

September 2019 Monthly Financial Report

CITY OF TACOMA
**BIENNIAL
BUDGET**
2019 - 2020

GENERAL FUND OVERVIEW

	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
Revenues	\$ 244,399,250	\$ 172,954,852	\$ 176,523,472	\$ 3,568,620	2.1%
Expenditures	\$ 266,595,513	\$ 196,128,656	\$ 190,109,943	\$ 6,018,713	3.1%
Revenue Over Expenditure Variance (Fund Balance)	\$ (22,196,263)	\$ (23,173,804)	\$ (13,586,471)	\$ 9,587,333	

SUMMARY

Through September 2019, revenues and expenditures were favorable, resulting in an overall \$9.6 million positive position.

REVENUE OVERVIEW

Through September, General Fund revenues were favorable by approximately \$3.6 million.

- *Property Taxes* (+\$271k)
 - Timing of payments and fewer delinquent payments
- *Sales Taxes* (+\$1.4M)
 - Favorable Retail, Administrative Support, Technical Services, Natural Gas Use Tax, and Other.
- *Business Taxes* (-\$191k)
 - Unfavorable Cell Phone, Telephone, and Natural Gas Tax, offset by Wholesaling
- *Utility Taxes* (+\$551k)
 - Favorable Water, Rail, and Environmental Services
- *Other Revenues*
 - *Intergovernmental Revenues* (+\$956k)
 - PSE contributions, higher Criminal Justice Funding
 - *Licenses & Permits* (+\$94k)
 - Higher street vacation and annual business license fees
 - *Charges for Services* (-\$394k)
 - Lower non-emergency lift assist fines, false alarm fines
 - *Fines & Forfeits* (-\$84k)
 - Fewer civil and criminal penalties
 - *Miscellaneous Revenues* (+\$953k)
 - Interest earnings

EXPENDITURE OVERVIEW

Through September, General Fund expenditures were favorable by approximately \$6.0 million.

- *Community and Economic Development (CED)* (+\$184k)
 - Labor Savings
 - External Contracts
- *Finance* (+\$465k)
 - Labor Savings
 - Professional Services Savings
- *Library* (+\$508k)
 - Labor Savings
 - Delay in IT uplift project
- *Municipal Court* (+\$298k)
 - Labor Savings
 - Professional Services Savings
- *Neighborhood & Community Services (NCS)* (+\$1.1M)
 - Labor Savings
- *Non-Departmental* (+\$2.2M)
 - Retired Police & Fire Medical Expenses
 - Pierce County Jail Contract
- *Planning & Development Services (PDS)* (+\$716k)
 - Delay in initiative implementation
- *Police* (-\$329k)
 - Overtime
 - Offset by vacancy savings and lower fuel costs
- *Public Works* (+\$338k)
 - Labor Savings
 - Delayed Maintenance Contracts

Prepared By The Office of Management and Budget

Through September 30, 2019

September 2019 Monthly Financial Report

CITY OF PACOMA
**BIENNIAL
BUDGET**
2019 - 2020

GENERAL FUND REVENUE OVERVIEW

	Revenue Category	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
1	Property Tax	\$ 60,465,879	\$ 33,297,585	\$ 33,568,599	\$ 271,014	0.8%
2	Sales Tax	57,763,956	42,184,233	43,566,146	1,381,914	3.3%
3	Business Tax	52,714,759	39,876,425	39,685,304	(191,121)	-0.5%
4	Utility Tax	46,231,884	35,398,773	35,949,511	550,738	1.6%
<i>Other Revenues</i>						
5	Intergovernmental Revenues	10,912,481	8,813,986	9,769,847	955,862	10.8%
6	Licenses & Permits	7,144,801	6,756,090	6,850,571	94,481	1.4%
7	Charges for Services	4,529,018	3,273,651	2,879,261	(394,390)	-12.0%
	Other Taxes	1,990,896	1,534,555	1,565,128	30,574	2.0%
8	Fines & Forfeits	855,245	641,434	557,596	(83,838)	-13.1%
9	Miscellaneous Revenues	1,790,330	1,178,121	2,131,507	953,387	80.9%
	Total	\$ 244,399,250	\$ 172,954,852	\$ 176,523,472	\$ 3,568,620	2.1%

