

Monthly Financial Report

**Fiscal Year to Date as
of October 31, 2019**

Report to the City Council
Prepared by the City Treasurer

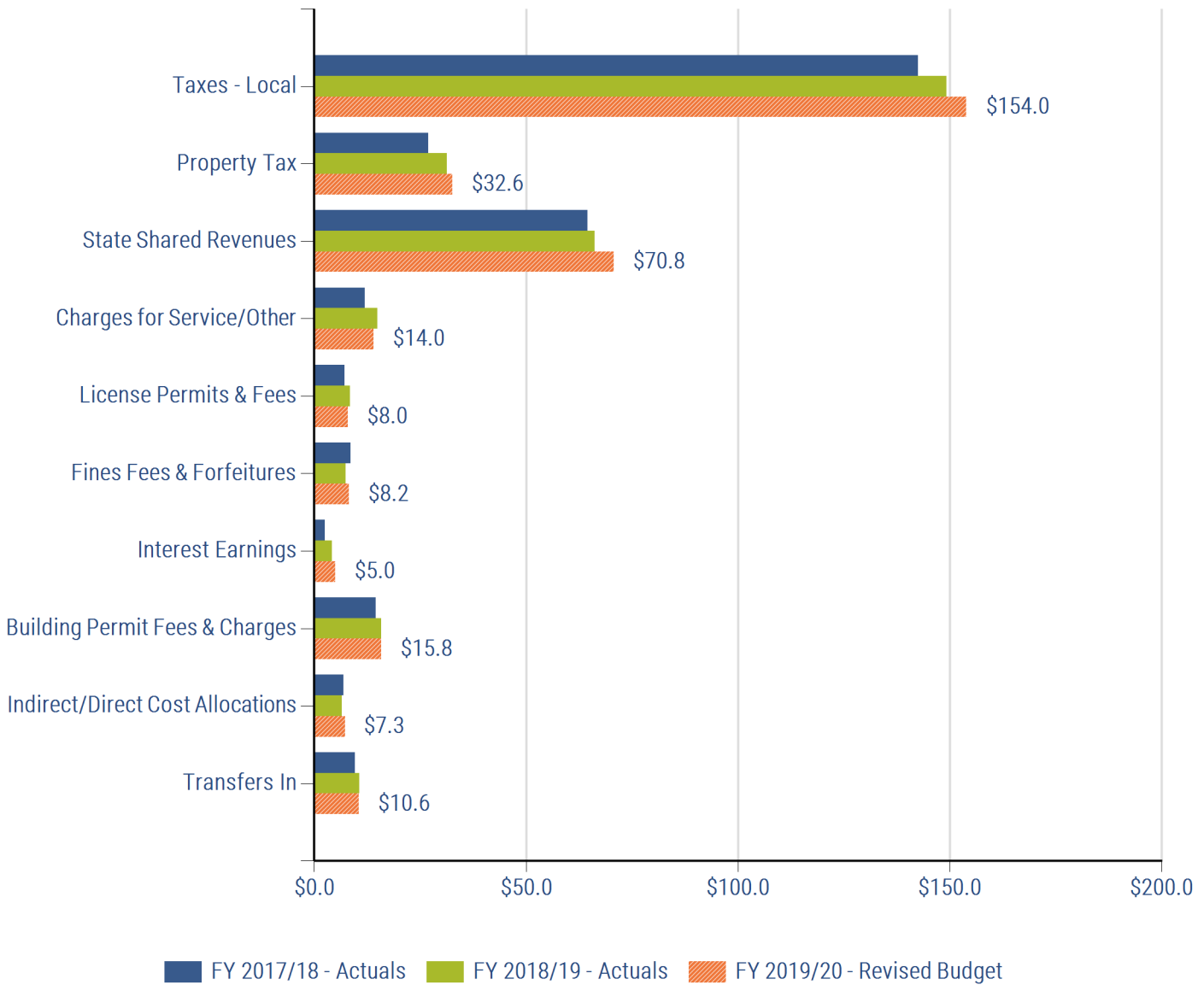
December 2, 2019



Sources

General Fund

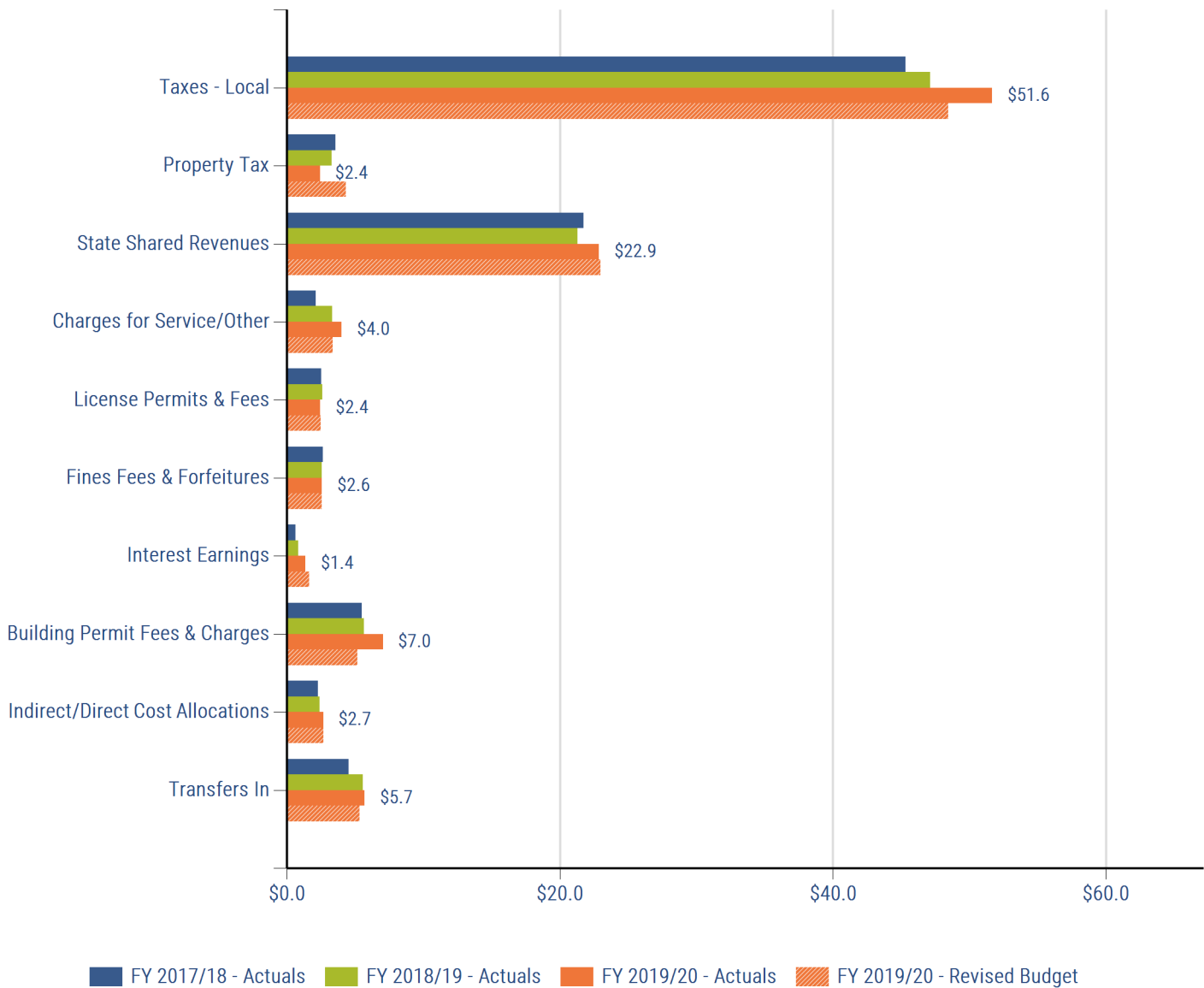
Twelve Months: Fiscal Year



	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Actuals</u>	FY 2019/20 <u>Revised Budget</u>
Taxes - Local	\$142.5	\$149.3	\$154.0
Property Tax	26.9	31.4	32.6
State Shared Revenues	64.5	66.2	70.8
Charges for Service/Other	11.9	14.9	14.0
License Permits & Fees	7.1	8.5	8.0
Fines Fees & Forfeitures	8.4	7.5	8.2
Interest Earnings	2.6	4.3	5.0
Building Permit Fees & Charges	14.6	15.9	15.8
Indirect/Direct Cost Allocations	6.9	6.5	7.3
Transfers In	9.7	10.7	10.6
Total Sources	\$295.1	\$315.2	\$326.2



