

June 2020 Monthly Financial Report

GENERAL FUND OVERVIEW

	2020 Budget*	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
** Revenues	\$ 251,410,559	\$ 131,017,457	\$ 125,607,718	\$ (5,409,740)	-4.1%
<i>Returned Capital Contributions</i>	\$ -	\$ -	\$ 3,500,000	\$ 3,500,000	100.0%
Expenditures	\$ 251,505,587	\$ 122,812,940	\$ 114,923,382	\$ 7,889,557	6.4%
Revenue Over Expenditure Variance (Fund Balance)	\$ (95,028)	\$ 8,204,518	\$ 14,184,336	\$ 5,979,818	

** Revenue actuals have been adjusted to remove \$3.5M of capital contributions returned as part of a 2020 savings strategy. Returned Capital Contributions are shown in the row below and included in the final Revenue Over Expenditure Variance (Fund Balance).

SUMMARY

Through Second Quarter 2020, revenues were unfavorable compared to original projections due to COVID-19. Expenditures were favorable due to delays and savings created by the COVID-19 response. The General Fund is in an overall positive position of \$2.5 million, aided by \$3.5 million of returned capital contributions, bringing the positive position to \$6.0 million.

REVENUE OVERVIEW

Through June, General Fund revenues were unfavorable by approximately \$5.4 million, aided by \$3.5 million of returned capital contributions, bringing it to a total unfavorable variance of \$1.9 million.

- *Property Taxes* (-\$3.2M)
 - County's delayed payment deadlines
- *Sales Taxes* (-\$3.4M)
 - Delayed filings, slowdowns in spending
- *Business Taxes* (-\$484k)
 - Unfavorable retailing, cable television, retail services, cell phone/pager, wholesale grains
 - Offset by service and natural gas
- *Utility Taxes* (+\$343k)
 - Favorable Solid Waste, Rail, and Click!
 - Offset by Waste Water, Water, and Power
- *Other Revenues*
 - *Intergovernmental Revenues* (+\$1.1M)
 - Favorable marijuana-related taxes, liquor taxes, criminal justice funding, timing of tribal revenue
 - *Licenses & Permits* (+\$358k)
 - Favorable business license, permit fees, alarm monitoring permits
 - *Fines & Forfeits* (+\$218k)
 - Penalties and interest on business taxes
 - *Miscellaneous Revenues* (-\$361k)
 - Delayed interest subsidies, less than planned interest earnings
 - Excludes \$3.5M in returned capital contributions

EXPENDITURE OVERVIEW

Through June, General Fund expenditures were favorable by approximately \$7.9 million.

- *City Attorney's Office* (+\$210k)
 - Personnel savings
- *City Manager's Office* (+\$186k)
 - Personnel savings
- *Finance* (+\$275k)
 - Personnel savings, delayed software costs
- *Fire* (-\$556k)
 - PTO Payouts and Overtime
- *Library* (+\$1.2M)
 - COVID-19 closures
- *Neighborhood & Community Services (NCS)* (+\$1.3M)
 - Labor Savings
 - External provider billing delays due to COVID-19
- *Planning & Development Services (PDS)* (+\$173k)
 - Vacancy and external service savings
- *Police* (+\$1.1M)
 - Vacancy savings
 - Delays and cancellations of projects and trainings
 - Timing of purchase orders
- *Public Works* (+\$216k)
 - Labor Savings
 - Delayed maintenance & operations expenses
- *Tacoma Venues & Events* (+\$213k)
 - COVID-19 event cancellations
- *Non-Departmental* (+\$3.5M)
 - Pierce County Jail Contract
 - Police and Fire Pensions
 - Local Improvement District assessments

* Throughout this report, revenue budgets have not been adjusted to reflect revised 2020 projections in response to COVID-19. Expense budgets have been adjusted to reflect cancelled projects.

