



**Monthly Financial Report**  
**Fiscal Year to Date**  
**as of October 31, 2016**

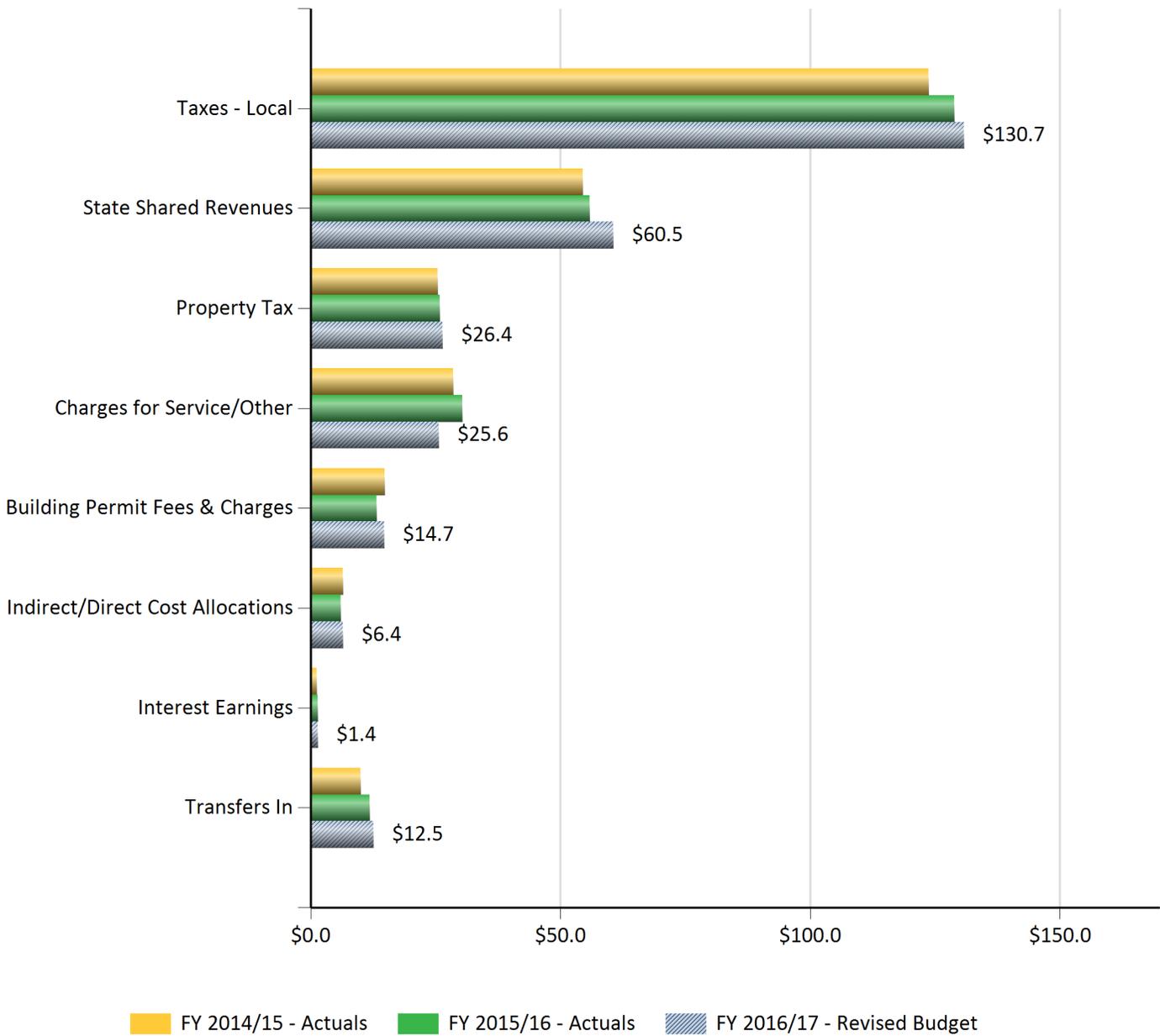
Scottsdale Airport Operations Center

**Report to the City Council**  
**Prepared by the City Treasurer**  
**December 6, 2016**



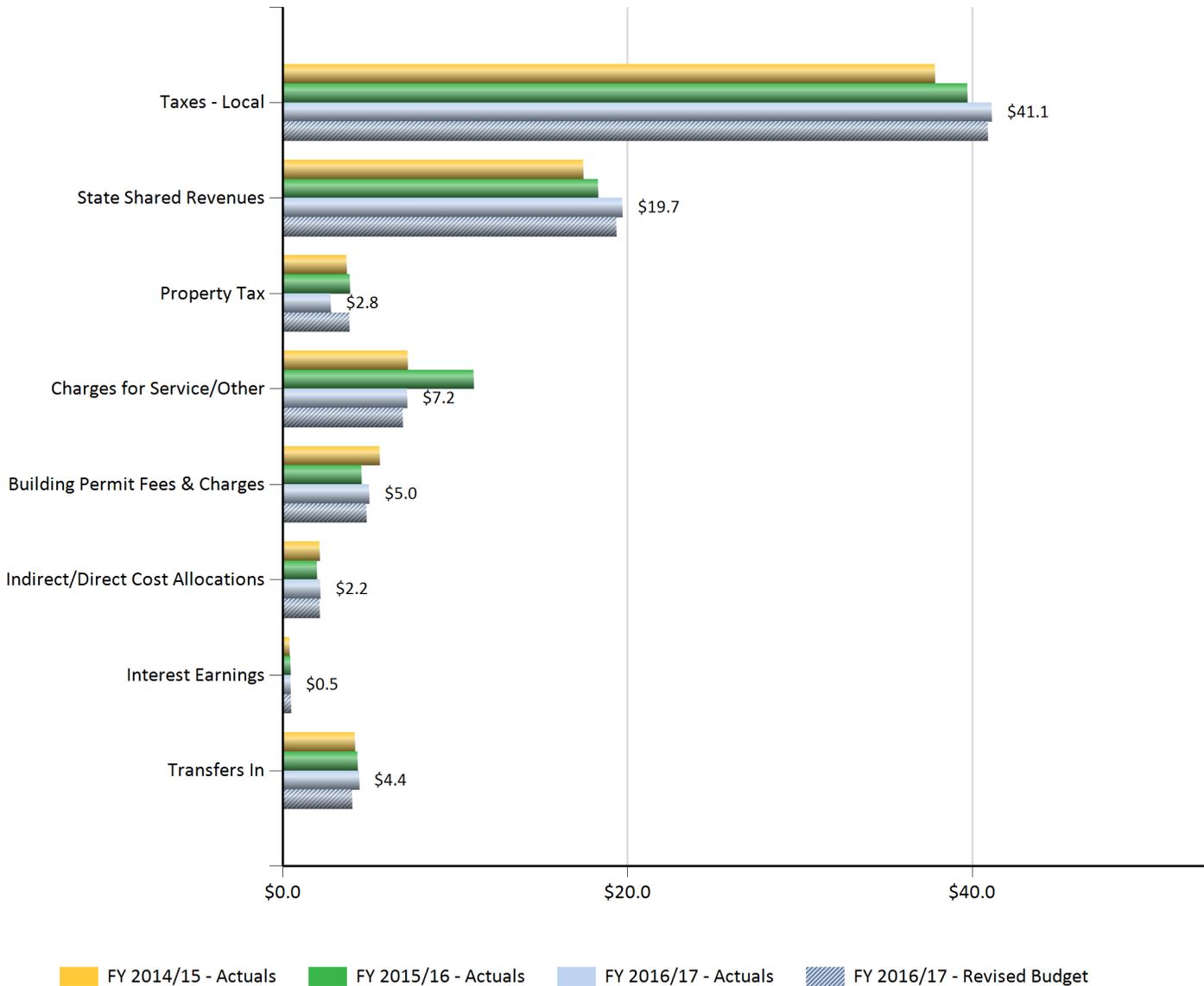
# Sources

## Twelve Months: Fiscal Year





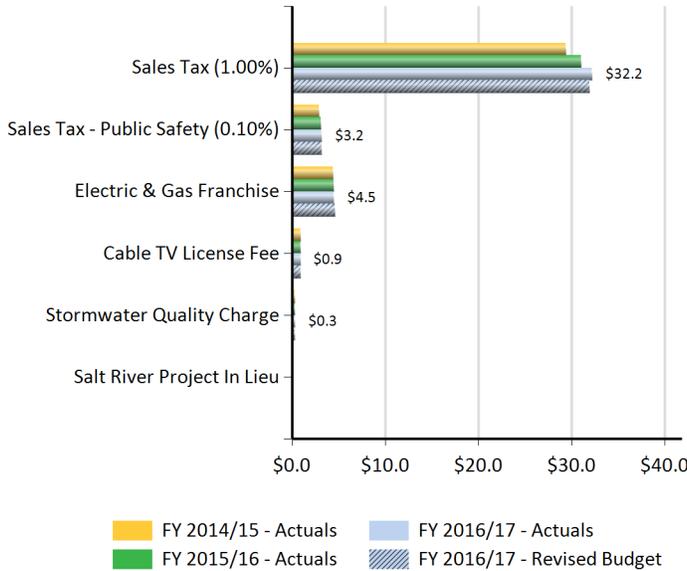
### Sources (Fiscal Year to Date: October 2016)



	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$37.9	\$39.7	\$41.1	\$40.9	\$0.2	1%
State Shared Revenues	17.4	18.3	19.7	19.4	0.4	2%
Property Tax	3.7	3.9	2.8	3.8	( 1.1)	(28%)
Charges for Service/Other	7.3	11.1	7.2	7.0	0.3	4%
Building Permit Fees & Charges	5.6	4.6	5.0	4.8	0.2	3%
Indirect/Direct Cost Allocations	2.1	2.0	2.2	2.1	-	-
Interest Earnings	0.4	0.4	0.5	0.5	-	-
Transfers In	4.2	4.3	4.4	4.0	0.4	10%
<b>Total Sources</b>	<b>\$78.6</b>	<b>\$84.3</b>	<b>\$82.9</b>	<b>\$82.5</b>	<b>\$0.4</b>	<b>0%</b>



**Taxes - Local (Fiscal Year to Date: October 2016)**

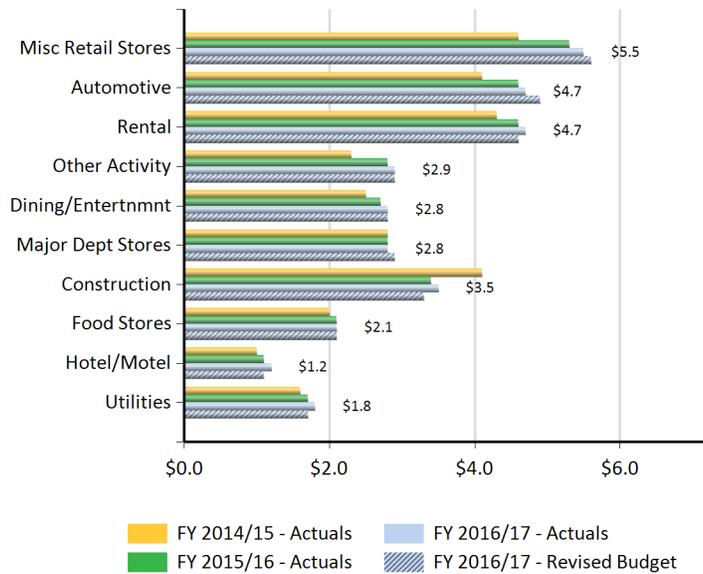


**Actual to Revised Budget variance of \$0.2 million or 1%:**  
 The favorable variance in Sales Tax (1.00%) is driven mostly by the construction, rental, hotel/motel and utilities categories (refer to page 5 for details) offset by unfavorable variances in the automotive and misc. retail stores categories. The unfavorable variance in Electric & Gas Franchise is due to the timing of the receipt of a Southwest Gas payment.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget	
					Favorable / (Unfavorable) Amount	Percent
Sales Tax (1.00%)	\$29.4	\$31.0	\$32.2	\$31.9	\$0.3	1%
Sales Tax - Public Safety (0.10%)	2.9	3.1	3.2	3.2	-	-
