

June 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	\$ 127,871,058	\$ 132,066,998	\$ 4,195,940	3.3%
Expenditures	\$ 266,595,514	\$ 132,671,943	\$ 127,931,497	\$ 4,740,446	3.6%
Revenue Over Expenditure Variance (Fund Balance)	\$ (22,196,264)	\$ (4,800,884)	\$ 4,135,501	\$ 8,936,385	

SUMMARY

Through the first two quarters of 2019, revenues and expenditures were favorable, resulting in an overall \$8.9 million positive position.

REVENUE OVERVIEW

Through June, General Fund revenues were favorable by approximately \$4.2 million.

- *Property Taxes* (+\$297k)
 - Timing of payments and fewer delinquent payments
- *Sales Taxes* (+\$1.4M)
 - Favorable Retail, Administrative Support, "Other," and Natural Gas Use Tax
- *Utility Taxes* (+\$819k)
- *Other Revenues*
 - *Licenses & Permits* (+\$429k)
 - Higher street vacation & right of way permits and animal licenses
 - *Intergovernmental Revenues* (+\$347k)
 - PSE contributions, higher Criminal Justice Funding, Liquor Taxes and Profits, offset by later than expected Tribal revenues
 - *Charges for Services* (-\$116k)
 - *Miscellaneous Revenues* (+\$1.2M)

EXPENDITURE OVERVIEW

Through June, General Fund expenditures were favorable by approximately \$4.7 million.

- *Community and Economic Development (CED)* (+\$116k)
 - Labor Savings
 - External Contracts
- *Finance* (+\$304k)
 - Labor Savings
 - Software Licensing
- *Library* (+\$605k)
 - Labor Savings
 - Delay in IT uplift project
- *Municipal Court* (+\$234k)
 - Labor Savings
 - Juror & Interpretation Expenses
- *Neighborhood & Community Services (NCS)* (+\$859k)
 - Labor Savings
 - Delay in Human Service Contracts
- *Non-Departmental* (+\$1.5M)
 - Delayed Transfers
 - Retired Police & Fire Medical Expenses
- *Planning & Development Services (PDS)* (+\$458k)
 - Delay in initiative implementation
- *Police* (+\$257k)
 - Labor Savings
 - Fuel Savings
 - Delayed Contracts
- *Public Works* (+\$265k)
 - Labor Savings
 - Seasonal Work
- *Tacoma Venues & Events (TVE)* (+\$111k)
 - Timing of Contract Payments

Prepared By The Office of Management and Budget

Through June 30, 2019

June 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	\$ 32,492,734	\$ 32,789,688	\$ 296,954	0.9%
2	Sales Tax	57,763,956	27,444,843	28,854,839	1,409,997	5.1%
	Business Tax	52,714,759	27,249,065	27,210,103	(38,962)	-0.1%
3	Utility Tax	46,231,884	24,089,998	24,908,740	818,741	3.4%
4	Intergovernmental Revenues	10,912,481	6,062,293	6,409,776	347,483	5.7%
5	Licenses & Permits	7,144,801	5,993,582	6,422,186	428,604	7.2%
6	Charges for Services	4,529,018	2,133,068	2,017,163	(115,905)	-5.4%
	Other Taxes	1,990,896	1,082,688	1,014,114	(68,574)	-6.3%
	Fines & Forfeits	855,245	427,623	386,362	(41,260)	-9.6%
7	Miscellaneous Revenues	1,790,330	895,165	2,054,027	1,158,862	129.5%
	Total	\$ 244,399,250	\$ 127,871,058	\$ 132,066,998	\$ 4,195,940	3.3%