Prepared By The Office of Management and Budget

Through June 30, 2020

June 2020 Monthly Financial Report

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

GENERAL FUND REVENUE OVERVIEW

	Revenue Category	2020 Budget*	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
1	Property Tax	\$ 62,509,681	\$ 33,588,689	\$ 30,400,548	\$ (3,188,141)	-9.5%
2	Sales Tax	59,736,063	28,392,784	24,975,992	(3,416,792)	-12.0%
3	Business Tax	54,100,871	27,945,430	27,461,674	(483,756)	-1.7%
4	Utility Tax	46,780,038	24,473,525	24,816,693	343,167	1.4%
<i>Other Revenues</i>						
5	Intergovernmental Revenues	11,686,845	5,794,924	6,944,547	1,149,623	19.8%
6	Licenses & Permits	7,402,244	6,142,895	6,500,832	357,937	5.8%
	Charges for Services	3,874,663	1,931,878	1,992,275	60,397	3.1%
	Other Taxes	1,995,064	1,084,788	994,895	(89,893)	-8.3%
7	Fines & Forfeits	854,420	427,210	645,566	218,355	51.1%
8**	Miscellaneous Revenues	2,470,669	1,235,335	874,697	(360,637)	-29.2%
	Total	\$ 251,410,559	\$ 131,017,457	\$ 125,607,718	\$ (5,409,740)	-4.1%
	Returned Capital Contributions**	-	-	3,500,000	3,500,000	100.0%
	Total	\$ 251,410,559	\$ 131,017,457	\$ 129,107,718	\$ (1,909,740)	-1.5%

Use of Fund Balance (Negative value denotes addition to cash)	\$ 95,028	\$ (8,204,518)
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Total	\$ 251,505,587	\$ 122,812,940
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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** - Unfavorable variance likely due to the county's delayed payment deadlines (-\$3.2M).
- Sales Tax** - Unfavorable variance due to optional delayed filings as well as continued slowdowns in spending (-\$3.4M).
- Business Tax** - Unfavorable variance due to weaker returns in Retailing (-\$625k), cable television (-\$220k), retail services (-\$180k), cell phone/pager taxes (-\$376k), and a refund in the wholesale of grains category (-\$450k), offset by more taxes in the service (+\$1.2M) and natural gas business taxes (+\$79k).
- Utility Tax** - Favorable variance due to conservative budgeting regarding Click's final months as a City entity (+\$384k) and returns above plan in Solid Waste (+\$97k) and Rail (+\$55k), partially offset by weaker returns in Waste Water (-\$91k), Water (-\$49k), and Power (-\$59k).
- Intergovernmental Revenues** - Favorable variance due to greater than planned marijuana-related taxes (+\$148k), liquor taxes (+\$73k), and state criminal justice funding (+\$161k), as well as earlier than planned tribal revenue (+\$746k), but offset by less than planned fire protection revenue from Fire District 10 (-\$136k).
- Licenses & Permits** - Favorable variance due to greater than expected annual license and permit revenues from annual business licenses (+\$241k), miscellaneous business licenses (+\$43k), and Alarm Monitoring permits (+\$54k). These favorable revenues will likely recede as the year progresses and businesses ask to cancel their annual licenses.
- Fines & Forfeitures** - Favorable variance due to higher than expected penalties and interest on business taxes (+\$313k), offset by lower than planned criminal penalties (-\$25k).
- Miscellaneous Revenues** - Unfavorable variance due to delayed Build America Bond interest subsidies (-\$318k) and less than planned interest earnings (-\$115k). ** In the top table, actuals have been adjusted to remove \$3.5M of capital contributions returned as part of a 2020 savings strategy. Returned Capital Contributions shown below the table and included in the final Total.

* Throughout this report, revenue budgets have not been adjusted to reflect revised 2020 projections in response to COVID-19. Expense budgets have been adjusted to reflect cancelled projects.

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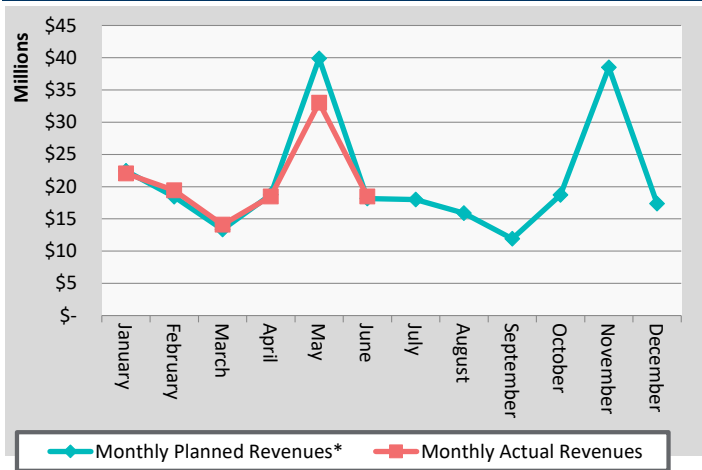
Through June 30, 2020

