

# July 2020 Monthly Financial Report

## GENERAL FUND OVERVIEW

	2020 Budget*	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
<b>** Revenues</b>	\$ 251,410,559	\$ 149,011,763	\$ 147,331,070	\$ (1,680,693)	-1.1%
<i>Returned Capital Contributions</i>	\$ -	\$ -	\$ 3,500,000	\$ 3,500,000	100.0%
<b>Expenditures</b>	\$ 251,505,587	\$ 144,132,328	\$ 133,463,702	\$ 10,668,626	7.4%
<b>Revenue Over Expenditure Variance (Fund Balance)</b>	<b>\$ (95,028)</b>	<b>\$ 4,879,435</b>	<b>\$ 17,367,368</b>	<b>\$ 12,487,933</b>	

\*\* 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 July 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 a overall positive position of \$9.0 million, aided by \$3.5 million of returned capital contributions, bringing the positive position to \$12.5 million.

### REVENUE OVERVIEW

Through July, General Fund revenues were unfavorable by approximately \$1.7 million, aided by \$3.5 million of returned capital contributions, bringing it to a total favorable variance of \$1.8 million.

- *Property Taxes* (-\$237k)
  - Timing of payments
- *Sales Taxes* (-\$3.4M)
  - Delayed filings, slowdowns in spending
- *Business Taxes* (-\$540k)
  - Unfavorable retailing, cable television, cell phone/pager, wholesale grains
  - Offset by service and natural gas
- *Utility Taxes* (+\$1.2M)
  - Favorable Solid Waste, Rail, Power, and Click!
  - Offset by Waste Water and Water
- *Other Revenues*
  - *Intergovernmental Revenues* (+\$1.4M)
    - Favorable marijuana-related taxes, liquor taxes, criminal justice funding, timing of tribal revenue
  - *Licenses & Permits* (+\$148k)
    - Favorable business license, permit fees, alarm monitoring permits
  - *Fines & Forfeits* (+\$281k)
    - Penalties and interest on business taxes
  - *Miscellaneous Revenues* (-\$383k)
    - Delayed interest subsidies, less than planned interest earnings
    - Excludes \$3.5M in returned capital contributions

### EXPENDITURE OVERVIEW

Through July, General Fund expenditures were favorable by approximately \$10.7 million.

- *City Attorney's Office* (+\$272k)
  - Personnel savings
- *City Manager's Office* (+\$186k)
  - Personnel savings
- *Finance* (+\$243k)
  - Personnel savings, delayed software costs
- *Fire* (-\$497k)
  - PTO Payouts and Overtime
- *Library* (+\$1.4M)
  - COVID-19 closures
- *Neighborhood & Community Services (NCS)* (+\$1.3M)
  - Labor Savings
  - External provider billing delays due to COVID-19
- *Planning & Development Services (PDS)* (+\$249k)
  - Vacancy and external service savings
- *Police* (+ \$1.3M)
  - Vacancy savings
  - Delays and cancelations of projects and trainings
  - Timing of purchase orders
- *Public Works* (+\$237k)
  - Labor Savings
  - Delayed maintenance & operations expenses
- *Tacoma Venues & Events* (+\$258k)
  - COVID-19 event cancellations
- *Non-Departmental* (+\$5.6M)
  - Pierce County Jail Contract
  - Police and Fire Pensions
  - Local Improvement District assessments, capital projects
  - Metro Parks

