

Monthly Financial Report

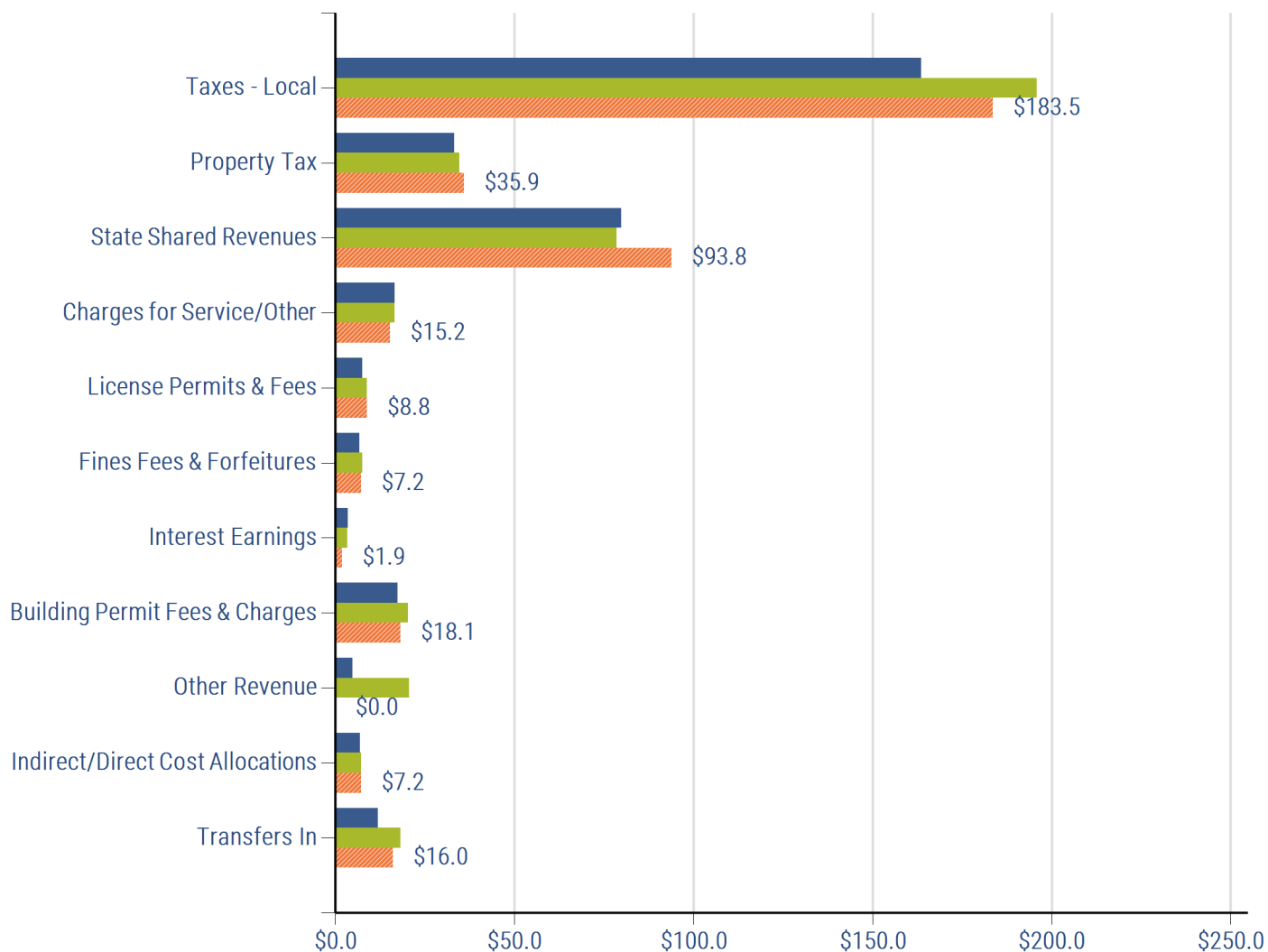
**Fiscal Year to Date as of
May 31, 2023**

Report to the City Council
Prepared by the City Treasurer
August 22, 2023

Sources

General Fund

Twelve Months: Fiscal Year



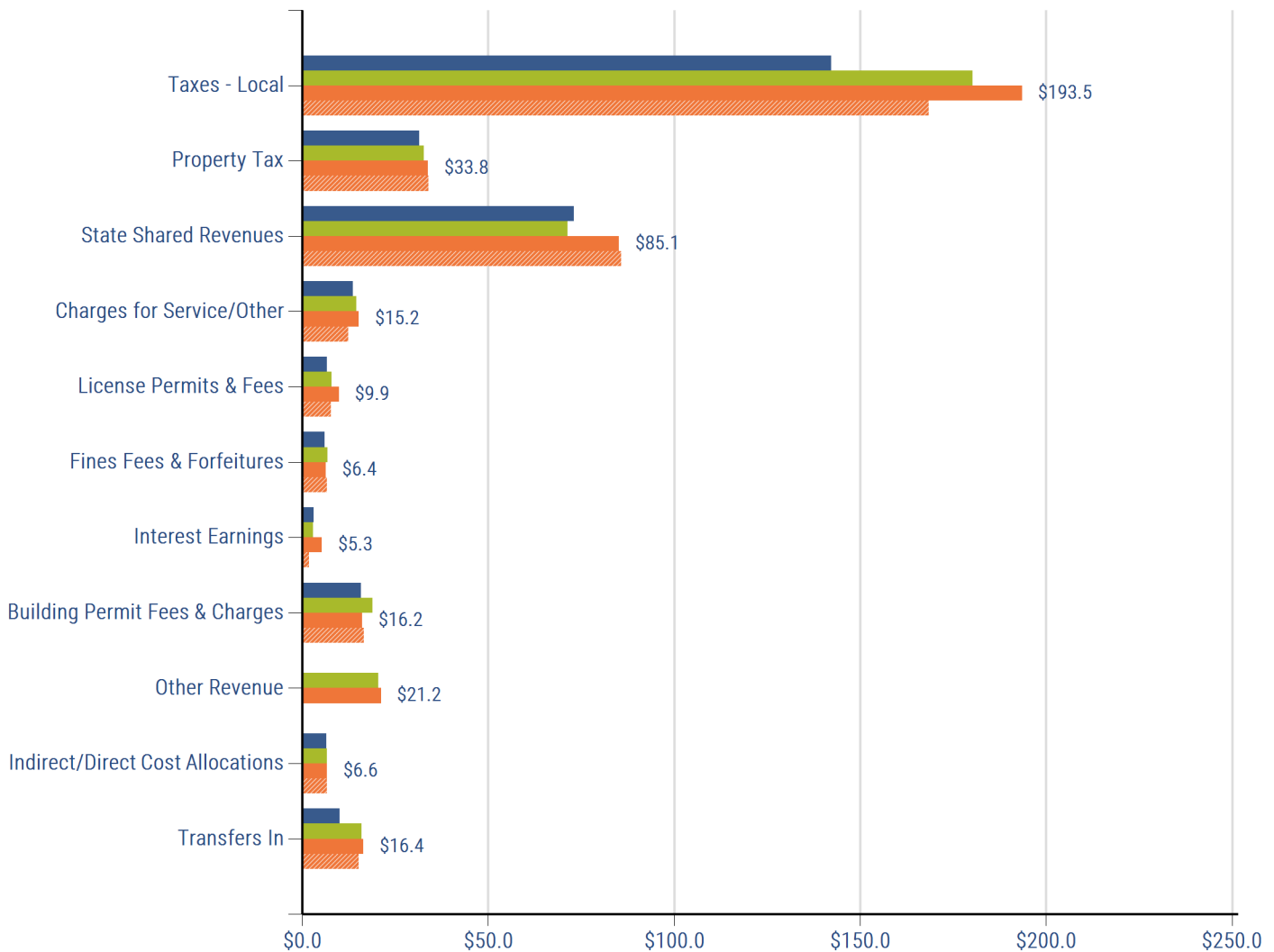
■ FY 2020/21 - Actuals
 ■ FY 2021/22 - Actuals
 ■ FY 2022/23 - Revised Budget

