



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee
CC: Mayor McLeod
FROM: Vicky Carlsen, Finance Director
BY: Tony Cullerton, Deputy Finance Director
DATE: April 22, 2024
SUBJECT: March 2024 General Fund Departmental Budget-to-Actuals Report

SUMMARY

The purpose of the March 2024 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 March 2024 report is based on financial data available as of April 9, 2024, for the period ending March 31, 2024.

Expenditures

General Fund departmental expenditures totaled \$18,424,324 million through March, which is \$2.5 million below the allocated budget of \$20,938,952 million. Department 20, which transfers funds to other funds, reported \$1,148,595 in activity for the month. In total the General Fund activity as of the end of March was \$19,572,919 million, which is below the allocated budget by \$2.6 million. However, due to ongoing labor negotiations, the \$2.6 million dollars under budget does not represent savings.

Allocated Budget

As of the end of March, all departments except **Fire** are under their allocated budgets. The increases are in Contracted Services and the Risk Management program. We first reported these increases in last month's report. The **Contract for Services** payment in Feb 2024 was \$170,879 higher than the 2023 Feb payment. **Risk Management Program** increased \$216,740 over the prior year.

% Expended

The end of March represents 25% of the year completed. Three departments have spent over 25% of their annual budget. This is usually a result of large one-time payments that are due in the first quarter of the year. Finance, Fire and Public Works each reported expenditures greater than 25% of the year. **Finance** reported 32.6% spending of their total budget at 25% of the year. **Fire** reported 27.4%, and **PW/Streets Maint** reported 32.2%, at 25% of the year. The increases

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are all in the **Risk Management Program**. This is a reoccurring theme that we have reported previously.

2024 Compared to 2023

When comparing the current year’s spending to the previous year’s spending, Finance and Fire both reported large increases over the prior year. These increases have been previously explained as increases to the **Risk Management Program**.

Departmental Variances

Year to Date Department Expenditures Through March 2024:

DEPARTMENT	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	% Expended	\$ Change	% Change	
	2024 Annual	2024 Allocated	2022	2023	2024					
								2023/2024		
City Council	393,067	98,267	83,193	96,072	83,626	(14,640)	21.3%	(12,446)	-13.0%	
Mayor's Office	2,405,513	648,318	482,450	608,658	520,789	(127,529)	21.6%	(87,868)	-14.4%	
Administrative Services	5,621,624	1,488,093	988,668	1,166,090	1,188,109	(299,984)	21.1%	22,020	1.9%	
Finance Department	4,625,307	1,674,332	1,013,642	1,067,540	1,507,542	(166,789)	32.6%	440,003	41.2%	
Rec Dept / Parks Maint	5,808,439	1,568,547	1,090,832	1,207,525	1,140,068	(428,479)	19.6%	(67,457)	-5.6%	
Community Dev	5,063,237	1,265,809	1,075,552	1,022,598	934,759	(331,050)	18.5%	(87,839)	-8.6%	
Municipal Court	1,859,399	464,850	371,603	401,318	418,229	(46,620)	22.5%	16,911	4.2%	
Police Department	24,212,875	6,411,954	4,386,444	5,485,672	5,625,894	(786,060)	23.2%	140,222	2.6%	
Fire Department	15,605,441	4,138,551	3,590,156	4,003,969	4,271,387	132,836	27.4%	267,418	6.7%	
PW Dept / Street Maint	8,002,142	3,180,231	2,504,742	2,666,068	2,733,918	(446,312)	34.2%	67,850	2.5%	
Subtotal	73,597,044	20,938,952	15,587,281	17,725,510	18,424,324	(2,514,628)	25.0%	698,814	3.9%	
Non Departmental	5,865,345	1,226,586	1,342,690	1,508,158	1,148,595	(77,991)	19.6%	(359,563)	N/A	
Total Expenditures	79,462,388	22,165,538	16,929,971	19,233,668	19,572,919	(2,592,619)	24.6%	339,251	1.8%	
							% of Year	25.0%		

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. To provide an enhanced level of reporting, additional information is being provided for activity by category 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

All Category totals are within allocated budget.

% Expended

Two categories (Services and Capital) reported expenditures greater than 25%. **Services** reflected several categories greater than 25%. **Professional Services** reported 31.7%. This is a combination of programs from a few different departments.

- **Human Services** entered into a joint contract with the City of Renton.
- **Finance** previously reported the increase to the Risk Management Program which falls under the category of Professional Services.

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- The **Fire** contract with the Regional Fire Authority is the other contract that attributed to the increase in Professional Services.

Professional Development reported 38.9% for the quarter but the total increase was less than \$35k. This is a return to onsite training. Examples are travel & training costs, membership fees, and Police mandatory trainings. **Technology Services** is reporting 27.4%. Technology Services is below allocated budget and is currently spending less than in the same period last year. These costs pertain to the **Projects & Capital Improvement Management Program** expenditures. **Utilities** reflected 58.2% total expenditures at 25% of the year. This number may seem high, but Utilities are under allocated budget and total spending is only 2.8% higher than the same period last year. The increase is a result of slightly higher usage in the **Pothole & Litter Control Program**.