\* 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 July 31, 2020

# July 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	\$ 33,857,635	\$ 33,620,478	\$ (237,156)	-0.7%
2	Sales Tax	59,736,063	33,122,625	29,700,169	(3,422,456)	-10.3%
3	Business Tax	54,100,871	35,222,262	34,682,627	(539,635)	-1.5%
4	Utility Tax	46,780,038	28,245,673	29,488,345	1,242,672	4.4%
<i>Other Revenues</i>						
5	Intergovernmental Revenues	11,686,845	6,866,415	8,246,841	1,380,426	20.1%
6	Licenses & Permits	7,402,244	6,455,743	6,604,036	148,293	2.3%
	Charges for Services	3,874,663	2,235,220	2,179,986	(55,234)	-2.5%
	Other Taxes	1,995,064	1,119,620	1,023,572	(96,048)	-8.6%
7	Fines & Forfeits	854,420	498,412	779,482	281,070	56.4%
8**	Miscellaneous Revenues	2,470,669	1,388,159	1,005,534	(382,625)	-27.6%
	<b>Total</b>	<b>\$ 251,410,559</b>	<b>\$ 149,011,763</b>	<b>\$ 147,331,070</b>	<b>\$ (1,680,693)</b>	<b>-1.1%</b>
	Returned Capital Contributions**	-	-	3,500,000	3,500,000	100.0%
	<b>Total</b>	<b>\$ 251,410,559</b>	<b>\$ 149,011,763</b>	<b>\$ 150,831,070</b>	<b>\$ 1,819,307</b>	<b>1.2%</b>

Use of Fund Balance (Negative value denotes addition to cash)	\$ 95,028	\$ (4,879,435)
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<b>Total</b>	<b>\$ 251,505,587</b>	<b>\$ 144,132,328</b>
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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** - Unfavorable variance due to delayed or missed payments (-\$237k) Pierce County's revised due dates have passed.
- 2 **Sales Tax** - Unfavorable variance due to optional delayed filings as well as continued slowdowns in spending (-\$3.4M).
- 3 **Business Tax** - Unfavorable variance due to weaker returns in Retailing (-\$709k), cable television (-\$339k), cell phone/pager taxes (-\$442k), telephone taxes (-\$170k), and a refund in the wholesale of grains category (-\$450k), offset by more taxes in the service (+\$1.3M) and natural gas business taxes (+\$76k).
- 4 **Utility Tax** - Favorable variance due to accounting treatment of Power revenues resulting in a one-time \$1.0M payment (+\$766k), conservative budgeting regarding Click's final months as a City entity (+\$370k) and returns above plan in Solid Waste (+\$143k), Surface Water (+\$47k), and Rail (+\$26k), partially offset by weaker returns in Waste Water (-\$48k) and Water (-\$61k).
- 5 **Intergovernmental Revenues** - Favorable variance due to greater than planned marijuana-related taxes (+\$138k), liquor taxes (+\$195k), and state criminal justice funding (+\$295k), as well as earlier than planned tribal revenue (+\$737k), but offset by less than planned fire protection revenue from Fire District 10 (-\$142k).
- 6 **Licenses & Permits** - Favorable variance due to greater than expected annual license and permit revenues from annual business licenses (+\$244k), miscellaneous business licenses (+\$50k), and Alarm Monitoring permits (+\$33k). These favorable revenues will likely recede as the year progresses and businesses ask to cancel their annual licenses.
- 7 **Fines & Forfeitures** - Favorable variance due to higher than expected penalties and interest on business taxes (+\$313k), offset by lower than planned criminal penalties (-\$32k).
- 8\*\* **Miscellaneous Revenues** - Unfavorable variance due to delayed Build America Bond interest subsidies (-\$318k) and less than planned interest earnings (-\$134k). \*\* 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.

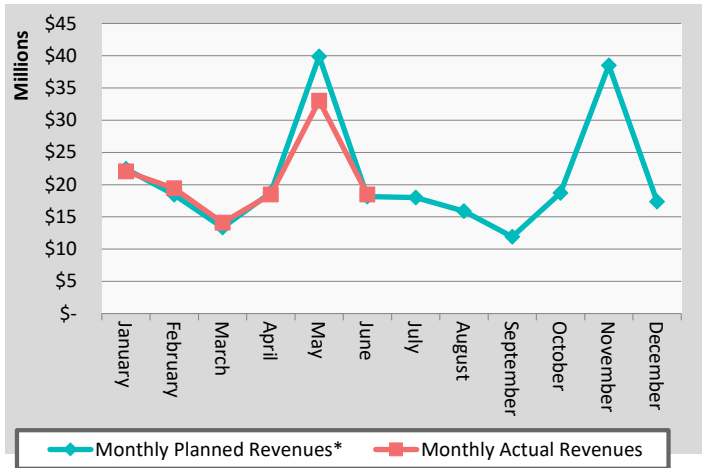
Prepared By The Office of Management and Budget

