

## **September 2018 Financial Dashboard Highlights**

### **November 20, 2018**

The dashboard report reflects the 2018 share of the biennial budget adopted by the City Council on December 13, 2016 and amended on June 20, 2017, December 12, 2017 and June 19, 2018. The actual revenues and expenditures summarized reflect results through September 30, 2018, 75 percent of the way through the year.

Total General Fund revenues received through September were \$76 million, 80.3 percent of budget, and 7.7 percent higher than 2017 after excluding the proceeds from the sale of 505 Market that took place in the first quarter of 2017.

- Sales tax revenues through September were \$17,536,170, 7.3 percent higher than 2017, and 87.5 percent of budget. Contracting led the majority of the growth with \$527,366 or 15.5 percent more collections than last year. Contracting contributed over 44.0 percent of total sales tax revenue growth through September 2018 by itself. General Merchandise was the second largest growth category, contributing \$275,578 or 18.8 percent, which was largely impacted by the Marketplace Fairness Act effective January 2018. Other Retail was the third highest contributor, with \$138,580 more than in 2017, mainly from Clothing, Building & Garden, and Electronics. These figures reflect business activity through July 2018 due to the two-month lag in the receipt of funds from the Department of Revenue.
- Utility tax receipts were \$10.6 million through the end of September 2018, 71.9 percent of the annual budget and 3.3 percent less than 2017. The decline from 2017 was mainly caused by lower gas, telephone and cable receipts due to warmer winter weather earlier this year, as well as the declining telephone and cable sales.
- Business license revenues through September were \$3,081,776 which represents 95 percent of the budget. They were above September 2017 receipts by \$320,058, or 11.6 percent. The increase was largely due to business license database reconciliation against data from the Department of Revenue as part of the transition to the state Business Licensing Service. The increase is from the formerly unlicensed businesses who are now licensed in Kirkland, including back payments where applicable.
- Development fee revenues through the end of September were \$12,004,339, which is 144.6 percent of the budget. This is 38.0 percent above September 2017.
  - Building revenues through September 2018 were \$8,493,801, 164.6 percent of the annual budget and 55.7 percent above September 2017.
  - Engineering revenues through September 2018 were \$2,373,170, 120.2 percent of the annual budget and 9.8 percent above September 2017.
  - Year-to-date Planning revenues through September 2018 were \$815,641, 92.5 percent of the annual budget, and 1.3 percent lower than in 2017.
  - Fire Development revenues through September 2018 are \$321,777, 112.6 percent of the annual budget and 6.9 percent higher than 2017.
- Gas tax revenues through September 2018 were \$1,396,283, 73.9 percent of the annual budget and 3.8 percent higher than 2017.

Total General Fund expenditures were \$72.7 million, 72.8 percent of budget through the end of September, and 1.1 percent higher than in 2017.

- General Fund salaries and benefits were \$48.6 million, 72.7 percent of the annual budget, and 4.2 percent higher than through September 2017. The increase is due to cost-of-living adjustments, increased health benefit costs and additional one-time staffing, partially offset by two years of retroactive pay for fire employees that was recorded in February 2017.
- Fire suppression overtime expenditures were \$1,381,883 through September, or 70.7 percent higher than the annual budget and 58.2 percent more than last year. It is important to note that the expenditures were very high in August and September because the firefighters were deployed to fight the wildfires that happened in Washington, Oregon, and mainly California. Nevertheless, we expect to receive reimbursements to offset the costs. Throughout the year however, fire department has experienced the following factors that required overtime to meet minimum staffing, including:
  - Three firefighters on disability;
  - Three firefighter departures in May; and,
  - Vacations planned during leave bidding in January.
- Contract jail expenditures through September 2018 were \$273,808 or 55.4 percent of budget and 14.8 lower than in 2017. The main reason for the decline is the lower number of inmate days compared to last year. This is partially offset by highest cost in daily rate, which is \$11.22 per day higher than 2017.
- Fuel costs through August were at \$367,904, 66.5 percent of budget and \$89,768, or 32.3 percent higher than in 2017. This increase is primarily due to higher fuel prices despite a lower year-to-date number of gallons consumed.

Attachments: September Dashboard

City of Kirkland Budget Dashboard for: **September**  
 Annual Budget Status as of **9/30/2018** (Note 1)  
 Percent of Year Complete **75.00%**

Date Completed 11/20/2018

	2018 Budget	Year-to-Date Actual	% Received/ % Expended	Status		Notes
				Current Month	Last Month	
<b>General Fund</b>						
Total Revenues	94,688,786	76,007,117	80.3%			
Total Expenditures	99,833,755	72,704,950	72.8%			

**Key Indicators (All Funds)**

<i>Revenues</i>						
Sales Tax	20,031,035	17,536,170	87.5%			
Utility Taxes	14,857,345	10,676,161	71.9%			
Business License Fees	3,244,927	3,081,776	95.0%			
Development Fees	8,302,662	12,004,339	144.6%			
Gas Tax	1,890,142	1,396,283	73.9%			
<i>Expenditures</i>						
GF Salaries/Benefits	66,892,779	48,645,898	72.7%			Excludes Fire Suppression Overtime
Fire Suppression Overtime	809,424	1,381,883	170.7%			Primary driver of suppression overtime is backfill to maintain daily minimum staffing levels
Contract Jail Costs	494,425	273,808	55.4%			
Fuel Costs	553,261	367,904	66.5%			

**Status Key**

Revenue is at least 5% higher than expected or expenditure is at least 5% lower than expected  
 Revenue/expenditure is within expected range (5% buffer)  
 WATCH - Revenue/expenditure outside expected range (5% lower Revenue) (5% higher Expenditure)



Note 1 - Report shows annual values during the second year of the biennium (2018).