

June 2018 Monthly Financial Report

2017-2018
CITY OF
TACOMA

BIENNIAL
BUDGET

GENERAL FUND OVERVIEW

	2018 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
Revenues	\$ 231,221,914	\$ 122,469,971	\$ 127,173,074	\$ 4,703,104	3.8%
Expenditures	\$ 253,846,860	\$ 123,830,932	\$ 111,880,437	\$ 11,950,495	9.7%
Revenue Over Expenditure Variance (Fund Balance)	\$ (22,624,946)	\$ (1,360,961)	\$ 15,292,637	\$ 16,653,598	

SUMMARY

Through the first six months of 2018, revenues and expenditures were favorable, resulting in an overall \$16.7 million positive position. However, this does not take into account encumbrances or delayed payments totaling approximate \$6.5 M.

REVENUE OVERVIEW

Through June, General Fund revenues were favorable by approximately \$4.7 million. Business Taxes (+\$1.6M), Sales Taxes (+\$709k), Intergovernmental Revenues (+\$491k), Licenses & Permits (+\$433k), and Miscellaneous Revenues (+\$509k) were above plan. The favorable variance in Business Taxes is due to favorable retailing, wholesaling, manufacturing, and service taxes, but offset by weaker cellphone taxes. Intergovernmental Revenues are up due to greater than expected marijuana and criminal justice shared revenues. Miscellaneous Revenues were also up due to greater than planned interest earnings (+\$319k).

EXPENDITURE OVERVIEW

Through June, General Fund expenditures were favorable by approximately \$12.0 million. Of this, approximately \$6.5 million is due to delays and is expected to be spent in the coming months. Non-Departmental, Police, and Fire experienced positive variances through the first quarter. Non-Departmental saw a variance due to delayed transfer to Metro Parks for the Eastside Community Center (+\$3.5M), lower than projected jail contract spending (+\$845k) and police and fire pension expenses (+\$968k). It is important to note that the current jail contract and fire pension savings could unpredictably be expended due to the high amount of uncertainty and risk associated with these contracts. Police's previous labor savings have been reduced substantially due to the settlement of the latest labor contract but is still experiencing savings due to vacancies and other personnel items (+\$522k) as well as fuel savings (+\$162k).

Prepared By The Office of Management and Budget

Through June 30, 2018

June 2018 Monthly Financial Report

2017-2018
CITY OF
TACOMA

BIENNIAL
BUDGET

GENERAL FUND REVENUE OVERVIEW

	Revenue Category	2018 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
1	Property Tax	\$ 58,955,220	\$ 31,526,638	\$ 31,811,136	\$ 284,498	0.9%
2	Sales Tax	54,318,430	26,823,167	27,532,363	709,196	2.6%
3	Business Tax	48,508,450	24,920,242	26,495,061	1,574,819	6.3%
	Utility Tax	45,441,868	23,915,304	24,211,693	296,389	1.2%
4	Intergovernmental Revenues	9,955,903	5,620,373	6,111,515	491,143	8.7%
5	Licenses & Permits	6,454,697	5,823,689	6,257,258	433,569	7.4%
6	Charges for Services	3,143,452	1,557,206	1,815,127	257,921	16.6%
	Other Taxes	1,973,328	988,864	1,050,988	62,124	6.3%
7	Fines & Forfeits	696,651	344,436	454,835	110,398	32.1%
8	Miscellaneous Revenues	1,773,915	950,052	1,433,098	483,047	50.8%
	Total	\$ 231,221,914	\$ 122,469,971	\$ 127,173,074	\$ 4,703,104	3.8%

Use of Fund Balance (Negative value denotes addition to cash)	\$ 22,624,946	\$ 1,360,961
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Total	\$ 253,846,860	\$ 123,830,932
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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** - Favorable variance is under 1% and within expectations through June.
- Sales Tax** - Favorable variance is due to higher than planned sales taxes (\$692k), driven by higher than expected taxes in wholesale and real estate services. Criminal justice taxes are also up (+\$106k).
- Business Tax** - Favorable variance is due to higher than anticipated revenues in retailing (+\$639k), service taxes (+\$687k), wholesale taxes (+\$248k), and manufacturing taxes (+\$248k), but offset by cellphone taxes (-\$88k) and telephone taxes (-\$168k).

