


Monthly Financial Report

Fiscal Year to Date as
of May 31, 2018



Scottsdale Airport Operations Center

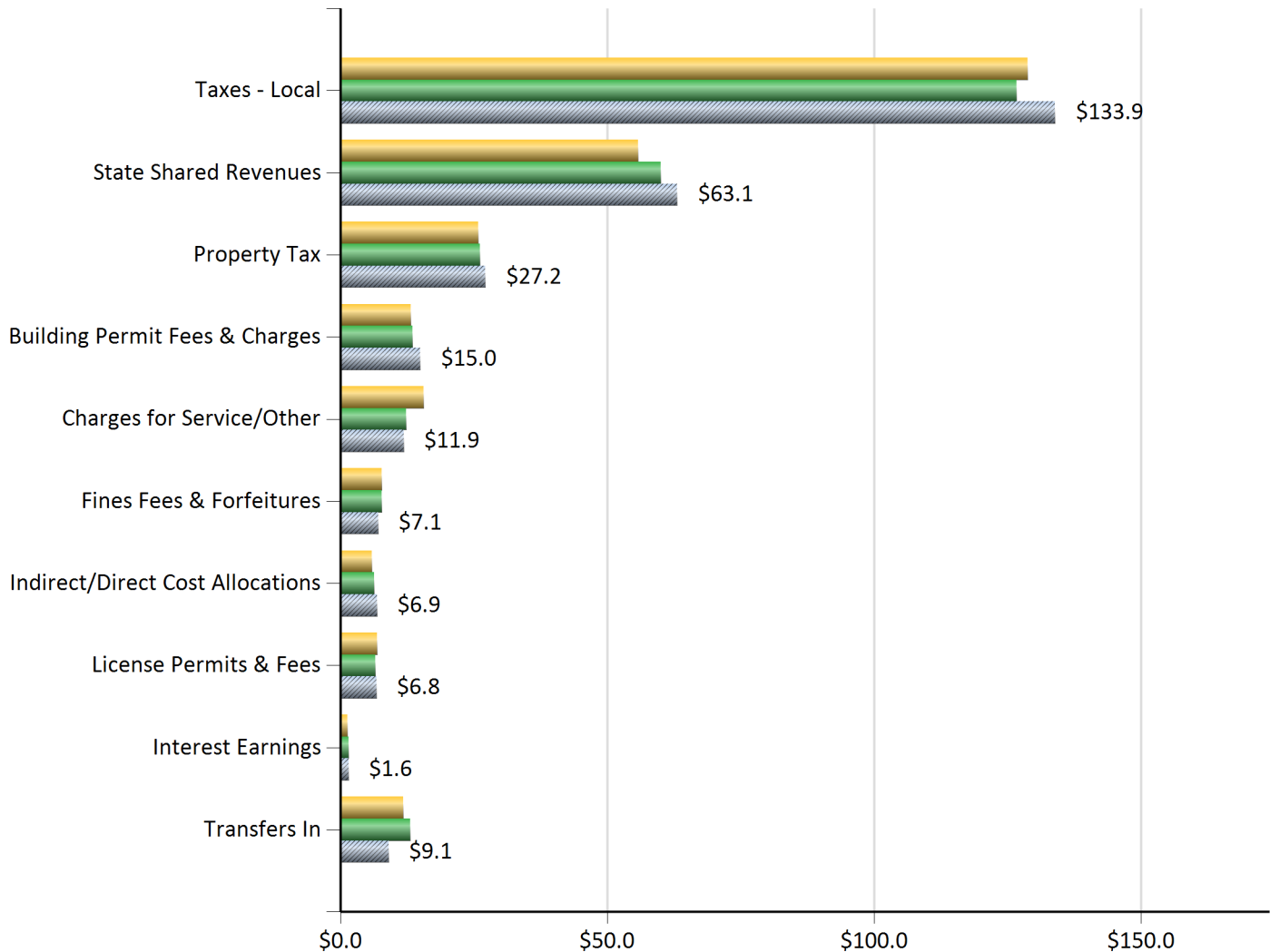
Report to the City Council
Prepared by the City Treasurer
August 28, 2018



Sources

General Fund

Twelve Months: Fiscal Year

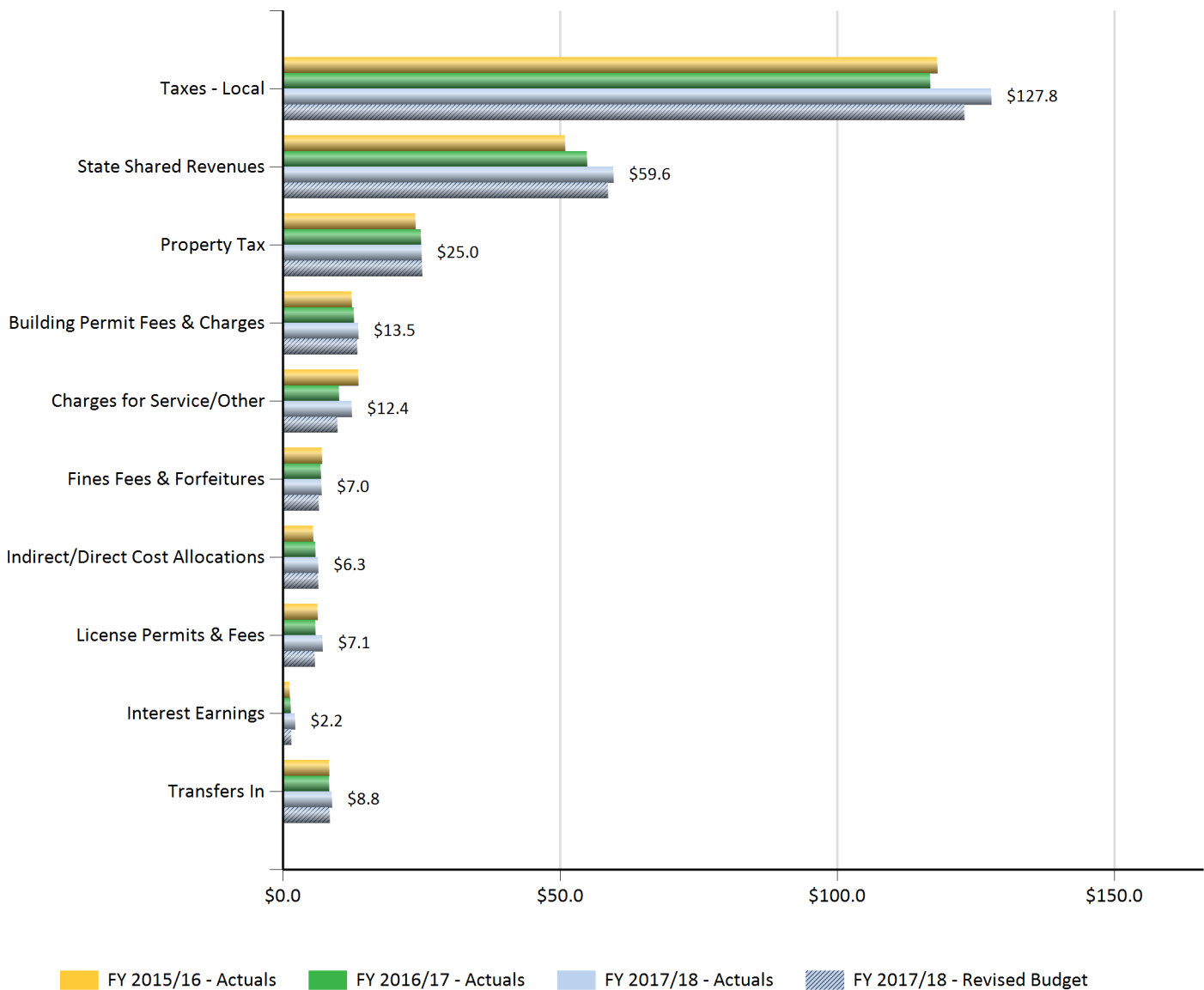


■ FY 2015/16 - Actuals
 ■ FY 2016/17 - Actuals
 ▨ FY 2017/18 - Revised Budget

	FY 2015/16 <u>Actuals</u>	FY 2016/17 <u>Actuals</u>	FY 2017/18 <u>Revised Budget</u>
Taxes - Local	\$128.8	\$126.7	\$133.9
State Shared Revenues	55.8	60.1	63.1
Property Tax	25.9	26.2	27.2
Building Permit Fees & Charges	13.2	13.5	15.0
Charges for Service/Other	15.6	12.3	11.9
Fines Fees & Forfeitures	7.8	7.7	7.1
Indirect/Direct Cost Allocations	6.0	6.4	6.9
License Permits & Fees	6.9	6.6	6.8
Interest Earnings	1.4	1.6	1.6
Transfers In	11.8	13.1	9.1
Total Sources	\$273.1	\$274.3	\$282.6



