



Monthly Financial Report

Fiscal Year to Date

as of January 31, 2017

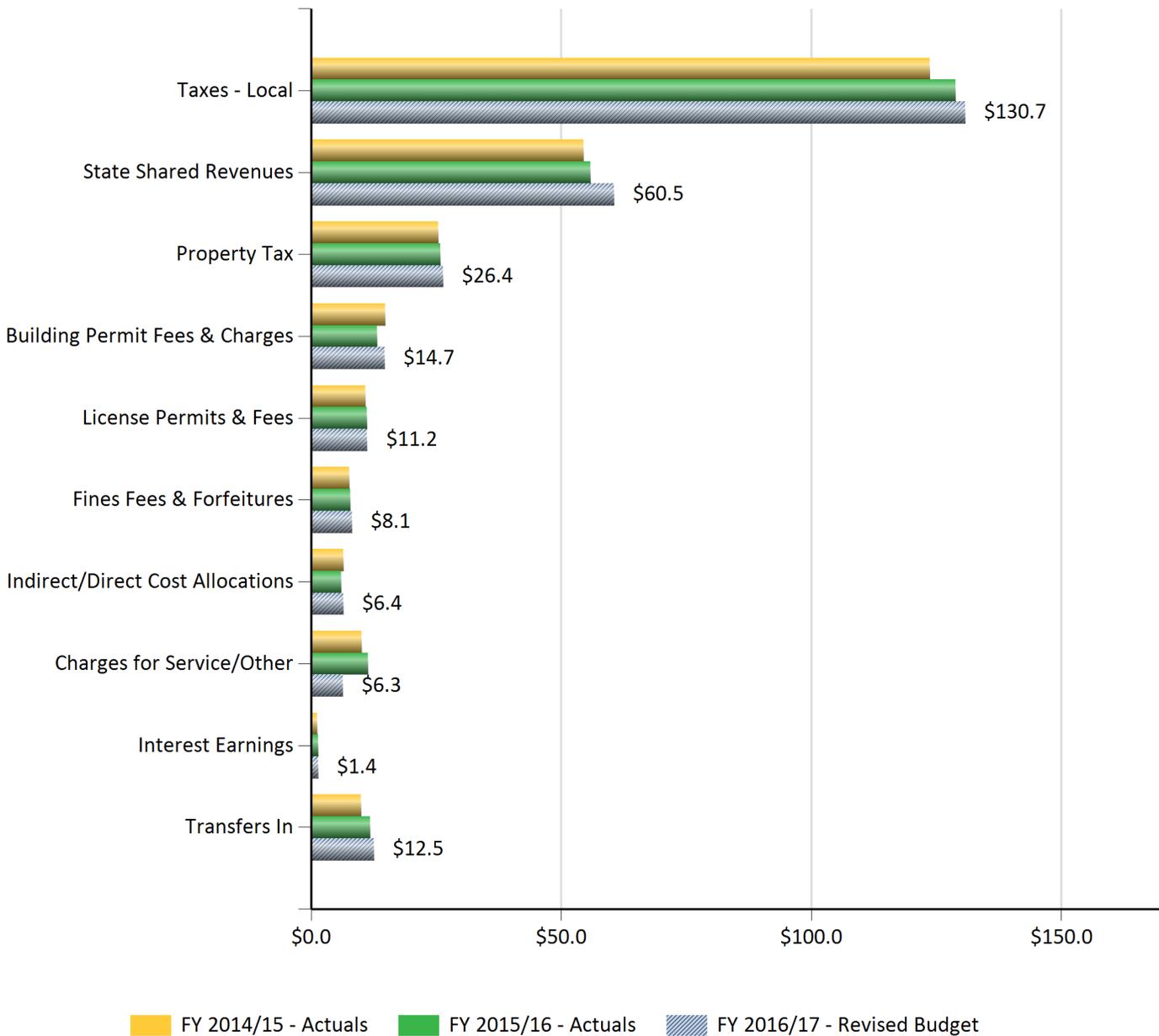
Scottsdale Airport Operations Center

Report to the City Council
Prepared by the City Treasurer
March 21, 2017



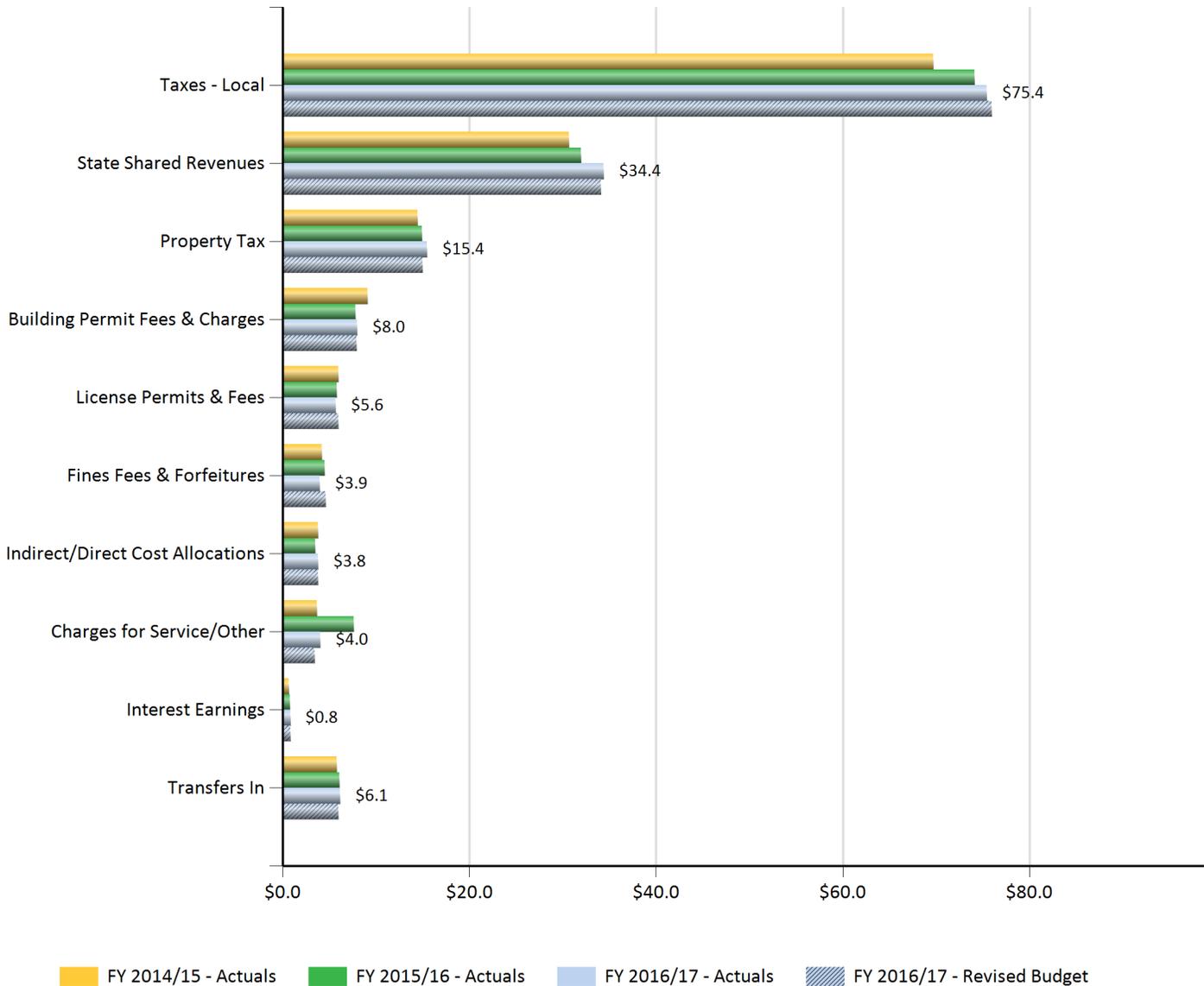
Sources

Twelve Months: Fiscal Year





Sources (Fiscal Year to Date: January 2017)