Utility Tax - Favorable variance is due to greater than anticipated water (+\$231k) and rail gross earnings taxes (+\$127k), but partially offset by lower than expected power taxes (-\$166k).
- Intergovernmental Revenues** - Favorable variance is due to unbudgeted Puyallup Tribe revenue (+\$146k), greater than expected marijuana taxes (+\$324k) and higher than expected criminal justice shared revenues (+\$128k).
- Licenses & Permits** - Favorable variance is due to greater than anticipated annual business license fees (+\$236k).
- Charges For Services** - Favorable variance due to earlier than planned law enforcement services revenues (+\$152k). This reflects a change in billing practice for School Resource Officers, but is not expected to bring in additional revenues.
- Fines & Forfeitures** - Favorable variance is due to greater than planned penalties and interest on business taxes (+\$200k) but offset by less than planned criminal penalties (-\$64k).
- Miscellaneous Revenues** - Favorable variance is due to greater than expected interest revenue (+\$440k).

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Through June 30, 2018

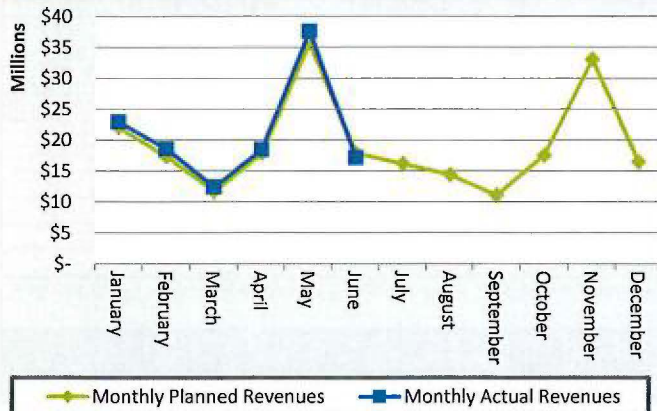
June 2018 Monthly Financial Report

2017-2018
CITY OF
TACOMA

BIENNIAL
BUDGET

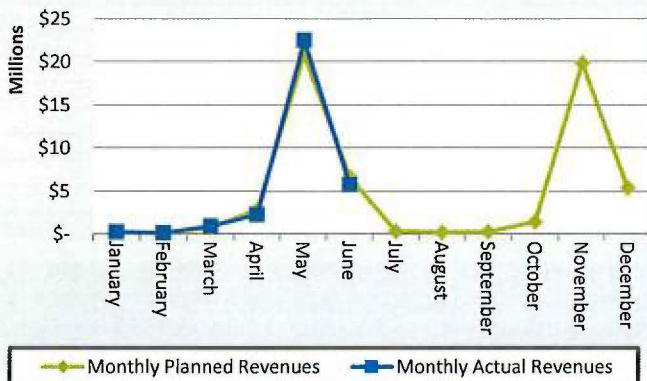
GENERAL FUND REVENUES

ALL REVENUE SOURCES



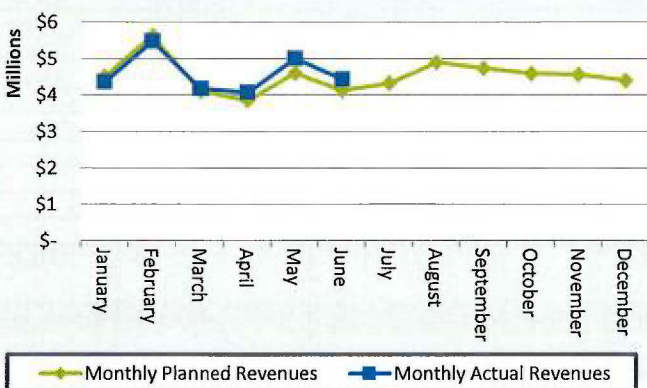
	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 22,072,232	\$ 22,928,156	\$ 855,924
February	17,336,093	18,570,377	1,234,284
March	11,725,273	12,455,854	730,581
April	17,817,991	18,450,412	632,421
May	35,688,672	37,607,009	1,918,336
June	17,829,709	17,161,267	(668,442)
July	16,161,932		
August	14,396,566		
September	11,076,788		
October	17,528,373		
November	33,084,989		
December	16,503,296		
2017 Total	\$ 231,221,914	\$ 127,173,074	\$ 4,703,104

