



## INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**

FROM: **Tony Cullerton, Deputy Finance Director**

CC: **Mayor Ekberg**

DATE: **March 13, 2023**

SUBJECT: **January 2023 General Fund Departmental Budget-to-Actuals Report**

### Summary

The purpose of the January 2023 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 January 2023 report is based on financial data available as of March 3, 2023, for the period ending January 31, 2023.

### Expenditures

#### **Allocated Budget**

The 2023 Allocated Budget calculation has changed from the prior year reporting in that, General Fund departments now allocate their annual budget by month based on anticipated spending requirements instead of historical spending behaviors. For example, known insurance payments that are due at the beginning of the year are allocated fully in the month the payment is due, instead of allocating the expense evenly over twelve months. As of the end of January, every department reported activity that is within their allocated budget.

General Fund departmental expenditures totaled \$5.2 million through January, which is \$706,826 less than the allocated budget of \$5.9 million. Department 20, which is transfers to other funds, reported no expenditure activity in the month of January. This is consistent with January 2022 spending patterns. In total, the General Fund reported expenditures of \$5.2 million through January, which is \$706,826 less than the allocated budget of \$5.9 million.

#### **Budget to Actual**

When comparing YTD spending to the percent of year completed (8.3%), a few departments finished the month higher. **Finance** reported % Expended of 17% at 8.3% of the year. This is attributed to the maintenance agreement with Tyler Technologies for Eden. **Police** ended the month at 9.1%. Major contributing factors are Salaries and Professional Services. The increase in Salaries is a result of contractual agreements. Professional Services reported an increase over the same period last year of \$360,984 or 129%. The main driver is an increase in Dispatch Services. **Public Works** finished the month at 17.8%. The significant portion of the increase has been traced to Professional Services. Specifically, Facilities Maint. / Ins-Property.

**Departmental Variances**

Year to Date Department Expenditures Compared to Allocated Budget Through January 2023:

EXPENDITURES BY DEPARTMENT	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	%	\$ Change	% Change		
	2023	2023	2021	2022	2023					Expended	2022/2023
	Annual	Allocated									
City Council	384,889	28,491	25,650	27,414	28,480	(11)	7.4%	1,066	3.9%		
Mayor's Office	2,502,666	229,365	78,975	113,608	121,425	(107,940)	4.9%	7,817	6.9%		
Administrative Services	5,676,491	444,218	309,492	333,586	405,218	(39,000)	7.1%	71,632	21.5%		
Finance Department	3,868,642	734,334	521,763	644,461	662,025	(72,309)	17.1%	17,564	2.7%		
Recreation Department / Parks Maintenance	5,109,490	375,394	273,418	252,039	336,348	(39,047)	6.6%	84,309	33.5%		
Community Development (DCD)	4,672,314	385,559	257,564	385,765	328,107	(57,452)	7.0%	(57,658)	-14.9%		
Municipal Court	1,741,340	145,112	94,867	119,131	135,263	(9,849)	7.8%	16,133	13.5%		
Police Department	22,746,448	2,228,104	1,463,602	1,541,077	2,075,806	(152,298)	9.1%	534,729	34.7%		
Fire Department	14,790,120	275,195	1,222,368	1,235,466	252,424	(22,771)	1.7%	(983,042)	-79.6%		
Public Works Dept / Street Maintenance	7,574,988	1,036,598	557,927	713,391	830,450	(206,148)	11.0%	117,059	16.4%		
<b>Subtotal</b>	<b>69,067,388</b>	<b>5,882,371</b>	<b>4,805,627</b>	<b>5,365,936</b>	<b>5,175,545</b>	<b>(706,826)</b>	<b>7.5%</b>	<b>(190,391)</b>	<b>-3.5%</b>		
Non Departmental	6,688,881	0	0	0	0	0	0.0%	0	#DIV/0!		
<b>Total Expenditures</b>	<b>75,756,269</b>	<b>5,882,371</b>	<b>4,805,627</b>	<b>5,365,936</b>	<b>5,175,545</b>	<b>(706,826)</b>	<b>6.8%</b>	<b>(190,391)</b>	<b>-3.5%</b>		
						% of Year	8.3%				

