



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee
CC: Mayor McLeod
FROM: Tony Cullerton, Interim Finance Director
DATE: June 24, 2024
SUBJECT: May 2024 General Fund Departmental Budget-to-Actuals Report

SUMMARY

The May 2024 General Fund Financial Report provides the City Council with a comprehensive overview of departmental expenditures and highlights significant financial items. This report is a high-level summary of the departmental financial performance based on data available as of June 7, 2024, for the period ending May 31, 2024.

Expenditures

General Fund departmental expenditures were \$31 million through May, which is \$2.6 million under the allocated budget of \$33.7 million. Department 20, responsible for fund transfers, reported \$1.4 million in year-to-date activity. Overall, the General Fund activity as of the end of May was \$32.4 million, which is \$2.4 million under budget.

Allocated Budget

As of the end of May, the Fire Department and Non-Departmental were over their allocated budgets. The **Fire** Department's overages are attributed to Contracted Services. **Non-Departmental** overages are primarily due to debt payment transfers, with \$1.2 million allocated for debt payments. The \$189,197 over budget is due to costs associated with Asylee expenditures.

% Expended

The end of May marks 41.7% of the year completed. Three departments have spent over 41% of their annual budget. The **Finance** Department's increase is due to previously budgeted milestone payments for the Enterprise Resource Planning (ERP) system. The **Fire** Department's increase is related to contracted services. The **Public Works/Street Maintenance** Department's increased costs are for street lighting repairs and roadway repair supplies.

2024 Compared to 2023

When comparing expenditures to the previous year, several departments reported increased spending over the same period last year. All increases were previously approved and budgeted. **Administrative Services** saw an increase due to higher Attorney Services and HR Recruitment costs. The Finance Department's increase is related to the implementation phase 2 payment for the Finance Enterprise system. The **Municipal Court's** increase in salaries/benefits is due to filling a vacant position and adding an additional full-time equivalent (FTE) for photo enforcement. The **Police** Department reported a \$629k increase over

the same period last year, mainly due to higher fleet maintenance costs and increased insurance liability. The **Fire** Department's higher expenditures are due to the RFA contract. The **Public Works** Department/Street Maintenance incurred increases in street lighting repair and roadway maintenance.

Departmental Variances

Year to Date Department Expenditures Through May 2024:

DEPARTMENT	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	%	\$ Change	% Change
	2024	2024	2022	2023	2024				
	Annual	Allocated				Expended	2023/2024		
City Council	393,067	163,778	143,514	155,690	155,289	(8,489)	39.5%	(401)	-0.3%
Mayor's Office	2,405,513	1,035,824	789,991	952,219	897,529	(138,295)	37.3%	(54,690)	-5.7%
Administrative Services	5,621,624	2,369,906	1,843,662	1,974,220	2,156,466	(213,440)	38.4%	182,246	9.2%
Finance Department	4,625,307	2,352,995	1,389,101	1,448,069	2,029,534	(323,461)	43.9%	581,464	40.2%
Rec Dept / Parks Maint	5,808,439	2,510,745	1,796,023	1,961,584	2,027,092	(483,653)	34.9%	65,507	3.3%
Community Dev	5,063,237	2,109,682	1,754,964	1,801,921	1,740,070	(369,612)	34.4%	(61,851)	-3.4%
Municipal Court	1,859,399	774,750	636,495	658,813	750,520	(24,230)	40.4%	91,707	13.9%
Police Department	24,212,875	10,367,714	7,310,190	8,701,483	9,330,729	(1,036,985)	38.5%	629,246	7.2%
Fire Department	15,605,441	7,733,231	6,237,246	7,480,438	8,181,655	448,424	52.4%	701,217	9.4%
PW Dept / Street Maint	8,002,142	4,251,767	3,528,067	3,653,615	3,764,088	(487,679)	47.0%	110,473	3.0%
Subtotal	73,597,044	33,670,390	25,429,254	28,788,052	31,032,972	(2,637,419)	42.2%	2,244,920	7.8%
Non Departmental	5,865,345	1,226,586	1,342,690	1,508,158	1,415,783	189,197	24.1%	(92,374)	N/A
Total Expenditures	79,462,388	34,896,977	26,771,944	30,296,209	32,448,755	(2,448,221)	40.8%	2,152,546	7.1%
						% of Year	41.7%		

General Fund by Category

The City adopts a biennial budget by fund, as mandated by ordinance. This level of reporting is essential for external authoritative oversight, such as the Washington State Auditor's office. It is also utilized for debt issuance and by other stakeholders. For managerial reporting and internal use, the City reports activity at the departmental level, providing detailed information to support decision-making within the City and by those charged with governance.

Allocated Budget

All category totals, except for Services, are within budget. Within Services, Professional Services and Repairs and Maintenance Services have exceeded their allocated budgets. The increase in Professional Services results from several departmental programs:

- Human Services entered into a joint contract with the City of Renton.
- Finance reported an increase due to the Risk Management Program, classified under Professional Services.
- The Fire contract with the Regional Fire Authority also contributed to the rise in Professional Services costs.
- The increase in Repairs and Maintenance is attributed to the Facility Management and Improvement Program.

% Expended

Professional Services increase has been explained in the Allocated Budget section. **Professional Development** reported 49% spending. This is a return to onsite training. Examples are travel & training costs, membership fees, and Police mandatory trainings. **Utilities** reflected 65.2% total expenditures at 42% of the year. This number may seem high, but Utilities are under allocated budget and total spending is 3.0% lower than the same period last year. **Repairs and Maint. Svs.** was a category that was asked about in prior months. 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

\$ Change 2023 / 2024

When comparing spending between 2023 and 2024, increases were observed in the categories of Professional Services, Professional Development, and Repairs and Maintenance Services. These increases have been previously identified and thoroughly explained.