PROPERTY TAX



	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 265,127	\$ 245,978	\$ (19,150)
February	155,348	137,389	(17,959)
March	746,002	922,765	176,763
April	2,846,698	2,263,593	(583,105)
May	20,882,811	22,484,027	1,601,217
June	6,630,651	5,757,384	(873,267)
July	326,467		
August	215,747		
September	263,795		
October	1,396,227		
November	19,841,684		
December	5,384,661		
2017 Total	\$ 58,955,220	\$ 31,811,136	\$ 284,498

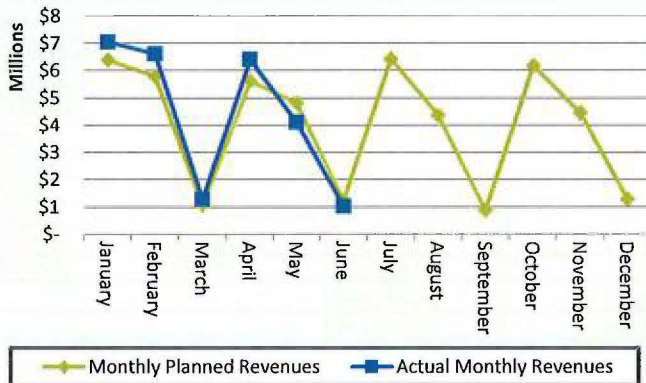
SALES TAX



	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 4,507,662	\$ 4,365,222	\$ (142,441)
February	5,629,527	5,480,365	(149,162)
March	4,110,540	4,172,308	61,768
April	3,847,418	4,074,915	227,497
May	4,599,778	5,006,176	406,398
June	4,128,241	4,433,377	305,136
July	4,322,832		
August	4,895,415		
September	4,733,476		
October	4,591,020		
November	4,554,239		
December	4,398,281		
2017 Total	\$ 54,318,430	\$ 27,532,363	\$ 709,196

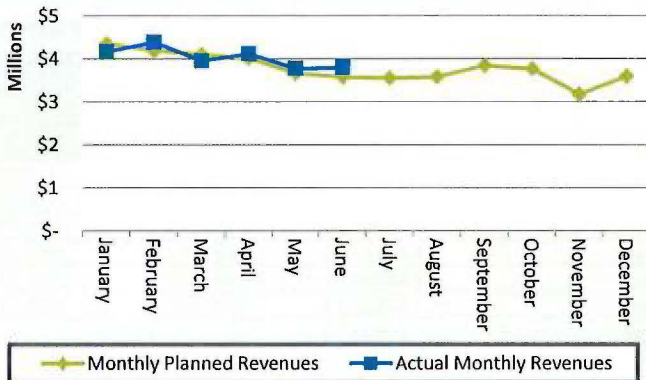
GENERAL FUND REVENUES

BUSINESS TAX



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$ 6,394,522	\$ 7,050,891	\$ 656,369
February	5,787,092	6,611,351	824,259
March	1,086,308	1,286,099	199,790
April	5,615,723	6,409,244	793,521
May	4,801,136	4,103,600	(697,536)
June	1,235,460	1,033,875	(201,585)
July	6,426,567		
August	4,362,809		
September	882,018		
October	6,175,841		
November	4,450,068		
December	1,290,905		
2017 Total	\$ 48,508,450	\$ 26,495,061	\$ 1,574,819