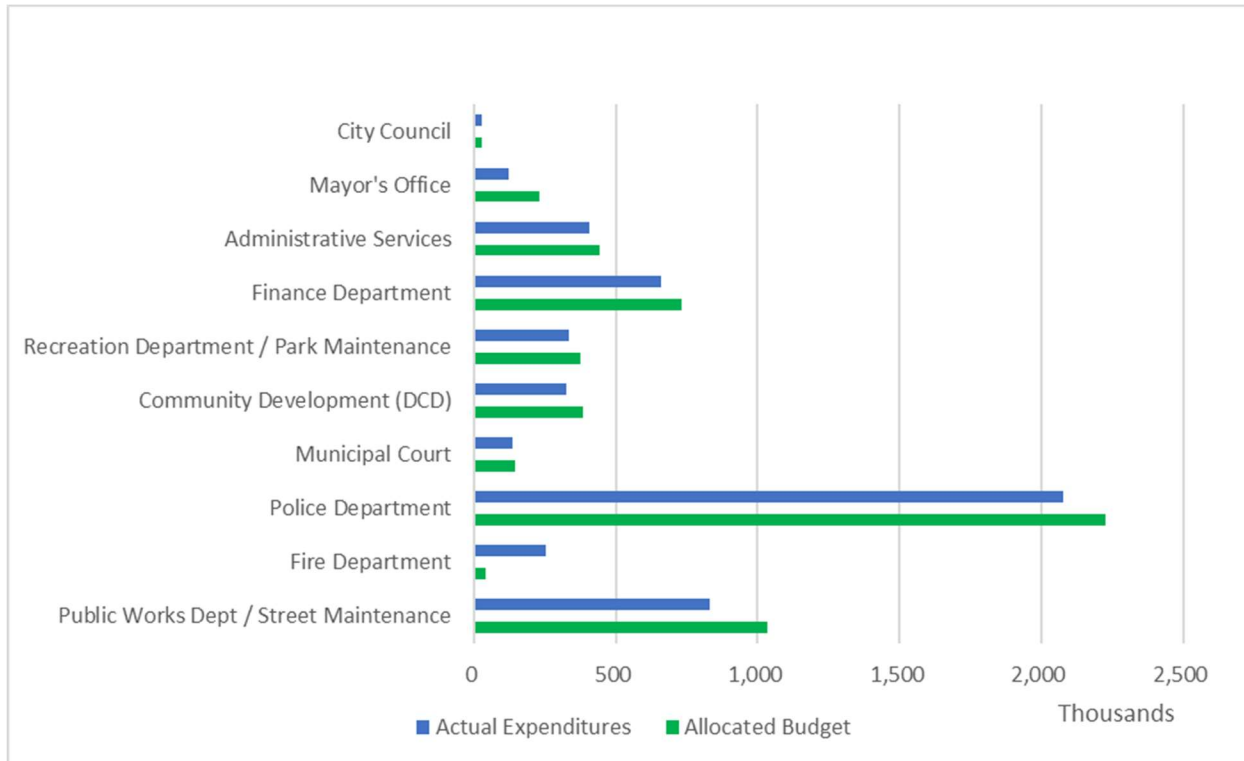
**2023 Compared to 2022**

Most departments reported increases over the same period of the prior year. An increase in salaries is common across the board. A few departments reported increases greater than 5% and \$50,000 over the same period last year.

In addition to the standard salary increase, **Administrative Services** reported increased Online Services costs in its TIS division, and the AWC annual membership invoice was paid by the HR division. **Recreation** reported the standard increase in salaries over the prior January, as well as an increase in Extra Labor due to the return of services. **Police** reported an increase in Salaries and Professional Services. The increase in Salaries is a result of contractual agreements. Professional Services reported an increase over the same period last year of \$360,984 or 129%. The main driver for this increase is Dispatch Services, which reported January expenditures of \$230,808. Zero expenses were reported for Dispatch Services during the same period last year. While there were Dispatch Services expenditures incurred in January 2022, timely reporting has been enhanced in 2023 compared to prior years. **Public Works** reported an increase on the previous year of \$117,059. The significant portion of the increase has been traced to Facilities Maint. / Ins-Property. January 2022 expenditures for this insurance cost was \$346,858. January 2023 costs was \$438,917, representing a total increase of \$92,059.

**Overall, the General Fund departments reported actual spending of 3.5% (\$190,391) less than the same period last year.**

The graph below shows the Annual Budget, Actual Expenditures, and Allocated Budget amounts 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. In an effort to provide an enhanced level of reporting, additional information is being provided for activity at the transaction level that reflect an increase of more than 5% over the prior year AND \$50,000.

INFORMATIONAL MEMO

The table below to displays 2022/2023 change in spending by \$ and % for informational purposes. As of the end of January, there was one line item that reported an increase of more than 5% AND \$50,000.

