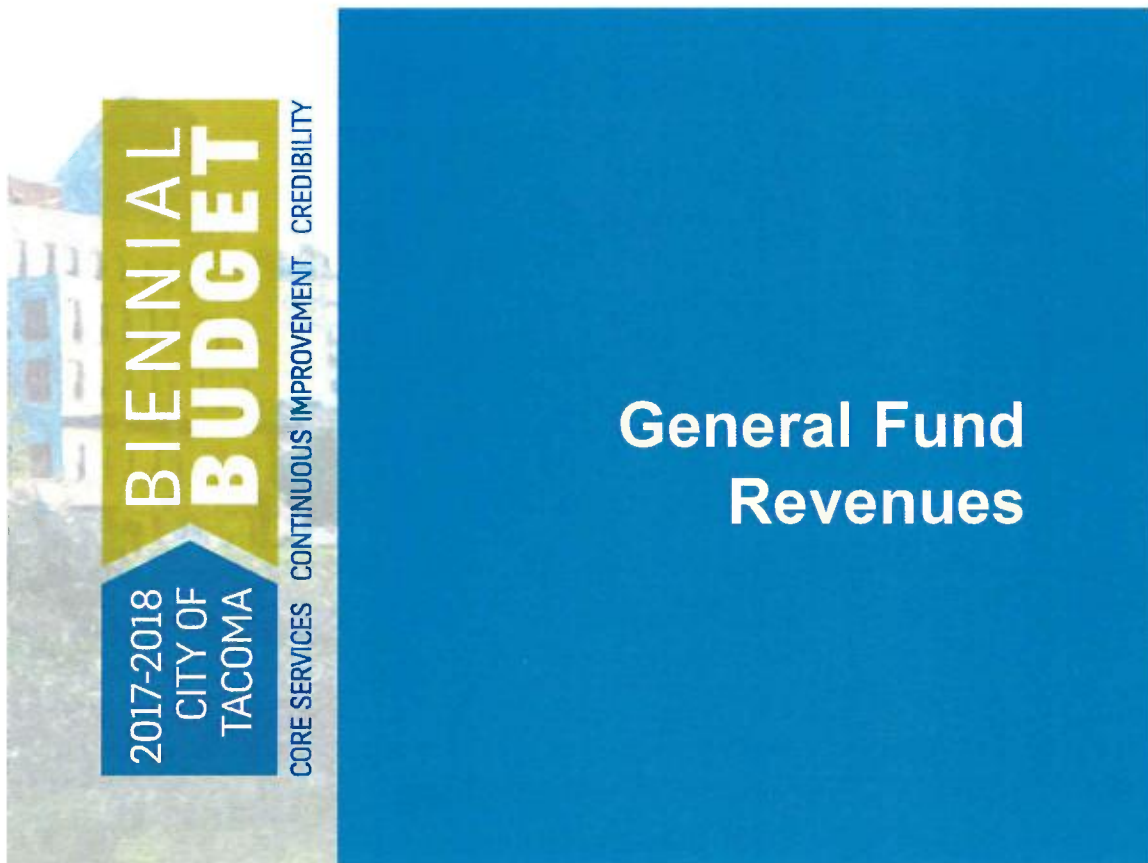


2018 General Fund Update

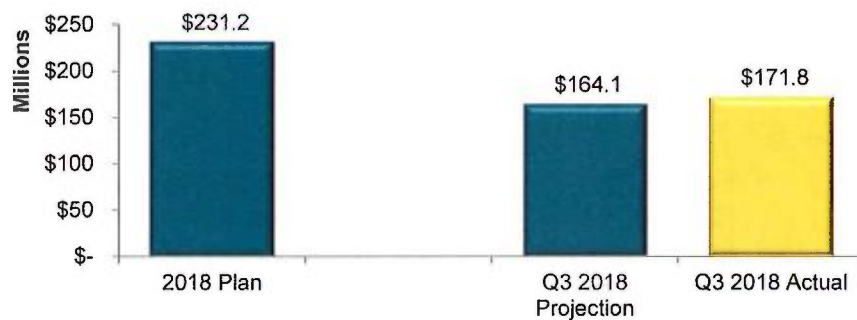
2

- General Fund balance approximately \$19.1 M favorable
 - \$7.7 M more in revenues
 - Favorable trends in Business Taxes (+\$2.3 M), and Sales Tax (\$1.0 M), Intergovernmental Revenues (+\$1.1 M), Interest Earnings (\$720 k) and Licenses & Permits (\$510 k)
 - \$11.4 M less in expenditures
 - Less expenditures than planned due to vacancies, contractual services savings, and lower than projected police and fire pension, and jail services.
 - Including \$3.8 M in delayed expenses