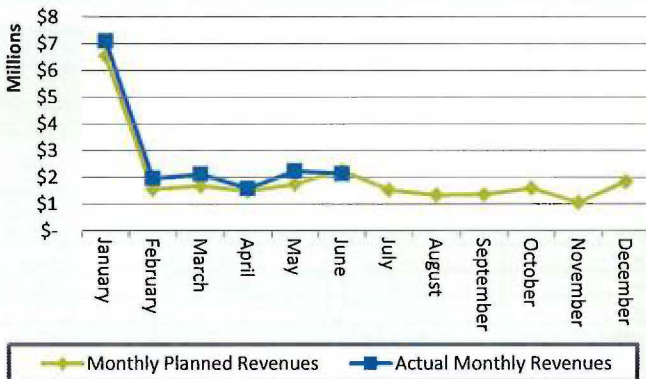
UTILITY/GROSS EARNINGS TAX



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$ 4,357,122	\$ 4,166,562	\$ (190,560)
February	4,197,104	4,386,419	189,315
March	4,103,874	3,957,291	(146,582)
April	4,017,251	4,121,674	104,422
May	3,662,593	3,776,957	114,364
June	3,577,361	3,802,790	225,429
July	3,555,339		
August	3,584,223		
September	3,841,879		
October	3,772,568		
November	3,177,396		
December	3,595,159		
2017 Total	\$ 45,441,868	\$ 24,211,693	\$ 296,389

OTHER REVENUES

(Intergovernmental, Licenses & Permits, Charges for Service, Fines & Forfeits, and Miscellaneous Revenues)



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$ 6,547,798	\$ 7,099,503	\$ 551,705
February	1,567,022	1,954,853	387,831
March	1,678,549	2,117,391	438,841
April	1,490,900	1,580,986	90,086
May	1,742,355	2,236,248	493,893
June	2,257,995	2,133,840	(124,155)
July	1,530,726		
August	1,338,373		
September	1,355,620		
October	1,592,716		
November	1,061,602		
December	1,834,290		
2017 Total	\$ 23,997,946	\$ 17,122,821	\$ 1,838,202

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Through June 30, 2018

June 2018 Monthly Financial Report

2017-2018
CITY OF
TACOMA

**BIENNIAL
BUDGET**

GENERAL FUND EXPENDITURE OVERVIEW

	Department	2018 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
	City Attorney's Office	\$ 2,627,117	\$ 1,314,660	\$ 1,290,150	\$ 24,509	1.9%
1	City Manager's Office	641,201	320,782	179,792	140,990	44.0%
2	Community & Economic Development	4,837,040	2,561,032	1,852,529	708,503	27.7%
	Finance	3,765,975	1,906,413	1,791,491	114,922	6.0%
3	Fire	59,777,449	30,182,083	29,660,527	521,556	1.7%
4	Library	13,656,431	6,757,482	6,005,160	752,322	11.1%
	Municipal Court	4,168,452	2,094,410	1,972,391	122,019	5.8%
5	Neighborhood & Community Services	14,454,021	6,274,923	5,653,956	620,966	9.9%
6	Planning & Development Services	2,576,135	1,239,479	677,863	561,616	45.3%
7	Police	82,793,913	42,889,147	41,779,815	1,109,332	2.6%
	Public Works	2,502,976	1,252,708	1,189,971	62,737	5.0%
8	Non-Departmental	62,046,148	27,037,813	19,826,790	7,211,023	26.7%
	Total Expenditures	\$ 253,846,860	\$ 123,830,932	\$ 111,880,437	\$ 11,950,495	9.7%

