

July 2019 Monthly Financial Report

GENERAL FUND OVERVIEW

	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
Revenues	\$ 244,399,250	\$ 145,448,704	\$ 151,350,851	\$ 5,902,147	4.1%
Expenditures	\$ 266,595,513	\$ 154,491,719	\$ 150,351,958	\$ 4,139,761	2.7%
Revenue Over Expenditure Variance (Fund Balance)	\$ (22,196,263)	\$ (9,043,015)	\$ 998,893	\$ 10,041,908	

SUMMARY

Through July 2019, revenues and expenditures were favorable, resulting in an overall \$10.0 million positive position.

REVENUE OVERVIEW

Through July, General Fund revenues were favorable by approximately \$5.9 million.

- *Property Taxes* (+\$292k)
 - Timing of payments and fewer delinquent payments
- *Sales Taxes* (+\$1.6M)
 - Favorable Retail, Administrative Support, "Other," and Natural Gas Use Tax
- *Business Taxes* (+\$1.1M)
 - Timing variance in Service, Retailing, Wholesaling, Retail Services, and Manufacturing, offset by Natural Gas Tax and Cell Phone
- *Utility Taxes* (+\$1.0M)
- *Other Revenues*
 - *Intergovernmental Revenues* (+\$1.3M)
 - PSE contributions, higher Criminal Justice Funding, Liquor Taxes and Profits, GEMT
 - *Licenses & Permits* (+\$218k)
 - Higher street vacation & right of way permits
 - *Charges for Services* (-\$176k)
 - Lower non-emergency lift assist fines, false alarm fines
 - *Fines & Forfeits* (-\$56k)
 - Fewer civil and criminal penalties
 - *Miscellaneous Revenues* (+\$1.7M)
 - Interest earnings and Tacoma Creates Tax

EXPENDITURE OVERVIEW

Through July, General Fund expenditures were favorable by approximately \$4.1 million.

- *Community and Economic Development (CED)* (+\$122k)
 - Labor Savings
 - External Contracts
- *Finance* (+\$345k)
 - Labor Savings
 - Professional Services Savings
- *Library* (+\$584k)
 - Labor Savings
 - Delay in IT uplift project
- *Municipal Court* (+\$257k)
 - Labor Savings
 - Juror & Interpretation Expenses
- *Neighborhood & Community Services (NCS)* (+\$685k)
 - Labor Savings
- *Non-Departmental* (+\$1.7M)
 - Retired Police & Fire Medical Expenses
 - Pierce County Jail Contract
- *Planning & Development Services (PDS)* (+\$538k)
 - Delay in initiative implementation
- *Police* (-\$415k)
 - Overtime
 - Offset by vacancy savings and lower fuel costs
- *Public Works* (+\$285k)
 - Labor Savings
 - Seasonal Work

July 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	\$ 32,753,255	\$ 33,045,027	\$ 291,772	0.9%
2	Sales Tax	57,763,956	32,014,817	33,575,018	1,560,201	4.9%
3	Business Tax	52,714,759	34,356,982	35,413,060	1,056,078	3.1%
4	Utility Tax	46,231,884	27,805,527	28,774,894	969,367	3.5%
<i>Other Revenues</i>						
5	Intergovernmental Revenues	10,912,481	7,106,030	8,421,101	1,315,071	18.5%
6	Licenses & Permits	7,144,801	6,302,454	6,520,929	218,475	3.5%
7	Charges for Services	4,529,018	2,504,069	2,328,309	(175,760)	-7.0%
	Other Taxes	1,990,896	1,117,193	1,057,729	(59,464)	-5.3%
8	Fines & Forfeits	855,245	498,893	442,938	(55,955)	-11.2%
9**	Miscellaneous Revenues	1,790,330	989,484	1,771,848	782,364	79.1%
	Total	\$ 244,399,250	\$ 145,448,704	\$ 151,350,851	\$ 5,902,147	4.1%

Use of Fund Balance (Negative value denotes addition to cash)	\$ 22,196,263	\$ 9,043,015
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Total	\$ 266,595,513	\$ 154,491,719
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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