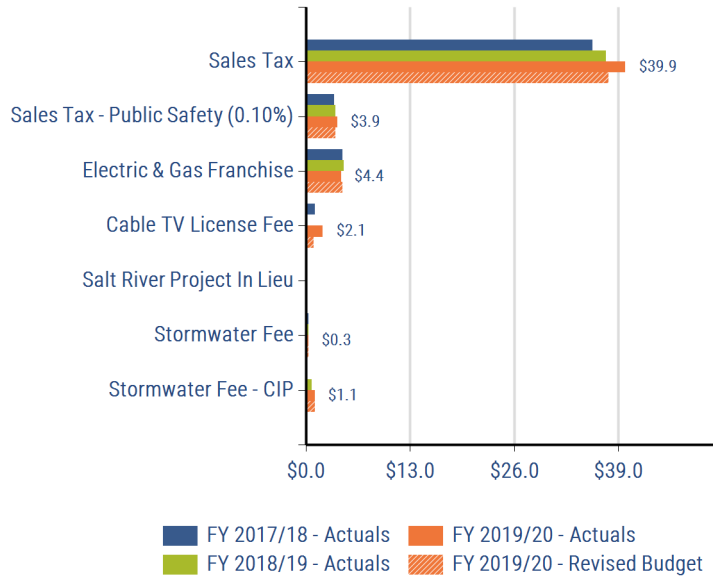
Sources (Fiscal Year to Date: October 2019)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$45.3	\$47.1	\$51.6	\$48.4	\$3.2	7%
Property Tax	3.6	3.3	2.4	4.3	(1.9)	(44%)
State Shared Revenues	21.7	21.3	22.9	23.0	(0.1)	0%
Charges for Service/Other	2.1	3.3	4.0	3.4	0.6	19%
License Permits & Fees	2.5	2.6	2.4	2.5	-	-
Fines Fees & Forfeitures	2.6	2.6	2.6	2.6	-	-
Interest Earnings	0.6	0.8	1.4	1.7	(0.3)	(17%)
Building Permit Fees & Charges	5.5	5.6	7.0	5.2	1.9	36%
Indirect/Direct Cost Allocations	2.3	2.4	2.7	2.7	-	-
Transfers In	4.5	5.6	5.7	5.3	0.4	7%
Total Sources	\$90.8	\$94.6	\$102.7	\$99.0	\$3.8	4%



Taxes - Local (Fiscal Year to Date: October 2019)

