



INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**

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

CC: **Mayor Ekberg**

DATE: **December 11, 2023**

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

Summary

The purpose of the October 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 October 2023 report is based on financial data available as of November 29, 2023, for the period ending October 31, 2023.

Expenditures

General Fund departmental expenditures totaled \$53.7 million through October, which is \$3.2 million below the allocated budget of \$56.9 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 October was \$58.2 million, which is below the allocated budget by \$3.6 million. However, due to ongoing labor negotiations, the \$3.6 million dollars under budget does not represent savings.

Allocated Budget

As of the end of October, 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 which 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 (83.3%), only Administrative Services finished the month above 83.3%. **Administrative Services** is a result of the Private LTE project.

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 \$357,410 (10%). However, the department is currently under budget, both Allocated and % Expended. **Police** is significantly under their allocated budget and finished the month at 74.6% at 83.3% of the year. However, because they were \$1.8 million (11.7%) 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.

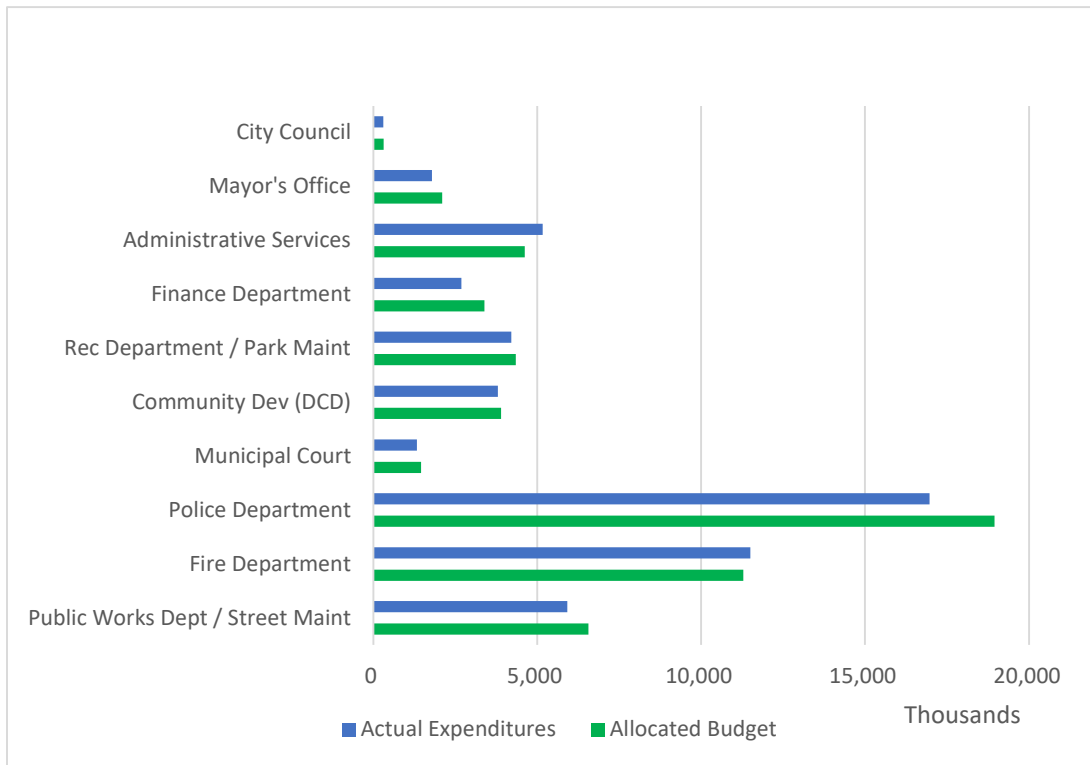
Departmental Variances

Year to Date Department Expenditures Through October 2023:

