



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Vicky Carlsen, Finance Director

BY: Aaron Williams, Fiscal Manager

CC: Mayor Ekberg

DATE: October 25, 2021

SUBJECT: August 2021 General Fund Departmental Budget-to-Actuals Report

Summary

The purpose of the August 2021 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 2021 Report is based on financial data available as of October 13, 2021, for the period ending August 31, 2021. Additional details can be found within the included financial report.

Expenditures

General Fund departmental expenditures totaled \$37.74 million through August, which is \$530 thousand less than the allocated budget of \$38.27 million. Department 20, which is transfers to other funds, totaled \$2.73 million, which is \$576 thousand less than the allocated budget. The allocated budget is calculated to reflect year-to-date spending patterns of the previous year.

While all but one department is currently below the allocated budget, there continues to be concern that department budgets, in general, are too low and may be unable to absorb necessary costs without a budget amendment. General inflation is increasing the cost of both supplies and services purchased and departmental activity is reflecting this with more departments closer to allocated budget than in previous months. In reviewing expenditures by type, insurance exceeds the annual budget by \$84 thousand and utilities category has now expended 83% of the annual budget. Given that the City has 3 new facilities and the vacated fire stations are still owned by the City, it is very likely that the annual utilities budget will be exceeded in the 3rd quarter of 2021.

Staff continues to closely monitor departmental budgets and will continue to keep the City Council fully informed of additional budgetary concerns.

Departmental Variances

All but one General Fund department was under their allocated budget through August 2021. Noteworthy variances are:

- The Fire Department is now \$855 thousand over the allocated budget of \$8.12 million. The variance is related to overtime & associated benefits compared to the allocated budget. Council recently gave consensus for a year-end budget amendment to increase fire overtime by \$200k. An additional budget amendment will be needed to account for overtime that is reimbursable. Any reimbursable overtime will have no effect on the general fund. However, given the use of minimum staffing overtime in 2021, a budget amendment that will affect the general fund will be needed. The 2nd quarter report for the Fire Department was presented to the Community Services and Safety Committee on August 16, 2021, where additional details on overtime usage was provided.

The chart below provides additional details on overtime associated with the Fire Department.

Fire Overtime Summarized - Through August 31, 2021							
Category	Reimbursable OT			Category	Unreimbursable OT		
	Salary	Benefits	Total		Salary	Benefits	Total
Billable Contractor	\$ 9,555	\$ 1,255	\$ 10,810	Minimum Staffing	\$ 384,997	\$ 50,550	\$ 435,547
COVID Testing Site	203,909	26,773	230,682	Instructor	17,393	2,284	19,677
Repeater Malfunction	74,606	9,796	84,402	Training	15,104	1,983	17,087
				Fire Prevention	43,201	5,672	48,873
				Fire Investigation	6,127	804	6,931
				Academy	21,911	2,877	24,788
				Public Safety Plan	8,847	1,162	10,009
				Meetings	8,005	1,051	9,056
				Shift Extension	7,586	996	8,582
				Special Assignment	10,507	1,380	11,887
				Other	26,430	3,470	29,900
Totals	\$ 288,070	\$ 37,824	\$ 325,894		\$ 550,108	\$ 72,229	\$ 622,337

