

April 2019 Monthly Financial Report

CITY OF TACOMA
**BIENNIAL
BUDGET**
2019 - 2020

GENERAL FUND OVERVIEW

	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
Revenues	\$ 243,930,525	\$ 72,189,517	\$ 77,825,390	\$ 5,635,873	7.8%
Expenditures	\$ 254,470,850	\$ 81,148,542	\$ 77,682,544	\$ 3,465,998	4.3%
Revenue Over Expenditure Variance (Fund Balance)	\$ (10,540,325)	\$ (8,959,025)	\$ 142,846	\$ 9,101,871	

SUMMARY

Through the first four months of 2019, revenues and expenditures were favorable, resulting in an overall \$9.1 million positive position.

REVENUE OVERVIEW

Through April, General Fund revenues were favorable by approximately \$5.6 million.

- *Property Taxes* (+\$1.3M)
 - Greater Early and On-Time Payments
- *Sales Taxes* (+\$928k)
 - Favorable Retail, Construction, Administrative Support, "Other," and Natural Gas Use Tax
- *Licenses & Permits* (-\$192k)
- *Miscellaneous Revenues* (+\$422k)
- *Business Taxes* (+\$2.5M)
 - Favorable Service, Retailing, Wholesaling, Manufacturing, and Telephone Taxes; Offset by weaker Natural Gas and Cell Phone Taxes
- *Fines & Forfeitures* (-\$67k)
- *Intergovernmental Revenues* (+\$377k)
 - Criminal Justice Funding, Liquor Taxes and Profits
- *Utility Taxes* (+\$475k)

EXPENDITURE OVERVIEW

Through April, General Fund expenditures were favorable by approximately \$3.5 million.

- *Community and Economic Development (CED)* (+\$259k)
 - Labor Savings
 - External Contracts
- *Finance* (+\$315k)
 - Labor Savings
 - Software Licensing
- *Fire* (-\$164k)
 - Overtime Expenses
- *Municipal Court* (+\$157k)
 - Labor Savings
 - Juror Expenses
- *Neighborhood & Community Services (NCS)* (+\$594k)
 - Delayed in Human Service Contracts
- *Non-Departmental* (+\$688k)
 - Delayed Payments or Transfers
- *Planning & Development Services (PDS)* (+\$116k)
 - Delayed in Professional Services & External Contracts
- *Police* (+\$1.1M)
 - Labor Savings
 - Fuel Savings
 - Delayed Contracts
- *Public Works* (+\$195k)
 - Labor Savings
 - Seasonal Work
- *Tacoma Venues & Events (TVE)* (+\$115k)
 - Timing of Contract Payments

Prepared By The Office of Management and Budget

Through April 30, 2019

April 2019 Monthly Financial Report

CITY OF TACOMA
**BIENNIAL
BUDGET**
2019 - 2020

GENERAL FUND REVENUE OVERVIEW

	Revenue Category	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
1	Property Tax	\$ 60,465,879	\$ 4,128,278	\$ 5,413,319	\$ 1,285,041	31.1%
2	Sales Tax	57,763,956	18,221,459	19,149,818	928,358	5.1%
3	Business Tax	52,714,759	20,791,932	23,296,485	2,504,553	12.0%
4	Utility Tax	46,231,884	16,395,765	16,870,623	474,858	2.9%
5	Intergovernmental Revenues	10,410,481	3,787,877	4,165,007	377,130	10.0%
6	Licenses & Permits	7,064,801	6,144,347	5,952,794	(191,553)	-3.1%
	Charges for Services	4,682,293	1,468,492	1,421,881	(46,611)	-3.2%
	Other Taxes	1,990,896	602,344	551,765	(50,579)	-8.4%
7	Fines & Forfeits	855,245	285,082	218,180	(66,902)	-23.5%
8	Miscellaneous Revenues	1,750,330	363,941	785,519	421,578	115.8%
	Total	\$ 243,930,525	\$ 72,189,517	\$ 77,825,390	\$ 5,635,873	7.8%

Use of Fund Balance (Negative value denotes addition to cash)	\$ 10,540,325	\$ 8,959,025
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Total	\$ 254,470,850	\$ 81,148,542
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Analysis for revenue variances are provided for all line items in which the actual amount differs from the planned amount by at least 10.0% or \$100,000.

