



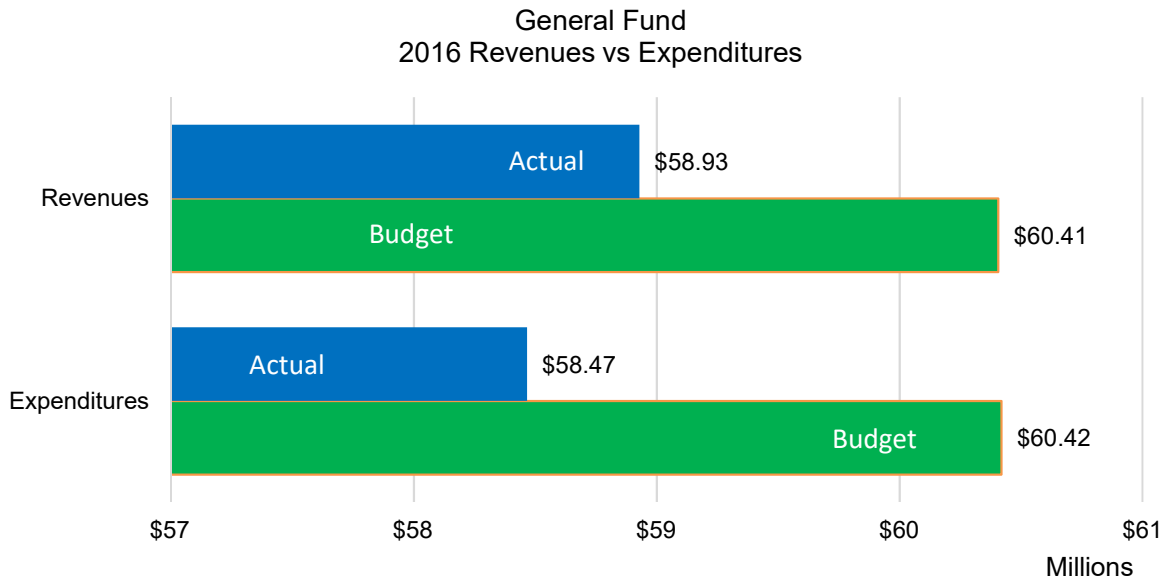
## INFORMATIONAL MEMORANDUM

TO: **Councilmembers**  
CC: **Mayor Ekberg**  
FROM: **Peggy McCarthy, Finance Director**  
BY: **Craig Zellerhoff, Fiscal Coordinator**  
DATE: **March 14, 2017**  
SUBJECT: **2016 December Year to Date Financial Report - Preliminary**

**Summary:**

The purpose of the preliminary 2016 Annual Financial report is to summarize for the City Council the general state of General Fund financial affairs and to highlight significant items or trends. The following provides a high-level summary of the City's financial performance. Additional details can be found within the attached financial report.

The 2016 Annual report is based on financial data available as of March 14<sup>th</sup>, 2017, for the reporting period ending December 31, 2016. Preliminary results for the year have resulted in a positive impact to the General Fund of \$462 thousand. Revenues for the year were \$58.9 million, which is less than budget due to the Tukwila Village sale not completed as budgeted. Expenditures were \$58.5 million and below budget by \$1.95 million.



Allocated budgets through the reporting period are calculated by analyzing spend patterns in the previous year and allocating the current year budget using the same spend pattern. If a line item had no expenditures in the prior year but a budget in the current year, the allocated budget for the current year would be zero.

