



INFORMATIONAL MEMORANDUM

TO: Finance Committee

FROM: Vicky Carlsen, Finance Director

BY: Jeff Friend, Fiscal Manager

CC: Mayor Ekberg

DATE: August 21, 2019

SUBJECT: Year-to-Date June 2019 General Fund Update

Summary

The purpose of the June 2019 General Fund Financial Report is to summarize for the City Council the general state of departmental expenditures and to highlight significant items. The following provides a high-level summary of the departmental financial performance.

The June 2019 Report is based on financial data available as of August 21, 2019, for the period ending June 30, 2019. Additional details can be found within the attached financial report.

Expenditures

General Fund expenditures totaled \$33.3M through June, which is about \$47.7K over the allocated budget of \$33.2M. The allocated budget is calculated to reflect year-to-date spending patterns of the previous year.

Unbudgeted, Unplanned Events

Three significant, unbudgeted events have occurred in 2019 that affect multiple departments.

Andover Park East Propane Leak

In June, faulty piping in a large propane tank on Andover Park East was discovered which required the safe burn off of vapors remaining after the removal of the liquid gas. On August 16, the party responsible for the propane system was billed \$21,707 to reimburse the city for costs associated with the event.

Department	Labor	Benefits	Materials	Total
Police	\$ 1,532	\$ 262	\$ 1,666	\$ 3,461
Fire	8,409	2,397	707	11,512
Street Maintenance	4,161	2,037	-	6,198
Water	436	100		536
Total	\$ 14,538	\$ 4,796	\$ 2,373	\$ 21,707

East Marginal Way Power Pole Accident

On April 5th, there was a large accident where numerous power poles toppled over on East Marginal Way. Current estimates for this incident through July 9, 2019 are as follows:

Department	Overtime and Benefits	Repairs and Maintenance	Combined
Street Maintenance and Operations	\$ 30,281.39	\$ 214,890.16	\$ 245,171.55

A claim totaling \$245.2K has been initiated with the Washington Cities Insurance Authority (WCIA) for reimbursement of the current estimated expenditures. A check was received in June for \$178.9K (75%) with the balance to be received later.

Snowstorms

During the month of February, the City experienced two winter snowstorms. As of June 30th, unbudgeted costs related to the snow events are as follows:

Department	Overtime	Supplies	Combined
Police	\$ -	\$ 143	\$ 143
Fire	30,313	285	30,598
Public Works	-	286	286
Park Maintenance	-	452	452
Street Maintenance and Operations	19,463	30,555	50,018
Total	\$ 49,777	\$ 31,721	\$ 81,497

Departmental Variances

Eleven of fourteen General Fund departments were under their allocated budget through June 2019. Major variances are:

- Community Development is \$140.6K over budget through June as Professional Services expenditures have been greater than anticipated in the budget. The budget had assumed development activity would slow in 2019; however, this has not been the case. Therefore, services directly related to development activity, such as peer review, that are typically outsourced, are now over budget. It should be noted that a large portion of Professional Services are revenue-backed. Additionally, an unexpected structural code compliance review was done for a local business (\$51K) in the first quarter.

