

September 2020 Monthly Financial Report

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

GENERAL FUND OVERVIEW

	2020 Budget*	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
** Revenues	\$ 251,410,559	\$ 176,816,987	\$ 173,069,276	\$ (3,747,711)	-2.1%
<i>Returned Capital Contributions</i>	\$ -	\$ -	\$ 3,500,000	\$ 3,500,000	100.0%
Expenditures	\$ 249,963,330	\$ 182,035,474	\$ 169,413,807	\$ 12,621,667	6.9%
Revenue Over Expenditure Variance (Fund Balance)	\$ 1,447,229	\$ (5,218,487)	\$ 7,155,469	\$ 12,373,956	

** 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

REVENUE OVERVIEW

Through September, General Fund revenues were unfavorable by approximately \$3.7 million, aided by \$3.5 million of returned capital contributions, bringing it to a total unfavorable variance of \$248 thousand.

- Property Taxes (+\$115k)
 - Timing of payments
- Sales Taxes (-\$4.1M)
 - Delayed filings, slowdowns in spending
- Business Taxes (-\$2.5M)
 - Unfavorable retailing, cable television, cell phone/pager, telephone, wholesale grains
 - Offset by service and natural gas
- Utility Taxes (+\$1.6M)
 - One-time \$1M payment from Power
 - Favorable Solid Waste, Power, Surface Water, and Click!
 - Offset by Waste Water and Water

Other Revenues

- Intergovernmental Revenues (+\$1.6M)
 - Favorable marijuana-related taxes, liquor taxes, criminal justice funding, timing of tribal revenue
- Licenses and Permits (-\$207k)
 - Unfavorable non-business licenses and permits and business license penalties and interest
 - Offset by annual business licenses
- Charges for Services (-\$299k)
 - Unfavorable Fire Inspection Fees
 - Offset by law enforcement services
- Fines & Forfeits (+\$265k)
 - Penalties and interest on business taxes
- Miscellaneous Revenues (-\$133k)
 - Delayed interest subsidies, less than planned interest earnings
 - Excludes \$3.5M in returned capital contributions

EXPENDITURE OVERVIEW

Through September, General Fund expenditures were favorable by approximately \$12.6 million.

- City Manager's Office (+\$187k)
 - Personnel savings
- Community & Economic Development (CED) (+\$152k)
 - Personnel and external service savings
- Finance (+\$132k)
 - Professional services and operating expense savings
- Fire (-\$149k)
 - PTO Payouts and Overtime
 - Offset by personnel savings
- Library (+\$891k)
 - Slower spending on library materials, maintenance
- Neighborhood & Community Services (NCS) (+\$1.3M)
 - Labor Savings
 - External provider billing delays due to COVID-19
- Planning & Development Services (PDS) (+\$206k)
 - Vacancy and external service savings
- Police (+\$2.3M)
 - Vacancy savings
 - Delays and cancellations of projects and trainings
 - Timing of purchase orders
- Public Works (+\$333k)
 - Labor Savings
 - Delayed maintenance & operations expenses
- Tacoma Venues & Events (+\$382k)
 - Timing of Arts contracts, cancelled events
- Non-Departmental (+\$6.9M)
 - 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 September 30, 2020

September 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	\$ 34,419,662	\$ 34,534,814	\$ 115,153	0.3%
2	Sales Tax	59,736,063	43,629,823	39,520,028	(4,109,795)	-9.4%
3	Business Tax	54,100,871	40,917,262	38,438,770	(2,478,492)	-6.1%
4	Utility Tax	46,780,038	35,872,046	37,457,991	1,585,944	4.4%
<i>Other Revenues</i>						
5	Intergovernmental Revenues	11,686,845	8,285,878	9,855,617	1,569,739	18.9%
6	Licenses & Permits	7,402,244	6,956,980	6,749,592	(207,388)	-3.0%
7	Charges for Services	3,874,663	2,863,029	2,563,558	(299,472)	-10.5%
	Other Taxes	1,995,064	1,537,683	1,482,389	(55,294)	-3.6%
8	Fines & Forfeits	854,420	640,815	905,699	264,884	41.3%
9**	Miscellaneous Revenues	2,470,669	1,693,809	1,560,819	(132,990)	-7.9%
	Total	\$ 251,410,559	\$ 176,816,987	\$ 173,069,276	\$ (3,747,711)	-2.1%
	Returned Capital Contributions**	-	-	3,500,000	3,500,000	100.0%
	Total	\$ 251,410,559	\$ 176,816,987	\$ 176,569,276	\$ (247,711)	-0.1%

