



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Vicky Carlsen, Finance Director

BY: Aaron Williams, Fiscal Manager

CC: Mayor Ekberg

DATE: June 28, 2021

SUBJECT: April 2021 Departmental Budget-to-Actuals Report

Summary

The purpose of the April 2021 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 April 2021 Report is based on financial data available as of June 8, 2021, for the period ending April 30, 2021. Additional details can be found within the attached financial report.

At the May 11, 2021, Committee of the Whole, Council gave consensus to move forward with using Streamlined Sales Tax (SST) mitigation revenue to fund a number of high-priority programs including: Fire overtime, permit activity, street/bus stop maintenance, park maintenance, recreation program assistance, Dark Trace – cyber security, wage & compensation agreement, and code enforcement & rental housing. These items will be included in the year-end budget amendment and are revenue backed by SST funds

Expenditures

General Fund departmental expenditures totaled \$18.87 million through April, which is \$1.66 million less than the allocated budget of \$20.54 million. Dept. 20, which is transfers to other funds totaled \$1.37 million, which is \$81.60 thousand less than the allocated budget. The allocated budget is calculated to reflect year-to-date spending patterns of the previous year.

While all but one department is currently below the allocated budget, there is growing concern that department budgets, in general, are too low and may be unable to absorb necessary costs without a budget amendment. In reviewing expenditures by type, insurance exceeds the annual budget by \$84 thousand and utilities category has already expended 68% of the annual budget. Given that the City has 3 new facilities and the vacated fire stations are still owned by the City, it is very likely that the annual utilities budget will be exceeded in the 3rd quarter of 2021.

Staff will be closely monitoring departmental budgets and will continue to keep the City Council fully informed of additional budgetary concerns.

Departmental Variances

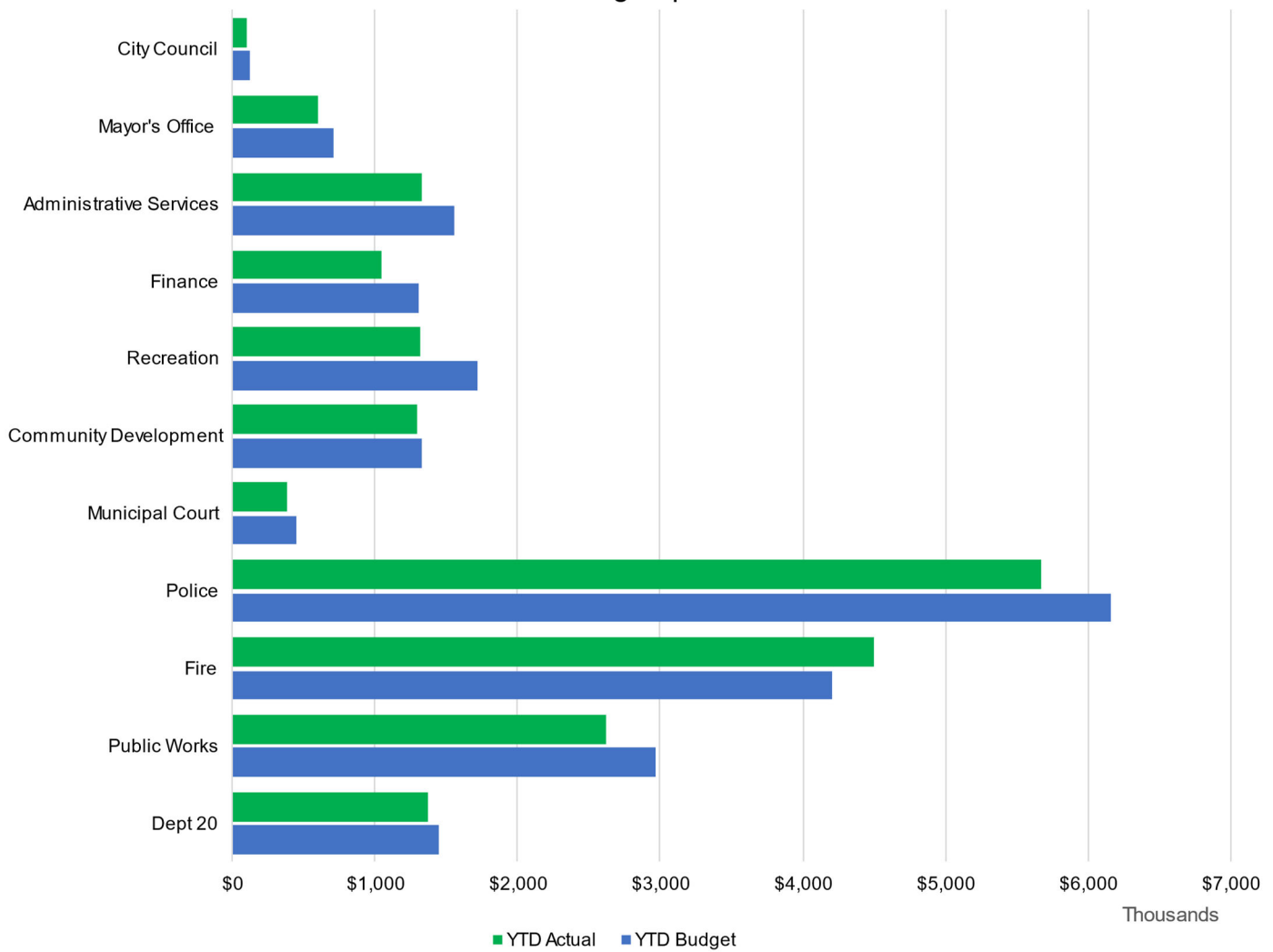
All but one General Fund department was under their allocated budget through April 2021. Noteworthy variances are:

- The Fire Department is \$294.73 thousand over the allocated budget of \$4.20 million. The variance is related to overtime & associated benefits compared to the allocated budget. Council recently gave consensus for a year-end budget amendment to increase fire overtime by \$200k. An additional budget amendment will be needed to account for overtime that is reimbursable. Any reimbursable overtime will have no effect on the general fund. However, given the use of minimum staffing overtime in 2021, unless action is taken to reduce expenditures, a budget amendment that will affect the general fund will be needed. Additional information is currently being prepared for a full conversation on the Fire Department budget at a committee meeting in the near future.

The chart below provides additional details on overtime associated with the Fire Department.

| Fire Overtime Summarized - Through April 30, 2021 | | | | | | | |
|---|-------------------|------------------|-------------------|--------------------|-------------------|------------------|-------------------|
| Category | Reimbursable OT | | | Category | Unreimbursable OT | | |
| | Salary | Benefits | Total | | Salary | Benefits | Total |
| Billable Contractor | \$ 6,845 | \$ 899 | \$ 7,744 | Minimum Staffing | \$ 96,469 | \$ 12,666 | \$ 109,135 |
| COVID Testing Site | 109,505 | 14,378 | 123,883 | Instructor | 5,718 | 751 | 6,469 |
| Repeater Malfunction | 47,980 | 6,300 | 54,280 | Training | 12,721 | 1,670 | 14,391 |
| | | | | Fire Prevention | 26,126 | 3,430 | 29,556 |
| | | | | Fire Investigation | 1,776 | 233 | 2,009 |
| | | | | Academy | 14,111 | 1,853 | 15,964 |
| | | | | Public Safety Plan | 7,390 | 970 | 8,360 |
| | | | | Meetings | 5,338 | 701 | 6,039 |
| | | | | Shift Extension | 2,741 | 360 | 3,101 |
| | | | | Other | 14,624 | 1,920 | 16,544 |
| Totals | \$ 164,330 | \$ 21,577 | \$ 185,907 | | \$ 187,014 | \$ 24,555 | \$ 211,569 |

Year to Date Department Expenditures Compared to Allocated Budget
Through April 2021



GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of April 30, 2021

| EXPENDITURES BY DEPARTMENT | BUDGET | | ACTUAL | | | COMPARISON OF RESULTS | | | |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|------------|-------------|------------|
| | 2021 ANNUAL | 2021 ALLOCATED | 2019 | 2020 | 2021 | Allocated Budget vs Actuals OVER/(UNDER) | % EXPENDED | % CHANGE | |
| | | | | | | | | 2019/2020 | 2020/2021 |
| 01 City Council | \$ 363,618 | \$ 124,500 | \$ 129,011 | \$ 116,648 | \$ 103,786 | \$ (20,714) | 29% | -10% | -11% |
| 03 Mayor's Office | 2,104,126 | 708,526 | 719,957 | 762,404 | 598,545 | (109,981) | 28% | 6% | -21% |
| 04 Administrative Services | 4,984,464 | 1,555,203 | 1,415,975 | 1,360,380 | 1,331,694 | (223,509) | 27% | -4% | -2% |
| 05 Finance | 3,049,858 | 1,309,760 | 1,023,298 | 1,083,434 | 1,042,114 | (267,645) | 34% | 6% | -4% |
| 07 Recreation | 4,260,543 | 1,723,309 | 1,555,894 | 1,524,972 | 1,319,341 | (403,968) | 31% | -2% | -13% |
| 08 Community Development | 4,069,943 | 1,331,593 | 1,188,732 | 1,071,988 | 1,299,337 | (32,256) | 32% | -10% | 21% |
| 09 Municipal Court | 1,272,888 | 452,916 | 409,813 | 444,140 | 378,619 | (74,297) | 30% | 8% | -15% |
| 10 Police | 18,286,665 | 6,157,345 | 6,187,217 | 6,008,433 | 5,677,120 | (480,225) | 31% | -3% | -6% |
| 11 Fire | 12,706,860 | 4,203,900 | 4,352,930 | 4,232,077 | 4,498,630 | 294,730 | 35% | -3% | 6% |
| 13 Public Works | 6,584,325 | 2,969,743 | 3,119,181 | 2,815,543 | 2,624,614 | (345,129) | 40% | -10% | -7% |
| Subtotal | 57,683,290 | 20,536,796 | 20,102,008 | 19,420,020 | 18,873,800 | (1,662,996) | 33% | -3% | -3% |
| 20 Dept 20 | 5,462,760 | 1,447,287 | 2,385,097 | 886,326 | 1,365,690 | (81,597) | 25% | -63% | 54% |
| Total Expenditures | \$ 63,146,050 | \$ 21,984,083 | \$ 22,487,105 | \$ 20,306,346 | \$ 20,239,490 | \$ (1,744,593) | 32% | -10% | 0% |

Percent of year completed

33%

INFORMATIONAL MEMO

GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of April 30, 2021

| SALARIES AND BENEFITS | BUDGET | | ACTUAL | | | COMPARISON OF RESULTS | | | |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|------------|-----------|------------|
| | 2021 ANNUAL | 2021 ALLOCATED | 2019 | 2020 | 2021 | Allocated Budget vs Actuals OVER/(UNDER) | % EXPENDED | % CHANGE | |
| | | | | | | | | 2019/2020 | 2020/2021 |
| 11 Salaries | \$ 28,723,860 | \$ 9,836,881 | \$ 9,319,643 | \$ 9,627,088 | \$ 9,276,252 | \$ (560,630) | 32% | 3% | -4% |
| 12 Extra Labor | 347,528 | 255,140 | 214,940 | 116,446 | 7,734 | (247,406) | 2% | -46% | -93% |
| 13 Overtime | 1,218,115 | 374,861 | 624,049 | 358,056 | 638,397 | 263,536 | 52% | -43% | 78% |
| 15 Holiday Pay | 515,500 | 5,105 | 5,996 | 3,900 | 7,417 | 2,313 | 1% | -35% | 90% |
| 21 FICA | 1,872,655 | 651,316 | 607,257 | 603,108 | 577,239 | (74,077) | 31% | -1% | -4% |
| 22 Pension-LEOFF | 899,828 | 303,637 | 289,308 | 374,988 | 285,510 | (18,127) | 32% | 30% | -24% |
| 23 Pension-PERS/PSERS | 1,631,377 | 578,216 | 583,811 | 588,645 | 549,458 | (28,758) | 34% | 1% | -7% |
| 24 Industrial Insurance | 875,820 | 329,959 | 288,082 | 330,597 | 322,374 | (7,585) | 37% | 15% | -2% |
| 25 Medical & Dental | 6,904,119 | 2,247,562 | 1,899,085 | 2,105,520 | 2,078,513 | (169,049) | 30% | 11% | -1% |
| 26 Unemployment | - | - | - | 6,681 | - | - | - | - | -100% |
| 28 Uniform/Clothing | 8,525 | 652 | 1,090 | 432 | 876 | 225 | 10% | -60% | 103% |
| Total Salaries & Benefits | \$ 42,997,327 | \$ 14,583,330 | \$ 13,833,261 | \$ 14,115,461 | \$ 13,743,771 | \$ (839,559) | 32% | 2% | -3% |