Use of Fund Balance (Negative value denotes addition to cash)	\$ 22,196,263	\$ 23,173,804
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Total	\$ 266,595,513	\$ 196,128,656
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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** - Variance due to timing of payments (+\$382k), but offset by fewer prior-period property tax payments (-\$109k).
- Sales Tax** - Favorable variance due to Retail (+\$402k), Admin Support (+\$381k), Professional and Technical Services (+\$234k), and Other (+\$292k) categories, offset by lower sales taxes in Construction (-\$434k) and Real Estate services (-\$296k). Natural Gas Use Tax is still favorable (+\$450k) due to previous supply issues that caused the price to increase dramatically.
- Business Tax** - Unfavorable variance due to lower than expected returns in Cell Phone (-\$667k), Telephone (-\$309k), and Natural Gas Tax (-\$381k) categories, and higher than expected use of tax credits (-\$449k), offset by Wholesaling (+\$478k), Manufacturing (+\$208k), Admission Taxes (+\$193k), and Retail Services (+\$134k).
- Utility Tax** - Favorable variance due to higher than expected gross earnings taxes from Water (+\$432k), Rail (+\$190k), and Environmental Services (+\$228k), but offset by lower than expected Power (-\$372k).
- Intergovernmental Revenues** - Favorable variance due to unbudgeted but anticipated contributions from PSE (+\$500k) and higher criminal justice funding (+\$410k).
- Licenses & Permits** - Favorable variance due to greater than planned street vacation fees (+\$172k) and annual business license fees (+\$104k), but offset by less than expected penalties and interest from business licenses (-\$155k).
- Charges for Services** - Unfavorable variance due to lower than expected non-emergency lift assist fines (-\$193k), Police and Fire false alarm fees (-\$245k), and Fire inspection fees (-\$80k), offset by timing of law enforcement services revenue (+\$125k).
- Fines & Forfeitures** - Unfavorable variance due to fewer civil (-\$54k) and criminal (-\$30k) penalties.
- Miscellaneous Revenues** - Variance due to interest earnings (+\$1M).

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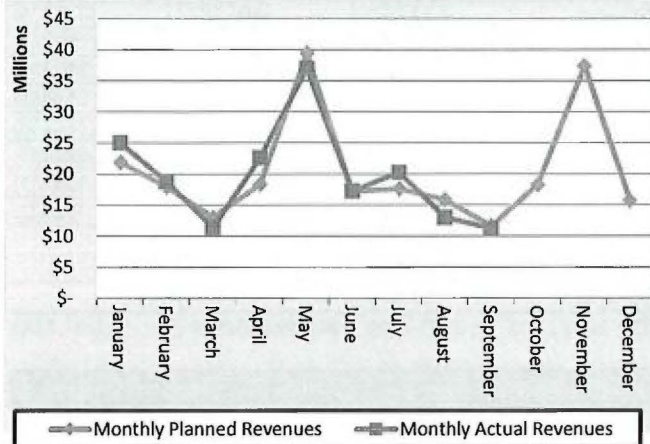
Through September 30, 2019

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CITY OF TACOMA
**BIENNIAL
BUDGET**
2019 - 2020