Use of Fund Balance (Negative value denotes addition to cash)	\$ (1,447,229)	\$ 5,218,487
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Total	\$ 249,963,330	\$ 182,035,474
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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** - Favorable variance due to timing of payments (+\$115k).
- 2 **Sales Tax** - Unfavorable variance due to optional delayed filings as well as continued slowdowns in spending (-\$4.1M).
- 3 **Business Tax** - Unfavorable variance due to weaker returns in Retailing (-\$1.0M), cable television (-\$155k), cell phone/pager taxes (-\$442k), and a refund in the wholesale of grains category (-\$450k), offset by more taxes in the service (+\$514k) and natural gas business taxes (+\$58k).
- 4 **Utility Tax** - Favorable variance due to accounting treatment of Power revenues resulting in a one-time \$1.0M payment and Power returns above plan (+\$1.3M), conservative budgeting regarding Click's final months as a City entity (+\$343k) and returns above plan in Solid Waste (+\$169k) and Surface Water (+\$29k), partially offset by weaker returns in Waste Water (-\$127k) and Water (-\$45k).
- 5 **Intergovernmental Revenues** - Favorable variance due to greater than planned marijuana-related taxes (+\$229k), liquor taxes (+\$160k), and state criminal justice funding (+\$256k), as well as earlier than planned tribal revenue (+\$719k), but offset by less than planned fire protection revenue from Fire District 10 (-\$155k).
- 6 **Licenses & Permits** - Unfavorable variance due to lower than expected non-business licenses and permits (-\$262k), interest and penalties on business licenses (-\$45k), business license permits (-\$33k), and fire prevention permits (-\$36k), offset by greater than planned annual business licenses (+\$135k) and alarm monitoring permits (+\$32k).
- 7 **Charges for Services** - Unfavorable variance due to lower than expected Fire Inspection Fees (-\$493k), offset by higher than expected law enforcement services revenue (+\$159k).
- 8 **Fines & Forfeitures** - Favorable variance due to higher than expected penalties and interest on business taxes (+\$416k), offset by lower than planned criminal penalties (-\$37k) and Library book fines (-\$74k).
- 9** **Miscellaneous Revenues** - Unfavorable variance due to delayed Build America Bond interest subsidies (-\$318k) and less than planned interest earnings (-\$244k). ** 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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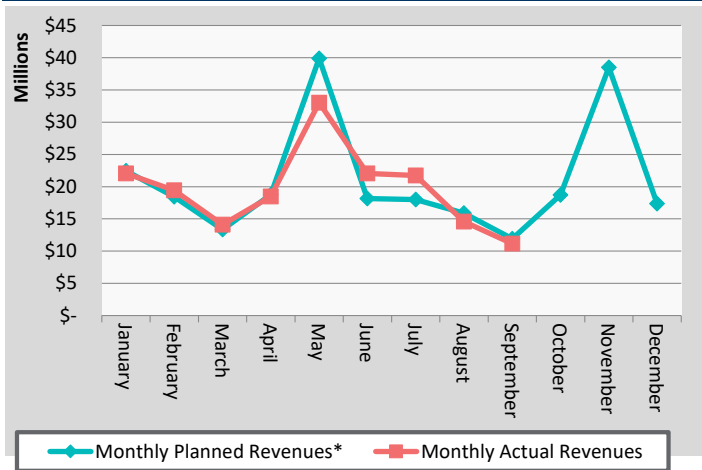
Through September 30, 2020

