

October 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	\$ 191,275,762	\$ 196,841,941	\$ 5,566,179	2.9%
Expenditures	\$ 266,595,513	\$ 216,313,497	\$ 210,606,385	\$ 5,707,112	2.6%
Revenue Over Expenditure Variance (Fund Balance)	\$ (22,196,263)	\$ (25,037,735)	\$ (13,764,444)	\$ 11,273,291	

SUMMARY

Through October 2019, revenues and expenditures were favorable, resulting in an overall \$11.2 million positive position.

REVENUE OVERVIEW

Through October, General Fund revenues were favorable by approximately \$5.5 million.

- *Property Taxes* (+\$539k)
 - Timing of payments and fewer delinquent payments
- *Sales Taxes* (+\$1.4M)
 - Favorable Retail, Administrative Support, Technical Services, Natural Gas Use Tax, Criminal Justice, and Other.
- *Business Taxes* (+\$1.3M)
 - Favorable Service, Wholesaling, Admission Taxes, Retailing, and Retail Services
- *Utility Taxes* (+\$657k)
 - Favorable Water, Rail, and Environmental Services
- Other Revenues*
 - *Intergovernmental Revenues* (+\$1.2M)
 - PSE contributions, higher Criminal Justice Funding
 - *Licenses & Permits* (+\$99k)
 - Higher street vacation and annual business license fees
 - *Charges for Services* (-\$538k)
 - Lower non-emergency lift assist fines, false alarm fines
 - *Fines & Forfeits* (-\$115k)
 - Fewer civil and criminal penalties
 - *Miscellaneous Revenues* (+\$968k)
 - Interest earnings

EXPENDITURE OVERVIEW

Through October, General Fund expenditures were favorable by approximately \$5.7 million.

- *Community and Economic Development (CED)* (+\$296)
 - Labor Savings
 - External Contracts
- *Finance* (+\$499k)
 - Labor Savings
 - Professional Services Savings
- *Fire* (+\$193k)
 - Labor Savings offset by Overtime
 - Delay in operating supplies
- *Library* (+\$664k)
 - Labor Savings
 - Delay in IT uplift project
- *Municipal Court* (+\$343k)
 - Labor Savings
 - Professional Services Savings
- *Neighborhood & Community Services (NCS)* (+\$1.2M)
 - Labor Savings
 - Delay in Human Service Contracts
- *Planning & Development Services (PDS)* (+\$726k)
 - Delay in initiative implementation
- *Police* (-\$416k)
 - Overtime
 - Offset by vacancy savings and lower fuel costs
- *Public Works* (+\$342k)
 - Labor Savings
 - Delayed Maintenance Contracts
- *Non-Departmental* (+\$1.8M)
 - Retired Police & Fire Medical Expenses
 - Pierce County Jail Contract

Prepared By The Office of Management and Budget

Through October 31, 2019

October 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	\$ 34,209,824	\$ 34,748,667	\$ 538,843	1.6%
2	Sales Tax	57,763,956	47,066,960	48,464,120	1,397,160	3.0%
3	Business Tax	52,714,759	46,813,222	48,146,342	1,333,120	2.8%
4	Utility Tax	46,231,884	39,073,704	39,730,773	657,069	1.7%
<i>Other Revenues</i>						
5	Intergovernmental Revenues	10,912,481	9,770,529	10,987,806	1,217,277	12.5%
6	Licenses & Permits	7,144,801	7,019,700	7,118,557	98,856	1.4%
7	Charges for Services	4,529,018	3,724,661	3,186,009	(538,652)	-14.5%
	Other Taxes	1,990,896	1,612,019	1,621,449	9,430	0.6%
8	Fines & Forfeits	855,245	712,704	598,204	(114,501)	-16.1%
9	Miscellaneous Revenues	1,790,330	1,272,439	2,240,016	967,576	76.0%
	Total	\$ 244,399,250	\$ 191,275,762	\$ 196,841,941	\$ 5,566,179	2.9%