Electric & Gas Franchise	4.4	4.5	4.5	4.6	( 0.1)	(2%)
Cable TV License Fee	0.9	0.9	0.9	0.9	-	-
Stormwater Quality Charge	0.3	0.3	0.3	0.3	-	-
Salt River Project In Lieu	-	-	-	-	-	-
<b>Taxes - Local Total</b>	<b>\$37.9</b>	<b>\$39.7</b>	<b>\$41.1</b>	<b>\$40.9</b>	<b>\$0.2</b>	<b>1%</b>



Sales Tax (1.00%) (Fiscal Year to Date: October 2016)



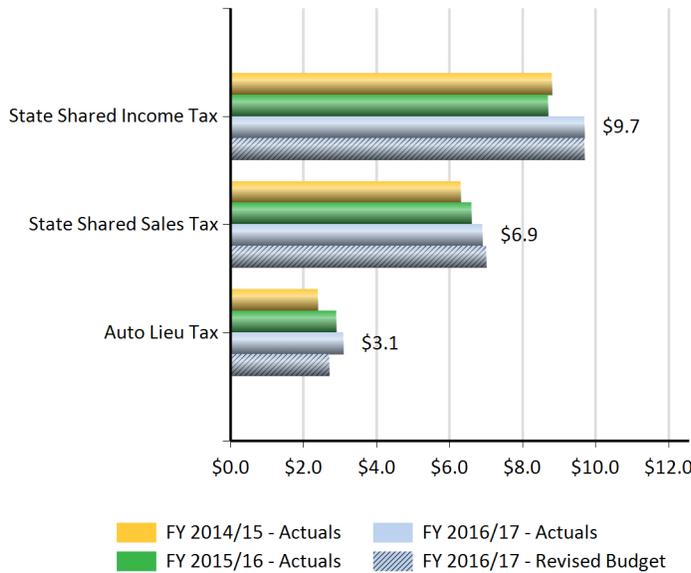
**Actual to Revised Budget variance of \$0.3 million or 1%:** The unfavorable variance in Misc. Retail Stores is due to decreased sales of home furnishings, building supplies and computer software/hardware. Automotive is unfavorable due to decreases in sales from the auto dealerships. The favorable variance in Rental is due to the unanticipated sale of an apartment complex. The favorable variance in Other Activity is due to normal business fluctuations. Construction is favorable due to an increase in residential construction. Hotel/Motel is favorable due to an increase in conventions taking place in the city. Finally, the favorable variance in Utilities is the result of reclassifying a taxpayer from the construction category.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	\$4.6	\$5.3	\$5.5	\$5.6	(\$0.1)	(1%)
Automotive	4.1	4.6	4.7	4.9	( 0.1)	(2%)
Rental	4.3	4.6	4.7	4.6	0.1	2%
Other Activity	2.3	2.8	2.9	2.9	0.1	2%
Dining/Entertainment	2.5	2.7	2.8	2.8	-	-
Major Dept Stores	2.8	2.8	2.8	2.9	-	-
Construction	4.1	3.4	3.5	3.3	0.2	6%
Food Stores*	2.0	2.1	2.1	2.1	-	-
Hotel/Motel	1.0	1.1	1.2	1.1	0.1	6%
Utilities	1.6	1.7	1.8	1.7	0.1	7%
<b>Sales Tax (1.00%) Total</b>	<b>\$29.4</b>	<b>\$31.0</b>	<b>\$32.2</b>	<b>\$31.9</b>	<b>\$0.3</b>	<b>1%</b>

