

# September 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	\$ 164,105,256	\$ 171,773,548	\$ 7,668,292	4.7%
Expenditures	\$ 253,846,860	\$ 180,338,030	\$ 168,900,860	\$ 11,437,170	6.3%
Revenue Over Expenditure Variance (Fund Balance)	\$ (22,624,946)	\$ (16,232,773)	\$ 2,872,689	\$ 19,105,462	

## SUMMARY

Through the first nine months of 2018, revenues and expenditures were favorable, resulting in an overall \$19.1 million positive position. The trends in revenues and expenditure savings are accounted for in the 2019-2020 budget.

### REVENUE OVERVIEW

Through September, General Fund revenues were favorable by approximately \$7.7 million. Business Taxes (+\$2.3M), Sales Taxes (+\$1.0M), Intergovernmental Revenues (+\$1.1M), Licenses & Permits (+\$510k), and Miscellaneous Revenues (+\$753k) were above plan. Sales Taxes are higher than expected in the wholesaling and real estate services categories. 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 Puyallup Tribe payments and marijuana and criminal justice state-shared revenues. Revenue trends through the third quarter are included in the 2018 year end projections as well as the 2019-2020 budgeted position.

### EXPENDITURE OVERVIEW

Through September, General Fund expenditures were favorable by approximately \$11.4 million. Of this, approximately \$3.8 million is due to delays and is expected to be spent in the coming months. Non-Departmental, Police, and Neighborhood & Community Services (NCS) experienced the largest positive variances. Non-Departmental's variance is due to lower than projected jail contract spending (+\$1.1M) and police and fire pension expenses (+\$1.3M). Police is experiencing savings due to vacancies and other personnel items (+\$1.3M) as well as fuel savings (+\$240k). NCS's variance is due to delays and savings in human services contracts (+\$838k). 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. Community and Economic Development's variance is due to delays in contract services for innovative and arts grants (\$685k). While the Library is experiencing vacancy savings and delayed payments (\$945k), this savings cannot be reallocated within the General Fund once appropriated. Vacancy savings and planned savings as of mid-2018 are incorporated in the 2019-2020 budget.

Prepared By The Office of Management and Budget

Through September 30, 2018

# September 2018 Monthly Financial Report

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BIENNIAL  
BUDGET

## GENERAL FUND REVENUE OVERVIEW

Revenue Category	2018 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
Property Tax	\$ 58,955,220	\$ 32,332,647	\$ 32,609,288	\$ 276,640	0.9%
1 Sales Tax	54,318,430	40,774,890	41,784,575	1,009,684	2.5%
2 Business Tax	48,508,450	36,591,636	38,895,209	2,303,573	6.3%
3 Utility Tax	45,441,868	34,896,745	36,129,321	1,232,577	3.5%
4 Intergovernmental Revenues	9,955,903	7,870,570	9,016,059	1,145,489	14.6%
5 Licenses & Permits	6,454,697	6,128,540	6,638,862	510,322	8.3%
6 Charges for Services	3,143,452	2,312,833	2,620,265	307,432	13.3%
Other Taxes	1,973,328	1,465,384	1,512,839	47,456	3.2%
7 Fines & Forfeits	696,651	546,004	628,307	82,303	15.1%
8 Miscellaneous Revenues	1,773,915	1,186,008	1,938,824	752,816	63.5%
<b>Total</b>	<b>\$ 231,221,914</b>	<b>\$ 164,105,256</b>	<b>\$ 171,773,548</b>	<b>\$ 7,668,292</b>	<b>4.7%</b>

Use of Fund Balance (Negative value denotes addition to cash)	\$ 22,624,946	\$ 16,232,773
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<b>Total</b>	<b>\$ 253,846,860</b>	<b>\$ 180,338,030</b>
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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