Use of Fund Balance (Negative value denotes addition to cash)	\$ 22,196,263	\$ 25,037,735
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Total	\$ 266,595,513	\$ 216,313,497
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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** - Variance due to timing of payments (+\$655k), but offset by fewer prior-period property tax payments (-\$113k).
- Sales Tax** - Favorable variance due to Retail (+\$447k), Admin Support (+\$418k), Professional and Technical Services (+\$253k), Criminal Justice (+\$190k), and Other (+\$317k) categories, offset by lower sales taxes in Construction (-\$561k), Real Estate services (-\$332k), and Public Administration (-\$177k). Natural Gas Use Tax is still favorable (+\$431k) due to previous supply issues that caused the price to increase dramatically.
- Business Tax** - Business taxes above plan by \$1.3M but are expected to give up recent gains in November. Favorable variance due to higher than expected returns in Service (+\$1.1M), Wholesaling (+\$613k), Admission Taxes (+\$609k), Retailing (+\$413k), and Retail Services (+\$408k), but offset by weaker returns in cellphone (-\$800k), telephone (-\$294k), natural gas business taxes (-\$387k), and greater than anticipated use of tax credits (-\$433k).
- Utility Tax** - Favorable variance due to higher than expected gross earnings taxes from Water (+\$440k), Rail (+\$203k), and Environmental Services (+\$423k), but offset by lower than expected Power (-\$489k).
- Intergovernmental Revenues** - Favorable variance due to unbudgeted but anticipated contributions from PSE (+\$500k) and higher criminal justice funding (+\$498k).
- Licenses & Permits** - Favorable variance due to greater than planned street vacation fees (+\$305k) and annual business license fees (+\$110k), but offset by less than expected penalties and interest from business licenses (-\$220k).
- Charges for Services** - Unfavorable variance due to lower than expected non-emergency lift assist fines (-\$217k), Police and Fire false alarm fees (-\$276k), and Fire inspection fees (-\$107), offset by timing of law enforcement services revenue (+\$70k).
- Fines & Forfeitures** - Unfavorable variance due to fewer civil (-\$86k) and criminal (-\$28k) penalties.
- Miscellaneous Revenues** - Variance due to interest earnings (+\$1.1M), offset by less than planned miscellaneous rental and other revenues (-\$139k).

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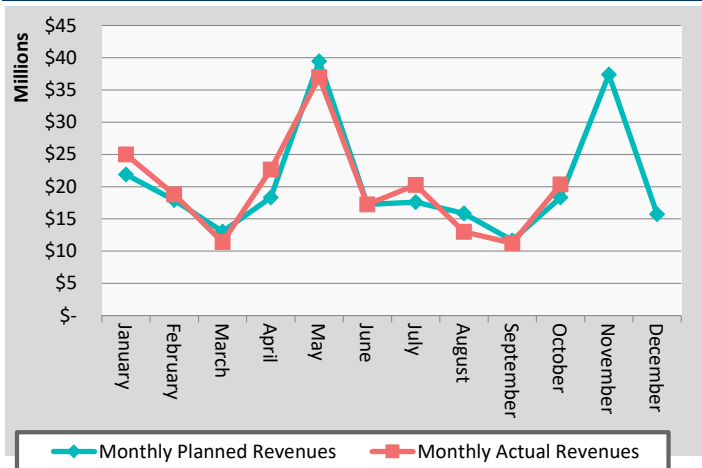
Through October 31, 2019

