

October 2018 Financial Dashboard Highlights

January 2, 2019

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 October 31, 2018, 83.3 percent of the way through the year.

Total General Fund revenues received through October were \$89.5 million, 94.5 percent of budget, and 9.1 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 October were \$19,584,123, 7.5 percent higher than 2017, and 97.8 percent of budget. Contracting was the largest contributor to growth in dollars, with an increase of \$589,110 (15.5 percent) compared to last year. Through October, Contracting has contributed over 43.0 percent of total sales tax revenue. General Merchandise/Miscellaneous Retail contributed the second highest amount, with a \$300,422 (18.4 percent) increase, primarily due to the Marketplace Fairness Act effective January 2018. Services contributed \$210,596 (8.9 percent) to the year to date growth, due to a large increase in the Administrative Support subsector, which includes Cloud computing services. Other Retail, Miscellaneous and Wholesale revenues increased \$164,633, \$83,162 and \$39,818, respectively. Auto Gas/ Retail and Retail Eating Drinking also contributed to the growth. Communications was the only sector with a year over year decrease due to back taxes paid in 2017. These figures reflect business activity through August 2018 due to the two-month lag in the receipt of funds from the Department of Revenue.
- Utility tax receipts were just under \$12 million through the end of October 2018, 80.8 percent of the annual budget and 2.9 percent less than 2017. The decline from 2017 was mainly caused by lower gas tax receipts due to warmer winter weather early in 2018 and lower telephone tax receipts due to a change in consumer behavior.
- Business license revenues through October were \$3,412,410 which represents 105.2 percent of the budget. They were above October 2017 receipts by \$261,642, or 8.3 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 October were \$12,941,788, which is 155.9 percent of the budget, more than \$4.6 million above the budget. This is 32.8 percent above October 2017.
 - Building revenues through October 2018 were \$8,922,475, 177.8 percent of the annual budget and 58.0 percent above October 2017.
 - Engineering revenues through October 2018 were \$2,803,753, 129.2 percent of the annual budget and 6.8 percent above October 2017.
 - Year-to-date Planning revenues through October 2018 were \$863,619, 97.9 percent of the annual budget and 2.4 percent lower than in 2017.
 - Fire Development revenues through October 2018 are \$351,941, 123.1 percent of the annual budget and 6.0 percent higher than 2017.

- Gas tax revenues through October 2018 were \$1,560,364, 82.6 percent of the annual budget and 3.2 percent higher than 2017.

Total General Fund expenditures were \$80.9 million, 81.0 percent of budget through the end of October, and 1.9 percent higher than in 2017.

- General Fund salaries and benefits were \$53.9 million, 80.5 percent of the annual budget, and 4.1 percent higher than through October 2017. The increase is due to filled vacancies, staff movement to higher steps, 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 \$1,556,867 through October, or 192.3 percent of the annual budget and 55.7 percent more than last year. These figures include the additional overtime expenditures due to staff helping fight the wildfires in California, Washington and Oregon, which will be offset by reimbursements in the future. In addition to these wildfire costs, the following factors required overtime to meet minimum staffing:
 - Three firefighters on disability
 - Three firefighter departures in May
- Contract jail expenditures through October 2018 were \$335,383 or 67.8 percent of budget and 7.0 lower than in 2017. The main reason for the cost decrease is a 22.7 percent drop in the number of inmate days at SCORE. This is partially offset by a higher daily rate cost, which is \$11.22 per day higher than 2017.
- Fuel costs through October were at \$421,080, 76.1 percent of budget and \$105,517, or 33.4 percent higher than in 2017. This increase is due to a 21.7 percent increase in the average cost of fuel combined with a 12.4 percent increase in the amount of fuel consumed.

Attachments: October Dashboard