- Sales Tax** - Favorable variance is from favorable sales taxes (+\$981k) in wholesale and real estate categories. Criminal justice sales taxes are also up (+\$170k).
- Business Tax** - Favorable variance is due to higher than anticipated revenues in retailing (+\$906k), manufacturing (+\$330k), service taxes (+\$784k), and wholesaling (+\$373k) are up compared to budget but are offset by a cell/pager taxes (-\$102k) and telephone taxes (-\$104k).
- Utility Tax** - Favorable variance is due to Water (+\$429k), Rail (+\$196k) and Waste Water (+\$93k) paying higher than expected taxes. Click! is down, however, by -\$143k. Power has rebounded from previous months and is now up (+\$569k).
- Intergovernmental Revenues** - Favorable variance is due to greater than expected Puyallup Tribal revenue (+\$146k), greater than anticipated marijuana taxes (+\$385k), greater criminal justice shared revenues (+\$274k), and unbudgeted GEMT revenue (+\$257k).
- Licenses & Permits** - Favorable variance is due to greater than planned annual business licenses (+\$290k) and alarm monitoring permits (+\$29k).
- Charges For Services** - Favorable variance is due to earlier than planned law enforcement services revenues (+\$82k). This reflects a change in billing practice for School Resource Officers, but is not expected to bring in additional revenues. Fire and Fircrest emergency transport revenues are up (+\$59k) and Fire also received some unbudgeted reimbursements for overtime from TPU (+\$55k).
- Fines & Forfeitures** - Favorable variance is due to greater than anticipated revenues from business tax penalties (+\$202k) but offset by less collections of criminal penalties (-\$72k).
- Miscellaneous Revenues** - Favorable variance is due to greater than anticipated interest earnings (+\$720k).

Prepared By The Office of Management and Budget

Through September 30, 2018



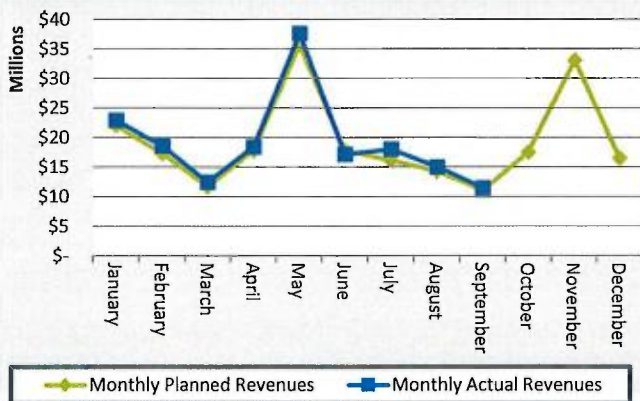
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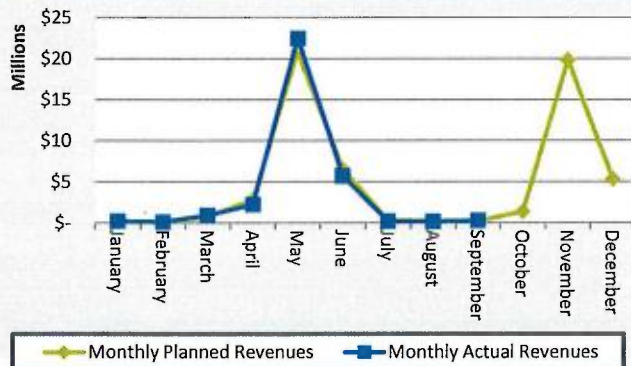
## GENERAL FUND REVENUES