Use of Fund Balance (Negative value denotes addition to cash)	\$ 22,196,264	\$ 4,800,884
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Total	\$ 266,595,514	\$ 132,671,943
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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 (+\$414k), but offset by fewer delinquent property tax payments (-\$112k).
- Sales Tax** - Favorable variance due to Retail (+\$396k), Admin Support (+\$236k), and "Other" (+\$193k) categories, offset by lower sales taxes in Construction (-\$125k) and Real Estate Rental and Leasing (-\$203k). Natural Gas Use Tax is also up (+\$512k) due to supply issues that have caused the price to increase dramatically.
- Utility Tax** - Favorable variance due to higher than expected gross earnings taxes from all utilities (+\$818k). Water is up the most (+\$346k) due to greater than planned residential and commercial water sales.
- Intergovernmental Revenues** - Favorable variance due to unbudgeted but anticipated contributions from PSE (+\$500k), higher criminal justice funding (+\$323k), and liquor taxes and profits (+\$51k), offset by later than expected Tribal revenues (-\$743k).
- Licenses & Permits** - Favorable variance due to greater than planned street vacation and right of way permits issued (+\$229k) and animal licensing revenue (+\$116k).
- Charges for Services** - Unfavorable variance due to lower than expected non-emergency lift assist fines (-\$120k), Police false alarm fees (-\$78k), and Fire false alarm fees (-\$66k), offset by timing of law enforcement services revenue (+\$180k).
- Miscellaneous Revenues** - Favorable variance due to interest earnings (+\$752k) and the receipt of Tacoma Creates tax revenue (+\$465k) until it can be moved to its own fund.

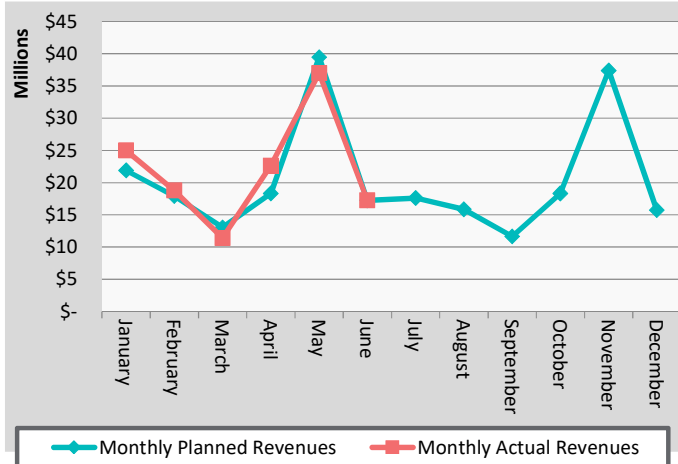
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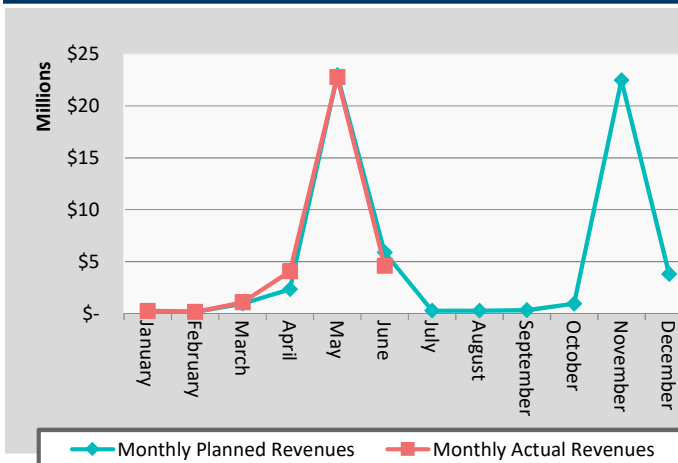
GENERAL FUND REVENUES

ALL REVENUE SOURCES



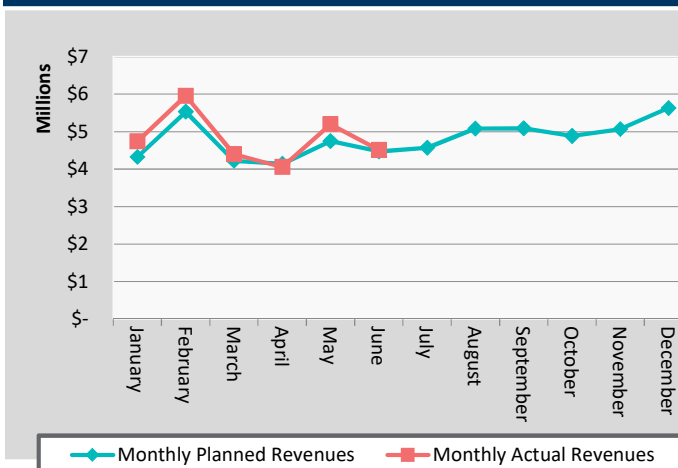
	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 21,879,553	\$ 24,974,353	\$ 3,094,800
February	17,919,228	18,791,415	872,187
March	13,042,034	11,411,927	(1,630,107)
April	18,330,518	22,647,694	4,317,177
May	39,455,048	36,995,935	(2,459,112)
June	17,244,678	17,245,673	995
July	17,577,646		
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	\$ 132,066,998	\$ 4,195,940

