



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Vicky Carlsen, Finance Director

BY: Aaron Williams, Fiscal Manager

CC: Mayor Ekberg

DATE: September 27, 2021

SUBJECT: July 2021 Departmental Budget-to-Actuals Report

Summary

The purpose of the July 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 July 2021 Report is based on financial data available as of September 17, 2021, for the period ending July 31, 2021. Additional details can be found within the included financial report.

Expenditures

General Fund departmental expenditures totaled \$32.64 million through June, which is \$1.13 million less than the allocated budget of \$33.77 million. Dept. 20, which is transfers to other funds totaled \$2.73 million, which is \$409 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 continues to be concern that department budgets, in general, are too low and may be unable to absorb necessary costs without a budget amendment. General inflation is increasing the cost of both supplies and services purchased. In reviewing expenditures by type, insurance exceeds the annual budget by \$84 thousand and utilities category has now expended 83% 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 July 2021. Noteworthy variances are:

- The Fire Department is now \$713 thousand over the allocated budget of \$7.16 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. The 2nd quarter report for the Fire Department was presented to the Community Services and Safety Committee on August 16, 2021 where additional details on overtime usage was provided.

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

| Fire Overtime Summarized - Through July 31, 2021 | | | | | | | |
|--|-------------------|------------------|-------------------|--------------------|-------------------|------------------|-------------------|
| Category | Reimbursable OT | | | Category | Unreimbursable OT | | |
| | Salary | Benefits | Total | | Salary | Benefits | Total |
| Billable Contractor | \$ 8,395 | \$ 1,102 | \$ 9,497 | Minimum Staffing | \$ 290,598 | \$ 38,156 | \$ 328,754 |
| COVID Testing Site | 174,721 | 22,941 | 197,662 | Instructor | 17,393 | 2,284 | 19,677 |
| Repeater Malfunction | 70,826 | 9,299 | 80,125 | Training | 15,104 | 1,983 | 17,087 |
| | | | | Fire Prevention | 41,468 | 5,445 | 46,913 |
| | | | | Fire Investigation | 5,306 | 697 | 6,003 |
| | | | | Academy | 21,911 | 2,877 | 24,788 |
| | | | | Public Safety Plan | 8,660 | 1,137 | 9,797 |
| | | | | Meetings | 7,672 | 1,007 | 8,679 |
| | | | | Shift Extension | 6,094 | 800 | 6,894 |
| | | | | Special Assignment | 9,929 | 1,304 | 11,233 |
| | | | | Other | 21,768 | 2,858 | 24,626 |
| Totals | \$ 253,942 | \$ 33,343 | \$ 287,285 | | \$ 445,903 | \$ 58,547 | \$ 504,450 |