	FY 2020/21 <u>Actuals</u>	FY 2021/22 <u>Actuals</u>	FY 2022/23 <u>Revised Budget</u>
Taxes - Local	\$163.5	\$195.9	\$183.5
Property Tax	33.1	34.6	35.9
State Shared Revenues	79.7	78.5	93.8
Charges for Service/Other	16.5	16.6	15.2
License Permits & Fees	7.6	8.8	8.8
Fines Fees & Forfeitures	6.6	7.5	7.2
Interest Earnings	3.4	3.3	1.9
Building Permit Fees & Charges	17.4	20.3	18.1
Other Revenue	4.7	20.5	-
Indirect/Direct Cost Allocations	6.9	7.2	7.2
Transfers In	11.9	18.2	16.0
Total Sources	\$351.5	\$411.3*	\$387.7

*Does not include \$0.3 million General Accepted Accounting Principles (GAAP) adjustment. The GAAP adjustment was made to a change in methodology related to inventory.

\$ in millions / rounding differences may occur

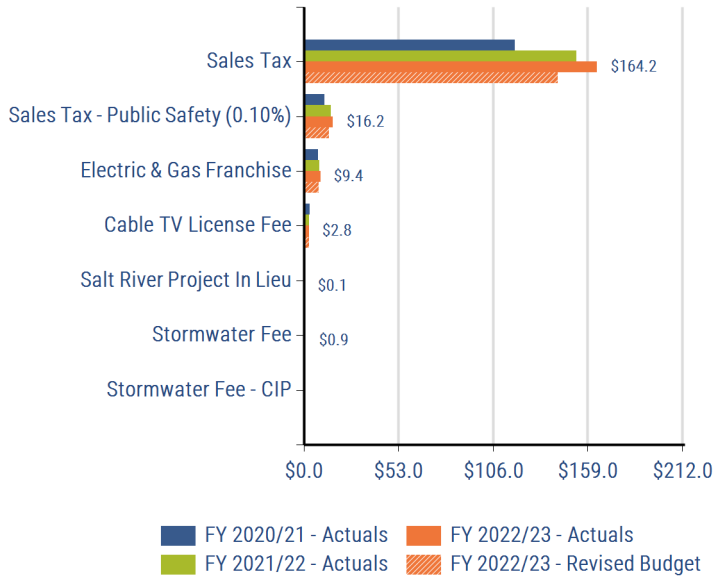
Sources (Fiscal Year to Date: May 2023)



■ FY 2020/21 - Actuals
 ■ FY 2021/22 - Actuals
 ■ FY 2022/23 - Actuals
 ■ FY 2022/23 - Revised Budget

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$142.3	\$180.3	\$193.5	\$168.4	\$25.1	15%
Property Tax	31.5	32.8	33.8	33.9	(0.1)	0%
State Shared Revenues	73.0	71.4	85.1	85.8	(0.7)	(1%)
Charges for Service/Other	13.7	14.5	15.2	12.5	2.7	22%
License Permits & Fees	6.6	7.9	9.9	7.7	2.1	28%
Fines Fees & Forfeitures	6.0	6.9	6.4	6.6	(0.2)	(3%)
Interest Earnings	3.0	2.9	5.3	1.8	3.5	nm
Building Permit Fees & Charges	15.8	18.9	16.2	16.5	(0.3)	(2%)
Other Revenue	-	20.5	21.2	-	21.2	n/a
Indirect/Direct Cost Allocations	6.4	6.7	6.6	6.6	-	-
Transfers In	10.1	16.0	16.4	15.1	1.3	9%
Total Sources	\$308.5	\$378.8	\$409.7	\$355.0	\$54.7	15%

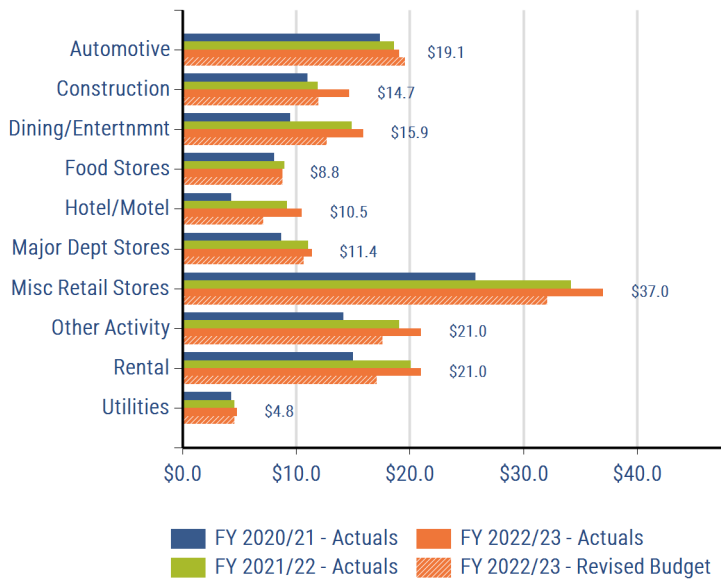
Taxes - Local (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of \$25.1 million or 15%:
 The favorable variance is primarily due to Sales Tax and Electric & Gas Franchise. See detailed Sales Tax information on page 5. Electric & Gas Franchise is favorable due to higher-than-expected revenue generated from Southwest Gas and APS Franchise fees.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax	\$118.4	\$152.7	\$164.2	\$142.4	\$21.8	15%
Sales Tax - Public Safety (0.10%)	11.6	15.0	16.2	14.0	2.2	15%
Electric & Gas Franchise	8.1	8.7	9.4	8.2	1.2	15%
Cable TV License Fee	3.2	2.9	2.8	2.9	(0.1)	(3%)
Salt River Project In Lieu	0.1	0.1	0.1	0.1	-	-
Stormwater Fee	0.9	0.9	0.9	0.9	-	-
Stormwater Fee - CIP	-	-	-	-	-	-
Taxes - Local Total	\$142.3	\$180.3	\$193.5	\$168.4	\$25.1	15%

Sales Tax (Fiscal Year to Date: May 2023)