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	4,572,315	(1,295,623)
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	\$ 32,789,688	\$ 296,954

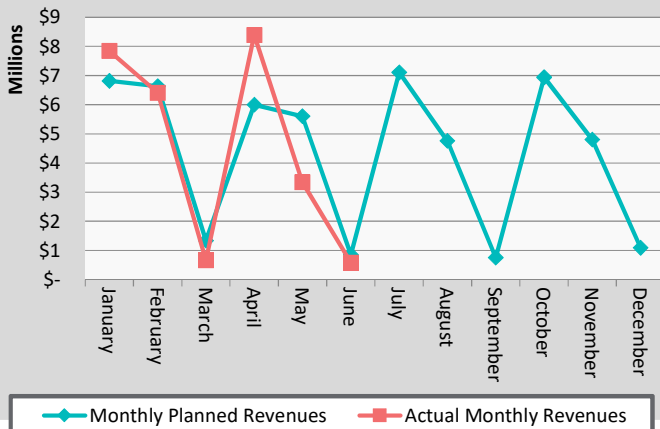
SALES TAX



	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	4,510,400	35,197
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	\$ 28,854,839	\$ 1,409,997

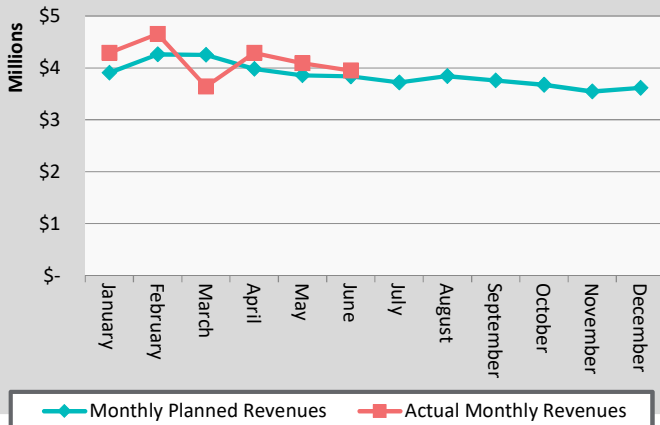
GENERAL FUND REVENUES

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	578,811	(271,858)
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	\$ 27,210,103	\$ (38,962)

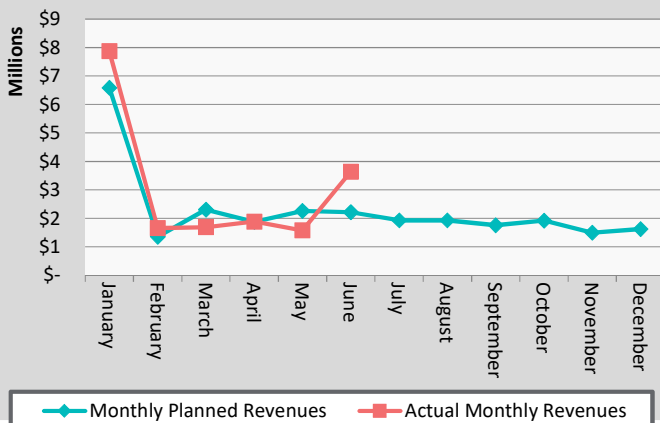
UTILITY/GROSS EARNINGS TAX



	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	3,948,883	111,455
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	\$ 24,908,740	\$ 818,741

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	3,635,264	1,421,824
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	\$ 18,303,629	\$ 1,709,209

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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	\$ 1,344,552	\$ 1,316,042	\$ 28,510	2.1%
	City Manager's Office	481,272	240,636	224,395	16,241	6.7%
1	Community & Economic Development	3,742,132	1,763,526	1,648,022	115,504	6.5%
2	Finance	4,445,052	2,286,039	1,982,050	303,989	13.3%
	Fire	63,320,954	31,010,726	31,053,078	(42,352)	-0.1%
3	Library	14,823,952	7,593,535	6,988,132	605,403	8.0%
4	Municipal Court	4,082,714	2,046,908	1,812,482	234,426	11.5%
5	Neighborhood & Community Services	13,494,689	6,424,838	5,566,065	858,772	13.4%
6	Planning & Development Services	2,546,334	1,273,167	815,011	458,156	36.0%
7	Police	86,475,430	43,282,364	43,025,473	256,890	0.6%
8	Public Works	2,933,381	1,466,690	1,201,638	265,052	18.1%
9	Tacoma Venues and Events	1,189,179	594,589	483,281	111,309	18.7%
10	Non-Departmental	66,371,319	33,344,372	31,815,828	1,528,544	4.6%
	Total Expenditures	\$ 266,595,514	\$ 132,671,943	\$ 127,931,497	\$ 4,740,446	3.6%