**General Fund:**

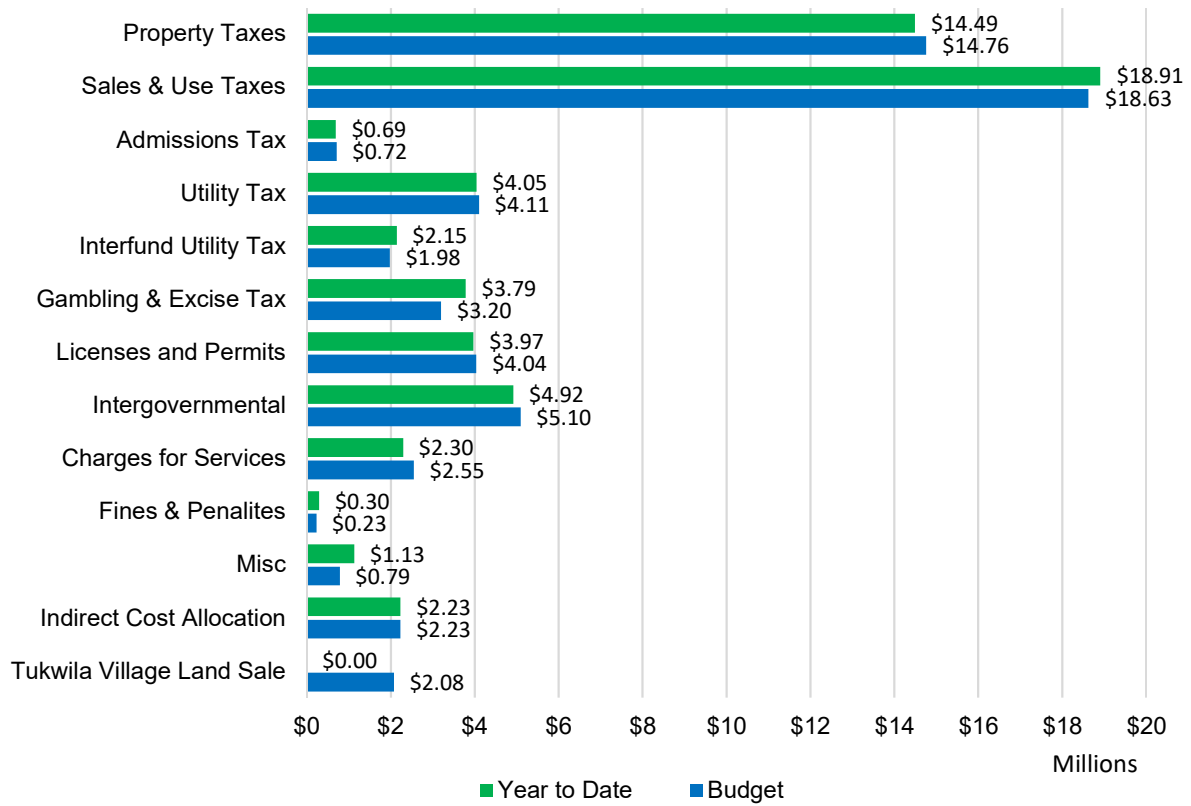
The general fund is the City's largest fund and accounts for the majority of City resources and services, other than those required by statute to be accounted for in another fund. Services include governance, public safety, and administration.

**Revenues:**

Through December 2016, general fund revenues totaled \$58.9 million compared to a budget of \$60.4 million and were \$150 thousand greater than revenues collected in 2015. Notable variances to budget for the year include:

- Sales and use taxes, which includes local retail sales and use tax, natural gas tax, and criminal justice sales tax, totaled \$18.9 million, which exceeds budget by \$277 thousand and is slightly below collections in the same period last year by \$428 thousand, or (2)%.
- Gambling and excise taxes totaled \$3.8 million and exceed budget by \$589 thousand. One casino is under new ownership, and all casinos continue to do very well.
- Intergovernmental – Grant category is above budget by \$246 thousand. The City has received several small grants in 2016 that were not included in the final budget amendment.
- Property tax collection is on target to meet budget. The majority of property tax revenues are collected during the months of April/May and October/November, coinciding with the due dates for the county property tax billings.