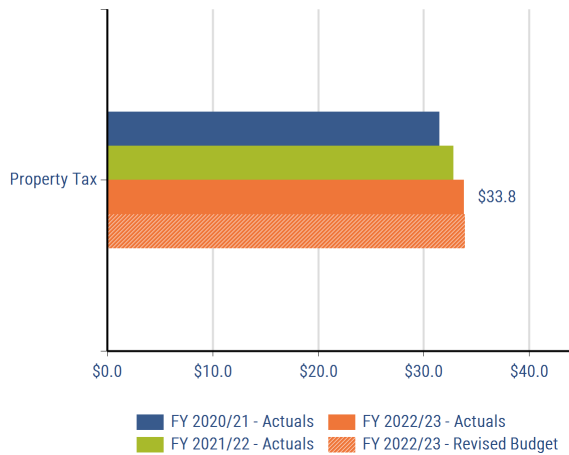


Actual to Revised Budget variance of \$21.8 million or 15%: The favorable variance is due to: 1) Construction - increases from specialty contractors, some new projects, and some one-time audit payments. 2) Dining/Entertainment - restaurants are doing better than anticipated, and the impact of inflation on food prices; 3) Hotel/Motel - one-time audit payments, increases in room rates, and less vacancies per night; 4) Miscellaneous Retail Stores - addition of several new retailers, a retailer reporting an infrequent large taxable transaction, one-time audit payment, and inflation; 5) Other Activity - due in part to a one-time audit payment and some increases from manufacturers/wholesalers and software developers; and 6) Rental Sales - a few onetime taxable speculative sales of apartment complexes and an increase in rental rates.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Automotive	\$17.4	\$18.6	\$19.1	\$19.6	(\$0.5)	(3%)
Construction	11.0	11.9	14.7	12.0	2.7	22%
Dining/Entertainment	9.5	14.9	15.9	12.7	3.2	25%
Food Stores	8.1	9.0	8.8	8.8	-	-
Hotel/Motel	4.3	9.2	10.5	7.1	3.4	48%
Major Dept Stores	8.7	11.1	11.4	10.7	0.7	7%
Misc Retail Stores	25.8	34.2	37.0	32.1	4.8	15%
Other Activity	14.2	19.1	21.0	17.6	3.3	19%
Rental	15.0	20.1	21.0	17.1	3.9	23%
Utilities	4.3	4.6	4.8	4.6	0.2	3%
Sales Tax Total	\$118.4	\$152.7	\$164.2	\$142.4	\$21.8	15%

Property Tax (Fiscal Year to Date: May 2023)

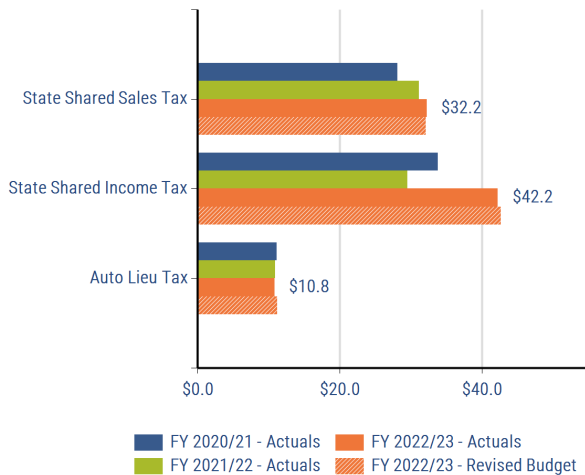
Actual to Revised Budget variance of (\$0.1) million or 0%:
No explanation necessary.



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$31.5	\$32.8	\$33.8	\$33.9	(\$0.1)	0%
Property Tax Total	\$31.5	\$32.8	\$33.8	\$33.9	(\$0.1)	0%

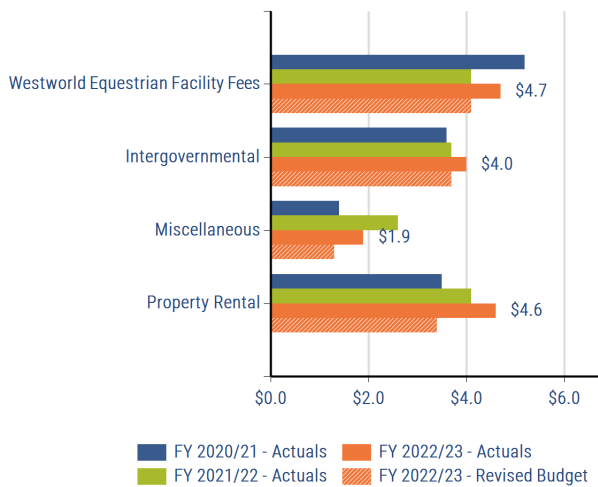
State Shared Revenues (Fiscal Year to Date: May 2023)

Actual to Revised Budget variance of (\$0.7) million or (1%):
No explanation necessary.



	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Sales Tax	\$28.1	\$31.1	\$32.2	\$32.1	\$0.1	0%
State Shared Income Tax	33.8	29.5	42.2	42.6	(0.4)	(1%)
Auto Lieu Tax	11.1	10.9	10.8	11.2	(0.4)	(3%)
State Shared Revenues Total	\$73.0	\$71.4	\$85.1	\$85.8	(\$0.7)	(1%)

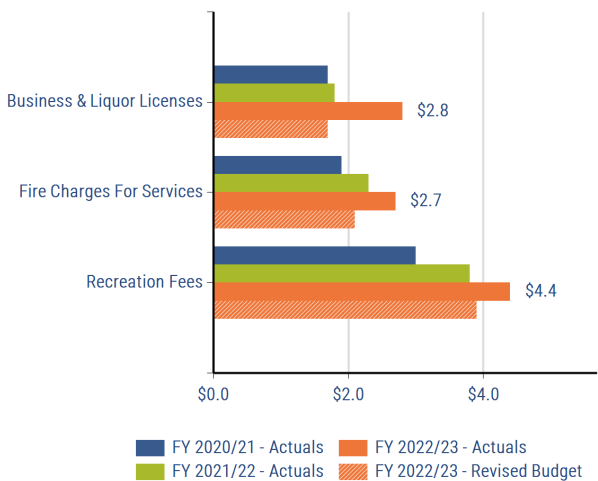
Charges for Service/Other (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of \$2.7 million or 22%: WestWorld Equestrian Facility Fees is favorable mainly due to higher-than-expected revenue from RV rentals and Feed/Bedding sales at WestWorld. Miscellaneous is favorable primarily due to real estate late fees and event traffic control fees. Property Rental is favorable due to the timing of when the actual revenue for the Tournament Players Club (TPC) and Cell Tower Leases were received versus when collections were budgeted.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$5.2	\$4.1	\$4.7	\$4.1	\$0.6	14%
Intergovernmental	3.6	3.7	4.0	3.7	0.4	10%
Miscellaneous	1.4	2.6	1.9	1.3	0.6	48%
Property Rental	3.5	4.1	4.6	3.4	1.2	34%
Charges for Service/Other Total	\$13.7	\$14.5	\$15.2	\$12.5	\$2.7	22%