September 2020 Monthly Financial Report

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

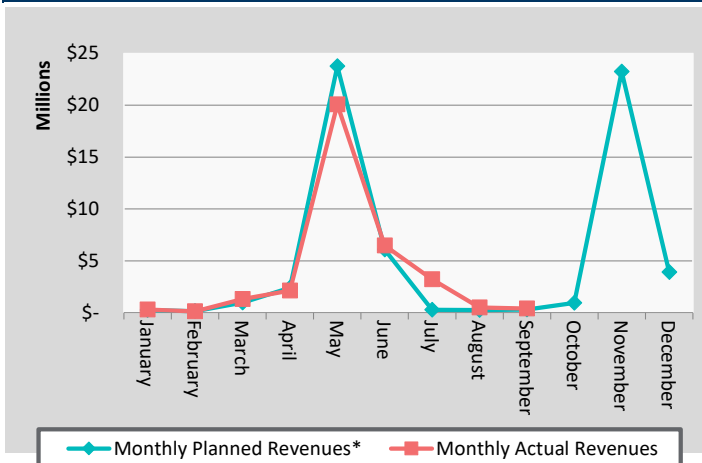
GENERAL FUND REVENUES

ALL REVENUE SOURCES



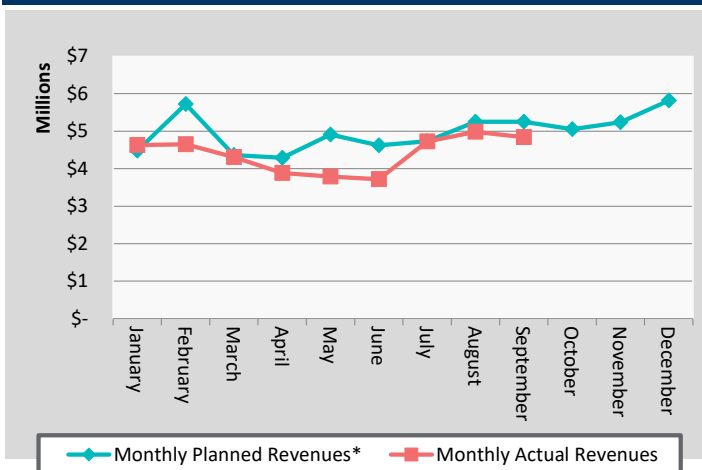
	Monthly Planned Revenues*	Monthly Actual Revenues	Variance
January	\$ 22,462,031	\$ 22,043,955	\$ (418,076)
February	18,418,594	19,413,380	994,786
March	13,329,509	14,097,302	767,793
April	18,753,177	18,474,757	(278,420)
May	39,896,697	33,027,241	(6,869,455)
June	18,157,450	22,051,082	3,893,632
July	17,994,306	21,723,352	3,729,047
August	15,890,604	14,582,151	(1,308,453)
September	11,914,621	11,156,055	(758,565)
October	18,724,084		
November	38,494,309		
December	17,375,178		
2020 Total	\$ 251,410,559	\$ 176,569,276	\$ (247,711)

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	3,219,930	2,950,985
August	250,706	504,679	253,973
September	311,322	409,657	98,336
October	943,141		
November	23,244,060		
December	3,902,820		
2020 Total	\$ 62,509,681	\$ 34,534,814	\$ 115,153

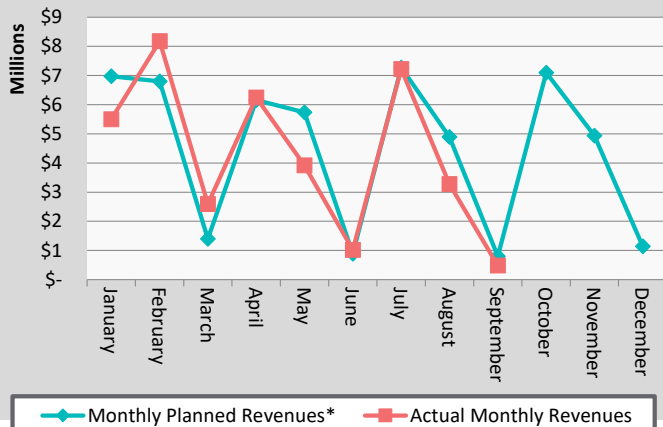
SALES TAX



	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	4,724,177	(5,664)
August	5,252,762	4,981,373	(271,388)
September	5,254,436	4,838,485	(415,950)
October	5,050,363		
November	5,239,815		
December	5,816,062		
2020 Total	\$ 59,736,063	\$ 39,520,028	\$ (4,109,795)