Repairs and Maint. Svcs. was a category that was asked about in the prior month. The majority of these expenditures are with the **Facility Management & Improvement Program**. A few examples are listed below:

- Door replacement \$19,308
- Bldg 811 (Community Center) Roof repair \$8,768
- Bldg 811 (Community Center) Boiler Repair \$2,461
- Bldg 141 (Justice Center) HVAC Repair \$11,402
- Bay Door Repair \$5,148

Within Capital, **Machinery & Equipment** finished the quarter slightly higher, at 29.9%. The slight increase over 25% is previously budgeted expenditures to the **Projects and Capital Improvement Management Program**. These are the costs previously explained as capital software milestone payments and the purchase to replace an outdated folding machine.

\$ Change 2023/2024

When comparing changes in spending between 2023 and 2024, **Professional Services** within the Services category was the only category that reported a significant increase over the prior year. We have previously reported the increase are attributed to **Contracted Services** and the **Risk Management Program**.

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General Fund
City of Tukwila

General Fund Expenditures

Year-to-Date as of Mar 31, 2024

	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2023	2023	2021	2022	2023	Actual Budget vs Allocated	%	Change	
	Annual	Allocated						\$ 2023/2024	% 2023/2024
				OVER/(UNDER)					
Salaries	28,083,897	7,020,974	7,354,440	5,768,477	5,254,472	(1,766,502)	18.7%	(514,005)	(8.9%)
Extra Labor	794,977	198,744	66,623	85,173	97,584	(101,160)	12.3%	12,411	14.6%
Overtime	797,180	199,295	623,955	395,104	362,735	163,439	45.5%	(32,369)	(8.2%)
Holiday Pay	250,000	62,500	7,379	1,935	9,236	(53,264)	3.7%	7,300	N/A
FICA	2,299,308	574,827	468,297	471,530	432,083	(142,744)	18.8%	(39,447)	(8.4%)
Pension-LEOFF	690,494	154,124	222,705	128,764	122,586	(31,538)	17.8%	(6,178)	(4.8%)
Pension-PERS/PSERS	1,877,476	469,369	361,482	381,460	304,739	(164,630)	16.2%	(76,721)	(20.1%)
Industrial Insurance	616,066	154,016	170,432	98,829	89,908	(64,109)	14.6%	(8,921)	(9.0%)
Medical & Dental	5,818,916	1,454,729	1,842,989	1,342,590	1,477,017	22,289	25.4%	134,427	10.0%
Unemployment	0	0	168	0	0	0	-	0	N/A
Uniform/Clothing	33,504	8,376	110	470	1,072	(7,304)	3.2%	602	N/A
Total Salaries & Benefits	41,261,818	10,296,953	11,118,580	8,674,331	8,151,432	(2,145,521)	19.8%	(522,899)	(6.0%)
Supplies	640,401	160,100	34,575	67,836	100,466	(59,634)	15.7%	\$32,630	48.1%
Repairs & Maint Supplies	420,705	105,176	41,810	57,508	85,394	(19,782)	20.3%	\$27,887	48.5%
Resale Supplies	2,580	645	0	0	0	(645)	-	\$0	-
Small Tools	228,078	57,020	6,035	21,421	34,337	(22,682)	15.1%	\$12,917	60.3%
Technology Supplies	112,364	28,091	8,853	2,764	18,874	(9,217)	16.8%	\$16,109	582.7%
Fleet Supplies	7,260	1,815	939	1,004	3,051	1,236	42.0%	\$2,047	203.9%
Total Supplies	1,411,387	352,847	92,213	150,533	242,123	(110,724)	17.2%	\$91,590	60.8%
Professional Services	23,292,740	7,283,933	1,933,542	6,531,930	7,378,682	94,749	31.7%	\$846,752	13.0%
Communications	468,177	117,044	68,708	71,665	105,612	(11,432)	22.6%	\$33,947	47.4%
Professional Dev	532,851	179,022	119,222	175,169	207,104	28,083	38.9%	\$31,936	18.2%
Advertising	66,716	16,679	186	1,750	9,754	(6,925)	14.6%	\$8,004	N/A
Rentals	319,003	79,751	36,349	261,690	25,083	(54,668)	7.9%	(\$236,606)	(90.4%)
Technology Services	1,081,907	352,164	271,934	355,823	296,138	(56,027)	27.4%	(\$59,686)	(16.8%)
Utilities	2,387,484	1,516,818	1,291,759	1,351,216	1,389,654	(127,164)	58.2%	\$38,438	2.8%
Repairs & Maint Svs.	1,483,739	370,935	498,533	300,744	411,425	40,490	27.7%	\$110,681	36.8%
Miscellaneous	701,220	175,305	106,757	96,361	52,932	(122,373)	7.5%	(\$43,428)	(45.1%)
Total Services	30,333,839	10,091,651	4,326,989	9,146,347	9,876,385	(215,266)	32.6%	730,038	8.0%
Capital Outlay-Land	0	0	0	0	0	0	-	0	-
Other Improvements	0	0	0	0	0	0	-	0	-
Machinery & Equipment	590,000	197,500	49,499	0	176,392	(21,108)	29.9%	176,392	N/A
Construction Projects	0	0	0	0	0				
Total Capital Outlay	590,000	197,500	49,499	0	176,392	(21,108)	29.9%	176,392	N/A
Transfers Out	5,865,345	1,226,586	1,342,690	1,262,457	1,126,586	(100,000)	19.2%	(135,871)	N/A
Total Non Operating Expenses	5,865,345	1,226,586	1,342,690	1,262,457	1,126,586	(100,000)	19.2%	(135,871)	N/A
Total Expenditures	79,462,389	22,165,538	16,929,971	19,233,668	19,572,918	(2,592,620)	24.6%	339,250	1.8%
							% of Year	25.0%	