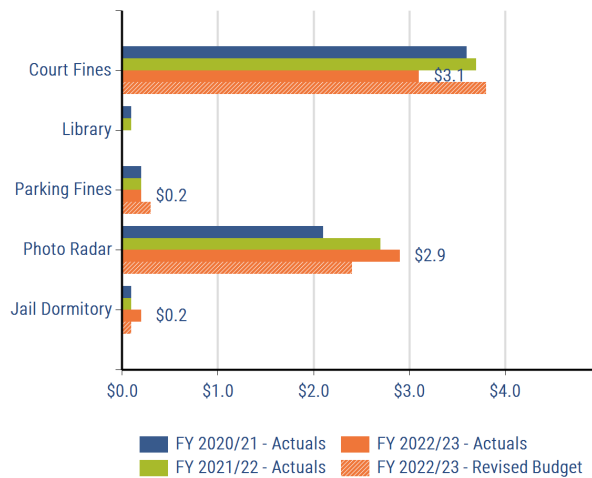
License Permits & Fees (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of \$2.1 million or 28%: Business & Liquor Licenses is favorable primarily due to the implementation of a Short Term Rental program requiring property operators to maintain specific local licenses. Fire Charges for Services is favorable due to higher call volume and added fees for extended calls. Recreation Fees is favorable due to higher than expected demand for city facility rentals and recreation activities.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Business & Liquor Licenses	\$1.7	\$1.8	\$2.8	\$1.7	\$1.0	60%
Fire Charges For Services	1.9	2.3	2.7	2.1	0.7	32%
Recreation Fees	3.0	3.8	4.4	3.9	0.4	11%
License Permits & Fees Total	\$6.6	\$7.9	\$9.9	\$7.7	\$2.1	28%

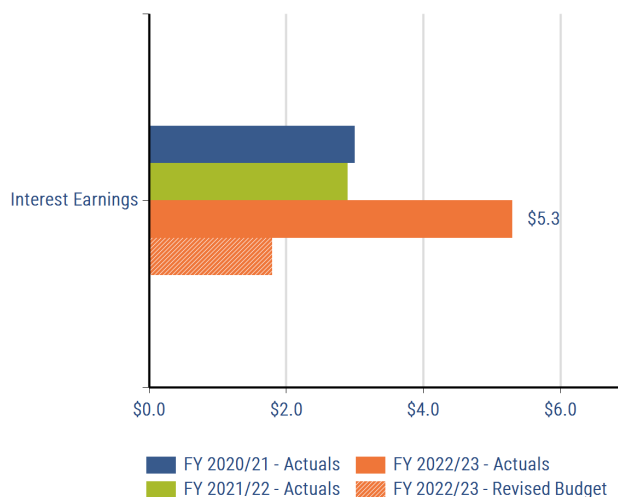
Fines Fees & Forfeitures (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of (\$0.2) million or (3%): Court Fines is unfavorable due to civil traffic (non-photo enforcement) filings, civil non-enforcement adjudications, and the number of civil traffic case filings being less than anticipated. Parking Fines is unfavorable due to less parking citations issued. Photo Radar is favorable due to an increased number of photo radar citations. Jail Dormitory is favorable due to higher participation in the overnight jail program than anticipated.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$3.6	\$3.7	\$3.1	\$3.8	(\$0.7)	(19%)
Library	0.1	0.1	-	-	-	-
Parking Fines	0.2	0.2	0.2	0.3	(0.1)	(31%)
Photo Radar	2.1	2.7	2.9	2.4	0.5	21%
Jail Dormitory	0.1	0.1	0.2	0.1	0.1	80%
Fines Fees & Forfeitures Total	\$6.0	\$6.9	\$6.4	\$6.6	(\$0.2)	(3%)

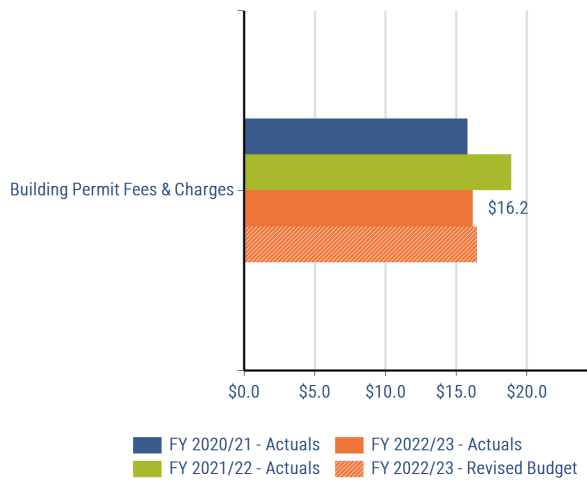
Interest Earnings (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of \$3.5 million or nm: Interest Earnings is favorable due to the rate of return being higher than expected.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$3.0	\$2.9	\$5.3	\$1.8	\$3.5	nm
Interest Earnings Total	\$3.0	\$2.9	\$5.3	\$1.8	\$3.5	nm

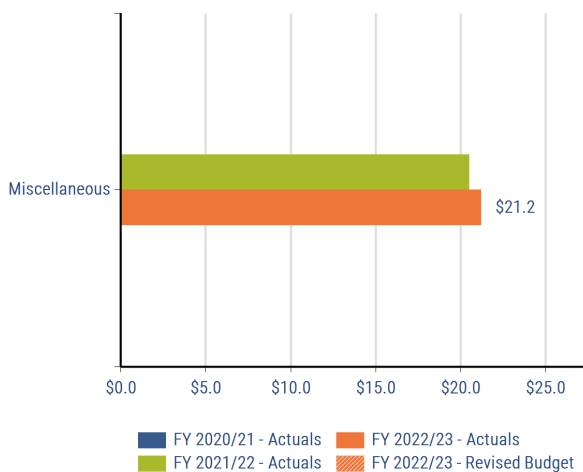
Building Permit Fees & Charges (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of (\$0.3) million or (2%):
No explanation necessary.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$15.8	\$18.9	\$16.2	\$16.5	(\$0.3)	(2%)
Building Permit Fees & Charges Total	\$15.8	\$18.9	\$16.2	\$16.5	(\$0.3)	(2%)

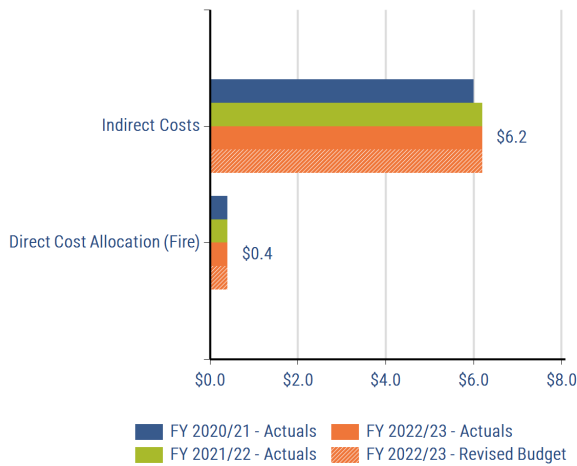
Other Revenue (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of \$21.2 million or n/a:
Favorable variance for Miscellaneous is due to unrestricted proceeds from the sale of land near 94th Street and Bell Road.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Miscellaneous	\$ -	\$20.5	\$21.2	\$ -	\$21.2	n/a
Other Revenue Total	\$0.0	\$20.5	\$21.2	\$0.0	\$21.2	n/a