\* YTD CIP transfer = \$0.7 million



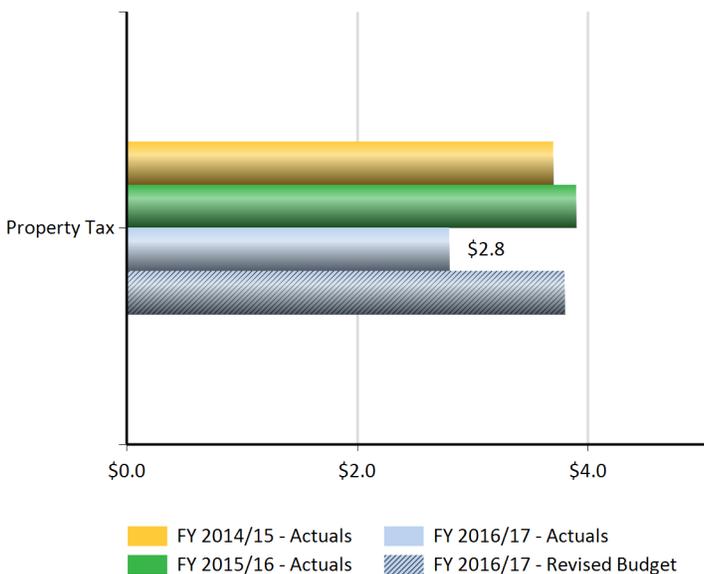
**State Shared Revenues (Fiscal Year to Date: October 2016)**



**Actual to Revised Budget variance of \$0.4 million or 2%:**  
The favorable variance in Auto Lieu Tax is due to higher than forecasted sales of new and used vehicles in prior months, which resulted in additional licensing fees being collected.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Income Tax	\$8.8	\$8.7	\$9.7	\$9.7	\$ -	-
State Shared Sales Tax	6.3	6.6	6.9	7.0	( 0.1)	(1%)
Auto Lieu Tax	2.4	2.9	3.1	2.7	0.4	17%
<b>State Shared Revenues Total</b>	<b>\$17.4</b>	<b>\$18.3</b>	<b>\$19.7</b>	<b>\$19.4</b>	<b>\$0.4</b>	<b>2%</b>

**Property Tax (Fiscal Year to Date: October 2016)**



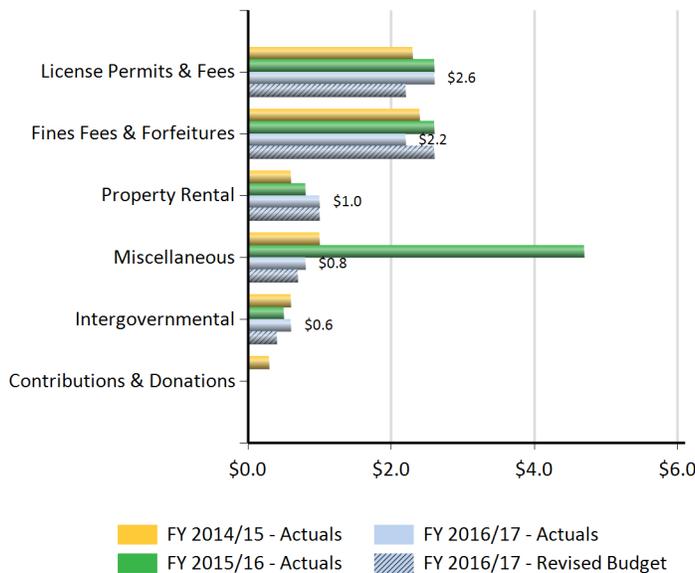
**Actual to Revised Budget variance of (\$1.1) million or (28%):**  
Property Tax is unfavorable due to timing. Property owners have the option to pay in one or two installments (October or October and April/May). The budget is based on the way taxpayers paid last year and may vary year over year.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$3.7	\$3.9	\$2.8	\$3.8	(\$1.1)	(28%)
<b>Property Tax Total</b>	<b>\$3.7</b>	<b>\$3.9</b>	<b>\$2.8</b>	<b>\$3.8</b>	<b>(\$1.1)</b>	<b>(28%)</b>

\$ in millions / rounding differences may occur



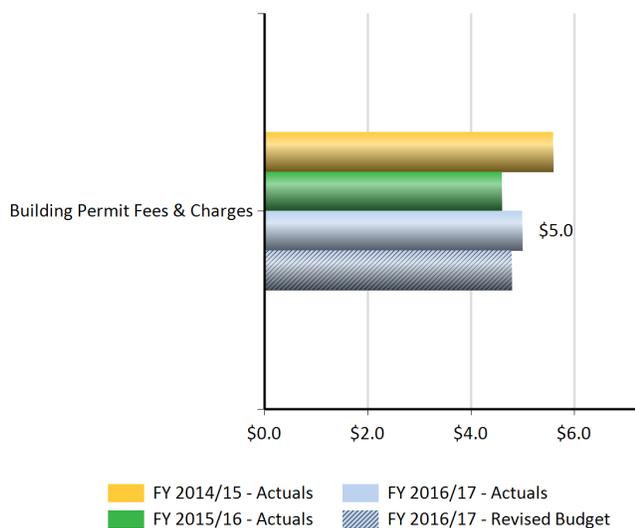
**Charges for Service/Other (Fiscal Year to Date: October 2016)**



**Actual to Revised Budget variance of \$0.3 million or 4%:**  
 The favorable variance in License Permits & Fees is due to Community Services having higher than forecasted stadium rental fees, aquatic lesson fees, recreation fees, and after school program revenues. It also includes the collection of FY 2015/16 rental fees by Westworld in the current year. The unfavorable variance in Fines, Fees & Forfeitures is mainly due to photo enforcement fees as a result of the cameras being off from mid-February to April. Miscellaneous has a favorable variance due to the reimbursement from the Boys and Girls Club of Greater Scottsdale for HVAC related expenditures and late charges associated with cell tower and dining licenses. Note: The FY 2015/16 actuals Miscellaneous include one-time revenue from the sale of the HR and graphics buildings. The favorable variance in Intergovernmental is related to the receipt of a School Resource Officer IGA payment earlier than anticipated.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
License Permits & Fees	\$2.3	\$2.6	\$2.6	\$2.2	\$0.4	16%
Fines Fees & Forfeitures	2.4	2.6	2.2	2.6	( 0.5)	(19%)
Property Rental	0.6	0.8	1.0	1.0	-	-
Miscellaneous	1.0	4.7	0.8	0.7	0.2	25%
Intergovernmental	0.6	0.5	0.6	0.4	0.2	55%
Contributions & Donations	0.3	-	-	-	-	-
<b>Charges for Service/Other Total</b>	<b>\$7.3</b>	<b>\$11.1</b>	<b>\$7.2</b>	<b>\$7.0</b>	<b>\$0.3</b>	<b>4%</b>