### ALL REVENUE SOURCES



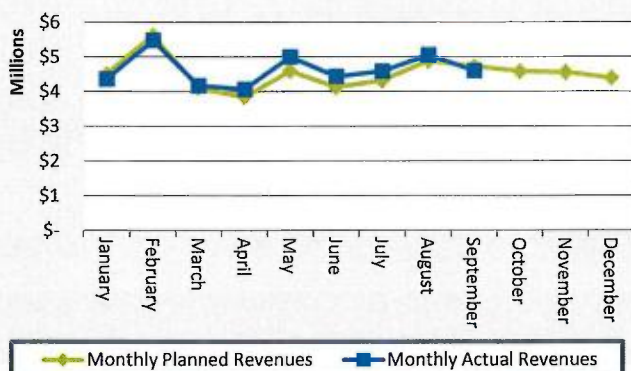
	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 22,072,232	\$ 22,928,156	\$ 855,924
February	17,336,093	18,570,377	1,234,284
March	11,725,273	12,455,854	730,581
April	17,817,991	18,450,412	632,421
May	35,688,672	37,607,009	1,918,336
June	17,829,709	17,161,267	(668,442)
July	16,161,932	18,034,613	1,872,681
August	14,396,566	15,049,779	653,213
September	11,076,788	11,516,082	439,294
October	17,528,373		
November	33,084,989		
December	16,503,296		
<b>2017 Total</b>	<b>\$ 231,221,914</b>	<b>\$ 171,773,548</b>	<b>\$ 7,668,292</b>

### 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	254,225	(72,242)
August	215,747	227,953	12,206
September	263,795	315,974	52,179
October	1,396,227		
November	19,841,684		
December	5,384,661		
<b>2017 Total</b>	<b>\$ 58,955,220</b>	<b>\$ 32,609,288</b>	<b>\$ 276,640</b>

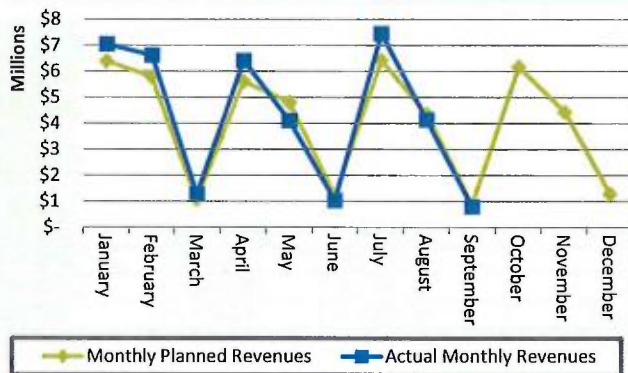
### SALES TAX



	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	4,587,820	264,987
August	4,895,415	5,058,877	163,463
September	4,733,476	4,605,514	(127,962)
October	4,591,020		
November	4,554,239		
December	4,398,281		
<b>2017 Total</b>	<b>\$ 54,318,430</b>	<b>\$ 41,784,575</b>	<b>\$ 1,009,684</b>

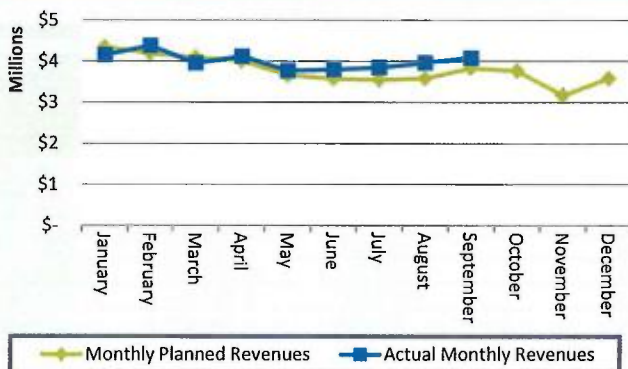
## GENERAL FUND REVENUES

### 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	7,453,651	1,027,084
August	4,362,809	4,142,761	(220,048)
September	882,018	803,736	(78,282)
October	6,175,841		
November	4,450,068		
December	1,290,905		
2017 Total	\$ 48,508,450	\$ 38,895,209	\$ 2,303,573

