



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Vicky Carlsen, Finance Director

BY: Aaron Williams, Fiscal Manager

CC: Mayor Ekberg

DATE: July 26, 2021

SUBJECT: May 2021 Departmental Budget-to-Actuals Report

Summary

The purpose of the May 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 May 2021 Report is based on financial data available as of July 13, 2021, for the period ending May 31, 2021. Additional details can be found within the attached financial report.

Expenditures

General Fund departmental expenditures totaled \$23.52 million through May, which is \$1.54 million less than the allocated budget of \$25.07 million. Dept. 20, which is transfers to other funds totaled \$1.37 million, which is \$249 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 now expended 71% 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 May 2021. Noteworthy variances are:

- The Fire Department is \$358 thousand over the allocated budget of \$5.23 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.

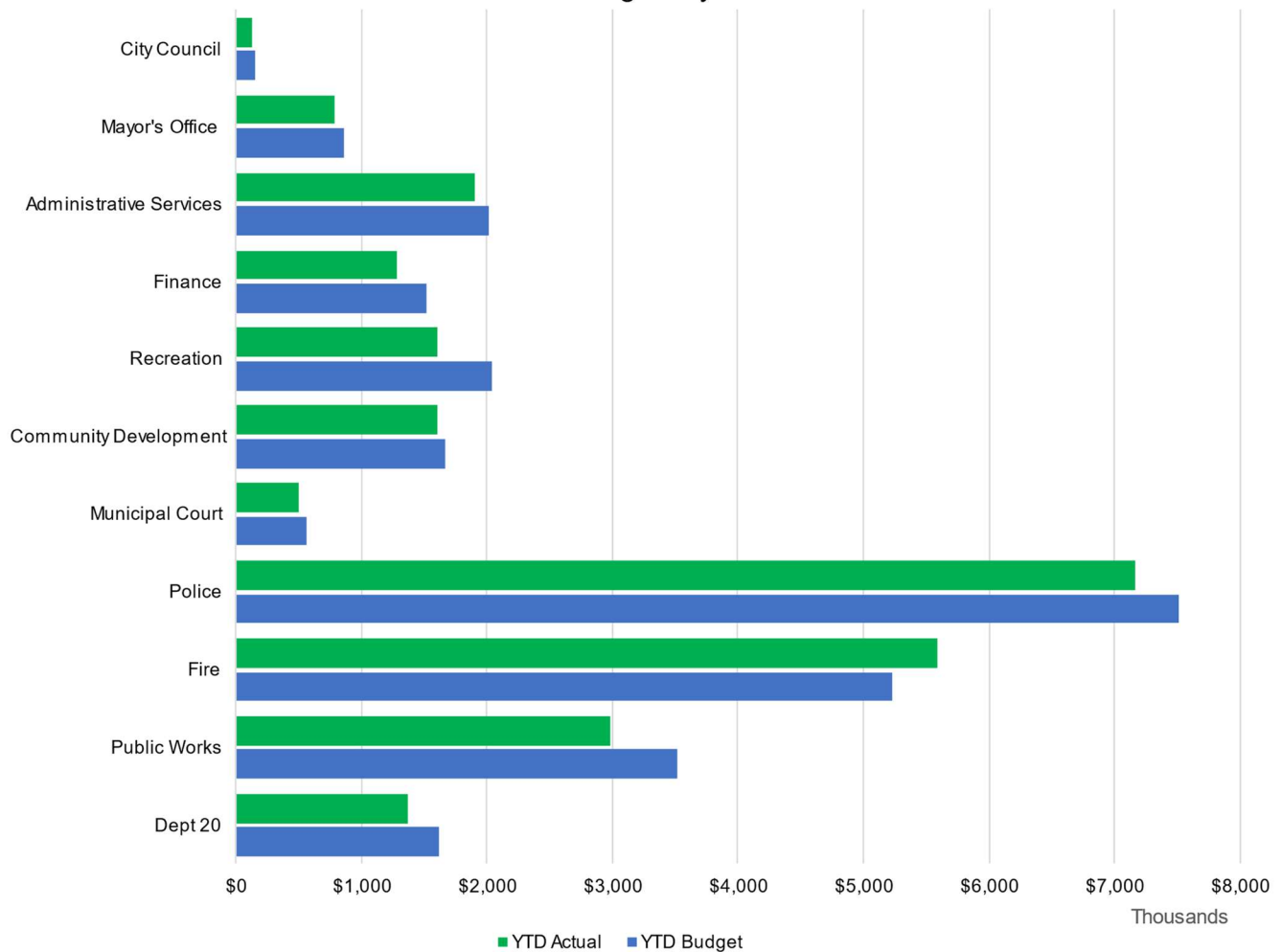
Fire Overtime Summarized - Through May 31, 2021							
Category	Reimbursable OT			Category	Unreimbursable OT		
	Salary	Benefits	Total		Salary	Benefits	Total
Billable Contractor	\$ 7,694	\$ 1,010	\$ 8,704	Minimum Staffing	\$ 164,160	\$ 21,554	\$ 185,714
COVID Testing Site	134,538	17,665	152,203	Instructor	9,582	1,258	10,840
Repeater Malfunction	59,989	7,877	67,866	Training	13,129	1,724	14,853
				Fire Prevention	32,733	4,298	37,031
				Fire Investigation	1,996	262	2,258
				Academy	19,006	2,495	21,501
				Public Safety Plan	7,327	962	8,289
				Meetings	5,537	727	6,264
				Shift Extension	5,461	717	6,178
				Special Assignment	4,145	544	4,689
				Other	18,480	2,426	20,906
Totals	\$ 202,221	\$ 26,552	\$ 228,773		\$ 281,556	\$ 36,968	\$ 318,524