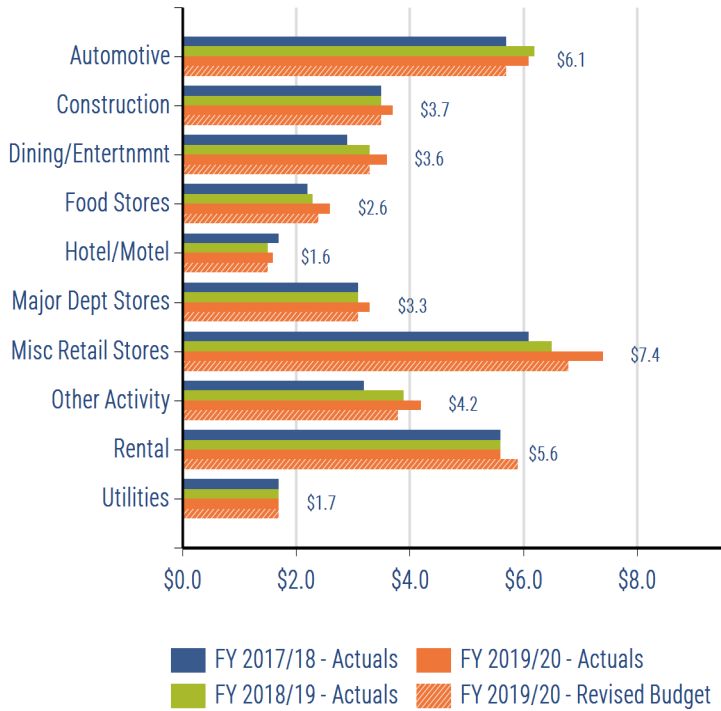


Actual to Revised Budget variance of \$3.2 million or 7%:
 The favorable variance is primarily due to Sales Tax. See detailed Sales Tax information on page 5. Electric & Gas Franchise is unfavorable due to the APS quarterly franchise payment coming in lower than expected. Cable TV License Fee is favorable due to the timing of the FY 2018/19 Cox Cable TV franchise fee payment which was received and recorded in FY 2019/20.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax	\$35.8	\$37.5	\$39.9	\$37.8	\$2.1	6%
Sales Tax - Public Safety (0.10%)	3.5	3.7	3.9	3.7	0.2	6%
Electric & Gas Franchise	4.6	4.7	4.4	4.6	(0.2)	(4%)
Cable TV License Fee	1.1	-	2.1	1.0	1.1	nm
Salt River Project In Lieu	-	0.1	-	-	-	-
Stormwater Fee	0.3	0.3	0.3	0.3	-	-
Stormwater Fee - CIP	-	0.7	1.1	1.1	-	-
Taxes - Local Total	\$45.3	\$47.1	\$51.6	\$48.4	\$3.2	7%



Sales Tax (Fiscal Year to Date: October 2019)

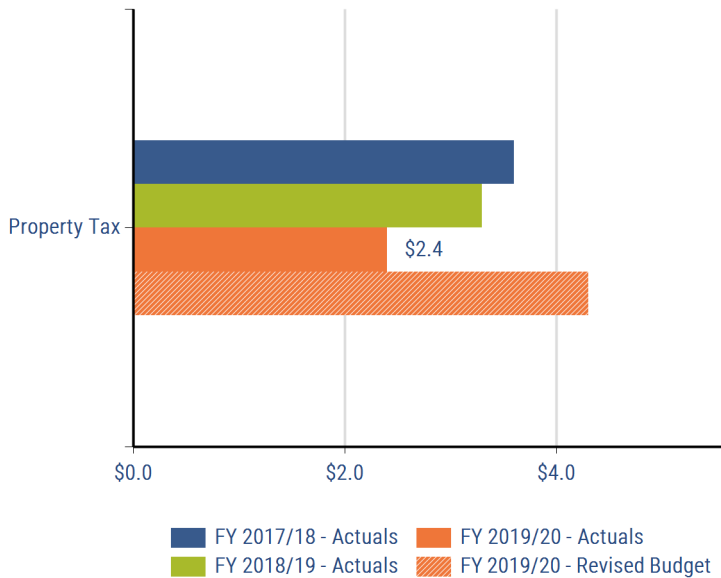


Actual to Revised Budget variance of \$2.1 million or 6%: While variances are now more often derived from revenue fluctuations within individual Sales Tax categories, Sales Tax can still be influenced by the unpredictability of the timing in collection by Arizona Department of Revenue. The favorable variance is also the result of: 1) Automotive - higher than anticipated sales; 2) Construction - unanticipated increase in commercial building; 3) Dining/Entertainment - a new restaurant opening; 4) Food Stores - a grocery store chain submitting corrected tax returns; 5) Hotel/Motel - better than anticipated revenue from several resort hotels and the establishment of new legislation requiring online lodging marketplaces to report their short-term rentals; 6) Major Department Stores - higher than anticipated sales; 7) Misc Retail Stores - higher than expected software sales; and 8) Other Activity - higher than expected sales. The favorable variance would have been greater, but is being offset by 'Rental' reflecting a one-time speculative sale reflected in FY 2018/19 which was erroneously carried into the FY 2019/20 budget assumptions.

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Automotive	\$5.7	\$6.2	\$6.1	\$5.7	\$0.4	7%
Construction	3.5	3.5	3.7	3.5	0.2	5%
Dining/Entertainment	2.9	3.3	3.6	3.3	0.3	8%
Food Stores	2.2	2.3	2.6	2.4	0.2	9%
Hotel/Motel	1.7	1.5	1.6	1.5	0.1	7%
Major Dept Stores	3.1	3.1	3.3	3.1	0.2	6%
Misc Retail Stores	6.1	6.5	7.4	6.8	0.6	9%
Other Activity	3.2	3.9	4.2	3.8	0.4	10%
Rental	5.6	5.6	5.6	5.9	(0.3)	(4%)
Utilities	1.7	1.7	1.7	1.7	0.1	4%
Sales Tax Total	\$35.8	\$37.5	\$39.9	\$37.8	\$2.1	6%



