



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Tony Cullerton, Deputy Finance Director

CC: Mayor Ekberg

DATE: February 27, 2023

SUBJECT: December 2022 General Fund Departmental (Preliminary) Budget-to-Actuals Report

Summary

The purpose of the December 2022 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 December 2022 report is based on financial data available as of February 16th, 2023, for the period ending December 31, 2022. While this report includes the most recent financial activity, the numbers are preliminary. Interfund activity, accruals, and general ledger clean up are part of the year-end process and is currently being completed.

Expenditures

In past we have reported actual spending compared to the allocated budget. With this being the final month of the year, our comparisons are with Actual Spending compared to the Annual Budget.

General Fund departmental expenditures totaled \$61.7 million through December, which is \$3.9 million less than the annual budget of \$65.6 million. Department 20, which is transfers to other funds, totaled \$10 million, which is \$820,994 less than the annual budget. Transfers to capital project funds are transferred to capital project funds as needed for cash flow purposes. Debt service transfers are done quarterly. Department 20 is projected to end the year under budget due to a handful of minor transactions. Examples include:

- Transfer to Fund 103 (Residential Streets) – General Governmental Improvements for ARPA grant revenue was \$82k under budget. This is due to less expenditures in fund 103 than expected.
- Transfer to Fund 104 (Arterial Streets) of \$400k was not done since it was not necessary. This was a budget transfer from the adopted budget, only required if the fund needed additional resources.
- Transfer to und 305 Public Safety Plan was \$167k less than budget. The cost of the PSRFA engine wasn't known when budget amendments were completed.

INFORMATIONAL MEMO

Page 2

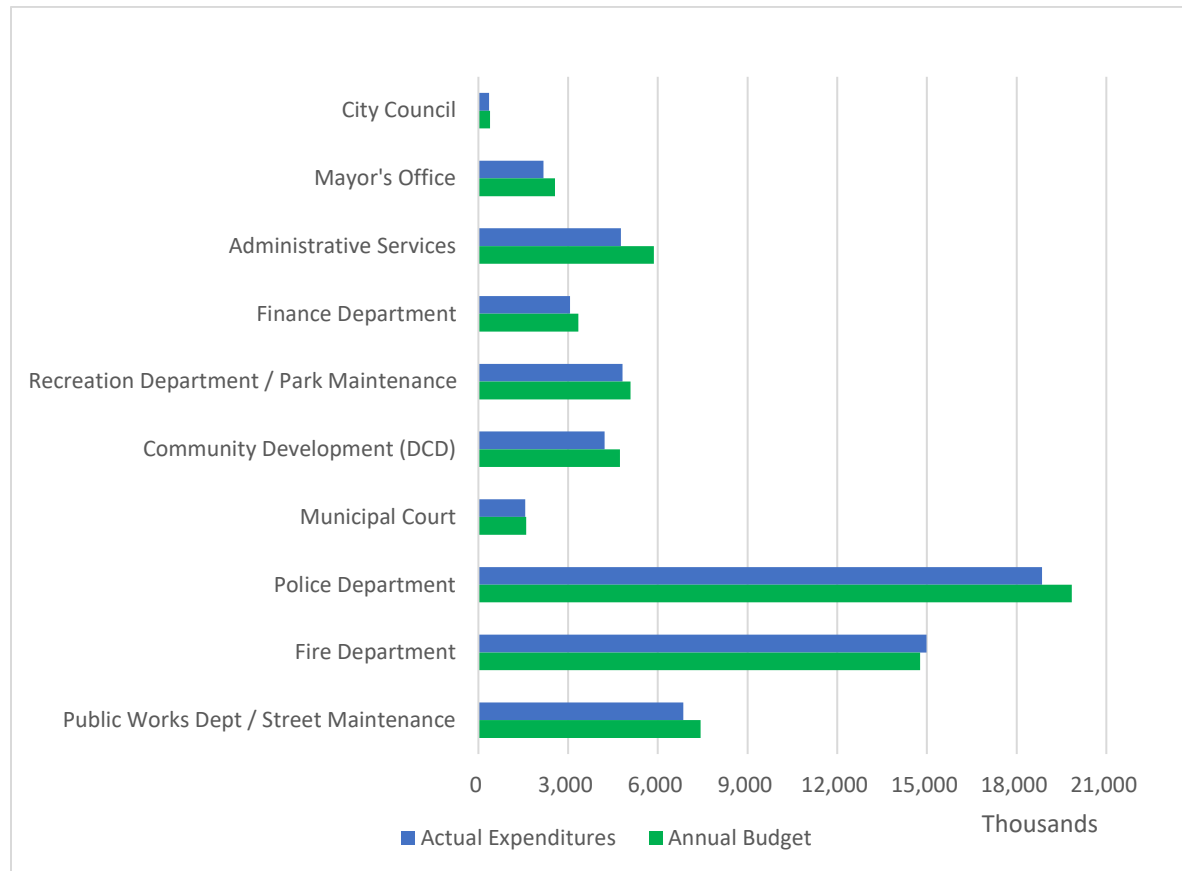
In total, the General Fund reported expenditures of \$71.8 million, which is equivalent to 94% of the annual budget at the completion of the year. All General Fund departments ended the year below their YTD annual budget with the exception of Fire. As projected and previously reported, Fire finished the year at 101.5% of budget resulting in an overage of \$226,122.