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 **Community & Economic Development** - Favorable variance due to vacancy savings (+\$37k), delay in workforce development contract (+\$87k), offset by overspending for the advertising of Economic Development Services (-\$38k).
- 2 **Finance** - Favorable variance due to vacancy savings (+\$134k), professional services savings (+\$66k), and delayed software license and maintenance payments (+\$56k).
- 3 **Library** - Favorable variance due to delay in hiring (+\$268k), a delay in the IT uplift project (+\$490k), and a delay in library material purchases (+\$102k), offset by earlier than planned facility projects (-\$151k).
- 4 **Municipal Court** - Favorable variance due to personnel savings (+\$178k) and juror and interpretation expenses (+\$19k).
- 5 **Neighborhood & Community Services** - Favorable variance due to vacancy savings (+\$282k) and delays in external contract payments with the majority in Social Wellness and Homelessness & Household Stability Services (+\$598k).
- 6 **Planning & Development Services** - Favorable variance due to a delay in implementation of Citywide initiatives (+\$253k) such as the Pacific Avenue Corridor Study and 3rd floor remodel, as well as the Tideflats Subarea Plan (+\$125k), which is currently going through the RFP process.
- 7 **Police** - Favorable variance due to vacancy savings (+\$1.5M) which are offset by higher than anticipated overtime (-\$1.1M), benefits (-\$512k), and Paid Time Off cashouts (-\$160k). Lower than anticipated fuel costs (+\$117k) and south sound 911 contract (+\$161k) are also contributing to the favorable variance.
- 8 **Public Works** - Favorable variance due to vacancy savings (+\$157k) and delayed expenditures in maintenance and operations as work ramps up through the year (+\$110k).
- 9 **Tacoma Venues & Events** - Favorable variance due to timing of payments for Arts and Special Events external contract services payments (+\$111k).
- 10 **Non-Departmental** - Favorable variance due to less than expected expenses in police and fire retirement funds (+\$700k), leave severance pay-outs (+\$300k), and timing of transfers to other funds (+\$400k).

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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	2015 Voted Streets Initiative Fund					
	Revenues	21,828,035	11,305,567	11,734,903	429,336	3.8%
	Expenditures	21,828,035	10,914,017	8,841,559	2,072,458	19.0%
2	PW Street Operations & Engineering					
	Revenues	26,782,347	13,341,470	13,005,450	(336,020)	(2.5%)
	Expenditures	27,735,972	13,900,512	11,451,672	2,448,840	17.6%
3	TFD Emergency Medical Services					
	Revenues	23,270,930	9,046,470	11,036,359	1,989,889	22.0%
	Expenditures	19,334,688	11,064,975	10,432,834	632,141	5.7%
4	Municipal Cable TV					
	Revenues	3,553,925	1,776,963	1,773,189	(3,773)	(0.2%)
	Expenditures	3,632,533	1,691,266	1,196,733	494,533	29.2%
5	Traffic Enforcement, Engineering & Education					
	Revenues	3,639,182	1,819,591	2,048,300	228,709	12.6%
	Expenditures	3,631,504	1,815,752	1,652,036	163,716	9.0%
6	Mental Health & Chemical Dependency					
	Revenues	6,133,448	2,914,242	3,102,517	188,275	6.5%
	Expenditures	7,354,351	2,362,260	2,002,899	359,361	15.2%
7	Real Estate Excise Tax					
	Revenues	7,748,334	3,874,167	4,775,268	901,101	23.3%
* Expenses are not reported here due to the variability of project expenses vs. monthly plans. Please see the most recent Capital Project Update Report for up-to-date spending on capital projects.						
ENTERPRISE FUNDS						
8	Permit Services					
	Revenues	17,087,614	8,543,807	8,706,178	162,370	1.9%
	Expenditures	17,405,115	8,702,557	6,649,542	2,053,015	23.6%
9	PW Parking Operations					
	Revenues	7,950,310	3,724,949	3,454,484	(270,466)	(7.3%)
	Expenditures	7,796,211	2,605,750	2,291,337	314,413	12.1%
10	TVE Convention Center					
	Revenues	11,966,875	6,231,336	6,248,752	17,416	0.3%
	Expenditures	12,727,549	4,137,777	3,726,598	411,179	9.9%
11	TVE Cheney Stadium					
	Revenues	1,617,089	674,655	685,079	10,423	1.5%
	Expenditures	1,489,475	712,637	563,040	149,598	21.0%
12	TVE Tacoma Dome					
	Revenues	12,008,688	6,910,841	7,796,031	885,191	12.8%
	Expenditures	11,480,128	6,422,335	5,406,459	1,015,876	15.8%
13	TVE Theaters					
	Revenues	2,495,081	1,515,038	2,121,606	606,568	40.0%
	Expenditures	2,482,403	1,517,449	1,766,453	(249,004)	(16.4%)
14	ES Solid Waste					
	Revenues	71,870,099	35,935,050	36,421,907	486,857	1.4%
	Expenditures	82,539,513	40,183,625	32,567,544	7,616,081	19.0%
15	ES Wastewater					
	Revenues	84,339,000	41,126,000	42,738,674	1,612,674	3.9%
	Expenditures	109,046,001	53,365,125	42,302,586	11,062,539	20.7%