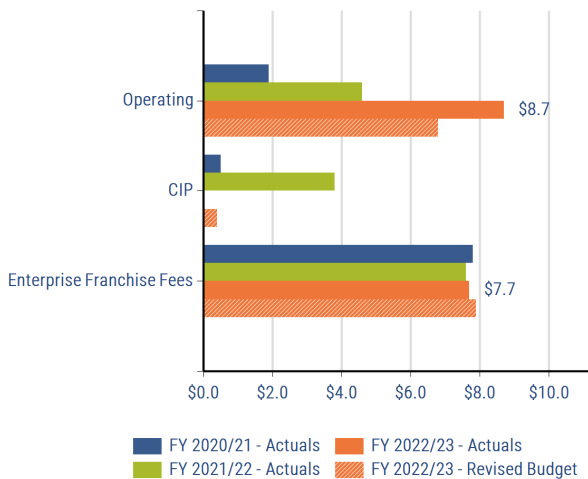
Indirect/Direct Cost Allocations (Fiscal Year to Date: May 2023)



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

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$6.0	\$6.2	\$6.2	\$6.2	\$ -	-
Direct Cost Allocation (Fire)	0.4	0.4	0.4	0.4	-	-
Indirect/Direct Cost Allocations Total	\$6.4	\$6.7	\$6.6	\$6.6	\$ -	-

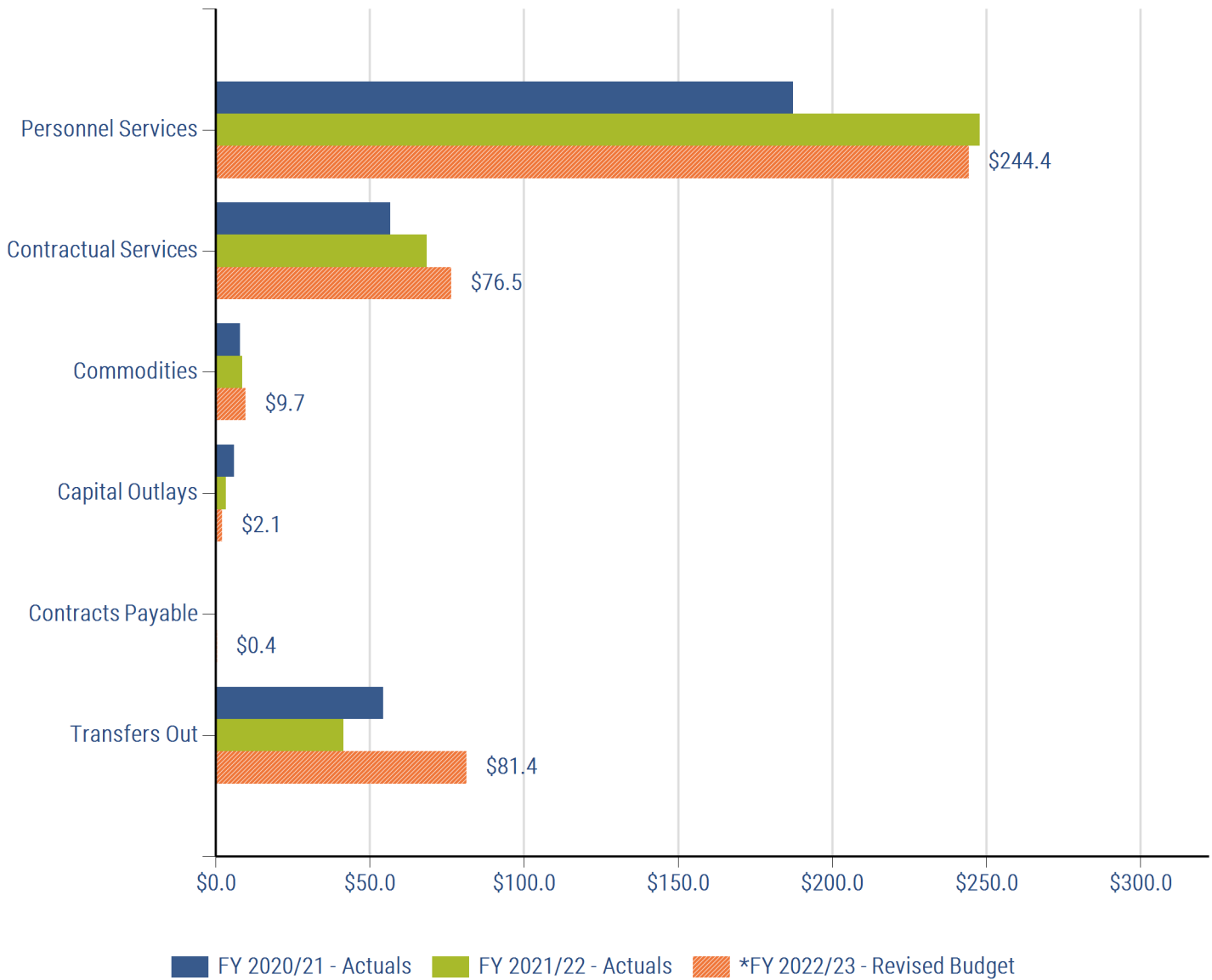
Transfers In (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of \$1.3 million or 9%:
Operating Transfers In is favorable due to a transfer for the remaining Scottsdale AZ Cares projects as they are being completed. The unfavorable variance in CIP is due to the storm water master plan no longer being recorded in the General Fund.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating	\$1.9	\$4.6	\$8.7	\$6.8	\$1.9	28%
CIP	0.5	3.8	-	0.4	(0.4)	(100%)
Enterprise Franchise Fees	7.8	7.6	7.7	7.9	(0.2)	(2%)
Transfers In Total	\$10.1	\$16.0	\$16.4	\$15.1	\$1.3	9%