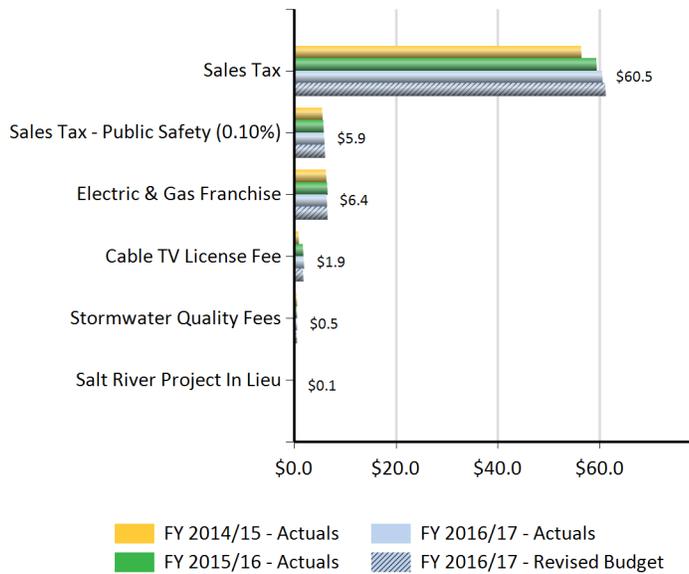


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$69.7	\$74.1	\$75.4	\$75.9	(\$0.5)	(1%)
State Shared Revenues	30.7	32.0	34.4	34.1	0.3	1%
Property Tax	14.4	14.9	15.4	15.0	0.5	3%
Building Permit Fees & Charges	9.0	7.8	8.0	7.9	-	-
License Permits & Fees	6.0	5.8	5.6	5.9	(0.3)	(5%)
Fines Fees & Forfeitures	4.2	4.5	3.9	4.6	(0.6)	(14%)
Indirect/Direct Cost Allocations	3.8	3.5	3.8	3.7	-	-
Charges for Service/Other	3.6	7.6	4.0	3.4	0.6	18%
Interest Earnings	0.6	0.7	0.8	0.8	-	-
Transfers In	5.8	6.0	6.1	5.9	0.2	3%
Total Sources	\$147.8	\$156.9	\$157.5	\$157.2	\$0.2	0%

\$ in millions / rounding differences may occur



Taxes - Local (Fiscal Year to Date: January 2017)

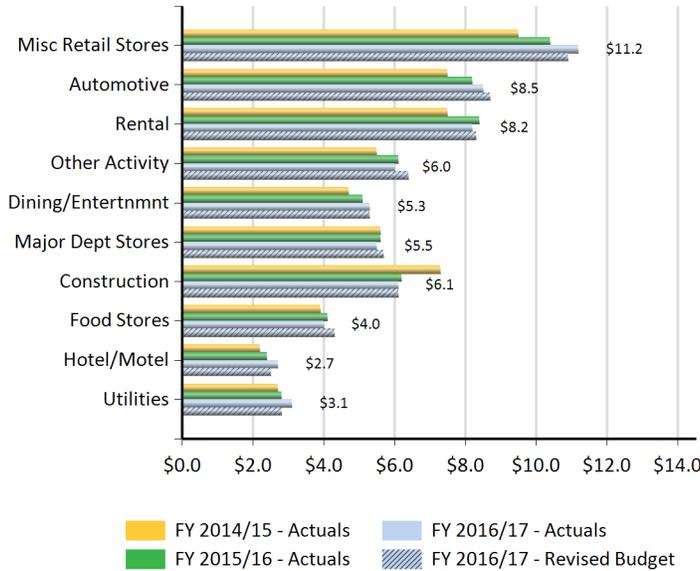


Actual to Revised Budget variance of (\$0.5) million or (1%):
 The unfavorable variance is primarily driven by Sales Tax. See detailed Sales Tax information by category on page 5.

	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	\$56.3	\$59.4	\$60.5	\$61.1	(\$0.6)	(1%)
Sales Tax - Public Safety (0.10%)	5.5	5.8	5.9	6.0	-	-
Electric & Gas Franchise	6.3	6.5	6.4	6.6	(0.1)	(2%)
Cable TV License Fee	0.9	1.8	1.9	1.8	0.1	7%
Stormwater Quality Fees	0.5	0.5	0.5	0.5	-	-
Salt River Project In Lieu	0.1	0.1	0.1	-	0.1	n/a
Taxes - Local Total	\$69.7	\$74.1	\$75.4	\$75.9	(\$0.5)	(1%)



Sales Tax (Fiscal Year to Date: January 2017)



Actual to Revised Budget variance of (\$0.6) million or (1%):

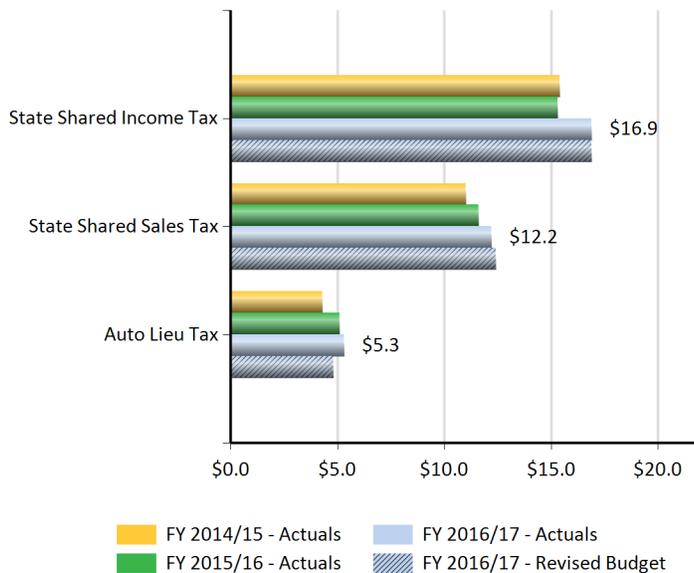
The favorable variance in Misc Retail Stores is due to normal business fluctuations. The unfavorable variance in Automotive is due to decreases in sales from the auto dealerships in recent months. Other Activity is unfavorable due primarily to a decrease in annual tax license renewal payments. The unfavorable variance in Major Dept. Stores is due to lower than anticipated holiday sales. The unfavorable variance in Construction is due to normal business fluctuations. The unfavorable variance in Food Stores is due to late sales tax payments. 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	\$9.5	\$10.4	\$11.2	\$10.9	\$0.3	2%
Automotive	7.5	8.2	8.5	8.7	(0.2)	(2%)
Rental	7.5	8.4	8.2	8.3	-	-
Other Activity	5.5	6.1	6.0	6.4	(0.3)	(5%)
Dining/Entertainment	4.7	5.1	5.3	5.3	-	-
Major Dept Stores	5.6	5.6	5.5	5.7	(0.3)	(5%)
Construction	7.3	6.2	6.1	6.1	(0.1)	(1%)
Food Stores*	3.9	4.1	4.0	4.3	(0.3)	(8%)
Hotel/Motel	2.2	2.4	2.7	2.5	0.1	5%
Utilities	2.7	2.8	3.1	2.8	0.3	9%
Sales Tax Total	\$56.3	\$59.4	\$60.5	\$61.1	(\$0.6)	(1%)