Other Funds Continued on Next Page

OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

	Fund	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
16	<i>ES Surface Water</i>					
	Revenues	40,487,406	18,684,000	20,593,181	1,909,181	10.2%
	Expenditures	53,344,047	25,185,121	18,515,156	6,669,965	26.5%
	INTERNAL SERVICE FUNDS					
17	<i>PW Fleet Equipment Rental</i>					
	Revenues	13,707,787	6,031,393	6,976,060	944,666	15.7%
	Expenditures	16,090,065	6,662,532	4,769,114	1,893,419	28.4%
18	<i>Radio Communications</i>					
	Revenues	2,837,839	1,353,659	1,158,532	(195,127)	(14.4%)
	Expenditures	2,844,949	1,261,124	1,028,139	232,985	18.5%
19	<i>Municipal Building Acquisition & Operations</i>					
	Revenues	5,649,843	2,617,421	2,888,900	271,479	10.4%
	Expenditures	6,496,234	2,863,167	2,235,096	628,072	21.9%

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 **2015 Voted Streets Initiative Fund** - Revenue: Favorable variance due to investment earnings (+\$150k) and higher than anticipated natural gas tax (+\$140k) and utility taxes (+\$104k). Expense: Favorable variance due to the timing of street maintenance work packages and capital project contributions (+\$2.1M). Spending is expected to increase as weather improves.
- 2 **PW Street Operations & Engineering** - Revenue: Unfavorable variance due to delays in contracted maintenance projects that will be reimbursed from grants (-\$377k), multimodal fund (-\$242k), and motor vehicle fuel tax (-\$166k), partially offset by higher than expected revenues in utility taxes (+\$200k) and damage revenues (+\$239k). Expense: Favorable variance due to personnel savings from vacant positions and increased charges to capital projects (+\$745k), pending maintenance projects (+\$824k), some grant spending is happening later than planned (+\$323k), and savings in street maintenance (+\$1.3M) due to weather, which is partially offset by unplanned spending for emergency response (-\$900k).
- 3 **TFD Emergency Medical Services** - Revenue: Favorable variance due to improved Ground Emergency Medical Transportation (GEMT) revenue (+\$1.4M) and increased transports from planned numbers (+\$573k). Expense: Favorable variance due to lower than expected payment to WA Health Care Authority (+\$1.2M), offset by an early transfer to Fleet (-\$548k) and unbudgeted EMT training for firefighters (-\$142k).
- 4 **Municipal Cable TV** - Expense: Favorable variance due to vacancy savings (+\$33k), delay in civic engagement and legal services contracts (+\$95k), delay in operating supplies (+\$16k), and delay in capital projects (+\$191k).
- 5 **Traffic Enforcement, Engineering & Education** - Revenue: Favorable variance due to higher than expected revenues from speed camera infractions (+\$372k), partially offset by lower than expected revenues from red light infractions (-\$149k). Expense: Favorable variance due to personnel savings (+\$163k).
- 6 **Mental Health & Chemical Dependency** - Revenue: Favorable variance due higher Mental Health Sales Tax than planned (+\$107k) and interest earnings (+\$81k). Expense: Favorable variance due to delayed payments in external contracts in Homelessness & Household stability services, Stability Site, and Health Department contracts (+\$308k).
- 7 **Real Estate Excise Tax** - Favorable variance due to stronger than expected real estate market.
- 8 **Permit Services** - Revenue: Favorable variance due to higher than expected Performance Bond seizures (+\$273k) and Work Order revenue (+\$529k), offset by delay in startup of Pre-Applications Fees program (-\$242k) and lower than expected Streets & Curbs permits (-\$552k). Expense: Favorable variance due to delays in initiatives (+\$1.3M) such as the 3rd floor remodel and IT projects, and vacancy savings (+\$339k).