Sources (Fiscal Year to Date: May 2018)

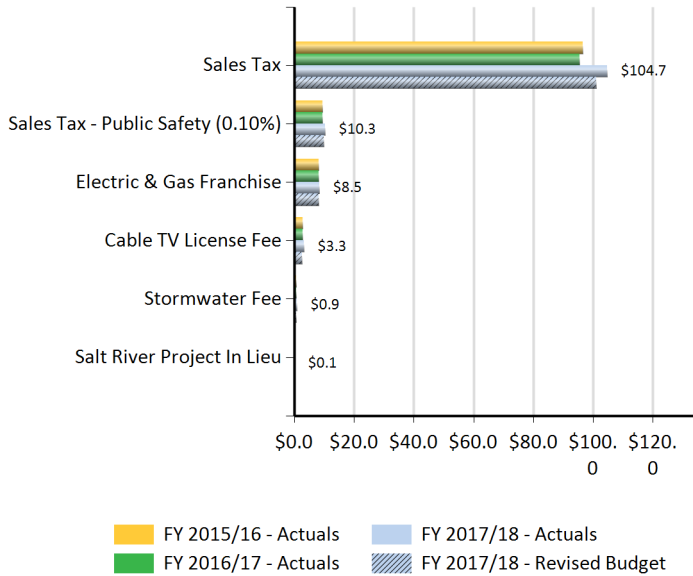


	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$118.1	\$116.8	\$127.8	\$122.9	\$4.8	4%
State Shared Revenues	50.9	54.8	59.6	58.6	1.0	2%
Property Tax	23.9	24.9	25.0	25.1	(0.1)	0%
Building Permit Fees & Charges	12.4	12.8	13.5	13.4	0.1	1%
Charges for Service/Other	13.6	10.1	12.4	9.8	2.6	27%
Fines Fees & Forfeitures	7.0	6.8	7.0	6.4	0.6	9%
Indirect/Direct Cost Allocations	5.5	5.9	6.3	6.3	-	-
License Permits & Fees	6.3	5.8	7.1	5.8	1.4	23%
Interest Earnings	1.2	1.4	2.2	1.5	0.7	48%
Transfers In	8.3	8.3	8.8	8.4	0.4	5%
Total Sources	\$247.1	\$247.6	\$269.7	\$258.3	\$11.5	4%

\$ in millions / rounding differences may occur



Taxes - Local (Fiscal Year to Date: May 2018)

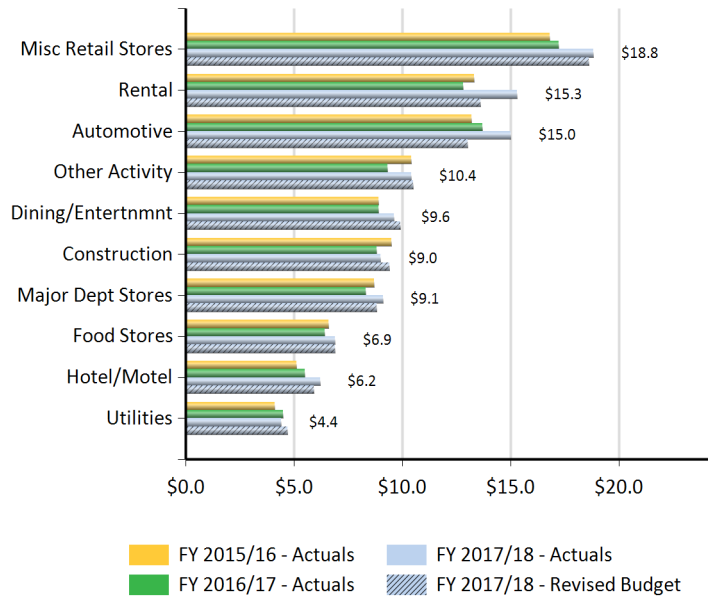


Actual to Revised Budget variance of \$4.8 million or 4%:
 The favorable variance is primarily due to Sales Tax and the continued unpredictability of the timing in collection by the Arizona Department of Revenue. There is limited data to consider when spreading the budget. It will be some time before enough data is obtained to build any reliable spread for the "new normal." More detailed Sales Tax information can be found on page 5. Electric & Gas Franchise is favorable due to APS' quarterly franchise payment being higher than expected. Cable TV License Fee is favorable due to higher than anticipated revenues received from Cox Digital Cable's quarterly franchise fee payment as despite higher rates and the projected increase in migration of customers to streaming services, more customers are keeping their cable service than expected.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget	
					Favorable / (Unfavorable) Amount	Percent
Sales Tax	\$96.5	\$95.4	\$104.7	\$101.1	\$3.6	4%
Sales Tax - Public Safety (0.10%)	9.5	9.4	10.3	9.9	0.4	4%
Electric & Gas Franchise	8.3	8.2	8.5	8.2	0.3	3%
Cable TV License Fee	2.9	2.9	3.3	2.7	0.6	23%
Stormwater Fee	0.8	0.8	0.9	0.8	-	-
Salt River Project In Lieu	0.1	0.1	0.1	0.1	-	-
Taxes - Local Total	\$118.1	\$116.8	\$127.8	\$122.9	\$4.8	4%



Sales Tax (Fiscal Year to Date: May 2018)

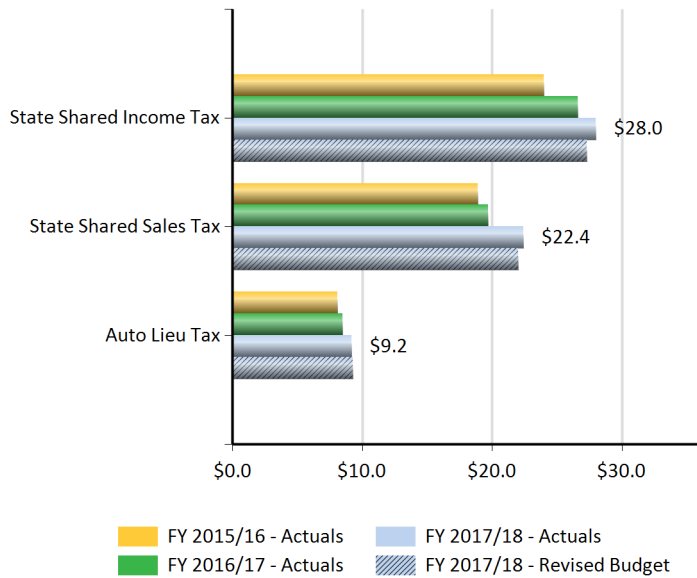


Actual to Revised Budget variance of \$3.6 million or 4%: The favorable variance is primarily due to the continued unpredictability of the timing in collection by the Arizona Department of Revenue. There is limited data to consider when spreading the budget. It will be some time before enough data is obtained to build any reliable spread for the "new normal." Additionally, the favorable variance in Misc Retail Stores is due to higher than anticipated online shopping sales. Rental is favorable due to increases in commercial and apartment rental rates and decreases in vacancies. There has also been additional compliance for residential rental from property managers due to ADOR taking over administration. Automotive is favorable due to several car dealers remaining in the city longer than originally anticipated prior to their move to the Scottsdale Autoshow at Salt River Pima-Maricopa Indian community. Dining/Entertmnt is unfavorable due to normal business fluctuations. Construction is unfavorable due, in part, to some delinquent reporting on some construction projects. Major Department Stores is favorable due to better than expected holiday and after holiday sales. Hotel/Motel is favorable due to normal business operations. Utilities is unfavorable due to a decrease in tax collections in the telecommunications sector as a result of the competition in the cell phone market that is bringing prices down, and due to the downward trend in land line subscriptions.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	\$16.8	\$17.2	\$18.8	\$18.6	\$0.3	1%
Rental	13.3	12.8	15.3	13.6	1.6	12%
Automotive	13.2	13.7	15.0	13.0	2.0	16%
Other Activity	10.4	9.3	10.4	10.5	-	-
Dining/Entertmnt	8.9	8.9	9.6	9.9	(0.3)	(3%)
Construction	9.5	8.8	9.0	9.4	(0.3)	(3%)
Major Dept Stores	8.7	8.3	9.1	8.8	0.3	3%
Food Stores	6.6	6.4	6.9	6.9	(0.1)	(1%)
Hotel/Motel	5.1	5.5	6.2	5.9	0.3	5%
Utilities	4.1	4.5	4.4	4.7	(0.3)	(6%)
Sales Tax Total	\$96.5	\$95.4	\$104.7	\$101.1	\$3.6	4%



