

# **2015-2016 Biennial Budget 3rd Quarter 2016 Financial Report**

City Council Study Session  
November 29, 2016

## 3<sup>rd</sup> Quarter 2016 Financial Presentation

- General Fund
  - 2015-2016 Finances through September 30, 2016
- General Fund-Supported Funds
  - 2015-2016 Finances through September 30, 2016

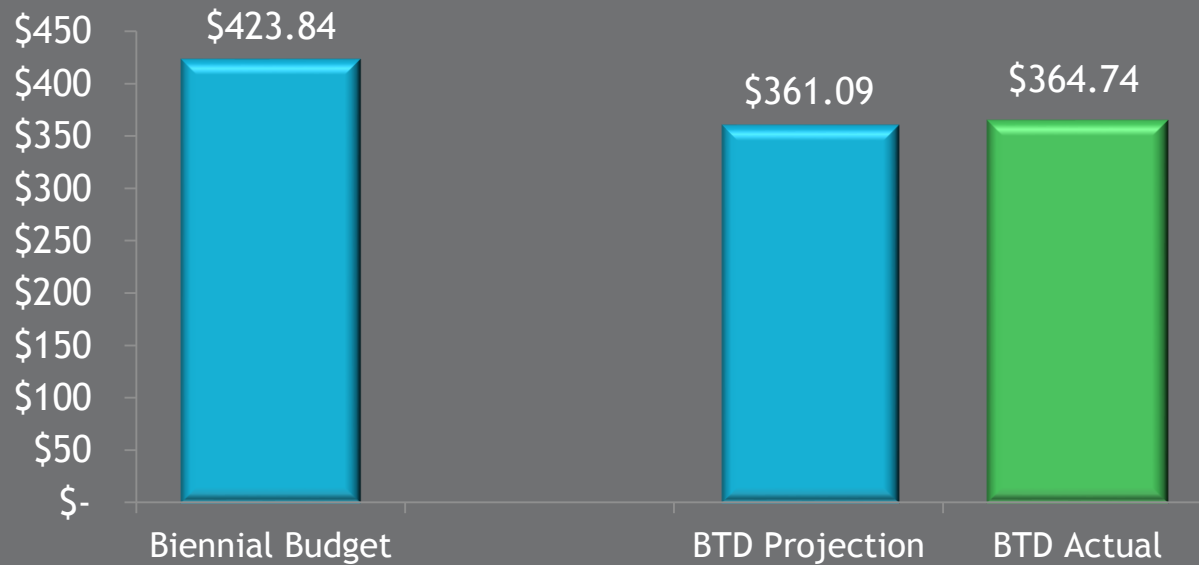


# 2016 General Fund Update

- General Fund balance through September is approximately \$13.8 M better than planned budget
  - \$3.6 M more in revenues
    - Largely due to increases in Sales taxes, Licenses & Permits, and Intergovernmental revenues
  - \$10.2 M less in expenditures
    - Due to vacancies, police and fire pensions, and less spending than planned on external contracts and city assessments.