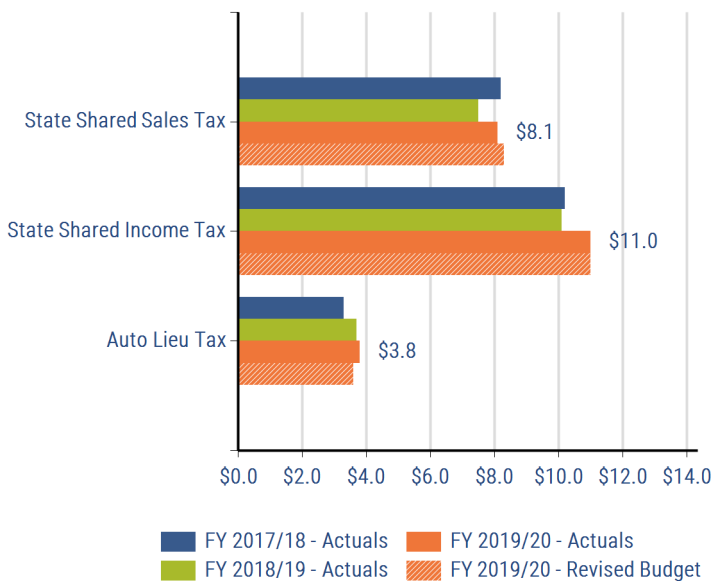
Property Tax (Fiscal Year to Date: October 2019)



Actual to Revised Budget variance of (\$1.9) million or (44%): Unfavorable variance is due to timing. The budget is spread based on the way people paid last year and may vary year over year. Property owners have the option to pay in one or two installments (October or October & April/May). As of November 18th, the majority of anticipated receipts were received, which will be reflected in the November Report.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$3.6	\$3.3	\$2.4	\$4.3	(\$1.9)	(44%)
Property Tax Total	\$3.6	\$3.3	\$2.4	\$4.3	(\$1.9)	(44%)

State Shared Revenues (Fiscal Year to Date: October 2019)

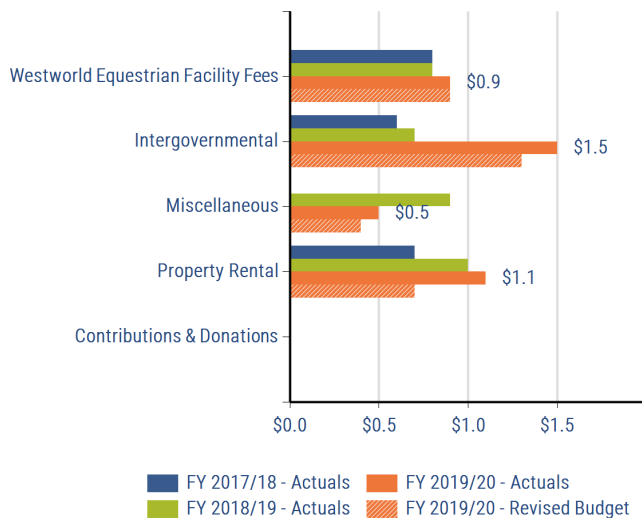


Actual to Revised Budget variance of (\$0.1) million or 0%: No explanation necessary.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Sales Tax	\$8.2	\$7.5	\$8.1	\$8.3	(\$0.2)	(3%)
State Shared Income Tax	10.2	10.1	11.0	11.0	-	-
Auto Lieu Tax	3.3	3.7	3.8	3.6	0.1	4%
State Shared Revenues Total	\$21.7	\$21.3	\$22.9	\$23.0	(\$0.1)	0%



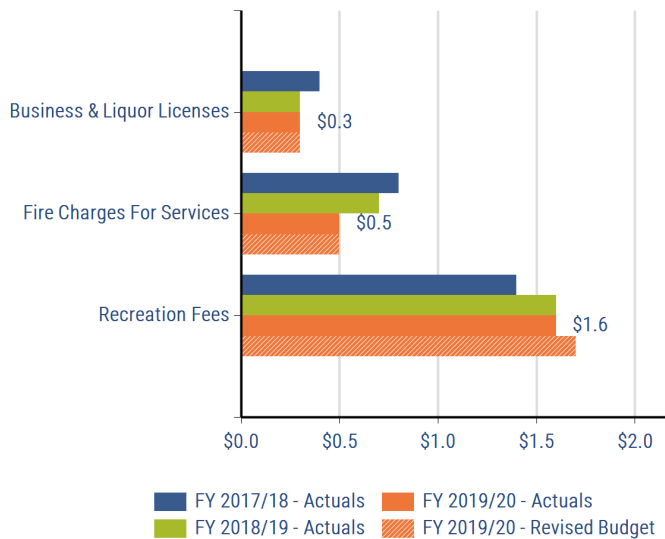
Charges for Service/Other (Fiscal Year to Date: October 2019)