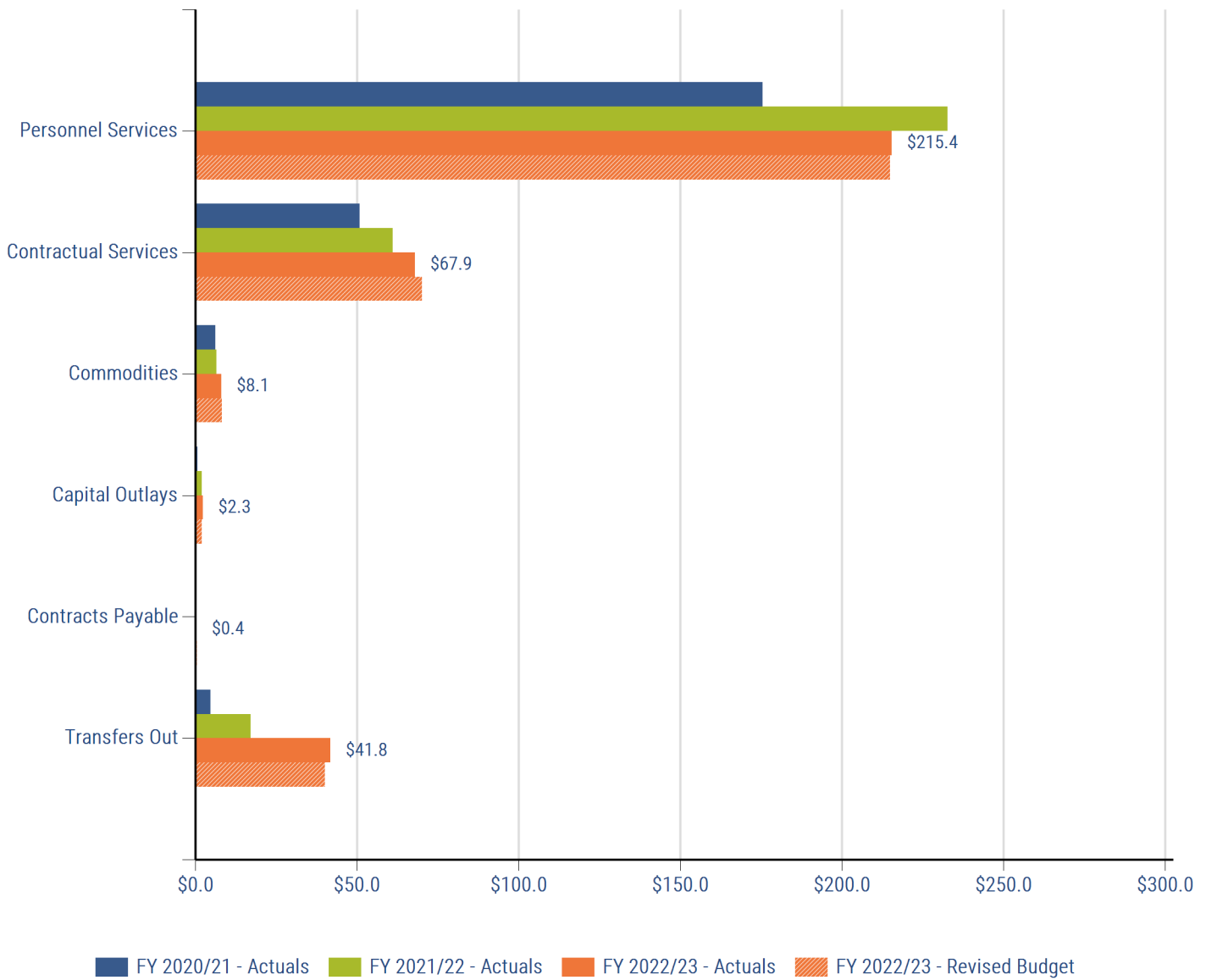
Twelve Months: Fiscal Year



	FY 2020/21 <u>Actuals</u>	FY 2021/22 <u>Actuals</u>	FY 2022/23 <u>Revised Budget</u>
Personnel Services	\$187.3	\$247.9	\$244.4
Contractual Services	56.6	68.4	76.5
Commodities	7.8	8.7	9.7
Capital Outlays	6.0	3.4	2.1
Contracts Payable	0.4	0.4	0.4
Transfers Out	54.3	41.4	81.4
Total Uses	\$312.5	\$370.2	\$414.5

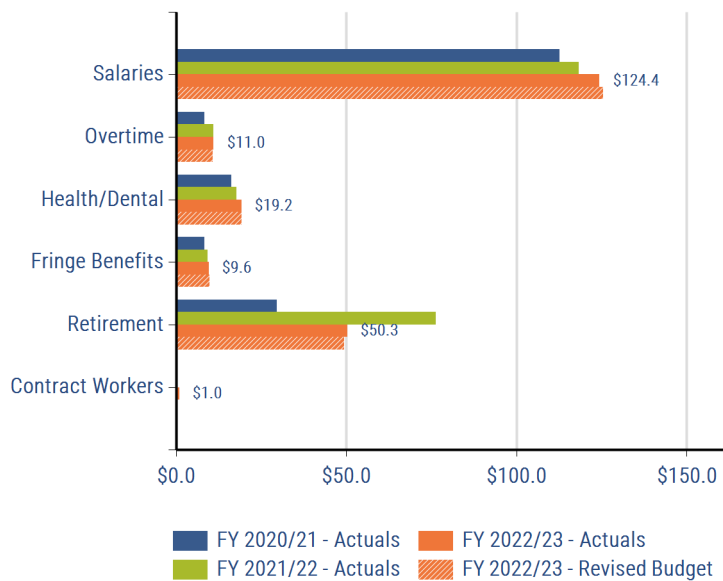
*Includes budgeted vacancy savings net of Leave Accrual Payouts, Utilities, Fleet Maintenance and Fuel costs.

Uses (Fiscal Year to Date: May 2023)



	FY 2020/21	FY 2021/22	FY 2022/23	FY 2022/23	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$175.6	\$232.7	\$215.4	\$215.0	(\$0.5)	0%
Contractual Services	50.9	61.1	67.9	70.1	2.1	3%
Commodities	6.2	6.6	8.1	8.2	0.1	1%
Capital Outlays	0.7	1.9	2.3	2.0	(0.4)	(19%)
Contracts Payable	0.4	0.4	0.4	0.4	-	-
Transfers Out	4.8	17.1	41.8	40.1	(1.6)	(4%)
Total Uses	\$238.6	\$320.0	\$336.0	\$335.8	(\$0.3)	0%

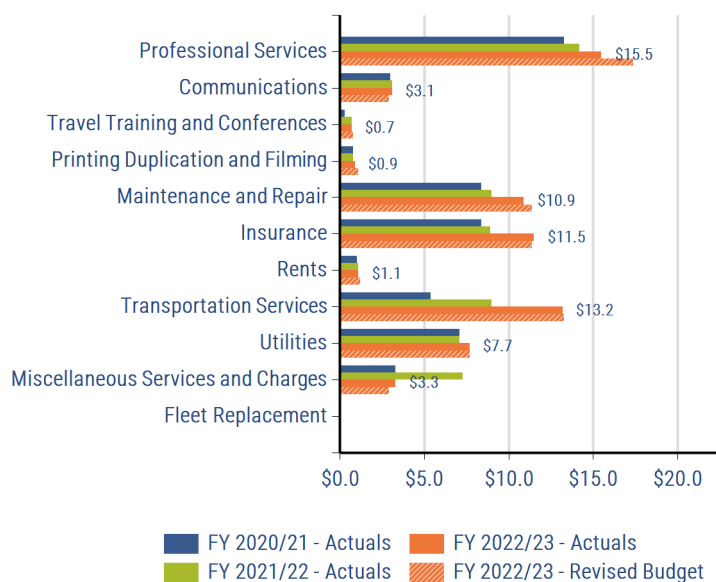
Personnel Services (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of (\$0.5) million or 0%: Salaries is favorable primarily due to newer employees having a lower salary than the employees they replaced and also from savings in part-time wages from the vacancies caused by the current job market. Retirement is unfavorable due to refunds made on behalf of PSPRS to members due to a change in the member contribution rate. Contract Workers is unfavorable due to recent retirees coming back to work with the city as a contract employee. This cost is being offset by savings achieved in their previous position. As of May 2023, Vacancy Savings totaled \$11.9 million, with \$3.2 million allocated for offsetting vacation payouts, medical leave payouts, and vacation trade payouts.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Salaries	\$112.6	\$118.3	\$124.4	\$125.4	\$1.0	1%
Overtime	8.4	10.9	11.0	10.7	(0.2)	(2%)
Health/Dental	16.2	17.7	19.2	19.2	-	-
Fringe Benefits	8.4	9.2	9.6	9.9	0.3	3%
Retirement	29.7	76.3	50.3	49.4	(0.9)	(2%)
Contract Workers	0.2	0.3	1.0	0.3	(0.7)	nm
Personnel Services Total	\$175.6	\$232.7	\$215.4	\$215.0	(\$0.5)	0%

