

December 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	\$ 231,221,914	\$ 250,740,243	\$ 19,518,329	8.4%
Expenditures	\$ 253,846,860	\$ 253,846,860	\$ 238,938,584	\$ 14,908,276	5.9%
Revenue Over Expenditure Variance (Fund Balance)	\$ (22,624,946)	\$ (22,624,946)	\$ 11,801,659	\$ 34,426,605	
Forecasted Revenue Variance				\$ (8,617,470)	
Forecasted Expenditure Variance				\$ (5,374,000)	
Variance from Forecast				\$ 20,435,135	

SUMMARY

Through December of 2018, revenues and expenditures were favorable, resulting in an overall \$34.4 million positive position. The trends in revenues and expenditure savings are accounted for in the 2019-2020 budget.

REVENUE OVERVIEW

Through December General Fund revenues were favorable by approximately \$19.5 million:

- Property Taxes
 - Greater Early and On-Time Payments (+\$186k)
- Business Taxes
 - Favorable Retailing, Wholesaling, Manufacturing, and Service Taxes; Offset by Weaker Cellphone Taxes (+\$2.8M)
- Intergovernmental Revenues
 - Unbudgeted but Anticipated Contributions from PSE and Greater Shared Revenues from Puyallup Tribal, Mariguana, and Criminal Justice (+\$10.0M)
- Sales Taxes
 - Higher than Expected in the Wholesaling and Realtail Categories (+\$2.6M)
- Utility Taxes (+\$1.1M)
- Licenses & Permits (+\$1.1M)
- Miscellaneous Revenues (+\$1.2M)

Revenue trends through the third quarter are included in the 2018 year end projections as well as the 2019-2020 budget.

EXPENDITURE OVERVIEW

Through December, General Fund expenditures were favorable by approximately \$14.9 million:

- Obligated Delays for 2019 (+\$4.9M)
- Non-Departmental
 - Jail Contract (+\$1.1M)
 - Police & Fire Pension Expenses (+\$2.4M)
 - Delayed Payments or Transfers (+\$1.9M)
- Neighborhood & Community Services (NCS)
 - Labor Savings (+\$766k)
 - Human Services Contracts (+\$1.0M)
- Police
 - Labor Savings (+\$1.4M)
 - Fuel Savings (+\$289k)
- Community and Economic Development (CED)
 - Contract Services for Innovative & Arts Grants (\$660k)
- Library
 - Labor Savings (\$909k)

It is important to note that other anticipated savings from the 2017-2018 biennium are incorporated into the 2019-2020 biennial budget to fund one-time expenses.

Prepared By The Office of Management and Budget

Through December 31, 2018

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**BIENNIAL
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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	\$ 58,955,220	\$ 59,141,840	\$ 186,620	0.3%
2	Sales Tax	54,318,430	54,318,430	56,917,999	2,599,569	4.8%
3	Business Tax	48,508,450	48,508,450	51,295,857	2,787,407	5.7%
4	Utility Tax	45,441,868	45,441,868	46,578,432	1,136,564	2.5%
5	Intergovernmental Revenues	9,955,903	9,955,903	19,943,848	9,987,944	100.3%
6	Licenses & Permits	6,454,697	6,454,697	7,595,176	1,140,480	17.7%
7	Charges for Services	3,143,452	3,143,452	3,410,065	266,613	8.5%
	Other Taxes	1,973,328	1,973,328	2,034,423	61,095	3.1%
8	Fines & Forfeits	696,651	696,651	884,851	188,200	27.0%
9	Miscellaneous Revenues	1,773,915	1,773,915	2,937,753	1,163,838	65.6%
	Total	\$ 231,221,914	\$ 231,221,914	\$ 250,740,243	\$ 19,518,329	8.4%