Through July 31, 2020

# July 2020 Monthly Financial Report

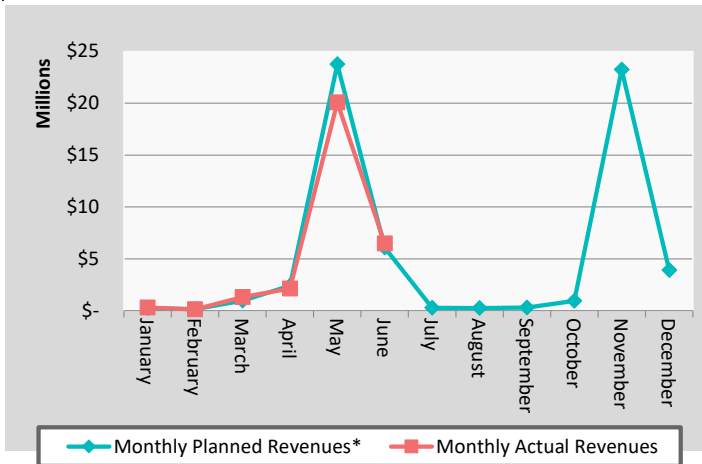
## GENERAL FUND REVENUES

### ALL REVENUE SOURCES



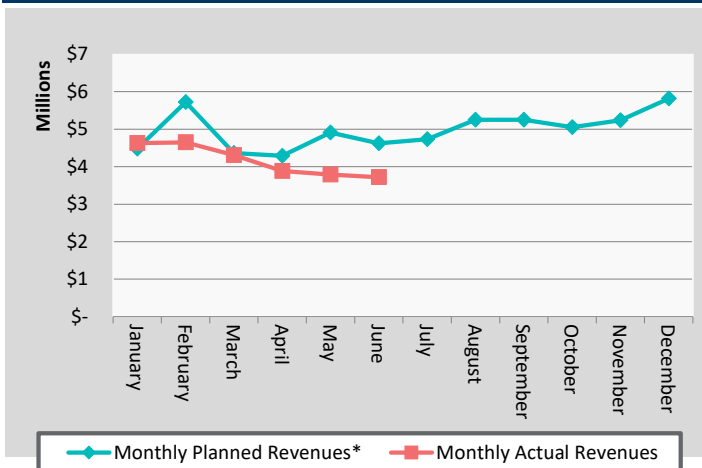
	Monthly Planned Revenues*	Monthly Actual Revenues	Variance
January	\$ 22,462,031	\$ 22,043,955	\$ (418,076)
February	18,418,594	19,413,380	994,786
March	13,329,509	14,097,302	767,793
April	18,753,177	18,474,757	(278,420)
May	39,896,697	33,027,241	(6,869,455)
June	18,157,450	18,481,400	323,950
July	17,994,306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

### 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		
<b>2020 Total</b>	<b>\$ 62,509,681</b>	<b>\$ 30,400,548</b>	<b>\$ (3,188,141)</b>