Departmental Variances

Year to Date Department Expenditures Compared to Annual Budget Through December 2022:

	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	%	
	2022	2022	2020	2021	2022			Expenditures
	Annual	Allocated						
EXPENDITURES BY DEPARTMENT								
City Council	385,826	385,826	351,396	338,693	356,579	(29,247)	92.4%	
Mayor's Office	2,565,927	2,565,927	2,280,110	2,152,513	2,181,540	(384,387)	85.0%	
Administrative Services	5,869,141	5,869,141	4,751,297	5,005,893	4,775,222	(1,093,919)	81.4%	
Finance Department	3,347,587	3,347,587	2,402,140	2,434,453	3,067,184	(280,403)	91.6%	
Recreation Department / Parks Maintenance	5,083,108	5,083,108	4,273,655	4,225,108	4,821,837	(261,271)	94.9%	
Community Development (DCD)	4,732,212	4,732,212	3,278,151	3,910,667	4,239,663	(492,549)	89.6%	
Municipal Court	1,597,482	1,597,482	1,292,626	1,209,940	1,565,287	(32,195)	98.0%	
Police Department	19,844,123	19,844,123	17,682,031	17,927,963	18,861,177	(982,946)	95.0%	
Fire Department	14,772,033	14,772,033	12,850,658	13,471,379	14,998,155	226,122	101.5%	
Public Works Dept / Street Maintenance	7,434,770	7,434,770	6,379,120	6,583,077	6,883,267	(551,503)	92.6%	
Subtotal	65,632,209	65,632,209	55,541,184	57,259,686	61,749,909	(3,882,300)	94.1%	
Non Departmental	10,885,754	10,885,754	4,862,449	5,644,523	10,064,760	(820,994)	92.5%	
Total Expenditures	76,517,963	76,517,963	60,403,633	62,904,209	71,814,669	(4,703,294)	93.9%	
						% of Year	100.0%	

The graph below shows the Annual Budget to Actual Expenditures for the General Fund departments.



Per ordinance, the City adopts a biennial budget by fund. This is the required level of reporting for external authoritative sources of oversight such as of the Washington State Auditor’s office. This level of reporting is also utilized for purposes of debt issuance and by other stake holders. For managerial reporting and internal use, the City reports activity at the department level. This provides more details and additional information used by decision makers within the city and those charged with governness.

The table below reflects activity at the category level. While all five of the General Fund category totals ended the year under budget, there were several line-item categories that finished the year over budget. In an effort to provide an enhanced level of reporting, additional information is being provided for category line items that ended the year with totals reflecting a budget overage of more than 5% and \$50,000.

