



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Tony Cullerton, Deputy Finance Director

CC: Mayor Ekberg

DATE: August 14, 2023

SUBJECT: June 2023 General Fund Departmental Budget-to-Actuals Report

Summary

The purpose of the June 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 June 2023 report is based on financial data available as of July 31, 2023, for the period ending June 30, 2023.

Expenditures

General Fund departmental expenditures totaled \$32.6 million through June, which is \$3.3 million below the allocated budget of \$35.8 Million. Department 20, which transfers to other funds, reported \$3 million in expenditures. This number reflects transactions for debt payments and interfund activity. In total the General Fund activity YTD as of the end of June was \$35.6 million which is \$3.5 million under the allocated budget.

Allocated Budget vs Actual Spending

As of the end of June, all departments are operating within their allocated budgets.

% Expended

When comparing Year-to-Date (YTD) spending to the percent of the year completed (50.0%), **PW Department/Street Maintenance** concluded the month at 53.9%. However, the department(s) remain well under their allocated budget and slightly above (1.6%) the same period last year.

2023 Compared to 2022:

Several departments reported increases greater than 5% when compared to the previous year. As all departments are within their budget allocations and generally below 50% of % Expended, a detailed review is limited to those with the largest increases over the prior year.

Mayor's Office is up \$893,917 (8.8%) over last year, with previously reported increases in Government Affairs, Special Matters (legal), and Tuition/Coaching/Trainer.

Administrative Services aggregate increase is \$294,467 (13%), primarily due to Computer/Laptop Purchase (90% of the cost increase) for the Private LTE project, to be reimbursed by the State.

Rec/Parks Maintenance is up \$185,181 (8.4%) over the same period last year, driven by return-to-services expenses in Salaries/Extra Labor/Instructors, Contracted Services (Juneteenth Speaker, Tukwila Wellness Hub Project), Safety/Security (Parks Security), and Water/Sewer Utility.

Description	2022	2023	\$ Variance	% Variance
Extra Labor-Office/Receptionst	10,646	40,117	29,470	277%
Salaries	1,058,666	1,087,264	28,598	3%
Contracted Services	17,864	66,110	48,246	270%
Instructors	30,390	46,776	16,387	54%
Security/Safety Svcs	26,358	46,309	19,952	76%
Water/Sewer Utility	29,122	49,237	20,116	69%
Total	1,173,045	1,335,813	162,768	

Police is up \$1.1 million (11.5%) over the prior year, due to major cost increases previously reported.

Description	2,022	2,023	\$ Variance	% Variance
Salaries	4,529,178	5,034,331	505,153	11.2%
Dispatch	591,311	693,082	101,771	17.2%
Jail Services	399,635	503,629	103,994	26.0%
Software Maintenance Contract	87,885	137,502	49,617	56.5%
Total	5,608,009	6,368,544	760,535	

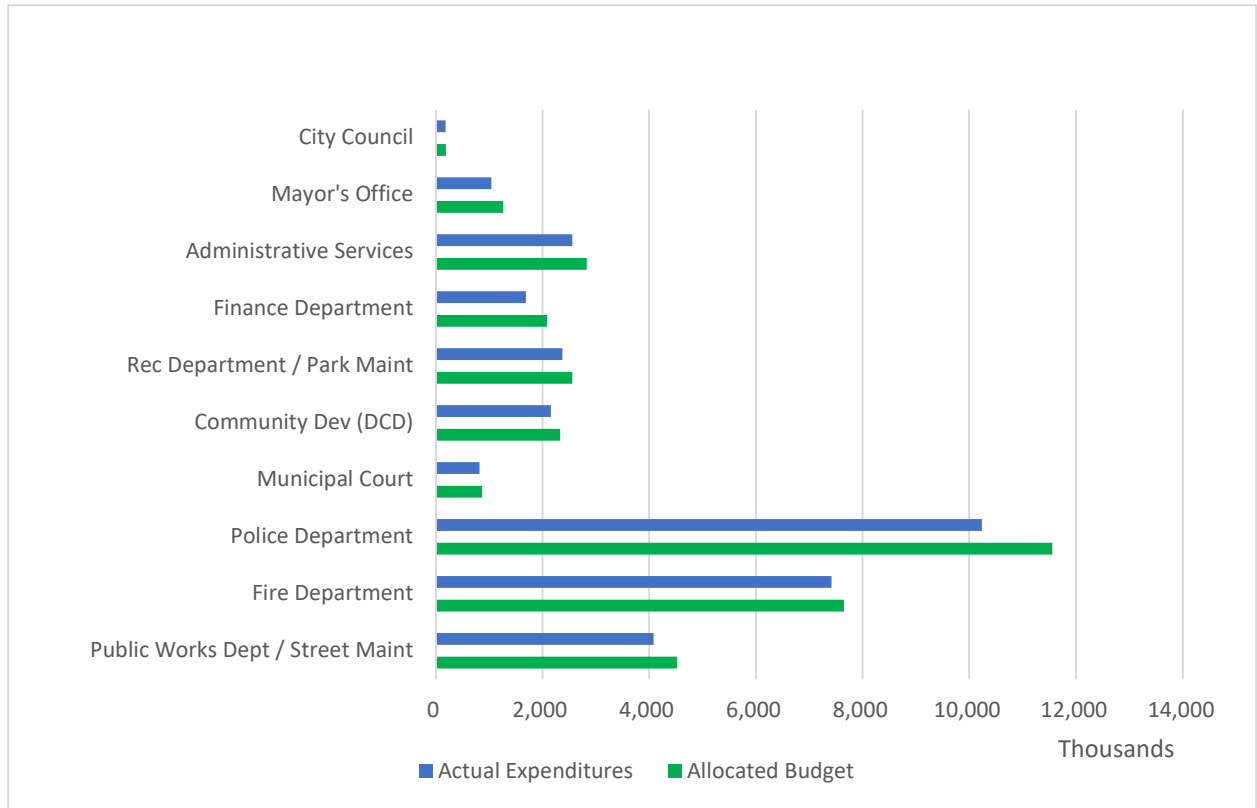
Departmental Variances:

Overall General Fund departmental costs increased by 5.4% over the same period last year, with most increases identified ahead of time and supported as approved budget items.

Year to Date Department Expenditures Through May 2023:

DEPARTMENT	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	%	Expended	\$ Change	% Change
	2023	2023	2021	2022	2023					
	Annual	Allocated								
City Council	384,889	187,778	165,384	171,690	184,650	(3,128)	48.0%	12,960	7.5%	
Mayor's Office	2,502,666	1,262,810	955,299	956,997	1,040,914	(221,896)	41.6%	83,917	8.8%	
Administrative Services	5,676,491	2,830,740	2,261,791	2,265,591	2,560,058	(270,682)	45.1%	294,467	13.0%	
Finance Department	3,868,642	2,086,169	1,434,962	1,808,435	1,690,705	(395,464)	43.7%	(117,730)	-6.5%	
Rec Dept / Parks Maint	5,109,490	2,558,139	1,959,789	2,191,569	2,376,750	(181,389)	46.5%	185,181	8.4%	
Community Dev	4,672,314	2,332,354	1,923,169	2,088,414	2,159,401	(172,953)	46.2%	70,987	3.4%	
Municipal Court	1,741,340	870,670	610,043	771,749	819,972	(50,698)	47.1%	48,223	6.2%	
Police Department	22,746,448	11,554,138	8,689,475	9,178,497	10,234,465	(1,319,673)	45.0%	1,055,969	11.5%	
Fire Department	14,790,120	7,649,420	6,782,979	7,437,654	7,419,800	(229,620)	50.2%	(17,855)	-0.2%	
PW Dept / Street Maint	7,574,988	4,519,893	3,646,266	4,017,649	4,082,908	(436,985)	53.9%	65,258	1.6%	
Subtotal	69,067,388	35,852,111	28,429,157	30,888,246	32,569,624	(3,282,487)	47.2%	1,681,377	5.4%	
Non Departmental	6,688,881	3,266,316	2,731,380	2,677,415	3,016,454	(249,862)	45.1%	339,039	12.7%	
Total Expenditures	75,756,269	39,118,426	31,160,537	33,565,661	35,586,077	(3,532,349)	47.0%	2,020,416	6.0%	
						% of Year	50.0%			

The graph below shows the Actual Expenditures, and Allocated Budget amounts for the General Fund departments.



General Fund by Category:

The City adopts a biennial budget by fund for external authoritative oversight and utilizes department-level reporting for managerial use.

Additional information is provided for activity at the transaction level, reflecting an increase of more than 5% over the prior year and \$50,000, in Categories with total activity above the % of Year calculation.

% Expended:

At the end of June (50% of the year completed), **Total Services** finished the month at 50.3%, being the only Category reporting total activity higher than 50%. **Utilities** within Total Services exceeded 50% of Percent Expended, finishing half the year at 72.9%, but still remained below the allocated budget and up 0.1% over same period last year.

Change From Prior Year:

Technology Supplies reported an increase over the prior year of \$245,015, to be reimbursed by the State for the Chromebooks in the Private LTE project. **Professional Services** reported significant \$ and % Changes over the prior year due to a change in coding reflecting the RFA agreement. **Professional Development** increased by \$68,890 (38.3%) over the same period last year, mainly due to the return to in-person training and conferences. **Rentals** are up \$438,552 (463%), primarily due to fleet vehicles. **Technology Services** reported an increase of \$111,112 (28.8%), mainly in Online Services-Subscriptions, including network security and Software Maintenance Contracts, which were previously identified, approved, and budgeted for.

While reviewing expenditure trends, we noted Salaries are significantly below the allocated budget by \$1.4 million. The City has been involved in ongoing labor discussions. Upon completion of negotiations there is an expectation of a retroactive payment of salaries that will bring the account in line with expectations.