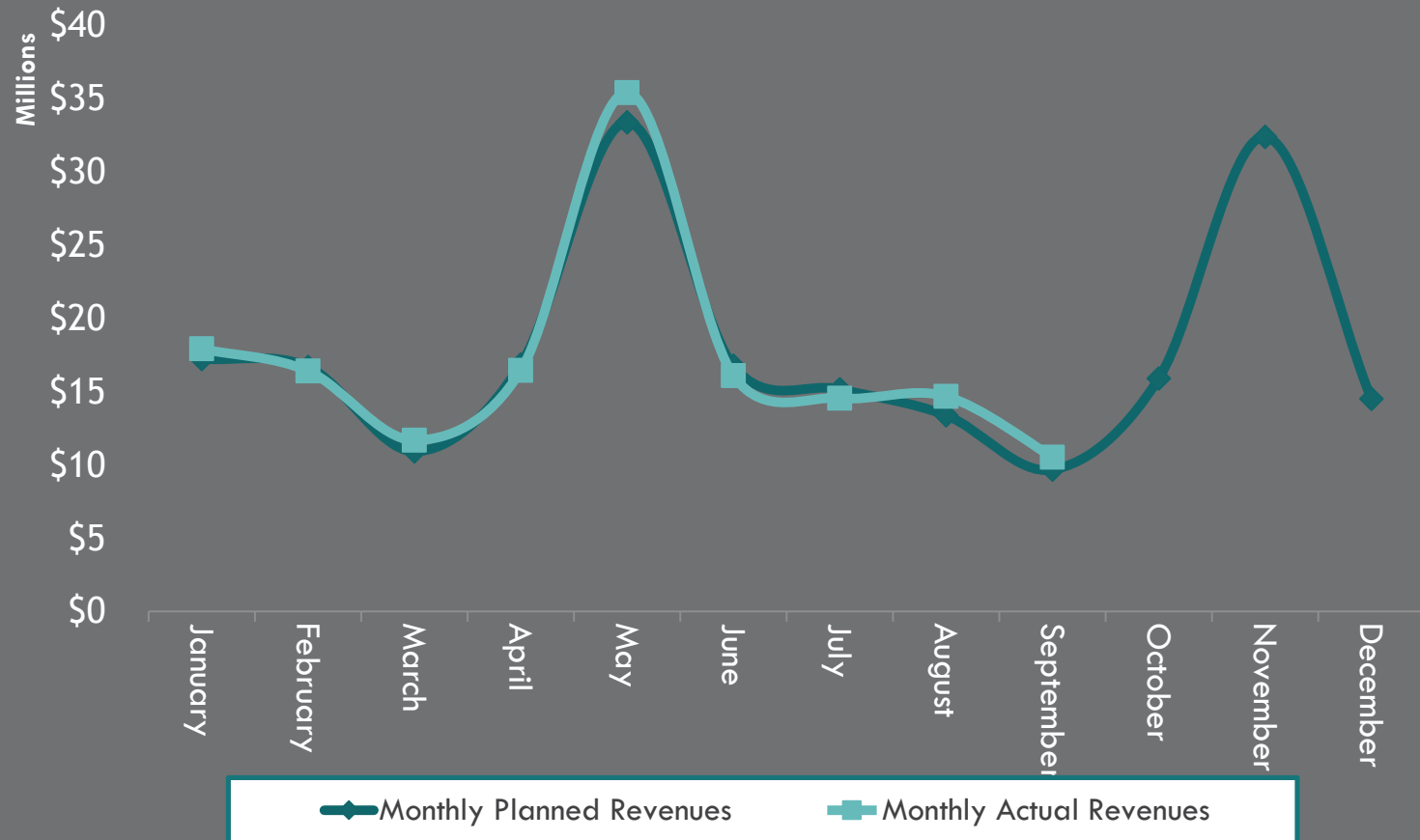
## **General Fund Revenues**

# 2015-2016 General Fund Revenues (Millions)



General Fund Revenues (Millions)				
2015-2016 Budget	BTB Projection	BTB Actuals	Variance	% Variance from Target
\$423.84	\$361.09	\$364.74	\$3.65	1.0%

# 2016 General Fund Revenues – All Sources (Millions)



## General Fund Revenue Variance (Millions)

Revenue Source	Thru Sep. Plan	Thru Sep. Actual	Variance
Property Tax	\$85.80	\$85.55	\$(0.25)
Sales Tax	80.59	81.60	1.01
Business Tax	81.02	81.09	0.07
Utility Tax	74.15	73.97	(0.18)
Other Revenue	39.53	42.53	3.00
<b>Total</b>	<b>\$361.09</b>	<b>\$364.74</b>	<b>\$3.65</b>