**Building Permit Fees & Charges (Fiscal Year to Date: October 2016)**



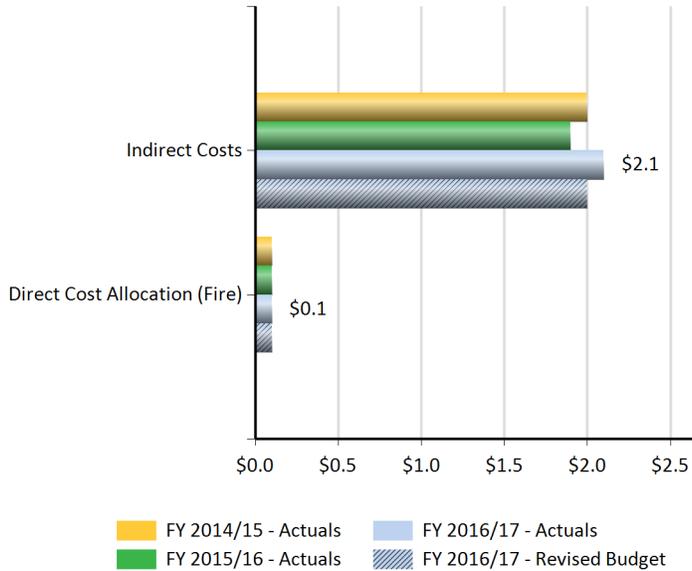
**Actual to Revised Budget variance of \$0.2 million or 3%:**  
 The favorable variance in Building Permit Fees & Charges is due to the increase in residential construction, following the state's upward trend in the real estate market as a result of positive job growth which drives a higher demand for homes while there is still a limited inventory.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Building Permit Fees & Charges	\$5.6	\$4.6	\$5.0	\$4.8	\$0.2	3%
<b>Building Permit Fees &amp; Charges Total</b>	<b>\$5.6</b>	<b>\$4.6</b>	<b>\$5.0</b>	<b>\$4.8</b>	<b>\$0.2</b>	<b>3%</b>



**Indirect/Direct Cost Allocations (Fiscal Year to Date: October 2016)**

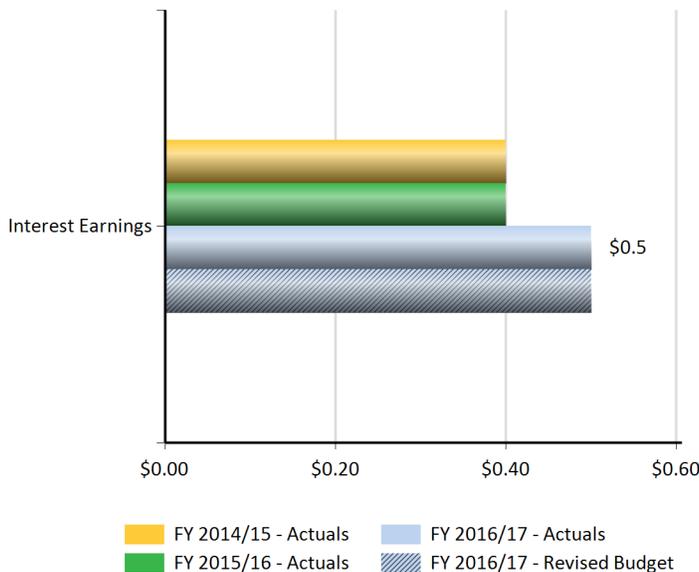
**Actual to Revised Budget variance of \$0.0 million or 0%:**  
No explanation is necessary.



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$2.0	\$1.9	\$2.1	\$2.0	\$ -	-
Direct Cost Allocation (Fire)	0.1	0.1	0.1	0.1	-	-
<b>Indirect/Direct Cost Allocations Total</b>	<b>\$2.1</b>	<b>\$2.0</b>	<b>\$2.2</b>	<b>\$2.1</b>	<b>\$ -</b>	<b>-</b>

**Interest Earnings (Fiscal Year to Date: October 2016)**

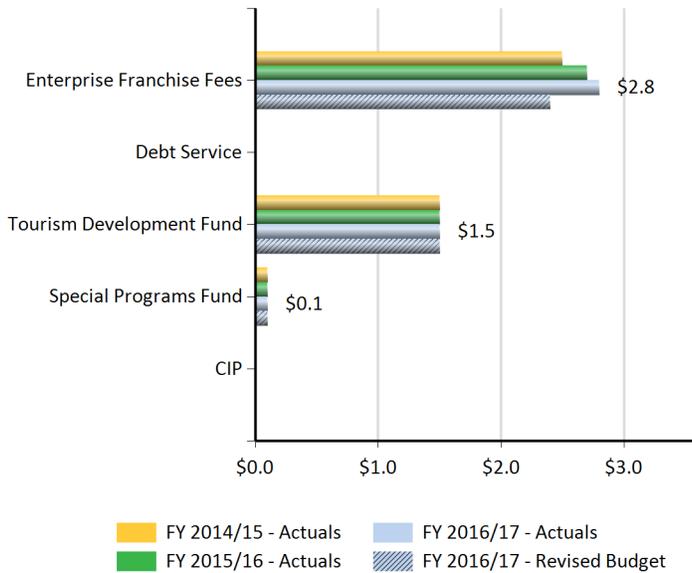
**Actual to Revised Budget variance of \$0.0 million or 0%:**  
No explanation is necessary.



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$0.4	\$0.4	\$0.5	\$0.5	\$ -	-
<b>Interest Earnings Total</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.5</b>	<b>\$0.5</b>	<b>\$ -</b>	<b>-</b>