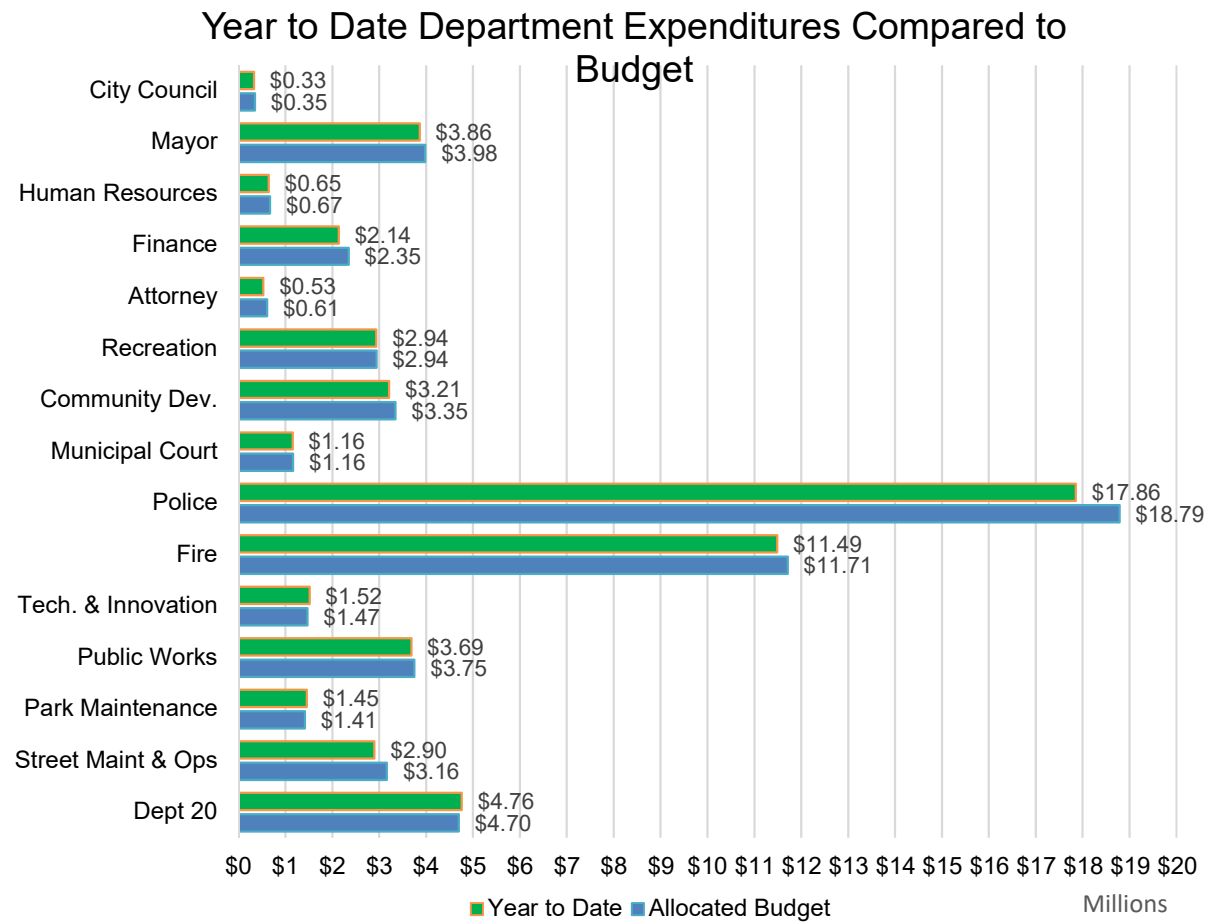
Year-to-Date General Fund Revenues Compared to Budget



Expenditures:

General fund expenditures totaled \$58.5 million as compared to a budget of \$57.6 million, which is \$1.9 million below budget. All departments incurred lower fleet maintenance cost of \$447 thousand and fleet replacement costs of \$340 thousand in 2016. Salaries and Benefits for 2016 came in \$590 thousand lower than budget, this was a result of lower spending in overtime by \$279 thousand and related benefits. Notable variances are as follows:

- Police department came in below budget by \$934 thousand. Salaries and Benefits contributed \$324 thousand, Fleet costs were \$378 thousand lower, Repairs and Maintenance \$115 thousand lower and Jail costs ended the year \$103 thousand lower than expected.
- Fire department is below budget by \$222 thousand. This is attributed to the use of 3 pipeline positions to maintain minimum staffing levels which resulted in lower overtime costs by \$168 thousand compared to 2015.
- Technology Services exceeded budget by \$42 thousand. Primarily due to a payout on a vacated position.
- Park department exceeded budget by \$40 thousand. The department experienced two emergency repairs, replacement of a guardrail at a cost of \$9 thousand and trail repairs costing \$36 thousand. Both repairs are being submitted to insurance for potential reimbursement.
- Street department is below budget by \$265 thousand. Salaries and Benefits contributed \$88 thousand and Fleet costs were \$174 thousand lower than expected.