October 2019 Monthly Financial Report

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

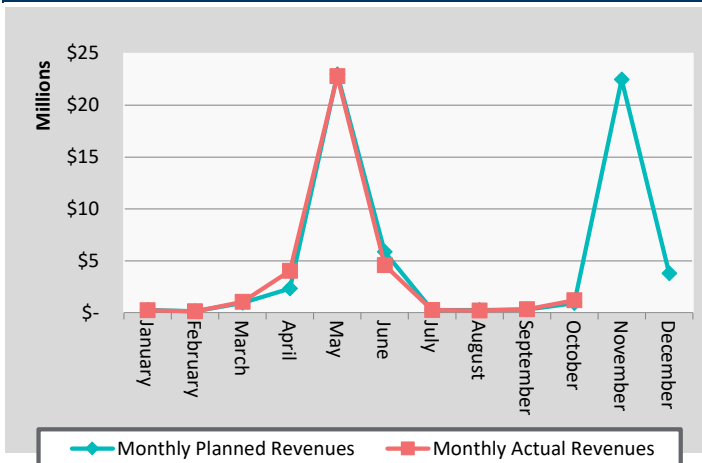
GENERAL FUND REVENUES

ALL REVENUE SOURCES



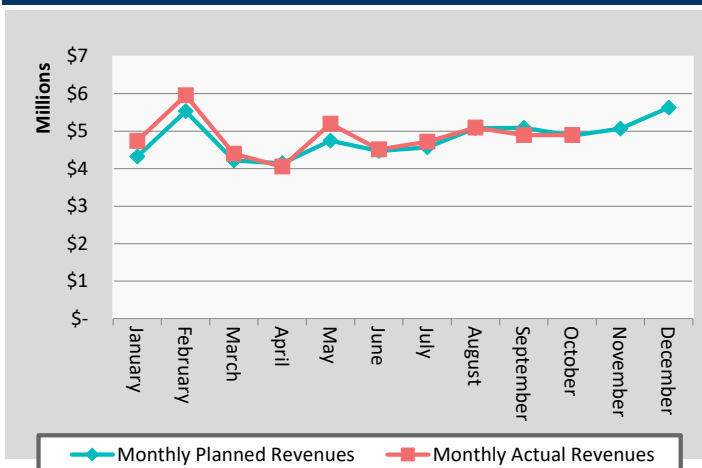
	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 21,879,553	\$ 24,974,353	\$ 3,094,800
February	17,919,228	18,791,415	872,187
March	13,042,034	11,411,927	(1,630,107)
April	18,330,518	22,647,694	4,317,177
May	39,455,048	36,995,935	(2,459,112)
June	17,244,678	17,245,673	995
July	17,577,646	20,243,852	2,666,207
August	15,850,205	12,970,985	(2,879,219)
September	11,655,944	11,241,636	(414,307)
October	18,320,910	20,318,470	1,997,560
November	37,394,132		
December	15,729,356		
2019 Total	\$ 244,399,250	\$ 196,841,942	\$ 5,566,180

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	315,694	14,342
October	912,239	1,180,067	267,829
November	22,481,609		
December	3,774,447		
2019 Total	\$ 60,465,879	\$ 34,748,667	\$ 538,843

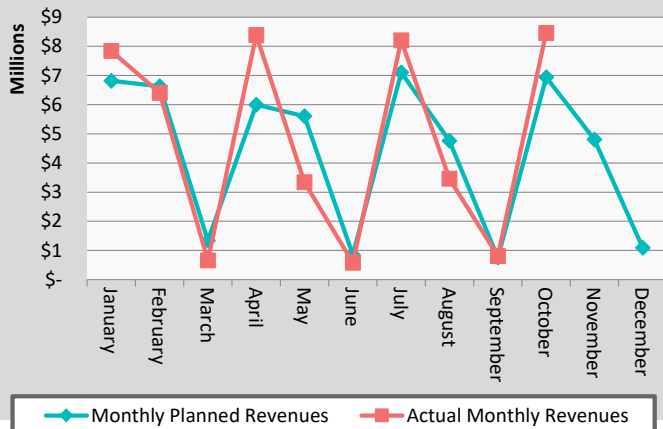
SALES TAX



	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	4,897,485	(192,065)
October	4,882,727	4,897,974	15,247
November	5,067,531		
December	5,629,466		
2019 Total	\$ 57,763,956	\$ 48,464,120	\$ 1,397,160

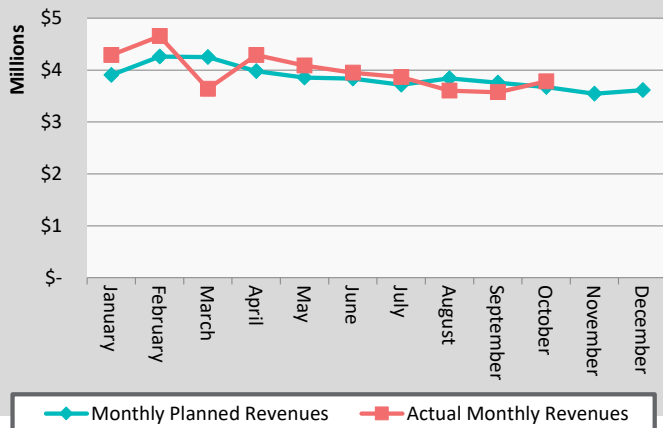
GENERAL FUND REVENUES

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	809,071	53,422
October	6,936,796	8,461,038	1,524,241
November	4,810,181		
December	1,091,357		
2019 Total	\$ 52,714,759	\$ 48,146,342	\$ 1,333,120

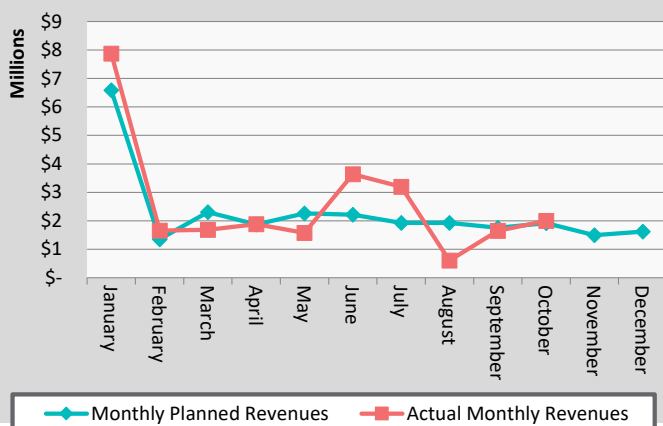
UTILITY/GROSS EARNINGS TAX



	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	3,571,861	(182,340)
October	3,674,931	3,781,262	106,331
November	3,544,016		
December	3,614,164		
2019 Total	\$ 46,231,884	\$ 39,730,773	\$ 657,069