**Transfers In (Fiscal Year to Date: October 2016)**



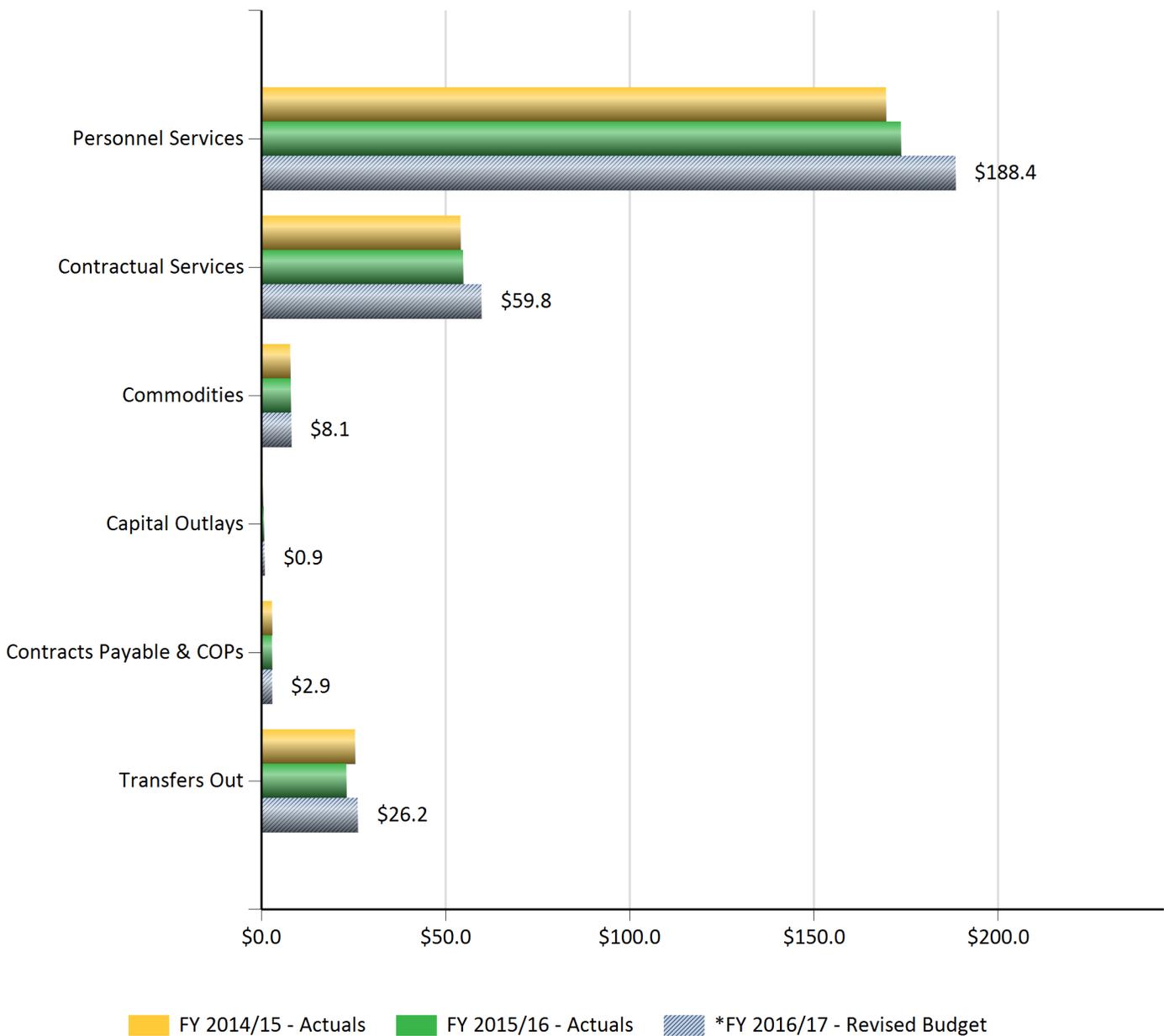
**Actual to Revised Budget variance of \$0.4 million or 10%:** Favorable variance is related to higher Enterprise Franchise Fees due to higher revenue collected in the Water & Water Reclamation Fund than anticipated, which consequently affects the transfers in to the General Fund. This increase is the result of greater water deliveries compared to the three year running average.

	FY 2014/15 <u>Actuals</u>	FY 2015/16 <u>Actuals</u>	FY 2016/17 <u>Actuals</u>	FY 2016/17 <u>Revised Budget</u>	Actual vs. Budget Favorable / (Unfavorable)	
					<u>Amount</u>	<u>Percent</u>
Enterprise Franchise Fees	\$2.5	\$2.7	\$2.8	\$2.4	\$0.4	16%
Debt Service	-	-	-	-	-	-
Tourism Development Fund	1.5	1.5	1.5	1.5	-	-
Special Programs Fund	0.1	0.1	0.1	0.1	-	-
CIP	-	-	-	-	-	-
<b>Transfers In Total</b>	<b>\$4.2</b>	<b>\$4.3</b>	<b>\$4.4</b>	<b>\$4.0</b>	<b>\$0.4</b>	<b>10%</b>



# Uses

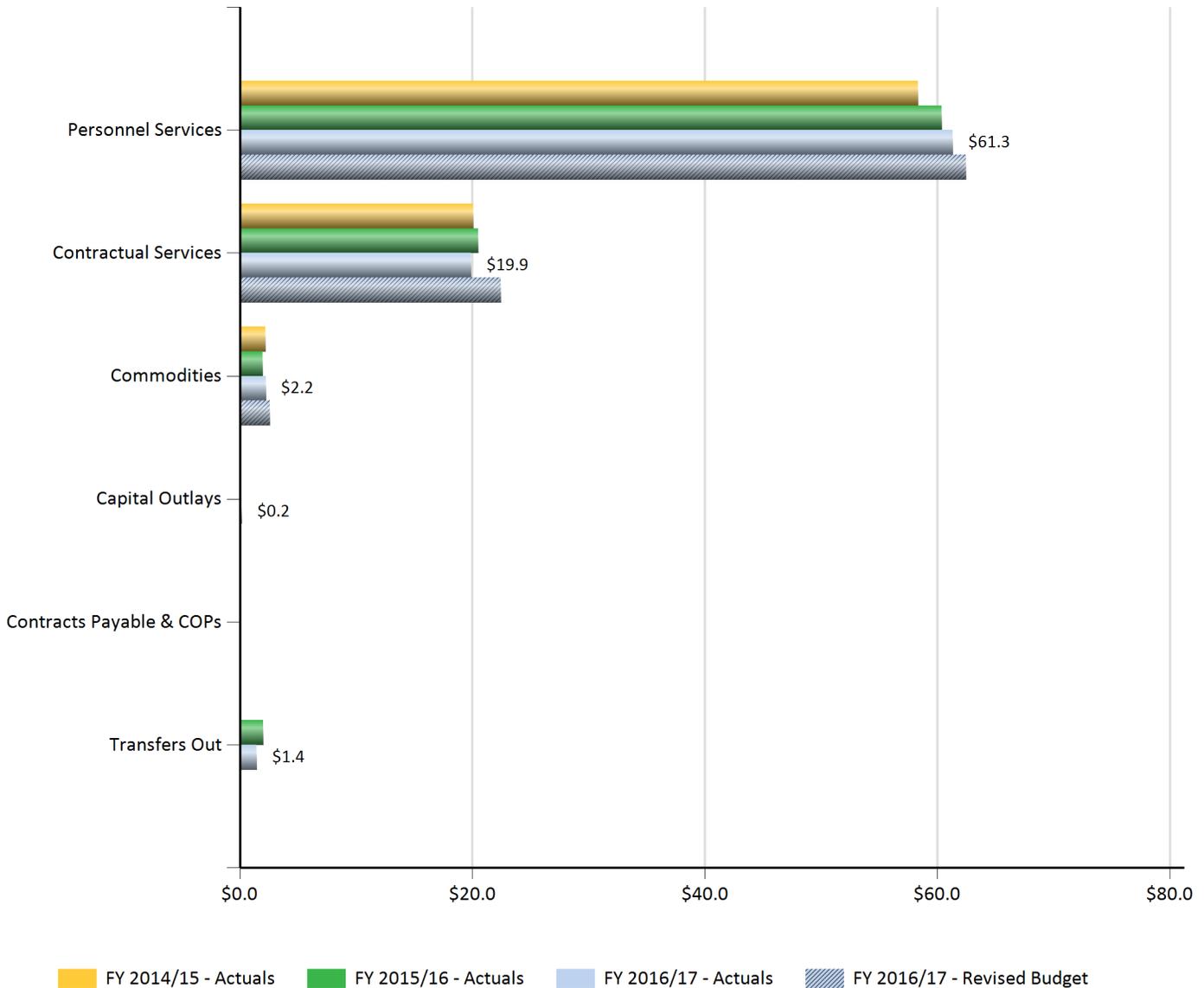
## Twelve Months: Fiscal Year



\*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, and compensation adjustments.