**GENERAL FUND**  
**CITY OF TUKWILA**  
**GENERAL FUND REVENUES**

YTD AS OF DECEMBER 31, 2016

3/15/2017 11:00

SUMMARY BY REVENUE TYPE	BUDGET		ACTUAL			COMPARISON OF RESULTS				
	2016 ANNUAL	2016 ALLOCATED	2014	2015	2016	OVER/(UNDER)	% CHANGE			
						ALLOCATED BDGT	% REC'D	2014/2015	2015/2016	
PROPERTY TAX	14,759,046	14,759,046	14,186,753	14,323,133	14,494,747	(264,299)	98%	1%	1%	
SALES TAX	18,631,462	18,631,462	17,105,322	19,334,152	18,908,190	276,728	101%	13%	(2)%	
ADMISSIONS TAX	716,000	716,000	616,531	687,741	692,417	(23,583)	97%	12%	1%	
UTILITY TAX	4,105,084	4,105,084	3,855,544	4,019,288	4,045,916	(59,168)	99%	4%	1%	
INTERFUND UTILITY TAX	1,981,000	1,981,000	1,851,013	2,061,098	2,146,515	165,515	108%	11%	4%	
GAMBLING & EXCISE TAX	3,200,684	3,200,684	2,807,926	2,908,043	3,789,467	588,783	118%	4%	30%	
<b>TOTAL GENERAL REVENUE</b>	<b>43,393,276</b>	<b>43,393,276</b>	<b>40,423,090</b>	<b>43,333,455</b>	<b>44,077,252</b>	<b>683,976</b>	<b>102%</b>	<b>7%</b>	<b>2%</b>	
RGR L	1,875,141	1,875,141	1,795,933	1,867,913	1,809,567	(65,574)	97%	4%	(3)%	
BUSINESS LICENSES	846,691	846,691	858,907	861,484	825,027	(21,664)	97%	0%	(4)%	
RENTAL HOUSING	35,000	35,000	35,020	49,675	45,590	10,590	130%	42%	(8)%	
BUILDING PERMITS	1,283,970	1,283,970	1,220,711	1,331,097	1,290,894	6,924	101%	9%	(3)%	
<b>TOTAL LICENSSES AND PERMITS</b>	<b>4,040,802</b>	<b>4,040,802</b>	<b>3,910,571</b>	<b>4,110,169</b>	<b>3,971,078</b>	<b>(69,724)</b>	<b>98%</b>	<b>5%</b>	<b>(3)%</b>	
SALES TAX MITIGATION	1,140,000	1,140,000	1,137,765	1,132,568	1,122,040	(17,960)	98%	(0)%	(1)%	
FRANCHISE FEE	2,267,208	2,267,208	2,277,063	2,172,395	2,092,358	(174,850)	92%	(5)%	(4)%	
GRANT	605,664	605,664	867,240	552,874	851,536	245,872	141%	(36)%	54%	
STATE ENTITLEMENTS	381,594	381,594	360,946	303,636	307,101	(74,493)	80%	(16)%	1%	
INTERGOVERNMENTAL	701,421	701,421	484,526	510,486	548,919	(152,502)	78%	5%	8%	
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>5,095,887</b>	<b>5,095,887</b>	<b>5,127,541</b>	<b>4,671,959</b>	<b>4,921,953</b>	<b>(173,934)</b>	<b>97%</b>	<b>(9)%</b>	<b>5%</b>	
GENERAL GOVERNMENT	51,713	51,713	110,768	58,212	41,945	(9,768)	81%	(47)%	(28)%	
SECURITY	766,798	766,798	997,082	661,388	781,484	14,686	102%	(34)%	18%	
TRANSPORTATION	109,000	109,000	(30,321)	33,961	71,118	(37,882)	65%	(212)%	109%	
PLAN CHEK AND REVIEW FEES	1,141,210	1,141,210	768,781	1,088,243	807,276	(333,934)	71%	42%	(26)%	
CULTURE AND REC FEES	483,656	483,656	474,305	561,535	593,854	110,198	123%	18%	6%	
<b>TOTAL CHARGES FOR SERVICES</b>	<b>2,552,377</b>	<b>2,552,377</b>	<b>2,320,614</b>	<b>2,403,340</b>	<b>2,295,677</b>	<b>(256,700)</b>	<b>90%</b>	<b>4%</b>	<b>(4)%</b>	
FINES & PENALTIES	228,829	228,829	250,114	248,321	295,474	66,645	129%	(1)%	19%	
MISC	787,254	787,254	894,559	909,556	1,134,725	347,471	144%	2%	25%	
INDIRECT COST ALLOCATION	2,233,476	2,233,476	2,089,178	2,255,320	2,233,476	-	100%	8%	(1)%	
TRANSFERS IN (TUKWILA VILLAGE)	2,075,000	2,075,000	2,900,000	850,000	-	(2,075,000)	0%	(71)%	(100)%	
<b>TOTAL REVENUE</b>	<b>60,406,901</b>	<b>60,406,901</b>	<b>57,915,666</b>	<b>58,782,120</b>	<b>58,929,635</b>	<b>(1,477,266)</b>	<b>98%</b>	<b>1%</b>	<b>0%</b>	