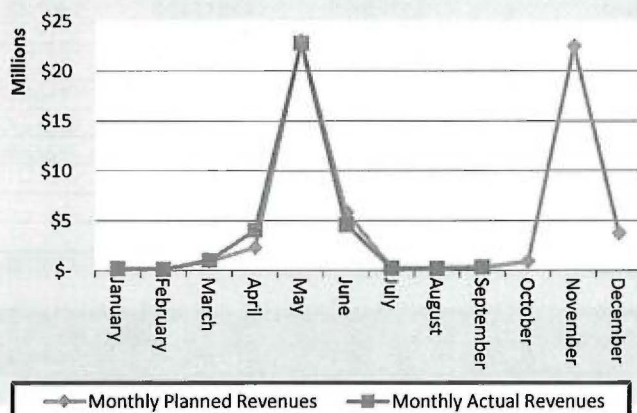
GENERAL FUND REVENUES

ALL REVENUE SOURCES



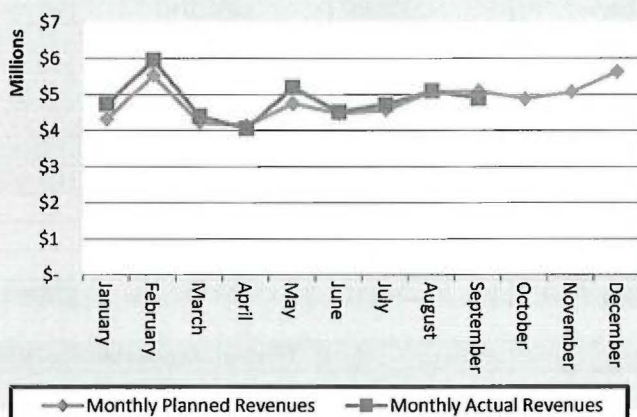
	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 21,879,553	\$ 24,974,353	\$ 3,094,800
February	17,919,228	18,791,415	872,187
March	13,042,034	11,411,927	(1,630,107)
April	18,330,518	22,647,694	4,317,177
May	39,455,048	36,995,935	(2,459,112)
June	17,244,678	17,245,673	995
July	17,577,646	20,243,852	2,666,207
August	15,850,205	12,970,985	(2,879,219)
September	11,655,944	11,241,636	(414,307)
October	18,320,910		
November	37,394,132		
December	15,729,356		
2019 Total	\$ 244,399,250	\$ 176,523,472	\$ 3,568,620

PROPERTY TAX



	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 242,549	\$ 226,494	\$ (16,054)
February	137,185	120,148	(17,036)
March	930,866	1,033,330	102,464
April	2,332,609	4,033,347	1,700,738
May	22,981,589	22,804,053	(177,535)
June	5,867,938	4,572,315	(1,295,623)
July	260,522	255,339	(5,183)
August	242,979	207,879	(35,099)
September	301,352	315,694	14,342
October	912,239		
November	22,481,609		
December	3,774,447		
2019 Total	\$ 60,465,879	\$ 33,568,599	\$ 271,014

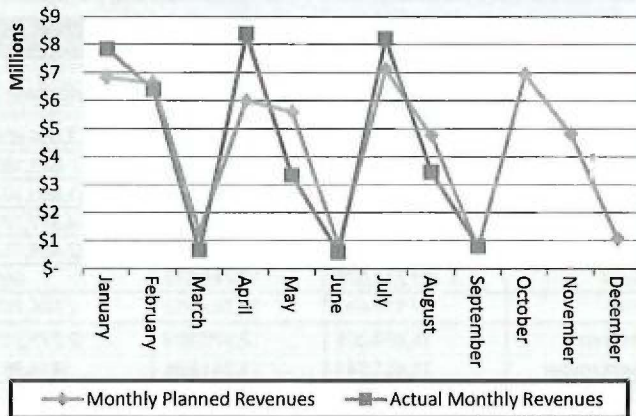
SALES TAX



	Monthly Planned Revenues	Monthly Actual Revenues	Variance
January	\$ 4,325,277	\$ 4,740,226	\$ 414,949
February	5,534,459	5,956,641	422,182
March	4,220,443	4,400,035	179,592
April	4,141,280	4,052,915	(88,365)
May	4,748,180	5,194,622	446,442
June	4,475,203	4,510,400	35,197
July	4,569,974	4,720,179	150,205
August	5,079,866	5,093,643	13,777
September	5,089,550	4,897,485	(192,065)
October	4,882,727		
November	5,067,531		
December	5,629,466		
2019 Total	\$ 57,763,956	\$ 43,566,146	\$ 1,381,914

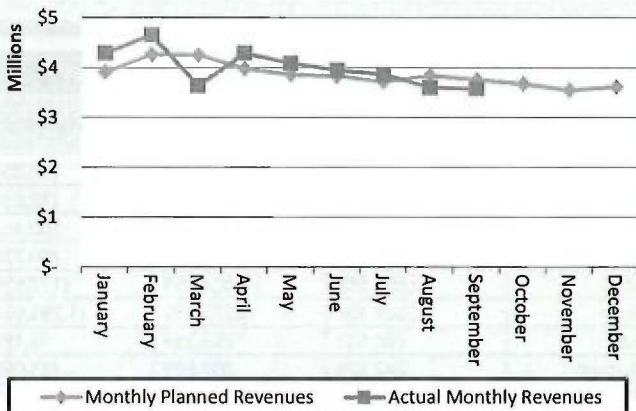
GENERAL FUND REVENUES

BUSINESS TAX



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$ 6,815,174	\$ 7,842,395	\$ 1,027,221
February	6,633,616	6,405,102	(228,514)
March	1,338,773	658,305	(680,469)
April	6,004,368	8,390,683	2,386,315
May	5,606,463	3,334,807	(2,271,656)
June	850,669	578,811	(271,858)
July	7,107,918	8,202,957	1,095,039
August	4,763,795	3,463,174	(1,300,621)
September	755,648	809,071	53,422
October	6,936,796		
November	4,810,181		
December	1,091,357		
2019 Total	\$ 52,714,759	\$ 39,685,304	\$ (191,121)