VARIANCE NOTES

- Property Tax** - Favorable variance due to greater than planned early tax payments (+\$1.4M), but offset by fewer delinquent property tax payments (-\$92k).
- Sales Tax** - Favorable variance due to Retail (+\$243k), Admin Support (+\$169k), and "Other" (+\$105k) categories. Natural Gas Use Tax is also up (+\$386k) due to supply issues that have caused the price to increase dramatically.
- Business Tax** - Favorable variance due to better than planned Service (+\$1.5M), Retailing (+\$366k), Wholesaling (+\$769k), Manufacturing (+\$282k), and Telephone (+\$278k) returns, but offset by lower than expected returns in Natural Gas Tax (-\$244k), and Cell Phone (-\$283k) categories.
- Utility Tax** - Favorable variance due to higher than expected gross earnings taxes from all utilities (+\$475k), except Power, which is down only \$49k from plan. Water is up the most due to greater than planned residential and commercial water sales.
- Intergovernmental Revenues** - Favorable variance due to higher criminal justice funding (+\$325k) and liquor taxes and profits (+\$73k).
- Licenses & Permits** - Unfavorable variance due to less than planned penalties and interest on business licenses (-\$676k), but offset by more business licenses/permits (+\$115k), annual business licenses (+\$171), and street vacation and right of way permits issued (+\$87k).
- Fines & Forfeitures** - Unfavorable variance due to fewer civil (-\$56k) and criminal penalties (-\$10k).
- Miscellaneous Revenues** - Favorable due to interest earnings (+\$435k).

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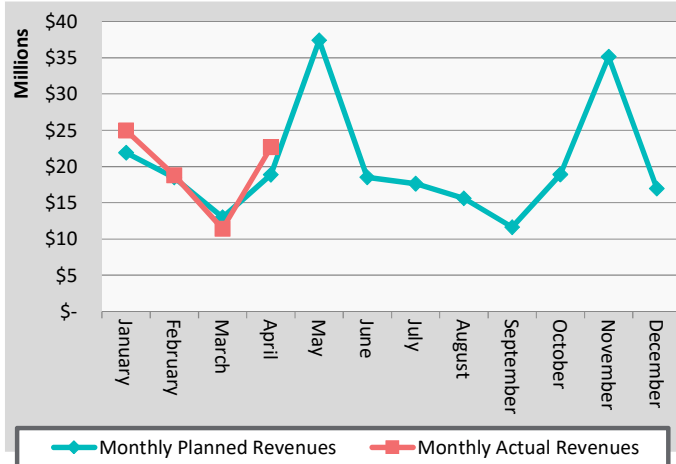
Through April 30, 2019

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**BIENNIAL
BUDGET**
2019 - 2020