General Fund Revenues (Millions)

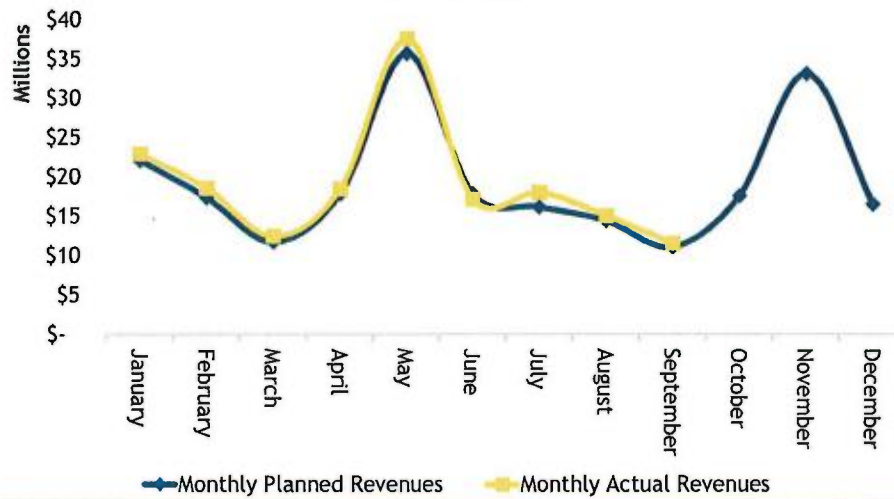
4



| General Fund Revenues (Millions) | | | | |
|----------------------------------|--------------------|----------------|-------------------|--------------|
| 2018 Budget | Q3 2018 Projection | Q3 2018 Actual | Variance (Amount) | Variance (%) |
| \$231.2 | \$164.1 | \$171.8 | \$7.7 | 4.7% |

General Fund Revenues – All Sources ⁵

(Millions)