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 Manager** - Favorable variance is due delayed capacity building spending (+\$46k) and 2025 implementation (+\$70k), but offset by labor costs that are expected to be offset by a federal grant (\$25k).
- Community & Economic Development** - Favorable variance is due to personnel savings (+\$161k), delays in Innovative Grant and Economic Development contracts in (+\$383k), and delays in Art and Economic Development contracts (+\$170k).
- Fire** - Favorable variance is due to personnel savings (+\$143k) and fleet maintenance (+\$165k). The large remainder of the variance is in M&O (+\$238K), across multiple categories of delayed payments and savings.
- Library** - Positive variance is due to vacancy savings (+\$552k), delayed professional services contracts (\$37k), Communication Materials (\$22k), and library materials (+\$81k).
- Neighborhood & Community Services** - Favorable variance is due to labor savings and vacancies (+\$503k), delayed professional services and external contract spending (+\$120 k).
- Planning & Development Services** - Favorable variance is due to personnel savings (+\$201k) and a delay of external contracts and professional services (\$305k).
- Police** - Favorable variance is partially due to personnel and vacancy savings (+\$522k). The union contract delay which had caused previous positive variances has been settled and all retro paid. The remaining variance is from fuel savings (+\$162k), delayed training and professional development (\$90k), property room (\$107k) and delayed purchases of law enforcement supplies (+\$137k).
- Non-Departmental** - Favorable variance is due to delayed transfer to Metro Parks for Eastside Community Center (+\$3.5) and for parks maintenance contracts (+\$249k), less than planned police and fire pensions expenses (+\$968k) and jail contract expenses (+\$845k), delayed contributions to Theaters and Cheney Stadium (+\$591k), delayed transfer for debt (+\$1M) and human services contract invoice delays (+\$197k).

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Through June 30, 2018

June 2018 Monthly Financial Report

2017-2018
CITY OF
TACOMA

**BIENNIAL
BUDGET**

OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

	Fund	2018 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
SPECIAL REVENUE FUNDS						
1	2015 Voted Streets Initiative Fund					
	Revenues	20,293,653	10,776,821	11,303,990	527,169	4.9%
	Expenditures	21,538,617	10,064,029	7,545,312	2,518,718	25.0%
2	PW Street Operations & Engineering					
	Revenues	23,583,224	11,957,703	12,063,912	106,209	0.9%
	Expenditures	24,683,829	12,978,767	10,478,931	2,499,836	19.3%
3	TFD Emergency Medical Services					
	Revenues	13,818,411	7,273,214	7,343,073	69,859	1.0%
	Expenditures	15,216,714	7,628,775	7,390,648	238,126	3.1%
4	Municipal Cable TV					
	Revenues	3,848,988	1,924,494	1,759,923	(164,571)	-8.6%
	Expenditures	4,129,144	2,121,027	2,182,641	(61,614)	-2.9%
5	Traffic Enforcement, Engineering & Education					
	Revenues	3,446,421	1,760,751	1,416,387	(344,364)	-19.6%
	Expenditures	3,446,421	1,724,018	1,754,419	(30,401)	-1.8%
6	Mental Health & Chemical Dependency					
	Revenues	5,638,468	2,819,234	3,847,275	1,028,041	36.5%
	Expenditures	6,968,996	2,588,545	1,914,317	674,228	26.0%
	Real Estate Excise Tax					
	Revenues	8,500,000	3,426,105	4,159,725	733,620	21.4%
* 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.						
Other Funds Continued on Next Page						
ENTERPRISE FUNDS						
7	Permit Services					
	Revenues	9,706,583	4,853,292	6,705,083	1,851,791	38.2%
	Expenditures	10,845,208	5,425,133	4,805,027	620,106	11.4%
8	PW Parking Operations					
	Revenues	7,647,577	3,823,789	3,520,003	(303,785)	-7.9%
	Expenditures	9,189,914	2,919,840	3,205,425	(285,585)	-9.8%
9	TVE Convention Center					
	Revenues	11,541,355	5,104,890	6,673,182	1,568,292	30.7%
	Expenditures	11,496,356	3,707,992	3,891,501	(183,509)	-4.9%
	TVE Cheney Stadium					
	Revenues	1,637,402	528,485	558,043	29,558	5.6%
	Expenditures	1,444,210	579,736	565,062	14,674	2.5%
10	TVE Tacoma Dome					
	Revenues	7,990,228	4,697,642	5,325,146	627,504	13.4%
	Expenditures	9,556,087	4,397,973	4,529,180	(131,207)	-3.0%
11	TVE Theaters					
	Revenues	4,442,698	2,221,349	936,972	(1,284,377)	-57.8%
	Expenditures	4,415,822	2,206,797	934,459	1,272,338	57.7%
12	ES Solid Waste					
	Revenues	67,321,366	33,169,023	34,692,298	1,523,275	4.6%
	Expenditures	74,989,909	36,411,105	30,551,590	5,859,516	16.1%
13	ES Wastewater					
	Revenues	78,333,400	39,002,275	42,190,989	3,188,714	8.2%
	Expenditures	105,609,402	51,543,690	37,344,149	14,199,541	27.5%
14	ES Surface Water					
	Revenues	37,338,000	18,205,000	19,106,929	901,929	5.0%
	Expenditures	49,553,566	23,569,930	18,159,909	5,410,021	23.0%
INTERNAL SERVICE FUNDS						
15	PW Fleet Equipment Rental					
	Revenues	13,398,711	8,133,679	8,726,988	593,309	7.3%
	Expenditures	14,391,627	9,284,258	6,137,921	3,146,337	33.9%

OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

Fund		2018 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
16	PW Asphalt Plant					
	Revenues	1,781,457	890,729	365,374	(525,355)	-59.0%
	Expenditures	1,781,457	891,011	790,050	100,962	11.3%
17	Radio Communications					
	Revenues	2,841,652	1,321,615	1,481,143	159,528	12.1%
	Expenditures	2,858,000	1,169,878	729,845	440,034	37.6%
18	Municipal Building Acquisition & Operations					
	Revenues	4,980,144	2,282,572	2,476,348	193,776	8.5%
	Expenditures	6,766,324	3,422,132	2,588,379	833,753	24.4%

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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2017-2018
CITY OF
TACOMA

BIENNIAL
BUDGET

OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

VARIANCE NOTES

- 1 **2015 Voted Streets Initiative Fund** - Revenues: Favorable variance due to greater than planned Gross Earning Tax (+\$421k) and investment revenues (+\$106k). Expenditures: Favorable due to the timing of street maintenance work packages (+\$823k) and capital project contributions (+\$1.7M).
- 2 **PW Street Operations & Engineering** - Revenues: Favorable variance due to increased Gross Earnings Tax (+\$310k), miscellaneous revenues (+\$65k), and reimbursements for damaged assets (+\$198k), offset by delayed reimbursements for bridge maintenance and street striping work (-\$498k). Expenses: Favorable variance due to personnel savings from 2017 (+\$900k) to be used to cover positions approved at mid-biennium modification and unplanned projects such as Bus Rapid Transit Subarea plan, delayed spending from this fund as staff focus on streets initiative funded work (+\$700k), delayed streetlight electricity payments (+\$450), delayed street striping (+\$185k) and delayed bridge maintenance (+\$254k).
- 3 **TFD Emergency Medical Services** - Expenses: Favorable due to less than planned overtime (+\$160k) and contract savings for FD Cares which is now on track to bill in July (\$101k).
- 4 **Municipal Cable TV** - Revenues: Negative variance due to timing of franchise fee agreement revenues.
- 5 **Traffic Enforcement, Engineering & Education** - Revenues: Unfavorable variance due to delayed General Fund contribution as fund's revenues are monitored to determine need (-\$341k) and less than planned infraction revenue (-\$26k).
- 6 **Mental Health & Chemical Dependency** - Revenues: Favorable due to positive trends in sales tax revenues (+\$119k) and one-time proceeds from the sale of 5401 S. Tacoma Way property (+\$850k).
- 7 **Permit Services** - Revenues: Favorable due increased building permit inspections (+\$1.2 M). Expenditures: Favorable due to personnel savings (+\$468k) and less than planned usage of external contracts for plan review (+\$305k).
- 8 **PW Parking Operations** - Revenues: Unfavorable due to decreased parking enforcement revenues from PEO vacancy and new warning system implementation. Expenses: Unfavorable variance due to unplanned payment related to Convention Center hotel project (-\$500k), offset by savings in parking enforcement (+\$141k) and professional services (+\$73k).
- 9 **TVE Convention Center** - Revenues: Favorable due to timing of hotel motel transfer (+\$882k) and increased charges for services for restaurant services, rent, and other miscellaneous venue fees (+\$670k). Expenses: Unfavorable due to unbudgeted expenses including software (-\$50k) and event related expenses (-\$118k).