*YTD CIP Transfer = \$1.3 Million



State Shared Revenues (Fiscal Year to Date: January 2017)

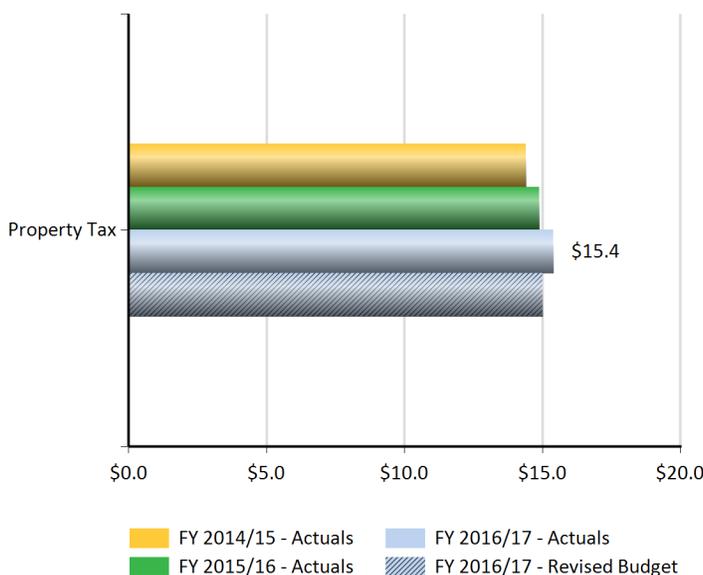


Actual to Revised Budget variance of \$0.3 million or 1%:

The unfavorable variance in State Shared Sales Tax is due to lower than expected revenues. The favorable variance in Auto Lieu Tax is primarily due to January's budget spread. Additionally, the favorable Auto Lieu Tax variance is due to higher than forecasted sales of new and used vehicles in June 2016, which resulted in additional licensing fees being collected after a 60 day lag in FY 2016/17. The variance related to the lag is expected to carry through the rest of the year, but the auto sales trend has slowed a great deal, likely moderating the variance as the year progresses.

	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	\$15.4	\$15.3	\$16.9	\$16.9	\$ -	-
State Shared Sales Tax	11.0	11.6	12.2	12.4	(0.2)	(2%)
Auto Lieu Tax	4.3	5.1	5.3	4.8	0.5	11%
State Shared Revenues Total	\$30.7	\$32.0	\$34.4	\$34.1	\$0.3	1%

Property Tax (Fiscal Year to Date: January 2017)



Actual to Revised Budget variance of \$0.5 million or 3%:

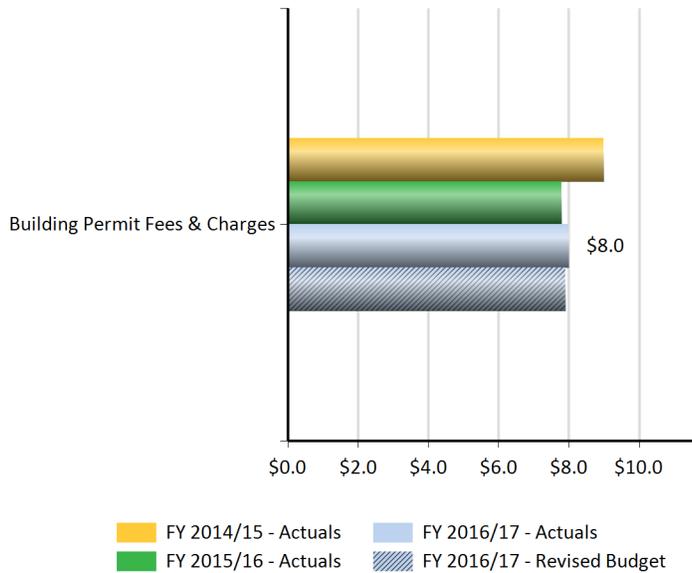
Property Tax is favorable due to timing. Property owners have the option to pay in one or two installments (October or October and April/May). The budget is based on the way taxpayers paid last year and may vary year over year.

	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	\$14.4	\$14.9	\$15.4	\$15.0	\$0.5	3%
Property Tax Total	\$14.4	\$14.9	\$15.4	\$15.0	\$0.5	3%



Building Permit Fees & Charges (Fiscal Year to Date: January 2017)

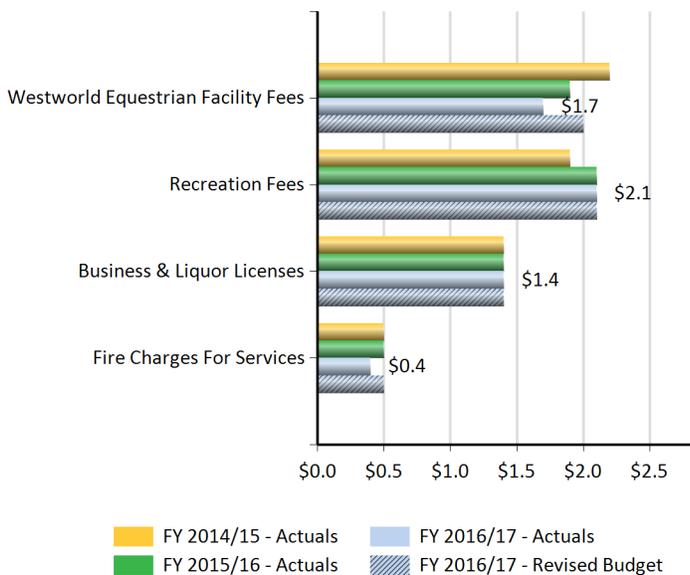
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation is necessary.



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$9.0	\$7.8	\$8.0	\$7.9	\$ -	-
Building Permit Fees & Charges Total	\$9.0	\$7.8	\$8.0	\$7.9	\$ -	-

License Permits & Fees (Fiscal Year to Date: January 2017)

Actual to Revised Budget variance of (\$0.3) million or (5%):
Unfavorable variance is mainly due lower than expected WestWorld revenue. The largest driver of this falls under WestWorld Equestrian Facility Fees where bedding sales revenue is lower than anticipated for the Sun Country event and timing issues are occurring with Equidome fee payments.