2017-2018
CITY OF
TACOMA

**BIENNIAL
BUDGET**

CORE SERVICES
CONTINUOUS IMPROVEMENT
CREDIBILITY

General Fund Revenue Variance ⁶

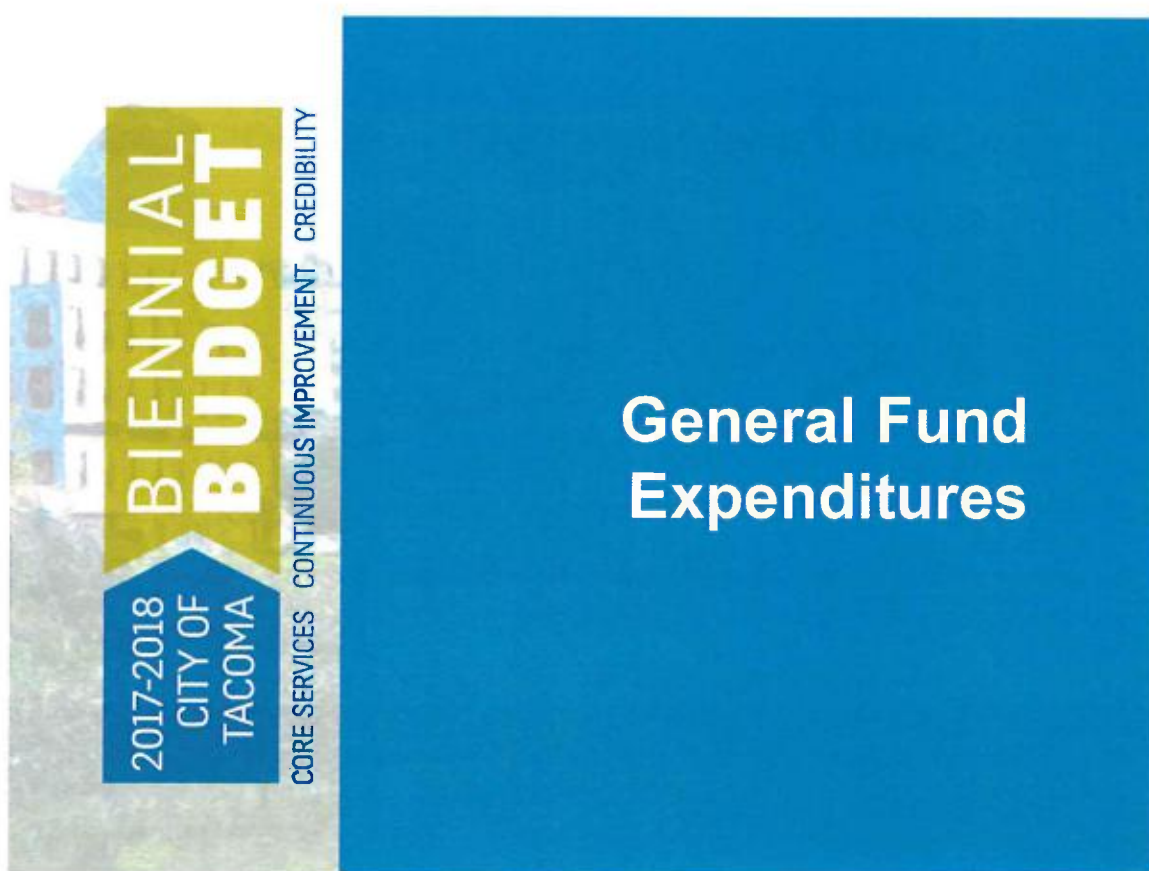
(Millions)

| Revenue Source | Q3 2018 Projection | Q3 2018 Actual | Variance (Amount) | Variance (%) |
|----------------|-----------------------|-------------------|----------------------|-----------------|
| Property Tax | \$32.33 | \$32.61 | \$0.28 | 0.9% |
| Sales Tax | 40.77 | 41.78 | 1.01 | 2.5% |
| Business Tax | 36.59 | 38.90 | 2.30 | 6.3% |
| Utility Tax | 34.90 | 36.13 | 1.23 | 3.5% |
| Other Revenue | 19.51 | 22.35 | 2.84 | 14.6% |
| Total | \$164.10 | \$171.77 | \$7.67 | 4.7% |

2017-2018
CITY OF
TACOMA

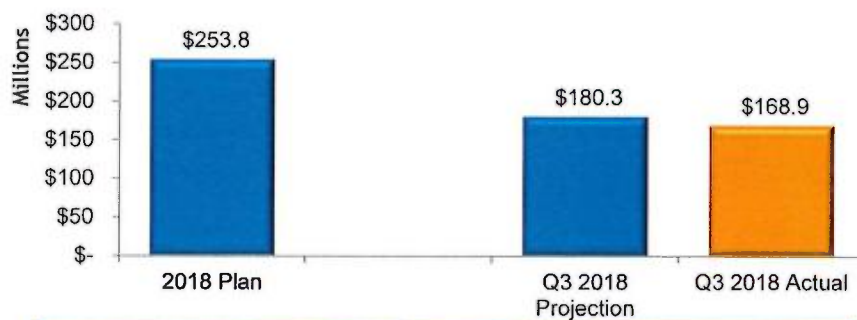
**BIENNIAL
BUDGET**

CORE SERVICES
CONTINUOUS IMPROVEMENT
CREDIBILITY



General Fund Expenses (Millions)