- 1 **Property Tax** - Timing variance due to timing of payments (+\$404k), but offset by fewer delinquent property tax payments (-\$112k).
 - 2 **Sales Tax** - Favorable variance due to Retail (+\$459k), Admin Support (+\$284k), and "Other" (+\$227k) categories, offset by lower sales taxes in Construction (-\$214k) and Real Estate Rental and Leasing (-\$237k). Natural Gas Use Tax is also up (+\$492k) due to supply issues that have caused the price to increase dramatically.
 - 3 **Business Tax** - Timing variance due to better than planned Service (+\$818k), Retailing (+\$581), Wholesaling (+\$493k), Retail Services (+\$353), and Manufacturing (+\$303k), but offset by lower than expected returns in Natural Gas Tax (-\$355k), and Cell Phone (-\$719k) categories, and higher than expected use of Multi Activity (-\$393k) and Job (-\$128k) Credits.
 - 4 **Utility Tax** - Favorable variance due to higher than expected gross earnings taxes from all utilities (+\$969k). Water is up the most (+\$383k) due to greater than planned residential and commercial water sales.
 - 5 **Intergovernmental Revenues** - Favorable variance due to unbudgeted but anticipated contributions from PSE (+\$500k), higher criminal justice funding (+\$410k), liquor taxes and profits (+\$86k), and Ground Emergency Medical Transportation revenues (+\$190k).
 - 6 **Licenses & Permits** - Favorable variance due to greater than planned street vacation and right of way permits issued (+\$195k).
 - 7 **Charges for Services** - Unfavorable variance due to lower than expected non-emergency lift assist fines (-\$144k), Police and Fire false alarm fees (-\$178k), Fire inspection fees (-\$53k), and commercial fire protection system fees (-\$51k), offset by timing of law enforcement services revenue (+\$205k).
 - 8 **Fines & Forfeitures** - Unfavorable variance due to fewer civil (-\$39k) and criminal (-\$16k) penalties.
 - 9** **Miscellaneous Revenues** - Variance due to interest earnings (+\$863k).
- **Tacoma Creates tax revenue (+\$958k) are removed from this report (these revenues will be moved to the Tacoma Creates fund in August).

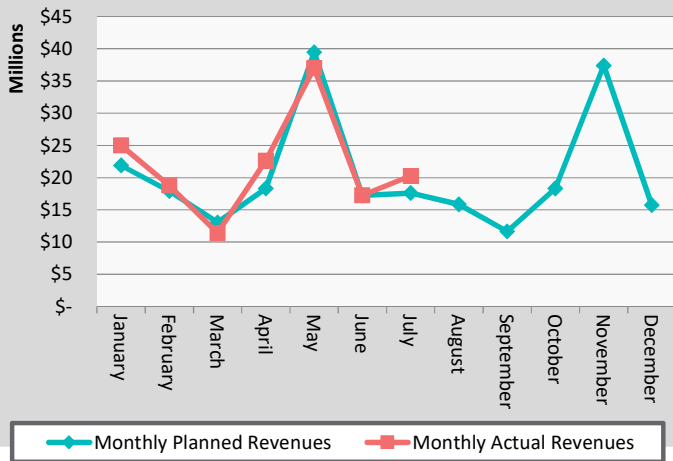
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Through July 31, 2019

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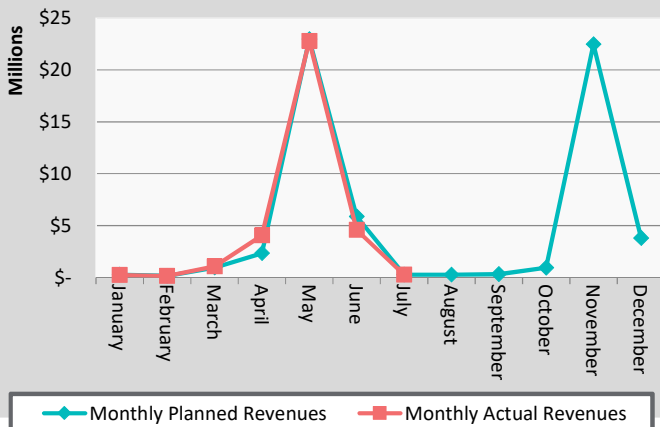
GENERAL FUND REVENUES