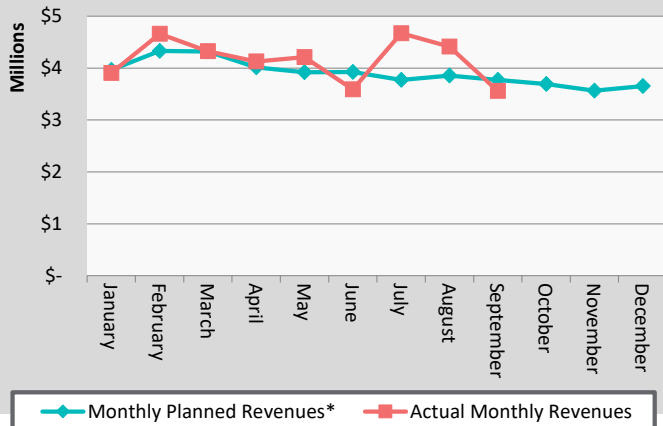
GENERAL FUND REVENUES

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	7,220,953	(55,879)
August	4,893,058	3,273,185	(1,619,874)
September	801,942	482,959	(318,984)
October	7,099,056		
November	4,941,685		
December	1,142,868		
2020 Total	\$ 54,100,871	\$ 38,438,770	\$ (2,478,492)

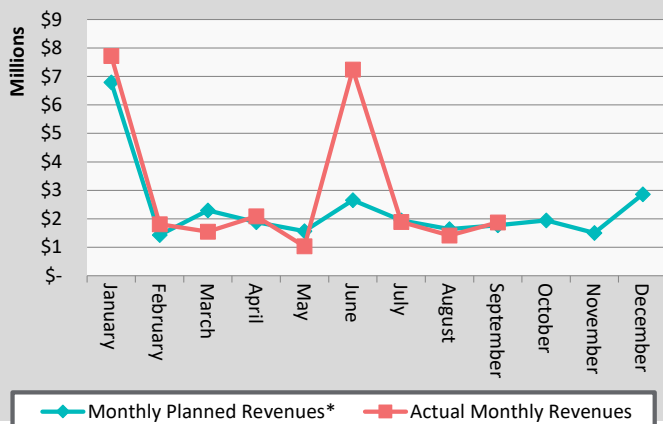
UTILITY/GROSS EARNINGS TAX



	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	4,671,652	899,504
August	3,855,762	4,412,916	557,154
September	3,770,611	3,556,730	(213,881)
October	3,690,830		
November	3,564,504		
December	3,652,658		
2020 Total	\$ 46,780,038	\$ 37,457,991	\$ 1,585,944

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	7,247,727	4,594,656
July	1,946,539	1,886,639	(59,900)
August	1,638,316	1,409,998	(228,318)
September	1,776,310	1,868,224	91,915
October	1,940,695		
November	1,504,246		
December	2,860,770		
2020 Total	\$ 28,283,905	\$ 26,617,673	\$ 4,639,479

* 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
	City Attorney's Office	\$ 2,504,248	\$ 1,834,267	\$ 1,778,564	\$ 55,703	3.0%
1	City Manager's Office	522,610	391,096	203,695	187,401	47.9%
2	Community & Economic Development	3,368,975	2,490,813	2,339,200	151,613	6.1%
3	Finance	4,101,793	3,069,619	2,937,383	132,236	4.3%
4	Fire	63,832,938	48,210,668	48,359,934	(149,266)	-0.3%
5	Library	13,504,123	9,964,614	9,073,976	890,638	8.9%
	Municipal Court	3,681,561	2,766,777	2,814,466	(47,690)	-1.7%
6	Neighborhood & Community Services	12,027,642	8,785,672	7,468,265	1,317,407	15.0%
7	Planning & Development Services	1,739,039	1,287,413	1,081,010	206,403	16.0%
8	Police	85,954,910	64,726,800	62,438,040	2,288,760	3.5%
9	Public Works	2,834,917	2,131,374	1,798,081	333,292	15.6%
10	Tacoma Venues and Events	1,186,473	884,841	502,773	382,068	43.2%
11	Non-Departmental	54,704,101	35,491,521	28,618,420	6,873,101	19.4%
	Total Expenditures	\$ 249,963,330	\$ 182,035,474	\$ 169,413,807	\$ 12,621,667	6.9%