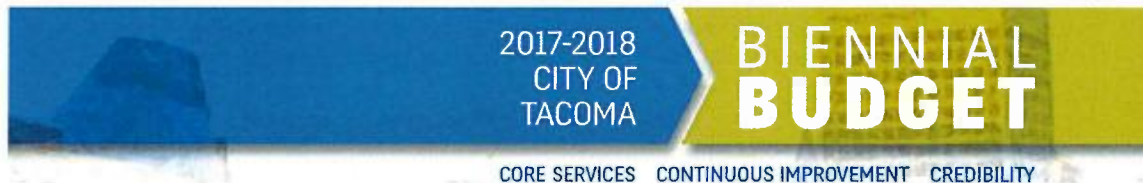
8



| General Fund Expenses (Millions) | | | | |
|----------------------------------|--------------------|----------------|-------------------|--------------|
| 2018 Budget | Q3 2018 Projection | Q3 2018 Actual | Variance (Amount) | Variance (%) |
| \$253.8 | \$180.3 | \$168.9 | \$11.4 | 6.3% |

General Fund Expenditure Variance⁹ (Millions)

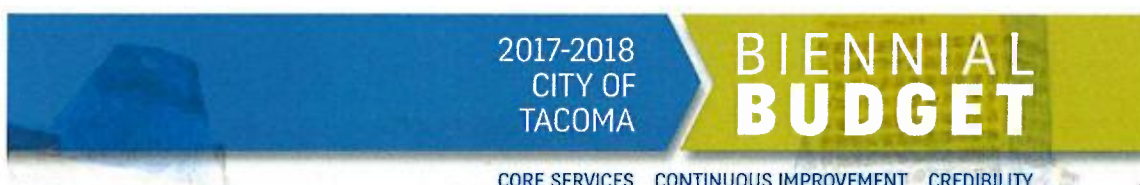
| Department | Q3 2018 Projection | Q3 2018 Actual | Variance (Amount) | Variance (%) |
|-------------------|-----------------------|-------------------|----------------------|-----------------|
| Police | \$62.85 | \$60.93 | \$1.92 | 3.1% |
| Fire | 45.00 | 44.34 | 0.65 | 1.5% |
| Non-Departmental | 36.55 | 32.60 | 3.95 | 10.8% |
| Library | 10.10 | 9.15 | 0.95 | 9.4% |
| Neigh & Comm Svcs | 9.99 | 8.45 | 1.54 | 15.4% |
| Comm & Econ Dev | 3.72 | 2.82 | 0.90 | 24.1% |
| Other Departments | 12.1 | 10.61 | 1.52 | 12.6% |
| Total | \$180.34 | \$168.90 | \$11.44 | 6.3% |