Budget Amendments

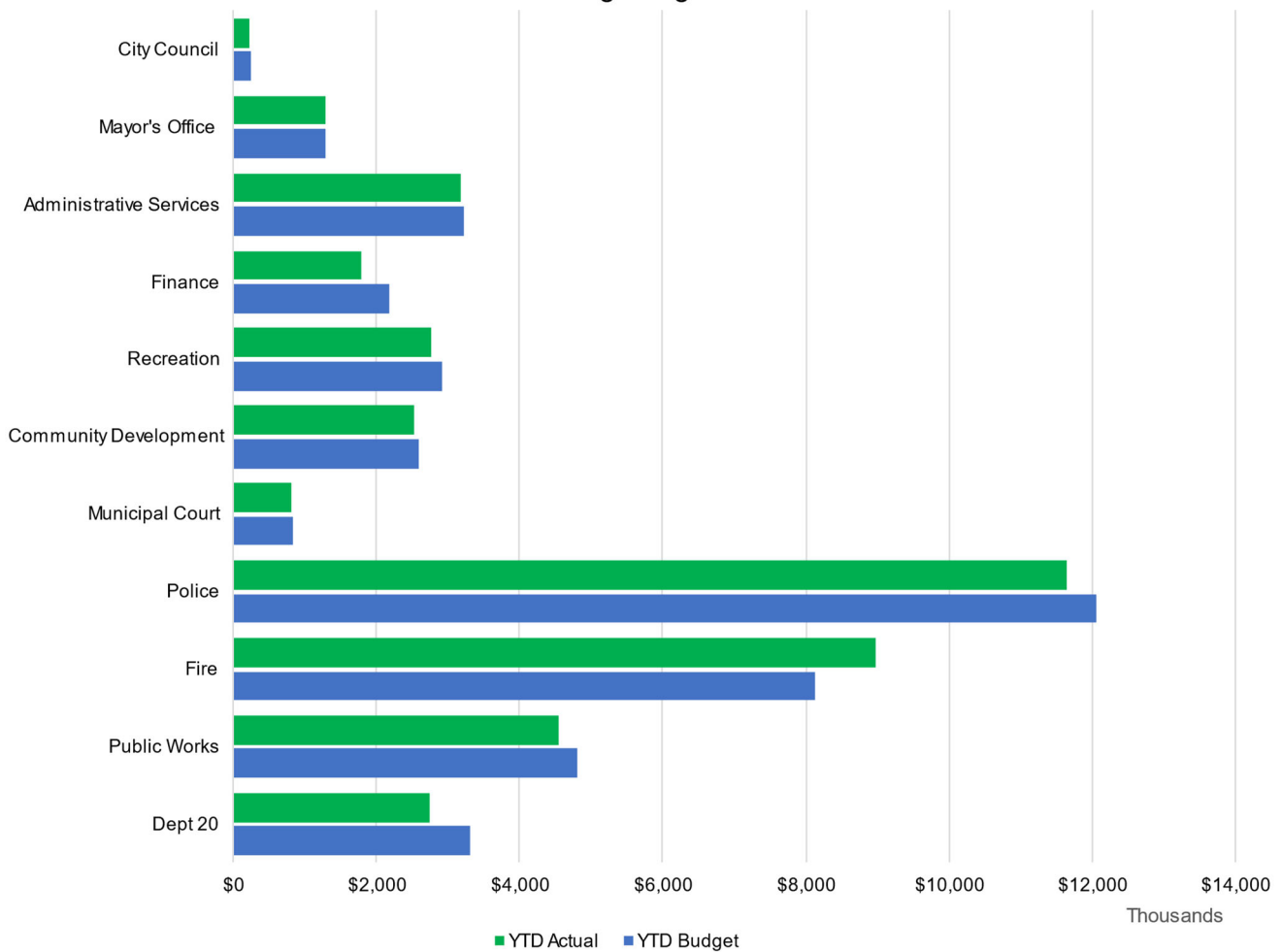
The list on the next page outlines budget amendments the City Council has already given consensus for and will be included in the final budget amendment at year-end.

INFORMATIONAL MEMO

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Council Meeting Date	Summary of Budget Amendment
4/5 regular meeting	Contract for BHC Consultants for structural plan review. Cost neutral as this is a revenue backed contract. Any increase in expenditures will also include the same increase in revenue
4/5 regular meeting	Contract for Reid Middleton for structural plan review. Cost neutral as this is a revenue backed contract. Any increase in expenditures will also include the same increase in revenue
5/10 COW	Consensus to use new funding (SST) to restore service levels and cover certain contractual obligations. Budget amendment will include increasing both revenue and expenditures by the same amount.
5/17 regular meeting	Acceptance of Sound Transit System Access grant. Both revenue and expenditures will be increased by the same amount, net effect of zero
5/24 COW	Use of SST funds to complete the transfer of records from the offsite storage location to City Hall. Use of SST is estimated to be \$40k. Again revenue backed so net effect of zero to the general fund
6/14 COW	BNSF Alternative Access Study for up to \$1.25 million
6/14 COW	Fire advisory Task Force Consulting for up to \$80 thousand
6/21 regular meeting	TDM regional mobility grant award, no effect on general fund
8/2 regular meeting	Summer Experience & Enrichment for Kids Fund (SEEK) grant, no effect on the general fund as there is no match required
8/2 regular meeting	Restore before and after school programming, funded by ARPA so both revenue and expenditure budgets will be adjusted
8/23 COW	Reclassify Jail Alternative Specialist to Court Support Services Case Manager and increase from .75 FTE to 1.0 FTE. Will require ongoing funding source
9/20 regular meeting	1.25 FTE for Municipal Court and 1.0 FTE for Police to staff school zone automated traffic cameras. Costs are expected to be covered by the school zone automated traffic camera program.

Year to Date Department Expenditures Compared to Allocated Budget Through August 2021



GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of August 31, 2021

EXPENDITURES BY DEPARTMENT	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE	
								2019/2020	2020/2021
01 City Council	\$ 363,618	\$ 237,897	\$ 243,464	\$ 229,807	\$ 222,648	\$ (15,249)	61%	-6%	-3%
03 Mayor's Office	2,104,126	1,289,769	1,457,170	1,378,052	1,283,109	(6,660)	61%	-5%	-7%
04 Administrative Services	4,984,464	3,218,600	3,032,228	2,828,064	3,181,698	(36,902)	64%	-7%	13%
05 Finance	3,049,858	2,174,982	1,704,043	1,721,251	1,789,972	(385,010)	59%	1%	4%
07 Recreation	4,260,543	2,921,187	3,354,351	2,715,121	2,762,088	(159,099)	65%	-19%	2%
08 Community Development	4,069,943	2,591,592	2,389,274	2,059,536	2,526,508	(65,084)	62%	-14%	23%
09 Municipal Court	1,272,888	837,671	848,921	838,250	802,192	(35,479)	63%	-1%	-4%
10 Police	18,286,665	12,070,030	12,213,480	11,646,339	11,653,694	(416,336)	64%	-5%	0%
11 Fire	12,706,860	8,122,847	8,500,448	8,188,951	8,977,859	855,012	71%	-4%	10%
13 Public Works	6,584,325	4,806,489	5,349,008	4,550,513	4,541,409	(265,080)	69%	-15%	0%
Subtotal	57,683,290	38,271,063	39,092,386	36,155,884	37,741,176	(529,887)	65%	-8%	4%
20 Dept 20	5,462,760	3,308,368	3,450,593	2,068,215	2,732,130	(576,238)	50%	-40%	32%
Total Expenditures	\$ 63,146,050	\$ 41,579,431	\$ 42,542,979	\$ 38,224,099	\$ 40,473,306	\$ (1,106,125)	64%	-10%	6%

Percent of year completed 67%

GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of August 31, 2021

SALARIES AND BENEFITS	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE	
								2019/2020	2020/2021
11 Salaries	\$ 28,723,860	\$ 19,284,884	\$ 18,801,524	\$ 18,803,202	\$ 18,542,522	\$ (742,362)	65%	0%	-1%
12 Extra Labor	347,528	297,159	602,219	121,661	109,036	(188,123)	31%	-80%	-10%
13 Overtime	1,218,115	750,742	1,199,296	735,246	1,478,149	727,407	121%	-39%	101%
15 Holiday Pay	515,500	85,575	77,172	65,888	78,815	(6,760)	15%	-15%	20%
21 FICA	1,872,655	1,265,831	1,237,677	1,171,380	1,177,800	(88,032)	63%	-5%	1%
22 Pension-LEOFF	899,828	627,099	582,620	722,756	649,939	22,841	72%	24%	-10%
23 Pension-PERS/PSERS	1,631,377	1,103,090	1,173,493	1,114,465	1,056,362	(46,728)	65%	-5%	-5%
24 Industrial Insurance	875,820	604,960	539,619	596,511	612,975	8,015	70%	11%	3%
25 Medical & Dental	6,904,119	4,461,544	3,827,495	4,162,551	4,483,393	21,849	65%	9%	8%
26 Unemployment	-	-	17,588	27,319	20,710	20,710	-	55%	-24%
28 Uniform/Clothing	8,525	2,181	1,981	1,334	1,881	(300)	22%	-33%	41%
Total Salaries & Benefits	\$ 42,997,327	\$ 28,483,065	\$ 28,060,683	\$ 27,522,312	\$ 28,211,584	\$ (271,481)	66%	-2%	3%

SUPPLIES, SERVICES AND CAPITAL	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE	
								2019/2020	2020/2021
0 Transfers	\$ 5,462,760	\$ 3,308,368	\$ 3,450,593	\$ 2,068,215	\$ 2,732,130	\$ (576,238)	50%	-40%	32%
31 Supplies	1,055,711	604,761	1,044,365	489,102	503,497	(101,263)	48%	-53%	3%
34 Items Purchased for resale	13,000	11,806	18,029	1,673	1,777	(10,029)	14%	-91%	6%
35 Small Tools	66,450	38,623	71,786	66,850	55,381	16,759	83%	-7%	-17%
41 Professional Services	5,439,071	3,375,727	3,812,560	3,235,991	3,529,165	153,438	65%	-15%	9%
42 Communication	481,810	322,352	248,669	305,771	277,291	(45,060)	58%	23%	-9%
43 Travel	83,196	73,295	130,170	32,226	17,918	(55,377)	22%	-75%	-44%
44 Advertising	34,750	14,970	13,904	6,255	2,944	(12,026)	8%	-55%	-53%
45 Rentals and Leases	2,166,137	1,175,620	2,007,948	864,082	1,443,280	267,660	67%	-57%	67%
46 Insurance	1,030,329	1,030,329	889,957	987,671	1,113,881	83,552	108%	11%	13%
47 Public Utilities	1,991,445	1,665,036	1,607,491	1,538,576	1,719,189	54,154	86%	-4%	12%
48 Repairs and Maintenance	651,669	358,996	409,676	467,503	239,608	(119,388)	37%	14%	-49%
49 Miscellaneous	1,153,730	770,707	731,918	632,377	549,476	(221,231)	48%	-14%	-13%
64 Machinery & Equipment	518,665	345,777	45,228	5,495	76,184	(269,593)	15%	-88%	1287%
Total Operating Expenses	20,148,723	13,096,366	14,482,296	10,701,787	12,261,722	(834,643)	61%	-26%	15%
Total Expenses	\$ 63,146,050	\$ 41,579,431	\$ 42,542,979	\$ 38,224,099	\$ 40,473,306	\$ (1,106,125)	64%	-10%	6%

Percent of year completed 67%