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

- 1 **City Manager** - Favorable variance due to personnel savings (+\$187k) and delayed contracts (+\$46k).
- 2 **Community & Economic Development** - Favorable variance due to personnel savings (+\$62k) and delays in external services (+\$119k).
- 3 **Finance** - Favorable due to savings in professional services (+\$30k), lower than anticipated credit card fees (+\$20k), lower than anticipated lockbox fees (+\$26k), and savings on printing (+\$20k) and postage (+\$15k).
- 4 **Fire** - Unfavorable variance due to overtime and training (-\$748k) and PTO and Leave/Severance cash out (-\$414k), offset by personnel savings (+\$976k). \$49k of expenses through September are COVID-19 response related and can be covered with Federal funding.
- 5 **Library** - Favorable variance due to slower than planned spending on library materials (+\$245k), less than planned spending on building maintenance and planned improvements (+\$332k), canceled purchase of a second microlibrary (+\$188k) savings on security costs while the Main branch has been closed (+\$66k), miscellaneous labor savings (+\$82k) and less copier expenses (+\$18k), but offset by higher than planned property insurance costs (-\$63k) and unbudgeted retirement incentives (-\$45k).
- 6 **Neighborhood & Community Services** - Favorable variance due to personnel savings (+\$183k), COVID-related external contract delays (+\$1.0M) in programs such as Phase II, Metro Parks, and Tacoma Community House, and no Phase III programming (+\$221k).
- 7 **Planning & Development Services** - Favorable variance due to personnel savings (+\$47k) and savings in External Services (+\$163k).
- 8 **Police** - Favorable variance due to vacancy savings and timing of contracts (+\$1.8M), fuel savings (+\$379k), delays and cancellations of projects and trainings (+\$169k), and timing of purchase orders (+\$136k), offset by external services payment budgeted in 2019 paid in 2020 (-\$45k) and unbudgeted VEBA benefits (-\$36k).
- 9 **Public Works** - Favorable variance due to personnel savings (+\$194k) and delayed maintenance & operations expenditures (+\$131k).
- 10 **Tacoma Venues & Events** - Favorable due to savings in external services due to timing of arts contracts and reduction in number of special events (+\$271k), personnel savings (+\$62k), and operating expenses savings (+\$50k).
- 11 **Non-Departmental** - Favorable variance due to savings and timing of payments for the jail contract (+\$2.8M), Police and Fire pensions (+\$1.9M), and Local Improvement District assessments (+\$1.0M), as well as timing of transfers to the Traffic Enforcement fund (+\$0.6M) and Metro Parks (+\$0.4M).