10

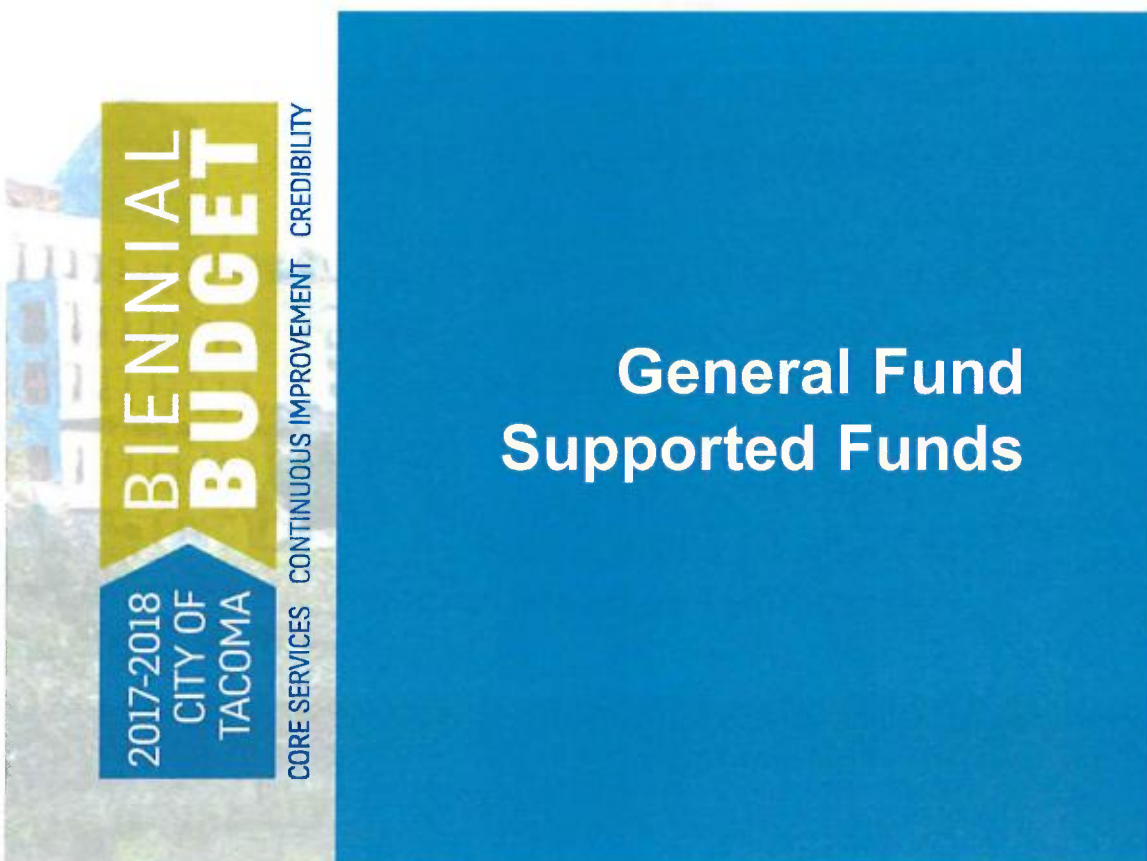
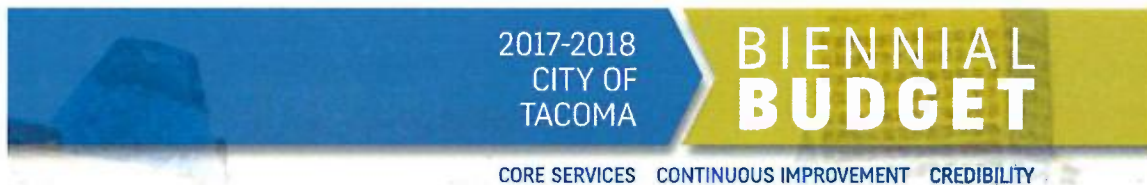
General Fund Expenses

- Delayed Contractual Expenses (\$3.8 M)
 - Non-Departmental Contracts and Transfers (\$1.1 M)
 - NCS & CED Contracts (\$1.5 M)
 - Other Transfers (\$700 k)
 - PDS Contracts (\$476 k)
- Risks and Variable Costs
 - Police and Fire Pension and Jail Contract (\$2.4 M)



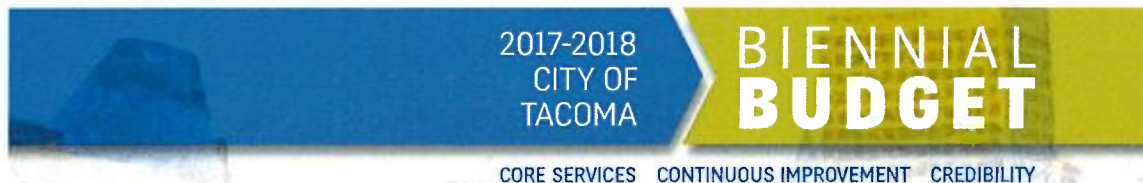
Other Considerations

- Outstanding Legal Items
- Heidelberg Sport Village
- Broadway LID
- Economic Downside Risk