ALL REVENUE SOURCES



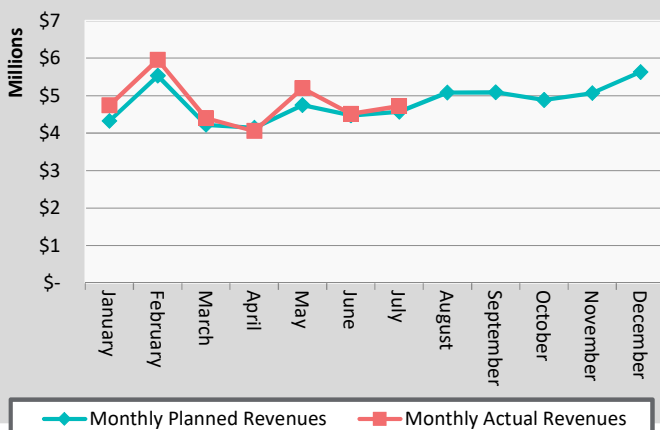
	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 21,879,553	\$ 24,974,353	\$ 3,094,800
February	17,919,228	18,791,415	872,187
March	13,042,034	11,411,927	(1,630,107)
April	18,330,518	22,647,694	4,317,177
May	39,455,048	36,995,935	(2,459,112)
June	17,244,678	17,245,673	995
July	17,577,646	20,243,852	2,666,207
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	\$ 152,310,850	\$ 6,862,146

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	255,339	(5,183)
August	242,979		
September	301,352		
October	912,239		
November	22,481,609		
December	3,774,447		
2019 Total	\$ 60,465,879	\$ 33,045,027	\$ 291,772

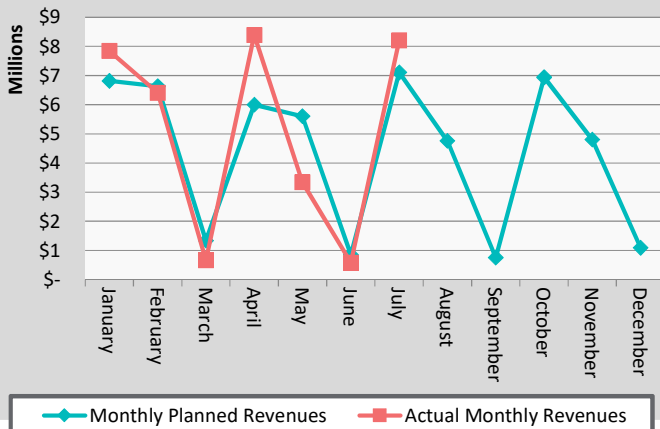
SALES TAX



	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	4,720,179	150,205
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	\$ 33,575,018	\$ 1,560,201

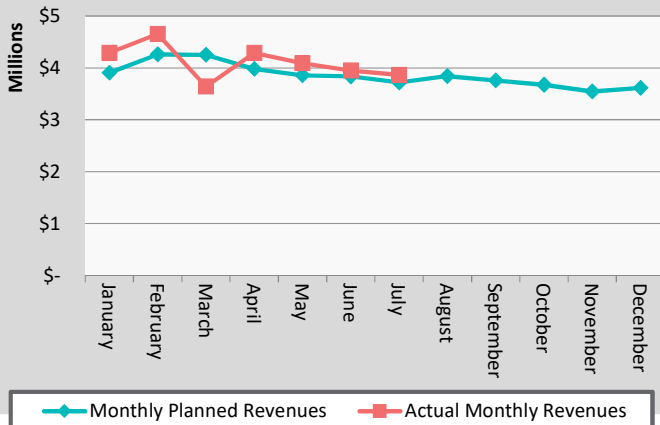
GENERAL FUND REVENUES

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	8,202,957	1,095,039
August	4,763,795		
September	755,648		
October	6,936,796		
November	4,810,181		
December	1,091,357		
2019 Total	\$ 52,714,759	\$ 35,413,060	\$ 1,056,078

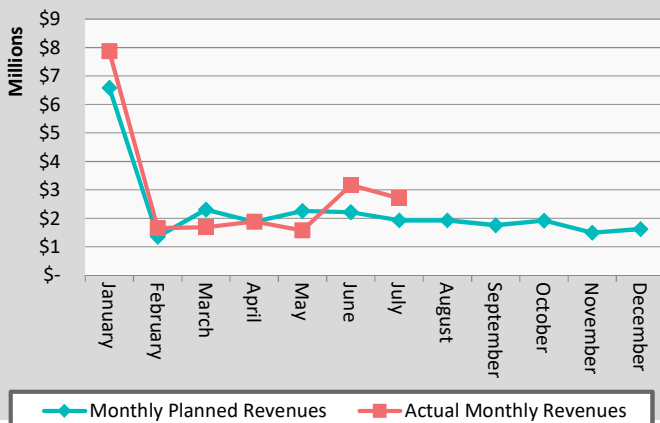
UTILITY/GROSS EARNINGS TAX



	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	3,866,154	150,626
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	\$ 28,774,894	\$ 969,367