June 2020 Monthly Financial Report

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

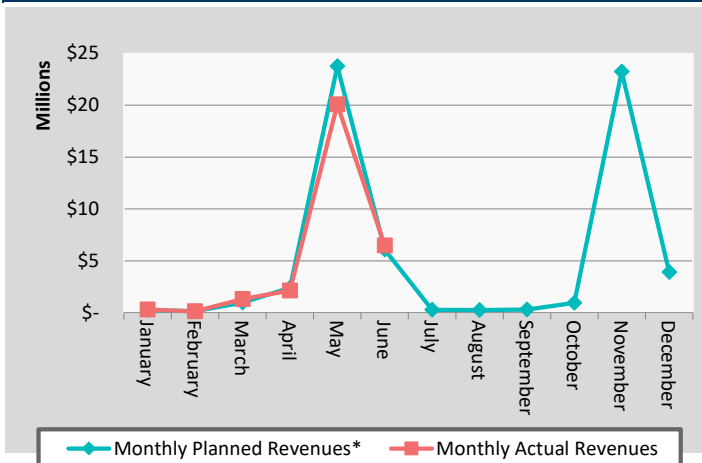
GENERAL FUND REVENUES

ALL REVENUE SOURCES



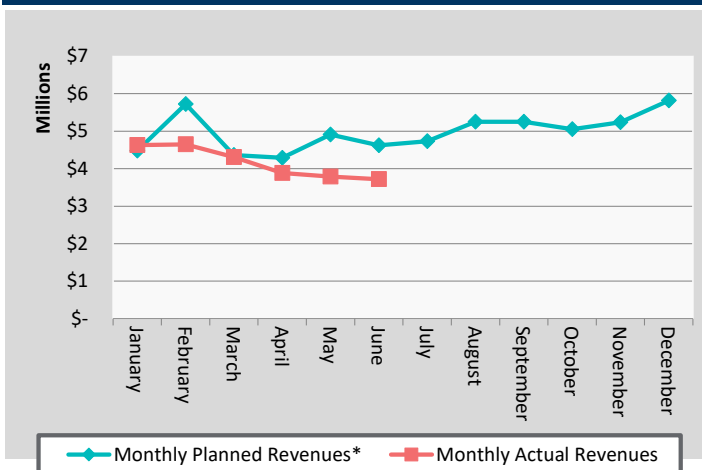
	Monthly Planned Revenues*	Monthly Actual Revenues	Variance
January	\$ 22,462,031	\$ 22,043,955	\$ (418,076)
February	18,418,594	19,413,380	994,786
March	13,329,509	14,097,302	767,793
April	18,753,177	18,474,757	(278,420)
May	39,896,697	33,027,241	(6,869,455)
June	18,157,450	18,481,400	323,950
July	17,994,306		
August	15,890,604		
September	11,914,621		
October	18,724,084		
November	38,494,309		
December	17,375,178		
2020 Total	\$ 251,410,559	\$ 125,538,036	\$ (5,479,422)

PROPERTY TAX



	Monthly Planned Revenues*	Monthly Actual Revenues	Variance
January	\$ 247,958	\$ 288,026	\$ 40,069
February	140,244	118,638	(21,605)
March	961,555	1,315,179	353,624
April	2,411,293	2,124,490	(286,802)
May	23,759,566	20,081,380	(3,678,186)
June	6,068,076	6,472,835	404,760
July	268,946		
August	250,706		
September	311,322		
October	943,141		
November	23,244,060		
December	3,902,820		
2020 Total	\$ 62,509,681	\$ 30,400,548	\$ (3,188,141)

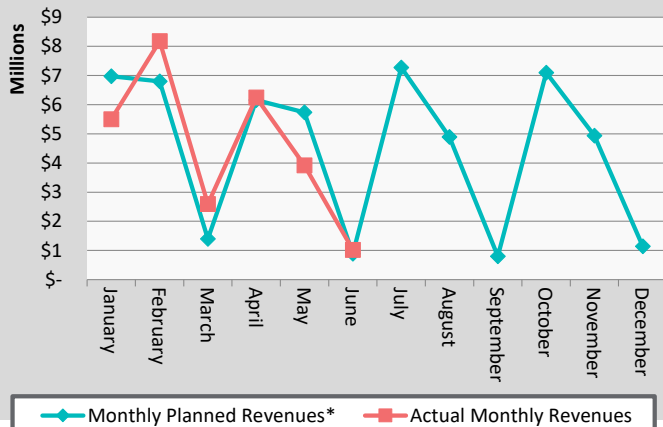
SALES TAX



	Monthly Planned Revenues*	Monthly Actual Revenues	Variance
January	\$ 4,479,335	\$ 4,629,670	\$ 150,334
February	5,719,679	4,647,483	(1,072,195)
March	4,364,994	4,310,880	(54,115)
April	4,290,350	3,882,090	(408,260)
May	4,912,817	3,787,879	(1,124,938)
June	4,625,608	3,717,990	(907,619)
July	4,729,841		
August	5,252,762		
September	5,254,436		
October	5,050,363		
November	5,239,815		
December	5,816,062		
2020 Total	\$ 59,736,063	\$ 24,975,992	\$ (3,416,792)