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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	15,057,977	15,763,013	705,037	4.7%
	Expenditures	20,743,417	15,508,582	11,796,320	3,712,262	23.9%
2	PW Street Operations & Engineering					
	Revenues	25,439,839	19,155,451	17,003,029	(2,152,422)	(11.2%)
	Expenditures	25,310,473	18,940,572	15,233,363	3,707,209	19.6%
3	TFD Emergency Medical Services					
	Revenues	17,972,060	11,036,879	11,135,836	98,957	0.9%
	Expenditures	15,968,754	12,079,007	12,216,741	(137,734)	(1.1%)
4	Municipal Cable TV					
	Revenues	3,531,144	2,648,358	2,537,149	(111,209)	(4.2%)
	Expenditures	3,112,760	2,347,549	1,838,094	509,455	21.7%
5	Traffic Enforcement, Engineering & Education					
	Revenues	3,788,828	2,841,621	2,308,463	(533,158)	(18.8%)
	Expenditures	3,685,461	2,756,759	2,819,835	(63,076)	(2.3%)
6	Mental Health & Chemical Dependency					
	Revenues	6,292,486	4,595,056	4,278,558	(316,498)	(6.9%)
	Expenditures	9,175,862	5,567,763	3,803,433	1,764,330	31.7%
	Real Estate Excise Tax					
	Revenues	7,748,334	5,811,251	7,405,257	1,594,007	27.4%
	* 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.					
7	Tacoma Creates					
	Revenues	6,292,486	4,719,365	4,350,333	(369,031)	(7.8%)
	Expenditures	4,939,407	3,703,425	1,933,846	1,769,579	47.8%
ENTERPRISE FUNDS						
8	Permit Services					
	Revenues	17,031,392	12,773,544	15,143,837	2,370,293	18.6%
	Expenditures	14,976,710	11,262,875	10,834,037	428,838	3.8%
9	PW Parking Operations					
	Revenues	8,519,310	6,389,482	3,194,014	(3,195,468)	(50.0%)
	Expenditures	8,602,041	4,156,146	3,312,457	843,689	20.3%
10	TVE Convention Center					
	Revenues	12,304,306	9,181,262	8,047,416	(1,133,846)	(12.3%)
	Expenditures	12,224,851	6,484,401	4,939,409	1,544,992	23.8%
11	TVE Cheney Stadium					
	Revenues	1,648,118	1,170,584	1,051,183	(119,401)	(10.2%)
	Expenditures	1,516,425	1,127,770	562,215	565,556	50.1%
12	TVE Tacoma Dome					
	Revenues	12,109,294	9,707,725	3,569,628	(6,138,097)	(63.2%)
	Expenditures	11,711,622	8,866,447	5,188,180	3,678,268	41.5%
13	TVE Theaters					
	Revenues	1,472,471	1,091,228	718,986	(372,242)	(34.1%)
	Expenditures	1,435,334	1,082,074	519,017	563,057	52.0%

OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

Fund	2020 Budget*	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
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Other Funds Continued on Next Page

14 ES Solid Waste

Revenues	75,482,843	56,612,132	57,534,768	922,636	1.6%
Expenditures	72,542,926	52,821,685	52,799,923	21,762	0.0%

15 ES Wastewater

Revenues	85,792,550	63,840,038	63,962,685	122,648	0.2%
Expenditures	100,987,798	71,893,496	60,918,864	10,974,632	15.3%

16 ES Surface Water

Revenues	43,957,000	28,824,000	32,486,987	3,662,987	12.7%
Expenditures	56,867,547	40,148,500	30,199,133	9,949,367	24.8%

INTERNAL SERVICE FUNDS

17 PW Fleet Equipment Rental

Revenues	8,998,857	6,749,143	7,089,548	340,405	5.0%
Expenditures	8,757,596	6,586,200	8,873,351	(2,287,151)	(34.7%)

18 Radio Communications

Revenues	2,842,250	2,031,680	1,913,674	(118,005)	(5.8%)
Expenditures	2,647,532	1,989,599	1,881,262	108,336	5.4%

19 Municipal Building Acquisition & Operations

Revenues	5,234,843	3,926,132	4,078,999	152,867	3.9%
Expenditures	5,230,672	3,935,517	3,455,580	479,938	12.2%

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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OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