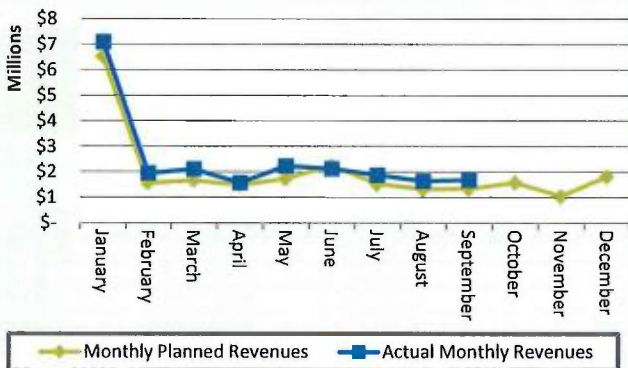
### UTILITY/GROSS EARNINGS TAX



	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	3,853,625	298,286
August	3,584,223	3,972,721	388,498
September	3,841,879	4,091,283	249,404
October	3,772,568		
November	3,177,396		
December	3,595,159		
2017 Total	\$ 45,441,868	\$ 36,129,321	\$ 1,232,577

### 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	1,885,292	354,566
August	1,338,373	1,647,467	309,094
September	1,355,620	1,699,575	343,955
October	1,592,716		
November	1,061,602		
December	1,834,290		
2017 Total	\$ 23,997,946	\$ 22,355,156	\$ 2,845,817

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Through September 30, 2018



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**BIENNIAL  
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## 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	\$ 1,971,158	\$ 1,921,362	\$ 49,796	2.5%
1 City Manager's Office	641,201	481,052	308,575	172,477	35.9%
2 Community & Economic Development	4,837,040	3,720,775	2,822,611	898,164	24.1%
3 Finance	3,765,975	2,757,326	2,592,443	164,882	6.0%
4 Fire	59,777,449	44,998,280	44,344,243	654,037	1.5%
5 Library	13,656,431	10,095,206	9,150,710	944,495	9.4%
6 Municipal Court	4,168,452	3,133,728	2,924,614	209,114	6.7%
7 Neighborhood & Community Services	14,454,021	9,993,048	8,449,452	1,543,596	15.4%
8 Planning & Development Services	2,576,135	1,907,836	1,080,329	827,507	43.4%
9 Police	82,793,913	62,848,728	60,931,788	1,916,940	3.1%
10 Public Works	2,502,976	1,877,999	1,774,104	103,895	5.5%
11 Non-Departmental	62,046,148	36,552,893	32,600,628	3,952,265	10.8%
<b>Total Expenditures</b>	<b>\$ 253,846,860</b>	<b>\$ 180,338,030</b>	<b>\$ 168,900,860</b>	<b>\$ 11,437,170</b>	<b>6.3%</b>

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** - Positive expenditure variance is due to unspent funds related to capacity building and 2025 implementation (+\$142k) and grant-related personnel costs which will be spent down (+\$29k).
- Community & Economic Development** - Favorable variance is due to personnel savings (+\$244k), delays in Innovative Grant and Economic Development contracts (+\$439k) and Arts and Events contracts (+\$246k).
- Finance** - Positive variance is due to labor savings (+\$86k) and delayed spending on license and maintenance fees (+\$43k).
- Fire** - Positive variance is due to delayed transfer to Fleet Services for tech rescue vehicle (+\$700k). However, this delayed payment is helping offset a negative trend of increased overtime and PTO payouts.
- Library** - Positive variance is due to vacancy savings (+\$691k), delayed operating supplies (\$46k), communication materials (\$65k), and library materials (+\$43k).
- Municipal Court** - Favorable variance is due to personnel savings (+\$146k).
- Neighborhood & Community Services** - Favorable variance is due to labor savings and vacancies (+\$616k), delayed professional services and external contract spending (+\$838k).
- Planning & Development Services** - Favorable variance is due to personnel savings (+\$302k) and a delay of external contracts and professional services (+\$476k).
- Police** - Favorable variance is partially due to personnel and vacancy savings (+\$1.3M). A portion of this savings will be used for overtime and new employee expenses as new hires go through their training process. The remaining variance is from fuel savings (+\$240k), delayed training and professional development (+\$181k), delayed property room (+\$66k), and delayed purchases of law enforcement supplies (+\$143k).
- Public Works** - Favorable variance is due to vacancy savings (+\$92k) and delayed external contracts (+\$14k).
- Non-Departmental** - Favorable variance is due to delayed transfers to Metro Parks for parks maintenance contracts (+\$335k), Police and Fire pensions savings (+\$1.3M), jail contract savings (+\$1.1M), delayed contributions to Theaters (+\$500k), delayed transfer to Cheney (+\$272k), and human services contract invoice delays (+\$295k).