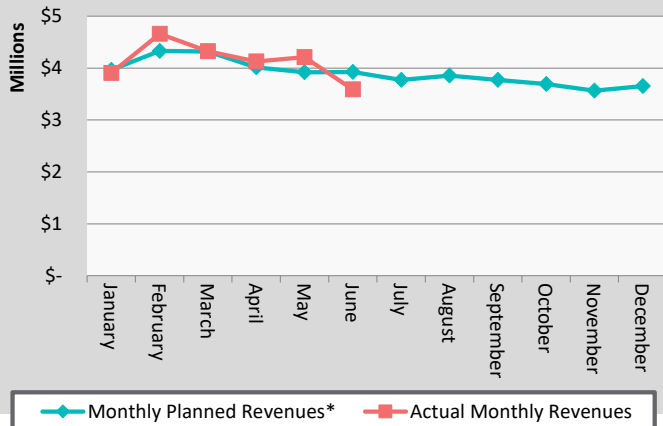
GENERAL FUND REVENUES

BUSINESS TAX



	Monthly Planned Revenues*	Actual Monthly Revenues	Variance
January	\$ 6,973,142	\$ 5,503,274	\$ (1,469,868)
February	6,798,984	8,177,680	1,378,696
March	1,393,778	2,593,314	1,199,536
April	6,156,586	6,248,131	91,546
May	5,738,870	3,915,343	(1,823,527)
June	884,070	1,023,931	139,861
July	7,276,832		
August	4,893,058		
September	801,942		
October	7,099,056		
November	4,941,685		
December	1,142,868		
2020 Total	\$ 54,100,871	\$ 27,461,674	\$ (483,756)

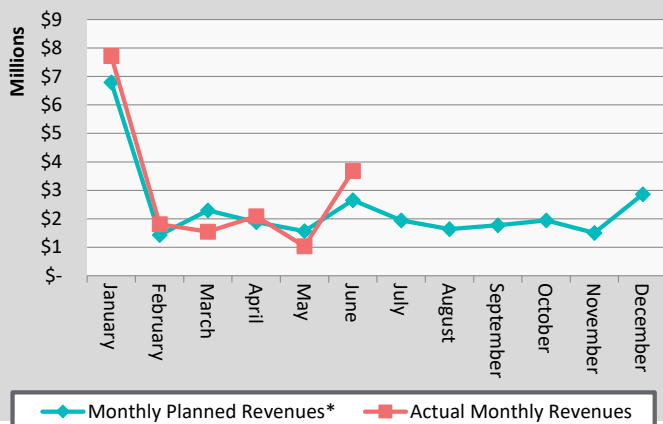
UTILITY/GROSS EARNINGS TAX



	Monthly Planned Revenues*	Actual Monthly Revenues	Variance
January	\$ 3,965,652	\$ 3,903,748	\$ (61,904)
February	4,330,494	4,659,458	328,964
March	4,316,816	4,325,412	8,596
April	4,012,678	4,128,233	115,555
May	3,921,261	4,211,242	289,981
June	3,926,625	3,588,599	(338,026)
July	3,772,147		
August	3,855,762		
September	3,770,611		
October	3,690,830		
November	3,564,504		
December	3,652,658		
2020 Total	\$ 46,780,038	\$ 24,816,693	\$ 343,167

OTHER REVENUES

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



	Monthly Planned Revenues*	Actual Monthly Revenues	Variance
January	\$ 6,795,944	\$ 7,719,237	\$ 923,293
February	1,429,193	1,810,120	380,927
March	2,292,366	1,552,517	(739,849)
April	1,882,271	2,091,812	209,541
May	1,564,184	1,031,397	(532,786)
June	2,653,071	3,678,045	1,024,974
July	1,946,539		
August	1,638,316		
September	1,776,310		
October	1,940,696		
November	1,504,246		
December	2,860,770		
2020 Total	\$ 28,283,905	\$ 17,883,129	\$ 1,266,100

* Monthly Planned Revenues have not been adjusted to reflect revised 2020 projections in response to COVID-19.