Use of Fund Balance (Negative value denotes addition to cash)	\$ 22,624,946	\$ 22,624,946
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Total	\$ 253,846,860	\$ 253,846,860
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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 due to greater on-time and early property tax payments.
- Sales Tax** - Favorable variance is from favorable sales taxes (+\$2.2M) in wholesale and retail categories. Criminal justice sales taxes are also up (+\$217k).
- Business Tax** - Favorable variance is due to higher than anticipated revenues in retailing (+\$1.0M), manufacturing (+\$456k), service taxes (+\$1.5M), and wholesaling (+\$576k) are up compared to budget but are offset by a cell/pager taxes (-\$194k) and telephone taxes (-\$113k).
- Utility Tax** - Favorable variance is due to Water (+\$625k), Rail (+\$338k), and Power (+\$219k) paying higher than expected taxes. Click! is down, however (-\$203k).
- Intergovernmental Revenues** - Favorable variance is due to unbudgeted PSE contributions for the tideflats fire station (+\$4.5M), Taylor Way (+\$500k), and payments in lieu of construction taxes (+\$2.75M). greater than expected Puyallup Tribal revenue (+\$147k). They are also favorable due to greater than anticipated marijuana taxes (+\$385k), criminal justice shared revenues (+\$429k), and unbudgeted GEMT revenue (+\$718k).
- Licenses & Permits** - Favorable variance is due to greater than planned annual business licenses (+\$402k), rights-of-way use permits (+\$370k), penalties and interest on business licenses (+\$135k), and miscellaneous permits (+\$292k).
- Charges For Services** - Favorable variance is due to greater than anticipated Fife and Fircrest emergency transport revenues (+\$102k) 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 (+\$261k) but offset by less collections of criminal penalties (-\$73k).
- Miscellaneous Revenues** - Favorable variance is due to greater than anticipated interest earnings (+\$1.05M).

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Through December 31, 2018

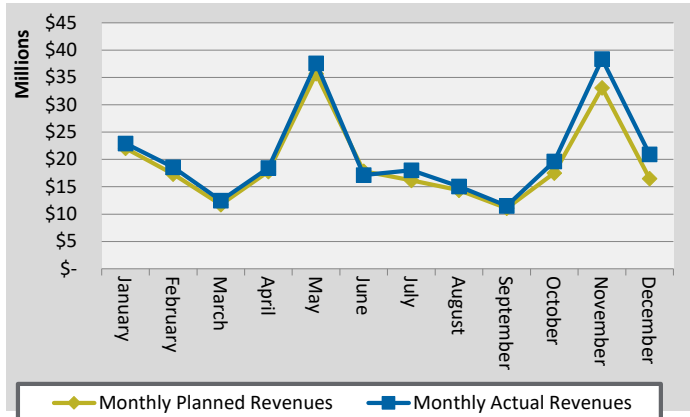
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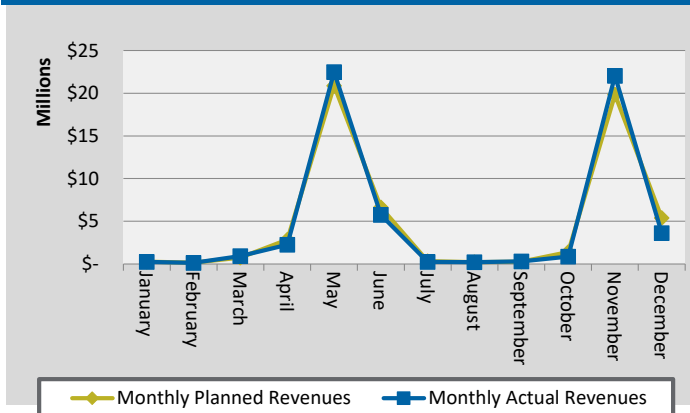
GENERAL FUND REVENUES