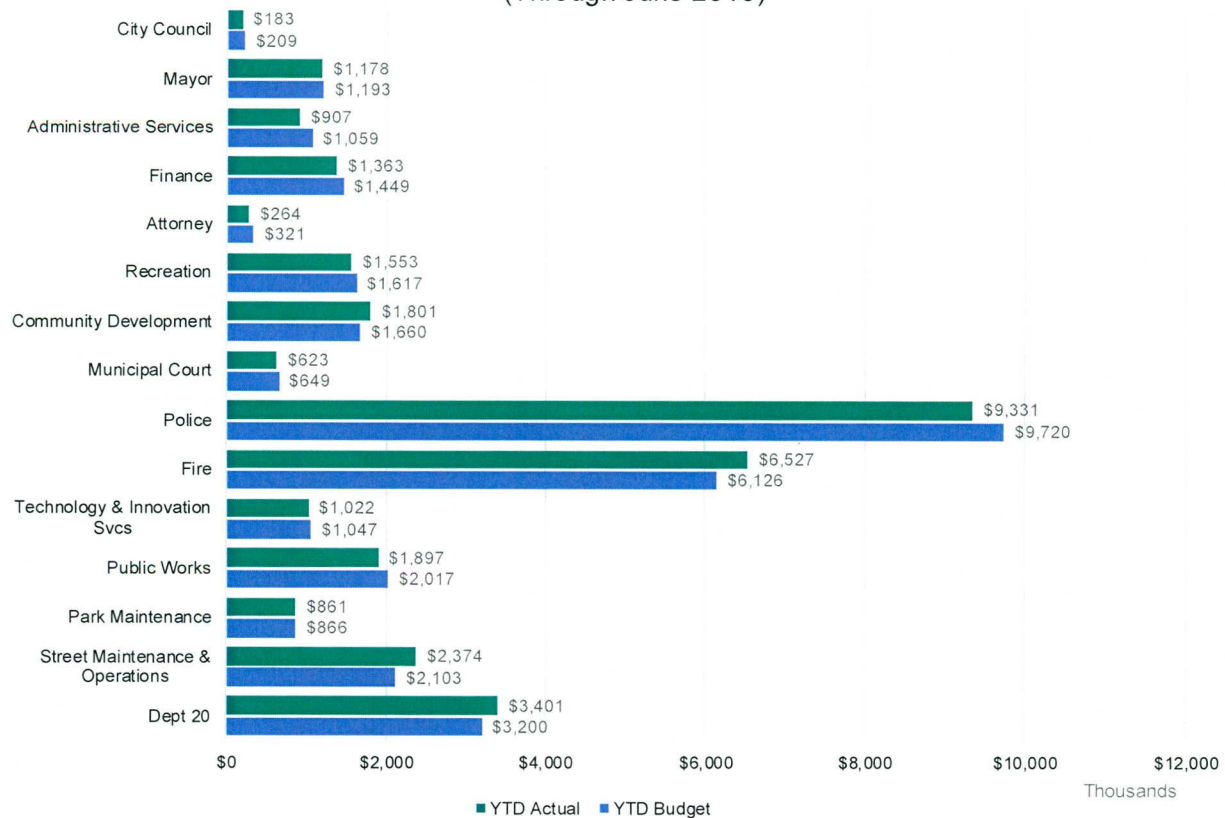
Line Item	2019 Annual Budget	2019 Allocated Budget through June	2019 Actuals through June
DCD - Professional Services	130,000	37,052	171,460

- Fire is \$400.2K over budget. Salaries and benefits were \$433.8K over budget resulting from three retirement payouts in June (\$53K), unbudgeted pipeline positions (\$214.6K) as well as overtime costs that were over budget through June (\$166.2K). Services and supplies were under budget by about \$33.6K partially offsetting the amount the department was over budget on salaries and benefits. As of the May 28th Finance Committee meeting, the Finance Committee began an ongoing analysis of options to address the Fire operating budget issues.
- Street Maintenance and Operations was \$271.3K over budget through June primarily due to overtime and supplies costs related to the snow events and the East Marginal Way power pole event. Purchases of supplies to replenish street maintenance inventory (sand (\$28.9K), aluminum poles and luminaries (\$25K), a smart monitor (\$16K), and salt brine (\$6.5K)) also contributed to the variance.

	Overtime and		
	Benefits	Supplies	Total
Snow	\$ 19,463	\$ 30,555	\$ 50,018
Power Poles*	13,297	129,233	142,530
	\$ 32,760	\$ 159,788	\$ 192,548

*Costs to be reimbursed by WCIA

Year to Date Department Expenditures Compared to Allocated Budget (Through June 2019)



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GENERAL FUND

YTD AS OF JUNE 30, 2019

CITY OF TUKWILA
GENERAL FUND EXPENDITURES

SUMMARY OF EXPENDITURES BY DEPARTMENT	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2019		2017	2018	2019	ACTUAL OVER/(UNDER) ALLOCATED	%	% CHANGE	
	2019 ANNUAL	2019 ALLOCATED						BDGT	EXPENDED
01 City Council	432,111	208,965	170,893	183,549	183,176	(25,789)	42%	7%	(0)%
03 Mayor	2,595,514	1,193,004	1,137,169	1,198,062	1,178,322	(14,682)	45%	5%	(2)%
04 Administrative Services	2,111,509	1,059,361	953,530	897,204	907,065	(152,296)	43%	(6)%	1%
05 Finance	2,671,195	1,449,349	1,346,097	1,397,886	1,362,603	(86,746)	51%	4%	(3)%
06 Attorney	710,730	320,875	215,424	374,128	264,288	(56,587)	37%	74%	(29)%
07 Recreation	3,294,138	1,617,262	1,486,695	1,443,003	1,553,394	(63,868)	47%	(3)%	8%
08 Community Development	3,511,558	1,660,112	1,617,648	1,641,918	1,800,665	140,553	51%	2%	10%
09 Municipal Court	1,298,228	648,705	597,946	627,102	623,018	(25,688)	48%	5%	(1)%
10 Police	19,427,613	9,720,234	8,837,452	8,794,555	9,330,571	(389,663)	48%	(0)%	6%
11 Fire	12,473,387	6,126,344	5,957,171	5,867,258	6,526,513	400,169	52%	(2)%	11%
12 Technology & Innovation Svcs	2,043,934	1,047,187	713,629	1,060,131	1,021,928	(25,258)	50%	49%	(4)%
13 Public Works	3,948,613	2,017,013	1,775,891	1,797,979	1,897,166	(119,847)	48%	1%	6%
15 Park Maintenance	1,630,586	866,097	684,777	689,465	861,211	(4,885)	53%	1%	25%
16 Street Maintenance & Operations	3,354,733	2,103,183	1,459,379	1,505,005	2,374,455	271,272	71%	3%	58%
Subtotal	59,503,849	30,037,690	26,953,700	27,477,245	29,884,376	(153,314)	50%	2%	9%
20 Dept 20	6,362,029	3,199,543	1,493,002	3,907,726	3,400,593	201,050	53%	162%	(13)%
Total Expenditures	65,865,878	33,237,233	28,446,702	31,384,971	33,284,969	47,736	51%	10%	6%