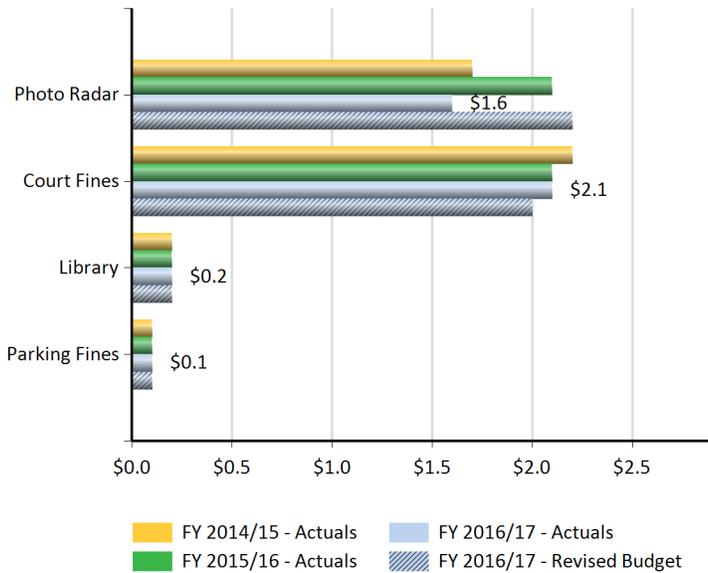


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$2.2	\$1.9	\$1.7	\$2.0	(\$0.2)	(13%)
Recreation Fees	1.9	2.1	2.1	2.1	-	-
Business & Liquor Licenses	1.4	1.4	1.4	1.4	-	-
Fire Charges For Services	0.5	0.5	0.4	0.5	(0.1)	(18%)
License Permits & Fees Total	\$6.0	\$5.8	\$5.6	\$5.9	(\$0.3)	(5%)

\$ in millions / rounding differences may occur



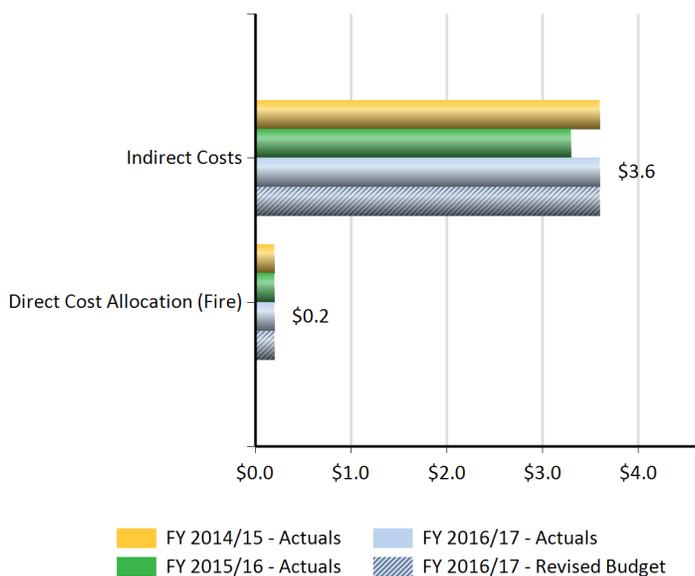
Fines Fees & Forfeitures (Fiscal Year to Date: January 2017)



Actual to Revised Budget variance of (\$0.6) million or (14%): Unfavorable variance is mainly due to Photo Radar fees as a result of the cameras being off from mid-February to April in FY 2015/16 which has a lag on when tickets are paid and revenues received impacting FY 2016/17.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Photo Radar	\$1.7	\$2.1	\$1.6	\$2.2	(\$0.7)	(31%)
Court Fines	2.2	2.1	2.1	2.0	0.1	6%
Library	0.2	0.2	0.2	0.2	-	-
Parking Fines	0.1	0.1	0.1	0.1	-	-
Fines Fees & Forfeitures Total	\$4.2	\$4.5	\$3.9	\$4.6	(\$0.6)	(14%)

Indirect/Direct Cost Allocations (Fiscal Year to Date: January 2017)



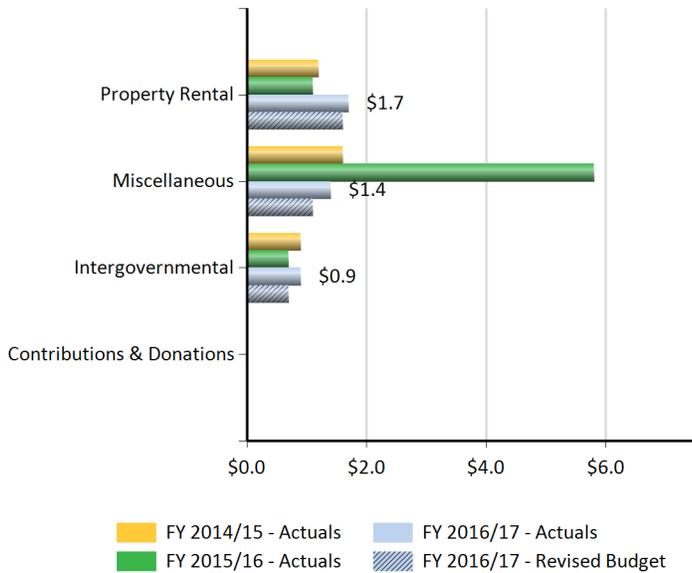
Actual to Revised Budget variance of \$0.0 million or 0%: No explanation is necessary.

	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	\$3.6	\$3.3	\$3.6	\$3.6	\$ -	-
Direct Cost Allocation (Fire)	0.2	0.2	0.2	0.2	-	-
Indirect/Direct Cost Allocations Total	\$3.8	\$3.5	\$3.8	\$3.7	\$ -	-

\$ in millions / rounding differences may occur



Charges for Service/Other (Fiscal Year to Date: January 2017)

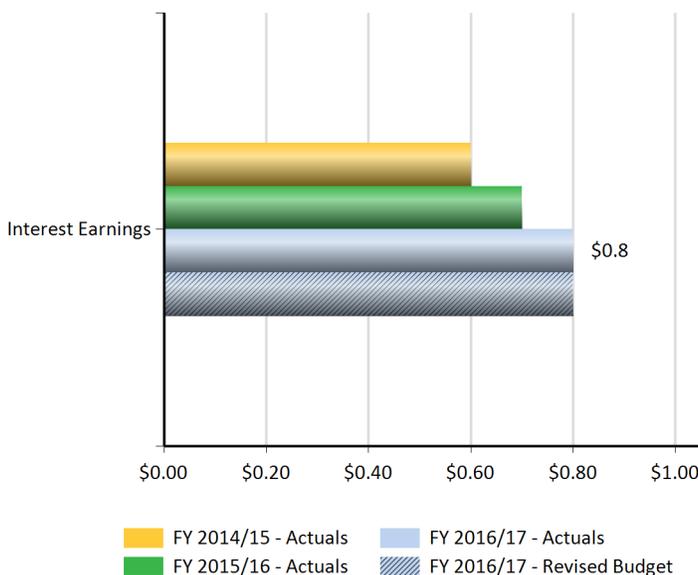


Actual to Revised Budget variance of \$0.6 million or 18%:

The favorable variance in Property Rental is due to a recovery of expense related to stadium usage in FY 2015/16. The favorable variance in Miscellaneous is primarily due to a reimbursement from the Boys and Girls Club of Greater Scottsdale for HVAC related expenditures and late charges associated with cell tower and dining licenses. Additionally, contributing to the favorable variance is a timing issue in Intergovernmental associated with an agreement with Scottsdale Unified School District for payment for School Resource Officers. The FY 2015/16 actuals Miscellaneous include one-time revenue from the sale of the HR and graphics buildings.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Property Rental	\$1.2	\$1.1	\$1.7	\$1.6	\$0.1	5%
Miscellaneous	1.6	5.8	1.4	1.1	0.3	30%
Intergovernmental	0.9	0.7	0.9	0.7	0.2	30%
Contributions & Donations	-	-	-	-	-	-
Charges for Service/Other Total	\$3.6	\$7.6	\$4.0	\$3.4	\$0.6	18%