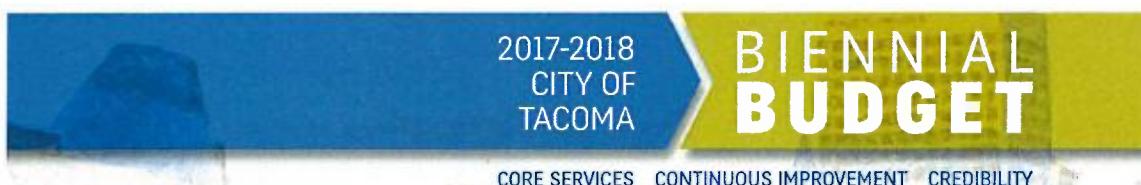
General Fund Supported Funds (Millions)

| Fund | | Q3 2018 Projection | Q3 2018 Actual | Variance (Amount) | Variance (%) |
|------------------------------------|--------------|-----------------------|-------------------|----------------------|-----------------|
| Street Operations & Engineering | Revenues | \$17.70 | \$18.10 | \$0.40 | 2.2% |
| | Expenditures | 18.78 | 17.23 | 1.54 | 8.2% |
| Traffic Enforcement | Revenues | 2.65 | 2.17 | (0.48) | (18.2%) |
| | Expenditures | 2.59 | 2.55 | 0.04 | 1.4% |
| Permit Services | Revenues | 7.28 | 10.41 | 3.13 | 43.0% |
| | Expenditures | 8.14 | 7.23 | 0.90 | 11.1% |



General Fund Supported Funds (Millions)

| Fund | | Q3 2018 Projection | Q3 2018 Actual | Variance (Amount) | Variance (%) |
|-------------------|--------------|-----------------------|-------------------|----------------------|-----------------|
| Convention Center | Revenues | \$7.35 | \$9.32 | \$1.97 | 26.7% |
| | Expenditures | 5.54 | 5.66 | (0.11) | (2.0%) |
| Cheney Stadium | Revenues | 0.97 | 0.89 | (0.79) | (8.2%) |
| | Expenditures | 0.63 | 0.61 | 0.02 | 2.5% |
| Tacoma Dome | Revenues | 5.07 | 5.65 | 0.58 | 11.4% |
| | Expenditures | 6.01 | 5.96 | 0.05 | 0.7% |



2017-2018
CITY OF
TACOMA

BIENNIAL BUDGET

CORE SERVICES CONTINUOUS IMPROVEMENT CREDIBILITY

2017-2018 Biennium-End Adjustment

Katie Johnston, Budget Officer
Study Session
November 27, 2018

2017-2018
CITY OF
TACOMA

BIENNIAL BUDGET

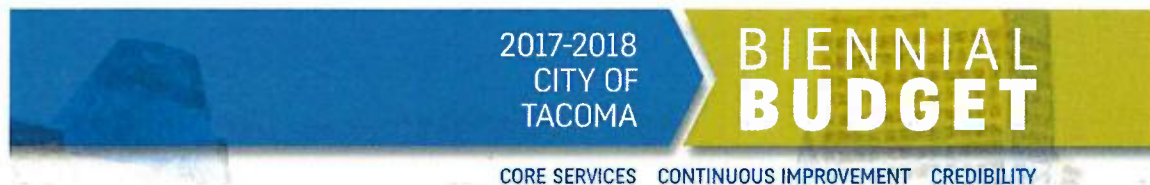
CORE SERVICES CONTINUOUS IMPROVEMENT CREDIBILITY

2018 3rd Quarter Financial Report

Katie Johnston, Budget Officer
Study Session
November 27, 2018

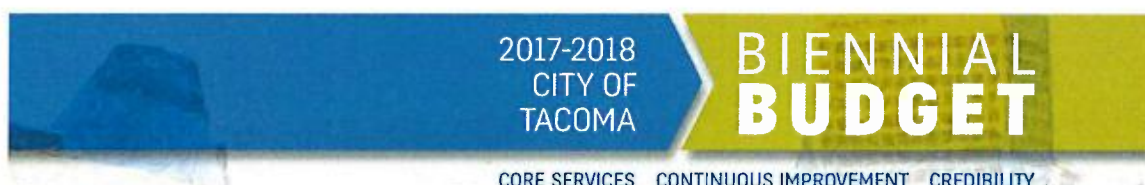
Purpose of Adjustment

- Necessary to ensure funds have necessary appropriation authority
- Biennium End Adjustment:
 - Aligns and updates revenue and expenditure budgets with updated financial information and trends
 - Provides for budgetary corrections or revisions