- 9 **PW Parking Operations** - Revenue: Unfavorable variance due to less than planned enforcement revenues from parking enforcement officer vacancies and lower than anticipated monthly parking fees due to commercial tenant vacancies (-\$270k). Expense: Favorable variance due to personnel savings from vacant positions (+\$122k), Republic Contract savings from Museum of Glass and South Plaza garages (+\$68k), and lower than expected parking meter repairs (+\$42k).
- 10 **TVE Convention Center** - Expense: Favorable variance due to personnel savings (+\$80k) and changes in external contracts (+\$257k).
- 11 **TVE Cheney Stadium** - Expense: Favorable variance (+\$149k) due to timing of Debt Service payment.
- 12 **TVE Tacoma Dome** - Revenue: Favorable variance due to increased events: charges for services (+\$394k), taxes (+\$224), and miscellaneous revenue (+\$260k). Expense: Favorable variance due to timing of transfers for the Dome capital project(+ \$1.5M), offset by temporary labor services (-\$214) and external contract services (-\$158k) due to hosting more events than planned.
- 13 **TVE Theaters** - Revenue: Favorable variance due to transfers for Pantages project (+\$606k). Expense: Unfavorable variance (-\$249k) due primarily to the Pantages project; individual items include unplanned maintenance costs (-\$18k), professional service costs (-\$14k), and insurance costs (-\$8k).
- 14 **ES Solid Waste** - Revenue: Favorable variance due to higher than planned disposal revenue (+\$680k) and investment earnings (+\$257k), offset by lower than planned residential (-\$362k) and commercial (-\$189k) collection revenues. Expense: Unfavorable variance in operating expenses due to expected increase in recycling costs and tiered costs for landfill tonnage (-\$980k), capitalized administrative & general expenses (-\$148k), offset by personnel savings (+\$605k) from vacancies, overtime seasonality, and delay in labor contract ratification. Favorable variance in capital expenses (+\$8.1M) due to the timing of capital construction projects & procurement delays.
- 15 **ES Wastewater** - Revenues: Favorable variance due to interest income (+\$699k) and earlier than planned State grant contributions (+\$619k). Expense: Favorable variance in operating expenses due personnel savings from vacancies (+\$850k), external contract and professional services savings (+\$1.0M), and savings in fixed costs, debt service costs, contributions to other funds, and assessments (+\$275k). Favorable variance in capital expenses due projects getting delayed into 2020, including the Energy Management project (+\$3.0M) due to contract negotiations with PSE, and other miscellaneous project delays (+\$2.0M). Other variances are related to common construction impacts: seasonal, prioritizing emergent needs, and schedule changes.
- 16 **ES Surface Water** - Revenues: Favorable variance due to earlier than planned grant contributions from WA Department of Ecology (+\$577k) and contributions in aid of construction (+\$338k), interest income (+\$440k), grant contributions to the Surface Water regional facility (+\$301k), and cash transfers for the Bennett Street LID (+\$200k), offset by lower than planned charges for services (-\$33k). Expenses: Favorable variance in operating expenses due to personnel savings (+\$156k) and timing of debt service payments (+\$290k). Favorable variance in capital expenses due to a delay in the Jefferson/Hood Street Interception and Outfall project (+\$6.5M), currently expected to move into 2020 and beyond. Other variances are related to common construction impacts: seasonal, prioritizing emergent needs, and schedule changes.
- 17 **PW Fleet Equipment Rental** - Revenue: Favorable variance due to timing of vehicle purchases (+\$945k). Revenues have been collected for several vehicles that are on order but not yet purchased. Expense: Favorable variance due to several vehicles having been ordered but not yet received (+\$1.9M). This underspend will go away when the vehicles are received.