ALL REVENUE SOURCES



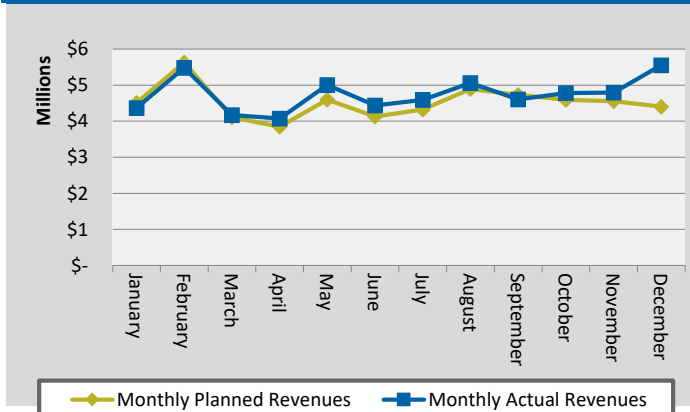
	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 22,072,232	\$ 22,928,156	\$ 855,924
February	17,336,093	18,570,377	1,234,284
March	11,725,273	12,455,854	730,581
April	17,817,991	18,450,412	632,421
May	35,688,672	37,607,009	1,918,336
June	17,829,709	17,161,267	(668,442)
July	16,161,932	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	19,650,588	2,122,215
November	33,084,989	38,384,416	5,299,428
December	16,503,296	20,931,690	4,428,394
2018 Total	\$ 231,221,914	\$ 250,740,243	\$ 19,518,329

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	879,474	(516,754)
November	19,841,684	22,033,522	2,191,838
December	5,384,661	3,619,557	(1,765,105)
2018 Total	\$ 58,955,220	\$ 59,141,840	\$ 186,620

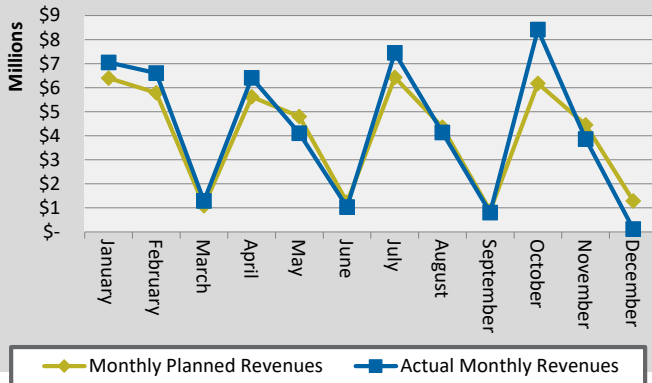
SALES TAX



	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	4,782,749	191,729
November	4,554,239	4,796,680	242,441
December	4,398,281	5,553,996	1,155,715
2018 Total	\$ 54,318,430	\$ 56,917,999	\$ 2,599,569

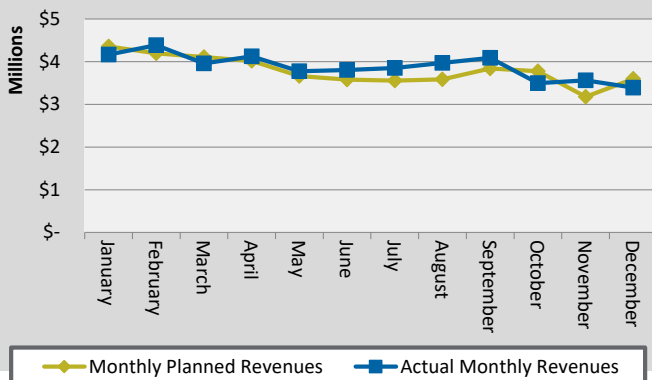
GENERAL FUND REVENUES

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	8,414,694	2,238,852
November	4,450,068	3,864,802	(585,266)
December	1,290,905	121,152	(1,169,753)
2018 Total	\$ 48,508,450	\$ 51,295,857	\$ 2,787,407

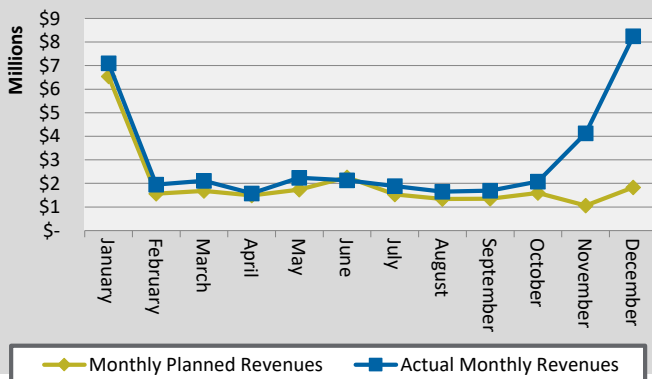
UTILITY/GROSS EARNINGS TAX



	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	3,496,872	(275,696)
November	3,177,396	3,559,667	382,271
December	3,595,159	3,392,571	(202,588)
2018 Total	\$ 45,441,868	\$ 46,578,432	\$ 1,136,564