Budget Amendments

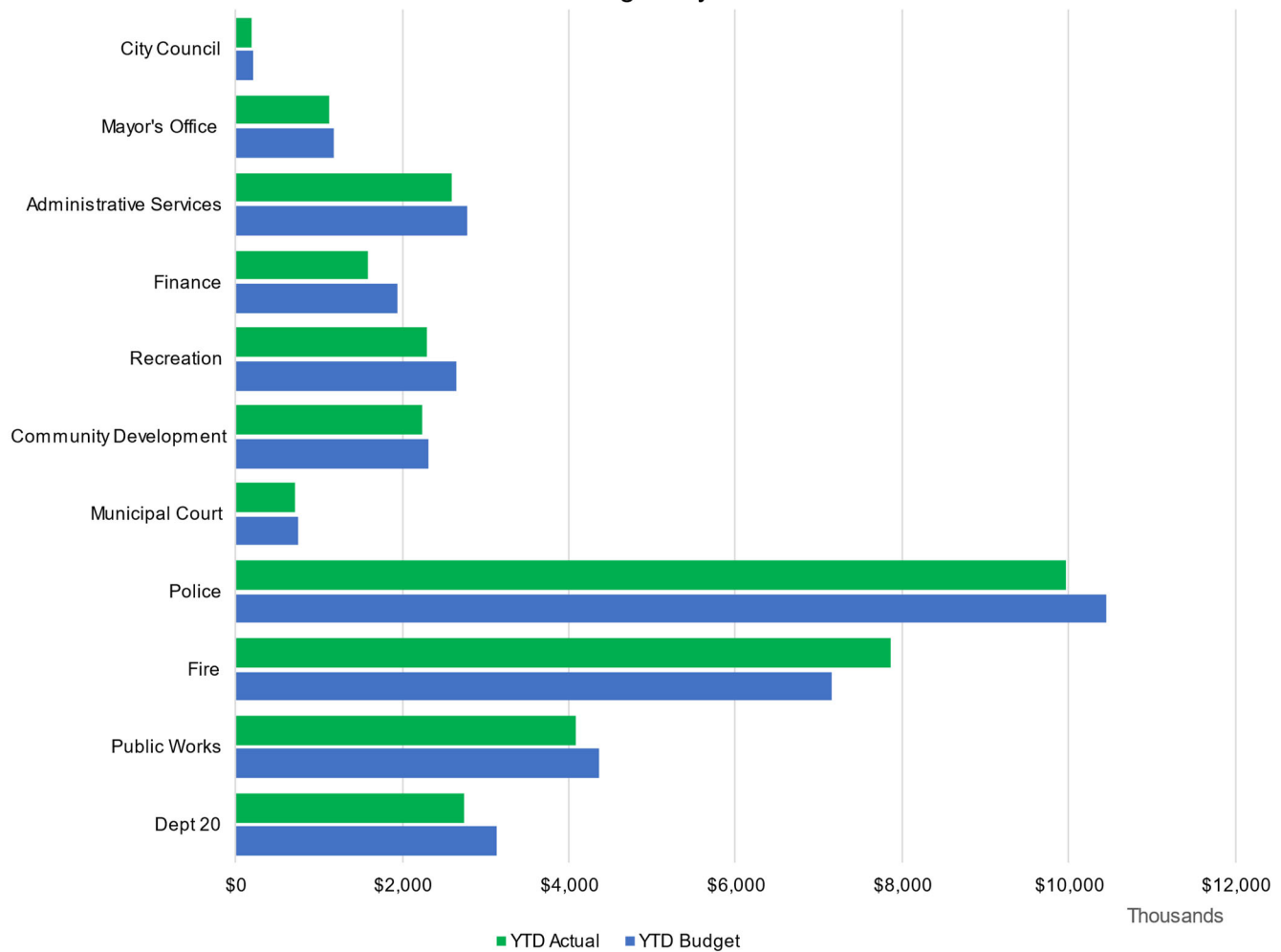
The list on the next page outlines budget amendments the City Council has already given consensus for and will be included in the final budget amendment at year-end.

INFORMATIONAL MEMO

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| 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 |
| 8/2 regular meeting | Summer Experience & Enrichment for Kids Fund (SEEK) grant, no effect on the general fund as there is no match required |
| 8/2 regular meeting | Restore before and after school programming, funded by ARPA so both revenue and expenditure budgets will be adjusted |
| 8/23 COW | Reclassify Jail Alternative Specialist to Court Support Services Case Manager and increase from .75 FTE to 1.0 FTE. Will require ongoing funding source |

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



GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of July, 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 | \$ 211,434 | \$ 217,793 | \$ 202,742 | \$ 195,815 | \$ (15,619) | 54% | -7% | -3% |
| 03 Mayor's Office | 2,104,126 | 1,171,470 | 1,256,432 | 1,240,174 | 1,126,617 | (44,854) | 54% | -1% | -9% |
| 04 Administrative Services | 4,984,464 | 2,780,836 | 2,677,208 | 2,435,936 | 2,589,024 | (191,812) | 52% | -9% | 6% |
| 05 Finance | 3,049,858 | 1,947,203 | 1,553,278 | 1,547,299 | 1,579,430 | (367,774) | 52% | 0% | 2% |
| 07 Recreation | 4,260,543 | 2,647,568 | 2,908,685 | 2,436,792 | 2,292,274 | (355,294) | 54% | -16% | -6% |
| 08 Community Development | 4,069,943 | 2,305,277 | 2,111,887 | 1,837,941 | 2,236,499 | (68,778) | 55% | -13% | 22% |
| 09 Municipal Court | 1,272,888 | 744,852 | 739,291 | 742,750 | 709,037 | (35,815) | 56% | 0% | -5% |
| 10 Police | 18,286,665 | 10,448,230 | 10,886,466 | 10,108,148 | 9,972,531 | (475,699) | 55% | -7% | -1% |
| 11 Fire | 12,706,860 | 7,156,552 | 7,530,964 | 7,216,878 | 7,869,189 | 712,637 | 62% | -4% | 9% |
| 13 Public Works | 6,584,325 | 4,363,603 | 4,836,329 | 4,110,452 | 4,075,531 | (288,072) | 62% | -15% | -1% |
| Subtotal | 57,683,290 | 33,777,026 | 34,718,331 | 31,879,112 | 32,645,947 | (1,131,079) | 57% | -8% | 2% |
| 20 Dept 20 | 5,462,760 | 3,140,951 | 3,425,593 | 2,068,215 | 2,732,130 | (408,821) | 50% | -40% | 32% |
| Total Expenditures | \$ 63,146,050 | \$ 36,917,977 | \$ 38,143,924 | \$ 33,947,327 | \$ 35,378,077 | \$ (1,539,900) | 56% | -11% | 4% |