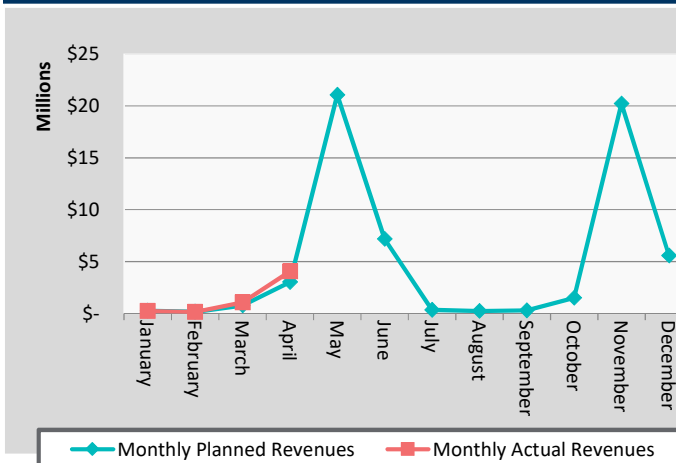
GENERAL FUND REVENUES

ALL REVENUE SOURCES



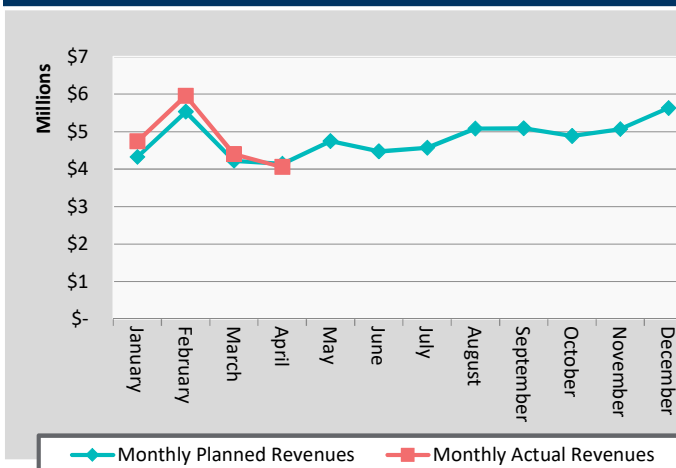
	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 21,902,827	\$ 24,974,353	\$ 3,071,526
February	18,449,798	18,791,415	341,617
March	12,991,943	11,411,927	(1,580,015)
April	18,844,949	22,647,694	3,802,745
May	37,402,414		
June	18,518,602		
July	17,619,319		
August	15,619,299		
September	11,632,226		
October	18,888,856		
November	35,124,096		
December	16,936,196		
2019 Total	\$ 243,930,525	\$ 77,825,390	\$ 5,635,873

PROPERTY TAX



	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 242,549	\$ 226,494	\$ (16,054)
February	141,033	120,148	(20,884)
March	738,914	1,033,330	294,416
April	3,005,784	4,033,347	1,027,563
May	21,078,312		
June	7,163,457		
July	334,572		
August	233,590		
September	277,368		
October	1,475,436		
November	20,223,411		
December	5,551,458		
2019 Total	\$ 60,465,879	\$ 5,413,319	\$ 1,285,041

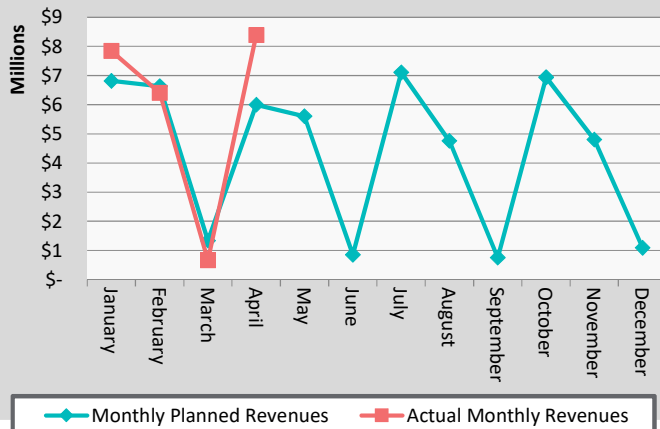
SALES TAX



	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 4,325,277	\$ 4,740,226	\$ 414,949
February	5,534,459	5,956,641	422,182
March	4,220,443	4,400,035	179,592
April	4,141,280	4,052,915	(88,365)
May	4,748,180		
June	4,475,203		
July	4,569,974		
August	5,079,866		
September	5,089,550		
October	4,882,727		
November	5,067,531		
December	5,629,466		
2019 Total	\$ 57,763,956	\$ 19,149,818	\$ 928,358