Actual to Revised Budget variance of \$0.6 million or 19%: Intergovernmental is favorable due to the timing of the quarterly payment for the School Resource Officer Program which was received in October but was budgeted for November. Miscellaneous is favorable due to the receipt of unexpected late fees in the Planning and Development Department and the timing of billings and recovery of expenses in the Community Services Division. Property Rental is favorable due to advanced billings for cell tower and outdoor dining leases and the receipt of advanced payments for the hotel located at SkySong.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$0.8	\$0.8	\$0.9	\$0.9	\$ -	-
Intergovernmental	0.6	0.7	1.5	1.3	0.2	18%
Miscellaneous	-	0.9	0.5	0.4	0.1	18%
Property Rental	0.7	1.0	1.1	0.7	0.3	46%
Contributions & Donations	-	-	-	-	-	-
Charges for Service/Other Total	\$2.1	\$3.3	\$4.0	\$3.4	\$0.6	19%

License Permits & Fees (Fiscal Year to Date: October 2019)

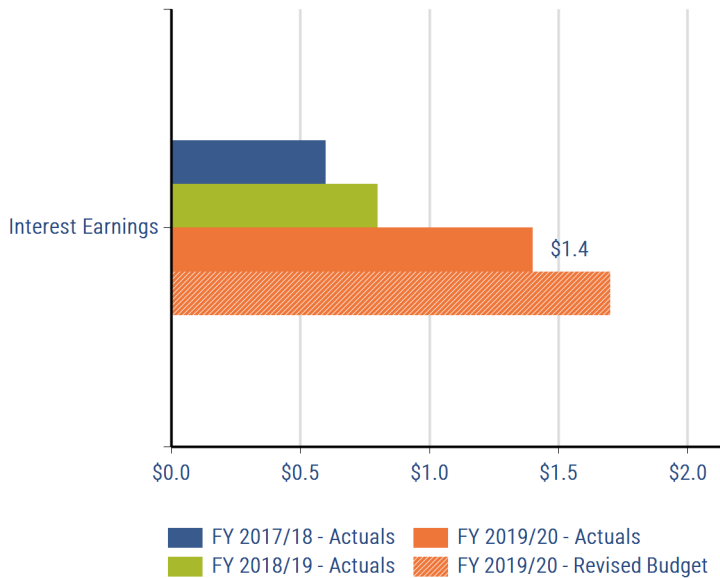


Actual to Revised Budget variance of \$0.0 million or 0%: No explanation necessary.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Business & Liquor Licenses	\$0.4	\$0.3	\$0.3	\$0.3	\$ -	-
Fire Charges For Services	0.8	0.7	0.5	0.5	-	-
Recreation Fees	1.4	1.6	1.6	1.7	(0.1)	(3%)
License Permits & Fees Total	\$2.5	\$2.6	\$2.4	\$2.5	\$ -	-



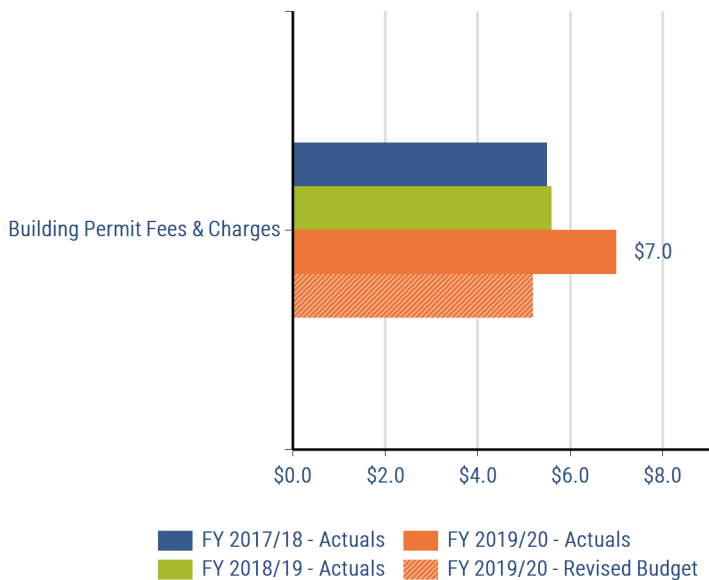
Interest Earnings (Fiscal Year to Date: October 2019)