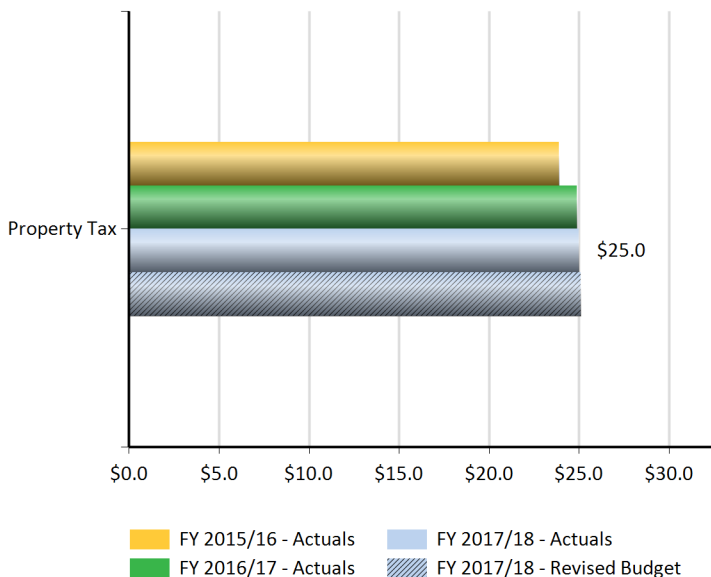
State Shared Revenues (Fiscal Year to Date: May 2018)



Actual to Revised Budget variance of \$1.0 million or 2%:
Favorable variance primarily due to State Shared Income Tax and State Shared Sales Tax revenue coming in higher than the anticipated budget determined by the Arizona League of Cities and Towns.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Income Tax	\$24.0	\$26.6	\$28.0	\$27.3	\$0.7	3%
State Shared Sales Tax	18.9	19.7	22.4	22.0	0.4	2%
Auto Lieu Tax	8.1	8.5	9.2	9.3	(0.1)	(1%)
State Shared Revenues Total	\$50.9	\$54.8	\$59.6	\$58.6	\$1.0	2%

Property Tax (Fiscal Year to Date: May 2018)



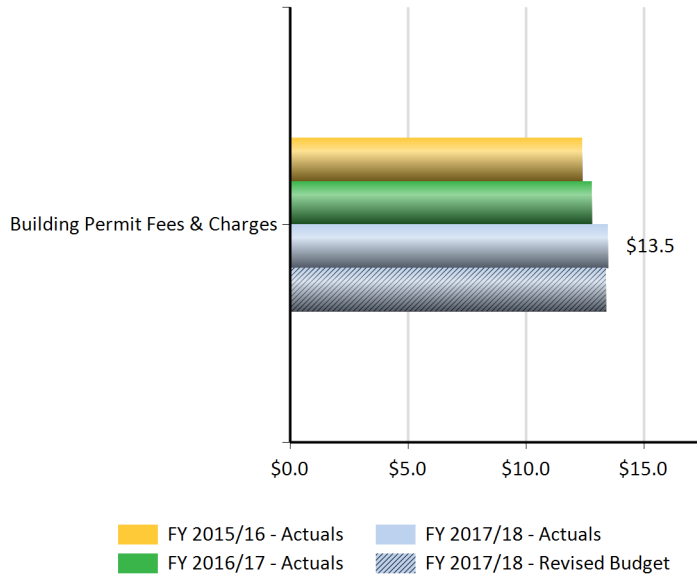
Actual to Revised Budget variance of (\$0.1) million or 0%:
No explanation necessary.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$23.9	\$24.9	\$25.0	\$25.1	(\$0.1)	0%
Property Tax Total	\$23.9	\$24.9	\$25.0	\$25.1	(\$0.1)	0%



Building Permit Fees & Charges (Fiscal Year to Date: May 2018)

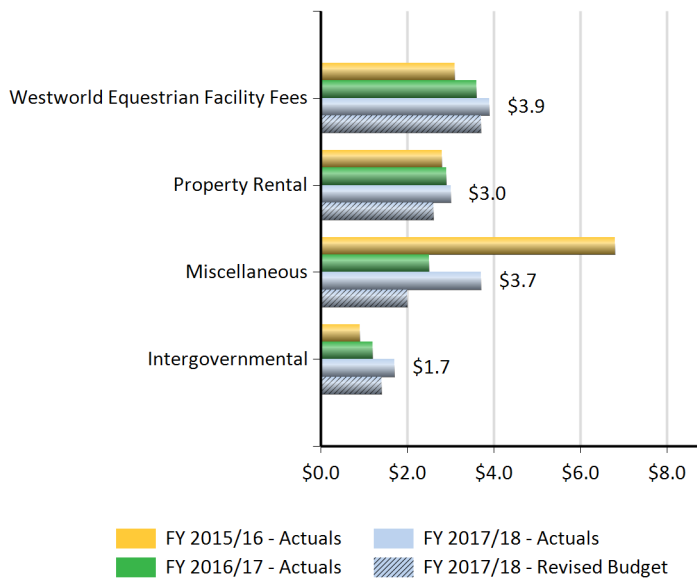
Actual to Revised Budget variance of \$0.1 million or 1%:
No explanation necessary.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$12.4	\$12.8	\$13.5	\$13.4	\$0.1	1%
Building Permit Fees & Charges Total	\$12.4	\$12.8	\$13.5	\$13.4	\$0.1	1%

Charges for Service/Other (Fiscal Year to Date: May 2018)

Actual to Revised Budget variance of \$2.6 million or 27%:
Westworld Equestrian Facility Fees is favorable due to the timing of receipts for facility rentals. The favorable variance in Property Rental is due to Cell Tower Lease payments being received sooner than anticipated. The favorable variance in Miscellaneous is due to payments made by citizens to support a newly created Utility Improvement District set up to make underground utility improvements along Raintree Drive, reimbursements received for assisting with fires around the state, revenue from the Mobile Integrated Health Program, and reimbursements for utilities charges for events at WestWorld and stadium maintenance. Intergovernmental is favorable due to the reimbursement of costs for the purchase of library materials from Maricopa County. The FY 2015/16 Miscellaneous actuals include one-time revenue from the sale of the HR and graphics buildings.

