

May 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	\$ 244,399,250	\$ 110,626,381	\$ 114,821,325	\$ 4,194,945	3.8%
Expenditures	\$ 266,595,514	\$ 103,438,763	\$ 98,835,140	\$ 4,603,623	4.5%
Revenue Over Expenditure Variance (Fund Balance)	\$ (22,196,264)	\$ 7,187,618	\$ 15,986,185	\$ 8,798,567	

SUMMARY

Through the first five months of 2019, revenues and expenditures were favorable, resulting in an overall \$8.8 million positive position.

REVENUE OVERVIEW

Through May, General Fund revenues were favorable by approximately \$4.1 million.

- *Property Taxes* (+\$1.6M)
 - Greater Early and On-Time Payments
- *Sales Taxes* (+\$1.4M)
 - Favorable Retail, Administrative Support, "Other," and Natural Gas Use Tax
- *Utility Taxes* (+\$707k)
- *Intergovernmental Revenues* (-\$245k)
 - Delayed Tribal revenues, offset by higher Criminal Justice Funding, Liquor Taxes and Profits
- *Business Taxes* (+\$233k)
 - Favorable Service, Wholesaling, and Manufacturing taxes; offset by weaker Natural Gas and Cell Phone Taxes, and higher Multi Activity and Job Credits
- *Licenses & Permits* (+\$299k)
 - Higher annual business licenses revenue
- *Charges for Services* (-\$228k)
- *Fines & Forfeitures* (-\$38k)
- *Miscellaneous Revenues* (+\$544k)

EXPENDITURE OVERVIEW

Through May, General Fund expenditures were favorable by approximately \$4.2 million.

- *Community and Economic Development (CED)* (+\$216k)
 - Labor Savings
 - External Contracts
- *Finance* (+\$213k)
 - Labor Savings
 - Software Licensing
- *Fire* (+\$820k)
 - Delayed purchase of vehicle, offset by Overtime Expenses
- *Library* (+\$100k)
 - Labor Savings
- *Municipal Court* (+\$212k)
 - Labor Savings
 - Juror Expenses
- *Neighborhood & Community Services (NCS)* (+\$654k)
 - Delay in Human Service Contracts
- *Non-Departmental* (+\$1.3M)
 - Delay in transfers to capital projects
- *Planning & Development Services (PDS)* (+\$337k)
 - Delay in initiative implementation
- *Police* (+\$369k)
 - Labor Savings
 - Fuel Savings
 - Delayed Contracts
- *Public Works* (+\$206k)
 - Labor Savings
 - Seasonal Work
- *Tacoma Venues & Events (TVE)* (+\$101k)
 - Timing of Contract Payments

Prepared By The Office of Management and Budget

Through May 31, 2019

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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	\$ 26,624,796	\$ 28,217,373	\$ 1,592,577	6.0%
2	Sales Tax	57,763,956	22,969,640	24,344,440	1,374,800	6.0%
3	Business Tax	52,714,759	26,398,395	26,631,292	232,896	0.9%
4	Utility Tax	46,231,884	20,252,570	20,959,856	707,286	3.5%
5	Intergovernmental Revenues	10,912,481	4,994,013	4,749,035	(244,977)	-4.9%
6	Licenses & Permits	7,144,801	5,813,234	6,111,743	298,509	5.1%
7	Charges for Services	4,529,018	1,782,616	1,554,514	(228,102)	-12.8%
	Other Taxes	1,990,896	633,919	589,979	(43,940)	-6.9%
8	Fines & Forfeits	855,245	356,352	317,896	(38,456)	-10.8%
9	Miscellaneous Revenues	1,790,330	800,847	1,345,198	544,351	68.0%
	Total	\$ 244,399,250	\$ 110,626,381	\$ 114,821,325	\$ 4,194,945	3.8%