General Fund  
City of Tukwila  
General Fund Expenditures

Year-to Date as of Jan 31, 2023

	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2023 Annual	2023 Allocated	2021	2022	2023	Allocated Budget vs Allocated OVER/(UNDER)	%	Change	
								Expended	\$
							2022/2023		2022/2023
511 Salaries	25,787,016	2,148,919	2,351,288	2,454,294	1,942,606	(206,313)	7.5%	(\$11,688)	(20.8%)
512 Extra Labor	769,106	39,670	335	21,795	29,116	(10,554)	3.8%	7,320	33.6%
513 Overtime	755,184	46,724	139,198	233,720	146,202	99,478	19.4%	(\$87,517)	(37.4%)
515 Holiday Pay	250,000	963	2,560	765	0	(963)	-	(765)	(100.0%)
521 FICA	2,110,086	175,841	144,469	155,507	158,801	(17,040)	7.5%	3,295	2.1%
522 Pension-LEOFF	635,410	46,784	68,920	73,834	43,799	(2,985)	6.9%	(\$30,036)	(40.7%)
523 Pension-PERS/PSERS	1,744,919	145,410	133,928	119,230	127,576	(17,834)	7.3%	8,346	7.0%
524 Industrial Insurance	586,183	48,849	45,845	39,511	32,502	(16,347)	5.5%	(\$7,009)	(17.7%)
525 Medical & Dental	5,748,432	479,036	515,036	608,100	449,808	(29,228)	7.8%	(\$158,292)	(26.0%)
526 Unemployment	0	0	0	0	0	0	#DIV/0!	0	#DIV/0!
528 Uniform/Clothing	33,290	9,191	0	0	0	(9,191)	-	0	#DIV/0!
<b>Total Salaries &amp; Benefits</b>	<b>38,419,627</b>	<b>3,141,387</b>	<b>3,401,579</b>	<b>3,706,755</b>	<b>2,930,411</b>	<b>(210,976)</b>	<b>7.6%</b>	<b>(\$776,344)</b>	<b>(20.9%)</b>
531 Supplies	678,334	55,818	32,350	(12,058)	8,326	(47,492)	1.2%	\$20,385	(169.1%)
532 Repairs & Maint Supplies	450,010	37,239	11,551	0	6,286	(30,953)	1.4%	\$6,286	#DIV/0!
534 Resale Supplies	2,500	200	0	0	0	(200)	-	\$0	Null
535 Small Tools	213,203	17,717	2,118	0	172	(17,545)	0.1%	\$172	#DIV/0!
536 Technology Supplies	110,798	9,233	772	0	2,499	(6,734)	2.3%	\$2,499	#DIV/0!
537 Fleet Supplies	7,000	583	36	0	150	(433)	2.1%	\$150	#DIV/0!
<b>Total Supplies</b>	<b>1,461,845</b>	<b>120,790</b>	<b>46,827</b>	<b>(12,058)</b>	<b>17,433</b>	<b>(103,357)</b>	<b>1.2%</b>	<b>\$29,491</b>	<b>(244.6%)</b>
541 Professional Services	21,798,537	1,708,114	1,131,526	1,204,343	1,858,959	150,845	8.5%	\$654,616	54.4%
542 Communications	440,528	35,666	24,359	(200)	14,770	(20,896)	3.4%	\$14,970	(7,484.9%)
543 Professional Developmer	570,359	65,203	16,383	70,637	108,736	43,533	19.1%	\$38,100	53.9%
544 Advertising	66,300	10,867	334	0	0	(10,867)	-	\$0	#DIV/0!
545 Rentals	1,298,059	24,896	10,225	5,930	5,912	(18,984)	0.5%	(\$18)	(0.3%)
546 Technology Services	1,031,264	180,144	10,000	159,407	151,756	(28,388)	14.7%	(\$7,651)	(4.8%)
547 Utilities	2,244,354	164,248	7,996	14,300	41,752	(122,496)	1.9%	\$27,452	192.0%
548 Repairs & Maint Services	1,286,418	108,160	153,220	144,732	1,588	(106,572)	0.1%	(\$143,144)	(98.9%)
549 Miscellaneous	1,012,899	81,903	3,177	22,593	6,520	(75,383)	0.6%	(\$16,073)	(71.1%)
<b>Total Services</b>	<b>29,748,719</b>	<b>2,379,201</b>	<b>1,357,220</b>	<b>1,621,740</b>	<b>2,189,992</b>	<b>(189,209)</b>	<b>7.4%</b>	<b>568,252</b>	<b>35.0%</b>
561 Capital Outlay-Land	0	0	0	0	893	0	-	0	-
563 Other Improvements	0	0	0	0	0	0	-	0	-
564 Machinery & Equipment	420,000	7,500	0	49,499	0	(7,500)	-	(\$49,499)	(100.0%)
565 Construction Projects	0	0	0	0	37,709	0	-	0	-
<b>Total Capital Outlay</b>	<b>420,000</b>	<b>7,500</b>	<b>0</b>	<b>49,499</b>	<b>38,602</b>	<b>(7,500)</b>	<b>9.0%</b>	<b>(\$11,790)</b>	<b>(23.8%)</b>
750 Transfers Out	5,706,078	0	0	0	0	(5,706,078)	-	0	#DIV/0!
<b>Total Non Operating Expense</b>	<b>5,706,078</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5,706,078)</b>	<b>-</b>	<b>0</b>	<b>#DIV/0!</b>
<b>TOTAL EXPENDITURES</b>	<b>75,756,269</b>	<b>5,648,878</b>	<b>4,805,627</b>	<b>5,365,936</b>	<b>5,176,438</b>	<b>(6,217,120)</b>	<b>6.8%</b>	<b>(\$190,391)</b>	<b>(3.5%)</b>

% of Year 8.3%

Professional Services is the only line item that reported an increase over the same period last year of both greater than 5% and \$50,000. The majority of the increase is shared between Police (\$360,984) and Fire (\$127,311). The increase with **Police** is attributable to Dispatch Services and an increase in PD Admin / Ins Liability insurance premiums over the same period last year. **Fire**

reported a large increase in Contracted Services. This is due to the contract for services. In 2022 these costs were reported a salary and benefits.