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GENERAL FUND EXPENDITURE OVERVIEW

	Department	2020 Budget*	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
1	City Attorney's Office	\$ 2,724,397	\$ 1,384,435	\$ 1,174,903	\$ 209,532	15.1%
2	City Manager's Office	535,920	272,893	86,500	186,392	68.3%
	Community & Economic Development	3,410,949	1,687,923	1,668,035	19,887	1.2%
3	Finance	4,194,920	2,177,962	1,903,314	274,648	12.6%
4	Fire	63,846,698	32,399,266	32,955,012	(555,746)	-1.7%
5	Library	14,282,836	7,219,678	6,049,667	1,170,011	16.2%
	Municipal Court	3,748,719	1,919,151	1,871,738	47,413	2.5%
6	Neighborhood & Community Services	12,225,794	5,960,002	4,662,643	1,297,359	21.8%
7	Planning & Development Services	1,844,112	940,861	767,961	172,900	18.4%
8	Police	85,967,511	43,511,298	42,366,025	1,145,273	2.6%
9	Public Works	2,869,623	1,462,537	1,246,614	215,923	14.8%
10	Tacoma Venues and Events	1,220,007	616,743	403,763	212,979	34.5%
11	Non-Departmental	54,634,101	23,260,193	19,767,207	3,492,986	15.0%
	Total Expenditures	\$ 251,505,587	\$ 122,812,940	\$ 114,923,382	\$ 7,889,557	6.4%

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 Attorney's Office** - Favorable variance due to personnel savings due to COVID (+\$239k).
- 2 **City Manager** - Favorable variance due to personnel savings (+\$144k).
- 3 **Finance** - Favorable variance due to vacancy savings (+\$45k), delayed FileLocal billings (+\$96k), savings in professional services (+\$30k), lower than anticipated credit card fees (+\$28k), lower than anticipated lockbox fees (+\$15k), and savings on printing (+\$12k).
- 4 **Fire** - Unfavorable variance due to overtime and training (-\$314k), PTO and Leave/Severance cash out (-\$385k), and Fleet Inventory cleanup of prior year corrections (-\$176k), offset by personnel savings (+\$254k). \$43k of expenses through June are COVID-19 response related and can be covered with Federal funding.
- 5 **Library** - Favorable expense variance due to vacancy and temporary layoff status (+\$535k), slower than planned spending on library materials (+\$237k), and less than planned spending on building maintenance (+\$99k).
- 6 **Neighborhood & Community Services** - Favorable variance due to personnel savings (+\$231k) and delays in External Services (+\$1.1M) due to COVID and underspending in Phase II.
- 7 **Planning & Development Services** - Favorable variance due to personnel savings (+\$98k) and savings in External Services (+\$76).
- 8 **Police** - Favorable variance due to vacancy savings (+\$824k), fuel savings (+\$157k), delays and cancellations of projects and trainings (+\$97k), and timing of purchase orders (+\$203k), offset by external services payment budgeted in 2019 paid in 2020 (-\$198k) and unbudgeted VEBA benefits (-\$14k). Demonstration-related overtime was approximately \$406k during June 2020.
- 9 **Public Works** - Favorable variance due to personnel savings (+\$84k) and delayed M&O expenditures (+\$150k).
- 10 **Tacoma Venues & Events** - Favorable variance due to expenses in External Services (+\$111k) lower than planned due to cancellation of events or timing of arts contracts, and personnel savings (+\$55k).
- 11 **Non-Departmental** - Favorable variance due to timing of payments for the jail contract (+\$1.7M), Police and Fire pensions (+\$0.9M), and Local Improvement District assessments (+\$0.7M).