Use of Fund Balance (Negative value denotes addition to cash)	\$ 22,196,264	\$ (7,187,618)
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Total	\$ 266,595,514	\$ 103,438,763
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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 timing of payments (+\$1.7M), but offset by fewer delinquent property tax payments (-\$70k). The favorable variance drops in June to +\$300k.
- Sales Tax** - Favorable variance due to Retail (+\$351k), Admin Support (+\$204k), and "Other" (+\$148k) 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 (+\$475k), Wholesaling (+\$547k), Manufacturing (+\$218k), but offset by lower than expected returns in Natural Gas Tax (-\$221k), and Cell Phone (-\$374k) categories, and higher than expected use of Multi Activity (-\$308k) and Job (-\$101k) Credits.
- Utility Tax** - Favorable variance due to higher than expected gross earnings taxes from all utilities (+\$707k). Water is up the most (+\$260k) due to greater than planned residential and commercial water sales.
- Intergovernmental Revenues** - Unfavorable variance due to later than expected Tribal revenues (-\$772k), but offset by higher criminal justice funding (+\$323k), ground emergency medical transportation funding (+\$143k), and liquor taxes and profits (+\$69k).
- Licenses & Permits** - Favorable variance due to greater than planned annual business licenses revenue (+\$147k) and street vacation and right of way permits issued (+\$89k).
- Charges for Services** - Unfavorable variance due to lower than expected non-emergency lift assist fines (-\$96k), false alarm fees (-\$61k), and greater than expected emergency transportation write-offs (-\$69k).
- Fines & Forfeitures** - Unfavorable variance due to fewer civil (-\$26k) and criminal (-\$12k) penalties.
- Miscellaneous Revenues** - Favorable due to interest earnings (+\$579k).

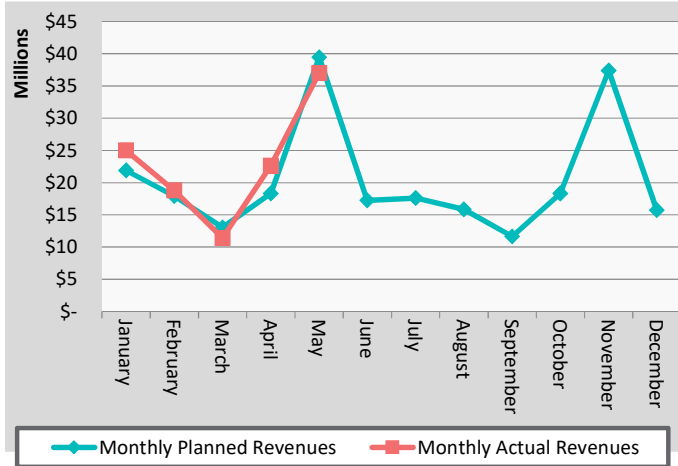
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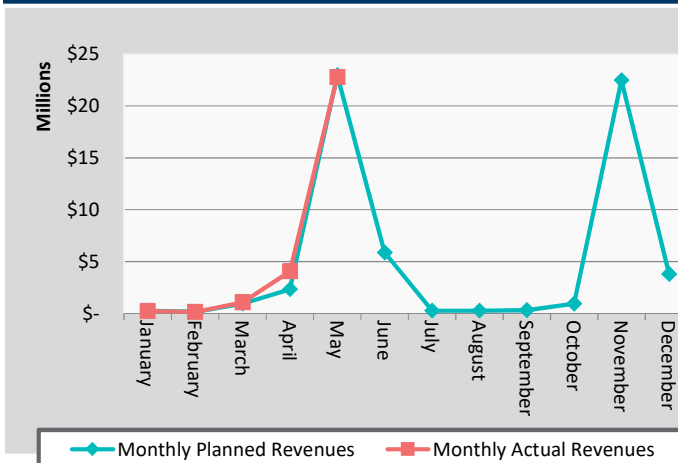
GENERAL FUND REVENUES

ALL REVENUE SOURCES



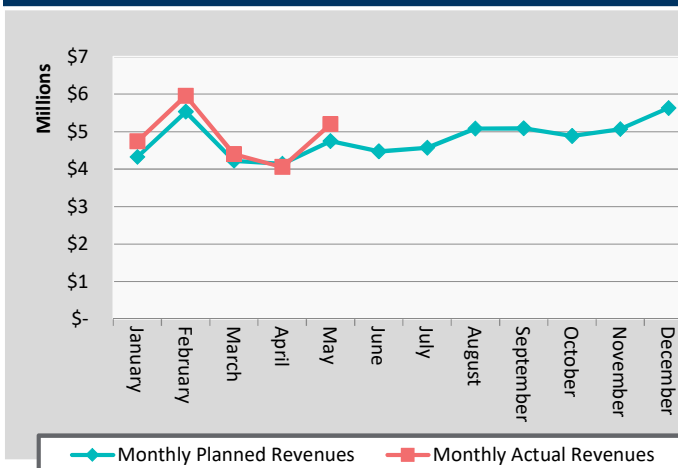
	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 21,879,553	\$ 24,974,353	\$ 3,094,800
February	17,919,228	18,791,415	872,187
March	13,042,034	11,411,927	(1,630,107)
April	18,330,518	22,647,694	4,317,177
May	39,455,048	36,995,935	(2,459,112)
June	17,244,678		
July	17,577,646		
August	15,850,205		
September	11,655,944		
October	18,320,910		
November	37,394,132		
December	15,729,356		
2019 Total	\$ 244,399,250	\$ 114,821,325	\$ 4,194,945