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	2,076,799	484,083
November	1,061,602	4,129,745	3,068,143
December	1,834,290	8,244,415	6,410,126
2018 Total	\$ 23,997,946	\$ 36,806,115	\$ 12,808,169

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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	\$ 2,627,117	\$ 2,553,009	\$ 74,109	2.8%
1	City Manager's Office	641,201	641,201	407,960	233,241	36.4%
2	Community & Economic	4,837,040	4,837,040	4,261,897	575,144	11.9%
3	Finance	3,765,975	3,765,975	3,454,124	311,851	8.3%
4	Fire	60,061,079	60,061,079	58,820,305	1,240,774	2.1%
5	Library	13,656,431	13,656,431	12,747,407	909,025	6.7%
6	Municipal Court	4,168,452	4,168,452	3,931,242	237,210	5.7%
7	Neighborhood & Commu	14,454,021	14,454,021	12,924,026	1,529,995	10.6%
8	Planning & Developmen	2,576,135	2,576,135	1,508,060	1,068,075	41.5%
9	Police	82,793,913	82,793,913	80,990,434	1,803,479	2.2%
	Public Works	2,502,976	2,502,976	2,421,985	80,991	3.2%
10	Non-Departmental	61,762,518	61,762,518	54,918,135	6,844,383	11.1%
	Total Expenditures	\$ 253,846,860	\$ 253,846,860	\$ 238,938,584	\$ 14,908,276	5.9%

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 Manager** - Positive expenditure variance due to a delay related to capacity building and 2025 implementation (+\$196k).
- 2 **Community & Economic Development** - Favorable variance is due to personnel savings (+\$255k), delays in Innovative Grants (+\$162k) and savings in Economic Development Professional Service contracts (+\$168K).
- 3 **Finance** - Positive variance is due to labor savings (+\$80k) and savings on on license and maintenance fees (+\$103k).
- 4 **Fire** - Positive variance is due to delayed transfer to Fleet Services for tech rescue vehicle (+\$620k). However, this delayed payment is helping offset a negative trend of increased overtime and PTO payouts.
- 5 **Library** - Positive variance is due to vacancy savings (+\$735k), delayed operating supplies (\$53k), and communication materials (\$75k).
- 6 **Municipal Court** - Favorable variance is due to personnel savings (+\$220k).
- 7 **Neighborhood & Community Services** - Favorable variance is due to labor savings and vacancies (+\$766k), savings from professional services and external contract spending (+\$1M).
- 8 **Planning & Development Services** - Favorable variance is due to personnel savings from several vacancies that have since been filled (+\$341k) and a delay of external contracts for tideflats planning (+\$500k), and professional services
- 9 **Police** - Favorable variance is partially due to personnel and vacancy savings (+\$1.4M). The remaining variance is from fuel savings (+\$289k) and reduced spending in law enforcement materials (+\$120k).
- 10 **Non-Departmental** - Favorable variance is due to delayed transfers to Metro Parks for parks maintenance contracts (+\$305k), Police and Fire pensions savings (+\$2.4M), jail contract savings (+\$1.1M), delayed transfers to programs approved at mid-biennium modification (+\$778k), delayed transfers for Broadway LID payments (+\$915k), debt savings (+\$250K), leave/severance savings (+\$376k), capital project savings (+\$560k), and human services and external contract savings(+\$593k), offset by greater than planned transfers to the Traffic Enforcement, Education, & Engineering Fund (-\$550k).