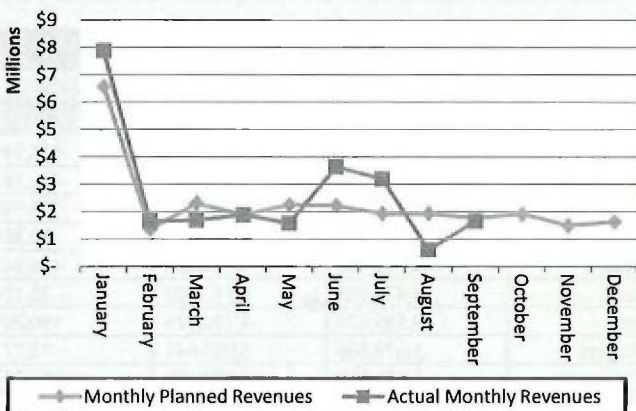
UTILITY/GROSS EARNINGS TAX



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$ 3,906,239	\$ 4,290,826	\$ 384,587
February	4,259,961	4,652,372	392,410
March	4,249,665	3,640,187	(609,478)
April	3,979,899	4,287,238	307,339
May	3,856,806	4,089,233	232,428
June	3,837,428	3,948,883	111,455
July	3,715,528	3,866,154	150,626
August	3,839,045	3,602,756	(236,289)
September	3,754,201	3,571,861	(182,340)
October	3,674,931		
November	3,544,016		
December	3,614,164		
2019 Total	\$ 46,231,884	\$ 35,949,511	\$ 550,738

OTHER REVENUES

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



	Monthly Planned Revenues	Actual Monthly Revenues	Variance
January	\$ 6,590,314	\$ 7,874,412	\$ 1,284,097
February	1,354,006	1,657,152	303,146
March	2,302,287	1,680,071	(622,216)
April	1,872,362	1,883,511	11,149
May	2,262,010	1,573,219	(688,791)
June	2,213,440	3,635,264	1,421,824
July	1,923,704	3,199,223	1,275,519
August	1,924,521	603,534	(1,320,987)
September	1,755,192	1,647,526	(107,667)
October	1,914,217		
November	1,490,796		
December	1,619,923		
2019 Total	\$ 27,222,772	\$ 23,753,911	\$ 1,556,075

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2019 - 2020

GENERAL FUND EXPENDITURE OVERVIEW

Department	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
City Attorney's Office	\$ 2,689,104	\$ 2,016,828	\$ 1,973,765	\$ 43,063	2.1%
City Manager's Office	481,272	360,954	337,929	23,025	6.4%
1 Community & Economic Development	3,742,132	2,689,566	2,505,193	184,374	6.9%
2 Finance	4,445,052	3,354,086	2,889,190	464,896	13.9%
3 Fire	63,320,954	47,636,382	47,200,433	435,949	0.9%
4 Library	14,823,952	11,238,744	10,730,659	508,085	4.5%
5 Municipal Court	4,082,714	3,062,842	2,764,391	298,450	9.7%
6 Neighborhood & Community Services	13,494,689	9,826,434	8,763,350	1,063,084	10.8%
7 Planning & Development Services	2,546,334	1,909,751	1,193,591	716,160	37.5%
8 Police	86,475,430	64,878,892	65,208,272	(329,379)	-0.5%
9 Public Works	2,933,381	2,200,035	1,862,265	337,769	15.4%
Tacoma Venues and Events	1,189,179	891,884	815,400	76,484	8.6%
10 Non-Departmental	66,371,319	46,062,259	43,865,505	2,196,754	4.8%
Total Expenditures	\$ 266,595,513	\$ 196,128,656	\$ 190,109,943	\$ 6,018,713	3.1%