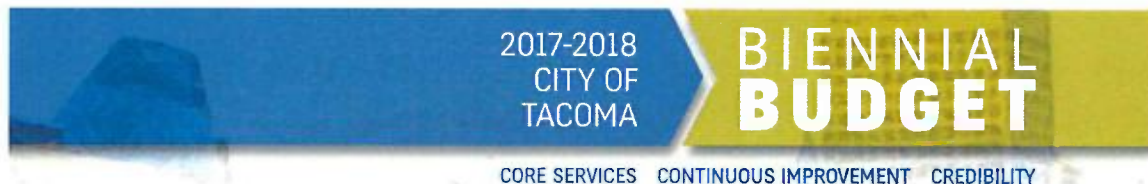
Adjustments by Fund Type

- Special Revenue Funds - \$4.0 M
- Capital Project Funds - \$2.1 M
- Enterprise Funds - \$5.8 M
- Internal Service Funds - \$3.9 M
- Trust & Agency Funds - \$70 k



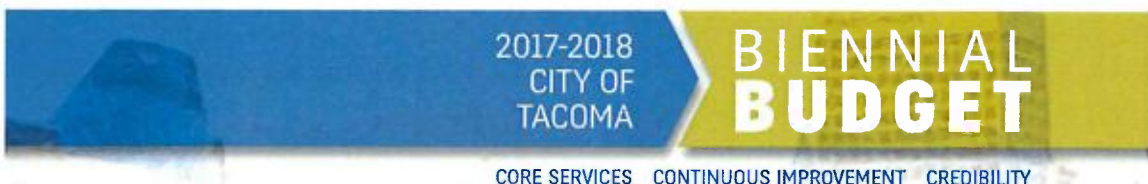
Special Revenue Funds

| Fund | Description | 2017-2018 Biennium End Adjustment |
|---|--|---|
| 1065 – PW Street Fund (St Ops, Eng) | Sound Transit Permit Review Streetlight/Traffic Signal Repairs | \$30 k 492 k |
| 1070 – Transportation Benefit District | Audit Services | 7.5 k |
| 1080 – 2% Gross Earning Tax | Transfer of Cash to Street Ops for Fund Closure | 512 k |
| 1090 – TFD Special Revenue | SAFER Grant Match Hurricane Deployments Port Security Grant | 271 k 282 k 367 k |



Special Revenue Funds

| Fund | Description | 2017-2018 Biennium End Adjustment |
|--|--|---|
| 1155 – EMS Special Revenue | Medic Fleet Replacement Training Supplies | \$70 k 25 k |
| 1180 – PAF Tourism & Conventions | Transfer to Convention Center | 1.7 M |
| 1195 – CED Economic Development Grants | Amtrak Display | 259 k |
| Total Special Revenue Fund Appropriation Change | | \$4.0 M |



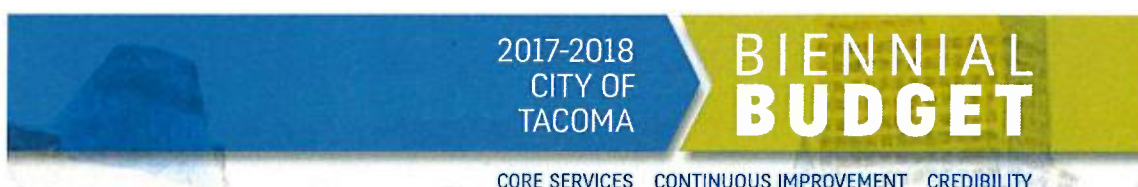
Capital Project Funds

| Fund | Description | 2017-2018 Biennium End Adjustment |
|--|--|---|
| 3209 – 1997 Bond Issue | Bank Charges | \$55 k |
| 3210 – Real Estate Excise Tax | Transfers to Theaters and Reserves | 2.0 M |
| 3218 – 2009 LTGO Bond Capital Proj | People's Pool Closeout Bank Charges | 34 k 1 k |
| Total Capital Project Fund Appropriation Change | | \$2.1 M |