Interest Earnings (Fiscal Year to Date: January 2017)



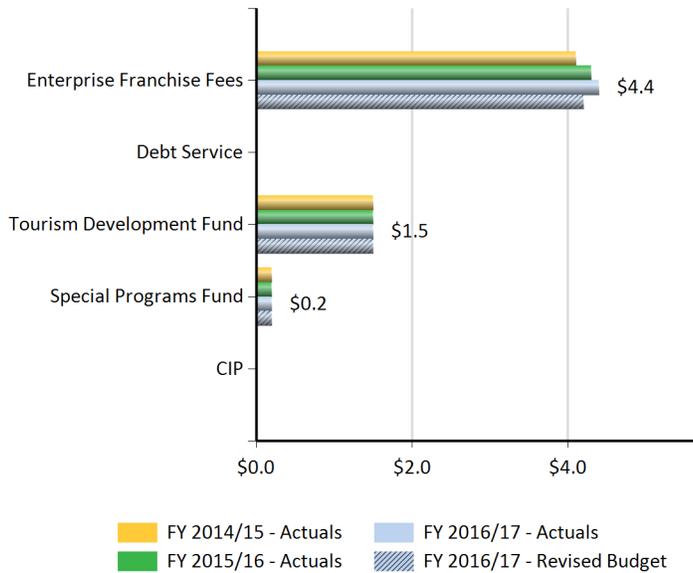
Actual to Revised Budget variance of \$0.0 million or 0%:

No explanation is necessary

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$0.6	\$0.7	\$0.8	\$0.8	\$ -	-
Interest Earnings Total	\$0.6	\$0.7	\$0.8	\$0.8	\$ -	-



Transfers In (Fiscal Year to Date: January 2017)



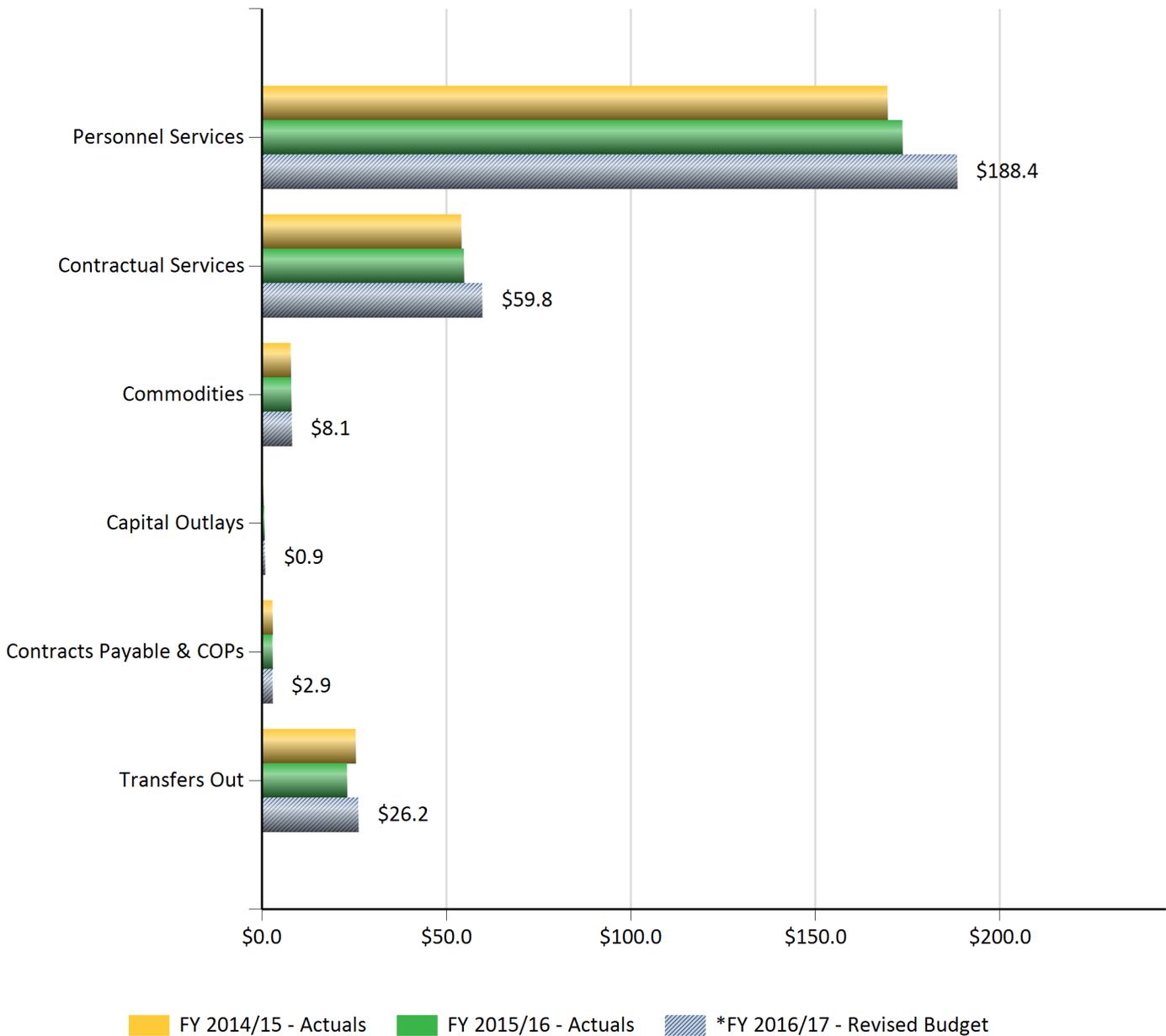
Actual to Revised Budget variance of \$0.2 million or 3%:
 The favorable variance is the result of higher Enterprise Franchise Fees due to higher revenue collected in the Water & Water Reclamation Fund than anticipated, which consequently affects the transfers into the General Fund. This increase is the result of greater water deliveries compared to the three year running average.

	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>
Enterprise Franchise Fees	\$4.1	\$4.3	\$4.4	\$4.2	\$0.2	5%
Debt Service	-	-	-	-	-	-
Tourism Development Fund	1.5	1.5	1.5	1.5	-	-
Special Programs Fund	0.2	0.2	0.2	0.2	-	-
CIP	-	-	-	-	-	-
Transfers In Total	\$5.8	\$6.0	\$6.1	\$5.9	\$0.2	3%