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Through June 30, 2020

June 2020 Monthly Financial Report

OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

	Fund	2020 Budget*	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
SPECIAL REVENUE FUNDS						
1	2015 Voted Streets Initiative Fund					
	Revenues	21,109,869	10,981,012	11,077,246	96,234	0.9%
	Expenditures	21,024,603	10,554,934	8,528,878	2,026,056	19.2%
2	PW Street Operations & Engineering					
	Revenues	25,439,839	12,747,338	10,986,550	(1,760,787)	(13.8%)
	Expenditures	25,690,638	12,851,159	11,160,175	1,690,984	13.2%
3	TFD Emergency Medical Services					
	Revenues	17,972,060	9,470,900	9,327,961	(142,939)	(1.5%)
	Expenditures	15,970,192	8,161,229	8,609,129	(447,900)	(5.5%)
4	Municipal Cable TV					
	Revenues	3,531,144	1,765,572	1,557,357	(208,215)	(11.8%)
	Expenditures	3,112,760	1,582,339	1,037,067	545,272	34.5%
5	Traffic Enforcement, Engineering & Education					
	Revenues	3,788,828	1,894,414	1,530,466	(363,948)	(19.2%)
	Expenditures	3,738,375	1,880,972	1,844,808	36,164	1.9%
6	Mental Health & Chemical Dependency					
	Revenues	6,292,486	2,989,808	2,704,297	(285,511)	(9.5%)
	Expenditures	9,183,713	3,269,590	2,584,951	684,639	20.9%
	Real Estate Excise Tax					
	Revenues	7,748,334	3,874,167	4,487,067	612,900	15.8%
	* 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.					
8	Tacoma Creates					
	Revenues	6,292,486	3,146,243	2,778,929	(367,314)	(11.7%)
	Expenditures	4,943,927	2,471,964	1,038,185	1,433,779	58.0%
ENTERPRISE FUNDS						
9	Permit Services					
	Revenues	17,031,392	8,515,696	10,572,034	2,056,338	24.1%
	Expenditures	15,030,372	7,602,704	7,338,052	264,652	3.5%
10	PW Parking Operations					
	Revenues	8,519,310	4,259,655	2,225,899	(2,033,756)	(47.7%)
	Expenditures	8,750,463	2,918,958	2,222,520	696,438	23.9%
11	TVE Convention Center					
	Revenues	12,304,306	6,425,043	5,555,454	(869,589)	(13.5%)
	Expenditures	12,369,495	4,463,835	3,397,712	1,066,123	23.9%
12	TVE Cheney Stadium					
	Revenues	1,648,118	774,549	587,003	(187,547)	(24.2%)
	Expenditures	1,516,425	726,276	545,702	180,574	24.9%
13	TVE Tacoma Dome					
	Revenues	12,109,294	6,766,835	3,460,903	(3,305,932)	(48.9%)
	Expenditures	11,872,956	6,068,938	3,817,003	2,251,934	37.1%
14	TVE Theaters					
	Revenues	1,472,471	727,485	479,288	(248,197)	(34.1%)
	Expenditures	1,435,334	728,815	419,399	309,416	42.5%

Other Funds Continued on Next Page

OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

	Fund	2020 Budget*	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
15	<i>ES Solid Waste</i>					
	Revenues	75,482,843	37,741,422	37,614,390	(127,032)	(0.3%)
	Expenditures	72,542,926	35,358,188	34,602,787	755,401	2.1%
16	<i>ES Wastewater</i>					
	Revenues	85,792,550	42,560,025	42,509,198	(50,827)	(0.1%)
	Expenditures	101,015,828	48,831,257	40,291,297	8,539,960	17.5%
17	<i>ES Surface Water</i>					
	Revenues	43,957,000	19,216,000	20,414,977	1,198,977	6.2%
	Expenditures	56,880,128	26,833,698	17,815,137	9,018,561	33.6%
INTERNAL SERVICE FUNDS						
18	<i>PW Fleet Equipment Rental</i>					
	Revenues	8,998,857	4,499,429	4,819,958	320,529	7.1%
	Expenditures	8,771,161	4,428,369	5,715,313	(1,286,944)	(29.1%)
	<i>Radio Communications</i>					
	Revenues	2,842,250	1,353,871	1,268,753	(85,117)	(6.3%)
	Expenditures	2,647,532	1,331,665	1,430,903	(99,238)	(7.5%)
19	<i>Municipal Building Acquisition & Operations</i>					
	Revenues	5,234,843	2,617,421	2,742,873	125,452	4.8%
	Expenditures	5,230,672	2,640,882	2,177,925	462,957	17.5%

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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Through June 30, 2020

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OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