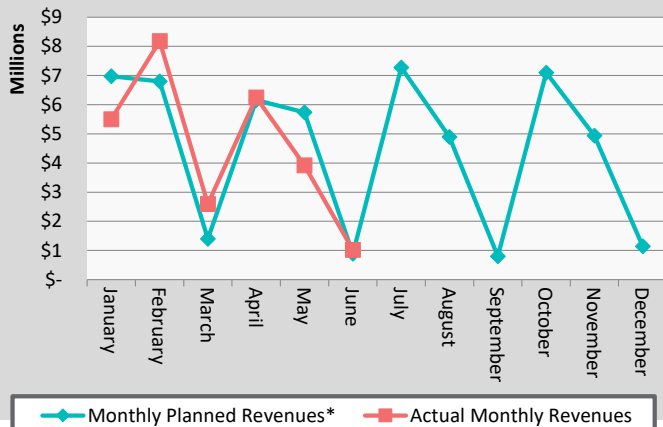
### SALES TAX



	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		
<b>2020 Total</b>	<b>\$ 59,736,063</b>	<b>\$ 24,975,992</b>	<b>\$ (3,416,792)</b>

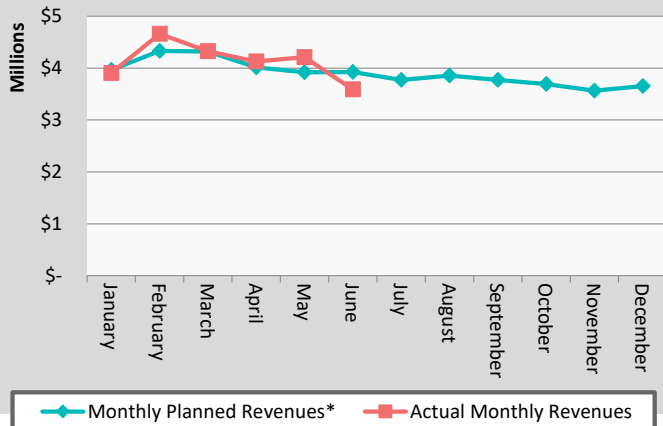
## GENERAL FUND REVENUES

### 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		
<b>2020 Total</b>	<b>\$ 54,100,871</b>	<b>\$ 27,461,674</b>	<b>\$ (483,756)</b>

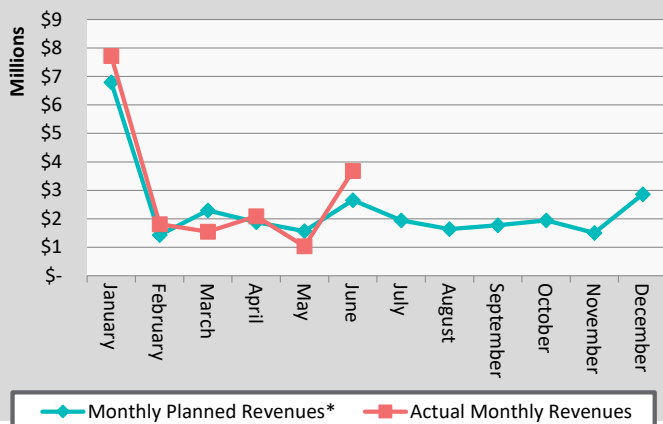
### UTILITY/GROSS EARNINGS TAX



	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		
<b>2020 Total</b>	<b>\$ 46,780,038</b>	<b>\$ 24,816,693</b>	<b>\$ 343,167</b>

### 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		
<b>2020 Total</b>	<b>\$ 28,283,905</b>	<b>\$ 17,883,129</b>	<b>\$ 1,266,100</b>

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

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Through July 31, 2020

# July 2020 Monthly Financial Report

## 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	\$ 1,607,762	\$ 1,335,904	\$ 271,858	16.9%
2	City Manager's Office	535,920	316,730	130,988	185,743	58.6%
	Community & Economic Development	3,410,949	1,936,245	1,895,746	40,499	2.1%
3	Finance	4,194,920	2,520,556	2,277,565	242,992	9.6%
4	Fire	63,846,698	37,623,288	38,119,830	(496,542)	-1.3%
5	Library	14,282,836	8,393,908	6,944,912	1,448,996	17.3%
	Municipal Court	3,748,719	2,224,079	2,161,029	63,050	2.8%
6	Neighborhood & Community Services	12,225,794	6,888,428	5,578,220	1,310,208	19.0%
7	Planning & Development Services	1,844,112	1,091,403	842,249	249,154	22.8%
8	Police	85,967,511	50,587,332	49,307,230	1,280,102	2.5%
9	Public Works	2,869,623	1,697,051	1,459,844	237,207	14.0%
10	Tacoma Venues and Events	1,220,007	717,287	459,720	257,567	35.9%
11	Non-Departmental	54,634,101	28,528,259	22,950,466	5,577,793	19.6%
	<b>Total Expenditures</b>	<b>\$ 251,505,587</b>	<b>\$ 144,132,328</b>	<b>\$ 133,463,702</b>	<b>\$ 10,668,626</b>	<b>7.4%</b>