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	3,168,471	955,031
July	1,923,704	2,706,017	782,313
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	\$ 20,542,853	\$ 2,024,730

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Through July 31, 2019

** Tacoma Creates posing issues removed from report (\$958K will be moved to its own fund in August)

July 2019 Monthly Financial Report

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	\$ 1,568,644	\$ 1,536,863	\$ 31,781	2.0%
	City Manager's Office	481,272	280,742	266,648	14,094	5.0%
1	Community & Economic Development	3,742,132	2,078,513	1,956,309	122,204	5.9%
2	Finance	4,445,052	2,633,071	2,287,578	345,494	13.1%
	Fire	63,320,954	36,157,423	36,235,469	(78,046)	-0.2%
3	Library	14,823,952	8,814,096	8,230,046	584,050	6.6%
4	Municipal Court	4,082,714	2,393,134	2,136,169	256,965	10.7%
5	Neighborhood & Community Services	13,494,689	7,463,149	6,778,398	684,752	9.2%
6	Planning & Development Services	2,546,334	1,485,362	947,628	537,734	36.2%
7	Police	86,475,430	50,481,206	50,896,305	(415,099)	-0.8%
8	Public Works	2,933,381	1,711,138	1,426,251	284,887	16.6%
	Tacoma Venues and Events	1,189,179	693,688	666,207	27,480	4.0%
9	Non-Departmental	66,371,319	38,731,553	36,988,088	1,743,465	4.5%
	Total Expenditures	\$ 266,595,513	\$ 154,491,719	\$ 150,351,958	\$ 4,139,761	2.7%

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 (+\$20k), delay in workforce development contract (+\$97k), professional services (+\$30k), and delay in transfer to Tacoma Community Redevelopment Authority (+\$81k), offset by overspending for advertising expenses (-\$30k), external contracts for business attraction and retention (-\$69k), and software license & maintenance (-\$10k).
- 2 **Finance** - Favorable variance due to vacancy savings (+\$151k), professional services savings (+\$77k), and delayed software license and maintenance payments (+\$51k).
- 3 **Library** - Favorable variance due to delay in hiring (+\$203k), a delay in the IT uplift project (+\$490k), and a delay in library material purchases (+\$107k), offset by earlier than planned facility projects (-\$125k).
- 4 **Municipal Court** - Favorable variance due to personnel savings (+\$187k) and juror and interpretation expenses (+\$22k).
- 5 **Neighborhood & Community Services** - Favorable variance due to vacancy savings (+\$326k) and delays in external contract payments with the majority in Stability Site Phase II and Homelessness & Household Stability Services (+\$346k).
- 6 **Planning & Development Services** - Favorable variance due to a delay in implementation of Citywide initiatives (+\$297k) such as the Pacific Avenue Corridor Study and 3rd floor remodel, as well as the Tideflats Subarea Plan (+\$146k), which is currently going through the RFP process.
- 7 **Police** - Unfavorable variance due to higher than anticipated overtime (-\$1.9M), leave severance (-\$225k), and an accounting error to be corrected in the next reporting period (-\$534k), offset by vacancy savings (+\$1.4M), a delay in professional services (+\$209k), lower than anticipated fuel costs (+\$200k), and South Sound 911 contract (+\$216k).
- 8 **Public Works** - Favorable variance due to personnel savings from vacant positions (+\$172k), delayed maintenance contracts (+\$72k), and no major property management expenses so far in 2019 (+\$50k).
- 9 **Non-Departmental** - Favorable variance due to less than expected expenses in police and fire retirement funds (+\$0.7M), less than expected expenses for the Pierce County Jail contract (+\$0.5M), and timing of transfers to other funds (+\$0.5M).

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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	15,538,001	15,245,373	(292,628)	(1.9%)
	Expenditures	27,735,972	16,214,159	13,650,251	2,563,908	15.8%
2	<i>Traffic Enforcement, Engineering & Education</i>					
	Revenues	3,639,182	2,122,856	2,448,061	325,205	15.3%
	Expenditures	3,631,504	2,118,377	2,148,918	(30,541)	(1.4%)
ENTERPRISE FUNDS						
3	<i>Permit Services</i>					
	Revenues	17,087,614	9,967,775	9,557,792	(409,983)	(4.1%)
	Expenditures	17,405,115	10,152,983	7,844,946	2,308,036	22.7%
4	<i>TVE Convention Center</i>					
	Revenues	11,966,875	7,093,259	7,165,887	72,628	1.0%
	Expenditures	12,727,549	4,819,690	4,319,477	500,213	10.4%
	<i>TVE Cheney Stadium</i>					
	Revenues	1,617,089	845,765	838,082	(7,683)	(0.9%)
	Expenditures	1,489,475	612,408	580,818	31,590	5.2%
5	<i>TVE Tacoma Dome</i>					
	Revenues	12,008,688	7,400,610	9,177,099	1,776,489	24.0%
	Expenditures	11,480,128	7,210,392	6,692,262	518,130	7.2%