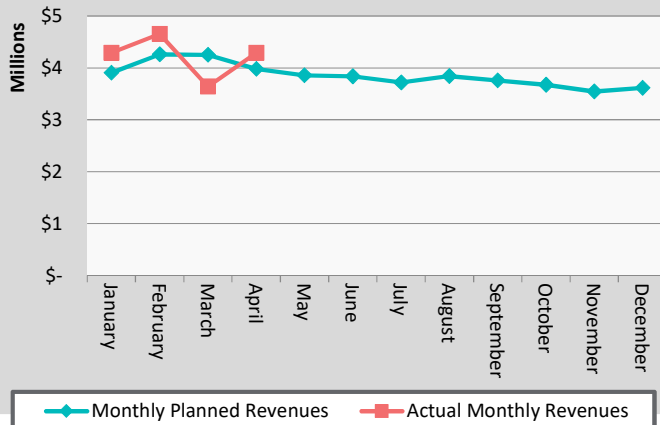
GENERAL FUND REVENUES

BUSINESS TAX



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$ 6,815,174	\$ 7,842,395	\$ 1,027,221
February	6,633,616	6,405,102	(228,514)
March	1,338,773	658,305	(680,469)
April	6,004,368	8,390,683	2,386,315
May	5,606,463		
June	850,669		
July	7,107,918		
August	4,763,795		
September	755,648		
October	6,936,796		
November	4,810,181		
December	1,091,357		
2019 Total	\$ 52,714,759	\$ 23,296,485	\$ 2,504,553

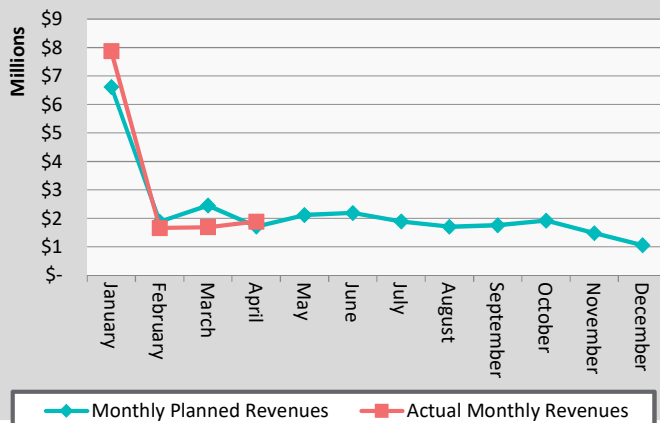
UTILITY/GROSS EARNINGS TAX



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$ 3,906,239	\$ 4,290,826	\$ 384,587
February	4,259,961	4,652,372	392,410
March	4,249,665	3,640,187	(609,478)
April	3,979,899	4,287,238	307,339
May	3,856,806		
June	3,837,428		
July	3,715,528		
August	3,839,045		
September	3,754,201		
October	3,674,931		
November	3,544,016		
December	3,614,164		
2019 Total	\$ 46,231,884	\$ 16,870,623	\$ 474,858

OTHER REVENUES

(Intergovernmental, Licenses & Permits, Charges for Service, Fines & Forfeits, and Miscellaneous Revenues)



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$ 6,613,588	\$ 7,874,412	\$ 1,260,823
February	1,880,729	1,657,152	(223,577)
March	2,444,147	1,680,071	(764,077)
April	1,713,619	1,883,511	169,893
May	2,112,654		
June	2,191,845		
July	1,891,327		
August	1,703,004		
September	1,755,458		
October	1,918,965		
November	1,478,958		
December	1,049,752		
2019 Total	\$ 26,754,046	\$ 13,095,145	\$ 443,063

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GENERAL FUND EXPENDITURE OVERVIEW