Budget Amendments

The list below outlines budget amendments the City Council has already given consensus for and will be included in the final budget amendment at year-end.

Council Meeting Date	Summary of Budget Amendment
4/5 regular meeting	Contract for BHC Consultants for structural plan review. Cost neutral as this is a revenue backed contract. Any increase in expenditures will also include the same increase in revenue
4/5 regular meeting	Contract for Reid Middleton for structural plan review. Cost neutral as this is a revenue backed contract. Any increase in expenditures will also include the same increase in revenue
5/10 COW	Consensus to use new funding (SST) to restore service levels and cover certain contractual obligations. Budget amendment will include increasing both revenue and expenditures by the same amount.
5/17 regular meeting	Acceptance of Sound Transit System Access grant. Both revenue and expenditures will be increased by the same amount, net effect of zero
5/24 COW	Grant contract with King County Dept. of Community and Human Services. Award amount of \$115,384 so both revenue and expenditures will be adjusted, net effect of zero
5/24 COW	Use of SST funds to complete the transfer of records from the offsite storage location to City Hall. Use of SST is estimated to be \$40k. Again revenue backed so net effect of zero to the general fund
6/14 COW	BNSF Alternative Access Study for up to \$1.25 million
6/14 COW	Fire advisory Task Force Consulting for up to \$80 thousand
6/21 regular meeting	TDM regional mobility grant award, no effect on general fund

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



GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of May 31, 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	\$ 151,590	\$ 156,024	\$ 143,626	\$ 129,302	\$ (22,287)	36%	-8%	-10%
03 Mayor's Office	2,104,126	861,208	901,047	915,213	779,776	(81,432)	37%	2%	-15%
04 Administrative Services	4,984,464	2,018,101	1,797,915	1,764,039	1,899,259	(118,842)	38%	-2%	8%
05 Finance	3,049,858	1,513,783	1,168,215	1,233,527	1,277,528	(236,255)	42%	6%	4%
07 Recreation	4,260,543	2,035,236	2,007,620	1,828,551	1,604,128	(431,108)	38%	-9%	-12%
08 Community Development	4,069,943	1,670,680	1,491,955	1,331,880	1,601,406	(69,274)	39%	-11%	20%
09 Municipal Court	1,272,888	557,330	524,698	552,692	504,053	(53,277)	40%	5%	-9%
10 Police	18,286,665	7,512,590	7,618,667	7,305,975	7,160,165	(352,424)	39%	-4%	-2%
11 Fire	12,706,860	5,226,215	5,395,035	5,269,776	5,584,048	357,833	44%	-2%	6%
13 Public Works	6,584,325	3,520,512	3,615,620	3,323,727	2,982,704	(537,807)	45%	-8%	-10%
Subtotal	57,683,290	25,067,244	24,676,798	23,669,007	23,522,370	(1,544,874)	41%	-4%	-1%
20 Dept 20	5,462,760	1,614,704	2,460,097	886,326	1,365,690	(249,014)	25%	-64%	54%
Total Expenditures	\$ 63,146,050	\$ 26,681,947	\$ 27,136,894	\$ 24,555,333	\$ 24,888,060	\$ (1,793,887)	39%	-10%	1%