Uses

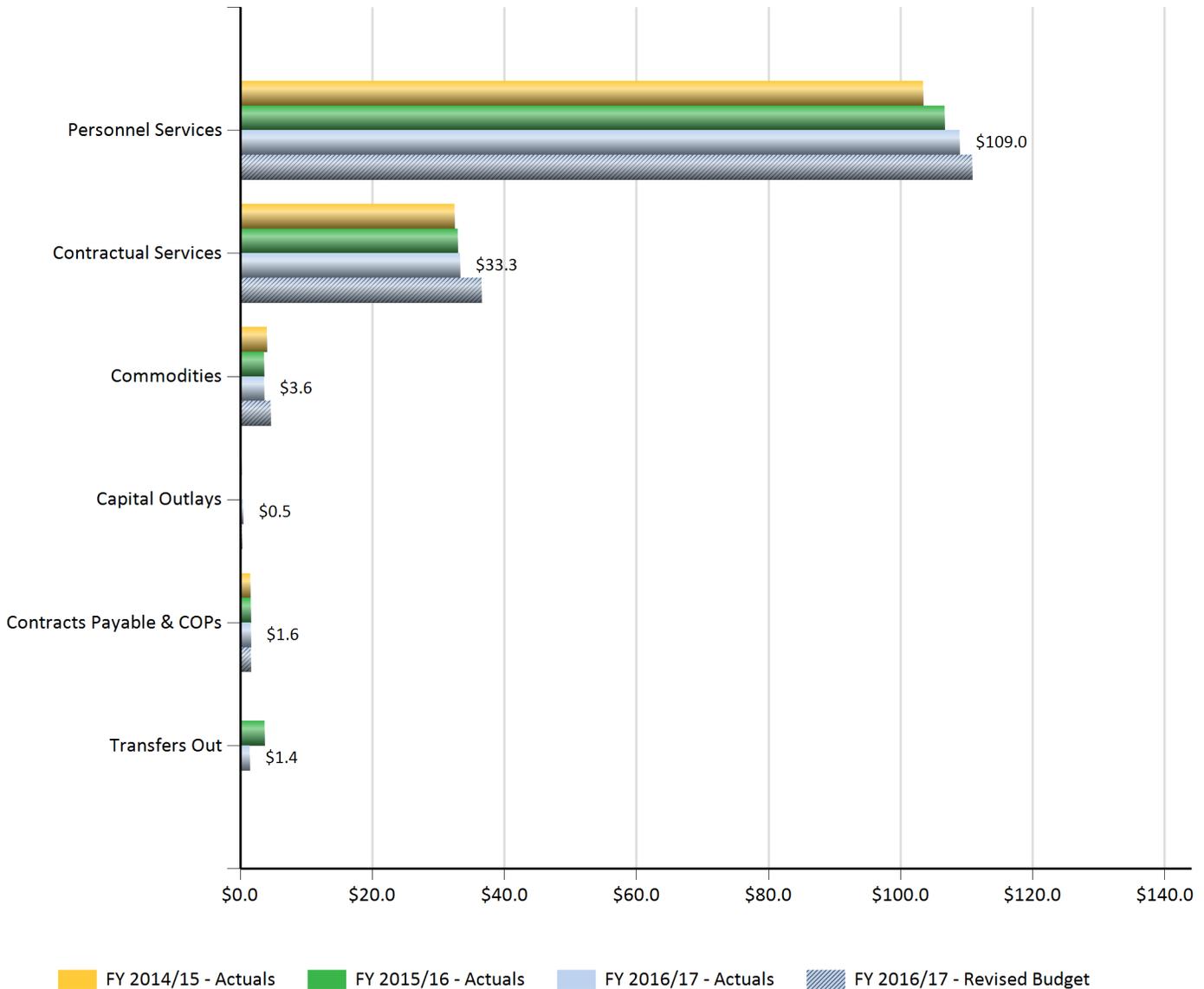
Twelve Months: Fiscal Year



*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.



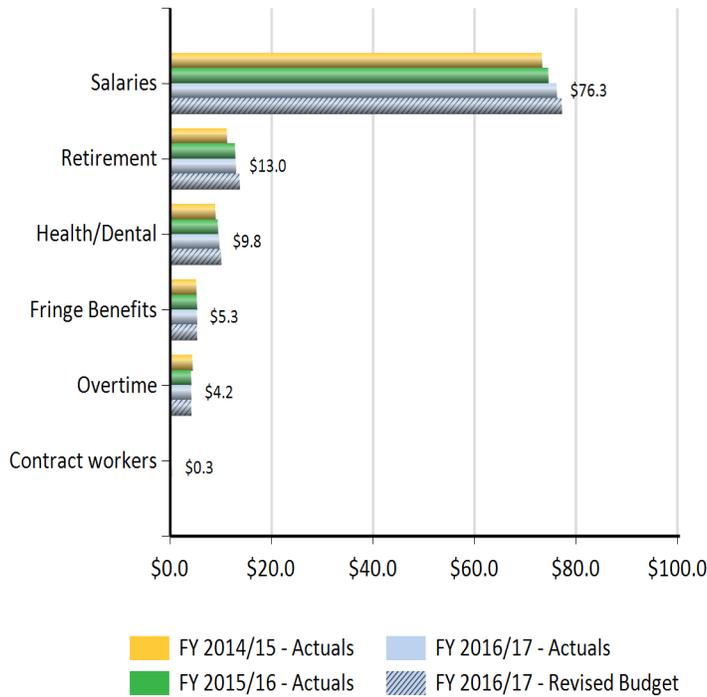
Uses (Fiscal Year to Date: January 2017)



	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>
Personnel Services	\$103.4	\$106.7	\$109.0	\$110.8	\$1.9	2%
Contractual Services	32.5	32.9	33.3	36.5	3.2	9%
Commodities	4.0	3.6	3.6	4.6	1.0	21%
Capital Outlays	0.2	0.1	0.5	0.3	(0.2)	(62%)
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Transfers Out	-	3.7	1.4	-	(1.4)	n/a
Total Uses	\$141.7	\$148.7	\$149.4	\$153.9	\$4.5	3%



Personnel Services (Fiscal Year to Date: January 2017)



Actual to Revised Budget variance of \$1.9 million or 2%:

The favorable variance is due primarily to savings in Salaries and Retirement. Salaries are favorable due to Police, Fire and Public Works retirements/promotions and Community Services having higher than expected turnover, all of which brings in new staff who earn less than previous incumbents. The favorable variance in Retirement is related to more sworn Police 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. While Overtime is showing no variance, Police actually has a large favorable variance due to dynamic staffing and deployment efficiencies. This is offset by a large unfavorable variance in Fire due to 17 sworn employees out on various leaves including 15 due to injuries/FMLA and 2 positions are considered vacant because their planned occupants are currently in the academy, all of which negatively impacts constant staffing requirements. Fire has also seen increased leave usage for staff trained in Advanced Life Support but 16 sworn staff just graduated paramedic school which will soon alleviate some of the overtime impacts related to this leave. 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	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Salaries	\$73.4	\$74.6	\$76.3	\$77.3	\$1.0	1%
Retirement	11.3	12.9	13.0	13.7	0.7	5%
Health/Dental	9.0	9.5	9.8	10.1	0.3	3%
Fringe Benefits	5.2	5.3	5.3	5.4	0.1	1%
Overtime	4.5	4.2	4.2	4.2	-	-
Contract workers	0.1	0.1	0.3	0.1	(0.1)	nm
Personnel Services Total	\$103.4	\$106.7	\$109.0	\$110.8	\$1.9	2%