DEPARTMENT	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	%	\$ Change	% Change
	2023 Annual	2023 Allocated	2021	2022	2023				
	City Council	384,889	314,824	278,036	292,257	301,496	(13,327)	78.3%	9,239
Mayor's Office	2,502,666	2,100,000	1,640,318	1,716,385	1,788,814	(311,186)	71.5%	72,428	4.2%
Administrative Services	5,676,491	4,613,933	3,895,061	3,803,429	5,169,471	555,538	91.1%	1,366,043	35.9%
Finance Department	3,868,642	3,388,823	2,158,329	2,661,608	2,689,475	(699,348)	69.5%	27,867	1.0%
Rec Dept / Parks Maint	5,109,490	4,347,889	3,478,186	4,038,691	4,205,097	(142,793)	82.3%	166,406	4.1%
Community Dev	4,672,314	3,893,588	3,177,659	3,437,364	3,794,774	(98,814)	81.2%	357,410	10.4%
Municipal Court	1,741,340	1,451,117	1,006,290	1,290,231	1,332,371	(118,745)	76.5%	42,140	3.3%
Police Department	22,746,448	18,948,970	14,653,857	15,194,455	16,965,474	(1,983,496)	74.6%	1,771,019	11.7%
Fire Department	14,790,120	11,285,245	11,314,043	12,016,731	11,505,258	220,013	77.8%	(511,473)	-4.3%
PW Dept / Street Maint	7,574,988	6,556,623	5,462,206	5,817,383	5,917,064	(639,559)	78.1%	99,680	1.7%
Subtotal	69,067,388	56,901,011	47,063,983	50,268,535	53,669,293	(3,231,718)	77.7%	3,400,758	6.8%
Non Departmental	6,688,881	4,915,723	3,793,874	7,588,145	4,547,925	(367,799)	68.0%	(3,040,220)	-40.1%
Total Expenditures	75,756,269	61,816,735	50,857,857	57,856,680	58,217,218	(3,599,517)	76.8%	360,538	0.6%
						% of Year	83.3%		

General Fund departmental costs increased by 6.8% over the same period last year. The increases in expenditures were identified ahead of time and budgeted for.

The Bar graph below displays Year to Date Department Expenditures Compared to Allocated Budget as of October 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 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 83% for the year. The overage is with **Machinery & Equipment** within TIS. Specifically, an invoice for the installation of a custom 4G turnkey private wireless network.

% Expended

The end of October represents the completion of 83% of the year. **Capital Outlay** is the only expenditure category that exceeded 83%. The **Machinery & Equipment** overage is Carahsoft Technology Corp. for the installation of a custom 4G turnkey private wireless network.

