



INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**

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

CC: **Mayor Ekberg**

DATE: **November 13, 2023**

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

Summary

The purpose of the September 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 September 2023 report is based on financial data available as of November 1, 2023, for the period ending September 30, 2023.

As of the end of September, the General Fund expenditures are coming in as budgeted. The General Fund departments are operating within their allocated budgets. All overages have been identified and explained.

Expenditures

General Fund departmental expenditures totaled \$49.9 million through September, which is \$2.4 million below the allocated budget of \$52 million. Department 20, which transfers to other funds, reported \$4.5 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 September was \$54.4 million, which is below the allocated budget by \$2.8 million. However, due to ongoing labor negotiations, the \$2.8 million dollars under budget does not represent savings.

Allocated Budget

As of the end of September, 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 contracted services including overtime and increased call volume with dispatch services.

% Expended

When comparing YTD spending to the percent of year completed (75%), only Administrative Services and Fire finished the month above 75%. **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, in all cases, the increases are anticipated and explained. **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. **Community Development** reported an increase over the prior year of \$308,489 (10%). However, the department is currently under budget, both Allocated and % Expended. **Police** is significantly under their allocated budget and finished the month at 68% at 75% of the year. However, because they were \$1.8 million (13%) 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.

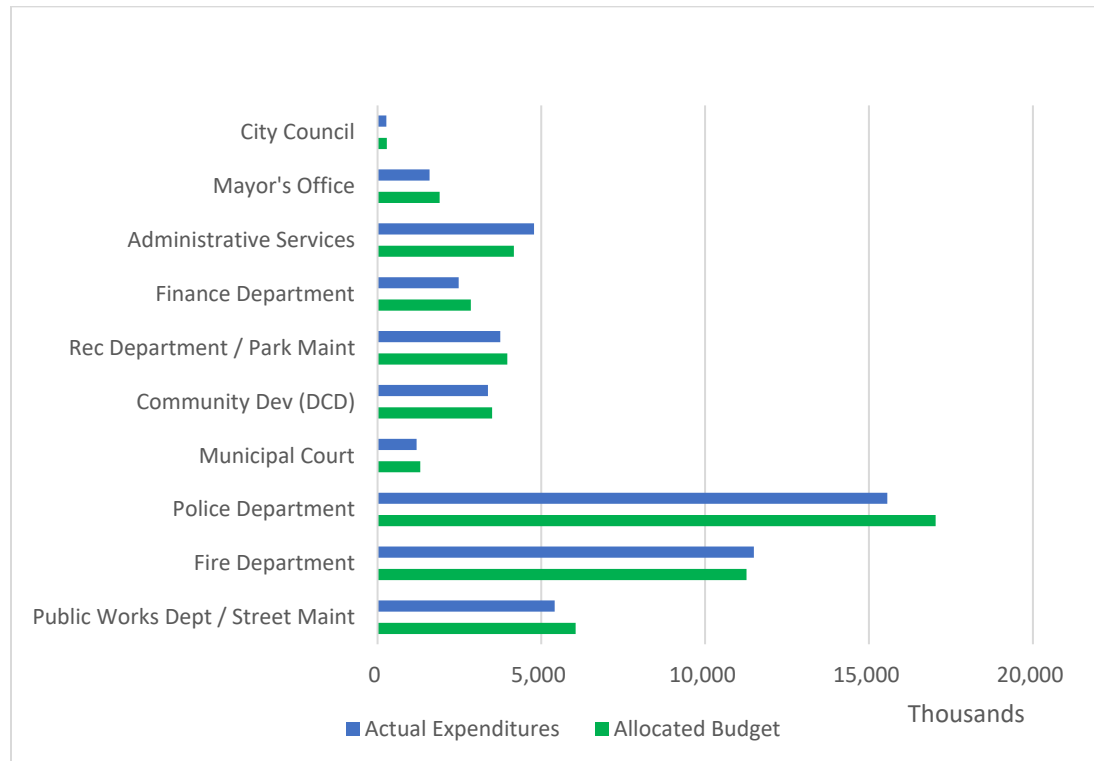
Departmental Variances

Year to Date Department Expenditures Through September 2023:

DEPARTMENT	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	%	\$ Change	% Change
	2023	2023	2021	2022	2023				
	Annual	Allocated							
City Council	384,889	286,333	253,457	263,478	273,753	(12,580)	71.1%	10,275	3.9%
Mayor's Office	2,502,666	1,900,892	1,462,714	1,532,984	1,592,997	(307,895)	63.7%	60,013	3.9%
Administrative Services	5,676,491	4,166,583	3,511,068	3,414,056	4,777,319	610,736	84.2%	1,363,263	39.9%
Finance Department	3,868,642	2,849,613	1,973,945	2,471,281	2,481,681	(367,932)	64.1%	10,400	0.4%
Rec Dept / Parks Maint	5,109,490	3,965,438	3,110,182	3,623,904	3,751,451	(213,987)	73.4%	127,547	3.5%
Community Dev	4,672,314	3,498,530	2,870,673	3,066,304	3,374,793	(123,736)	72.2%	308,489	10.1%
Municipal Court	1,741,340	1,306,005	905,547	1,148,351	1,194,503	(111,502)	68.6%	46,152	4.0%
Police Department	22,746,448	17,034,293	13,269,954	13,783,111	15,559,019	(1,475,274)	68.4%	1,775,907	12.9%
Fire Department	14,790,120	11,264,770	10,124,717	10,788,292	11,486,993	222,223	77.7%	698,700	6.5%
PW Dept / Street Maint	7,574,988	6,047,440	5,074,768	5,296,669	5,407,255	(640,185)	71.4%	110,586	2.1%
Subtotal	69,067,388	52,319,897	42,557,026	45,388,431	49,899,764	(2,420,132)	72.2%	4,511,333	9.9%
Non Departmental	6,688,881	4,915,723	3,793,874	7,588,145	4,540,861	(374,862)	67.9%	(3,047,284)	-40.2%
Total Expenditures	75,756,269	57,235,620	46,350,900	52,976,577	54,440,625	(2,794,995)	71.9%	1,464,048	2.8%
						% of Year	75.0%		

Overall General Fund departmental costs increased by 10% over the same period last year. The increases in expenditures were identified ahead of time and budgeted for.

The graph below displays Year to Date Department Expenditures Compared to Allocated Budget as of September 30, 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 governess. 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.

Allocated Budget

Capital Outlay is the only category that is over 75% for the year. The overage is with **Machinery & Equipment** within TIS. Specifically, an invoice for \$1,077,831 payable to Carahsoft Technology Corp. for the installation of a custom 4G turnkey private wireless network.

% Expended

The end of September represents the completion of 75% of the year. **Services** and **Capital Outlay** are the only expenditure categories that exceeded 75%. **Utilities** is reported at 87% expended. However, Utilities is below their allocated budget and in line with the prior year's spending. **Repairs & Maintenance Svcs.** is slightly above % Expended, coming in at 77%. Repairs & Maint. Svcs. is well below the prior year's spending but slightly above their allocated budget. **PD** (42%) and **PW** (29%) make up the lion share of the Repairs & Maintenance Svcs. expenditures. The increase in **PD** is related to Radios/Telemetry maintenance. The increase in **PW** is Non-Capital Improvements. Specifically, Underground installation paid to City of Seattle (\$222k). **Machinery & Equipment** is Carahsoft Technology Corp. for the installation of a custom 4G turnkey private wireless network.

\$ Change 2022/2023

Professional Services has been continuously reported as the Fire RFA agreement. **Professional Development** is below the allocated budget and below the % Expended. The higher amount compared to the prior year is 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** is the PD software & maintenance agreement with the vendor Spillman. **Machinery & Equipment** is the infrastructure expenditures associated with the 4G turnkey private wireless network Private LTE Infrastructure grant secured by TIS.

