

August 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	\$ 161,298,908	\$ 165,281,835	\$ 3,982,927	2.5%
Expenditures	\$ 266,595,513	\$ 175,598,186	\$ 170,448,347	\$ 5,149,838	2.9%
Revenue Over Expenditure Variance (Fund Balance)	\$ (22,196,263)	\$ (14,299,277)	\$ (5,166,512)	\$ 9,132,765	

SUMMARY

Through August 2019, revenues and expenditures were favorable, resulting in an overall \$9.1 million positive position.

REVENUE OVERVIEW

Through August, General Fund revenues were favorable by approximately \$4.0 million.

- *Property Taxes* (+\$257k)
 - Timing of payments and fewer delinquent payments
- *Sales Taxes* (+\$1.6M)
 - Favorable Retail, Administrative Support, Technical Services, "Other," and Natural Gas Use Tax
- *Business Taxes* (-\$245k)
 - Unfavorable Cell Phone and Natural Gas Tax, offset by Wholesaling
- *Utility Taxes* (+\$733k)
 - Favorable Water and Rail
- Other Revenues*
 - *Intergovernmental Revenues* (+\$861k)
 - PSE contributions, higher Criminal Justice Funding
 - *Licenses & Permits* (+\$184k)
 - Higher street vacation fees
 - *Charges for Services* (-\$227k)
 - Lower non-emergency lift assist fines, false alarm fines
 - *Fines & Forfeits* (-\$74k)
 - Fewer civil and criminal penalties
 - *Miscellaneous Revenues* (+\$882k)
 - Interest earnings

EXPENDITURE OVERVIEW

Through August, General Fund expenditures were favorable by approximately \$5.1 million.

- *Community and Economic Development (CED)* (+\$200k)
 - Labor Savings
 - External Contracts
- *Finance* (+\$394k)
 - Labor Savings
 - Professional Services Savings
- *Library* (+\$596k)
 - Labor Savings
 - Delay in IT uplift project
- *Municipal Court* (+\$279k)
 - Labor Savings
 - Juror & Interpretation Expenses
- *Neighborhood & Community Services (NCS)* (+\$782k)
 - Labor Savings
 - Delay in Human Service Contracts
- *Non-Departmental* (+\$2.1M)
 - Retired Police & Fire Medical Expenses
 - Pierce County Jail Contract
- *Planning & Development Services (PDS)* (+\$612k)
 - Delay in initiative implementation
- *Police* (-\$232k)
 - Overtime
 - Offset by vacancy savings and lower fuel costs
- *Public Works* (+\$345k)
 - Labor Savings
 - Seasonal Work

Prepared By The Office of Management and Budget

Through August 31, 2019

August 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	\$ 32,996,234	\$ 33,252,906	\$ 256,672	0.8%
2	Sales Tax	57,763,956	37,094,683	38,668,661	1,573,978	4.2%
3	Business Tax	52,714,759	39,120,777	38,876,233	(244,544)	-0.6%
4	Utility Tax	46,231,884	31,644,571	32,377,650	733,079	2.3%
<i>Other Revenues</i>						
5	Intergovernmental Revenues	10,912,481	7,911,452	8,772,194	860,742	10.9%
6	Licenses & Permits	7,144,801	6,524,679	6,708,545	183,866	2.8%
7	Charges for Services	4,529,018	2,846,368	2,619,681	(226,687)	-8.0%
	Other Taxes	1,990,896	1,506,179	1,544,280	38,101	2.5%
8	Fines & Forfeits	855,245	570,163	496,021	(74,143)	-13.0%
9	Miscellaneous Revenues	1,790,330	1,083,802	1,965,665	881,863	81.4%
	Total	\$ 244,399,250	\$ 161,298,908	\$ 165,281,835	\$ 3,982,927	2.5%