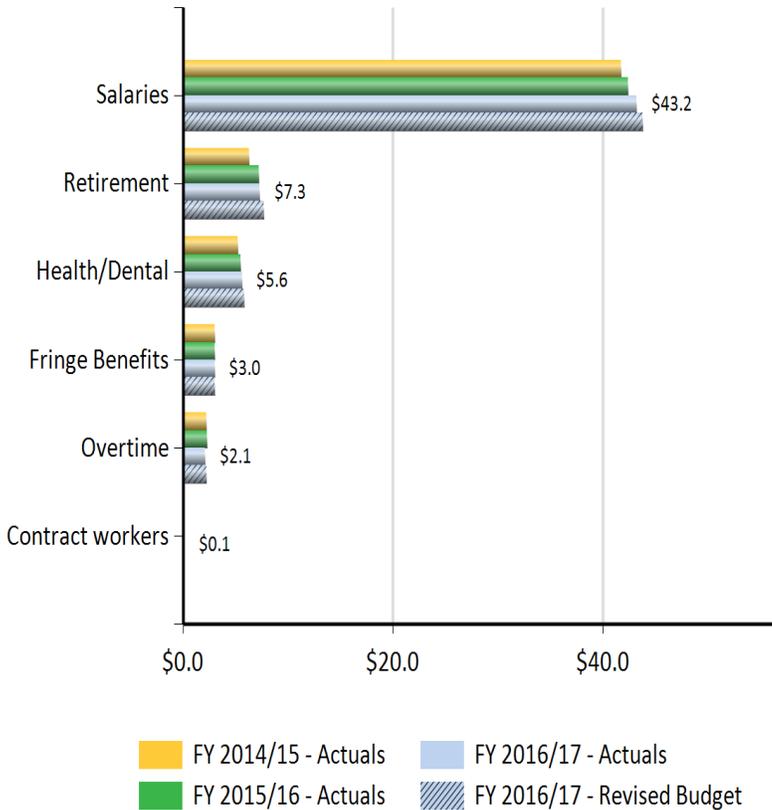
Uses (Fiscal Year to Date: October 2016)



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Personnel Services	\$58.3	\$60.4	\$61.3	\$62.5	\$1.2	2%
Contractual Services	20.1	20.5	19.9	22.4	2.6	11%
Commodities	2.2	1.9	2.2	2.6	0.3	14%
Capital Outlays	-	-	0.2	-	( 0.1)	nm
Contracts Payable & COPs	-	-	-	-	-	-
Transfers Out	-	2.0	1.4	-	( 1.4)	n/a
<b>Total Uses</b>	<b>\$80.7</b>	<b>\$84.8</b>	<b>\$85.0</b>	<b>\$87.5</b>	<b>\$2.5</b>	<b>3%</b>



Personnel Services (Fiscal Year to Date: October 2016)



**Actual to Revised Budget variance of \$1.2 million or 2%:**  
 The favorable variance in Personnel Services is due primarily to a savings in both Salaries and Retirement. Salaries is favorable due to Police and Fire retirements/promotions, and Community Services having higher than expected turnover. This brings in new staff who earn less than previous incumbents. In addition, Police has pipeline part-time savings from cadets being placed in full-time officer positions and part-time positions not being filled as quickly as expected. The favorable variance in Retirement is related to more sworn Police employees entering the Deferred Retirement Option Program (DROP) than expected. Additionally, the Fire Insurance Premium Tax Credit amount received was more than anticipated which means the city's Fire retirement costs will be lower than projected. Finally, savings in salaries and overtime have a correlating impact on retirement. Police has a large favorable variance in overtime due to dynamic staffing and deployment efficiencies. This is offset by a large unfavorable variance in Fire overtime which currently has 16 sworn employees out on various leaves due to injuries or FMLA, one vacant firefighter position and two additional positions considered vacant because their planned occupants are currently in the academy. Fire has also seen increased leave usage for staff training in Advanced Life Support and currently has 16 sworn staff attending paramedic school to alleviate ongoing overtime impacts related to this leave. The Fire unfavorable variance is expected to continue into future periods. Finally, there is a citywide favorable impact in Health/Dental due to differing plan selections occurring after each position had been budgeted and adopted.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Salaries	\$41.7	\$42.4	\$43.2	\$43.8	\$0.5	1%
Retirement	6.3	7.2	7.3	7.7	0.4	5%
Health/Dental	5.2	5.5	5.6	5.8	0.1	3%
Fringe Benefits	3.0	3.0	3.0	3.0	-	-
Overtime	2.2	2.3	2.1	2.2	0.1	4%
Contract workers	0.1	-	0.1	0.1	-	-
<b>Personnel Services Total</b>	<b>\$58.3</b>	<b>\$60.4</b>	<b>\$61.3</b>	<b>\$62.5</b>	<b>\$1.2</b>	<b>2%</b>

Macro Personnel Adjustments

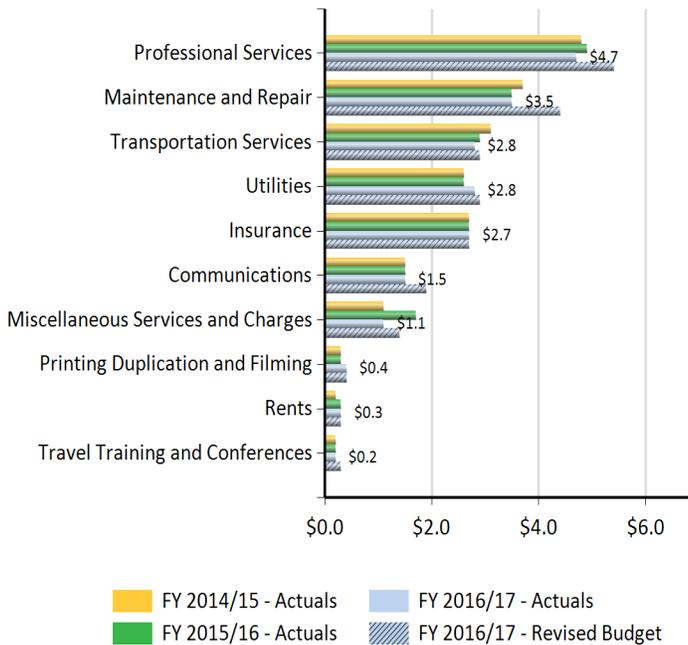
	2014/15 Actual	2015/16 Actual	2016/17 Adopted Budget	2016/17 Year-To-Date	
				Saved/(Used)	Remaining
3% Pay for Performance	\$4.6	\$3.0	\$2.6	(\$2.6)	\$ -
5% Step - Fire	-	-	0.9	(0.9)	-
5% Step - Police	-	-	1.3	(1.3)	-
Retirement Savings	-	(0.8)	-	0.3	0.3
Vacancy Savings	(3.8)	(4.8)	(3.9)	1.8	(2.1)
Medical Leave Payouts	1.6	1.0	1.0	(0.7)	0.3
Vacation Leave Payouts	0.7	0.9	0.9	(0.3)	0.6
<b>Total Vacancy Savings/Payouts</b>	<b>\$3.1</b>	<b>(\$0.6)</b>	<b>\$2.9</b>	<b>(\$3.7)</b>	<b>(\$0.8)</b>

**Total Saved/(Used) YTD of (\$3.7) million:** The city has achieved \$1.8 million in vacancy savings year-to-date offset by \$1.1 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 3 percent pay program based on performance; a 5 percent step program for Firefighters, Fire Engineers and Fire Captains; and a 5 percent step program for Police Officers.