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General Fund
City of Tukwila
General Fund Expenditures

Year-to-Date as of June 30, 2023

	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2023 Annual	2023 Allocated	2021	2022	2023	Actual Budget vs Allocated OVER/(UNDER)	% Expended	Change	
								\$	%
			2022/2023		2022/2023				
Salaries	25,787,016	12,893,508	13,869,570	14,928,225	11,490,805	(1,402,702)	44.6%	(3,437,420)	(23.0%)
Extra Labor	769,106	337,497	27,684	163,404	205,045	(132,452)	26.7%	41,641	25.5%
Overtime	755,184	359,551	1,064,168	1,355,822	784,420	424,869	103.9%	(571,402)	(42.1%)
Holiday Pay	250,000	98,096	72,268	79,193	71,993	(26,103)	28.8%	(7,199)	(9.1%)
FICA	2,110,086	1,055,043	872,949	964,727	947,593	(107,451)	44.9%	(17,135)	(1.8%)
Pension-LEOFF	635,410	354,705	435,536	541,531	259,137	(95,568)	40.8%	(282,394)	(52.1%)
Pension-PERS/PSERS	1,744,919	872,459	824,671	726,451	756,478	(115,981)	43.4%	30,027	4.1%
Industrial Insurance	586,183	293,092	467,781	362,920	201,979	(91,113)	34.5%	(160,941)	(44.3%)
Medical & Dental	5,748,432	2,874,216	3,451,962	3,669,706	2,681,339	(192,877)	46.6%	(988,366)	(26.9%)
Unemployment	0	0	20,710	15,108	0	0	-	(15,108)	(100.0%)
Uniform/Clothing	33,290	20,145	1,634	840	1,064	(19,081)	3.2%	224	26.7%
Total Salaries & Benefits	38,419,627	19,158,312	21,108,934	22,807,927	17,399,854	(1,758,459)	45.3%	(5,408,073)	(23.7%)
Supplies	678,334	334,384	235,269	136,391	176,959	(157,425)	26.1%	\$40,568	29.7%
Repairs & Maint Supplies	450,010	223,744	107,245	177,375	192,267	(31,477)	42.7%	\$14,892	8.4%
Resale Supplies	2,500	1,300	0	93	0	(1,300)	-	(\$93)	-
Small Tools	213,203	107,802	14,871	27,306	30,683	(77,118)	14.4%	\$3,377	12.4%
Technology Supplies	110,798	55,399	16,236	16,484	261,499	206,100	236.0%	\$245,015	1,486.4%
Fleet Supplies	7,000	3,500	1,288	3,217	2,791	(709)	39.9%	(\$426)	(13.2%)
Total Supplies	1,461,845	726,128	374,908	360,866	664,199	(61,929)	45.4%	\$303,333	84.1%
Professional Services	21,798,537	11,717,586	3,371,749	3,528,467	11,080,118	(637,468)	50.8%	\$7,551,650	214.0%
Communications	440,528	213,998	214,258	205,045	194,471	(19,527)	44.1%	(\$10,574)	(5.2%)
Professional Dev	570,359	283,593	228,382	179,814	248,704	(34,890)	43.6%	\$68,890	38.3%
Advertising	66,300	35,100	3,998	3,996	10,425	(24,674)	15.7%	\$6,429	160.9%
Rentals	1,298,059	647,980	198,825	94,546	533,098	(114,881)	41.1%	\$438,552	463.8%
Technology Services	1,031,264	675,468	242,801	385,886	496,997	(178,471)	48.2%	\$111,112	28.8%
Utilities	2,244,354	1,684,522	1,592,330	1,638,520	1,636,512	(48,010)	72.9%	(\$2,009)	(0.1%)
Repairs & Maint Svcs.	1,286,418	643,205	979,598	1,123,856	616,106	(27,099)	47.9%	(\$507,750)	(45.2%)
Miscellaneous	1,012,899	497,620	37,190	281,372	136,888	(360,732)	13.5%	(\$144,484)	(51.3%)
Total Services	29,748,719	16,399,071	6,869,132	7,441,502	14,953,319	(1,445,753)	50.3%	7,511,816	100.9%
Capital Outlay-Land	0	0	0	0	0	0	-	0	-
Other Improvements	0	0	0	0	0	0	-	0	-
Machinery & Equipment	420,000	60,000	76,184	277,951	4,230	(55,770)	1.0%	(273,721)	(98.5%)
Construction Projects	0	0	0	0	39,423				
Total Capital Outlay	420,000	60,000	76,184	277,951	43,653	(55,770)	10.4%	(234,297)	(84.3%)
Transfers Out	5,706,078	2,774,914	2,731,380	2,677,415	2,525,052	(3,181,026)	44.3%	(152,363)	(5.7%)
Total Non Operating Expense	5,706,078	2,774,914	2,731,380	2,677,415	2,525,052	(3,181,026)	44.3%	(152,363)	(5.7%)
Total Expenditures	75,756,269	39,118,426	31,160,537	33,565,661	35,586,077	(6,502,936)	47.0%	2,020,416	6.0%
						% of Year	50.0%		