	Department	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
	City Attorney's Office	\$ 2,689,104	\$ 896,368	\$ 868,999	\$ 27,369	3.1%
	City Manager's Office	481,272	160,424	146,101	14,323	8.9%
1	Community & Economic Development	3,737,132	1,156,685	897,898	258,787	22.4%
2	Finance	4,445,052	1,559,512	1,244,830	314,681	20.2%
3	Fire	62,274,709	20,104,021	20,267,739	(163,717)	-0.8%
	Library	14,223,145	4,562,289	4,541,503	20,786	0.5%
4	Municipal Court	3,982,714	1,333,102	1,176,346	156,756	11.8%
5	Neighborhood & Community Services	12,825,600	3,969,238	3,375,738	593,500	15.0%
6	Planning & Development Services	1,908,972	636,324	520,656	115,669	18.2%
7	Police	86,387,104	28,796,352	27,666,626	1,129,726	3.9%
8	Public Works	2,933,381	977,793	783,147	194,646	19.9%
9	Tacoma Venues and Events	1,189,179	396,393	281,201	115,192	29.1%
10	Non-Departmental	57,393,485	16,600,041	15,911,760	688,282	4.1%
	Total Expenditures	\$ 254,470,850	\$ 81,148,542	\$ 77,682,544	\$ 3,465,998	4.3%

Analysis for expenditure variances are provided for all departments in which the actual amount differs from the planned amount by at least \$100,000.

VARIANCE NOTES

- 1 **Community & Economic Development** - Favorable variance due to vacancy savings (+\$144k), external contracts (+\$79k), and professional services (+\$27k).
- 2 **Finance** - Favorable variance due to vacancy savings (+\$92k) and delayed software license and maintenance payments (+\$150k).
- 3 **Fire** - Unfavorable variance due to overtime spending as the department is experiencing a significant increase in overtime utilization (-\$1.1M), offset by other personnel savings.
- 4 **Municipal Court** - Favorable variance due to vacancy savings (+\$112k) and juror expenses (+\$10k).
- 5 **Neighborhood & Community Services** - Favorable variance due to vacancy savings (+\$185k) and delays in human services contracts (+\$430k).
- 6 **Planning & Development Services** - Favorable variance due to delays in professional services (+\$52k) and external contracts (\$37k) for planned projects including Urban Design Studio and the Tideflats Subarea Plan.
- 7 **Police** - Favorable variance due to personnel and vacancy savings (+\$637k), fuel savings (+\$125k), delayed Verizon bill (+\$33k), and delayed external contracts (+\$294k) including the Humane Society contract.
- 8 **Public Works** - Favorable variance due to vacancy savings (+\$112k) and delayed expenditures in maintenance and operations as work ramps up through the year (+\$81k).
- 9 **Tacoma Venues & Events** - Favorable variance due to timing of payments for Arts contract and New Year's Eve celebration (+\$115k).
- 10 **Non-Departmental** - Favorable variance due to delayed transfers to Fire for grant reimbursements (+\$99k), to capital projects (\$460k), and other transfers.

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OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

Fund		2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
SPECIAL REVENUE FUNDS						
1	<i>PW Street Operations & Engineering</i>					
	Revenues	25,894,097	8,678,223	8,684,848	6,625	0.1%
	Expenditures	25,901,722	8,387,741	7,160,278	1,227,463	14.6%
2	<i>Traffic Enforcement, Engineering & Education</i>					
	Revenues	3,639,182	1,213,061	1,306,725	93,665	7.7%
	Expenditures	3,631,504	1,210,501	1,076,316	134,186	11.1%
ENTERPRISE FUNDS						
3	<i>Permit Services</i>					
	Revenues	17,087,614	5,695,871	5,818,201	122,330	2.1%
	Expenditures	17,405,115	5,801,704	4,305,365	1,496,340	25.8%
4	<i>TVE Convention Center</i>					
	Revenues	11,966,875	4,354,292	4,211,181	(143,111)	(3.3%)
	Expenditures	12,324,549	2,747,901	2,484,145	263,755	9.6%
5	<i>TVE Cheney Stadium</i>					
	Revenues	1,617,089	366,437	367,114	677	0.2%
	Expenditures	1,489,475	475,092	31,551	443,540	93.4%
6	<i>TVE Tacoma Dome</i>					
	Revenues	12,008,688	4,886,156	5,265,432	379,276	7.8%
	Expenditures	10,253,870	3,469,045	3,639,692	(170,647)	(4.9%)

Note: In instances where revenues for the biennium do not match expenditures, cash balance is being utilized.