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Riverton Park United Methodist Church Response (RPUMC)

Total costs to date are \$240,964. This is an increase of approximately \$20,000 from last month's report. These expenditures are a combination of consulting services/contracts, employee time, and services/supplies.

Total Costs (Snapshot)

SNAPSHOT				
Object	2023 \$	2024 \$	Total	%
Consulting/Contracts	107,598	15,000	122,598	51%
Salaries/Benefits	55,494	45,864	101,358	42%
Services	0	14,476	14,476	6%
Supplies	0	2,533	<u>2,533</u>	1%
Subtotal	163,092	77,872	240,964	100%
Projected Costs			<u>610,192</u>	
Subtotal			610,192	
Grand Total			851,156	

The City has entered into four contracts for service. The total contract amount is currently \$192,948. Of that total, \$122,598 has been spent, leaving a remaining encumbered amount of \$70,350.

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CONTRACTS	
#1 Fencing (Contract)	
Initial Contract Amount	15,000
Change Orders	<u>5,000</u>
Total Contract Amount	20,000
Amount Invoiced	<u>18,734</u>
Amount Remaining	1,266
#2 I-2 Strategies (Consultant)	
Initial Contract Amount	39,000
Change Orders	<u>61,000</u>
Total Contract Amount	100,000
Amount Invoiced	<u>77,898</u>
Amount Remaining	22,102
#3 Brad Harwood Communications (Consultant)	
Initial Contract Amount	60,000
Change Orders	<u>0</u>
Total Contract Amount	60,000
Amount Invoiced	<u>25,966</u>
Amount Remaining	34,034
#4 Cascadia Cleaning & Removal (Contract)	
Initial Contract Amount	12,948
Change Orders	<u>0</u>
Total Contract Amount	12,948
Amount Invoiced	<u>0</u>
Amount Remaining	12,948
Consultant/Contracts Summary	
Initial Contract Amount	126,948
Change Orders	66,000
Total Contract Amount	192,948
Amount Invoiced	122,598
Amount Remaining - Encumbered	70,350
TOTAL CONTRACT COSTS	122,598
Encumbrances	70,350
CONTRACT GRAND TOTAL	192,948

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Several departments within the City are dedicating staff time to the RPUMC project. Below is a breakdown at the department level.

Cost by Department

Department	2023 \$	2024 \$	Total
Admin Svcs-Administration	123	140	263
City Council	587	352	939
Comm Dev Administration	6,140	5,110	11,250
Community Service & Engagement	2,724	607	3,331
Economic Development	4,009	523	4,531
Emergency Mgmt.	7,317	1,004	8,321
Finance Department	100	1,598	1,698
Golf Course Operations	0	36	36
Mayor's Office Administration	4,240	4,080	8,319
Non-Dept General Government	107,598	32,008	139,606
Park Maintenance	0	806	806
PD Recruiting & Hiring	61	0	61
Police Dept Administration	8,740	9,506	18,246
Recreation Dept-Administration	21,454	21,581	43,034
Tourism-Basic Operations	0	523	523
Total	163,092	77,872	240,964

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Projections

Looking ahead we anticipate the following additional costs.

6 Month Projections (Mar - Aug)	
Consulting/Contracts	
Future Encumbrances	70,350
Durable Tenting	
Initial setup + 28 days	0
Four months lease (\$37,265k/Mo.)	150,423
Demobilization + 28 days	50,226
Misc expenditures (6 Mo.)	<u>159,814</u>
Estimated Total	360,463
Salaries/Benefits	
Staff Time (6 Mo.)	108,624
Services	
Miscellaneous	2,000
Pending Invoices	68,755
Total Projections	610,192
Current Incurred Expenditures	<u>240,964</u>
Expected Total Costs	851,156