Actual to Revised Budget variance of (\$0.3) million or (17%): Unfavorable due to yields coming in below what was budgeted at this point in the fiscal year as a result of lower than anticipated interest rates in the fixed income market.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$0.6	\$0.8	\$1.4	\$1.7	(\$0.3)	(17%)
Interest Earnings Total	\$0.6	\$0.8	\$1.4	\$1.7	(\$0.3)	(17%)

Building Permit Fees & Charges (Fiscal Year to Date: October 2019)



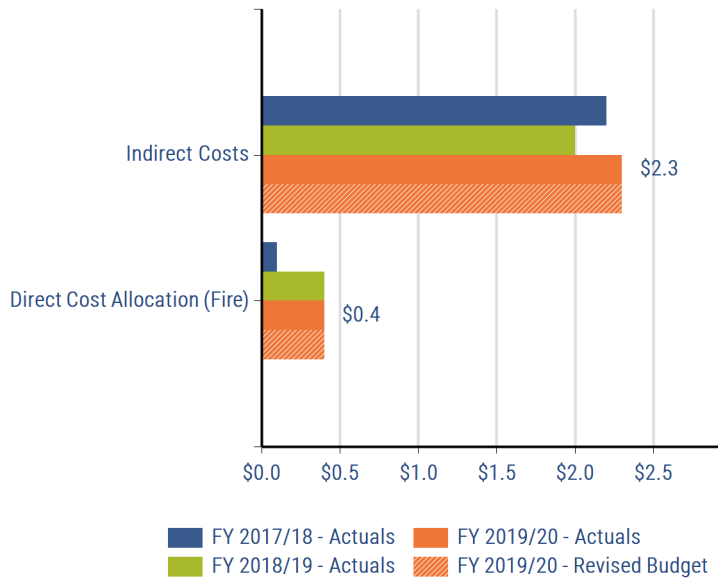
Actual to Revised Budget variance of \$1.9 million or 36%: The favorable variance is due to higher than anticipated construction activity in the first quarter of the fiscal year, mostly due to the Nationwide development project.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$5.5	\$5.6	\$7.0	\$5.2	\$1.9	36%
Building Permit Fees & Charges Total	\$5.5	\$5.6	\$7.0	\$5.2	\$1.9	36%



Indirect/Direct Cost Allocations (Fiscal Year to Date: October 2019)

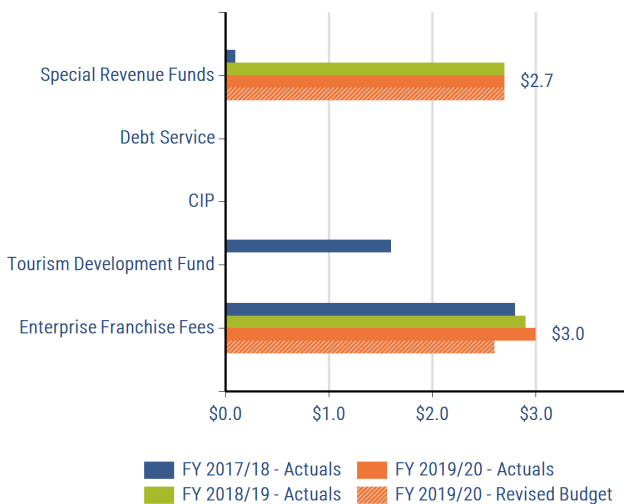
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$2.2	\$2.0	\$2.3	\$2.3	\$ -	-
Direct Cost Allocation (Fire)	0.1	0.4	0.4	0.4	-	-
Indirect/Direct Cost Allocations Total	\$2.3	\$2.4	\$2.7	\$2.7	\$ -	-

Transfers In (Fiscal Year to Date: October 2019)

Actual to Revised Budget variance of \$0.4 million or 7%:
The favorable variance is a 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. The increase is a result of greater water deliveries compared to the four-year running average.



