AB 6948

Q1 2026 Financial Status Update

June 16, 2026

Agenda

1. Q1 2026 Budget versus Actuals Highlights
2. 2027-2028 Budget Schedule
3. Questions

Budget v. Actuals Overview

$ in Millions	2026 Amended Budget	Actuals Q1 2025	Actuals Q1 2026	2026 Actuals v Amended Budget
001 - General Fund				
Revenues	$ 39.1	$ 7.5	$ 7.4	19%
Expenditures	39.1	10.8	10.8	28%
160 - Youth & Family Services Fund				
Revenues	4.1	0.5	0.8	20%
Expenditures	4.1	0.8	0.9	22%
180 - Development Services Fund				
Revenues	4.3	1.1	1.2	27%
Expenditures	4.3	0.9	0.9	21%
Utility Funds				
Revenues	30.4	6.9	9.1	30%
Expenditures	46.3	8.7	8.1	17%

**Differences may occur due to rounding.*

General Fund Revenues

- First quarter revenues $7.4 million, in line with budget expectations (19%) and performance in prior years.

General Fund Revenues	2026 Budget	Actuals Q1 2026	2026 v 2025 Q1 Actuals ($)	2026 Actuals v Budget
Property Tax	$ 14,199,600	$ 995,600	$ (44,000)	7%
General Sales Tax	6,925,500	1,734,600	37,900	25%
Business & Occupation Tax	756,000	397,800	(377,100)	53%
Parks & Recreation Fees	1,432,500	379,600	3,400	26%
Interest Earnings	1,154,600	312,400	(146,900)	27%

**Differences may occur due to rounding.*

Other City Revenues

Real Estate Excise Tax

- 0.5% REET tax on property transactions. Restricted to infrastructure (RCW 82.46). Primary funding for streets, parks, and facilities.
- Inherently volatile. Sharp swing between 2021 and 2022, shifting from a 15-year sales high to a sustained, sluggish market drop.
  - The decline continues, with Q1 2026 property sales **down 12.5%** compared to Q1 2025.

Fiscal Year	Total Property Sales
2021	530
2022	303
2023	290
2024	286
2025	292

REET Revenues

REET Analysis	January 1 - March 31						2021-2026	2025-2026
	2021	2022	2023	2024*	2025	2026	% Chg	% Chg
Properties Sold	106	59	51	30	40	35	**-67.0%**	**-12.5%**
Total Revenue *($ in thousands)*	$1,019	$645	$570	$316	$453	$408	**-59.9%**	**-9.8%**

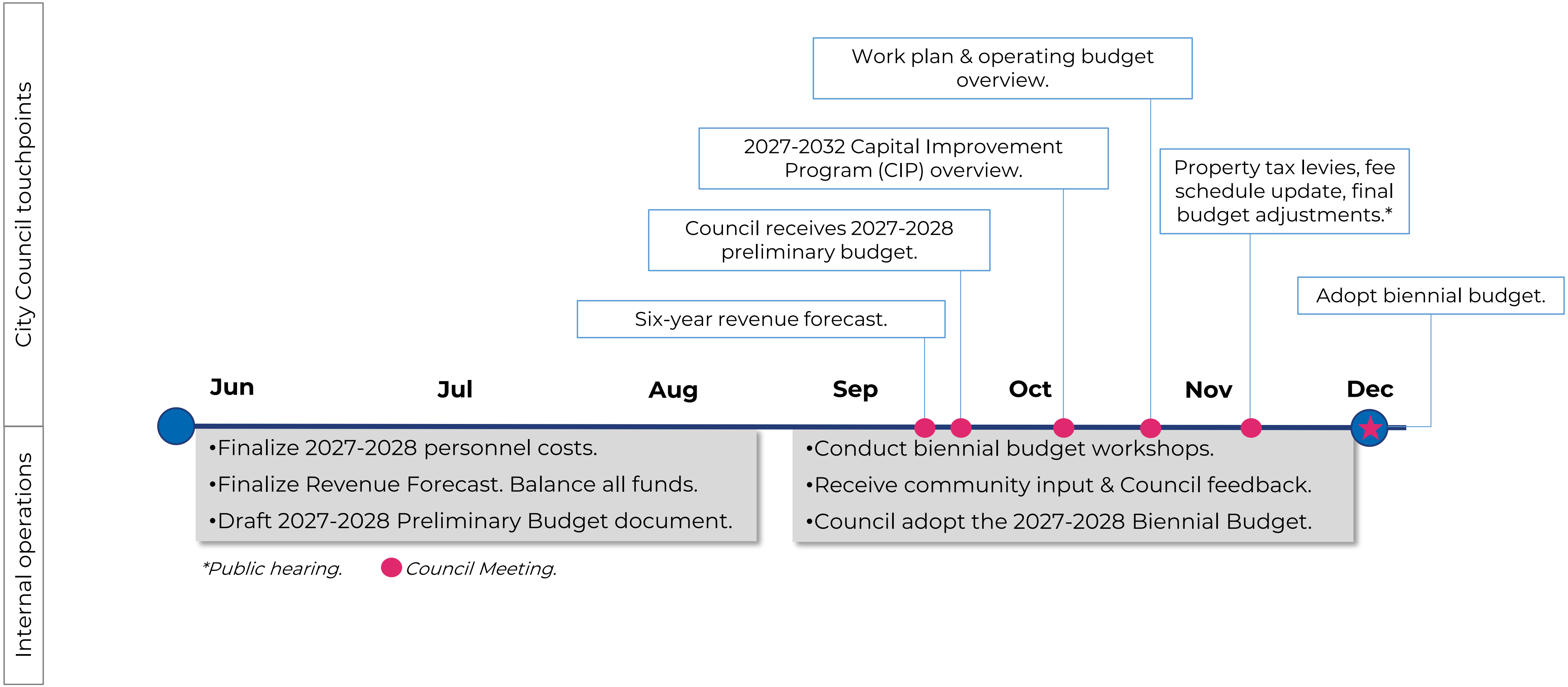
** With the City's transition to cash basis, Jan 2024 cash receipts were accrued as revenue in Dec 2023.*

Source: King County Assessor's Office. Inventory data from Redfin data center, 2024.

- Real estate market most active May – August.
- Staff closely tracking revenue. Current trend is informing the preliminary 2027-2032 CIP.

2027-2028 Biennial Budget Schedule

subject to change



Questions

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