| SUPPLIES, SERVICES AND CAPITAL | BUDGET | | ACTUAL | | | COMPARISON OF RESULTS | | | |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|------------|-------------|-----------|
| | 2021 ANNUAL | 2021 ALLOCATED | 2019 | 2020 | 2021 | Allocated Budget vs Actuals OVER/(UNDER) | % EXPENDED | % CHANGE | |
| | | | | | | | | 2019/2020 | 2020/2021 |
| 0 Transfers | \$ 5,462,760 | \$ 1,447,287 | \$ 2,385,097 | \$ 886,326 | \$ 1,365,690 | \$ (81,597) | 25% | -63% | 54% |
| 31 Supplies | 1,055,711 | 335,886 | 455,798 | 249,536 | 214,307 | (121,579) | 20% | -45% | -14% |
| 34 Items Purchased for resale | 13,000 | 10,000 | 600 | 235 | 239 | (9,761) | 2% | -61% | 2% |
| 35 Small Tools | 66,450 | 19,626 | 13,192 | 41,256 | 15,469 | (4,157) | 23% | 213% | -63% |
| 41 Professional Services | 5,439,071 | 1,571,899 | 1,798,016 | 1,484,978 | 1,372,604 | (199,295) | 25% | -17% | -8% |
| 42 Communication | 481,810 | 153,734 | 113,837 | 129,599 | 127,306 | (26,428) | 26% | 14% | -2% |
| 43 Travel | 83,196 | 62,505 | 82,642 | 31,804 | 3,287 | (59,218) | 4% | -62% | -90% |
| 44 Advertising | 34,750 | 5,817 | 7,237 | 4,408 | 895 | (4,921) | 3% | -39% | -80% |
| 45 Rentals and Leases | 2,166,137 | 590,855 | 941,752 | 429,715 | 543,420 | (47,436) | 25% | -54% | 26% |
| 46 Insurance | 1,030,329 | 1,030,164 | 889,864 | 987,519 | 1,113,881 | 83,717 | 108% | 11% | 13% |
| 47 Public Utilities | 1,991,445 | 1,340,348 | 1,311,641 | 1,261,760 | 1,344,487 | 4,139 | 68% | -4% | 7% |
| 48 Repairs and Maintenance | 651,669 | 211,319 | 249,831 | 270,859 | 132,527 | (78,791) | 20% | 8% | -51% |
| 49 Miscellaneous | 1,153,730 | 448,425 | 404,337 | 412,891 | 261,607 | (186,818) | 23% | 2% | -37% |
| 64 Machinery & Equipment | 518,665 | 172,888 | - | - | - | (172,888) | 0% | - | - |
| Total Operating Expenses | 20,148,723 | 7,400,753 | 8,653,844 | 6,190,885 | 6,495,718 | (905,034) | 32% | -28% | 5% |
| Total Expenses | \$ 63,146,050 | \$ 21,984,083 | \$ 22,487,105 | \$ 20,306,346 | \$ 20,239,490 | \$ (1,744,593) | 32% | -10% | 0% |

Percent of year completed 33%