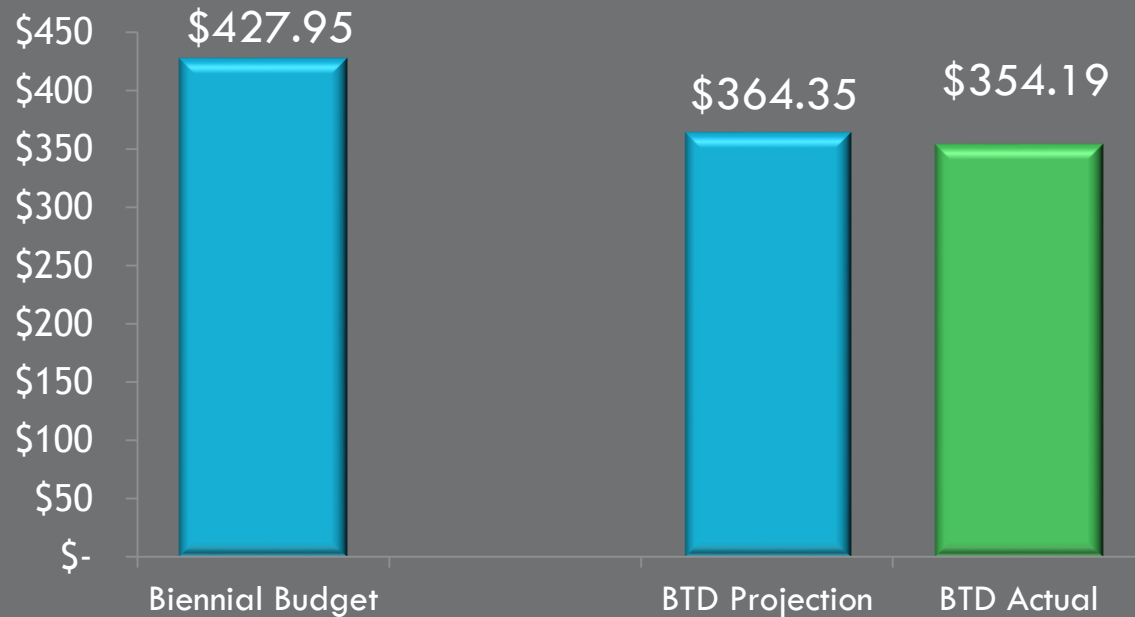
# Revenue Variance Detail

- **\$3.65 M variance from budget plan:**
  - (\$0.25 M) in Property Taxes
    - Unfavorable due to a decline in the prior period revenue collection
  - \$1.01 M in Sales Taxes
    - Favorable due to an increase in sales tax collections and lower natural gas use tax
  - \$0.07 M in Business Taxes
    - Favorable due to positive trends in retailing tax and retail services
  - (\$0.18 M) in Utility Taxes
    - Unfavorable due to negative trends in water and power revenues
  - \$3.00 M in Other Revenues
    - \$1.20 M in Intergovernmental Revenues
    - \$1.36 M in Licenses & Permits



## **General Fund Expenditures**

## 2015-2016 General Fund Expenditures (Millions)



General Fund Expenditures (Millions)				
2015-2016 Budget	BTB Projection	BTB Actual	Variance	% Variance from Target
\$427.95	\$364.35	\$354.19	\$10.16	2.8%

## General Fund Expenditure Variance (Millions)

Department	Thru Sep. Projection	Thru Sep. Actual	Variance
Fire	\$84.95	85.99	-\$1.04
Neigh & Comm Svcs	18.43	16.32	2.11
Police	127.92	125.56	2.36
Non Departmental	53.42	50.40	3.02
Other Departments	79.63	75.92	3.71
<b>Total</b>	<b>\$364.35</b>	<b>\$354.19</b>	<b>\$10.16</b>

# Expenditure Variance Detail

- \$10.16 M below budget plan:
  - (\$1.04 M) — Fire Department
    - Increased overtime and retroactive Union wages
  - \$2.11 M — Neighborhood and Community Services
    - Labor savings and vacancies and delayed external contract expenses
  - \$2.36 M — Police Department
    - Fuel savings, delayed jail payments, vacancies and labor contracts
  - \$3.02 M — Non Departmental
    - Police and Fire pension savings, Metro Parks M&O, and transportation expenses
  - \$3.71 M — Other Departments
    - Vacancies, deferred costs, and miscellaneous savings

# Favorable 2015-2016 Resources Included in 2017-2018 Adopted Budget

- Revenues
  - Of \$3.65 M favorable thru September, \$1.17 anticipated and included in 2017-2018 Budget
- Expenditures
  - Of \$10.16 M favorable thru September, \$7.3 M anticipated and included in 2017-2018 Budget
    - \$3 M of favorable expenditures thru September due to delayed payments needing potential re-appropriation into 2017-2018.