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**BIENNIAL
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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	20,293,653	21,231,565	937,912	4.6%
	Expenditures	21,538,617	21,538,617	21,045,501	493,116	2.3%
2	PW Street Operations & Engineering					
	Revenues	24,105,683	24,105,683	24,451,981	346,298	1.4%
	Expenditures	24,906,288	24,906,288	24,388,188	518,100	2.1%
3	TFD Emergency Medical Services					
	Revenues	13,818,411	13,818,411	18,421,909	4,603,498	33.3%
	Expenditures	15,311,714	15,311,714	15,299,156	12,558	0.1%
4	Municipal Cable TV					
	Revenues	3,848,988	3,848,988	3,598,054	(250,934)	-6.5%
	Expenditures	4,129,144	4,129,144	3,899,620	229,524	5.6%
5	Traffic Enforcement, Engineering & Education					
	Revenues	3,446,421	3,446,421	3,094,906	(351,516)	-10.2%
	Expenditures	3,446,421	3,446,421	3,198,097	248,324	7.2%
6	Mental Health & Chemical Dependency					
	Revenues	5,638,468	5,638,468	7,016,044	1,377,576	24.4%
	Expenditures	8,849,396	8,849,396	7,882,240	967,156	10.9%
	Real Estate Excise Tax					
	Revenues	8,500,000	8,500,000	11,297,999	2,797,999	32.9%
* 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.						
ENTERPRISE FUNDS						
7	Permit Services					
	Revenues	9,706,583	9,706,583	13,823,014	4,116,431	42.4%
	Expenditures	10,845,208	10,845,208	9,727,043	1,118,164	10.3%
8	PW Parking Operations					
	Revenues	10,231,959	10,231,959	7,166,202	(3,065,757)	-30.0%
	Expenditures	11,774,296	11,774,296	11,911,560	(137,263)	-1.2%
9	TVE Convention Center					
	Revenues	11,541,355	11,541,355	12,902,762	1,361,407	11.8%
	Expenditures	11,496,356	11,496,356	11,249,330	247,026	2.1%
	TVE Cheney Stadium					
	Revenues	1,587,402	1,587,402	1,618,941	31,539	2.0%
	Expenditures	1,444,210	1,444,210	1,469,573	(25,363)	-1.8%
10	TVE Tacoma Dome					
	Revenues	7,990,228	7,990,228	9,332,682	1,342,453	16.8%
	Expenditures	9,556,087	9,556,087	9,150,035	406,052	4.2%
11	TVE Theaters					
	Revenues	6,442,698	6,442,698	6,860,862	418,164	6.5%
	Expenditures	6,415,822	6,415,822	6,867,975	(452,153)	-7.0%
12	ES Solid Waste					
	Revenues	67,321,366	67,321,366	70,461,823	3,140,457	4.7%
	Expenditures	74,989,909	74,989,909	64,793,918	10,195,991	13.6%
13	ES Wastewater					
	Revenues	78,333,400	78,333,400	83,492,317	5,158,917	6.6%
	Expenditures	105,609,402	105,609,402	91,015,267	14,594,135	13.8%
14	ES Surface Water					
	Revenues	37,338,000	37,338,000	39,719,975	2,381,975	6.4%
	Expenditures	49,553,566	49,553,566	68,309,956	(18,756,391)	-37.9%

OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

	Fund	2018 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
INTERNAL SERVICE FUNDS						
15	<i>PW Fleet Equipment Rental</i>					
	Revenues	13,398,711	13,398,711	14,343,672	944,961	7.1%
	Expenditures	14,391,627	14,391,627	11,663,336	2,728,292	19.0%
16	<i>PW Asphalt Plant</i>					
	Revenues	1,781,457	1,781,457	2,664,416	882,959	49.6%
	Expenditures	2,400,000	2,400,000	2,758,262	(358,262)	-14.9%
17	<i>Radio Communications</i>					
	Revenues	2,841,652	2,841,652	3,076,558	234,906	8.3%
	Expenditures	2,858,000	2,858,000	2,286,387	571,613	20.0%
18	<i>Municipal Building Acquisition & Operations</i>					
	Revenues	4,980,144	4,980,144	4,872,843	(107,301)	-2.2%
	Expenditures	6,766,324	6,766,324	6,248,978	517,346	7.6%