# GENERAL FUND

YTD AS OF DECEMBER 31, 2016

CITY OF TUKWILA

3/15/2017 11:00

## GENERAL FUND EXPENDITURES

SUMMARY OF EXPENDITURES BY DEPARTMENT	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2016 ANNUAL	2016	2014	2015	2016	ACTUAL	% CHANGE		
		ALLOCATED				OVER/(UNDER)	ALLOCATED	% SPENT	2014/2015
						BDGT			
01 City Council	350,065	350,065	296,217	312,202	327,433	(22,632)	94%	5%	5%
03 Mayor	3,984,049	3,984,049	3,260,538	3,630,627	3,863,399	(120,650)	97%	11%	6%
04 Human Resources	674,329	674,329	650,743	619,343	647,426	(26,903)	96%	(5)%	5%
05 Finance	2,348,000	2,348,000	2,144,962	2,185,415	2,137,628	(210,372)	91%	2%	(2)%
06 Attorney	608,418	608,418	515,908	591,440	530,725	(77,693)	87%	15%	(10)%
07 Recreation	2,942,124	2,942,124	2,650,291	2,870,724	2,937,733	(4,391)	100%	8%	2%
08 Community Development	3,346,430	3,346,430	2,809,132	3,096,757	3,209,879	(136,551)	96%	10%	4%
09 Municipal Court	1,163,679	1,163,679	1,090,382	1,194,059	1,155,400	(8,279)	99%	10%	(3)%
10 Police	18,789,762	18,789,762	15,752,642	16,912,835	17,855,697	(934,065)	95%	7%	6%
11 Fire	11,710,304	11,710,304	11,361,376	11,724,461	11,487,981	(222,323)	98%	3%	(2)%
12 Technology & Innovation Svcs	1,473,466	1,473,466	1,234,710	1,246,259	1,515,832	42,366	103%	1%	22%
13 Public Works	3,751,266	3,751,266	3,194,902	3,421,257	3,686,312	(64,954)	98%	7%	8%
15 Park Maintenance	1,414,251	1,414,251	1,138,319	1,367,462	1,454,172	39,921	103%	20%	6%
16 Street Maintenance & Operations	3,162,762	3,162,762	2,614,100	2,826,851	2,897,968	(264,794)	92%	8%	3%
20 Dept 20	4,700,831	4,700,831	8,800,080	5,560,846	4,759,513	58,682	101%	(37)%	(14)%
<b>Total Expenditures</b>	<b>60,419,736</b>	<b>60,419,736</b>	<b>57,514,302</b>	<b>57,560,536</b>	<b>58,467,099</b>	<b>(1,952,637)</b>	<b>97%</b>	<b>0%</b>	<b>2%</b>

