



INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**

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

CC: **Mayor Ekberg**

DATE: **October 23, 2023**

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

Summary

The purpose of the August 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 August 2023 report is based on financial data available as of October 9, 2023, for the period ending August 31, 2023.

Expenditures

General Fund departmental expenditures totaled \$46 million through August, which is \$2.2 million below the allocated budget of \$48 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 August was \$49 million, which is below the allocated budget by \$2.5 million. However, due to ongoing labor negotiations, the two million dollars under budget does not represent savings.

Allocated Budget

As of the end of August, all departments except Administrative Services and Fire are operating within their allocated budgets. The overage in **Administrative Services** is attributed to the Private LTE project that will be reimbursed by a State grant. The increase in **Fire** is due to higher than anticipated overtime and increased call volume with dispatch services.

% Expended

When comparing YTD spending to the percent of year completed (67%), both Administrative Services and Fire finished the month above 57%. **Administrative Services** is a result of the Private LTE project. The increase in **Fire** pertains to higher than anticipated overtime and increased call volume with dispatch services.

2023 Compared to 2022

A few departments reported increases greater than 5% and \$50,000 when compared to the same period last year. However, most departments are within their budget allocations and hovering around the 67% mark of % Expended. **Mayor's Office** is up \$124,980 (9.3%) over last year. Increases are attributed to Attorney Services (Special Matters) and Economic Development - Consulting Services (Community Attributes Inc). **Administrative Services** has been previously explained by the computer/laptop purchases for the Chromebooks, related to the Private LTE project. These expenditures will be reimbursed by a State grant. **Police** is significantly under their allocated budget and finished the month at 60% at 67% of the year. However, because they were \$1.3 million (10.4%) over last year, we look further into the change. The increases in PD are salaries, OT, Supplies, and Tech Services. Salaries and OT are due to limited staffing. Examples of Supplies include equipment for firearm instructor school, revolver supplies, body cam repair kits. Tech Services is a contract between the City and Axon Enterprises. **Fire** has been previously explained.

Departmental Variances

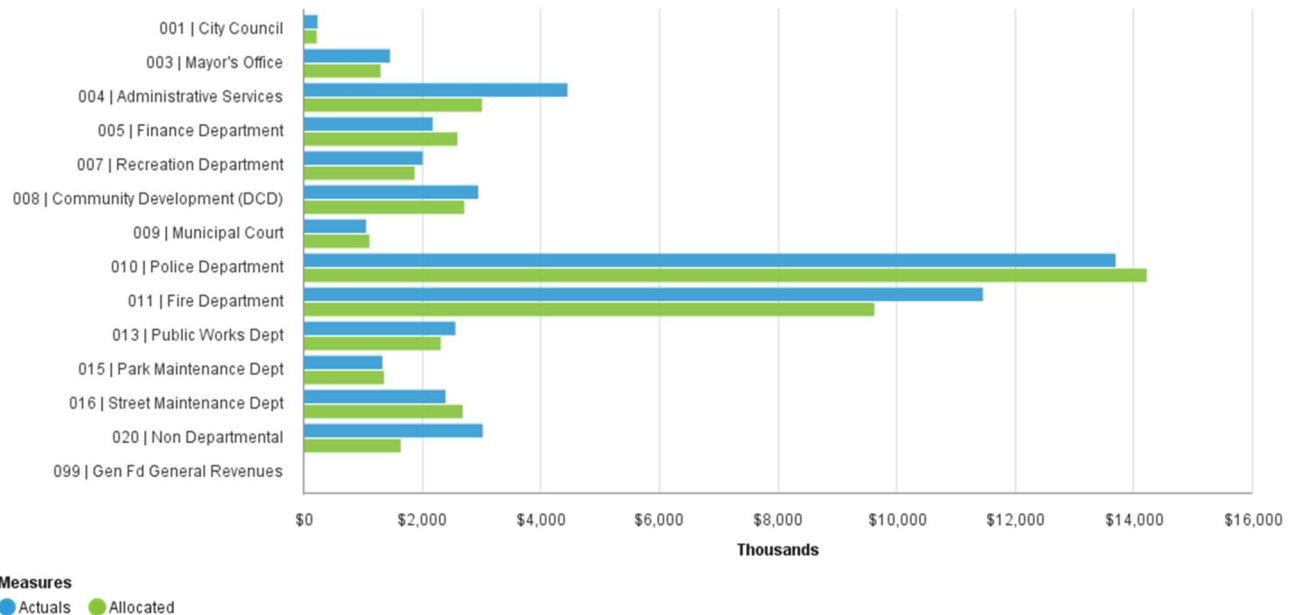
Year to Date Department Expenditures Through August 2023:

DEPARTMENT	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	%	Expended	\$ Change	% Change
	2023	2023	2021	2022	2023					
	Annual	Allocated								
City Council	384,889	254,092	222,681	231,966	246,451	(7,641)	64.0%	14,485	6.2%	
Mayor's Office	2,502,666	1,674,077	1,287,985	1,343,393	1,468,372	(205,704)	58.7%	124,980	9.3%	
Administrative Services	5,676,491	3,719,233	3,183,419	3,121,353	4,461,149	741,916	78.6%	1,339,796	42.9%	
Finance Department	3,868,642	2,610,403	1,789,333	2,252,979	2,187,915	(422,488)	56.6%	(65,064)	-2.9%	
Rec Dept / Parks Maint	5,109,490	3,547,237	2,762,115	3,218,833	3,361,290	(185,947)	65.8%	142,457	4.4%	
Community Dev	4,672,314	3,112,971	2,526,548	2,755,581	2,956,228	(156,743)	63.3%	200,646	7.3%	
Municipal Court	1,741,340	1,160,893	802,203	1,027,557	1,065,698	(95,195)	61.2%	38,141	3.7%	
Police Department	22,746,448	15,292,231	11,653,368	12,414,647	13,706,302	(1,585,930)	60.3%	1,291,654	10.4%	
Fire Department	14,790,120	11,244,295	9,000,611	9,625,066	11,467,774	223,479	77.5%	1,842,708	19.1%	
PW Dept / Street Maint	7,574,988	5,538,258	4,548,810	4,900,921	4,974,344	(563,913)	65.7%	73,423	1.5%	
Subtotal	69,067,388	48,153,691	37,777,072	40,892,297	45,895,523	(2,258,168)	66.5%	5,003,227	12.2%	
Non Departmental	6,688,881	3,282,566	2,732,130	2,683,765	3,032,704	(249,862)	45.3%	348,939	13.0%	
Total Expenditures	75,756,269	51,436,257	40,509,202	43,576,061	48,928,227	(2,508,030)	64.6%	5,352,165	12.3%	
						% of Year	66.7%			

Overall General Fund departmental costs increased by 12.3% over the same period last year. The majority of increases in expenditures were identified ahead of time and budgeted for.

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

The graph below displays Year to Date Department Expenditures Compared to Allocated Budget as of August 31, 2023.



General Fund by Category

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 the purposes of debt issuance and by other stakeholders.

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 governers. 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**, that are part of a Category that is reporting total activity above the % of Year calculation.

% Expended

The end of August represents the completion of 67% of the year. Services is the only category that exceeds 67%. **Professional Services** finished the month at 73.9%. Additionally, Professional Services reported 2023 spending significantly higher than 2022. The overage is directly related to Fire’s contract agreement with the RFA that went into effect this year. **Communications** is reported higher this month. The increase is relatively modest, finishing the month at 69.2% at 67% of the year. The largest portion of the expenditures are traced to an increase in Micorfilm/Imaging over the prior year. **Technology Services** also came in slightly higher, at 68%. A significant portion of the increase is the PD software & maintenance agreement with the

vendor Spillman. **Utilities** finished August at 82% at 67% of the year. However, Utilities are currently under allocated budget and behind prior year spending YTD. **Repairs & Maintenance Svcs.** is the final account that finished the month higher than % Expended. This account is 0.7% above % Expended and \$618,647 (41.6%) below the same period last year. These expenditures are within the normal course of business.

\$ Change 2022/2023

There are several accounts that are reporting increases over the prior year of 5% and 50k. **Supplies** are higher than the prior year but under both the allocated budget and % Expended. **Technology Supplies** is reporting the purchase of computers related to the Private LTE Infrastructure grant. **Professional Services** has been continuously reported as the Fire RFA agreement. **Professional Development** is higher as a result of the return to in-person training and seminars. **Rentals** are up over the prior year, but below allocated budget as well as % Expended YTD. **Technology Services** has previously been explained as is the PD software & maintenance agreement with the vendor Spillman. **Machinery & Equipment** is the final account that finished the month higher than the prior year. The increase has been identified as infrastructure expenditures associated with the Private LTE Infrastructure grant secured by TIS.