## **General Fund Supported Funds**

## General Fund Supported Funds

- Street Operations & Engineering
- Traffic Enforcement, Engineering & Education
- Permit Services
- Parking
- Public Assembly Facilities (PAF)
  - Convention Center
  - Tacoma Dome
  - Cheney Stadium

## Street Operations & Engineering Fund (Millions)

	Thru September Projection	Thru September Actual	Variance Favorable / (Unfavorable)
Revenues	\$32.25	\$32.80	\$0.55
Expenditures	32.12	31.24	0.88

- Revenues favorable due to reimbursements and Motor Vehicle Fuel Taxes
- Expenditures favorable due to savings in labor, equipment, fleet and fuel





## Traffic Enforcement Fund (Millions)

	Thru September Projection	Thru September Actual	Variance Favorable / (Unfavorable)
Revenues	\$5.43	5.01	\$(0.42)
Expenditures	5.69	5.23	0.46

- Revenues below budget due to lower than anticipated traffic infraction revenues
- Expenditures favorable due to personnel vacancy savings and rent savings



## Permit Services Fund (Millions)

	Thru September Projection	Thru September Actual	Variance Favorable / (Unfavorable)
Revenues	\$15.88	\$16.40	\$0.52
Expenditures	16.93	15.90	1.03

- Revenues favorable due to large projects coming in sooner than anticipated
- Expenditure favorable due to personnel savings and a delayed capital project



## Parking Fund (Millions)

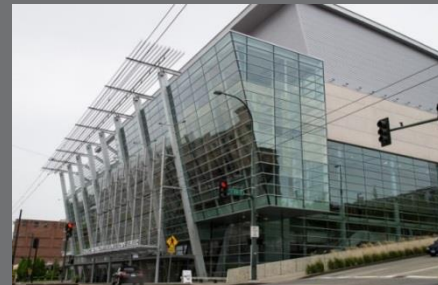
	Thru September Projection	Thru September Actual	Variance Favorable / (Unfavorable)
Revenues	\$12.70	\$13.17	\$0.47
Expenditures	11.57	10.84	0.73

- Revenues favorable due to higher than expected parking revenues
- Expenditures favorable due to labor savings and multiple delayed projects

## PAF Convention Center (Millions)

	Thru September Projection	Thru September Actual	Variance Favorable / (Unfavorable)
Revenues	\$14.03	\$14.84	\$0.81
Expenditures	14.77	14.54	0.23

- Revenues favorable due to asset sale and increased event revenue
- Expenditures favorable due to vacancy savings in personnel



# PAF Cheney Stadium (Millions)

	Thru September Projection	Thru September Actual	Variance Favorable / (Unfavorable)
Revenues	\$2.48	\$2.89	\$0.41
Expenditures	2.34	2.56	(0.22)

- Revenues favorable due to higher than budgeted grant revenue and transfer from the General Fund
- Expenditures unfavorable due to kids play area project payment



# PAF Tacoma Dome (Millions)

	Thru September Projection	Thru September Actual	Variance Favorable / (Unfavorable)
Revenues	\$13.15	\$13.44	\$0.29
Expenditures	12.70	13.00	(0.30)

- Revenues favorable due to increased event load
- Expenditures unfavorable due to costs associated with the increased event load



## **Summary**

# Budget/Finance Condition Summary

- Through September, revenue collections were above budget plan and expenditures were below budget plan
- Budget Office, Finance, and City Manager's Office will continue to analyze revenue and expenditure trends monthly



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