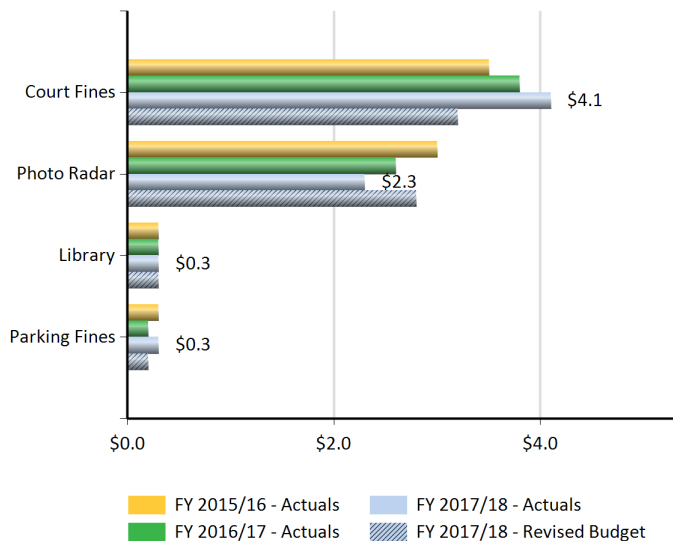


	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$3.1	\$3.6	\$3.9	\$3.7	\$0.2	6%
Property Rental	2.8	2.9	3.0	2.6	0.4	14%
Miscellaneous	6.8	2.5	3.7	2.0	1.7	84%
Intergovernmental	0.9	1.2	1.7	1.4	0.3	23%
Charges for Service/Other Total	\$13.6	\$10.1	\$12.4	\$9.8	\$2.6	27%

\$ in millions / rounding differences may occur



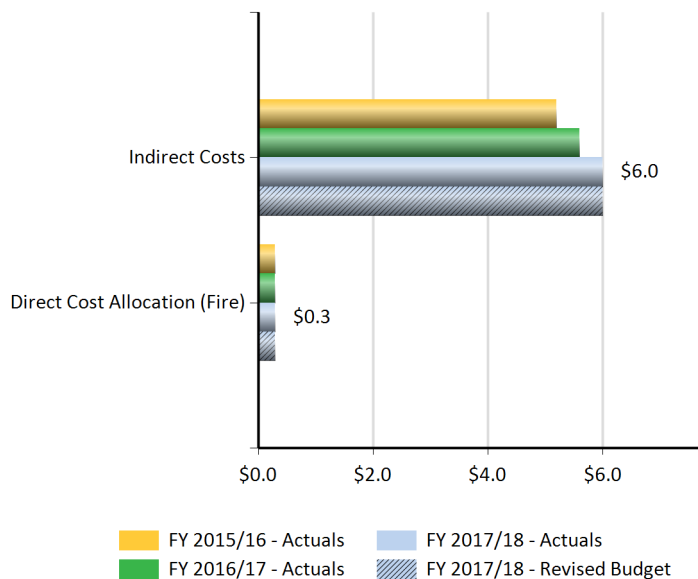
Fines Fees & Forfeitures (Fiscal Year to Date: May 2018)



Actual to Revised Budget variance of \$0.6 million or 9%: Favorable variance in Court Fines is primarily due to a higher than anticipated number of civil and criminal case filings. Additionally, the court is receiving more payments to satisfy defaults as a result of the Compliance Assistance Program. Photo Radar is unfavorable due to photo radar cameras being turned off while a new contract was negotiated, which resulted in a decline in revenue. Parking Fines is favorable due to an increase in parking violation filings associated with the filling of a Parking Officer position, having both Parking Officer vehicles back from being repaired, and due to an uptick in visitors to Scottsdale over the late winter and spring.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$3.5	\$3.8	\$4.1	\$3.2	\$0.9	29%
Photo Radar	3.0	2.6	2.3	2.8	(0.5)	(16%)
Library	0.3	0.3	0.3	0.3	-	-
Parking Fines	0.3	0.2	0.3	0.2	0.1	39%
Fines Fees & Forfeitures Total	\$7.0	\$6.8	\$7.0	\$6.4	\$0.6	9%

Indirect/Direct Cost Allocations (Fiscal Year to Date: May 2018)



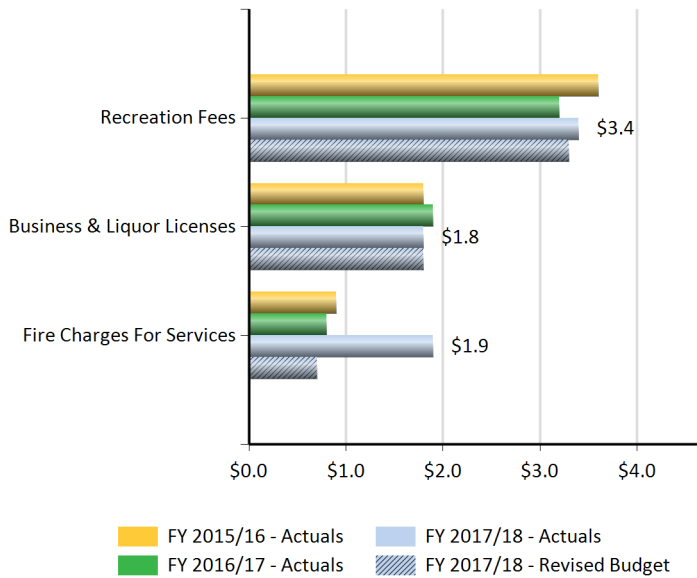
Actual to Revised Budget variance of \$0.0 million or 0%: No explanation necessary.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$5.2	\$5.6	\$6.0	\$6.0	\$ -	-
Direct Cost Allocation (Fire)	0.3	0.3	0.3	0.3	-	-
Indirect/Direct Cost Allocations Total	\$5.5	\$5.9	\$6.3	\$6.3	\$ -	-

\$ in millions / rounding differences may occur



License Permits & Fees (Fiscal Year to Date: May 2018)

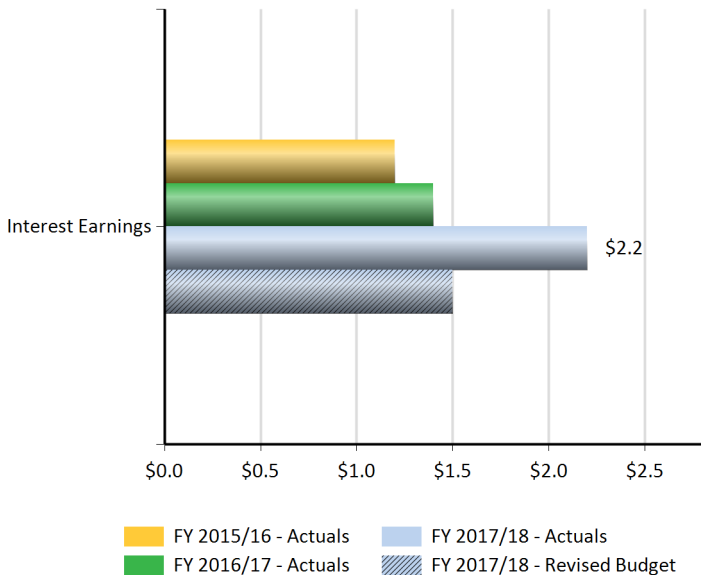


Actual to Revised Budget variance of \$1.4 million or 23%:

Fire Charges For Services is favorable due to Public Safety - Fire's Paramedic in Training (PMT) contract extension with Advanced Life Support (ALS), which resulted in 100% recovery of revenue for ALS calls. It is unclear how much of this favorable variance will carry until year-end as charges are currently under dispute.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Recreation Fees	\$3.6	\$3.2	\$3.4	\$3.3	\$0.1	3%
Business & Liquor Licenses	1.8	1.9	1.8	1.8	-	-
Fire Charges For Services	0.9	0.8	1.9	0.7	1.2	nm
License Permits & Fees Total	\$6.3	\$5.8	\$7.1	\$5.8	\$1.4	23%

Interest Earnings (Fiscal Year to Date: May 2018)



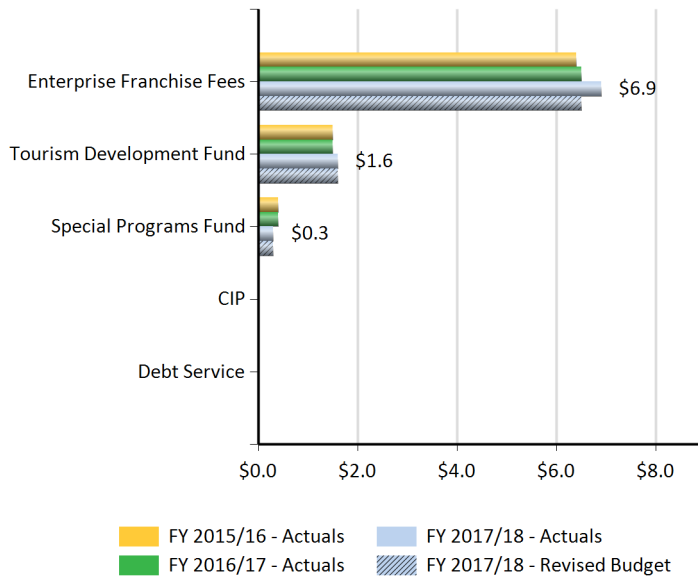
Actual to Revised Budget variance of \$0.7 million or 48%:

Favorable variance is based on a higher return on investment than expected due to strong market conditions as well as higher than expected returns associated with the shifting of a larger portion of the city's investment funds to the city's Asset Management consultant.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$1.2	\$1.4	\$2.2	\$1.5	\$0.7	48%
Interest Earnings Total	\$1.2	\$1.4	\$2.2	\$1.5	\$0.7	48%



Transfers In (Fiscal Year to Date: May 2018)



Actual to Revised Budget variance of \$0.4 million or 5%: Favorable variance is the result of higher Enterprise Franchise Fees due to more revenue collected in the Water & Water Reclamation Fund than anticipated, which consequently affects the transfers into the General Fund. The increase is a result of greater water deliveries compared to the three year running average.