Percent of year completed 58%

GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of July, 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 | \$ 17,059,386 | \$ 16,501,687 | \$ 16,633,051 | \$ 16,136,684 | \$ (922,702) | 56% | 1% | -3% |
| 12 Extra Labor | 347,528 | 285,588 | 479,403 | 119,135 | 65,831 | (219,757) | 19% | -75% | -45% |
| 13 Overtime | 1,218,115 | 647,303 | 1,067,992 | 629,536 | 1,262,551 | 615,248 | 104% | -41% | 101% |
| 15 Holiday Pay | 515,500 | 85,575 | 76,376 | 65,888 | 72,268 | (13,307) | 14% | -14% | 10% |
| 21 FICA | 1,872,655 | 1,123,224 | 1,082,335 | 1,038,550 | 1,021,535 | (101,689) | 55% | -4% | -2% |
| 22 Pension-LEOFF | 899,828 | 563,204 | 513,617 | 655,392 | 577,157 | 13,953 | 64% | 28% | -12% |
| 23 Pension-PERS/PSERS | 1,631,377 | 980,475 | 1,026,153 | 990,803 | 937,993 | (42,482) | 57% | -3% | -5% |
| 24 Industrial Insurance | 875,820 | 539,679 | 477,242 | 533,038 | 539,456 | (223) | 62% | 12% | 1% |
| 25 Medical & Dental | 6,904,119 | 3,926,534 | 3,349,666 | 3,663,712 | 3,948,258 | 21,724 | 57% | 9% | 8% |
| 26 Unemployment | - | - | 10,400 | 27,319 | 20,710 | 20,710 | - | 163% | -24% |
| 28 Uniform/Clothing | 8,525 | 2,160 | 1,783 | 1,334 | 1,391 | (769) | 16% | -25% | 4% |
| Total Salaries & Benefits | \$ 42,997,327 | \$ 25,213,128 | \$ 24,586,654 | \$ 24,357,759 | \$ 24,583,835 | \$ (629,293) | 57% | -1% | 1% |

| 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 | \$ 3,140,951 | \$ 3,425,593 | \$ 2,068,215 | \$ 2,732,130 | \$ (408,821) | 50% | -40% | 32% |
| 31 Supplies | 1,055,711 | 524,508 | 932,596 | 393,825 | 405,733 | (118,775) | 38% | -58% | 3% |
| 34 Items Purchased for resale | 13,000 | 11,484 | 18,029 | 1,417 | 1,323 | (10,161) | 10% | -92% | -7% |
| 35 Small Tools | 66,450 | 30,027 | 63,941 | 46,731 | 42,382 | 12,355 | 64% | -27% | -9% |
| 41 Professional Services | 5,439,071 | 2,682,024 | 3,480,234 | 2,578,831 | 2,692,730 | 10,706 | 50% | -26% | 4% |
| 42 Communication | 481,810 | 279,781 | 215,105 | 249,691 | 235,099 | (44,681) | 49% | 16% | -6% |
| 43 Travel | 83,196 | 64,769 | 124,216 | 30,082 | 11,830 | (52,939) | 14% | -76% | -61% |
| 44 Advertising | 34,750 | 13,516 | 11,651 | 5,720 | 2,695 | (10,821) | 8% | -51% | -53% |
| 45 Rentals and Leases | 2,166,137 | 1,032,306 | 1,776,771 | 755,319 | 1,180,729 | 148,424 | 55% | -57% | 56% |
| 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 | 1,564,112 | 1,535,863 | 1,449,898 | 1,652,887 | 88,775 | 83% | -6% | 14% |
| 48 Repairs and Maintenance | 651,669 | 324,456 | 394,623 | 419,153 | 193,472 | (130,984) | 30% | 6% | -54% |
| 49 Miscellaneous | 1,153,730 | 704,031 | 643,462 | 597,521 | 453,167 | (250,864) | 39% | -7% | -24% |
| 64 Machinery & Equipment | 518,665 | 302,555 | 45,228 | 5,495 | 76,184 | (226,371) | 15% | -88% | 1287% |
| Total Operating Expenses | 20,148,723 | 11,704,849 | 13,557,270 | 9,589,569 | 10,794,242 | (910,607) | 54% | -29% | 13% |
| Total Expenses | \$ 63,146,050 | \$ 36,917,977 | \$ 38,143,924 | \$ 33,947,327 | \$ 35,378,077 | \$ (1,539,900) | 56% | -11% | 4% |

Percent of year completed 58%