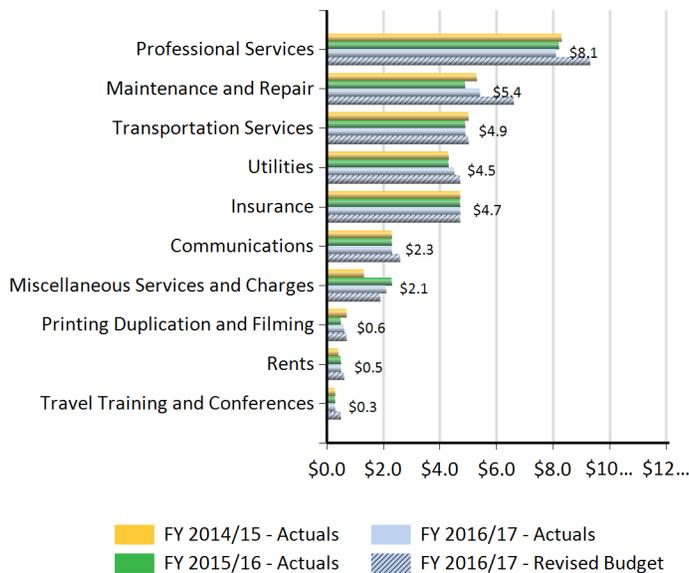
Macro Personnel Adjustments

	2014/15	2015/16	2016/17	2016/17	
	Actual	Actual	Adopted Budget	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)	3.0	(0.8)
Medical Leave Payouts	1.6	1.0	1.0	(1.0)	-
Vacation Leave Payouts	0.7	0.9	0.9	(0.5)	0.4
Total Vacancy Savings/Payouts	\$3.1	(\$0.6)	\$2.9	(\$3.0)	(\$0.1)

Total Saved/(Used) YTD of (\$3.0) million: The city has achieved \$3.0 million in vacancy savings year-to-date offset by (\$1.5) 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.



Contractual Services (Fiscal Year to Date: January 2017)

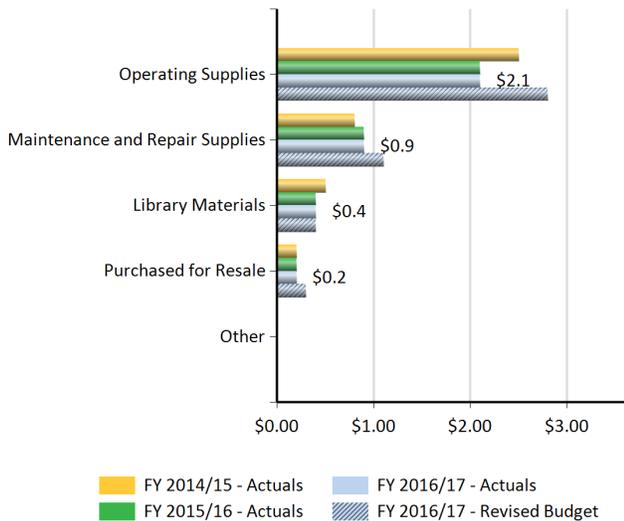


Actual to Revised Budget variance of \$3.2 million or 9%:
 The favorable variance in Contractual Services is due largely to Professional Services, Maintenance and Repair and Communications. Professional Services is favorable due to a timing issue by Police in payment of the jail services contract. Additionally, the photo radar program was suspended in the spring for two months with impacts continuing into this fiscal year. The cost of administering this program was lower in July and August due to fewer tickets issued. Maintenance and Repair is favorable due to the timing of several major facilities maintenance projects in Public Works and Community Services and the payment of IT invoices for software and hardware. Communications is favorable due to specialty lines expenditures being less than anticipated. There is a favorable variance in Utilities (electric, gas, water, water reclamation) due to a reduction in summer usage.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Professional Services	\$8.3	\$8.2	\$8.1	\$9.3	\$1.2	12%
Maintenance and Repair	5.3	4.9	5.4	6.6	1.1	17%
Transportation Services	5.0	4.9	4.9	5.0	0.1	3%
Utilities	4.3	4.3	4.5	4.7	0.2	5%
Insurance	4.7	4.7	4.7	4.7	(0.1)	(1%)
Communications	2.3	2.3	2.3	2.6	0.4	14%
Miscellaneous Services and Charges	1.3	2.3	2.1	1.9	(0.1)	(7%)
Printing Duplication and Filming	0.7	0.5	0.6	0.7	0.1	10%
Rents	0.4	0.5	0.5	0.6	0.1	18%
Travel Training and Conferences	0.3	0.3	0.3	0.5	0.2	44%
Contractual Services Total	\$32.5	\$32.9	\$33.3	\$36.5	\$3.2	9%



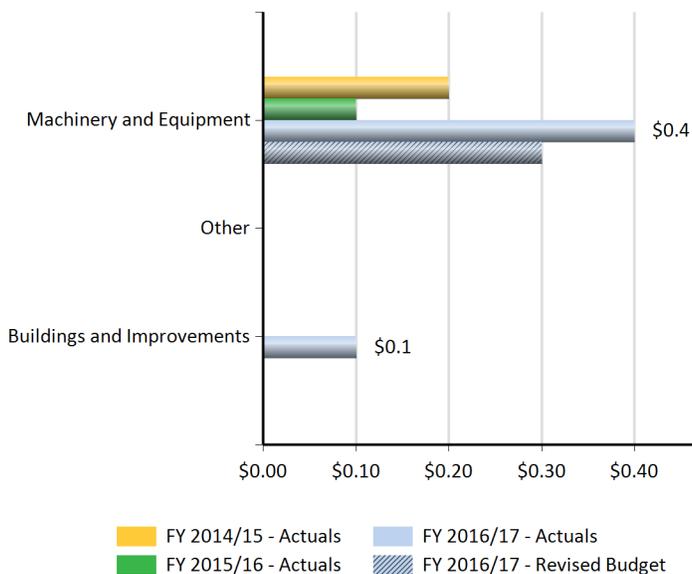
Commodities (Fiscal Year to Date: January 2017)



Actual to Revised Budget variance of \$1.0 million or 21%:
The favorable variance in Commodities is primarily due to timing as spending in categories such as Operating Supplies and Maintenance and Repair Supplies are hard to predict.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$2.5	\$2.1	\$2.1	\$2.8	\$0.7	25%
Maintenance and Repair Supplies	0.8	0.9	0.9	1.1	0.2	17%
Library Materials	0.5	0.4	0.4	0.4	-	-
Purchased for Resale	0.2	0.2	0.2	0.3	0.1	37%
Other	-	-	-	-	-	-
Commodities Total	\$4.0	\$3.6	\$3.6	\$4.6	\$1.0	21%

Capital Outlays (Fiscal Year to Date: January 2017)



Actual to Revised Budget variance of (\$0.2) million or (62%):
The unfavorable variance in Capital Outlays is related to the earlier than budgeted purchase of a half-ton truck, unplanned pump station roof repairs and technology hardware for the Scottsdale Cultural Center improvement project.