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 **Community & Economic Development** - Favorable variance due to vacancy savings (+\$49k), delay in public/private development contracts (+\$46k), and savings in transfer that did not occur (+\$104k).
- 2 **Finance** - Favorable variance due to vacancy savings (+\$215k), professional services savings (+\$99k), and delayed software license and maintenance payments (+\$71k).
- 3 **Fire** - Favorable variance due to delayed procurement of operating supplies (+\$220k), delayed fleet expenses and capital purchases (+\$383k), and labor savings (+\$1.5M), offset by increased overtime spending and leave payouts (-\$1.8M).
- 4 **Library** - Favorable variance due to delay in hiring (+\$249k), a delay in the IT uplift project (+\$631k), a delay in some Professional Services Contracts (+\$208k), offset by additional insurance costs (-\$82k), earlier than planned facility projects (-\$85k), and additional internal service costs (-\$14k). In September, there was a -\$50k accounting error that has been corrected in October.
- 5 **Municipal Court** - Favorable variance due to personnel savings (+\$173k) and underspending in professional services (+\$90k) and repair and maintenance (+\$68k).
- 6 **Neighborhood & Community Services** - Favorable variance due to vacancy savings (+\$472k) and delays in external contract payments (+\$560k) with the majority in Homelessness Phase II and III.
- 7 **Planning & Development Services** - Favorable variance due to a delay in implementation of Citywide initiatives (+\$407k) such as the Pacific Avenue Corridor Study, as well as the Tideflats Subarea Plan (+\$188k), which is currently going through the RFP process.
- 8 **Police** - Unfavorable variance due to higher than anticipated overtime (-\$2.2M) and personal time off cash outs/ severance (-\$225k), offset by vacancy savings (+\$1.7M), lower than anticipated fuel costs (+\$230k), and South Sound 911 contract (+\$229k).
- 9 **Public Works** - Favorable variance due to personnel savings (+\$241k), and delayed maintenance contracts (+\$107k).
- 10 **Non-Departmental** - Favorable variance due to less than expected expenses in police and fire retirement funds (+\$1.0M), timing of jail contract payment (+\$0.8M), and timing of SAFER grant match transfer (+\$0.2M).

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OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

	Fund	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
SPECIAL REVENUE FUNDS						
1	2015 Voted Streets Initiative Fund					
	Revenues	21,828,035	15,618,415	15,974,412	355,997	2.3%
	Expenditures	21,828,035	16,371,026	13,895,709	2,475,317	15.1%
2	PW Street Operations & Engineering					
	Revenues	26,782,347	20,172,961	19,761,741	(411,220)	(2.0%)
	Expenditures	27,735,972	20,695,498	18,022,743	2,672,755	12.9%
3	TFD Emergency Medical Services					
	Revenues	23,270,930	16,604,843	19,507,381	2,902,538	17.5%
	Expenditures	19,334,688	15,216,499	14,422,396	794,103	5.2%
4	Municipal Cable TV					
	Revenues	3,553,925	2,665,444	2,498,603	(166,841)	(6.3%)
	Expenditures	3,632,533	2,551,899	1,719,293	832,606	32.6%
5	Traffic Enforcement, Engineering & Education					
	Revenues	3,639,182	2,729,387	3,099,903	370,516	13.6%
	Expenditures	3,631,504	2,723,628	2,615,710	107,917	4.0%
6	Mental Health & Chemical Dependency					
	Revenues	6,133,448	4,478,919	4,706,452	227,533	5.1%
	Expenditures	7,354,351	4,219,947	3,640,842	579,104	13.7%
7	Real Estate Excise Tax					
	Revenues	7,748,334	5,811,251	7,980,631	2,169,380	37.3%
	* 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.					
8	Tacoma Creates					
	Revenues	3,693,870	1,846,935	2,028,713	181,778	9.8%
	Expenditures	5,042,429	2,521,215	140,270	2,380,944	94.4%
ENTERPRISE FUNDS						
9	Permit Services					
	Revenues	17,087,614	12,815,711	12,479,854	(335,856)	(2.6%)
	Expenditures	17,405,115	13,053,835	10,370,295	2,683,540	20.6%
10	PW Parking Operations					
	Revenues	7,950,310	5,837,424	5,348,255	(489,169)	(8.4%)
	Expenditures	7,796,211	3,846,454	3,539,832	306,622	8.0%
11	TVE Convention Center					
	Revenues	11,966,875	8,947,606	9,102,610	155,005	1.7%
	Expenditures	12,727,549	7,206,116	5,532,221	1,673,896	23.2%
12	TVE Cheney Stadium					
	Revenues	1,617,089	1,152,323	1,191,320	38,996	3.4%
	Expenditures	1,489,475	659,909	590,322	69,587	10.5%
13	TVE Tacoma Dome					
	Revenues	12,008,688	9,849,554	13,652,627	3,803,073	38.6%
	Expenditures	11,480,128	9,053,754	9,477,413	(423,658)	(4.7%)
14	TVE Theaters					
	Revenues	2,495,081	1,996,309	1,868,975	(127,335)	(6.4%)
	Expenditures	2,482,403	1,999,926	2,264,034	(264,108)	(13.2%)