- 10 **TVE Tacoma Dome** - Revenues: Favorable due to an increased quantity and different mix of shows resulting in increased revenue in ticketing, parking, concessions, and facility fees (+\$525k). Expenditures: Unfavorable variance due greater event-related expenses (-\$212k).
- 11 **TVE Theaters** - Revenues: Unfavorable due delayed reimbursement for capital spending. Expense: Favorable variance due to delays in capital spending.
- 12 **ES Solid Waste** - Revenues: Favorable due to commercial collection (+\$1M) and self-haul disposal (+\$1.1M) performing better than planned due to increased business activity and economic growth, investment earnings (+\$148k), and revenue from sale of assets (+\$280k), offset by decreased residential revenues due to volume based pricing and right-sizing cans (-\$1.2M). Expenditures: Favorable due to vacancy and overtime savings (+\$472k), fleet maintenance and fuel savings (+\$750k), offset by (-\$390k) in contract overages due to increases in garbage disposal tonnages. Capital spending expected to end the biennium with a \$5.7M positive variance due to postponement and delays related to CNG conversion.
- 13 **ES Wastewater** - Revenues: Favorable due to commercial collections (+\$817k) performing better than planned due to the increased business activity, increased interlocal billings (+\$840k) as a result of the recalculation of the rate based on 2017 results, additional revenue from increased leachate treatment (+\$511k), increase TAGRO revenues (+\$117k), and an advanced (+\$1M) contribution from the Pierce County Flood District, offset by decreased residential revenue (-\$247k).
- 14 **ES Surface Water** - Revenues: Favorable due to site development fees (+\$517k), investment earnings (+\$175k), timing of grant revenues (+\$58k), and PDS reimbursements for site development services (+\$163k). Expense: Favorable variance (+\$1.2M), primarily in external contract services and professional services, due to fair weather and project delays. Capital spending expected to end the biennium with a \$3M positive variance due to several projects experiencing schedule delays.
- 15 **PW Fleet Equipment Rental** - Expense: Favorable variance due to timing of vehicle purchases. Large purchase of police vehicles will be made in the third quarter.
- 16 **PW Asphalt Plant** - Revenues: Unfavorable due to revenue posting delays as inventory issues are resolved and data corrections are made. Expense: Favorable due to limited supplies purchasing.
- 17 **Radio Communications** - Revenues: Favorable due to payments from Tacoma Fire (+\$37k) and additional network user fee revenue. Expenses: Favorable due to delayed invoices from a single vendor for maintenance fees (+\$287k).
- 18 **Municipal Building Acquisition & Operations** - Revenues: Positive revenue variance due to investment earnings (+\$22k), unplanned work for nonrent paying customers (+\$65k), and (+\$100k) transfer for legal offices remodel. Expense: Favorable variance due to delays in elevator renovation and other capital projects (+\$550k) and delayed payments for Facility Conditions Assessment (+\$280k).