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 (+\$305k).
- 2 **City Manager** - Favorable variance due to personnel savings (+\$149k).
- 3 **Finance** - Favorable variance due to vacancy savings (+\$89k), delayed FileLocal billings (+\$55k), savings in professional services (+\$30k), lower than anticipated credit card fees (+\$28k), lower than anticipated lockbox fees (+\$18k), savings on vehicle expense (+\$15k), and savings on printing (+\$15k).
- 4 **Fire** - Unfavorable variance due to overtime and training (-\$454k), PTO and Leave/Severance cash out (-\$414k), and Fleet Inventory cleanup of prior year corrections (-\$156k), offset by personnel savings (+\$457k). \$43k of expenses through June are COVID-19 response related and can be covered with Federal funding.
- 5 **Library** - Favorable variance due to vacancy and temporary layoff status (+\$796k), slower than planned spending on library materials (+\$283k), and less than planned spending on building maintenance (+\$104k).
- 6 **Neighborhood & Community Services** - Favorable variance due to personnel savings (+\$341k) and COVID-related delays in External Services (+\$979k) with majority in Phase II and III.
- 7 **Planning & Development Services** - Favorable variance due to personnel savings (+\$141K) and savings in External Services (+\$106k).
- 8 **Police** - Favorable variance due to vacancy savings (+\$926k), fuel savings (+\$192k), delays and cancelations of projects and trainings (+\$122k), and timing of purchase orders (+\$243k), offset by external services payment budgeted in 2019 paid in 2020 (-\$248k) and unbudgeted VEBA benefits (-\$32k).
- 9 **Public Works** - Favorable variance due to personnel savings (+\$106k) and delayed M&O expenditures (+\$159k).
- 10 **Tacoma Venues & Events** - Favorable variance due to expenses in External Services (+\$170K) lower than planned due to cancellation of events or timing of arts contracts, and personnel savings (+\$71K).
- 11 **Non-Departmental** - Favorable variance due to timing of payments for the jail contract (+\$2.0M), Police and Fire pensions (+\$1.4M), Local Improvement District assessments (+\$0.8M), capital projects (+0.6M), and Metro Parks (+\$0.4M).

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Through July 31, 2020

# July 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
<b>SPECIAL REVENUE FUNDS</b>						
<b>1</b>	<b><i>PW Street Operations &amp; Engineering</i></b>					
	Revenues	25,439,839	14,831,367	12,873,588	(1,957,779)	(13.2%)
	Expenditures	25,690,638	15,012,171	12,544,962	2,467,210	16.4%
<b>2</b>	<b><i>Traffic Enforcement, Engineering &amp; Education</i></b>					
	Revenues	3,788,828	2,210,150	1,810,994	(399,155)	(18.1%)
	Expenditures	3,738,375	2,190,539	2,196,466	(5,927)	(0.3%)
<b>ENTERPRISE FUNDS</b>						
<b>3</b>	<b><i>Permit Services</i></b>					
	Revenues	17,031,392	9,934,979	12,160,051	2,225,073	22.4%
	Expenditures	15,030,372	8,840,648	8,527,469	313,179	3.5%
<b>4</b>	<b><i>TVE Convention Center</i></b>					
	Revenues	12,304,306	7,300,283	6,365,263	(935,020)	(12.8%)
	Expenditures	12,369,495	5,185,572	3,891,575	1,293,997	25.0%
<b>5</b>	<b><i>TVE Cheney Stadium</i></b>					
	Revenues	1,648,118	947,308	741,764	(205,544)	(21.7%)
	Expenditures	1,516,425	885,787	551,360	334,427	37.8%
<b>6</b>	<b><i>TVE Tacoma Dome</i></b>					
	Revenues	12,109,294	7,328,803	3,486,807	(3,841,996)	(52.4%)
	Expenditures	11,872,956	6,918,468	4,239,276	2,679,192	38.7%