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 (+\$700k) and investment revenues (+\$229k). Expenditures: Favorable due to the timing of street maintenance work packages and capital project contributions (+\$493k).
- 2 **PW Street Operations & Engineering** - Revenues: Favorable variance due to greater than planned gross earnings taxes (+\$480k), offset by delayed Motor Vehicle Fuel Tax reimbursements (-\$120k). Expenses: Favorable variance due to personnel savings from 2017 and delayed hiring of new positions
- 3 **TFD Emergency Medical Services** - Revenues: Positive revenue is due to GEMT billings (+4.5M), which is unbudgeted and has been received since July 2018.
- 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. Expenses: Favorable due to delayed contractor payments as new equipment is installed.
- 6 **Mental Health & Chemical Dependency** - Revenues: Favorable due to higher than expected sales tax (+\$354k) one-time proceeds from the sale of 5401 S. Tacoma Way property (+\$850k). Expenses: Favorable due to delays in external contracts (+\$1.65M) as well as a delayed invoice for the Mental Health Hospital spending (+\$1.5M).
- 7 **Permit Services** - Revenues: Favorable due increased building permit inspections (+\$1.9M), Site Development Fees (+\$.75M), and dedicated funds (+\$.6M). Expenditures: Favorable due to personnel savings (+\$837k) and less than planned usage of external contracts for plan review (+\$375k).
- 8 **PW Parking Operations** - Revenues: Unfavorable due to decreased parking enforcement revenues caused by vacancies and loss of State Farm as a tenant (\$838k) and timing of recognizing proceeds from sale of assets (\$2.4M). Expenses: Unfavorable 2018 YTD variance is due capital project settlements at the end of 2018.
- 9 **TVE Convention Center** - Revenues: Favorable due to contribution from Public Facilities District (+\$496k), investment earnings (+\$77k), and increased charges for services for restaurant services, rent, and other miscellaneous venue fees (+\$785k). Expenses: Favorable due to capital project delays.
- 10 **TVE Tacoma Dome** - Revenues: Favorable due to higher than expected charges for services and admission tax from increased events (+\$1.3M). Expenditures: Unfavorable variance due to greater event-related expenses (-\$406k).
- 11 **TVE Theaters** - Revenues: Favorable due to unplanned grant to support capital projects (+\$970k), offset by delayed reimbursement for capital spending (-\$544k). Expense: Unfavorable variance due to greater than planned capital spending.
- 12 **ES Solid Waste** - Revenues: Favorable due to commercial collection (+\$1.7M) and self-haul disposal (+\$1.7M) performing better than planned due to increased business activity and economic growth, investment earnings (+\$383k), operating grant revenues (+\$118k), revenue from sale of assets (+\$360k), commercial recycling revenues (+\$260k), and other miscellaneous operating revenues (+\$380k), offset by decreased residential revenues due to volume based pricing and right-sizing cans (-\$1.8M). Expenditures: Favorable due to vacancy and overtime savings (+\$350k), fleet maintenance and fuel savings (+\$1.2M), offset by (-\$1.3M) in contract overages due to increases in garbage disposal tonnages. Capital spending ended the biennium with a \$10M positive variance due to postponement and delays related to CNG conversion and vehicle purchases.
- 13 **ES Wastewater** - Revenues: Favorable due to commercial collections (+\$1.9M) performing better than planned due to the increased business activity, increased interlocal billings (+\$847k) as a result of the recalculation of the rate based on 2017 results, additional revenue from increased leachate treatment (+\$940k), investment earnings (+\$582k), and an advanced (+\$1M) contribution from the Pierce County Flood District, offset by decreased residential revenue (-\$304k). 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, offset by (-\$430k) of unplanned debt expenses to take advantage of better interest rates. Capital spending ended the biennium with a \$18M positive variance due to postponement and project delays.
- 14 **ES Surface Water** - Revenues: Favorable due to site development fees (+\$934k), investment earnings (+\$321k), timing of grant revenues (+\$478k), and PDS reimbursements for site development services (+\$437k). Expense: Favorable variance (+\$2.2M), primarily in external contract services and professional services due to expense project delays, offset by personnel overages (-\$720k) due to shared work crews devoting more time to Surface Water. Capital spending expected ended the biennium with a \$6.7M positive variance due to several projects experiencing schedule delays.
- 15 **PW Fleet Equipment Rental** - Revenues: Favorable variance due to additional transfers for unplanned vehicle purchases (+\$211k), proceeds from sale of assets (+\$220k), and Warehouse Overhead (+\$656). Expense: Favorable variance due to timing of vehicle purchases.
- 16 **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.
- 17 **Radio Communications** - Revenues: Favorable due to additional network user fee revenue (+\$101k) and a transfer from Fire (+\$87k). Expenses: Favorable due to change in accounting practice related to delayed capital spending (+\$405k) and software licensing savings (+\$162k).
- 18 **Municipal Building Acquisition & Operations** - Revenues: Unfavorable variance due delayed transfer from the General Fund for the Broadway LID payment (-\$415k), offset by investment earnings (+\$44k), unplanned work for nonrent paying customers (+\$152k), and (+\$100k) transfer for legal offices remodel.