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General Fund
City of Tukwila
General Fund Expenditures

Year-to-Date as of Aug 31, 2023

	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2023	2023	2021	2022	2023	Actual Budget vs Allocated	% Expended	Change	
	Annual	Allocated						\$ 2022/2023	% 2022/2023
						OVER/(UNDER)			
Salaries	25,787,016	17,191,344	18,541,097	19,834,605	15,295,177	(1,896,167)	59.3%	(4,539,428)	(22.9%)
Extra Labor	769,106	598,966	109,036	314,988	430,111	(168,855)	55.9%	115,123	36.5%
Overtime	755,184	491,221	1,478,149	1,717,114	982,356	491,135	130.1%	(734,758)	(42.8%)
Holiday Pay	250,000	104,300	78,815	84,116	71,993	(32,306)	28.8%	(12,123)	(14.4%)
FICA	2,110,086	1,406,724	1,177,800	1,288,132	1,265,699	(141,026)	60.0%	(22,433)	(1.7%)
Pension-LEOFF	635,410	448,273	649,939	690,043	433,032	(15,241)	68.1%	(257,011)	(37.2%)
Pension-PERS/PSERS	1,744,919	1,163,279	1,056,362	968,765	982,752	(180,528)	56.3%	13,987	1.4%
Industrial Insurance	586,183	390,789	612,975	495,983	277,704	(113,085)	47.4%	(218,279)	(44.0%)
Medical & Dental	5,748,432	3,832,288	4,483,393	4,883,745	3,574,402	(257,886)	62.2%	(1,309,343)	(26.8%)
Unemployment	0	0	20,710	31,615	2,076	2,076	-	(29,539)	(93.4%)
Uniform/Clothing	33,290	24,527	2,124	1,511	1,314	(23,213)	3.9%	(198)	(13.1%)
Total Salaries & Benefits	38,419,627	25,651,711	28,210,402	30,310,618	23,316,615	(2,335,096)	60.7%	(6,994,003)	(23.1%)
Supplies	678,334	444,699	350,017	181,581	290,402	(154,297)	42.8%	\$108,821	59.9%
Repairs & Maint Supplies	450,010	297,577	140,246	215,214	247,174	(50,402)	54.9%	\$31,960	14.9%
Resale Supplies	2,500	1,500	0	128	0	(1,500)	-	(\$128)	-
Small Tools	213,203	142,636	35,933	42,712	52,161	(90,475)	24.5%	\$9,448	22.1%
Technology Supplies	110,798	73,865	32,220	20,174	268,090	194,225	242.0%	\$247,915	1,228.9%
Fleet Supplies	7,000	4,667	2,289	3,932	4,414	(253)	63.1%	\$482	12.3%
Total Supplies	1,461,845	964,943	560,705	463,742	862,241	(102,702)	59.0%	\$398,499	85.9%
Professional Services	21,798,537	16,401,804	4,588,387	4,784,461	16,102,785	(299,019)	73.9%	\$11,318,324	236.6%
Communications	440,528	285,330	288,902	276,452	304,951	19,621	69.2%	\$28,499	10.3%
Professional Dev	570,359	361,646	268,831	225,768	293,721	(67,925)	51.5%	\$67,953	30.1%
Advertising	66,300	45,033	4,834	9,723	24,282	(20,751)	36.6%	\$14,559	149.7%
Rentals	1,298,059	705,572	338,887	244,556	640,706	(64,867)	49.4%	\$396,149	162.0%
Technology Services	1,031,264	724,262	312,402	476,018	704,773	(19,488)	68.3%	\$228,756	48.1%
Utilities	2,244,354	1,888,513	1,751,795	1,870,251	1,839,884	(48,629)	82.0%	(\$30,368)	(1.6%)
Repairs & Maint Svs.	1,286,418	857,776	1,313,477	1,485,891	867,244	9,468	67.4%	(\$618,647)	(41.6%)
Miscellaneous	1,012,899	683,503	62,267	455,672	308,238	(375,265)	30.4%	(\$147,434)	(32.4%)
Total Services	29,748,719	21,953,439	8,929,782	9,828,793	21,086,584	(866,855)	70.9%	11,257,792	114.5%
Capital Outlay-Land	0	0	0	0	0	0	-	0	-
Other Improvements	0	0	0	0	0	0	-	0	-
Machinery & Equipment	420,000	75,000	76,184	289,145	1,082,062	1,007,062	257.6%	792,917	274.2%
Construction Projects	0	0	0	0	39,423				
Total Capital Outlay	420,000	75,000	76,184	289,145	1,121,485	1,007,062	267.0%	832,340	287.9%
Transfers Out	5,706,078	2,791,164	2,732,130	2,683,765	2,541,302	(3,164,776)	44.5%	(142,463)	(5.3%)
Total Non Operating Expense	5,706,078	2,791,164	2,732,130	2,683,765	2,541,302	(3,164,776)	44.5%	(142,463)	(5.3%)
Total Expenditures	75,756,269	51,436,257	40,509,202	43,576,061	48,928,227	(5,462,367)	64.6%	5,352,165	12.3%
							% of Year	66.7%	