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**BIENNIAL  
BUDGET**

## OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

	Fund	2018 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
<b>SPECIAL REVENUE FUNDS</b>						
1	<b>2015 Voted Streets Initiative Fund</b>					
	Revenues	20,293,653	14,643,584	15,359,704	716,120	4.9%
	Expenditures	21,538,617	15,094,277	13,902,948	1,191,329	7.9%
2	<b>PW Street Operations &amp; Engineering</b>					
	Revenues	23,583,224	17,703,715	18,097,801	394,087	2.2%
	Expenditures	24,683,829	18,772,370	17,230,857	1,541,513	8.2%
3	<b>TFD Emergency Medical Services</b>					
	Revenues	13,818,411	8,274,814	9,932,190	1,657,376	20.0%
	Expenditures	15,216,714	11,402,996	11,173,911	229,085	2.0%
4	<b>Municipal Cable TV</b>					
	Revenues	3,848,988	2,886,741	2,679,424	(207,318)	-7.2%
	Expenditures	4,129,144	3,119,850	3,010,674	109,177	3.5%
5	<b>Traffic Enforcement, Engineering &amp; Education</b>					
	Revenues	3,446,421	2,650,311	2,167,082	(483,228)	-18.2%
	Expenditures	3,446,421	2,585,398	2,548,191	37,207	1.4%
6	<b>Mental Health &amp; Chemical Dependency</b>					
	Revenues	5,638,468	4,228,851	5,399,423	1,170,572	27.7%
	Expenditures	8,849,396	5,172,965	4,103,410	1,069,555	20.7%
7	<b>Real Estate Excise Tax</b>					
	Revenues	7,500,000	5,915,187	7,337,959	1,422,772	24.1%
* 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.						
<b>ENTERPRISE FUNDS</b>						
8	<b>Permit Services</b>					
	Revenues	9,706,583	7,279,937	10,409,958	3,130,021	43.0%
	Expenditures	10,845,208	8,136,157	7,232,172	903,985	11.1%
9	<b>PW Parking Operations</b>					
	Revenues	7,647,577	5,735,683	5,329,768	(405,916)	-7.1%
	Expenditures	9,189,914	4,375,474	4,190,558	184,916	4.2%
10	<b>TVE Convention Center</b>					
	Revenues	11,541,355	7,352,655	9,316,004	1,963,349	26.7%
	Expenditures	11,496,356	5,544,595	5,657,749	(113,155)	-2.0%
	<b>TVE Cheney Stadium</b>					
	Revenues	1,637,402	969,138	890,022	(79,116)	-8.2%
	Expenditures	1,444,210	625,407	609,682	15,725	2.5%
11	<b>TVE Tacoma Dome</b>					
	Revenues	7,990,228	5,074,530	5,653,311	578,782	11.4%
	Expenditures	9,556,087	6,009,294	5,964,385	44,908	0.7%
12	<b>TVE Theaters</b>					
	Revenues	4,442,698	3,332,023	3,853,907	521,884	15.7%
	Expenditures	4,415,822	3,311,133	3,850,780	(539,647)	-16.3%
13	<b>ES Solid Waste</b>					
	Revenues	67,321,366	50,341,731	52,505,655	2,163,924	4.3%
	Expenditures	74,989,909	54,766,405	45,849,984	8,916,421	16.3%
14	<b>ES Wastewater</b>					
	Revenues	78,333,400	58,802,408	62,951,447	4,149,039	7.1%
	Expenditures	105,609,402	76,118,128	56,192,159	19,925,969	26.2%
15	<b>ES Surface Water</b>					
	Revenues	37,338,000	27,307,500	28,890,692	1,583,192	5.8%
	Expenditures	49,553,566	35,877,361	27,254,820	8,622,540	24.0%



## OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

Fund		2018 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
<b>INTERNAL SERVICE FUNDS</b>						
16	<b><i>PW Fleet Equipment Rental</i></b>					
	Revenues	13,398,711	10,793,695	10,583,608	(210,087)	-1.9%
	Expenditures	14,391,627	11,850,446	9,013,969	2,836,477	23.9%
17	<b><i>PW Asphalt Plant</i></b>					
	Revenues	1,781,457	1,336,093	1,989,067	652,974	48.9%
	Expenditures	1,781,457	1,335,882	2,234,728	(898,846)	-67.3%
18	<b><i>Radio Communications</i></b>					
	Revenues	2,841,652	1,991,552	2,125,314	133,762	6.7%
	Expenditures	2,858,000	1,849,508	1,164,054	685,454	37.1%
19	<b><i>Municipal Building Acquisition &amp; Operations</i></b>					
	Revenues	4,980,144	3,423,858	3,685,542	261,684	7.6%
	Expenditures	6,766,324	5,535,153	3,863,798	1,671,355	30.2%

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** - Revenues: Favorable variance due to greater than planned Gross Earning Tax (+\$544k) and investment revenues (+\$167k). Expenditures: Favorable due to the timing of street maintenance work packages and capital project contributions (+\$1.2M).
- 2 **PW Street Operations & Engineering** - Revenues: Favorable variance due to greater than planned gross earnings taxes (+\$344k) and Site Development Fees (+\$30k). Expenses: Favorable variance due to personnel savings from 2017 and delayed hiring of new positions (+\$1.5M) to be used to cover positions approved at mid-biennium modification and delayed projects such as Bus Rapid Transit Subarea plan, Impact Fee Study, Pedestrian Push Button replacements, MDSI conversion project and additional transfers to capital projects.
- 3 **TFD Emergency Medical Services** - Revenues: Positive revenue is due to GEMT billings (+2.1M), which is offset by lower than expected transport revenues (-\$364k). Expenses: Favorable due to less than planned overtime (+\$206k) which is offset by (-\$101K) leave payouts.
- 4 **Municipal Cable TV** - Revenues: Negative variance due to timing of franchise fee agreement revenues. Expenses: Favorable due to delayed civic engagement study (+\$100k), franchise fee audits (+\$100k), and franchise fee negotiation expenses (+\$120k).
- 5 **Traffic Enforcement, Engineering & Education** - Revenues: Unfavorable variance due to the transition between contract vendors and needed permits to install new vendor equipment.
- 6 **Mental Health & Chemical Dependency** - Revenues: Favorable due to positive trends in sales tax revenues (+\$224k) and one-time proceeds from the sale of 5401 S. Tacoma Way property (+\$850k). Expenses: Favorable due to delays in external contracts (+\$661k) including the Mental Health Hospital.
- 7 **Real Estate Excise Tax** - Revenues favorable due to better performance than planned. An anticipated \$1M in surplus revenues has been reallocated for investment in the Pantages Theater project, and the remaining \$1M in surplus is planned for reinvestment in the 2019-2020 Capital Budget.
- 8 **Permit Services** - Revenues: Favorable due increased building permit inspections (+\$2.0M). Expenditures: Favorable due to personnel savings (+\$657k) and less than planned usage of external contracts for plan review (+\$475k).
- 9 **PW Parking Operations** - Revenues: Unfavorable due to decreased parking enforcement revenues caused by vacancies and loss of State Farm as a tenant. Expenses: Favorable variance due to delays in the Parking Branding Initiative implementation (\$150k) and other parking initiatives (+\$35k).