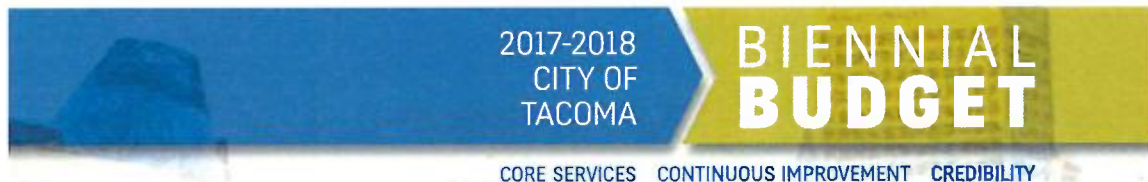
Enterprise Funds

| Fund | Description | 2017-2018 Biennium End Adjustment |
|---|--|---|
| 4120 – Tacoma Mountain Rail | Various Mountain Rail Operating Expenditures | \$1.23 M |
| 4140 – Parking Operating | Soil Remediation Yareton Parking Stalls | 500 k 2.1 M |
| 4190 – Performing Arts | Pantages Theater Capital Project | 2.0 M |
| 4450 – Union Station | Bank Charges | 3 k |
| Total Enterprise Fund Appropriation Change | | \$5.8 M |



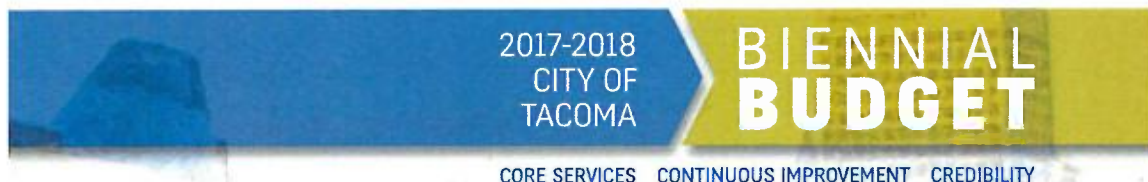
Internal Service Funds

| Fund | Description | 2017-2018 Biennium End Adjustment |
|---|--|---|
| 5042 – IT Graphics Services | Transfer of Cash to IT ISF Fund for Fund Closure | \$101 k |
| 5550 – Third Party Liability Claims | Claim Expenses | 3.8 M |
| Total Internal Service Fund Appropriation Change | | \$3.9 M |



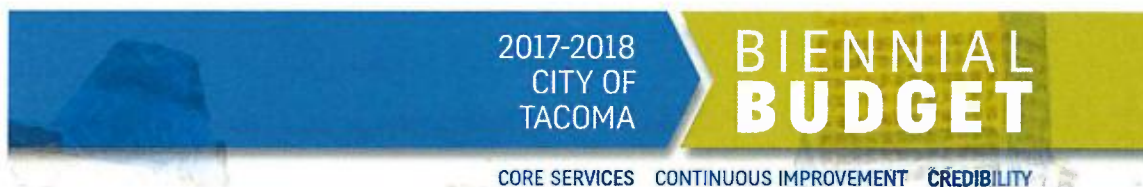
Trust & Agency Funds

| Fund | Description | 2017-2018 Biennium End Adjustment |
|---|-----------------|---|
| 6050 – Deferred Compensation Trust | Personnel Costs | \$10 k |
| 6430 – Health Care Trust Labor Mgmt | Insurance Costs | 60 k |
| Total Trust & Agency Fund Appropriation Change | | \$70 k |



Next Steps

- Staff requests adoption of the ordinance to ensure funds are within legal appropriations at biennium-end
- Tonight (November 27) – 1st Reading
- Tuesday, December 4 – 2nd Reading

A vertical banner on the left side of the slide. It has a blue background at the bottom and a yellow-green background at the top. The text "2017-2018 CITY OF TACOMA" is in white on the blue background. "BIENNIAL BUDGET" is in large white letters on the yellow-green background. To the right of the banner, the words "CORE SERVICES", "CONTINUOUS IMPROVEMENT", and "CREDIBILITY" are listed in small blue text.

2017-2018 Biennium-End Adjustment

Katie Johnston, Budget Officer
Study Session
November 27, 2018