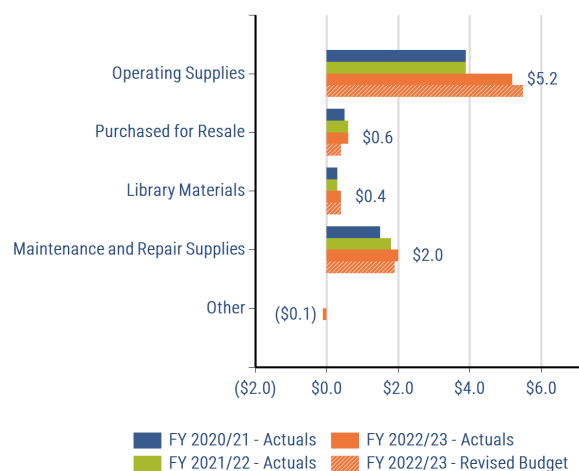
Contractual Services (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of \$2.1 million or 3%: Professional Services is favorable primarily due to delays in spending for large city projects.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Professional Services	\$13.3	\$14.2	\$15.5	\$17.4	\$1.9	11%
Communications	3.0	3.1	3.1	2.9	(0.1)	(5%)
Travel Training and Conferences	0.3	0.7	0.7	0.8	0.1	10%
Printing Duplication and Filming	0.8	0.8	0.9	1.1	0.1	13%
Maintenance and Repair	8.4	9.0	10.9	11.4	0.4	4%
Insurance	8.4	8.9	11.5	11.4	(0.1)	(1%)
Rents	1.0	1.1	1.1	1.2	0.2	14%
Transportation Services	5.4	9.0	13.2	13.3	-	-
Utilities	7.1	7.1	7.7	7.7	-	-
Miscellaneous Services and Charges	3.3	7.3	3.3	2.9	(0.3)	(12%)
Fleet Replacement	-	-	-	-	-	-
Contractual Services Total	\$50.9	\$61.1	\$67.9	\$70.1	\$2.1	3%

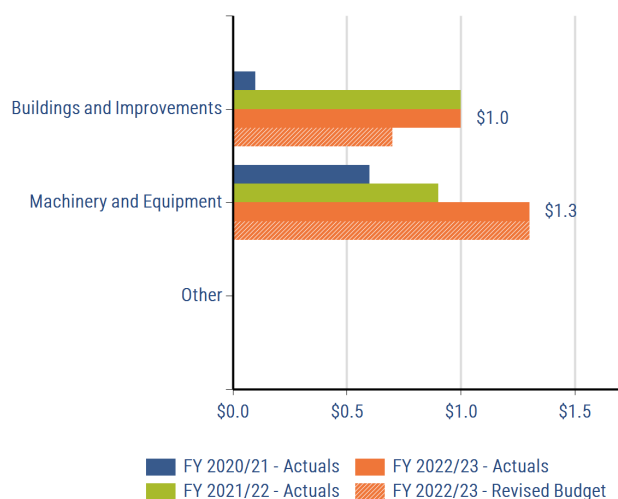
Commodities (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of \$0.1 million or 1%: Operating Supplies is favorable due to timing in purchasing of furniture & equipment purchases and ammunition for Police. Purchased for Resale is unfavorable due to higher than expected demand for product for resale, as well as timing of purchases needed earlier than expected for events at WestWorld. Library Materials is favorable due to timing of purchases.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$3.9	\$3.9	\$5.2	\$5.5	\$0.3	5%
Purchased for Resale	0.5	0.6	0.6	0.4	(0.2)	(52%)
Library Materials	0.3	0.3	0.4	0.4	0.1	12%
Maintenance and Repair Supplies	1.5	1.8	2.0	1.9	(0.1)	(5%)
Other	-	-	(0.1)	-	-	-
Commodities Total	\$6.2	\$6.6	\$8.1	\$8.2	\$0.1	1%

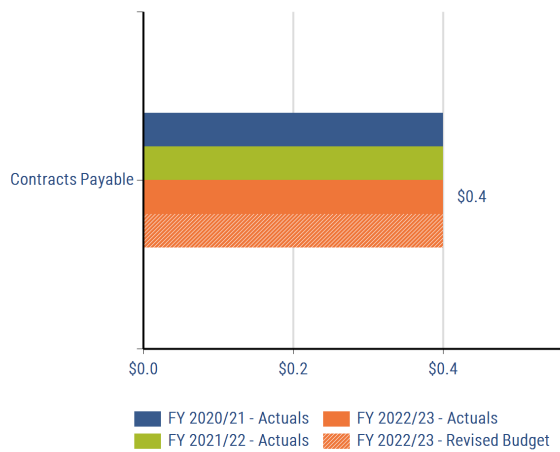
Capital Outlays (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of (\$0.4) million or (19%): Buildings and Improvements is unfavorable due to unbudgeted expenditures originally budgeted in the prior year. A budget adjustment at year-end will be made to true-up budget appropriations.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$0.1	\$1.0	\$1.0	\$0.7	(\$0.4)	(53%)
Machinery and Equipment	0.6	0.9	1.3	1.3	-	-
Other	-	-	-	-	-	n/a
Capital Outlays Total	\$0.7	\$1.9	\$2.3	\$2.0	(\$0.4)	(19%)

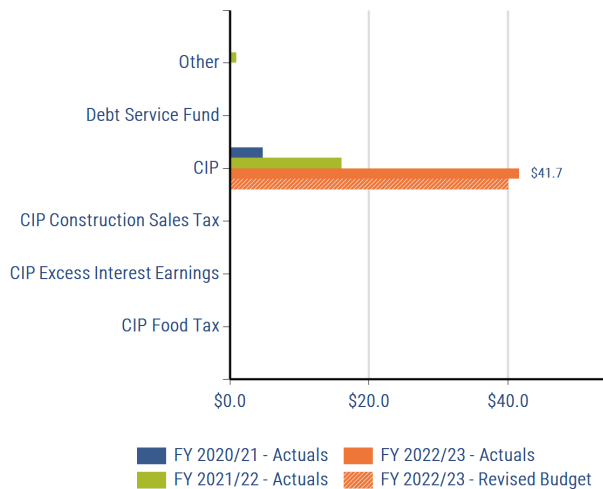
Contracts Payable (Fiscal Year to Date: May 2023)