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 July 31, 2019

July 2019 Monthly Financial Report

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

OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

VARIANCE NOTES

- 1 **PW Street Operations & Engineering** - Revenue: Unfavorable variance due to timing of contracted maintenance in roadway striping (-\$282k), bridge maintenance (-\$182k), and grant-funded projects (-\$383k), which is partially offset by higher than expected revenues in utility taxes (+\$275k) and damage revenues (+\$251k). Expense: Favorable variance due to personnel savings from vacant positions and increased charges to capital projects (+\$748k), pending maintenance projects (+\$991k), some grant spending is happening later than planned (+\$388k), and savings in street maintenance (+\$1.4M) due to weather, which is partially offset by unplanned spending for February storm response (-\$900k).
- 2 **Traffic Enforcement, Engineering & Education** - Revenue: Favorable variance due to higher than expected revenues from speed camera infractions (+\$487k), partially offset by lower than expected revenues from red light infractions (-\$163k).
- 3 **Permit Services** - Revenue: Unfavorable variance due to the delay and advertising of Pre-Applications Fees program (-\$271k) and lower than expected Building Permits (-\$867k) and Streets & Curbs permits (-\$643k), offset by Work Order revenue (+\$643k) and Site Development Fees (+\$351k). Expense: Favorable variance due to delays in initiatives (+\$2.0M) such as the 3rd floor remodel, IT projects, and Tenant Improvement Program, and a delay in implementing Expedited Review (+\$267k).
- 4 **TVE Convention Center** - Expense: Favorable variance due to personnel savings (+\$95k) and changes in external contracts (+\$409k).
- 5 **TVE Tacoma Dome** - Revenue: Favorable variance due to increased events: charges for services (+\$1.1M), taxes (+\$342k), and miscellaneous revenue (+\$319k). Expense: Favorable variance due to timing of transfers for the Dome Capital Improvement Program (+\$850k), offset by increased events at the Dome resulting in increased operational expenses.

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Through July 31, 2019

July 2019 Monthly Financial Report

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	\$ 3,843,730	\$ 3,767,351	\$ 76,380	2.0%
1	City Council	1,589,350	931,287	825,516	105,772	11.4%
2	City Manager's Office	4,626,128	2,677,730	2,421,408	256,322	9.6%
	Environmental Services	620,020	361,678	361,943	(264)	-0.1%
3	Finance	11,824,740	6,740,725	5,866,849	873,876	13.0%
4	Fire	373,016	230,093	132,339	97,754	42.5%
	Hearing Examiner	442,840	258,323	252,062	6,261	2.4%
5	Human Resources	7,584,364	4,586,825	4,306,419	280,406	6.1%
6	Information Technology	31,892,166	18,522,975	14,391,178	4,131,797	22.3%
	Total Expenditures	\$ 65,541,875	\$ 38,153,367	\$ 32,325,064	\$ 5,828,303	15.3%

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 **City Council** - Favorable variance due to personnel services savings (+\$87k).
- 2 **City Manager's Office** - Favorable variance due to timing of hirings (+\$84k) and delay in payment of external contracts for special projects (+\$73k) and training (+\$93k).
- 3 **Finance** - Favorable variance due to vacancy savings (+\$506k), delayed operating supplies costs (+\$206k), and delayed professional services (+\$114k).
- 4 **Fire** - Favorable variance due to delay in hiring Emergency Management Officer (+\$78k).
- 5 **Human Resources** - Favorable variance due to vacancy savings (+\$93k) and delays in external contract services (+\$286k) such as the Classification and Compensation Study, offset by earlier than expected charges for training vendors and LinkedIn recruiting (-\$130k).
- 6 **Information Technology** - Favorable variance due to labor savings from vacancies and charging labor costs to others (+\$857k), timing of PC replacement (+\$276k), timing of new phone purchases (+\$269k), timing for Professional Services contracts (+\$1.1M), and timing of software licensing payments (+\$1.9M); offset by the accounting treatment of certain hardware maintenance agreements (-\$529k).

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