PROPERTY TAX



	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 242,549	\$ 226,494	\$ (16,054)
February	137,185	120,148	(17,036)
March	930,866	1,033,330	102,464
April	2,332,609	4,033,347	1,700,738
May	22,981,589	22,804,053	(177,535)
June	5,867,938		
July	260,522		
August	242,979		
September	301,352		
October	912,239		
November	22,481,609		
December	3,774,447		
2019 Total	\$ 60,465,879	\$ 28,217,373	\$ 1,592,577

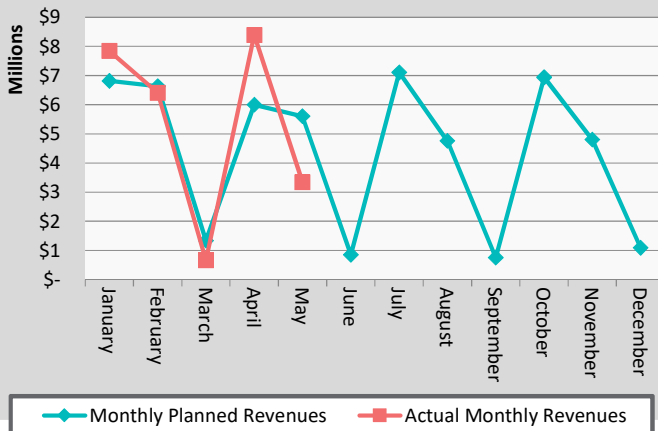
SALES TAX



	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	5,194,622	446,442
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	\$ 24,344,440	\$ 1,374,800

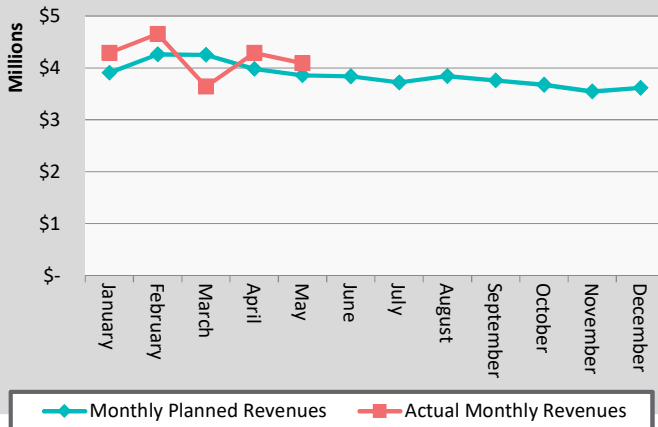
GENERAL FUND REVENUES

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	3,334,807	(2,271,656)
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	\$ 26,631,292	\$ 232,896

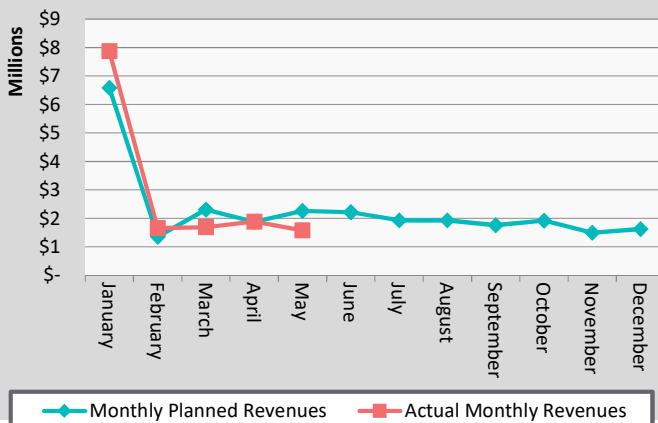
UTILITY/GROSS EARNINGS TAX



	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	4,089,233	232,428
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	\$ 20,959,856	\$ 707,286