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General Fund
City of Tukwila
General Fund Expenditures

Year-to-Date as of Sept 30, 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	19,340,262	20,852,627	22,317,753	17,243,703	(2,096,559)	66.9%	(5,074,051)	(22.7%)
Extra Labor	769,106	651,741	133,207	341,367	482,846	(168,894)	62.8%	141,480	41.4%
Overtime	755,184	562,083	1,657,357	1,912,736	1,093,611	531,528	144.8%	(819,125)	(42.8%)
Holiday Pay	250,000	104,300	78,815	88,723	107,875	3,575	43.1%	19,152	21.6%
FICA	2,110,086	1,582,565	1,325,755	1,443,877	1,422,672	(159,893)	67.4%	(21,205)	(1.5%)
Pension-LEOFF	635,410	495,058	720,983	765,292	477,000	(18,058)	75.1%	(288,292)	(37.7%)
Pension-PERS/PSERS	1,744,919	1,308,689	1,172,061	1,092,200	1,099,861	(208,828)	63.0%	7,660	0.7%
Industrial Insurance	586,183	439,638	686,508	559,943	311,315	(128,323)	53.1%	(248,628)	(44.4%)
Medical & Dental	5,748,432	4,311,324	5,178,089	5,489,148	4,019,917	(291,407)	69.9%	(1,469,230)	(26.8%)
Unemployment	0	0	36,827	37,205	2,076	2,076	-	(35,130)	(94.4%)
Uniform/Clothing	33,290	26,717	2,573	1,511	1,814	(24,904)	5.4%	302	20.0%
Total Salaries & Benefits	38,419,627	28,822,376	31,844,802	34,049,755	26,262,689	(2,559,687)	68.4%	(7,787,066)	(22.9%)
Supplies	678,334	501,378	399,602	229,057	308,154	(193,224)	45.4%	\$79,098	34.5%
Repairs & Maint Supplies	450,010	335,997	157,041	224,509	280,052	(55,945)	62.2%	\$55,543	24.7%
Resale Supplies	2,500	1,900	0	141	0	(1,900)	-	(\$141)	-
Small Tools	213,203	161,153	37,736	44,898	62,264	(98,888)	29.2%	\$17,366	38.7%
Technology Supplies	110,798	83,098	34,674	20,649	270,859	187,761	244.5%	\$250,210	1,211.7%
Fleet Supplies	7,000	5,250	2,417	4,781	4,758	(492)	68.0%	(\$23)	(0.5%)
Total Supplies	1,461,845	1,088,776	631,470	524,034	926,089	(162,688)	63.4%	\$402,054	76.7%
Professional Services	21,798,537	16,799,367	5,090,536	5,109,905	16,742,653	(56,714)	76.8%	\$11,632,748	227.7%
Communications	440,528	324,129	319,957	292,203	328,380	4,252	74.5%	\$36,178	12.4%
Professional Dev	570,359	422,073	289,845	245,211	320,772	(101,301)	56.2%	\$75,561	30.8%
Advertising	66,300	49,700	8,159	9,723	25,542	(24,158)	38.5%	\$15,819	162.7%
Rentals	1,298,059	976,170	358,384	254,397	898,633	(77,536)	69.2%	\$644,236	253.2%
Technology Services	1,031,264	762,331	405,636	479,498	706,695	(55,635)	68.5%	\$227,198	47.4%
Utilities	2,244,354	1,992,152	1,941,426	1,991,071	1,969,916	(22,235)	87.8%	(\$21,155)	(1.1%)
Repairs & Maint Svs.	1,286,418	964,187	1,491,134	1,657,097	994,576	30,389	77.3%	(\$662,521)	(40.0%)
Miscellaneous	1,012,899	765,739	99,493	486,393	378,860	(386,880)	37.4%	(\$107,533)	(22.1%)
Total Services	29,748,719	23,055,846	10,004,570	10,525,497	22,366,027	(689,819)	75.2%	11,840,530	112.5%
Capital Outlay-Land	0	0	0	0	0	0	-	0	-
Other Improvements	0	0	0	0	0	0	-	0	-
Machinery & Equipment	420,000	90,000	76,184	289,145	1,082,062	992,062	257.6%	792,917	274.2%
Construction Projects	0	0	0	0	0				
Total Capital Outlay	420,000	90,000	76,184	289,145	1,082,062	992,062	257.6%	792,917	274.2%
Transfers Out	5,706,078	4,178,621	3,793,874	7,588,145	3,803,759	(1,902,319)	66.7%	(3,784,386)	(49.9%)
Total Non Operating Expense	5,706,078	4,178,621	3,793,874	7,588,145	3,803,759	(1,902,319)	66.7%	(3,784,386)	(49.9%)
Total Expenditures	75,756,269	57,235,620	46,350,900	52,976,577	54,440,626	(4,322,451)	71.9%	1,464,049	2.8%
						% of Year	75.0%		