Use of Fund Balance (Negative value denotes addition to cash)	\$ 22,196,263	\$ 14,299,277
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Total	\$ 266,595,513	\$ 175,598,186
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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** - Timing variance due to timing of payments (+\$375k), but offset by fewer prior-period property tax payments (-\$118k).
- Sales Tax** - Favorable variance due to Retail (+\$443k), Admin Support (+\$340k), Professional and Technical Services (+\$212k), and "Other" (+\$266k) categories, offset by lower sales taxes in Construction (-\$265k) and Real Estate Rental and Leasing (-\$265k). Natural Gas Use Tax is still favorable (+\$461k) due to previous supply issues that caused the price to increase dramatically.
- Business Tax** - Unfavorable variance due to lower than expected returns in Cell Phone (-\$547k), Telephone (-\$256k), and Natural Gas Tax (-\$372k) categories, and higher than expected use of Multi Activity (-\$308k) and Job (-\$141k) Credits, offset by Wholesaling (+\$478k), Retail Services (+\$351k), Manufacturing (+\$269k), and Admission Taxes (+\$234k).
- Utility Tax** - Favorable variance due to higher than expected gross earnings taxes from Water (+\$477k), Rail (+\$190k), and Environmental Services (+\$240k), but offset by lower than expected Power (-\$241k).
- Intergovernmental Revenues** - Favorable variance due to unbudgeted but anticipated contributions from PSE (+\$500k), higher criminal justice funding (+\$410k).
- Licenses & Permits** - Favorable variance due to greater than planned street vacation fees (+\$211k) and annual business license fees (+\$70k), but offset by less than expected penalties and interest from business licenses (-\$116k).
- Charges for Services** - Unfavorable variance due to lower than expected non-emergency lift assist fines (-\$168k), Police and Fire false alarm fees (-\$209k), and Fire inspection fees (-\$71k), offset by timing of law enforcement services revenue (+\$196k).
- Fines & Forfeitures** - Unfavorable variance due to fewer civil (-\$49k) and criminal (-\$25k) penalties.
- Miscellaneous Revenues** - Variance due to interest earnings (+\$962k).

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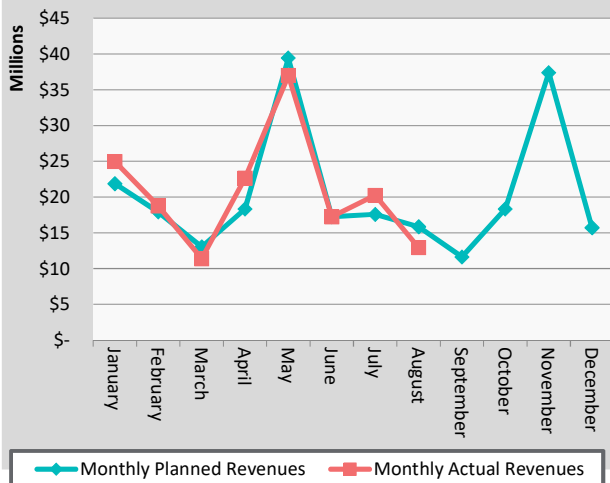
Through August 31, 2019

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

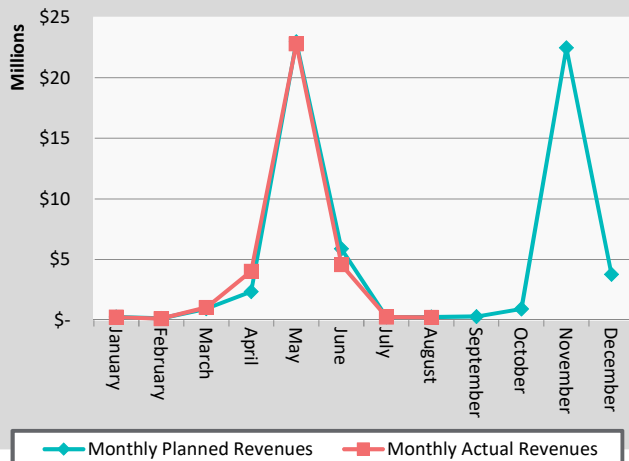
GENERAL FUND REVENUES

ALL REVENUE SOURCES



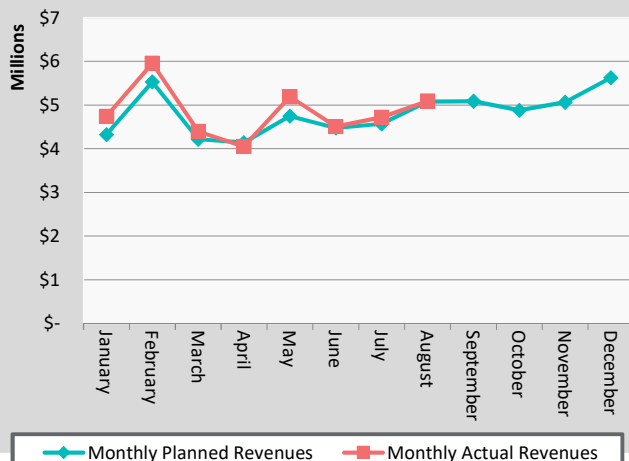
	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 21,879,553	\$ 24,974,353	\$ 3,094,800
February	17,919,228	18,791,415	872,187
March	13,042,034	11,411,927	(1,630,107)
April	18,330,518	22,647,694	4,317,177
May	39,455,048	36,995,935	(2,459,112)
June	17,244,678	17,245,673	995
July	17,577,646	20,243,852	2,666,207
August	15,850,205	12,970,985	(2,879,219)
September	11,655,944		
October	18,320,910		
November	37,394,132		
December	15,729,356		
2019 Total	\$ 244,399,250	\$ 165,281,835	\$ 3,982,927