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

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Contracts Payable	\$0.4	\$0.4	\$0.4	\$0.4	\$ -	-
Contracts Payable Total	\$0.4	\$0.4	\$0.4	\$0.4	\$ -	-

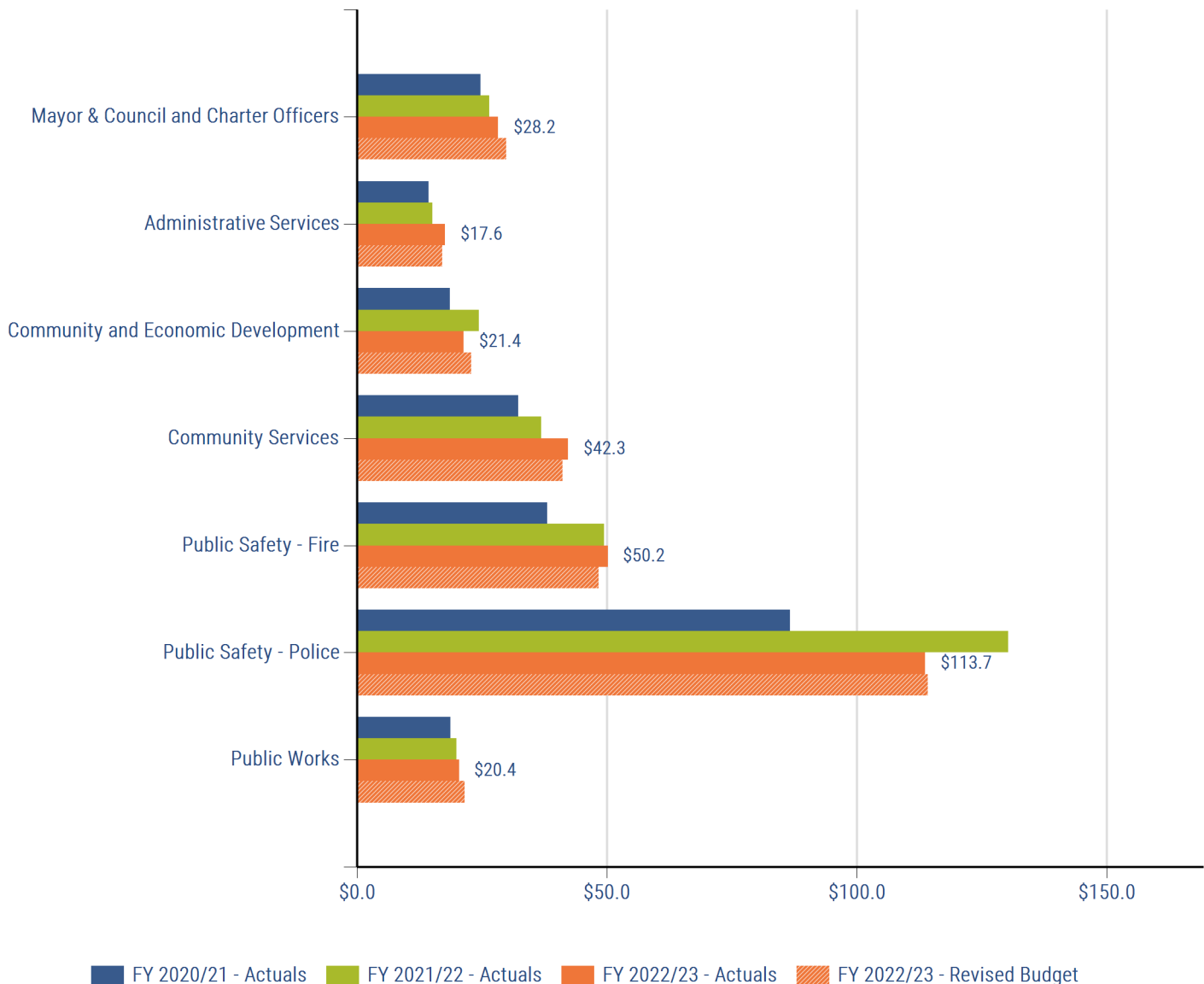
Transfers Out (Fiscal Year to Date: May 2023)



Actual to Revised Budget variance of (\$1.6) million or (4%):
Transfers Out - CIP is unfavorable due to an unbudgeted transfer that was approved by City Council at the November 21st City Council Meeting to authorize the purchase of four ambulances for Phase 1 of the Certificate of Necessity (CON), (Resolution No. 12660), and the budget will be adjusted at year-end. Budget and Actuals for Transfers Out - CIP are significantly higher in FY 2022/23 than previous years due to council-approved budget transfers from the General Fund to CIP to be allocated towards various CIP and Bond 2019 projects that were recognized to have shortfalls during the construction process.

	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2022/23 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Other	\$ -	\$1.0	\$ -	\$ -	\$ -	n/a
Debt Service Fund	-	-	-	-	-	-
CIP	4.8	16.1	41.7	40.1	(1.6)	(4%)
CIP Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
Transfers Out Total	\$4.8	\$17.1	\$41.8	\$40.1	(\$1.6)	(4%)

Division Expenditures (Fiscal Year to Date: May 2023)



	FY 2020/21	FY 2021/22	FY 2022/23	FY 2022/23	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$24.7	\$26.4	\$28.2	\$29.9	\$1.6	5%
Administrative Services	14.3	15.1	17.6	17.1	(0.5)	(3%)
Community and Economic Development	18.6	24.4	21.4	22.9	1.5	7%
Community Services	32.3	36.9	42.3	41.1	(1.2)	(3%)
Public Safety - Fire	38.1	49.5	50.2	48.4	(1.8)	(4%)
Public Safety - Police	86.7	130.3	113.7	114.2	0.5	0%
Public Works	18.8	19.9	20.4	21.6	1.2	5%
Total	\$233.4	\$302.4	\$293.8	\$295.2	\$1.4	0%

Actual to Revised Budget variance of \$1.4 million or 0%:

Mayor & Council and Charter Officers is favorable due to: 1) a delay in replacing the outdated Enterprise Resource Planning (ERP) system; 2) timing on citizen focused projects; and 3) vacancy savings and lower salary rates for newer employees than those they replaced.

Administrative Services is unfavorable due to: 1) a project expense originally budgeted in the prior year; 2) IT timing issue with the Active Network maintenance; 3) charges for City Memberships in IT services are higher than expected; and 4) expenses for storage maintenance related to firewall security.

Community and Economic Development is favorable due to: 1) savings from contractual services 2) spending for the development of a storm water master plan that is no longer being recorded in the General Fund; 3) delays in painting city-owned building structures; and 4) the timing of Super-Bowl related expenses.

Community Services is unfavorable due primarily to 1) the spending of remaining Scottsdale AZ Cares funds that were transferred to the General Fund; 2) unexpected manure haul-off charges at WestWorld; and 3) higher than expected credit card fees.

Public Safety - Fire is unfavorable due to: 1) refunds made on behalf of PSPRS to members due to a change in the member contribution rate; and 2) increased overtime costs caused by short staffing levels.

Public Works is favorable due to: 1) a reduction in routine services and day porter assignments; and 2) moving projects to the CIP to properly capitalize the assets per Accounting standards.