Other Funds Continued on Next Page

OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

Fund	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
15 ES Solid Waste					
Revenues	71,870,099	53,902,574	55,269,489	1,366,915	2.5%
Expenditures	82,539,513	60,287,697	50,068,256	10,219,441	17.0%
16 ES Wastewater					
Revenues	82,689,000	60,451,500	63,486,143	3,034,643	5.0%
Expenditures	109,046,001	78,374,690	60,067,326	18,307,363	23.4%
17 ES Surface Water					
Revenues	40,487,406	28,026,000	30,406,493	2,380,493	8.5%
Expenditures	53,344,047	38,611,087	26,643,988	11,967,099	31.0%
INTERNAL SERVICE FUNDS					
18 PW Fleet Equipment Rental					
Revenues	13,707,787	10,469,590	11,060,693	591,103	5.6%
Expenditures	16,090,065	11,926,298	9,185,185	2,741,113	23.0%
19 Radio Communications					
Revenues	2,837,839	2,030,678	1,733,829	(296,849)	(14.6%)
Expenditures	2,844,949	2,292,976	1,317,141	975,835	42.6%
20 Municipal Building Acquisition & Operations					
Revenues	5,649,843	3,926,132	4,396,039	469,907	12.0%
Expenditures	6,496,234	4,294,751	3,338,767	955,984	22.3%