VARIANCE NOTES

- 1 **2015 Voted Streets Initiative Fund** - Expense: Favorable variance due to the timing of street maintenance work packages and capital project contributions (+\$2.0M).
- 2 **PW Street Operations & Engineering** - Revenue: Unfavorable variance due to passage of I-976 and its reduction of TBD vehicle fee revenues (-\$1.4M), as well as timing of contracted bridge maintenance (-\$0.4M). Expense: Favorable variance due to savings in street maintenance (+\$1.1M) as a response to I-976, personnel savings from vacant positions and increased charges to capital projects (+\$0.7M), and timing of bridge maintenance work (+\$0.3M), which is partially offset by unplanned spending for 2020 emergency responses (-\$0.6M).
- 3 **TFD Emergency Medical Services** - Revenue: Unfavorable variance due to delay in receipt of Property Taxes (-\$683k) and delay in collecting Treat & Refer billings (-\$144k), which is being offset by greater than anticipated ambulance/emergency aid fees (+\$658k). Expense: Unfavorable variance due to Health Care Authority reimbursement for GEMT rate recalculation (-\$293k), TFD Fleet prior-year inventory clean-up project (-\$80k), overtime and training expenses (-\$35k), and PTO cash outs (-\$139k). \$75k of expenses through June are COVID-19 response related and can be covered with Federal funding.
- 4 **Municipal Cable TV** - Revenue: Unfavorable variance due to undercollection of Business Tax (-\$81k) and Utility Tax (-\$146k). Expense: Favorable variance due to underspend in external services (+\$107k), and an assessment accounting entry (+\$396k).
- 5 **Traffic Enforcement, Engineering & Education** - Revenue: Unfavorable variance due to a delay in General Fund transfer (-\$418k), offset by a favorable variance in Fine & Forfeits (+\$320k) and traffic enforcement (+\$24k).
- 6 **Mental Health & Chemical Dependency** - Expense: Favorable variance due to Beacon Center Renovation delay (+\$850k), offset by unplanned spending related to COVID reimbursable emergency shelter expenses for Faith Based sheltering (-\$268k).
- 8 **Tacoma Creates** - Revenue: Unfavorable variance due to sales tax fluctuations related to COVID-19 (-\$367k). Expense: Favorable variance due to delays in contract processing and payments (+\$1.4M).
- 9 **Permit Services** - Revenue: Favorable variance due to a change in accounting practices where we recognize revenue at the time of invoicing (+\$2.1M). Actual revenue is closer to plan. From February thru June, revenue is favorable (+\$28k). Expense: Favorable variance due to savings in External Services (+\$307K).
- 10 **PW Parking Operations** - Revenue: Unfavorable variance due to Parking Enforcement Officer vacancy and reduced ticketing during COVID (-\$929k), parking garage revenues lower than expected (-\$668k), and temporary loss of pay station revenues (-\$431k). Expense: Favorable variance due to lower than expected spending on capital repair and deferred maintenance (+\$261k), and garage and parking meter management (+\$275k), as well as personnel savings (+\$79k).
- 11 **TVE Convention Center** - Revenue: Unfavorable variance due to cancellation of Convention Center events Mar 15-Jun 30, 2020 related to COVID-19 (-\$926K), offset by favorable variance in Miscellaneous Revenues of (+\$62K). Charges for Services variance will continue to remain unfavorable as events have been cancelled through at least Aug 2020. Expense: Favorable variance due to cancellation of all events at Convention Center Mar 15-Jun 30, 2020 resulting from COVID-19, savings in Operating Expenses (+\$470k) and External Services (+\$450k).
- 12 **TVE Cheney Stadium** - Revenue: Unfavorable variance due to reduction in Cheney lease payments with cancellation of Rainiers baseball season April, May & June 2020 (-\$187K). Expense: Favorable variance due to timing of debt service payments (+\$183k) and payment of capital reserves (+\$50K).
- 13 **TVE Tacoma Dome** - Revenue: Unfavorable variance due to all events at Tacoma Dome, Exhibition Hall and Dome Parking being cancelled Mar 14-Jun 30, 2020, causing lower business tax (-\$163k), and charges for services (-\$3.4M), offset by advertising (+\$63k) and interest earnings (+\$183k). Expense: Favorable variance due to cancellation or postponements of all events Mar 14-Jun 30, 2020 due to COVID-19, leading to savings in personnel (+\$305k), external services (+\$485k), and operating expenses (+\$1.31M). Savings could revert to delays if events resume later in the year.
- 14 **TVE Theaters** - Revenue: Unfavorable variance due to timing of REET1 transfer (-\$248k). Expense: Favorable variance due to timing of capital projects (+\$250k) and savings in External Services (+\$82k).
- 15 **ES Solid Waste** - Revenue: Unfavorable variance by less than 1%. Commercial revenues are offsetting less than planned residential revenues. Operating Expense: Favorable variance primarily due lower tonnages for offsite transfer (+\$1.0M) and personnel savings (+\$441k). Capital Expense: Unfavorable variance due to timing of projects (-\$665k) including CNF Fueling Station Upgrade, Vehicle Maintenance Facility Modification, and Automatic Vehicle Location Collections Management Solution.
- 16 **ES Wastewater** - Revenue: Unfavorable variance by 1.2%. Operating Expenses: Favorable variance due to personnel savings (+\$184k) and savings in external services (+\$474k). Capital Expenses: Favorable variance due to delays in the Energy Management Project (+\$5.0M) and delays in Streets Initiative Projects (+\$2.3M).
- 17 **ES Surface Water** - Revenue: Favorable variance due to investment revenues (+\$1.1M). Operating Expense: On track with plan. Capital Expense: Favorable variance due to delays in Jefferson/Hood Street Interception and Outfall Project (+\$7.3M), and delays in Streets Initiative projects (+\$2.5M).
- 18 **PW Fleet Equipment Rental** - Revenue: Favorable variance due to timing of vehicle purchases (+\$250k). Expense: Unfavorable variance due to timing of vehicle purchases (-\$1.3M).
- 19 **Municipal Building Acquisition & Operations** - Revenue: Favorable variance due to earnings from work performed for parties external to the rent model (+\$98k) and investment earnings (+\$24k). Expense: Favorable variance due to timing of contracted maintenance work (+\$260k), and operating purchases (+\$201k).