- 10 **TVE Convention Center** - Revenues: Favorable due to timing of hotel/motel transfer (+\$1.3M) and increased charges for services for restaurant services, rent, and other miscellaneous venue fees (+\$638k). Expenses: Unfavorable due to unbudgeted expenses including software (-\$50k) and event related expenses (-\$88k).
- 11 **TVE Tacoma Dome** - Revenues: Favorable due to higher than expected charges for services and admission tax which are partially offset by miscellaneous revenues (+\$579k). Expenditures: Unfavorable variance due to greater event-related expenses (-\$115k).
- 12 **TVE Theaters** - Revenues: Unfavorable due delayed reimbursement for capital spending. Expense: Favorable variance due to delays in capital spending.
- 13 **ES Solid Waste** - Revenues: Favorable due to commercial collection (+\$1.2M) and self-haul disposal (+\$1.7M) performing better than planned due to increased business activity and economic growth, investment earnings (+\$258k), and revenue from sale of assets (+\$280k), offset by decreased residential revenues due to volume based pricing and right-sizing cans (-\$1.5M). Expenditures: Favorable due to vacancy and overtime savings (+\$620k), fleet maintenance and fuel savings (+\$958k), offset by (-\$678k) in contract overages due to increases in garbage disposal tonnages. Capital spending expected to end the biennium with a \$8M positive variance due to postponement and delays related to CNG conversion.
- 14 **ES Wastewater** - Revenues: Favorable due to commercial collections (+\$1.5M) performing better than planned due to the increased business activity, increased interlocal billings (+\$880k) as a result of the recalculation of the rate based on 2017 results, additional revenue from increased leachate treatment (+\$654k), increase TAGRO revenues (+\$164k), investment earnings (+\$425k), and an advanced (+\$1M) contribution from the Pierce County Flood District, offset by decreased residential revenue (-\$351k). Expenditures: Favorable due to delays in filling vacancies (+\$1.2M) and M&O savings (\$2.3M) due to less spending for raw materials, external contracts and professional services. Capital spending expected to end the biennium with a \$11M positive variance due to postponement and project delays.
- 15 **ES Surface Water** - Revenues: Favorable due to site development fees (+\$771k), investment earnings (+\$283k), timing of grant revenues (+\$219k), and PDS reimbursements for site development services (+\$245k). Expense: Favorable variance (+\$1.2M), primarily in external contract services and professional services due to expense project delays. Capital spending expected to end the biennium with a \$3M positive variance due to several projects experiencing schedule delays.
- 16 **PW Fleet Equipment Rental** - Revenues: Unfavorable variance due to delay in General Fund transfer for Fire vehicles. Expense: Favorable variance due to timing of vehicle purchases.
- 17 **PW Asphalt Plant** - Revenues favorable and expenditures unfavorable due to due the cyclical nature of selling product and purchasing supplies to make additional product and ongoing corrections to the inventory.
- 18 **Radio Communications** - Revenues: Favorable due to additional network user fee revenue (+\$134k). Expenses: Favorable due to change in accounting practice related to the treatment of a pre-paid expense (+\$523k).
- 19 **Municipal Building Acquisition & Operations** - Revenues: Positive revenue variance due to investment earnings (+\$34k), unplanned work for nonrent paying customers (+\$120k), and (+\$100k) transfer for legal offices remodel. Expense: Favorable variance due to delays in elevator renovation and other capital projects (+\$746k) and delayed payments for the Broadway LID (\$+769k).