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	1,647,526	(107,667)
October	1,914,217	1,998,129	83,912
November	1,490,796		
December	1,619,923		
2019 Total	\$ 27,222,772	\$ 25,752,040	\$ 1,639,987

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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	\$ 2,240,920	\$ 2,205,586	\$ 35,334	1.6%
	City Manager's Office	481,272	401,060	381,531	19,529	4.9%
1	Community & Economic Development	3,742,132	3,045,925	2,749,754	296,171	9.7%
2	Finance	4,445,052	3,700,143	3,201,461	498,683	13.5%
3	Fire	63,320,954	52,925,626	52,732,436	193,190	0.4%
4	Library	14,823,952	12,396,776	11,732,695	664,080	5.4%
5	Municipal Court	4,082,714	3,413,265	3,070,407	342,858	10.0%
6	Neighborhood & Community Services	13,494,689	10,827,023	9,661,485	1,165,538	10.8%
7	Planning & Development Services	2,546,334	2,121,945	1,396,374	725,571	34.2%
8	Police	86,475,430	72,077,735	72,494,204	(416,469)	-0.6%
9	Public Works	2,933,381	2,444,483	2,102,655	341,827	14.0%
	Tacoma Venues and Events	1,189,179	990,982	948,100	42,883	4.3%
10	Non-Departmental	66,371,319	49,727,613	47,929,698	1,797,915	3.6%
	Total Expenditures	\$ 266,595,513	\$ 216,313,497	\$ 210,606,385	\$ 5,707,112	2.6%

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 (+\$188k), delay in public/private development contracts (+\$118k).
- 2 **Finance** - Favorable variance due to vacancy savings (+\$225k), professional services savings (+\$108), and delayed software license and maintenance payments (+\$72k).
- 3 **Fire** - Favorable variance due to delayed procurement of operating supplies (+\$375k) and labor savings (+\$1.7M), offset by increased overtime spending and leave payouts (-\$1.9M).
- 4 **Library** - Favorable variance due to delay in hiring (+\$229k), a delay in the IT uplift project and Microlibrary purchase (+\$508k), and a delay in some Professional Services Contracts (+\$240k), offset by additional insurance costs (-\$82k), software license & maintenance cost (-\$171k), utilities cost (-\$23k), and additional internal service costs (-\$19k).
- 5 **Municipal Court** - Favorable variance due to personnel savings (+\$174k), underspending in professional services (+\$100k), and delays in front desk renovation project (+\$75k).
- 6 **Neighborhood & Community Services** - Favorable variance due to vacancy savings (+\$513k) and delays in external contract payments (+\$595k) with the majority in Homelessness Phase II and III.
- 7 **Planning & Development Services** - Favorable variance due to a delay in implementation of Citywide initiatives (+\$408k) such as the Pacific Avenue Corridor Study, as well as the Tideflats Subarea Plan (+\$208k), which is currently going through the RFP process.
- 8 **Police** - Unfavorable variance due to higher than anticipated overtime (-\$2.8M) and personal time off cash outs/ severance (-\$275k), offset by vacancy savings (+\$607k), secondary labor (+\$854k), lower than anticipated fuel costs (+\$278k), and South Sound 911 contract (+\$292k).
- 9 **Public Works** - Favorable variance due to personnel savings (+\$231k), and delayed maintenance contracts (+\$118k).
- 10 **Non-Departmental** - Favorable variance due to less than expected expenses in police and fire retirement funds (+\$1.2M) and timing of jail contract payment (+\$882k).