OTHER REVENUES

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



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$ 6,590,314	\$ 7,874,412	\$ 1,284,097
February	1,354,006	1,657,152	303,146
March	2,302,287	1,680,071	(622,216)
April	1,872,362	1,883,511	11,149
May	2,262,010	1,573,219	(688,791)
June	2,213,440		
July	1,923,704		
August	1,924,521		
September	1,755,192		
October	1,914,217		
November	1,490,796		
December	1,619,923		
2019 Total	\$ 27,222,772	\$ 14,668,365	\$ 287,385

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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	\$ 1,120,460	\$ 1,106,457	\$ 14,003	1.2%
	City Manager's Office	481,272	200,530	186,930	13,600	6.8%
1	Community & Economic Development	3,742,132	1,448,478	1,232,849	215,630	14.9%
2	Finance	4,445,052	1,908,519	1,695,223	213,296	11.2%
3	Fire	63,320,954	26,996,927	26,177,150	819,778	3.0%
4	Library	14,823,952	5,914,145	5,813,916	100,229	1.7%
5	Municipal Court	4,082,714	1,701,439	1,489,178	212,261	12.5%
6	Neighborhood & Community Services	13,494,689	5,205,319	4,551,099	654,220	12.6%
7	Planning & Development Services	2,546,334	1,060,973	724,342	336,631	31.7%
8	Police	86,475,430	36,083,521	35,714,867	368,653	1.0%
9	Public Works	2,933,381	1,222,241	1,016,208	206,033	16.9%
10	Tacoma Venues and Events	1,189,179	495,491	394,176	101,315	20.4%
11	Non-Departmental	66,371,319	20,080,718	18,732,744	1,347,974	6.7%
	Total Expenditures	\$ 266,595,514	\$ 103,438,763	\$ 98,835,140	\$ 4,603,623	4.5%

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 (+\$151k), delay in workforce development contract (+\$14k), and transfer to Tacoma Community Redevelopment Authority (+\$58k).
- 2 **Finance** - Favorable variance due to vacancy savings (+\$98k), professional services savings (+\$55k), and delayed software license and maintenance payments (+\$31k) for File Local.
- 3 **Fire** - Favorable variance due to delayed purchase of two apparatuses (+\$1.2M), vacancy savings (+\$700k), and delayed payments for turnouts and equipment (+\$200k), offset by overtime spending as the department is experiencing a significant increase in overtime utilization (-\$1.1M), and unbudgeted leave payouts (-\$280k).
- 4 **Library** - Favorable variance due to delay in hiring (+\$216k) and delay in library material purchases (+\$87k), offset by timing of insurance payments and facility costs (-\$111k).
- 5 **Municipal Court** - Favorable variance due to vacancy savings (+\$161k), savings in professional services (+\$50k), and juror and interpretation expenses (+\$17k).
- 6 **Neighborhood & Community Services** - Favorable variance due to vacancy savings (+\$214k) and delays in external contract payments in Homelessness Phase II and Education Services (+\$515k), offset by spending ahead of plan for professional services (-\$54k), operating supplies in Senior Wellness (-\$10k), and office expenses in Health and Healthcare (-\$17k).
- 7 **Planning & Development Services** - Favorable variance due to a delay in implementation of Citywide initiatives (+\$186k) as well as the Tideflats Subarea Plan (+\$104k), which is currently going through the RFP process.
- 8 **Police** - Favorable variance due to vacancy savings (+\$1.35M), fuel savings (+\$142k), South Sound 911 (+\$127k), but offset by higher than anticipated overtime usage (-\$1.26M).
- 9 **Public Works** - Favorable variance due to vacancy savings (+\$120k) and delayed expenditures in maintenance and operations as work ramps up through the year (+\$85k).
- 10 **Tacoma Venues & Events** - Favorable variance due to timing of payments for Arts contract and New Year's Eve celebration (+\$101k).
- 11 **Non-Departmental** - Favorable variance due to delayed transfers to capital projects (+\$325k), a delayed transfer to the TFD Special Revenue Fund to support a grant (+\$104k), and less than planned police and fire retiree medical expenses (+\$405k).