VARIANCE NOTES

- 1 **2015 Voted Streets Initiative Fund** - Revenue: Favorable variance due to higher than expected utility taxes (+\$427k), investment revenues (+\$226k), and property taxes (+\$103k). Expense: Favorable variance due to the timing of street maintenance work packages and capital project contributions (+\$3.7M).
- 2 **PW Street Operations & Engineering** - Revenue: Unfavorable variance due to passage of I-976 and its reduction of TBD vehicle fee revenues (-\$2.2M). Expense: Favorable variance due to savings in street maintenance (+\$2.0M) as a response to I-976, as well as personnel savings from vacant positions and increased charges to capital projects (+\$1.3M).
- 3 **TFD Emergency Medical Services** - Expense: Unfavorable variance due to Health Care Authority reimbursement for GEMT rate recalculation (-\$293k), overtime and training expenses (-\$157k), PTO cash outs (-\$163k), overages in Medical Supplies (-\$119k), and TFD Fleet prior-year inventory clean-up project (-\$102k), offset by savings in Professional Services (+\$142k) and a credit from Fleet Services for replacements (+\$610k). \$76k of supplies through September are COVID-19 response related and can be covered with Federal funding.
- 4 **Municipal Cable TV** - Revenue: Unfavorable variance due to under collection of Utility Tax revenue (-\$314k), partially offset by higher than planned business tax revenue (+\$129k). Expense: Favorable variance due to delayed contracts (+\$207k), personnel savings (+\$107k), and an assessment accounting entry (+\$490k).
- 5 **Traffic Enforcement, Engineering & Education** - Revenue: Unfavorable variance due to a delay in General Fund transfer (-\$627k), offset by a favorable variance in Fine & Forfeits (+\$50k) and traffic enforcement (+\$38k).
- 6 **Mental Health & Chemical Dependency** - Expense: Favorable variance due to Beacon Center Renovation delay (+\$1.3M) and delay in homeless services external contract spending (+\$213k).
- 7 **Tacoma Creates** - Revenue: Unfavorable variance due to sales tax fluctuations related to COVID-19 (-\$369k). Expense: Favorable variance due to delays in contract processing and payments (+\$1.7M).
- 8 **Permit Services** - Revenue: Favorable variance due to a change in accounting practices where we recognize revenue at the time of invoicing (+\$2.0M) and Site Development and Private Work Order revenues (+\$343k). Expense: Favorable variance due to savings in External Services (+\$491k).
- 9 **PW Parking Operations** - Revenue: Unfavorable variance due to Parking Enforcement Officer vacancy and reduced ticketing during COVID (-\$1.5M), parking garage revenues lower than expected (-\$1.0M), and temporary loss of pay station revenues (-\$0.7M). Expense: Favorable variance due to lower than expected spending on capital repair and deferred maintenance (+\$276k) and garage and parking meter management (+\$394k).
- 10 **TVE Convention Center** - Revenue: Unfavorable variance of due to cancellation of Convention Center events Mar 15-Sep 30, 2020 related to COVID-19 (-\$1.2M), offset by favorable variance in Miscellaneous Revenues of (+\$91k). 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-Sep 30, 2020 resulting from COVID-19, savings in Operating Expenses (+\$674k), External Services (+\$757k), and personnel (+\$107k).
- 11 **TVE Cheney Stadium** - Revenue: Unfavorable variance due to lower business and other tax revenue (-\$118k) Expense: Favorable variance due to timing of debt service payments (+\$530k), payment of capital reserves (+\$75k), and leasehold taxes (+\$38k).
- 12 **TVE Tacoma Dome** - Revenue: Unfavorable variance due to all events at Tacoma Dome, Exhibition Hall and Dome Parking being cancelled Mar 14-Sep 30, 2020, causing lower business tax (-\$457k), and charges for services (-\$5.9M), offset by interest earnings (+\$243k). Expense: Favorable variance due to cancellation or postponements of all events Mar 14-Sep 30, 2020 due to COVID-19, leading to savings in personnel (+\$396k), external services (+\$714k), and operating expenses (+\$2.3M). Savings could revert to delays if events resume later in the year.
- 13 **TVE Theaters** - Revenue: Unfavorable variance due to timing of REET1 transfer (-\$375k). Expense: Favorable variance due to timing of capital projects (+\$375k) and savings in External Services (+\$213k).
- 14 **ES Solid Waste** - Revenue: Favorable variance by 1.6%. Commercial revenues are offsetting less than planned residential revenues.
- 15 **ES Wastewater** - Revenue: Favorable variance by 1.2%. Operating Expenses: Favorable variance due to personnel savings (+\$446k). Capital Expenses: Favorable variance due to delays in the Energy Management Project (+\$5.0M) and delays in Streets Initiative Projects (+\$2.3M)
- 16 **ES Surface Water** - Revenue: Favorable variance due to timing of Hosmer Holding Basin service revenue (+\$1.3M), investment revenues (+\$1.6M), and grants and contributions (+\$500k). Operating Expense: Unfavorable variance due to the Hosmer Holding Basin (-\$2.5M) and the Olympic View Resource Area Cap Replenishment (-\$950k) projects planned in 2019 but occurred in 2020. 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).
- 17 **PW Fleet Equipment Rental** - Revenue: Unfavorable variance due to timing of vehicle purchases (-\$257k). Expense: Favorable variance due to timing of vehicle purchases (+\$2.3M)
- 18 **Radio Communications** - Revenue: Unfavorable variance due to timing of bills to external users (-\$118k). Expense: Favorable variance due to timing of radio infrastructure upgrade purchase (+\$393k)
- 19 **Municipal Building Acquisition & Operations** - Revenue: Favorable variance due to earnings from work performed for parties external to the rent model (+\$113k) and investment earnings (+\$35k). Expense: Favorable variance due to timing of contracted maintenance work (+\$351k), operating purchases (+\$41k), and personnel savings (+\$49k).