Percent of year completed 42%

GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of May 31, 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	\$ 12,322,159	\$ 11,674,707	\$ 12,047,049	\$ 11,577,264	\$ (744,896)	40%	3%	-4%
12 Extra Labor	347,528	264,959	272,693	117,378	11,826	(253,133)	3%	-57%	-90%
13 Overtime	1,218,115	449,001	770,092	416,507	878,487	429,486	72%	-46%	111%
15 Holiday Pay	515,500	5,105	5,996	3,900	8,938	3,833	2%	-35%	129%
21 FICA	1,872,655	812,046	761,159	751,080	725,217	(86,829)	39%	-1%	-3%
22 Pension-LEOFF	899,828	433,090	363,548	516,159	360,683	(72,407)	40%	42%	-30%
23 Pension-PERS/PSERS	1,631,377	721,676	731,502	732,582	687,866	(33,810)	42%	0%	-6%
24 Industrial Insurance	875,820	400,900	351,339	399,162	395,663	(5,237)	45%	14%	-1%
25 Medical & Dental	6,904,119	2,815,744	2,382,990	2,632,364	2,594,499	(221,245)	38%	10%	-1%
26 Unemployment	-	-	10,400	27,319	20,710	20,710	-	163%	-24%
28 Uniform/Clothing	8,525	1,173	1,313	614	876	(296)	10%	-53%	43%
Total Salaries & Benefits	\$ 42,997,327	\$ 18,225,853	\$ 17,325,739	\$ 17,644,113	\$ 17,262,030	\$ (963,823)	40%	2%	-2%

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	\$ 1,614,704	\$ 2,460,097	\$ 886,326	\$ 1,365,690	\$ (249,014)	25%	-64%	54%
31 Supplies	1,055,711	403,555	571,191	299,124	268,916	(134,638)	25%	-48%	-10%
34 Items Purchased for resale	13,000	10,000	5,810	235	859	(9,141)	7%	-96%	265%
35 Small Tools	66,450	22,189	45,195	41,538	21,029	(1,160)	32%	-8%	-49%
41 Professional Services	5,439,071	1,889,361	2,243,112	1,781,800	2,095,315	205,954	39%	-21%	18%
42 Communication	481,810	198,101	149,055	164,927	173,413	(24,689)	36%	11%	5%
43 Travel	83,196	63,319	94,124	31,014	6,403	(56,916)	8%	-67%	-79%
44 Advertising	34,750	7,271	8,259	4,408	1,792	(5,479)	5%	-47%	-59%
45 Rentals and Leases	2,166,137	747,987	1,174,759	546,056	562,065	(185,922)	26%	-54%	3%
46 Insurance	1,030,329	1,030,329	889,957	987,671	1,113,881	83,552	108%	11%	13%
47 Public Utilities	1,991,445	1,465,868	1,345,070	1,362,568	1,420,550	(45,318)	71%	1%	4%
48 Repairs and Maintenance	651,669	265,181	327,261	337,885	164,881	(100,300)	25%	3%	-51%
49 Miscellaneous	1,153,730	522,121	497,267	462,173	355,055	(167,066)	31%	-7%	-23%
64 Machinery & Equipment	518,665	216,110	-	5,495	76,184	(139,927)	15%	-	1287%
Total Operating Expenses	20,148,723	8,456,095	9,811,156	6,911,220	7,626,030	(830,064)	38%	-30%	10%
Total Expenses	\$63,146,050	\$26,681,947	\$27,136,894	\$24,555,333	\$24,888,060	\$ (1,793,887)	39%	-10%	1%

Percent of year completed 42%