Percent of year completed 100.00%

# GENERAL FUND

YTD AS OF DECEMBER 31, 2016

CITY OF TUKWILA

## GENERAL FUND EXPENDITURES

SUMMARY OF SALARIES AND BENEFITS	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2016 ANNUAL	2016	2014	2015	2016	ACTUAL	% CHANGE		
		ALLOCATED				OVER/(UNDER)	ALLOCATED	BDGT	% SPENT
11 Salaries	26,443,444	26,443,444	24,674,711	25,724,920	26,300,633	(142,811)	99%	4%	2%
12 Extra Labor	564,805	564,805	487,039	631,925	627,034	62,229	111%	30%	(1)%
13 Overtime	1,798,299	1,798,299	2,037,195	1,754,484	1,519,183	(279,116)	84%	(14)%	(13)%
15 Holiday Pay	527,286	527,286	214,940	213,405	437,045	(90,242)	83%	(1)%	105%
21 FICA	1,683,442	1,683,442	1,588,266	1,652,915	1,696,260	12,818	101%	4%	3%
22 Pension-LEOFF 2	826,417	826,417	772,136	824,630	815,296	(11,121)	99%	7%	(1)%
23 Pension-PERS/PSERS	1,364,568	1,364,568	1,086,492	1,227,888	1,385,867	21,299	102%	13%	13%
24 Industrial Insurance	708,929	708,929	506,143	629,025	678,200	(30,729)	96%	24%	8%
25 Medical & Dental	5,722,878	5,722,878	4,496,574	5,251,282	5,583,572	(139,306)	98%	17%	6%
26 Unemployment	13,000	13,000	32,633	6,672	40,380	27,380	311%	(80)%	505%
28 Uniform/Clothing	25,235	25,235	4,202	5,831	5,002	(20,233)	20%	39%	(14)%
<b>Total Salaries and Benefits</b>	<b>39,678,303</b>	<b>39,678,303</b>	<b>35,900,330</b>	<b>37,922,976</b>	<b>39,088,470</b>	<b>(589,833)</b>	<b>99%</b>	<b>6%</b>	<b>3%</b>

Percent of year completed 100.00%

SUMMARY OF SUPPLIES, SERVICES, AND CAPITAL	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2016 ANNUAL	2016	2014	2015	2016	ACTUAL	% CHANGE		
		ALLOCATED				OVER/(UNDER)	ALLOCATED	BDGT	% SPENT
Transfers	4,700,831	4,700,831	8,800,080	5,560,846	4,759,513	58,682	101%	(37)%	(14)%
31 Supplies	1,075,938	1,075,938	1,024,425	1,127,164	1,271,622	195,684	118%	10%	13%
34 Items Purchased for resale	14,428	14,428	32,850	31,681	22,500	8,072	156%	(4)%	(29)%
35 Small Tools	216,804	216,804	183,116	303,223	108,922	(107,882)	50%	66%	(64)%
41 Professional Services	3,156,440	3,156,440	2,300,112	2,822,972	2,776,466	(379,974)	88%	23%	(2)%
42 Communication	386,671	386,671	325,825	342,278	407,499	20,828	105%	5%	19%
43 Travel	156,028	156,028	131,650	139,251	143,012	(13,016)	92%	6%	3%
44 Advertising	55,250	55,250	25,843	29,243	24,222	(31,028)	44%	13%	(17)%
45 Rentals and Leases	2,621,822	2,621,822	2,250,835	2,486,469	1,845,849	(775,973)	70%	10%	(26)%
46 Insurance	820,455	820,455	678,550	704,347	810,799	(9,656)	99%	4%	15%
47 Public Utilities	1,805,726	1,805,726	1,490,645	1,697,398	1,828,751	23,025	101%	14%	8%
48 Repairs and Maintenance	817,892	817,892	594,516	699,233	850,278	32,386	104%	18%	22%
49 Miscellaneous	1,252,732	1,252,732	1,139,777	1,093,377	1,032,246	(220,486)	82%	(4)%	(6)%
51 Inter-Governmental	2,774,711	2,774,711	2,204,293	2,403,442	2,698,335	(76,376)	97%	9%	12%
52	-	-	24,001	-	-	-	-	-	-
53 Ext Taxes, Oper. Assess	5	5	53	49	12	7	245%	(7)%	(75)%
64 Machinery & Equipment	885,700	885,700	407,400	196,589	798,601	(87,099)	90%	(52)%	306%
<b>Total Supplies, Services, and Capital</b>	<b>20,741,433</b>	<b>20,741,433</b>	<b>21,613,972</b>	<b>19,637,561</b>	<b>19,378,629</b>	<b>(1,362,804)</b>	<b>93%</b>	<b>(9)%</b>	<b>(1)%</b>

Percent of year completed 100.00%