % Diff
111-115	Agriculture, Forestry, Fishing	947	303	200	-34.1%
211-221	Mining & Utilities	1,052	308	7,973	2488.1%
999	Unclassifiable Establishments	142,767	56,824	64,861	14.1%
	MISCELLANEOUS TOTAL	\$ 144,766	\$ 57,435	\$ 73,034	
	<i>Overall Miscellaneous Change from Previous Year</i>			\$15,599	27.2%
	GRAND TOTALS	23 TOTAL	23 YTD	24 YTD	YTD % Diff
	GRAND TOTALS	\$4,278,723	\$1,998,265	\$1,987,102	
	<i>Grand Total Change from Previous Year to Date</i>			(\$11,163)	-0.56%

2024 3RD QUARTER FINANCIAL REPORT

Glossary of Terms

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Abatement Fund: This fund was created to account for revenue and expenditures to abate nuisances within the city.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time.

Capital Assets: All real and tangible property used in the operation of a government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost.

Capital Outlay: Expenditures that result in the acquisition of or addition to capital assets.

Capital Projects Fund: funds that are used to account for financial resources that are restricted or committed to the construction, acquisition, or improvement of major capital facilities.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Enterprise Fund: A fund type used to account for operations that are financed or operated in a manner similar to private business enterprise where the intent of the governing body is that costs of providing goods and services be recovered primarily through user charges.

Expenditure/Expense: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Franchise Fees: Fees paid to the City by a utility provider who uses public space to deliver its services.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

General Fund: Accounts for all revenues and expenditures that are not accounted for in any other fund except those required by statute. It is a fund supported by taxes, fees, and other miscellaneous revenues. This fund is used to finance daily and long-term operations.

2024 3RD QUARTER FINANCIAL REPORT

Grant: A contribution by Federal, State, and other jurisdiction or organization to support a particular function.

Impact Fees: A payment of money imposed by the City upon development activity as a condition of issuance of a building permit to pay for public facilities needed to serve new growth and development, and to mitigate the impacts of the development activity on the existing public facilities.

In-Lieu: A payment alternative for funding capital expenditures.

Interfund Transfer: The movement of monies between funds of the same government entity.

Intergovernmental: Relating to activity conducted between two or more governments.

Investments: Securities held for the production of income in the form of interest. The term does not include fixed assets used in governmental operations.

Net Position: The difference between assets and liabilities.

Park In-Lieu Fees: A voluntary payment of money from a subdivision or multi-family development as an alternative to providing open space or park land for recreation purposes.

Park Levy: Funding generated through an interlocal agreement with King County for King County Parks Levy funds restricted for capital projects.

Planning, Building and Public Works (PBPW) Automation Fund: This fund was created to account for Planning, Building and Public Works automation fees and to be used for technology operations, maintenance and replacement expenditures; as well as, capital expenditures for acquisition of additional technology benefitting the PBPW department.

Redondo Zone Fund: The Redondo Zone is the Redondo Beach Park area. This fund accounts for parking fees and fines in the Redondo Zone which are to be used for operating and capital costs related to the zone.

Revenue: Money that flows into the local government. It is recurring if it is received on a consistent basis (e.g., sales taxes and property taxes) and nonrecurring if it is received irregularly (e.g., federal and state grants).

Special Revenue Fund: A special revenue fund is a fund that collects money to be used for a specific purpose. These funds can increase transparency and accountability for taxpayers by ensuring that their tax dollars are used for their intended purpose.

Unrestricted Net Position: The net position that generally can be used for any purpose. However, they are not necessarily in a spendable form, such as cash.

Waterfront Zone: This fund was created to account for revenues and expenditures relating to the provision of services and public access to the fishing pier, the waterfront area of the Beach Park and related parking lots and to the space on the upland areas not designated as part of the marina enterprise fund.

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Budget Workshop

FOR AGENDA OF: December 5, 2024

ATTACHMENTS:

DEPT. OF ORIGIN: Finance

DATE SUBMITTED: November 27, 2024

CLEARANCES:

- City Clerk _____
- Community Development _____
- Courts _____
- Emergency Management _____
- Finance *ML*
- Human Resources _____
- Legal */s/ TG*
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works _____

APPROVED BY CITY MANAGER
FOR SUBMITTAL: *Katherine Coffey*

Purpose and Recommendation

The purpose of this agenda item is to update the City Council about budget challenges and recommended strategies for balancing the 2025/2026 Biennial Budget. Staff seeks Council input and direction in completing the 2025/2026 Biennial Budget process.