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	207,879	(35,099)
September	301,352		
October	912,239		
November	22,481,609		
December	3,774,447		
2019 Total	\$ 60,465,879	\$ 33,252,906	\$ 256,672

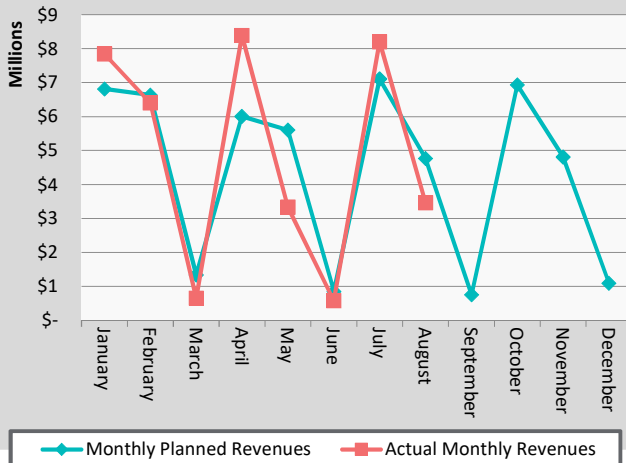
SALES TAX



	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	5,093,643	13,777
September	5,089,550		
October	4,882,727		
November	5,067,531		
December	5,629,466		
2019 Total	\$ 57,763,956	\$ 38,668,661	\$ 1,573,978

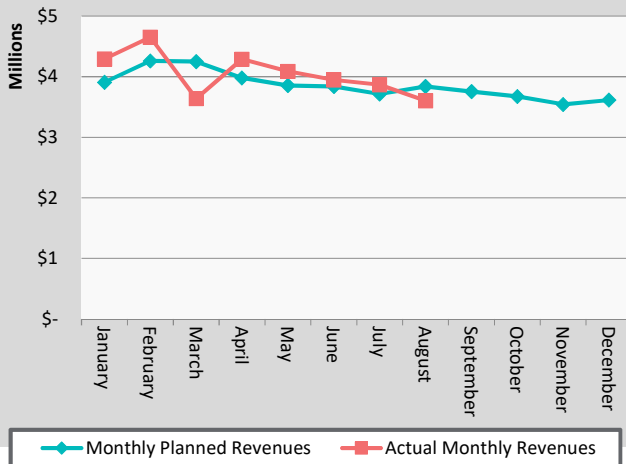
GENERAL FUND REVENUES

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	3,463,174	(1,300,621)
September	755,648		
October	6,936,796		
November	4,810,181		
December	1,091,357		
2019 Total	\$ 52,714,759	\$ 38,876,233	\$ (244,544)

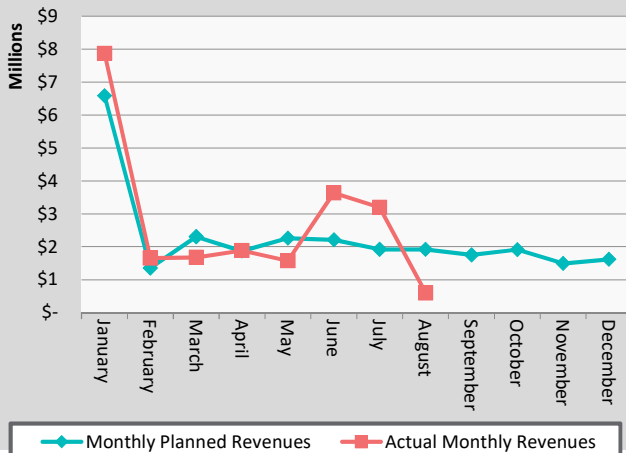
UTILITY/GROSS EARNINGS TAX



	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	3,602,756	(236,289)
September	3,754,201		
October	3,674,931		
November	3,544,016		
December	3,614,164		
2019 Total	\$ 46,231,884	\$ 32,377,650	\$ 733,079