\$ in millions / rounding differences may occur



Contractual Services (Fiscal Year to Date: October 2016)



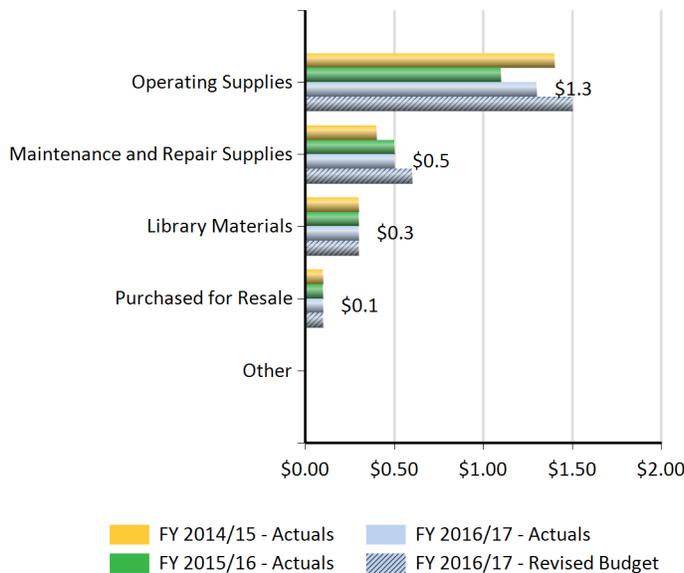
**Actual to Revised Budget variance of \$2.6 million or 11%:**

The favorable variance in Contractual Services is due largely to Professional Services, Maintenance and Repair and Communications. Professional Services is favorable due to a timing issue by Police in payment of the jail services contract. Additionally, the photo radar program was suspended in the spring for two months which is having an impact now. The cost of administering this program was lower in July and August due to fewer tickets issued. Another factor contributing to the favorable status is the delay in commencing the Scottsdale Cultural Council facility improvement project. Finally, Westworld is favorable in this area due to a marketing fee that was lower than anticipated. Maintenance and Repair is favorable due to the timing of several major facilities maintenance projects in Public Works and Community Services and that of the payment of IT invoices for software and hardware. Communications is favorable due to the invoice timing of specialty lines in Police. Additionally, there is a favorable variance in Utilities (electric, gas, water, sewer) due to a reduction in summer usage. There is also a favorable variance in Miscellaneous due to Arizona Department of Revenue administrative charges being less than anticipated. Other favorable variances are related to timing in the payments of invoices and to spending less year-to-date than anticipated.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Professional Services	\$4.8	\$4.9	\$4.7	\$5.4	\$0.6	12%
Maintenance and Repair	3.7	3.5	3.5	4.4	1.0	22%
Transportation Services	3.1	2.9	2.8	2.9	-	-
Utilities	2.6	2.6	2.8	2.9	0.1	5%
Insurance	2.7	2.7	2.7	2.7	-	-
Communications	1.5	1.5	1.5	1.9	0.4	22%
Miscellaneous Services and Charges	1.1	1.7	1.1	1.4	0.2	18%
Printing Duplication and Filming	0.3	0.3	0.4	0.4	-	-
Rents	0.2	0.3	0.3	0.3	0.1	17%
Travel Training and Conferences	0.2	0.2	0.2	0.3	0.1	40%
<b>Contractual Services Total</b>	<b>\$20.1</b>	<b>\$20.5</b>	<b>\$19.9</b>	<b>\$22.4</b>	<b>\$2.6</b>	<b>11%</b>



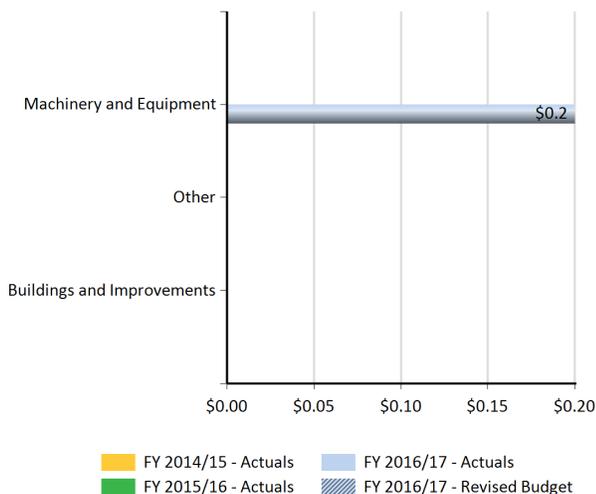
**Commodities (Fiscal Year to Date: October 2016)**



**Actual to Revised Budget variance of \$0.3 million or 14%:**  
The favorable variance in Commodities is primarily due to timing.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Operating Supplies	\$1.4	\$1.1	\$1.3	\$1.5	\$0.2	14%
Maintenance and Repair Supplies	0.4	0.5	0.5	0.6	0.1	18%
Library Materials	0.3	0.3	0.3	0.3	-	-
Purchased for Resale	0.1	0.1	0.1	0.1	-	-
Other	-	-	-	-	-	-
<b>Commodities Total</b>	<b>\$2.2</b>	<b>\$1.9</b>	<b>\$2.2</b>	<b>\$2.6</b>	<b>\$0.3</b>	<b>14%</b>

**Capital Outlays (Fiscal Year to Date: October 2016)**



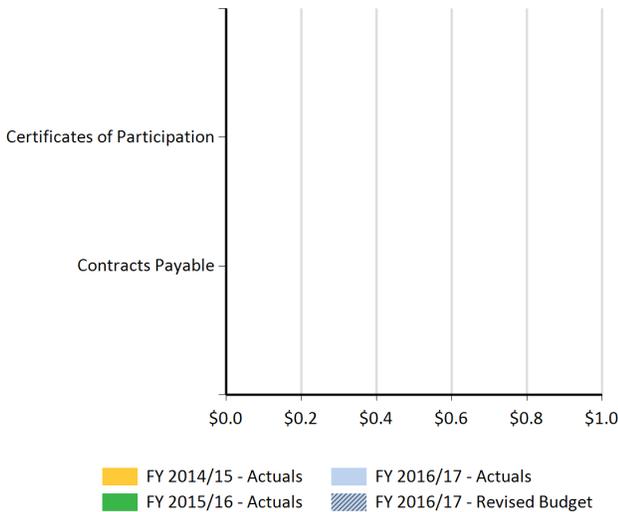
**Actual to Revised Budget variance of (\$0.1) million or nm:**  
The unfavorable variance is due to playground equipment replacement at Indian School Park occurring before the budgeted period.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Machinery and Equipment	\$ -	\$ -	\$0.2	\$ -	(\$0.1)	nm
Other	-	-	-	-	-	n/a
Buildings and Improvements	-	-	-	-	-	-
<b>Capital Outlays Total</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.2</b>	<b>\$0.0</b>	<b>(\$0.1)</b>	<b>nm</b>