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OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

- 18 Radio Communications** - Revenue: Unfavorable variance due to delayed South Sound 911 revenue (-\$195k). Expense: Favorable variance due to vacancy savings (+\$51k), delayed contract for Radio Board and Astro Technical Support (+\$221k), and delayed capital project (+\$40k), offset by TPD Radio purchase ahead of schedule (-\$73k).
- 19 Municipal Building Acquisition & Operations** - Revenue: Favorable variance due to timing of transfers for Broadway LID (+\$208k) and interest earnings (+\$24k). Expense: Favorable variance due to delay in executing outside contracted maintenance work (+\$628k).

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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	\$ 3,294,626	\$ 3,207,388	\$ 87,237	2.6%
City Council	1,589,350	799,675	708,923	90,752	11.3%
1 City Manager's Office	4,626,128	2,282,126	2,023,771	258,355	11.3%
Environmental Services	620,020	310,010	311,081	(1,071)	-0.3%
Finance	11,824,740	5,676,018	5,603,095	72,922	1.3%
2 Fire	373,016	201,508	113,119	88,388	43.9%
Hearing Examiner	442,840	221,420	212,245	9,175	4.1%
3 Human Resources	7,584,364	3,987,325	3,495,256	492,069	12.3%
4 Information Technology	31,892,166	15,831,253	12,224,078	3,607,175	22.8%
Total Expenditures	\$ 65,541,875	\$ 32,603,961	\$ 27,898,958	\$ 4,705,003	14.4%

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 timing of hirings (+\$140k) and delay in payment of external contracts for special projects (+\$175k).
- 2 **Fire** - Favorable variance due to delay in hiring Emergency Management Officer (+\$88k).
- 3 **Human Resources** - Favorable variance due to vacancy savings (+\$142k) and delays in external contract services (+\$248k) such as the Classification and Compensation Study and training & development.
- 4 **Information Technology** - Favorable variance due to labor savings from vacancies and charging labor costs to others (+\$783k), timing of PC replacement and new phone purchases (+\$532k), timing for Professional Services contracts (+\$968k), and timing of software licensing payments (+\$1.6M); offset by the accounting treatment of certain hardware maintenance agreements (-\$488k).

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BENEFIT FUNDS OVERVIEW (REVENUE AND EXPENSE)

Fund	2019/2020 Biennial Budget	BTD Actuals	Actual % of 2-Year Budget
Benefit Funds			
1 Third Party Liability / Self Insurance			
Revenues	\$9,838,600	\$4,842,268	49.2%
Expenditures	\$8,613,671	\$989,703	11.5%
2 Unemployment			
Revenues	\$1,267,200	\$289,748	22.9%
Expenditures	\$1,030,000	\$124,813	12.1%
3 Worker's Compensation			
Revenues	\$15,365,000	\$3,504,441	22.8%
Expenditures	\$15,362,264	\$2,267,036	14.8%
4 Health Care Labor Management			
Revenues	\$136,617,822	\$32,875,369	24.1%
Expenditures	\$146,710,893	\$37,352,064	25.5%
5 Dental Care Management			
Revenues	\$10,755,630	\$2,798,385	26.0%
Expenditures	\$10,754,194	\$2,802,668	26.1%

FUND NOTES

- Third Party Liability / Self Insurance** - Revenues are on target with projections. Expenses are under budget due to lower than expected claims (+\$680k).
- Unemployment** - Revenues on target with projections. Expenses are temporarily below budget due to quarterly payment being made in July for claims (+\$185k).
- Worker's Compensation** - Revenues are lower than anticipated (-\$331k) primarily due to vacancies within the City. Expenses are lower than expected due to lower than expected claims (+\$1.6M).
- Health Care Labor Management** - Revenues are lower than expected due to vacancies (-\$1.4M). Expenses are over budget due to higher than anticipated medical claims (+\$673k).
- Dental Care Management** - Revenues are higher than budgeted due to the actual mix of the two dental plans offered as compared to the breakdown of how they were budgeted (+\$124k). Expenses are higher than budgeted due to the actual mix of the two dental plans offered as compared to the breakdown of how they were budgeted (-\$128k).

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