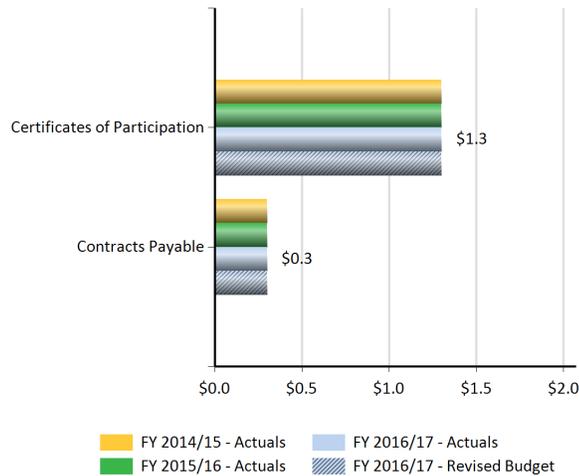
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Machinery and Equipment	\$0.2	\$0.1	\$0.4	\$0.3	(\$0.1)	(24%)
Other	-	-	-	-	-	n/a
Buildings and Improvements	-	-	0.1	-	(0.1)	n/a
Capital Outlays Total	\$0.2	\$0.1	\$0.5	\$0.3	(\$0.2)	(62%)

\$ in millions / rounding differences may occur



Contracts Payable & COPs (Fiscal Year to Date: January 2017)

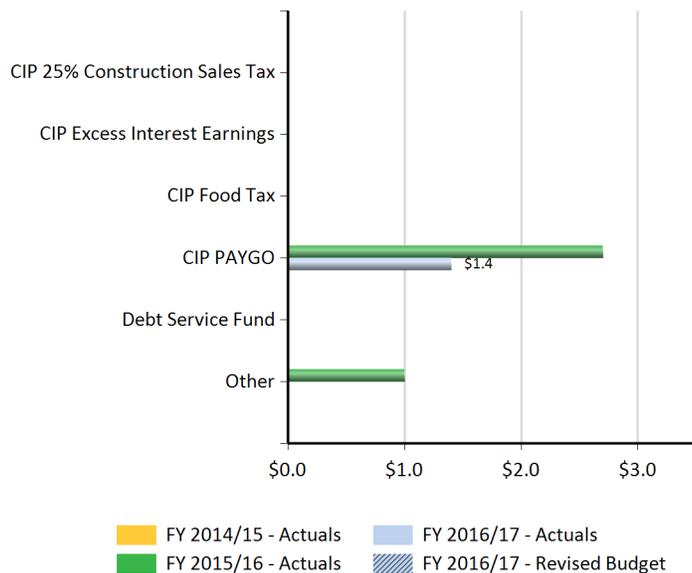
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation is necessary.



	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	\$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: January 2017)

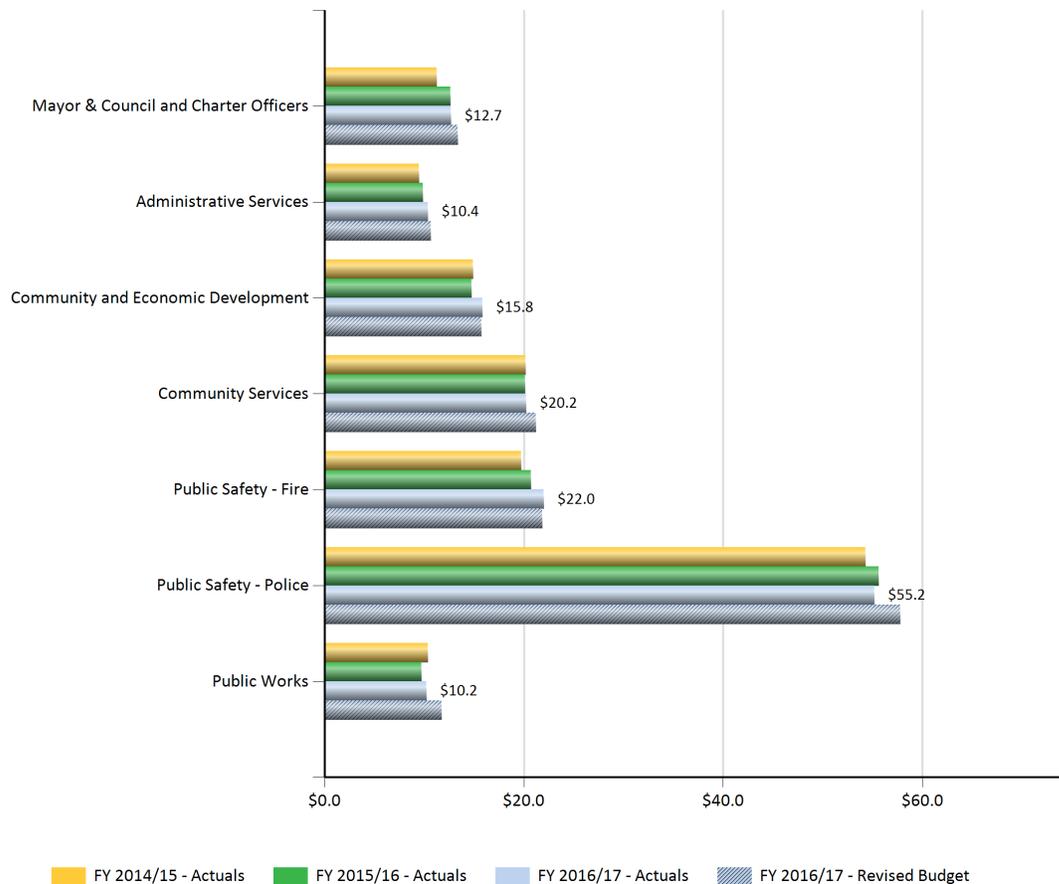
Actual to Revised Budget variance of (\$1.4) million or n/a:
The unfavorable variance is due to a contingency transfer funded from the General Fund operating budget undesignated, unreserved fund balance to the newly created Fire Self Contained Breathing (SCBA) Replacement capital project, per Council approval. The actuals in FY 2015/16 are related to City Council authorizing the transfer of approximately \$1.0 million from the General Fund to the Healthcare Self-Insurance Fund to reimburse the Fund for health related expenditures for retirees and public safety disabled retirees. Additionally, the actuals in FY 2015/16 include the sale of city property for \$2.7 million. These proceeds while collected in the General Fund were transferred to the Capital Improvement Program (CIP).



	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	-	2.7	1.4	-	(1.4)	n/a
Debt Service Fund	-	-	-	-	-	-
Other	-	1.0	-	-	-	n/a
Transfers Out Total	\$0.0	\$3.7	\$1.4	\$0.0	(\$1.4)	n/a



Division Expenditures (Fiscal Year to Date: January 2017)



	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	\$11.3	\$12.6	\$12.7	\$13.4	\$0.7	5%
Administrative Services	9.5	9.8	10.4	10.6	0.3	3%
Community and Economic Development	14.9	14.8	15.8	15.7	(0.1)	0%
Community Services	20.1	20.1	20.2	21.2	1.0	5%
Public Safety - Fire	19.7	20.7	22.0	21.9	(0.1)	(1%)
Public Safety - Police	54.3	55.6	55.2	57.8	2.6	4%
Public Works	10.3	9.7	10.2	11.7	1.5	13%
Total	\$140.1	\$143.3	\$146.4	\$152.3	\$5.9	4%

Actual to Revised Budget variance of \$5.9 million or 4%: The most noteworthy items 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. Additionally, in the City Attorney's Office, the contractual work order credit to Risk Management is higher than expected. The favorable variance in Community Services is related to higher than expected turnover with new staff earning less than previous incumbents and to the timing of maintenance projects. The unfavorable variance in Public Safety-Fire is associated with constant staffing overtime costs due to injuries or FMLA. This is partially offset by retirements/promotions resulting in new staff coming in at a lower cost, a higher than expected retirement Fire Insurance Premium Tax Credit and the delay in purchase of emergency medical supplies. 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, retirements/promotions are 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 previous temporary suspension of the photo radar program which resulted in fewer tickets processed. Finally, the favorable variance in Public Works is due to utilities savings and to the timing of major facility maintenance and repair projects.