Prepared By The Office of Management and Budget

Through September 30, 2020

September 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	\$ 7,428,012	\$ 4,935,791	\$ 4,334,916	\$ 600,875	12.2%
	City Council	1,569,232	1,041,600	987,609	53,992	5.2%
2	City Manager's Office	4,719,642	3,129,076	2,623,789	505,288	16.1%
	Environmental Services	604,680	403,120	425,286	(22,166)	-5.5%
3	Finance	11,216,925	7,462,297	6,957,042	505,254	6.8%
	Fire	393,805	272,537	290,847	(18,310)	-6.7%
	Hearing Examiner	466,218	310,812	292,600	18,212	5.9%
4	Human Resources	7,654,031	5,196,406	4,425,258	771,148	14.8%
5	Information Technology	28,682,678	19,195,113	19,359,168	(164,055)	-0.9%
	Total Expenditures	\$ 62,735,223	\$ 41,946,752	\$ 39,696,515	\$ 2,250,237	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 (+\$157k) and delay in outside counsel billing (+\$476k).
- 2 **City Manager's Office** - Favorable variance due to vacancies (+\$348k), external service savings (+\$104k), and delayed training (+\$144k).
- 3 **Finance** - Favorable variance due to labor vacancy savings (+\$421k), travel and training cost savings (+\$76k), and professional services (+\$95k).
- 4 **Human Resources** - Favorable variance due to vacancies in Safety (+\$381k), cancelled trainings (+\$156k), and delays in Safety operating expenses (+\$60k).
- 5 **Information Technology** - Unfavorable variance due to spending ahead on licensing and cloud technologies (-\$1.8M), partially offset by personnel savings (+\$767k), professional services (+\$95k), and timing of communication materials purchases (+\$348k), equipment charges for the Library Uplift project (+\$115k).

* 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 September 30, 2020

September 2020 Monthly Financial Report

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

BENEFIT FUNDS OVERVIEW (REVENUE AND EXPENSE)

Fund	2019/2020 Biennial Budget*	BTD Actuals	Actual % of 2-Year Budget
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Benefit Funds

1 Third Party Liability / Self Insurance

Revenues	\$9,838,600	\$11,187,597	113.7%
Expenditures	\$8,607,696	\$6,056,879	70.4%

2 Unemployment

Revenues	\$1,267,200	\$1,085,851	85.7%
Expenditures	\$1,030,000	\$1,115,171	108.3%

3 Worker's Compensation

Revenues	\$15,365,000	\$12,238,240	79.7%
Expenditures	\$15,362,264	\$9,561,310	62.2%

4 Health Care Labor Management

Revenues	\$136,617,822	\$114,539,047	83.8%
Expenditures	\$146,710,889	\$125,471,701	85.5%

5 Dental Care Management

Revenues	\$10,755,630	\$10,246,798	95.3%
Expenditures	\$10,754,194	\$9,898,441	92.0%

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 over budget due to COVID-related temporary furloughs (-\$216k), reimbursement from CARES funding is expected to offset this expense.
- Worker's Compensation** - Revenues are lower than anticipated (-\$1.1M) primarily due to vacancies within the City. Expenses are lower than expected due to lower than expected claims (+\$3.8M).
- Health Care Labor Management** - Revenues are lower than expected due to vacancies (-\$7.0M), partially offset by charges for services (+\$1.1M) and investment revenue (+\$852k). Expenses are below budget due to vacancies offset by higher claims from members (+\$3.0M).
- Dental Care Management** - Revenues are higher than budgeted due to the actual mix of plan subscribers and actual 2020 premiums higher than budgeted (+\$843k). Expenses are higher than budgeted due to the actual mix of plan subscribers and actual 2020 premiums higher than budgeted (-\$496k).

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Through September 30, 2020