General Fund
City of Tukwila
General Fund Expenditures

Year-to-Date as of May 31, 2024

	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2023 Annual	2023 Allocated	2021	2022	2023	Actual Budget vs Allocated OVER/(UNDER)	% Expended	Change	
								\$ 2023/2024	% 2023/2024
Salaries	28,083,897	11,701,624	12,466,247	9,571,301	9,693,070	(2,008,553)	34.5%	121,769	1.3%
Extra Labor	794,977	331,240	116,135	144,394	198,843	(132,398)	25.0%	54,448	37.7%
Overtime	797,180	332,159	1,083,985	669,609	634,500	302,341	79.6%	(35,109)	(5.2%)
Holiday Pay	250,000	104,167	8,646	3,759	16,756	(87,411)	6.7%	12,997	N/A
FICA	2,299,308	958,045	797,301	784,603	795,671	(162,374)	34.6%	11,067	1.4%
Pension-LEOFF	690,494	256,873	461,647	302,422	224,131	(32,741)	32.5%	(78,291)	(25.9%)
Pension-PERS/PSERS	1,877,476	782,282	601,959	633,078	569,449	(212,833)	30.3%	(63,629)	(10.1%)
Industrial Insurance	616,066	256,694	297,354	166,456	166,886	(89,808)	27.1%	430	0.3%
Medical & Dental	5,818,916	2,424,548	3,068,453	2,236,181	2,455,172	30,624	42.2%	218,991	9.8%
Unemployment	0	0	15,108	0	8,957	8,957	-	8,957	N/A
Uniform/Clothing	33,504	13,960	840	814	1,350	(12,610)	4.0%	537	N/A
Total Salaries & Benefits	41,261,818	17,161,590	18,917,675	14,512,617	14,764,784	(2,396,806)	35.8%	252,167	1.7%
Supplies	640,401	266,834	108,737	142,756	137,776	(129,057)	21.5%	(\$4,980)	(3.5%)
Repairs & Maint Supplies	420,705	175,294	148,348	142,684	182,268	6,974	43.3%	\$39,584	27.7%
Resale Supplies	2,580	1,075	93	0	413	(662)	16.0%	\$413	-
Small Tools	228,078	95,033	15,233	37,136	64,523	(30,510)	28.3%	\$27,387	73.7%
Technology Supplies	112,364	46,818	15,884	27,185	22,577	(24,241)	20.1%	(\$4,608)	(17.0%)
Fleet Supplies	7,260	3,025	1,928	2,625	3,504	479	48.3%	\$880	33.5%
Total Supplies	1,411,387	588,078	290,223	352,386	411,061	(177,017)	29.1%	\$58,675	16.7%
Professional Services	23,292,740	11,900,595	2,824,845	10,780,120	12,530,311	629,716	53.8%	\$1,750,191	16.2%
Communications	468,177	195,074	156,966	192,381	178,687	(16,387)	38.2%	(\$13,694)	(7.1%)
Professional Dev	532,851	260,781	155,715	214,865	262,390	1,609	49.2%	\$47,525	22.1%
Advertising	66,716	27,798	2,535	10,375	10,349	(17,450)	15.5%	(\$27)	N/A
Rentals	319,003	132,918	61,103	278,141	42,006	(90,912)	13.2%	(\$236,135)	(84.9%)
Technology Services	1,081,907	520,357	313,549	412,892	419,256	(101,101)	38.8%	\$6,364	1.5%
Utilities	2,387,484	1,710,299	1,510,549	1,604,408	1,555,949	(154,351)	65.2%	(\$48,460)	(3.0%)
Repairs & Maint Svs.	1,483,739	618,224	923,389	529,216	727,386	109,162	49.0%	\$198,170	37.4%
Miscellaneous	701,220	292,175	223,206	146,351	187,083	(105,092)	26.7%	\$40,732	27.8%
Total Services	30,333,839	15,658,222	6,171,857	14,168,749	15,913,416	255,194	52.5%	1,744,667	12.3%
Capital Outlay-Land	0	0	0	0	0	0	-	0	-
Other Improvements	0	0	0	0	0	0	-	0	-
Machinery & Equipment	590,000	262,500	49,499	0	225,891	(36,609)	38.3%	225,891	N/A
Construction Projects	0	0	0	0	0				
Total Capital Outlay	590,000	262,500	49,499	0	225,891	(36,609)	38.3%	225,891	N/A
Transfers Out	5,865,345	1,226,586	1,342,690	1,262,457	1,133,603	(92,983)	19.3%	(128,854)	N/A
Total Non Operating Expenses	5,865,345	1,226,586	1,342,690	1,262,457	1,133,603	(92,983)	19.3%	(128,854)	N/A
Total Expenditures	79,462,389	34,896,976	26,771,944	30,296,209	32,448,755	(2,448,221)	40.8%	2,152,546	7.1%

Riverton Park United Methodist Church Response (RPUMC)

Total costs to date are slightly under \$500,000. These expenditures are a combination of consulting services/contracts, employee time, and services/supplies. Contracts include fencing and tenting. Consulting is for media prep and long-term strategy. The total contract amount is currently \$776,984. Of that total, \$372,770 has been spent, leaving a remaining encumbered amount of \$404,214.

Total Costs (Snapshot)

SNAPSHOT				
Object	2023 \$	2024 \$	Total	%
Consulting	88,864	138,016	226,881	45%
Contracts	18,734	127,156	145,889	29%
Salaries/Benefits	55,494	53,862	109,356	22%
Services	0	14,476	14,476	3%
Supplies	0	2,533	<u>2,533</u>	1%
Subtotal	163,092	336,043	499,135	100%
Encumbered			<u>404,214</u>	
Grand Total			903,349	