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	3,199,223	1,275,519
August	1,924,521	603,534	(1,320,987)
September	1,755,192		
October	1,914,217		
November	1,490,796		
December	1,619,923		
2019 Total	\$ 27,222,772	\$ 22,106,385	\$ 1,663,742

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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	\$ 1,792,736	\$ 1,757,826	\$ 34,910	1.9%
	City Manager's Office	481,272	320,848	302,426	18,422	5.7%
1	Community & Economic Development	3,742,132	2,400,549	2,200,376	200,173	8.3%
2	Finance	4,445,052	2,982,172	2,587,601	394,571	13.2%
	Fire	63,320,954	42,188,245	42,209,956	(21,710)	-0.1%
3	Library	14,823,952	10,050,464	9,454,155	596,309	5.9%
4	Municipal Court	4,082,714	2,727,838	2,448,766	279,071	10.2%
5	Neighborhood & Community Services	13,494,689	8,612,451	7,830,567	781,884	9.1%
6	Planning & Development Services	2,546,334	1,697,556	1,085,114	612,442	36.1%
7	Police	86,475,430	57,680,048	57,912,114	(232,066)	-0.4%
8	Public Works	2,933,381	1,955,586	1,610,266	345,321	17.7%
	Tacoma Venues and Events	1,189,179	792,786	715,352	77,434	9.8%
9	Non-Departmental	66,371,319	42,396,907	40,333,830	2,063,076	4.9%
	Total Expenditures	\$ 266,595,513	\$ 175,598,186	\$ 170,448,347	\$ 5,149,838	2.9%

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

- Community & Economic Development** - Favorable variance due to vacancy savings (+\$38k), delay in public/private development contracts (+\$48k), and delay in transfer to Tacoma Community Redevelopment Authority (+\$92k).
- Finance** - Favorable variance due to vacancy savings (+\$173k), professional services savings (+\$88k), and delayed software license and maintenance payments (+\$49k).
- Library** - Favorable variance due to delay in hiring (+\$203k), a delay in the IT uplift project (+\$453k), a delay in some Professional Services Contracts (+\$126k), offset by additional insurance costs (-\$82k), earlier than planned facility projects (-\$92k), and additional internal service costs (-\$12k).
- Municipal Court** - Favorable variance due to personnel savings (+\$205k) and underspending in professional services (+\$80k), and lower than expected juror and interpretation expenses (+\$23k), partially offset by timing of rent payments to Pierce County (-\$20k).
- Neighborhood & Community Services** - Favorable variance due to vacancy savings (+\$392k) and delays in external contract payments (+\$406k) with the majority in Homelessness Phase II and III.
- Planning & Development Services** - Favorable variance due to a delay in implementation of Citywide initiatives (+\$339k) such as the Pacific Avenue Corridor Study, as well as the Tideflats Subarea Plan (+\$167k), which is currently going through the RFP process.
- Police** - Unfavorable variance due to higher than anticipated overtime (-\$2.2M) and personal time off cash outs/ severance (-\$225k), offset by vacancy savings (+\$1.6M), lower than anticipated fuel costs (+\$230k), and South Sound 911 contract (+\$229k).
- Public Works** - Favorable variance due to personnel savings (+\$210k), delayed maintenance contracts (+\$88k), and no major property management expenses so far in 2019 (+\$49k).
- Non-Departmental** - Favorable variance due to less than expected expenses in police and fire retirement funds (+\$0.9M), timing of jail contract payment (+\$0.7M), and timing SAFER grant match transfer (+\$0.2M)