INFORMATIONAL MEMO

General Fund
City of Tukwila
General Fund Expenditures

Year-to Date as of Dec 31, 2022

	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2022	2022	2020	2021	2022	Allocated Budget vs Actuals OVER/(UNDER)	%	Change	
	Annual	Allocated						2020/2021	2021/2022
511 Salaries	32,902,451	32,902,451	28,119,885	27,887,462	30,114,781	(2,787,670)	91.5%	2,227,319	8.0%
512 Extra Labor	584,220	584,220	131,789	206,427	404,565	(179,655)	69.2%	198,138	96.0%
513 Overtime	2,200,115	2,200,115	1,367,623	2,274,124	2,603,186	403,071	118.3%	329,062	14.5%
515 Holiday Pay	515,500	515,500	443,224	429,309	490,172	(25,328)	95.1%	60,863	14.2%
521 FICA	2,276,955	2,276,955	1,739,528	1,774,345	1,917,780	(359,175)	84.2%	143,436	8.1%
522 Pension-LEOFF	920,517	920,517	1,020,215	953,421	1,022,802	102,285	111.1%	69,381	7.3%
523 Pension-PERS/PSERS	1,494,905	1,494,905	1,662,169	1,518,973	1,469,268	(25,637)	98.3%	(49,704)	(3.3%)
524 Industrial Insurance	876,892	876,892	859,956	892,567	689,029	(187,863)	78.6%	(203,538)	(22.8%)
525 Medical & Dental	7,551,216	7,551,216	6,486,004	6,901,878	7,312,010	(239,206)	96.8%	410,132	5.9%
526 Unemployment	0	0	93,070	45,019	37,205	37,205	-	(7,813)	(17.4%)
528 Uniform/Clothing	8,525	8,525	4,734	6,732	9,085	560	106.6%	2,352	34.9%
Total Salaries & Benefits	49,331,296	49,331,296	41,928,197	42,890,258	46,069,884	(3,261,412)	93.4%	3,179,626	7.4%
531 Supplies	950,636	950,636	567,124	668,288	607,654	(342,982)	63.9%	(\$60,634)	(9.1%)
532 Repairs & Maint Supplies	299,025	299,025	313,144	254,967	382,733	83,708	128.0%	\$127,766	50.1%
534 Resale Supplies	10,000	10,000	235	0	859	(9,141)	8.6%	\$859	Null
535 Small Tools	41,250	41,250	133,261	107,173	175,409	134,159	425.2%	\$68,236	63.7%
536 Technology Supplies	13,000	13,000	52,295	70,391	96,274	83,274	740.6%	\$25,882	36.8%
537 Fleet Supplies	3,000	3,000	12,749	3,787	6,687	3,687	222.9%	\$2,900	76.6%
Total Supplies	1,316,911	1,316,911	1,078,807	1,104,606	1,269,615	(47,296)	96.4%	\$165,010	14.9%
541 Professional Services	7,575,918	7,575,918	6,228,735	6,683,905	6,697,140	(878,778)	88.4%	\$13,235	0.2%
542 Communications	458,739	458,739	481,591	448,927	515,745	57,006	112.4%	\$66,818	14.9%
543 Professional Development	252,921	252,921	404,980	394,404	390,831	137,910	154.5%	(\$3,573)	(0.9%)
544 Advertising	40,250	40,250	19,183	21,629	44,856	4,606	111.4%	\$23,227	107.4%
545 Rentals	478,484	478,484	549,703	426,952	320,578	(157,906)	67.0%	(\$106,374)	(24.9%)
546 Technology Services	348,291	348,291	783,678	888,918	807,405	459,114	231.8%	(\$81,512)	(9.2%)
547 Utilities	2,034,285	2,034,285	1,820,212	2,251,250	2,363,986	329,701	116.2%	\$112,735	5.0%
548 Repairs & Maint Services	2,185,367	2,185,367	1,801,240	1,768,899	2,348,284	162,917	107.5%	\$579,385	32.8%
549 Miscellaneous	879,747	879,747	439,364	243,434	620,147	(259,600)	70.5%	\$376,713	154.7%
Total Services	14,254,002	14,254,002	12,528,686	13,128,317	14,108,972	(145,030)	99.0%	980,655	7.5%
561 Capital Outlay-Land	0	0	0	0	893	893	-	0	-
563 Other Improvements	0	0	0	12,331	0	0	-	0	-
564 Machinery & Equipment	730,000	730,000	5,495	124,174	300,544	(429,456)	41.2%	176,370	142.0%
Total Capital Outlay	730,000	730,000	5,495	136,506	301,437	(428,563)	41.3%	164,932	120.8%
750 Transfers Out	10,885,754	10,885,754	4,862,449	5,644,523	10,064,760	(820,994)	92.5%	4,420,237	78.3%
Total Non Operating Expense	10,885,754	10,885,754	4,862,449	5,644,523	10,064,760	(820,994)	92.5%	4,420,237	78.3%
TOTAL EXPENDITURES	76,517,963	76,517,963	60,403,633	62,904,209	71,814,669	(4,703,294)	93.9%	8,910,460	14.2%
						% of Year	100.0%		

Category: Overtime

Variance: 18.3% and \$403,071

Explanation: We have been tracking Overtime throughout the year and projected this line item to end the year over budget. The overage is offset by the reduction in Salaries. The relationship can be explained by unfilled positions leading to a reduction in Salaries and resulting in increases to Overtime due to existing staff maintaining service levels with reduced staff.

Category: Pension – LEOFF

Variance: 11.1% and \$102,285

Explanation: The LEOFF Pension rate is a calculation of inputs shared between the State, employer, and employee. The budget determination takes into consideration the calculated rate with projected salaries. A primary contribution to the \$69,381 overage was the reestablishment of minimum staffing levels for Fire that was supported by ARPA funding, which took place after the budget was established. Due to the Salaries & Benefit Category trending under budget, a budget amendment was not considered for this line item.

Category: Total Supplies

Variance: Under budget

Explanation: The Total Supplies category ended the year under budget. Three accounts within the Supplies category exceeded the budget by more than 5% and \$50,000. This is due to the classification of budget allocation. The three accounts that exceeded budget (Repairs & Maintenance Supplies, Small Tools, & Technology Supplies) combined, totaled \$298,075 over budget. This is offset by Supplies (531) finishing the year \$349,283 under budget, suggesting that a portion of the three account's budget was allocated to Supplies.

Category: Total Services

Variance: Under budget

Explanation: The Total Services category ended the year under budget. Four accounts within the Services category exceeded the budget by more than 5% and \$50,000. This is attributed to a budget classification allocation. The five accounts that exceeded budget (Communications, Professional Development, Technology Services, Utilities, and Repairs & Maintenance Services) combined, totaled \$1,146,648 over budget. This is offset by Professional Services and Miscellaneous ending the year \$919,275 & \$267,708 respectively, under budget, as a result of a portion of the four account's budget being allocated to Professional Services and Miscellaneous.