

Meeting Minutes
Economic and Revenue Forecast Council
March 4th, 2022

Forecast Council Attendees:

City Council President Debora Juarez

City Councilmember Teresa Mosqueda

Senior Deputy Mayor Monisha Harrell

City Finance Director Glen Lee

Meeting Minutes / Annotated Agenda

1. Introductory Comments

Director Noble introduced himself and his colleague Jan Duras, and then provided some overall context regarding the creation of the Office of Economic and Revenues Forecast. This was followed by some initial comments from Councilmember Mosqueda regarding the Council process that created the new Office. Central Staff Acting Director Pennucci then provided additional detail regarding the authorizing legislation and the intended functions of the new Forecast Office

2. Presentation of Forecast Council By-Laws - Discussion and Possible Vote

Director Noble reviewed the proposed bylaws, noting sections dealing with Forecast Council membership, the selection of a Chair and Vice-Chair, quorum requirements, and the voting thresholds required for specific Forecast Council actions. The Forecast Council approved the by-laws, as proposed.

Consistent with the authorizing ordinance and the by-laws, the Forecast Council also moved to approve the selection of a Chair and Vice-chair. Senior Deputy Mayor Harrel nominated City Councilmember Mosqueda to serve as Chair, and she was unanimously approved by the

Council. Forecast Chair Mosqueda nominated Senior Deputy Mayor Harrell to serve as Vice-Chair, and the Council unanimously approved that motion.

3. Presentation of the 2022 Work Program for the Office of Economic and Revenue Forecasts - Discussion and Possible Vote

Director Noble provided an update on the work done to date in setting up the Forecast Office and presented the Office's proposed 2022 Work Program. The work program presentation included a summary of the proposed schedule for developing forecasts in April, August and November, and the timing of the official written work products that the new office will produce. The Council approved the 2022 Proposed Work Program by unanimous vote.

4. Review of Final 2021 Year-end Revenues

Director Noble and Senior Economist Duras provided an update on how regional economic conditions have evolved since the last fall, when revised revenue forecasts for 2021 and 2022 were presented to the Council, and provided a detailed review of how actual, year-end 2021 revenues compared to that most recent forecast. Overall, revenues outperformed the forecasts, with the most notable variance being an \$48 million in unanticipated payroll tax revenue. The last forecast had projected \$200 million from this revenue source in 2021, and the actual year-end revenues were \$248 million. The presentation also highlighted that many of the City's core revenue sources have fully recovered relative to their 2019 performance. The notable exceptions here are revenues attributable to parking (including parking meter revenue, parking fines, and commercial parking tax revenues) and revenues associated with hospitality and leisure. For example, in 2021 revenues from the Admissions Tax, the Short-Term Rental Tax, and the Sweetened Beverage Tax still trailed their 2019 levels.

Copies of the presentation materials for all these items, as well a recording of the meeting itself, can be found at the Forecast Office website: <https://www.seattle.gov/economic-and-revenue-forecasts>.