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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	26,782,347	11,097,690	10,765,652	(332,038)	(3.0%)
	Expenditures	27,735,972	11,156,343	9,766,195	1,390,149	12.5%
2	<i>Traffic Enforcement, Engineering & Education</i>					
	Revenues	3,639,182	1,516,326	1,703,907	187,581	12.4%
	Expenditures	3,631,504	1,513,126	1,437,375	75,752	5.0%
ENTERPRISE FUNDS						
3	<i>Permit Services</i>					
	Revenues	17,087,614	7,119,839	7,140,703	20,863	0.3%
	Expenditures	17,405,115	7,252,131	5,571,133	1,680,997	23.2%
4	<i>TVE Convention Center</i>					
	Revenues	11,966,875	5,374,913	4,563,741	(811,172)	(15.1%)
	Expenditures	12,727,549	3,457,063	3,107,521	349,542	10.1%
5	<i>TVE Cheney Stadium</i>					
	Revenues	1,617,089	520,546	525,713	5,167	1.0%
	Expenditures	1,489,475	593,864	35,667	558,197	94.0%
6	<i>TVE Tacoma Dome</i>					
	Revenues	12,008,688	5,797,586	6,296,862	499,276	8.6%
	Expenditures	11,480,128	4,342,737	4,443,130	(100,393)	(2.3%)

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** - Revenue: Unfavorable variance due to delays in contracted maintenance projects that will be reimbursed from multimodal fund (-\$202k) and motor vehicle fuel tax (-\$133k). Expense: Favorable variance due to personnel savings from vacant positions and increased charges to capital projects (+\$542k), pending maintenance projects (+\$597k), savings in street maintenance (+\$946k) due to weather is offset by unplanned spending for emergency response (-\$900k).
- 2 **Traffic Enforcement, Engineering & Education** - Revenue: Favorable variance due to higher than expected revenues from speed camera infractions (+\$304k), partially offset by lower than expected revenues from red light infractions (-\$129k).
- 3 **Permit Services** - Expense: Favorable variance due to delays in initiatives (+\$715k) such as the 3rd floor remodel and IT projects, and vacancy savings (+\$246k).
- 4 **TVE Convention Center** - Revenue: Unfavorable variance due to an error in transfers (-\$750k) to be corrected in the next reporting period. Expense: Favorable variance due to vacancy savings (+\$56k), external contract services (+\$223k), and software license invoice payment getting pushed to July (+\$50k).
- 5 **TVE Cheney Stadium** - Expense: Favorable variance (+\$570k) due to timing of Debt Service payment.
- 6 **TVE Tacoma Dome** - Revenue: Favorable variance due to hosting more events than planned: miscellaneous revenue (+\$237k) and increased admission tax collection (+\$254k). Expense: Unfavorable variance due to hosting more events than planned: external contract services (-\$56k) and Temp Labor services (-\$163k); offset by timing of debt service payment (+\$167k).

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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	\$ 6,589,251	\$ 2,745,522	\$ 2,667,301	\$ 78,220	2.8%
City Council	1,589,350	663,062	610,010	53,052	8.0%
1 City Manager's Office	4,626,128	1,828,019	1,665,049	162,970	8.9%
Environmental Services	620,020	258,342	258,441	(99)	0.0%
2 Finance	11,824,740	4,659,833	4,820,437	(160,604)	-3.4%
3 Fire	373,016	142,923	102,245	40,679	28.5%
Hearing Examiner	442,840	184,517	179,709	4,808	2.6%
4 Human Resources	7,584,364	3,387,825	3,009,254	378,571	11.2%
5 Information Technology	31,892,166	13,023,088	10,935,758	2,087,330	16.0%
Total Expenditures	\$ 65,541,875	\$ 26,893,130	\$ 24,248,203	\$ 2,644,927	9.8%

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

- City Manager's Office** - Favorable variance is due to timing of hirings (+\$124k) and delay in external contracts for special projects (+\$45k).
- Finance** - Unfavorable variance due to insurance expense being posted to the wrong fund (-\$673k) to be corrected in the next reporting period, offset by vacancy savings (+\$345k).
- Fire** - Favorable variance due to delay in hiring Emergency Management Officer (+\$55k).
- Human Resources** - Favorable variance due to vacancy savings (+\$108k) and delays in external contract services (+\$205k) such as the Classification and Compensation Study and training & development.
- Information Technology** - Favorable variance due to labor savings from vacancies and charging labor costs to others (+\$514k), delayed PC replacements (+\$295k), less than planned expenditures on communication materials (+\$184k), professional services savings (+\$144k), software maintenance payments (+\$600k) to be corrected in next reporting period, and adjustments in timing of software licensing payments (+\$740k); offset by the accounting treatment of certain hardware maintenance agreements (-\$363k).

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