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GENERAL GOVERNMENT INTERNAL SERVICE FUND OVERVIEW

	Department	2020 Budget*	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
1	City Attorney's Office	\$ 7,551,809	\$ 3,738,333	\$ 3,254,529	\$ 483,804	12.9%
	City Council	1,656,146	791,448	765,832	25,615	3.2%
2	City Manager's Office	4,935,811	2,385,813	2,002,936	382,877	16.0%
	Environmental Services	604,680	302,340	325,548	(23,208)	-7.7%
3	Finance	12,826,542	5,631,941	5,209,180	422,761	7.5%
	Fire	425,504	211,902	228,613	(16,711)	-7.9%
	Hearing Examiner	466,218	233,109	220,481	12,628	5.4%
4	Human Resources	8,153,746	4,086,379	3,587,489	498,890	12.2%
	Information Technology	34,434,059	14,411,340	14,493,550	(82,211)	-0.6%
	Total Expenditures	\$ 71,054,514	\$ 31,792,605	\$ 30,088,158	\$ 1,704,447	5.4%

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 Attorney's Office** - Favorable variance due to personnel savings due to COVID (+\$118k) and delay in outside counsel billing (+\$269k).
- 2 **City Manager's Office** - Favorable variance due to vacancies (+\$203k), external service savings (+\$93k), and delayed training (+\$58k).
- 3 **Finance** - Positive variance due to vacancy savings (+\$295k), delayed professional services (+\$60k) and training and travel savings (+\$45k).
- 4 **Human Resources** - Favorable Variance due to personnel savings (+\$304k) primarily from vacancies in Safety, contract delays including Talent Services Software (+\$20k), delays in Safety Program operating expenses (+\$45k), and projects cancelled due to COVID-19 including Citywide Training (+\$58k) and Benefits Software (+\$25k).

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Through June 30, 2020

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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	\$9,900,524	100.6%
Expenditures	\$8,607,696	\$4,994,658	58.0%
2 Unemployment			
Revenues	\$1,267,200	\$942,027	74.3%
Expenditures	\$1,030,000	\$485,970	47.2%
3 Worker's Compensation			
Revenues	\$15,365,000	\$10,636,391	69.2%
Expenditures	\$15,362,264	\$8,196,881	53.4%
4 Health Care Labor Management			
Revenues	\$136,617,822	\$98,270,182	71.9%
Expenditures	\$146,710,889	\$107,832,414	73.5%
5 Dental Care Management			
Revenues	\$10,755,630	\$8,749,347	81.3%
Expenditures	\$10,754,194	\$8,659,989	80.5%

FUND NOTES

- Third Party Liability / Self Insurance** - Revenues are ahead of plan due to unbudgeted GF transfer (+\$2.4M). Expenses are under budget due to lower than expected claims (+\$1.4M).
- Unemployment** - Revenues on target with projections. Expenses are temporarily below budget due to delay in quarterly billing from the state due to changes in Federal guidelines (+\$282k).
- Worker's Compensation** - Revenues are lower than anticipated (-\$881k) primarily due to vacancies within the City. Expenses are lower than expected due to lower than expected claims (+\$3.2M).
- Health Care Labor Management** - Revenues are lower than expected due to vacancies (-\$5.6M), partially offset by charges for services (+\$652k) and investment revenue (+\$740k). Expenses are below budget due to vacancies offset by higher claims from members (+\$2.2M).
- Dental Care Management** - Revenues are higher than budgeted due to the actual mix of plan subscribers and actual 2020 premiums higher than budgeted (+\$697k). Expenses are higher than budgeted due to the actual mix of plan subscribers and actual 2020 premiums higher than budgeted (-\$609k).

* Throughout this report, revenue budgets have not been adjusted to reflect revised 2020 projections in response to COVID-19. Expense budgets have been adjusted to reflect cancelled projects.

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