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Through June 30, 2018

June 2018 Monthly Financial Report

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**BIENNIAL
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GENERAL GOVERNMENT INTERNAL SERVICE FUND OVERVIEW

	Department	2018 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
1	City Attorney's Office	\$ 6,460,894	\$ 3,230,414	\$ 2,812,514	\$ 417,900	12.9%
	City Council	1,408,333	709,155	695,872	13,283	1.9%
2	City Manager's Office	4,126,168	2,096,904	1,732,135	364,769	17.4%
	Environmental Services	589,096	294,536	294,657	(121)	0.0%
3	Finance	11,172,878	5,438,329	4,357,479	1,080,850	19.9%
	Hearing Examiner	453,306	226,484	213,787	12,697	5.6%
4	Human Resources	6,006,030	3,211,572	2,869,888	341,684	10.6%
5	Information Technology	30,671,933	13,859,189	13,409,108	450,081	3.2%
6	Office of Management & Budget	1,667,076	833,530	636,573	196,957	23.6%
	Total Expenditures	\$ 62,555,713	\$ 29,900,113	\$ 27,022,014	\$ 2,878,098	9.6%

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

- City Attorney's Office** - Favorable variance is due to personnel savings (+\$80k) and less than anticipated need for Legal Services and External Contract Services (+\$539k) but offset by a transfer to Facilities for remodel expenses (-\$100k).
- City Manager's Office** - Positive expenditure variance is due to labor savings from a vacant position (+\$25k), delays and savings in training/professional development expenses (+\$116k).
- Finance** - Favorable variance is due to labor vacancy savings (+\$709k), delayed spending on operating supplies (\$150k) and professional services (\$194k).
- Human Resources** - Favorable variance is due to delayed city-wide training (+\$72k), professional services (\$94k), and External Contract Services (\$173k).
- Information Technology** - (+\$629k) is due to Personnel Services savings of (+\$287k) due to vacancies. (+\$1,446k) in Professional Services savings is partially off set by TIMS project spending of (-\$717k), the remaining savings is due to delayed spending on PCI Assessment, O365 implementation and P2P phase III. Hardware Maintenance Fees have been spent ahead of budgeted amounts (-\$430k).
- Office of Management & Budget** - Favorable variance is due to vacancies that are now filled (+\$192k).

Prepared By The Office of Management and Budget

Through June 30, 2018

June 2018 Monthly Financial Report

2017-2018
CITY OF
TACOMA

**BIENNIAL
BUDGET**

BENEFIT FUNDS OVERVIEW (REVENUE AND EXPENSE)

Fund	2017/2018 Biennial Budget	BTD Actuals	Actual % of 2-Year Budget
Benefit Funds			
1 Third Party Liability / Self Insurance			
Revenues	\$8,076,728	\$6,410,495	79.4%
Expenditures	\$8,459,028	\$9,694,987	114.6%
		(\$3,284,492)	
2 Unemployment			
Revenues	\$1,040,005	\$790,837	76.0%
Expenditures	\$1,069,291	\$590,646	55.2%
		\$200,192	
3 Worker's Compensation			
Revenues	\$18,576,558	\$13,583,832	73.1%
Expenditures	\$17,796,102	\$12,230,471	68.7%
		\$1,353,361	
3 Health Care Labor Management			
Revenues	\$127,580,372	\$99,111,585	77.7%
Expenditures	\$132,992,160	\$94,065,826	70.7%
		\$5,045,759	
4 Dental Care Management			
Revenues	\$11,546,245	\$8,170,749	70.8%
Expenditures	\$11,540,235	\$8,158,476	70.7%
		\$12,273	

FUND NOTES

- Third Party Liability / Self Insurance** - Revenue variance is due to interest earnings (+\$32k) and Government Accounting Standards Board (GASB) accounting entries (+\$30k). Expense variance is due to higher than expected claims (-\$1.5M).
Unemployment - Revenues on target with projections. Expenses are temporarily below budget due to delayed invoices (+\$164k).
- Worker's Compensation** - Revenue is down slightly but within historical norms due to vacancies, etc. Overall, revenue is matching expenses (excluding IBNR). Expense variance is due to less than expected claims biennium-to-date (+\$210k)
- Health Care Labor Management** - Revenue variance due the net of increased Regence contributions (+\$1.2M) and less than planned Kaiser contributions (-\$508k). Expense variance is due to lower than budgeted claims costs (+\$1.6M) and Kaiser insurance costs (+\$1.2M).
- Dental Care Management** - Revenues and Expenses are matching expectations.

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Through June 30, 2018