



Finance Committee

Budget Snapshot and Briefing on 2020 Sales Tax Revenue

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Title

Budget Snapshot and Briefing on 2020 Sales Tax Revenue

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a briefing on Sales Tax. Briefing only; No action required.

Report

Issue:

Whether to receive a briefing on Sales Tax.

Staff Contact:

Nanci Lien, Fiscal Services Director, 360.756.8465

Presenter(s):

Nanci Lien, Fiscal Services Director, Administrative Services Department

Background and Analysis:

The City's 2020 Adopted Operating Budget is \$178,151,013. That includes \$85,850,359 of General Fund Expenditures. The General Fund covers basic core municipal services like fire, police, housing/homelessness services. General Fund revenue to cover these types of expenses comes from a variety of sources including Sales Tax. In fact, Sales Tax is the City's largest source of general fund revenue comprising nearly 28% of the total.

On March 15, 2020, the Governor ordered the closing of all sit-down restaurants and bars and banned gatherings of 50 or more statewide, in response to the coronavirus (COVID-19) pandemic. And on March 23, the Governor issued a statewide order to stay-at-home and stay healthy to help slow the spread of the coronavirus.

The impact on the local economy and the City's revenue is significant. Staff is closely monitoring general fund revenue and will be updating Finance Committee and the City Council regularly.

Staff will present information on sales tax how it is collected and distributed between the State, County and City. Staff will also share revenue projection scenarios based on the decline in sales tax as a result of the COVID-19 pandemic.

Neighborhood/Community Interests (if known):

Because sales tax generates 28% of the general fund revenue, core services like fire, police, transportation, and funding for housing and homelessness services may be impacted.

Options:

Information only.

Financial Impact:

N/A

Attachments:

None