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** - Revenue: Favorable variance due to investment earnings (+\$234k) and higher than anticipated natural gas tax (+\$131k). Expense: Favorable variance due to the timing of street maintenance work packages and capital project contributions (+\$2.5M).
- 2 **PW Street Operations & Engineering** - Revenue: Unfavorable variance due to timing of contracted maintenance in roadway striping (-\$282k), bridge maintenance (-\$148k) and grant-funded projects (-\$472k), which is partially offset by higher than expected revenues in utility taxes (+\$248k) and damage revenues (+\$289k). Expense: Favorable variance due to personnel savings from vacant positions and increased charges to capital projects (+\$1.1M), pending maintenance projects (+\$1.0M), and savings in street maintenance (+\$1.4M) due to weather, which is partially offset by unplanned spending for February storm response (-\$0.9M).
- 3 **TFD Emergency Medical Services** - Revenue: Favorable variance due to improved Ground Emergency Medical Transportation (GEMT) revenue (+\$1.9M) and increased transports from planned numbers (+\$955k). Expense: Favorable variance due to lower than expected payment to WA Health Care Authority (+\$1.2M), offset by increased Fleet maintenance costs and prior year postings (-\$235k) and overtime spending higher than planned (-\$171k).
- 4 **Municipal Cable TV** - Expense: Favorable variance due to vacancy savings (+\$32k), delay in civic engagement and legal services contracts (+\$145k), delay in operating supplies (+\$25k), and delay in capital projects (+\$295k).
- 5 **Traffic Enforcement, Engineering & Education** - Revenue: Favorable variance due to higher than expected revenues from speed camera infractions (+\$686k), partially offset by lower than expected revenues from red light cameras (-\$308k). Expense: Favorable variance due to personnel savings (+\$83k).
- 6 **Mental Health & Chemical Dependency** - Revenue: Favorable variance due to higher Mental Health Sales Tax than planned (+\$108k) and interest earnings (+\$119k). Expense: Favorable variance due to delayed payments in external contracts in Homelessness & Household stability services, Stability Site, and social wellness contracts (+\$669k), offset by homelessness services providers reaching goals sooner than planned (-\$70k).
- 7 **Real Estate Excise Tax** - Favorable variance due to stronger than expected real estate market.
- 8 **Tacoma Creates** - Revenue: Favorable variance due to higher Tacoma Creates Sales Tax than planned (+\$181k). Expense: Favorable variance due to delay in professional services (+\$1.6M) and external contracts (+\$601k).
- 9 **Permit Services** - Revenue: Unfavorable variance due to the delay and advertising of Pre-Applications Fees program (-\$329k), lower than expected Building Permits Fees (-\$1.2M), and Right of Way Permits (-\$645k), offset by Work Order revenue (+\$873k) and Site Development Fees (+\$377k). Expense: Favorable variance due to delays in initiatives (+\$2.8M) such as the 3rd floor remodel, IT projects, and Tenant Improvement Program, offset by increased personnel costs (-\$119k).
- 10 **PW Parking Operations** - Revenue: Unfavorable variance due to less than planned enforcement revenues from parking enforcement officer vacancies and lower than anticipated monthly parking fees due to commercial tenant vacancies (-\$489k). Expense: Favorable variance due to personnel savings from vacant positions (+\$118k), Republic contract savings from Museum of Glass and South Plaza garages (+\$81k), and lower than expected parking meter repairs (+\$43k).
- 11 **TVE Convention Center** - Revenue: Favorable variance due to charges for services (+\$55k) and miscellaneous revenues (+\$101k). Expense: Favorable variance due to personnel savings (+\$140k), delay in non-capital equipment purchase (+\$700k) and changes in external contracts (+\$754k).
- 12 **TVE Cheney Stadium** - Expense: Favorable variance (+\$69k) due to timing of leasehold tax and debt service payments.
- 13 **TVE Tacoma Dome** - Revenue: Favorable variance due to increased events: charges for services (+\$2.7M), taxes (+\$730k), and miscellaneous revenue (+\$377k). Expense: Unfavorable variance due to increased events at the Dome resulting in increased operational expenses (-\$1.2M), offset by timing of transfers for the Dome Capital Improvement Program (+\$750k).
- 14 **TVE Theaters** - Revenue: Unfavorable variance due to timing of transfer of REET1 money (-\$127k). Expense: Unfavorable variance (-\$264k) due primarily to the Pantages project.
- 15 **ES Solid Waste** - Revenue: Favorable variance due to higher than planned disposal revenue (+\$1.3M), commercial recycling (+\$229k), and investment earnings (+\$718k), offset by lower than planned residential collection revenues (-\$954k). Expense: Unfavorable variance in operating expenses due to expected increase in recycling costs and tiered costs for landfill tonnage (-\$1.6M), offset by personnel savings (+\$880k). Favorable variance in capital expenses (+\$11.0M) due to the timing of capital construction projects & procurement delays.
- 16 **ES Wastewater** - Revenues: Favorable variance due to earlier than planned State and Federal grant contributions (+\$986k), higher than planned interest income (+\$1.1M), and unplanned contributions (+\$981k). Expense: Favorable variance in operating expenses due personnel savings (+\$1.5M), external contracts (+\$613k), and professional services savings (+\$350k), offset by higher than planned disposal costs (-\$171k), road repairs (-\$80k), and facilities maintenance (-\$93k). Favorable variance in capital expenses due projects getting delayed into 2020, including the Energy Management project (+\$3.0M) due to contract negotiations with PSE, and other miscellaneous project delays (+\$2.0M). Other variances are related to common construction impacts: seasonal, prioritizing emergent needs, and schedule changes.
- 17 **ES Surface Water** - Revenues: Favorable variance due to earlier than planned grant contributions from WA Department of Ecology (+\$587k) and contributions in aid of construction (+\$945k), interest income (+\$685k), and cash transfers for the Bennett Street LID (+\$200k). Expenses: Favorable variance in operating expenses due to the Hosmer Holding Basin project getting moved to 2020 (+\$1.8M). Favorable variance in capital expenses due to a delay in the Jefferson/Hood Street Interception and Outfall project (+\$6.5M), currently expected to move into 2020 and beyond. Other variances are related to common construction impacts: seasonal, prioritizing emergent needs, and schedule changes.

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OTHER FUNDS OVERVIEW (REVENUE AND EXPENSE)

- 18 PW Fleet Equipment Rental** - Revenue: Favorable variance due to timing of vehicle purchases (+\$591k). Revenues have been collected for several vehicles that are on order but not yet purchased. Expense: Favorable variance due to several vehicles having been ordered but not yet received (+\$2.7M). This underspend will go away when the vehicles are received.
- 19 Radio Communications** - Revenue: Unfavorable variance due to delayed South Sound 911 revenue (-\$346k). Expense: Favorable variance due to vacancy savings (+\$84k), delay in Repair and Maintenance payments (+\$403k), and delayed capital project (+\$540), offset by TPD Radio purchase ahead of schedule (-\$42k).
- 20 Municipal Building Acquisition & Operations** - Revenue: Favorable variance due to timing of transfers for Broadway LID (+\$311k) and interest earnings (+\$39k). Expense: Favorable variance due to delay in executing outside contracted maintenance work (+\$956k).