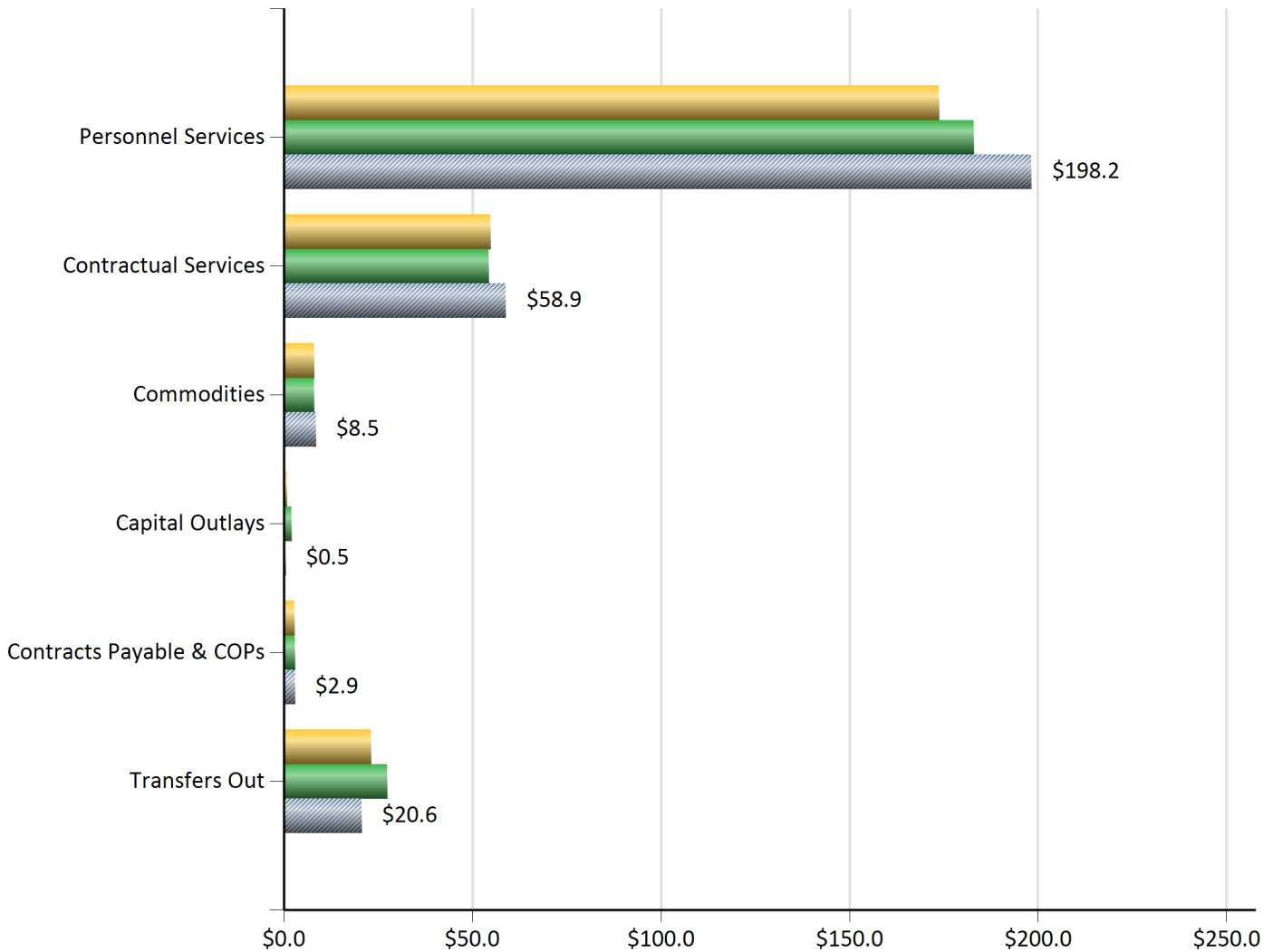
	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Enterprise Franchise Fees	\$6.4	\$6.5	\$6.9	\$6.5	\$0.4	6%
Tourism Development Fund	1.5	1.5	1.6	1.6	-	-
Special Programs Fund	0.4	0.4	0.3	0.3	-	-
CIP	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Transfers In Total	\$8.3	\$8.3	\$8.8	\$8.4	\$0.4	5%



Uses

General Fund

Twelve Months: Fiscal Year



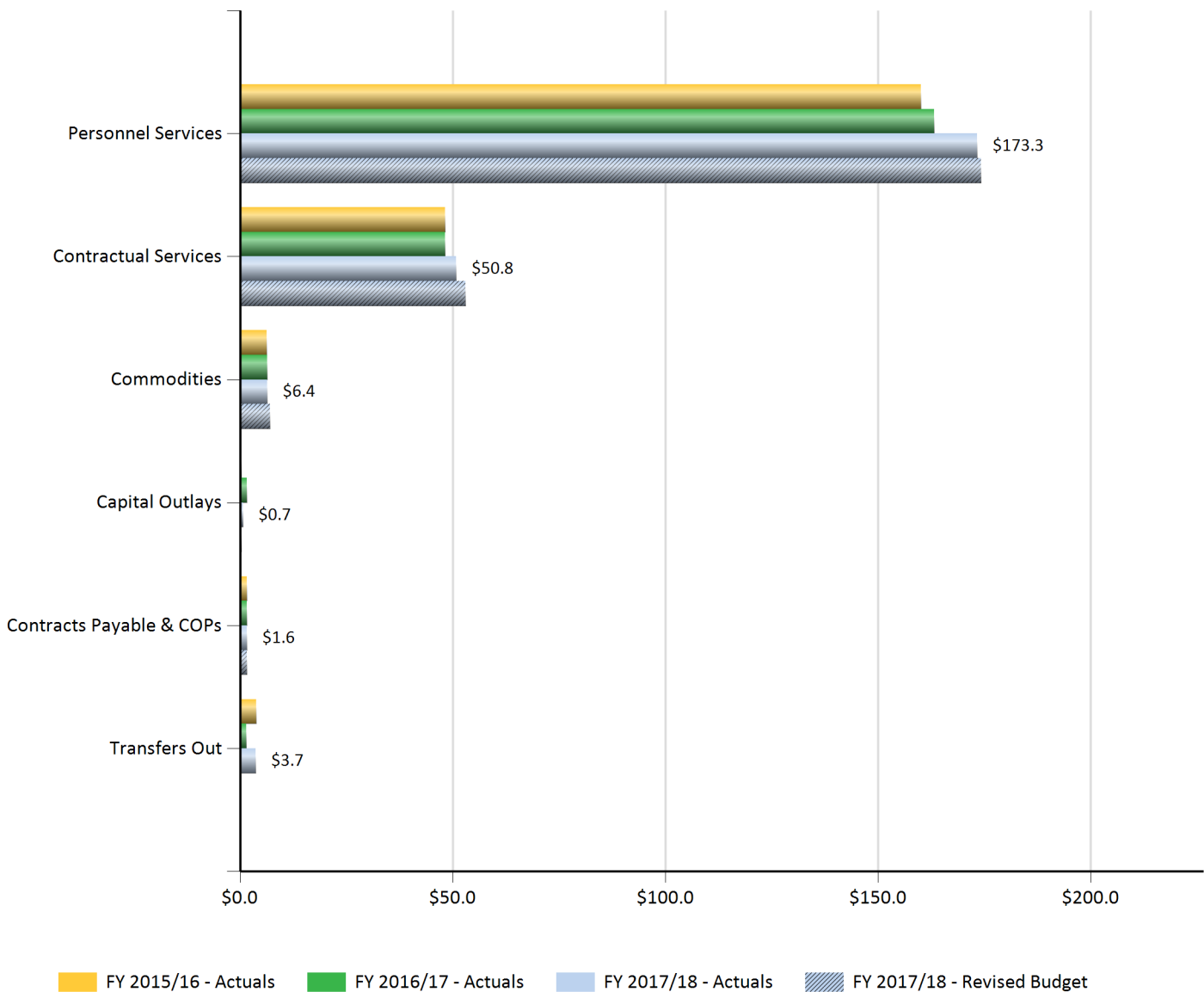
■ FY 2015/16 - Actuals
 ■ FY 2016/17 - Actuals
 ▨ *FY 2017/18 - Revised Budget