Percent of year completed 50%

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GENERAL FUND

YTD AS OF JUNE 30, 2019

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

SUMMARY OF SALARIES AND BENEFITS	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2019 ANNUAL	2019	2017	2018	2019	ACTUAL	%	% CHANGE	
		ALLOCATED				OVER/(UNDER)		2017/2018	2018/2019
						ALLOCATED	EXPENDED		
						BDGT			
11 Salaries	28,891,480	14,445,740	13,442,632	13,466,391	14,177,655	(268,085)	49%	0%	5%
12 Extra Labor	762,833	376,530	278,306	291,306	339,944	(36,586)	45%	5%	17%
13 Overtime	1,350,099	682,349	834,294	689,733	923,383	241,034	68%	(17)%	34%
15 Holiday Pay	504,517	94,113	74,220	94,903	75,442	(18,670)	15%	28%	(21)%
21 FICA	2,107,153	1,053,577	882,387	885,839	924,878	(128,699)	44%	0%	4%
22 Pension-LEOFF 2	922,206	461,103	404,422	415,357	442,896	(18,207)	48%	3%	7%
23 Pension-PERS/PSERS	1,751,656	875,828	716,661	824,456	878,175	2,347	50%	15%	7%
24 Industrial Insurance	861,417	430,709	302,907	299,866	412,804	(17,905)	48%	(1)%	38%
25 Medical & Dental	5,998,564	2,999,282	2,815,157	2,754,779	2,869,798	(129,484)	48%	(2)%	4%
28 Uniform/Clothing	8,525	4,263	1,178	1,738	1,313	(2,949)	15%	48%	(24)%
Total Salaries and Benefits	43,158,450	21,423,492	19,752,633	19,742,723	21,056,687	(366,805)	49%	(0)%	7%

SUMMARY OF SUPPLIES, SERVICES, AND CAPITAL	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2019 ANNUAL	2019	2017	2018	2019	ACTUAL	%	% CHANGE	
		ALLOCATED				OVER/(UNDER)		2017/2018	2018/2019
						ALLOCATED	EXPENDED		
						BDGT			
0 Transfers	6,362,029	3,199,543	1,493,002	3,907,726	3,400,593	201,050	53%	162%	(13)%
31 Supplies	1,072,087	499,428	637,853	479,787	785,123	285,695	73%	(25)%	64%
34 Items Purchased for resale	22,000	16,587	14,001	16,954	18,029	1,442	82%	21%	6%
35 Small Tools	163,569	58,933	40,432	38,837	59,677	743	36%	(4)%	54%
41 Professional Services	6,404,856	2,951,732	2,486,697	2,826,139	2,833,430	(118,302)	44%	14%	0%
42 Communication	434,600	195,004	170,497	179,975	184,333	(10,671)	42%	6%	2%
43 Travel	159,630	76,043	102,643	77,146	106,861	30,818	67%	(25)%	39%
44 Advertising	47,550	21,317	9,932	19,946	10,377	(10,940)	22%	101%	(48)%
45 Rentals and Leases	2,901,035	1,434,951	1,073,148	1,199,713	1,548,697	113,746	53%	12%	29%
46 Insurance	1,005,775	1,005,775	887,617	974,066	889,957	(115,818)	88%	10%	(9)%
47 Public Utilities	1,999,424	1,492,665	903,702	957,053	1,444,442	(48,223)	72%	6%	51%
48 Repairs and Maintenance	623,150	309,584	244,682	199,954	356,616	47,032	57%	(18)%	78%
49 Miscellaneous	1,271,723	542,182	588,056	718,363	544,918	2,736	43%	22%	(24)%
64 Machinery & Equipment	240,000	9,997	41,807	46,590	45,228	35,232	19%	11%	(3)%
Total Supplies, Services, and Capital	22,707,428	11,813,741	8,694,069	11,642,248	12,228,281	414,541	54%	34%	5%
Total Expenditures	65,865,878	33,237,233	28,446,702	31,384,971	33,284,969	47,736	51%	10%	6%

Percent of year completed 50%