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GENERAL GOVERNMENT INTERNAL SERVICE FUND OVERVIEW

	Department	2019 Budget	YTD Projection	YTD Actuals	YTD Variance (Unfavorable)/ Favorable	YTD % Variance (Unfavorable)/ Favorable
	City Attorney's Office	\$ 6,589,251	\$ 4,941,939	\$ 4,850,784	\$ 91,155	1.8%
1	City Council	1,589,350	1,194,512	1,054,369	140,143	11.7%
2	City Manager's Office	4,626,128	3,418,581	3,290,120	128,460	3.8%
	Environmental Services	620,020	465,015	465,583	(568)	-0.1%
3	Finance	11,824,740	8,854,703	7,483,677	1,371,026	15.5%
4	Fire	373,016	287,262	172,961	114,300	39.8%
	Hearing Examiner	442,840	332,130	321,162	10,968	3.3%
5	Human Resources	7,584,364	5,785,825	5,306,386	479,439	8.3%
6	Information Technology	31,892,166	23,790,254	19,206,769	4,583,486	19.3%
	Total Expenditures	\$ 65,541,875	\$ 49,070,221	\$ 42,151,812	\$ 6,918,409	14.1%

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 Council** - Favorable variance due to personnel services savings (+\$111k).
- 2 **City Manager's Office** - Favorable variance due to timing of hirings (+\$81k) and delay in payment of external contracts for special projects (+\$48k).
- 3 **Finance** - Favorable variance due to vacancy savings (+\$734k), delayed operating supplies costs (+\$425k), and delayed professional services (+\$155k).
- 4 **Fire** - Favorable variance due to delay in hiring Emergency Management Officer (+\$102k), the position is expected to be hired in November.
- 5 **Human Resources** - Favorable variance due to vacancy savings (+\$160k) and delays in external contract services (+\$336k) such as the Classification and Compensation Study.
- 6 **Information Technology** - Favorable variance due to labor savings from vacancies and charging labor costs to others (+\$1.3M), timing for Professional Services contracts (+\$1.5M), timing of software licensing payments (+\$1.3M), and timing of new phone purchases (+\$352k).

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BENEFIT FUNDS OVERVIEW (REVENUE AND EXPENSE)

Fund	2019/2020 Biennial Budget	BTD Actuals	Actual % of 2-Year Budget
Benefit Funds			
1 Third Party Liability / Self Insurance			
Revenues	\$9,838,600	\$6,078,728	61.8%
Expenditures	\$8,613,671	\$2,141,171	24.9%
2 Unemployment			
Revenues	\$1,267,200	\$450,809	35.6%
Expenditures	\$1,030,000	\$185,615	18.0%
3 Worker's Compensation			
Revenues	\$15,365,000	\$5,138,293	33.4%
Expenditures	\$15,362,264	\$3,781,385	24.6%
4 Health Care Labor Management			
Revenues	\$136,617,822	\$49,229,150	36.0%
Expenditures	\$146,710,893	\$54,152,139	36.9%
5 Dental Care Management			
Revenues	\$10,755,630	\$4,222,071	39.3%
Expenditures	\$10,754,194	\$4,224,067	39.3%

FUND NOTES

- Third Party Liability / Self Insurance** - Revenues are on target with projections. Expenses are under budget due to lower than expected claims (+\$881k) and lower than planned insurance costs (+\$137k).
- Unemployment** - Revenues on target with projections. Expenses are temporarily below budget due to quarterly payment being made in October for claims (+\$100k).
- Worker's Compensation** - Revenues are lower than anticipated (-\$467k) primarily due to vacancies within the City. Expenses are lower than expected due to lower than expected claims (+\$1.6M) and quarterly payment to L&I being made in October (+\$350k).
- Health Care Labor Management** - Revenues are lower than expected due to vacancies (-\$2.1M). Expenses are below budget due to vacancies leading to lower costs (+\$582k).
- Dental Care Management** - Revenues are higher than budgeted due to the actual mix of the two dental plans offered as compared to the breakdown of how they were budgeted (+\$210k). Expenses are higher than budgeted due to the actual mix of the two dental plans offered as compared to the breakdown of how they were budgeted (-\$212k).

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