General Fund Supported Funds shaded grey.

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OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

VARIANCE NOTES

- 1 **PW Street Operations & Engineering** - Expense: Favorable variance due to personnel savings from vacant positions and increased charges to capital projects (+\$581k), pending maintenance projects (+387k), savings in street maintenance (+\$1,072k) due to weather is offset by unplanned spending for emergency response (-\$900k).
- 2 **Traffic Enforcement, Engineering & Education** - Expense: Favorable variance due to vacancy savings (+\$135k), delayed payments to Sensys (+\$118k), offset by unbudgeted labor costs (-\$91k).
- 3 **Permit Services** - Expense: Favorable variance due to a delays in the 3rd floor remodel (+\$334k), IT projects (+\$337k), and the use of professional services and external contract services for implementing budget initiatives (+\$488k), as well as vacancy savings (+\$258k).
- 4 **TVE Convention Center** - Revenue: Unfavorable variance due to change in Aramark Contract (-\$144k). Expense: Favorable variance due to vacancy savings, external contract services (+\$186k), and software license invoice payment getting pushed to June (+\$50k).
- 5 **TVE Cheney Stadium** - Expense: Favorable variance (+\$443K) due to timing of Debt Service payments and payment of State leasehold tax.
- 6 **TVE Tacoma Dome** - Revenue: Favorable variance (+\$375k) due to hosting more events than planned, miscellaneous revenue, and increased tax collection. Expense: Unfavorable variance (-\$171k) due to hosting more events than planned, external contract Services (-\$98k) and Temp Labor services (-\$158k).

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GENERAL GOVERNMENT INTERNAL SERVICE FUND OVERVIEW

Department	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
City Attorney's Office	\$ 13,555,066	\$ 2,196,417	\$ 2,102,982	\$ 93,435	4.3%
City Council	3,204,295	526,450	485,435	41,014	7.8%
1 City Manager's Office	9,067,274	1,456,701	1,299,996	156,705	10.8%
Environmental Services	1,297,200	206,673	206,766	(93)	0.0%
2 Finance	22,909,809	3,701,384	3,243,542	457,842	12.4%
3 Fire	755,321	114,339	48,658	65,681	57.4%
Hearing Examiner	908,057	147,280	141,747	5,533	3.8%
4 Human Resources	15,393,614	2,750,825	2,019,816	731,009	26.6%
5 Information Technology	58,753,191	9,456,818	8,834,851	621,967	6.6%
Total Expenditures	\$ 125,843,827	\$ 20,556,887	\$ 18,383,794	\$ 2,173,093	10.6%

Analysis for expenditure variances are provided for all departments in which the actual amount differs from the planned amount by at least \$100,000.

VARIANCE NOTES

- 1 **City Manager's Office** - Favorable variance is due to vacancy savings (+\$127k) and delay in external contracts for special projects (+\$29k).
- 2 **Finance** - Favorable variance due to labor savings (+\$313k), professional services savings (+\$65k) and delayed audit billings (+\$39k).
- 3 **Fire** - Favorable variance due to delay in hiring Emergency Management Officer (+\$66k).
- 4 **Human Resources** - Favorable variance due to vacancy savings (+\$140k) and delays in external contract services (+\$527k).
- 5 **Information Technology** - Favorable variance due to labor savings from vacancies and charging labor costs to others (+\$514k), delayed PC replacement (+\$209k), less than planned expenditures on communication materials (+\$143k), and delayed payment for Gartner subscription (+\$109k), offset by the accounting treatment of certain hardware maintenance agreements (-\$363k).

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