	FY 2015/16 <u>Actuals</u>	FY 2016/17 <u>Actuals</u>	FY 2017/18 <u>Revised Budget</u>
Personnel Services	\$173.7	\$183.1	\$198.2
Contractual Services	54.7	54.4	58.9
Commodities	8.0	8.1	8.5
Capital Outlays	0.8	2.1	0.5
Contracts Payable & COPs	2.8	2.9	2.9
Transfers Out	23.1	27.4	20.6
Total Uses	\$263.1	\$277.8	\$289.5

*Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance, up to 5% pay for performance for those in the Step Program, compensation adjustments and utilities.



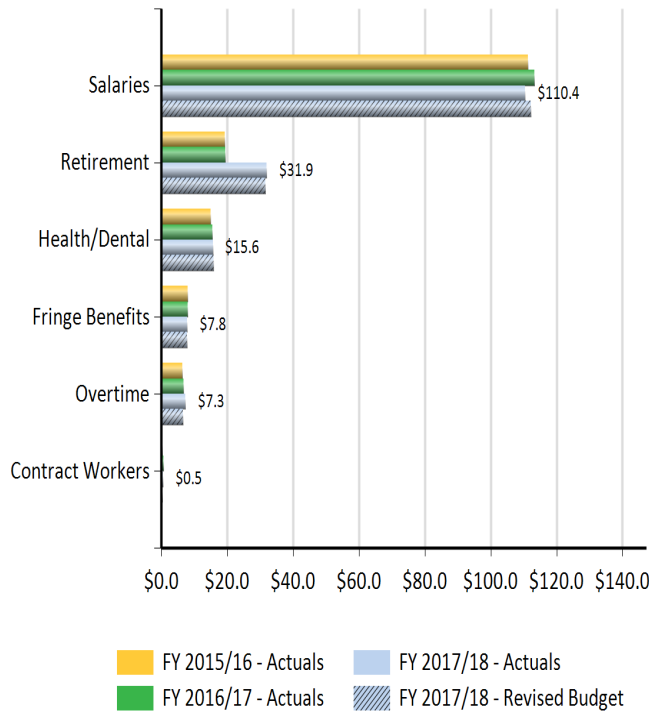
Uses (Fiscal Year to Date: May 2018)



	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Personnel Services	\$160.1	\$163.3	\$173.3	\$174.3	\$0.9	1%
Contractual Services	48.3	48.3	50.8	53.0	2.1	4%
Commodities	6.3	6.4	6.4	7.1	0.7	10%
Capital Outlays	0.3	1.6	0.7	0.2	(0.4)	nm
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Transfers Out	3.7	1.5	3.7	-	(3.7)	n/a
Total Uses	\$220.3	\$222.7	\$236.6	\$236.2	(\$0.4)	0%



Personnel Services (Fiscal Year to Date: May 2018)



Actual to Revised Budget variance of \$0.9 million or 1%: Salaries has a favorable variance mostly due to Part-Time Wages for vacant positions, a change in shift pay policies, and to employees being promoted/retiring with new employees coming in at a lower salary. Additionally, when comparing to prior fiscal years' actuals, salaries are lower because there was an extra pay period through May in FY 2015/16 and FY 2016/17. The unfavorable variance in Retirement is mostly due to the interest payment of \$1.0 million associated with the Parker case settlement. Overall, \$8.7 million of the difference in Retirement between FY 2016/17 and FY 2017/18, is due to the Parker case settlement and associated interest, which resulted in refunding prior year retirement contributions for public safety sworn staff hired before January 1, 2012 and elected officials. Additionally, \$3.8 million of the difference is related to the city taking on a greater percentage of the Public Safety monthly retirement payments. Health/Dental is favorable due to differences between how plans were budgeted and how they were actually chosen by employees through the fiscal year. Overtime has an unfavorable variance primarily due to a shortfall in Public Safety - Fire constant staffing where a total of 14 firefighters are on leave, including ten firefighters on worker's compensation for injuries and four on off-duty injuries. Contract Workers is unfavorable due to the use of an outside contractor to serve as Interim Library Director until a permanent replacement was found.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Salaries	\$111.4	\$113.3	\$110.4	\$112.2	\$1.8	2%
Retirement	19.3	19.4	31.9	31.5	(0.4)	(1%)
Health/Dental	15.0	15.4	15.6	15.8	0.3	2%
Fringe Benefits	7.9	7.9	7.8	7.8	-	-
Overtime	6.4	6.7	7.3	6.6	(0.6)	(9%)
Contract Workers	0.2	0.6	0.5	0.3	(0.1)	(38%)
Personnel Services Total	\$160.1	\$163.3	\$173.3	\$174.3	\$0.9	1%

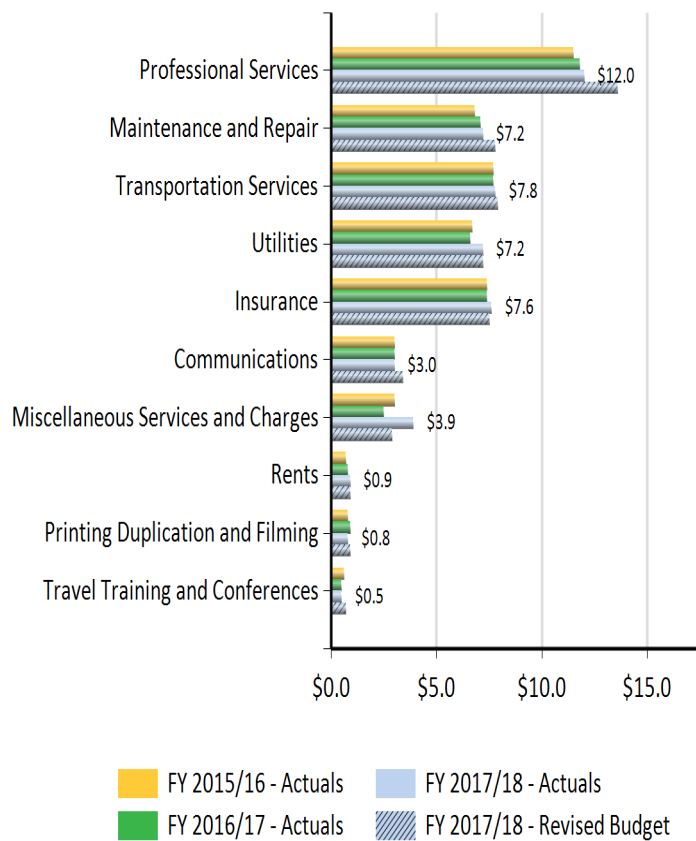
Macro Personnel Adjustments

	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Year-To-Date	
				Saved/(Used)	Remaining
3% Pay for Performance	\$3.0	\$2.6	\$2.2	(\$2.1)	\$0.1
5% Step - Fire	-	0.9	0.8	(0.8)	-
5% Step - Police Officer	1.6	1.3	1.3	(1.3)	-
5% Step - Police Sergeant	-	-	0.4	(0.4)	-
Retirement Savings	(0.8)	(0.5)	-	-	-
Compensation Adjustments	-	-	0.4	-	0.4
Vacancy Savings	(4.8)	(5.3)	(4.0)	4.8	-
Medical Leave Payouts	1.0	1.0	1.4	(0.8)	0.6
Vacation Leave Payouts	0.9	0.6	0.8	(0.6)	0.2
Parker Case Ruling	-	-	7.8	(8.7)	-
Total Vacancy Savings/Payouts	\$0.9	\$0.6	\$11.0	(\$9.9)	\$1.3

Total Saved/(Used) YTD of (\$9.9) million: The city has achieved \$4.8 million in vacancy savings year-to-date offset by (\$1.4) million in vacation and medical leave payouts. In July, the Citywide Pay for Performance Program was funded and implemented initiating the use of ongoing dollars for compensation increases. These increases include a 5 percent step program for Firefighters, Fire Engineers and Fire Captains; a 5 percent step program for Police Sergeants; a 5 percent step program for Police Officers and a 3 percent pay program based on performance for all other city employees. Additionally, the Parker Case Ruling required a payout of \$8.7 million in retirement funds and interest to sworn employees and elected officials that were hired before January 1, 2012.