**Contracts Payable & COPs (Fiscal Year to Date: October 2016)**

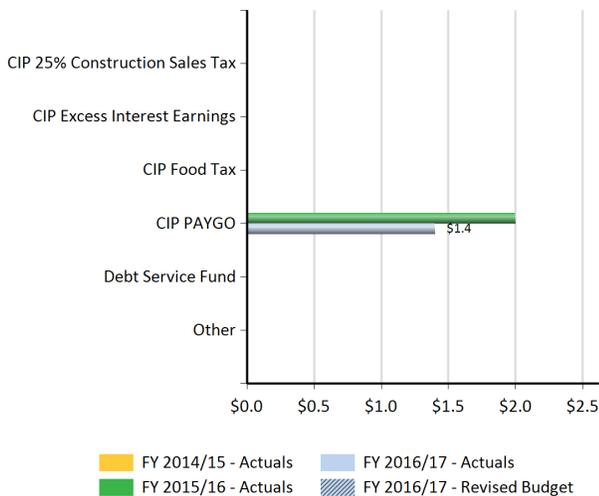
**Actual to Revised Budget variance of \$0.0 million or 0%:**  
No explanation is necessary.



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contracts Payable	-	-	-	-	-	-
<b>Contracts Payable &amp; COPs Total</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$ -</b>	<b>-</b>

**Transfers Out (Fiscal Year to Date: October 2016)**

**Actual to Revised Budget variance of (\$1.4) million or n/a:**  
The Unfavorable variance is due to a transfer from the General Fund operating budget unreserved fund balance to the newly created Fire Self Contained Breathing (SCBA) Replacement capital project, per Council approval.

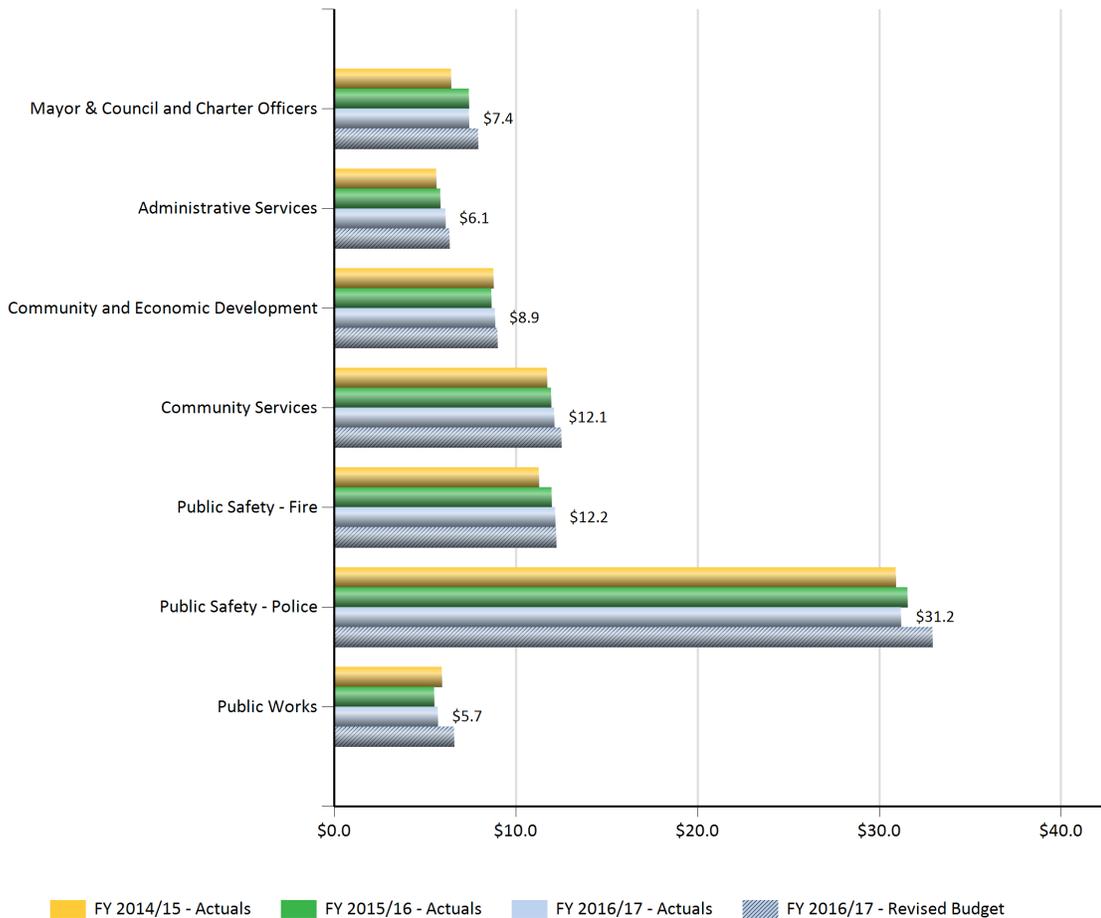


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
CIP 25% Construction Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
CIP PAYGO	-	2.0	1.4	-	( 1.4)	n/a
Debt Service Fund	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Transfers Out Total</b>	<b>\$0.0</b>	<b>\$2.0</b>	<b>\$1.4</b>	<b>\$0.0</b>	<b>(\$1.4)</b>	<b>n/a</b>

\$ in millions / rounding differences may occur



### Division Expenditures (Fiscal Year to Date: October 2016)



	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$6.4	\$7.4	\$7.4	\$7.9	\$0.5	7%
Administrative Services	5.6	5.8	6.1	6.3	0.2	4%
Community and Economic Development	8.8	8.6	8.9	9.0	0.1	2%
Community Services	11.7	11.9	12.1	12.5	0.4	3%
Public Safety - Fire	11.3	12.0	12.2	12.2	0.1	1%
Public Safety - Police	30.9	31.6	31.2	32.9	1.7	5%
Public Works	5.9	5.5	5.7	6.6	0.9	14%
<b>Total</b>	<b>\$80.7</b>	<b>\$82.8</b>	<b>\$83.6</b>	<b>\$87.5</b>	<b>\$4.0</b>	<b>5%</b>

**Actual to Revised Budget variance of \$4.0 million or 5%:** The primary and most noteworthy item contributing to the favorable variance in Mayor & Council and Charter Officers is the Arizona Department of Revenue administrative charge being less than anticipated in the City Treasurer's Office. The favorable variance is also due to the City Clerk having expenses come in less than projected. The favorable variance in Administrative Services is mainly driven by lower than expected tuition reimbursement costs and invoice timing. The favorable variance in Community Services is related to the timing of maintenance projects. The favorable variance in Public Safety-Fire is associated with staff turning over due to retirements/promotions resulting in new staff coming in at lower cost, and a higher than expected Fire Insurance Premium Tax Credit. These savings are mostly offset by overtime costs needed to cover for sworn employees on various leaves due to injuries or FMLA. For Public Safety-Police, the favorable variance is related to additional personnel entering the DROP program, which means retirement is no longer paid, creating a savings. In addition, staff is turning over due to retirement/promotions resulting in new staff coming in at lower cost. There are also savings in overtime related to dynamic staffing and deployment efficiencies, timing in the payment of the jail services contract and other invoices and the temporary suspension of the photo radar program resulting in fewer tickets being processed. Finally, the favorable variance in Public Works is due to utilities savings and to the timing of major facility maintenance and repair projects, which have not yet started.

\$ in millions / rounding differences may occur