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

General Fund Supported Funds shaded grey.

\* 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 July 31, 2020

# July 2020 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 passage of I-976 and its reduction of TBD vehicle fee revenues (-\$1.7M). Expense: Favorable variance due to savings in street maintenance (+\$1.5M) as a response to I-976, personnel savings from vacant positions and increased charges to capital projects (+\$0.8M).
- 2 **Traffic Enforcement, Engineering & Education** - Revenue: Unfavorable variance due to a delay in General Fund transfer (-\$413k), offset by a favorable variance in Fine & Forfeits (+\$54k) and traffic enforcement (+\$29k).
- 3 **Permit Services** - Revenue: Favorable variance due to a change in accounting practices where we recognize revenue at the time of invoicing (+\$2.2M). Expense: Favorable variance due to savings in External Services (+\$367K).
- 4 **TVE Convention Center** - Revenue: Unfavorable variance of due to cancellation of Convention Center events Mar 15-Jul 31, 2020 related to COVID-19 (-\$1.0M), offset by favorable variance in Miscellaneous Revenues of (+\$72K). Charges for Services variance will continue to remain unfavorable as events have been cancelled through at least Sep 2020. Expense: Favorable variance of due to cancellation of all events at Convention Center Mar 15-Jul 31, 2020 resulting from COVID-19, savings in Operating Expenses (+\$550k) External Services (+\$546k), and personnel (+\$194k).
- 5 **TVE Cheney Stadium** - Revenue: Unfavorable variance due to reduction in Cheney lease payments with cancellation of Rainiers baseball season April - July 2020 (-\$200k). Expense: Favorable variance due to timing of debt service payments (+\$298k) and payment of capital reserves (+\$58k).
- 6 **TVE Tacoma Dome** - Revenue: Unfavorable variance due to all events at Tacoma Dome, Exhibition Hall and Dome Parking being cancelled Mar 14-Jul 31, 2020, causing lower business tax (-\$261k), and charges for services (-\$3.9M), offset by advertising (+\$63k) and interest earnings (+\$210k). Expense: Favorable variance due to cancellation or postponements of all events Mar 14-Jul 31, 2020 due to COVID-19, leading to savings in personnel (+\$414k), external services (+\$492k), and operating expenses (+\$1.6M). Savings could revert to delays if events resume later in the year.

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Through July 31, 2020

# July 2020 Monthly Financial Report

## 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%
	<b>Total Expenditures</b>	<b>\$ 71,054,514</b>	<b>\$ 31,792,605</b>	<b>\$ 30,088,158</b>	<b>\$ 1,704,447</b>	<b>5.4%</b>

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 (+\$137k) and delay in outside counsel billing (+\$316k).
- 2 **City Manager's Office** - Favorable variance due to vacancies (+\$274k), external service savings (+\$80k), and delayed training (+\$70k).
- 3 **Finance** - Favorable variance due to vacancy savings (+\$319k) and delayed professional services (+\$107k).
- 4 **Human Resources** - Favorable Variance due to personnel savings (+\$380k) primarily from vacancies in Safety, delays in Safety Program operating expenses (+\$52k), contract delays in applicant tracking system software (+\$36k), other software delays (+\$20k), projects cancelled due to COVID-19 including Citywide Training (+\$87k) and Benefits Software (+\$29k).

\* 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 July 31, 2020