Contractual Services (Fiscal Year to Date: May 2018)

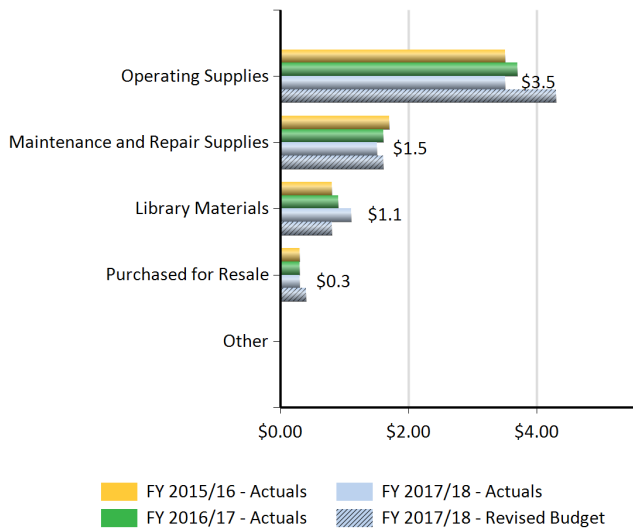


Actual to Revised Budget variance of \$2.1 million or 4%: Professional Services is favorable mainly due to the timing of invoices. In addition, invoices from the Photo Enforcement Contract have been coming in less than budgeted due to a number of photo enforcement cameras being turned off while a new contract was negotiated, resulting in fewer citations issued. Banking Services, contract and process server costs, and cleaning and waste removal services are also coming in lower than forecasted. Finally, Professional Services is favorable due to lower participation in Adult Sports and Leisure Ed programs and classes. As a result, fewer instructors were needed than expected. The favorable variance is partially offset by the inadvertent reduction of the advertising budget in Westworld and higher than expected custodial costs. Maintenance and Repair is favorable mainly due to the timing of invoices and because of lower than expected project costs. Some maintenance projects are coming in under budget, while others are falling behind schedule. In addition, Software Maintenance and Licensing costs are lower than expected due to the delay in roll out of the MUNIS system. This is partially offset by Public Safety - Police paying software costs for the entire year instead of quarterly. Communications is favorable mainly due to the delay in the implementation of Century Link lines for the data resiliency program and specialty line costs being less than expected. Miscellaneous Services and Charges is unfavorable mainly due to expenses associated with the newly created Utility Improvement District set up to make underground utility improvements along Raintree Drive. Finally, Travel Training and Conferences is favorable mainly due to fewer conferences and trainings being attended than expected.

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Professional Services	\$11.5	\$11.8	\$12.0	\$13.6	\$1.7	12%
Maintenance and Repair	6.8	7.1	7.2	7.8	0.7	9%
Transportation Services	7.7	7.7	7.8	7.9	0.2	2%
Utilities	6.7	6.6	7.2	7.2	-	-
Insurance	7.4	7.4	7.6	7.5	-	-
Communications	3.0	3.0	3.0	3.4	0.3	10%
Miscellaneous Services and Charges	3.0	2.5	3.9	2.9	(1.0)	(33%)
Rents	0.7	0.8	0.9	0.9	-	-
Printing Duplication and Filming	0.8	0.9	0.8	0.9	0.1	15%
Travel Training and Conferences	0.6	0.5	0.5	0.7	0.2	24%
Contractual Services Total	\$48.3	\$48.3	\$50.8	\$53.0	\$2.1	4%



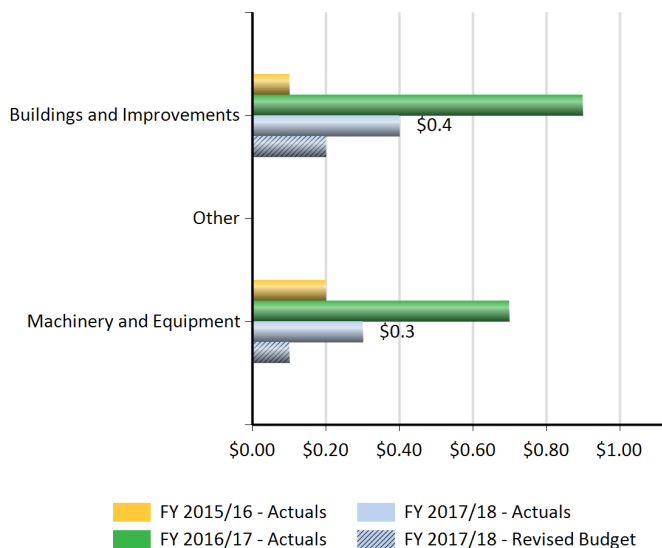
Commodities (Fiscal Year to Date: May 2018)



Actual to Revised Budget variance of \$0.7 million or 10%: Operating Supplies is favorable mainly due to the timing of invoices, a delay in purchasing recreation amenities in Community Services, a lower than anticipated need for personal protective equipment in Public Safety - Fire and for radios, chemicals and laboratory supplies in Public Safety – Police, and furniture, operating supplies and other equipment costs coming in lower than expected in several divisions. Maintenance and Repair Supplies is favorable due to a lesser need to purchase building and repair supplies than expected in Public Safety - Fire and Community Services. This is partially offset by the unexpected need in Public Works for materials related to plumbing and lighting repairs and a hot water tank replacement at Granite Reef Senior Center. Library Materials is unfavorable due to the purchase of library materials from Maricopa County. Purchased for Resale is favorable because WestWorld is purchasing less hay and bedding material for resale due to smaller equestrian events held than expected.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$3.5	\$3.7	\$3.5	\$4.3	\$0.7	17%
Maintenance and Repair Supplies	1.7	1.6	1.5	1.6	0.2	9%
Library Materials	0.8	0.9	1.1	0.8	(0.3)	(37%)
Purchased for Resale	0.3	0.3	0.3	0.4	0.1	31%
Other	-	-	-	-	-	-
Commodities Total	\$6.3	\$6.4	\$6.4	\$7.1	\$0.7	10%

Capital Outlays (Fiscal Year to Date: May 2018)



Actual to Revised Budget variance of (\$0.4) million or nm:

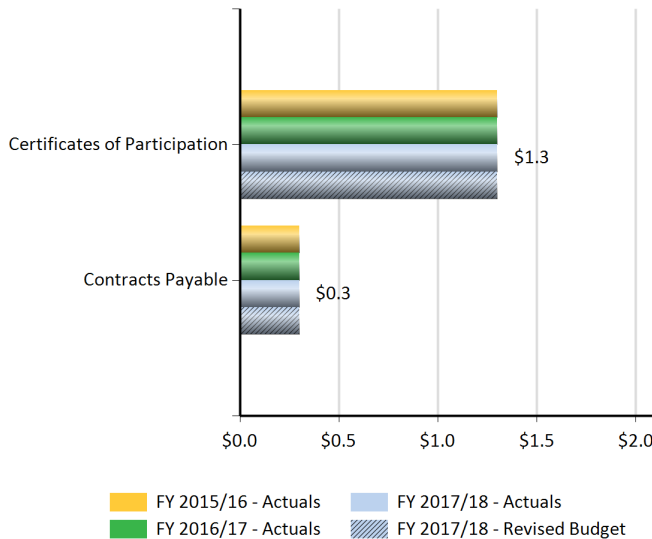
The unfavorable variance in Buildings and Improvements is primarily due to the purchase of Fire Alarm & Panel replacements for One Civic Center and Civic Center Library, roof recoating, reconstruction costs to the Fire training burn room and unexpected costs related to Chaparral Dog Park. The unfavorable variance in Machinery and Equipment is mostly due to the unplanned purchases of playground equipment in Community Services, computer equipment in Community & Economic Development and Public Safety - Police, and the purchase of drones and a thermal camera in Public Safety - Fire.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$0.1	\$0.9	\$0.4	\$0.2	(\$0.2)	(95%)
Other	-	-	-	-	-	-
Machinery and Equipment	0.2	0.7	0.3	0.1	(0.3)	nm
Capital Outlays Total	\$0.3	\$1.6	\$0.7	\$0.2	(\$0.4)	nm



Contracts Payable & COPs (Fiscal Year to Date: May 2018)

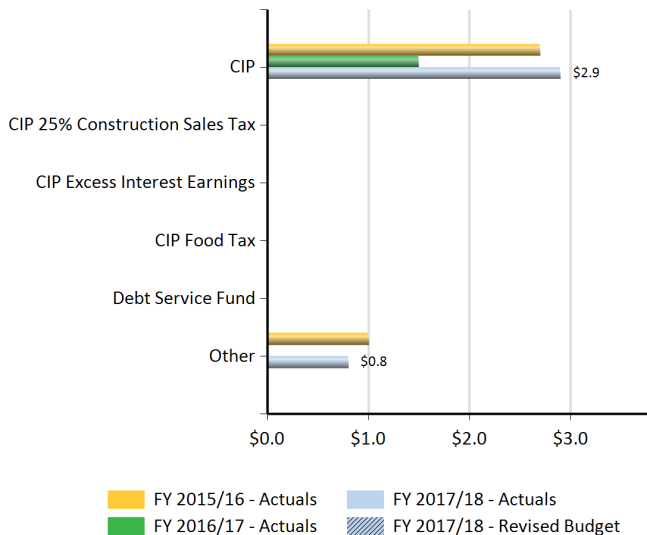
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Certificates of Participation	\$1.3	\$1.3	\$1.3	\$1.3	\$ -	-
Contracts Payable	0.3	0.3	0.3	0.3	-	-
Contracts Payable & COPs Total	\$1.6	\$1.6	\$1.6	\$1.6	\$ -	-

Transfers Out (Fiscal Year to Date: May 2018)

Actual to Revised Budget variance of (\$3.7) million or n/a: Unfavorable variance in CIP is due to transfers from the General Fund undesignated, unreserved fund balance, per Council approval, to fund the newly created Rawhide Wash Flood Control COS Contribution and Reata Wash Flood Control capital projects and to the Downtown Cultural Trust for public art contributions associated with a large development project. In FY 2015/16 the CIP transfer out includes the sale of the HR building and city owned vacant land. The other transfer our was to the Healthcare Self Insurance Fund to subsidize Public Safety Disabled Retirees benefit costs.

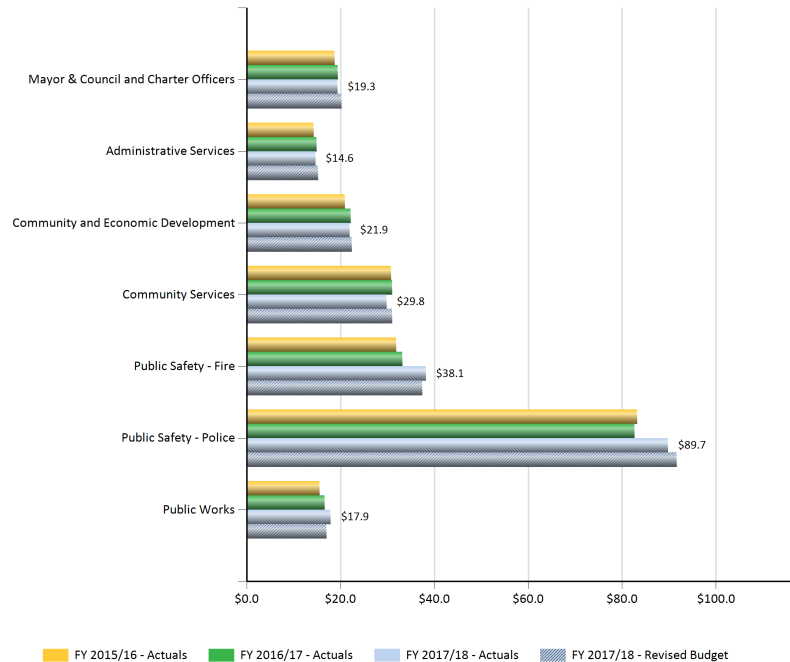


	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
CIP	\$2.7	\$1.5	\$2.9	\$ -	(\$2.9)	n/a
CIP 25% Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Other	1.0	-	0.8	-	(0.8)	n/a
Transfers Out Total	\$3.7	\$1.5	\$3.7	\$0.0	(\$3.7)	n/a

\$ in millions / rounding differences may occur



Division Expenditures (Fiscal Year to Date: May 2018)



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Mayor & Council and Charter Officers	\$18.7	\$19.4	\$19.3	\$20.2	\$0.9	4%
Administrative Services	14.2	14.9	14.6	15.2	0.6	4%
Community and Economic Development	20.9	22.1	21.9	22.4	0.4	2%
Community Services	30.7	30.9	29.8	31.0	1.2	4%
Public Safety - Fire	31.8	33.1	38.1	37.4	(0.7)	(2%)
Public Safety - Police	83.2	82.7	89.7	91.6	1.9	2%
Public Works	15.5	16.5	17.9	16.9	(0.9)	(6%)
Total	\$215.0	\$219.6	\$231.3	\$234.6	\$3.3	1%

Actual to Revised Budget variance of \$3.3 million or 1%: Mayor & Council and Charter Officers is favorable mainly due to City Treasurer banking services and software maintenance and licensing costs being less than anticipated, City Attorney vacant positions savings, lower than expected litigation expenses, and the timing of invoices in City Manager. Administrative Services is favorable due to lower paid hires replacing experienced employees being promoted or retiring, the timing of invoices, lower than expected postage & shipping costs, and savings in the data center resiliency project. Community and Economic Development is favorable due to the timing of invoices and expenses. The favorable variance is partially offset by an inadvertent reduction of the advertising budget in WestWorld and the unanticipated need to purchase computer equipment in Planning and Development. Community Services is favorable mainly due to Part-Time Wages savings, lower than expected participation in sports and leisure classes, maintenance projects falling behind schedule, invoice timing, and the delay in purchasing recreational amenities and maintenance equipment. It is partially offset by the use of a contractor to serve as Interim Library Director and the purchase of library materials. Public Safety - Fire is unfavorable due to higher overtime costs related to a shortfall in constant staffing because of 14 firefighters on leave, the costs associated with payment of the Parker case interest, the unbudgeted purchase of a thermal camera and drones, and unexpected building repair costs. The unfavorable variance is partially offset due to a lower than expected need purchase of personal protective and other equipment. Public Safety - Police is favorable due to Part-Time Wages savings, a change in shift pay policies and lower paid hires replacing experienced employees being promoted or retiring. It is also related to the timing of invoices, process server, jail contract and fuels costs being less than anticipated, lower than expected furniture and other equipment purchase needs, and the Photo Enforcement Contract coming in less than budgeted due to a number of photo enforcement cameras being turned off while a new contract was negotiated resulting in fewer citations issued. The favorable variance is partially offset by software maintenance costs being paid for the entire year instead of quarterly and from costs associated with payment of the Parker case interest. The unfavorable variance in Public Works is due primarily to expenses associated with the newly created Utility Improvement District set up to make underground utility improvements along Raintree Drive. It is also related to higher than expected custodial fees and unexpected remodel and replacement costs. This is partially offset by the timing of invoices, the postponement of the Facility Condition Assessment and projects coming in under budget.