Prepared By The Office of Management and Budget

Through December 31, 2018

December 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	\$ 6,460,894	\$ 5,582,254	\$ 878,640	13.6%
	City Council	1,408,333	1,408,333	1,377,518	30,815	2.2%
2	City Manager's Office	4,126,168	4,126,168	3,687,025	439,143	10.6%
	Environmental Services	589,096	589,096	589,210	(114)	0.0%
3	Finance	11,172,878	11,172,878	8,855,162	2,317,715	20.7%
	Hearing Examiner	453,306	453,306	423,220	30,086	6.6%
4	Human Resources	6,006,030	6,006,030	5,481,290	524,740	8.7%
5	Information Technology	30,671,933	30,671,933	26,835,143	3,836,790	12.5%
6	Office of Management & Budget	1,667,076	1,667,076	1,383,824	283,251	17.0%
	Total Expenditures	\$ 62,555,713	\$ 62,555,713	\$ 54,214,647	\$ 8,341,066	13.3%

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 (+\$105k) and less than anticipated need for legal services and external contract services (+\$739k) .
- City Manager's Office** - Positive expenditure variance is due to labor savings from vacant positions (+\$327), delays and savings in training/professional development expenses (+\$68k), and delayed implementation of contracts (+\$43k).
- Finance** - Favorable variance is due to labor vacancy savings (+\$1.3M), delayed spending on operating supplies (\$300k) and professional services (\$677k).
- Human Resources** - Favorable variance is due to a delay in training and professional development (\$257K); professional services (\$208k) and external contract services (\$255k); but offset by overspending in association and dues (-\$33K).
- Information Technology** - Favorable variance is due to vacancy savings (+\$787k). Additional savings are due to delays in professional services (+\$3M) related to Office 365, TIMS, and FileLocal projects.
- Office of Management & Budget** - Favorable variance is due to vacancies that are now filled (+\$218k).

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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	\$8,210,210	101.7%
Expenditures	\$12,259,028	\$11,805,660	96.3%
		(\$3,595,450)	
2 Unemployment			
Revenues	\$1,040,005	\$1,066,060	102.5%
Expenditures	\$1,069,291	\$858,483	80.3%
		\$207,577	
3 Worker's Compensation			
Revenues	\$18,567,558	\$18,182,435	97.9%
Expenditures	\$17,796,102	\$15,856,967	89.1%
		\$2,325,468	
4 Health Care Labor Management			
Revenues	\$127,580,372	\$132,073,861	103.5%
Expenditures	\$132,992,160	\$126,164,504	94.9%
		\$5,909,357	
5 Dental Care Management			
Revenues	\$11,546,245	\$10,948,236	94.8%
Expenditures	\$11,540,235	\$10,951,621	94.9%
		(\$3,385)	

FUND NOTES

- Third Party Liability / Self Insurance** - Revenue variance is due to interest earning (+\$130k). Expense variance is due to less than projected claims (+\$450k).
- Unemployment** - Revenues on target with projections. Expenses are below budget due to delayed invoices (+\$208k).
- Worker's Compensation** - Revenue is down slightly but within historical norms due to vacancies, etc. Expense variance is due to less than expected claims biennium-to-date (+\$1.9M).
- Health Care Labor Management** - Revenue variance due the net of increased Regence contributions (+\$2.4M) and less than planned Kaiser contributions (-\$19k). Expense variance is due to lower than budgeted claims costs (+\$2.3M) and Kaiser insurance costs (+\$1.8M).
- Dental Care Management** - Revenues and Expenses are matching expectations.

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