\$ Change 2022/2023

The increase in **Repairs & Maintenance Supplies** is primarily shared between PD, PW, and Parks Maintenance. Costs are attributable to an increase in maintenance supplies across the board. The increase in **Tech Supplies** is the purchase of Chromebooks for the Private LTE grant/project. **Professional Services** increase is the Fire RFA agreement. In prior years, this expenditure was reported in Salaries & Benefits. **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** increase is the PD software & maintenance agreement with the vendor Spillman. **Machinery & Equipment** increase in the infrastructure expenditures is 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 Oct 31, 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	21,489,180	23,283,171	24,884,032	19,153,934	(2,335,246)	74.3%	(5,730,098)	(23.0%)
Extra Labor	769,106	695,019	160,032	363,712	556,135	(138,885)	72.3%	192,423	52.9%
Overtime	755,184	626,405	1,860,224	2,118,316	1,207,578	581,173	159.9%	(910,739)	(43.0%)
Holiday Pay	250,000	106,204	82,875	90,234	109,042	2,838	43.6%	18,808	20.8%
FICA	2,110,086	1,758,405	1,476,901	1,597,671	1,570,449	(187,956)	74.4%	(27,222)	(1.7%)
Pension-LEOFF	635,410	541,842	793,828	842,652	521,255	(20,586)	82.0%	(321,397)	(38.1%)
Pension-PERS/PSERS	1,744,919	1,454,099	1,285,890	1,217,009	1,215,075	(239,025)	69.6%	(1,935)	(0.2%)
Industrial Insurance	586,183	488,486	755,882	625,513	347,726	(140,760)	59.3%	(277,787)	(44.4%)
Medical & Dental	5,748,432	4,790,360	5,696,110	6,096,436	4,462,707	(327,653)	77.6%	(1,633,729)	(26.8%)
Unemployment	0	0	36,827	37,205	13,641	13,641	-	(23,565)	(63.3%)
Uniform/Clothing	33,290	28,908	2,573	2,422	2,302	(26,606)	6.9%	(120)	(4.9%)
Total Salaries & Benefits	38,419,627	31,978,909	35,434,313	37,875,203	29,159,843	(2,819,066)	75.9%	(8,715,360)	(23.0%)
Supplies	678,334	557,623	471,923	344,252	359,360	(198,263)	53.0%	\$15,107	4.4%
Repairs & Maint Supplies	450,010	374,343	181,415	270,417	331,633	(42,710)	73.7%	\$61,216	22.6%
Resale Supplies	2,500	2,100	0	141	0	(2,100)	-	(\$141)	-
Small Tools	213,203	178,170	42,400	59,740	87,647	(90,522)	41.1%	\$27,908	46.7%
Technology Supplies	110,798	92,331	63,746	39,883	273,707	181,376	247.0%	\$233,824	586.3%
Fleet Supplies	7,000	5,833	2,534	5,668	6,514	681	93.1%	\$847	14.9%
Total Supplies	1,461,845	1,210,400	762,017	720,100	1,058,862	(151,538)	72.4%	\$338,761	47.0%
Professional Services	21,798,537	17,369,350	5,393,783	5,365,387	17,117,516	(251,834)	78.5%	\$11,752,129	219.0%
Communications	440,528	362,927	368,383	375,030	341,455	(21,472)	77.5%	(\$33,575)	(9.0%)
Professional Dev	570,359	470,787	303,367	299,887	350,684	(120,103)	61.5%	\$50,797	16.9%
Advertising	66,300	54,517	8,986	19,023	38,157	(16,360)	57.6%	\$19,134	100.6%
Rentals	1,298,059	1,002,566	372,433	291,305	910,839	(91,727)	70.2%	\$619,534	212.7%
Technology Services	1,031,264	793,126	504,891	529,250	745,590	(47,536)	72.3%	\$216,340	40.9%
Utilities	2,244,354	2,079,459	2,011,543	2,101,153	2,051,250	(28,210)	91.4%	(\$49,903)	(2.4%)
Repairs & Maint Svcs.	1,286,418	1,070,597	1,679,061	1,881,758	1,143,765	73,168	88.9%	(\$737,993)	(39.2%)
Miscellaneous	1,012,899	847,976	124,147	521,293	406,373	(441,603)	40.1%	(\$114,919)	(22.0%)
Total Services	29,748,719	24,051,305	10,766,595	11,384,086	23,105,629	(945,675)	77.7%	11,721,543	103.0%
Capital Outlay-Land	0	0	0	0	0	0	-	0	-
Other Improvements	0	0	0	0	0	0	-	0	-
Machinery & Equipment	420,000	397,500	101,058	289,145	1,082,062	684,562	257.6%	792,917	274.2%
Construction Projects	0	0	0	0	0	0	-	0	-
Total Capital Outlay	420,000	397,500	101,058	289,145	1,082,062	684,562	257.6%	792,917	274.2%
Transfers Out	5,706,078	4,178,621	3,793,874	7,588,145	3,810,823	(1,895,255)	66.8%	(3,777,323)	(49.8%)
Total Non Operating Expense	5,706,078	4,178,621	3,793,874	7,588,145	3,810,823	(1,895,255)	66.8%	(3,777,323)	(49.8%)
Total Expenditures	75,756,269	61,816,735	50,857,857	57,856,680	58,217,218	(5,126,974)	76.8%	360,538	0.6%
						% of Year	83.3%		