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Through August 31, 2019

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

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	PW Street Operations & Engineering					
	Revenues	26,782,347	17,942,021	17,468,036	(473,985)	(2.6%)
	Expenditures	27,735,972	18,607,329	15,407,143	3,200,186	17.2%
2	Traffic Enforcement, Engineering & Education					
	Revenues	3,639,182	2,426,121	2,794,531	368,410	15.2%
	Expenditures	3,631,504	2,421,002	2,334,637	86,365	3.6%
ENTERPRISE FUNDS						
3	Permit Services					
	Revenues	17,087,614	11,391,743	10,956,973	(434,770)	(3.8%)
	Expenditures	17,405,115	11,603,409	9,248,207	2,355,201	20.3%
4	TVE Convention Center					
	Revenues	11,966,875	7,985,182	8,108,023	122,840	1.5%
	Expenditures	12,727,549	6,200,403	4,879,065	1,321,338	21.3%
	TVE Cheney Stadium					
	Revenues	1,617,089	1,098,214	1,116,482	18,268	1.7%
	Expenditures	1,489,475	636,159	585,692	50,467	7.9%
5	TVE Tacoma Dome					
	Revenues	12,008,688	8,511,599	10,338,162	1,826,563	21.5%
	Expenditures	11,480,128	8,002,171	7,634,544	367,628	4.6%

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 August 31, 2019

August 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 (-\$392k), bridge maintenance (-\$150k), and grant-funded projects (-\$458k), which is partially offset by higher than expected revenues in utility taxes (+\$225k) and damage revenues (+\$275k). Expense: Favorable variance due to personnel savings from vacant positions and increased charges to capital projects (+\$938k), pending maintenance projects (+\$1.2M), some grant spending is happening later than planned (+\$452k), and savings in street maintenance (+\$1.5M) 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 (+\$597k), partially offset by lower than expected revenues from red light (-\$226k) and traffic (-\$7k) infractions.
- 3 **Permit Services** - Revenue: Unfavorable variance due to the delay and advertising of Pre-Applications Fees program (-\$307k), lower than expected Building Permits Fees (-\$828k), Right of Way Permits (-\$565k), and less than anticipated collection of dedicated fees (-\$36k), offset by Work Order revenue (+\$726k) and Site Development Fees (+\$326k). Expense: Favorable variance due to delays in initiatives (+\$2.4M) such as the 3rd floor remodel, IT projects, and Tenant Improvement Program.
- 4 **TVE Convention Center** - Revenue: Favorable variance due to charges for services (+\$38k) and miscellaneous revenues (+\$86k). Expense: Favorable variance due to personnel savings (+\$119k), delay in non-capital equipment purchase (+\$700k) and changes in external contracts (+\$367k).
- 5 **TVE Tacoma Dome** - Revenue: Favorable variance due to increased events: charges for services (+\$1.1M), taxes (+\$369k), and miscellaneous revenue (+\$364k). Expense: Favorable variance due to timing of transfers for the Dome Capital Improvement Program (+\$1.2M) and debt service payments (+\$137k), offset by increased events at the Dome resulting in increased operational expenses (-\$1.1M).

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Through August 31, 2019

August 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	\$ 4,392,834	\$ 4,292,810	\$ 100,024	2.3%
1	City Council	1,589,350	1,062,900	942,863	120,037	11.3%
2	City Manager's Office	4,626,128	3,054,405	2,775,843	278,562	9.1%
	Environmental Services	620,020	413,347	413,612	(265)	-0.1%
3	Finance	11,824,740	7,818,205	6,747,046	1,071,159	13.7%
4	Fire	373,016	258,677	155,351	103,326	39.9%
	Hearing Examiner	442,840	295,227	288,088	7,138	2.4%
5	Human Resources	7,584,364	5,186,325	4,904,810	281,515	5.4%
6	Information Technology	31,892,166	21,190,104	16,860,169	4,329,935	20.4%
	Total Expenditures	\$ 65,541,875	\$ 43,672,023	\$ 37,380,593	\$ 6,291,431	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

- City Council** - Favorable variance due to personnel services savings (+\$120k).
- City Manager's Office** - Favorable variance due to timing of hirings (+\$79k) and delay in payment of external contracts for special projects (+\$58k) and training (+\$101k).
- Finance** - Favorable variance due to vacancy savings (+\$580k), delayed operating supplies costs (+\$339k), and delayed professional services (+\$135k).
- Fire** - Favorable variance due to delay in hiring Emergency Management Officer (+\$93k), the position is expected to be hired in October.
- Human Resources** - Favorable variance due to vacancy savings (+\$93k) and delays in external contract services (+\$294k) such as the Classification and Compensation Study, offset by higher than expected costs in professional services (-\$80k).
- Information Technology** - Favorable variance due to labor savings from vacancies and charging labor costs to others (+\$1.0M), timing for Professional Services contracts (+\$1.3M), timing of software licensing payments (+\$1.9M), and timing of new phone purchases (+\$400k); offset by the accounting treatment of certain hardware maintenance agreements (-\$875k).

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