Prepared By The Office of Management and Budget

Through September 30, 2018



# September 2018 Monthly Financial Report

2017-2018  
CITY OF  
TACOMA

**BIENNIAL  
BUDGET**

## 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	\$ 4,845,732	\$ 4,198,455	\$ 647,277	13.4%
	City Council	1,408,333	1,062,519	1,034,972	27,547	2.6%
2	City Manager's Office	4,126,168	3,139,943	2,694,409	445,534	14.2%
	Environmental Services	589,096	441,829	441,931	(103)	0.0%
3	Finance	11,172,878	8,349,642	6,602,052	1,747,590	20.9%
	Hearing Examiner	453,306	339,974	316,223	23,752	7.0%
4	Human Resources	6,006,030	4,525,929	4,058,111	467,819	10.3%
5	Information Technology	30,671,933	21,318,026	18,855,562	2,462,464	11.6%
6	Office of Management & Budget	1,667,076	1,250,336	997,646	252,689	20.2%
	<b>Total Expenditures</b>	<b>\$ 62,555,713</b>	<b>\$ 45,273,929</b>	<b>\$ 39,199,361</b>	<b>\$ 6,074,568</b>	<b>13.4%</b>

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 (+\$155k) and less than anticipated need for legal services and external contract services (+\$512k).
- City Manager's Office** - Positive expenditure variance is primarily due to labor savings from vacant position (+\$224k), delayed association and dues payments (+\$50), delays and savings in training/professional development expenses (+\$71k), and delayed implementation of contracts (+\$87k).
- Finance** - Favorable variance is due to labor vacancy savings (+\$1.1M), delayed spending on operating supplies (\$228k) and professional services (\$404k).
- Human Resources** - Favorable variance is due to a delay in training and professional development (\$104K), license and maintenance fees (\$14k), professional services (\$58k), and external contract services (\$212k), which are partially offset by association and dues (-\$25K).
- Information Technology** - Favorable variance is due to vacancy savings (+\$661k). Additional savings are due to professional services (+\$2.4M) related to delayed billing from PCI compliance vendors and delays in the Office 365 migration project. Savings are partially offset by hardware maintenance fees that have been spent ahead of planned amounts (-\$347k).
- Office of Management & Budget** - Favorable variance is due to vacancies that are now filled (+\$226k).

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## BENEFIT FUNDS OVERVIEW (REVENUE AND EXPENSE)

Fund	2017/2018 Biennial Budget	BTD Actuals	Actual % of 2-Year Budget
<b>Benefit Funds</b>			
<b>1 Third Party Liability / Self Insurance</b>			
Revenues	\$8,076,728	\$7,310,135	90.5%
Expenditures	\$8,459,028	\$10,339,276	122.2%
		(\$3,029,141)	
<b>2 Unemployment</b>			
Revenues	\$1,040,005	\$918,341	88.3%
Expenditures	\$1,069,291	\$683,726	63.9%
		\$234,616	
<b>3 Worker's Compensation</b>			
Revenues	\$18,576,558	\$15,700,708	84.5%
Expenditures	\$17,796,102	\$13,883,558	78.0%
		\$1,817,150	
<b>4 Health Care Labor Management</b>			
Revenues	\$127,580,372	\$117,250,159	91.9%
Expenditures	\$132,992,160	\$109,516,555	82.3%
		\$7,733,604	
<b>5 Dental Care Management</b>			
Revenues	\$11,546,245	\$9,557,979	82.8%
Expenditures	\$11,540,235	\$9,553,068	82.8%
		\$4,912	

### FUND NOTES

- 1 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 (-\$3.2M).
- 2 Unemployment** - Revenues on target with projections. Expenses are temporarily below budget due to delayed invoices (+\$164k).
- 3 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).
- 4 Health Care Labor Management** - Revenue variance due the net of increased Regence contributions (+\$1.5M) and less than planned Kaiser contributions (-\$616k). Expense variance is due to lower than budgeted claims costs (+\$2.6M) and Kaiser insurance costs (+\$540k).
- 5 Dental Care Management** - Revenues and Expenses are matching expectations.

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Through September 30, 2018