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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	22,436,483	22,095,503	(340,980)	(1.5%)
	Expenditures	27,735,972	23,284,146	20,401,278	2,882,868	12.4%
2	<i>Traffic Enforcement, Engineering & Education</i>					
	Revenues	3,639,182	3,032,652	3,505,854	473,202	15.6%
	Expenditures	3,631,504	3,026,253	2,938,115	88,138	2.9%
ENTERPRISE FUNDS						
3	<i>Permit Services</i>					
	Revenues	17,087,614	14,239,678	14,215,840	(23,839)	(0.2%)
	Expenditures	17,405,115	14,504,261	11,687,099	2,817,162	19.4%
4	<i>TVE Convention Center</i>					
	Revenues	11,966,875	10,029,029	10,296,674	267,645	2.7%
	Expenditures	12,727,549	7,891,829	6,213,759	1,678,070	21.3%
5	<i>TVE Cheney Stadium</i>					
	Revenues	1,617,089	1,206,432	1,387,571	181,138	15.0%
	Expenditures	1,489,475	709,340	646,726	62,614	8.8%
6	<i>TVE Tacoma Dome</i>					
	Revenues	12,008,688	10,362,483	14,738,689	4,376,206	42.2%
	Expenditures	11,480,128	9,789,294	10,505,442	(716,148)	(7.3%)

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 October 31, 2019

October 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 (-\$196k), bridge maintenance (-\$163k) and grant-funded projects (-\$548k), which is partially offset by higher than expected revenues in utility taxes (+\$307k) and damage revenues (+\$292k). Expense: Favorable variance due to personnel savings from vacant positions and increased charges to capital projects (+\$1.2M), pending maintenance projects (+\$1.0M), and savings in street maintenance (+\$1.2M) due to weather, which is partially offset by unplanned spending for February storm response (-\$0.9M).
- 2 Traffic Enforcement, Engineering & Education** - Revenue: Favorable variance due to higher than expected revenues from speed camera infractions (+\$821k), partially offset by lower than expected revenues from red light cameras (-\$338k). Expense: Favorable variance due to personnel savings (+\$77k).
- 3 Permit Services** - Expense: Favorable variance due to delays in initiatives (+\$3.2M) such as the 3rd floor remodel, IT projects, and Tenant Improvement Program, offset by increased personnel costs (-\$213k).
- 4 TVE Convention Center** - Revenue: Favorable variance due to charges for services (+\$152k) and miscellaneous revenues (+\$117k). Expense: Favorable variance due to personnel savings (+\$134k), delay in non-capital equipment purchase (+\$700k) and changes in external contracts (+\$770k).
- 5 TVE Cheney Stadium** - Revenue: Favorable variance due to facility fees (+\$135k) and taxes (+\$43k) higher than planned. Expense: Favorable variance (+\$63k) due to timing of leasehold tax and debt service payments.
- 6 TVE Tacoma Dome** - Revenue: Favorable variance due to increased events: charges for services (+\$3.1M), taxes (+\$849k), and miscellaneous revenue (+\$412k). Expense: Unfavorable variance due to increased events at the Dome resulting in increased operational expenses (-\$1.4M), offset by timing of transfers for the Dome Capital Improvement Program (+\$750k).

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Through October 31, 2019

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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	\$ 5,491,043	\$ 5,421,595	\$ 69,448	1.3%
1	City Council	1,589,350	1,326,125	1,183,877	142,247	10.7%
2	City Manager's Office	4,626,128	3,782,756	3,452,213	330,543	8.7%
	Environmental Services	620,020	516,683	516,949	(266)	-0.1%
3	Finance	11,824,740	9,873,301	8,423,788	1,449,514	14.7%
4	Fire	373,016	315,846	191,238	124,609	39.5%
	Hearing Examiner	442,840	369,033	358,636	10,397	2.8%
5	Human Resources	7,584,364	6,385,325	5,965,256	420,069	6.6%
6	Information Technology	31,892,166	26,288,320	21,460,403	4,827,918	18.4%
	Total Expenditures	\$ 65,541,875	\$ 54,348,433	\$ 46,973,955	\$ 7,374,479	13.6%

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 (+\$112k).
- 2 **City Manager's Office** - Favorable variance due to timing of hirings (+\$59k), delays in external contracts (+\$68k) and professional development in Office of Equity and Human Rights (+\$96k)
- 3 **Finance** - Favorable variance due to vacancy savings (+\$739k), delayed operating supplies costs (+\$517k), and delayed professional services (+\$106k).
- 4 **Fire** - Favorable variance due to delay in hiring Emergency Management Officer (+\$112k), the position is expected to be hired in November.
- 5 **Human Resources** - Favorable variance due to vacancy savings (+\$136k) and delays in external contract services (+\$263k) such as the Classification and Compensation Study.
- 6 **Information Technology** - Favorable variance due to labor savings from vacancies and charging labor costs to others (+\$1.4M), timing for Professional Services contracts (+\$1.5M), timing of software licensing payments (+\$1.3M), and timing of new phone purchases (+\$400k).

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