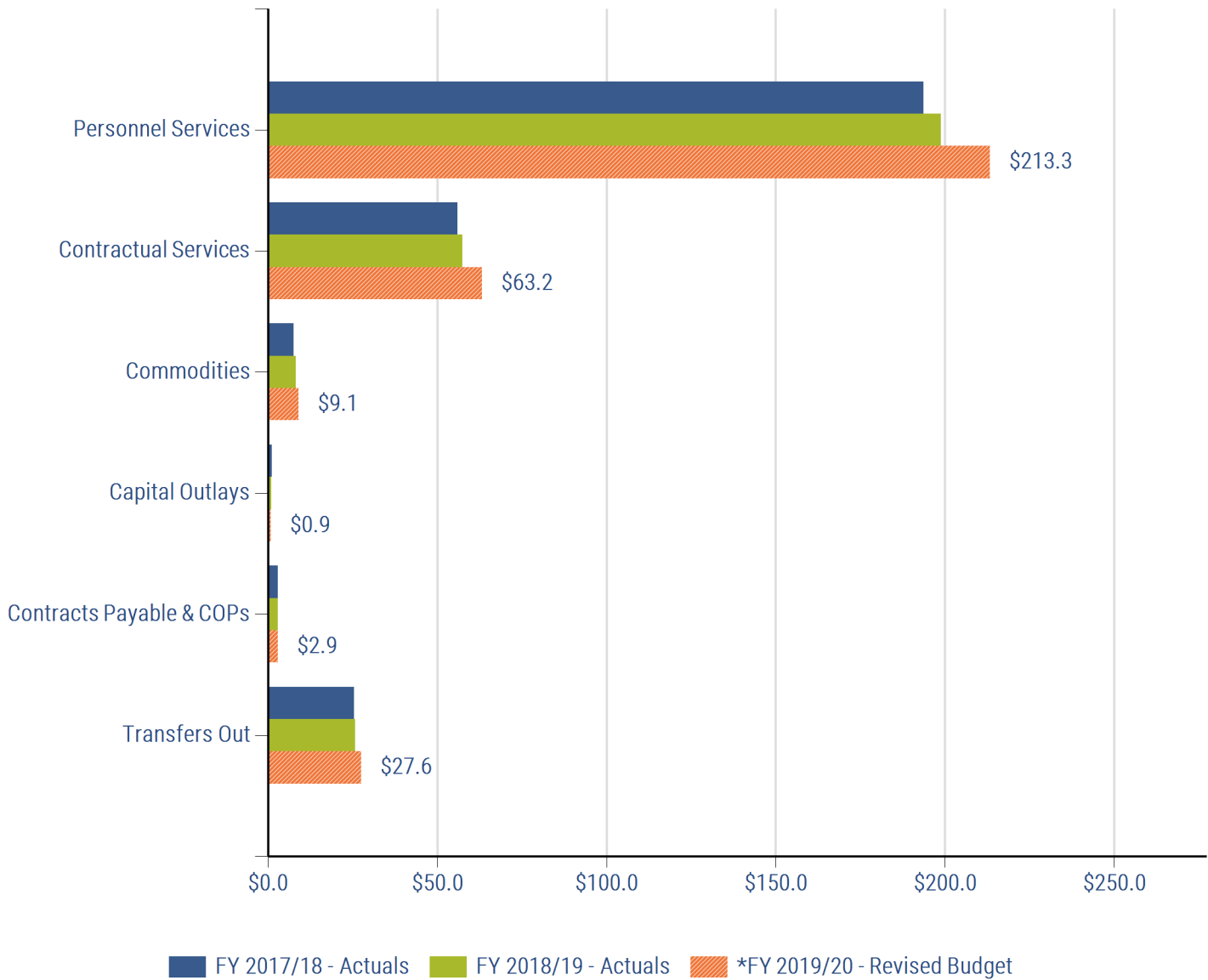
	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Special Revenue Funds	\$0.1	\$2.7	\$2.7	\$2.7	\$ -	-
Debt Service	-	-	-	-	-	-
CIP	-	-	-	-	-	-
Tourism Development Fund	1.6	-	-	-	-	-
Enterprise Franchise Fees	2.8	2.9	3.0	2.6	0.4	15%
Transfers In Total	\$4.5	\$5.6	\$5.7	\$5.3	\$0.4	7%



Uses

General Fund

Twelve Months: Fiscal Year

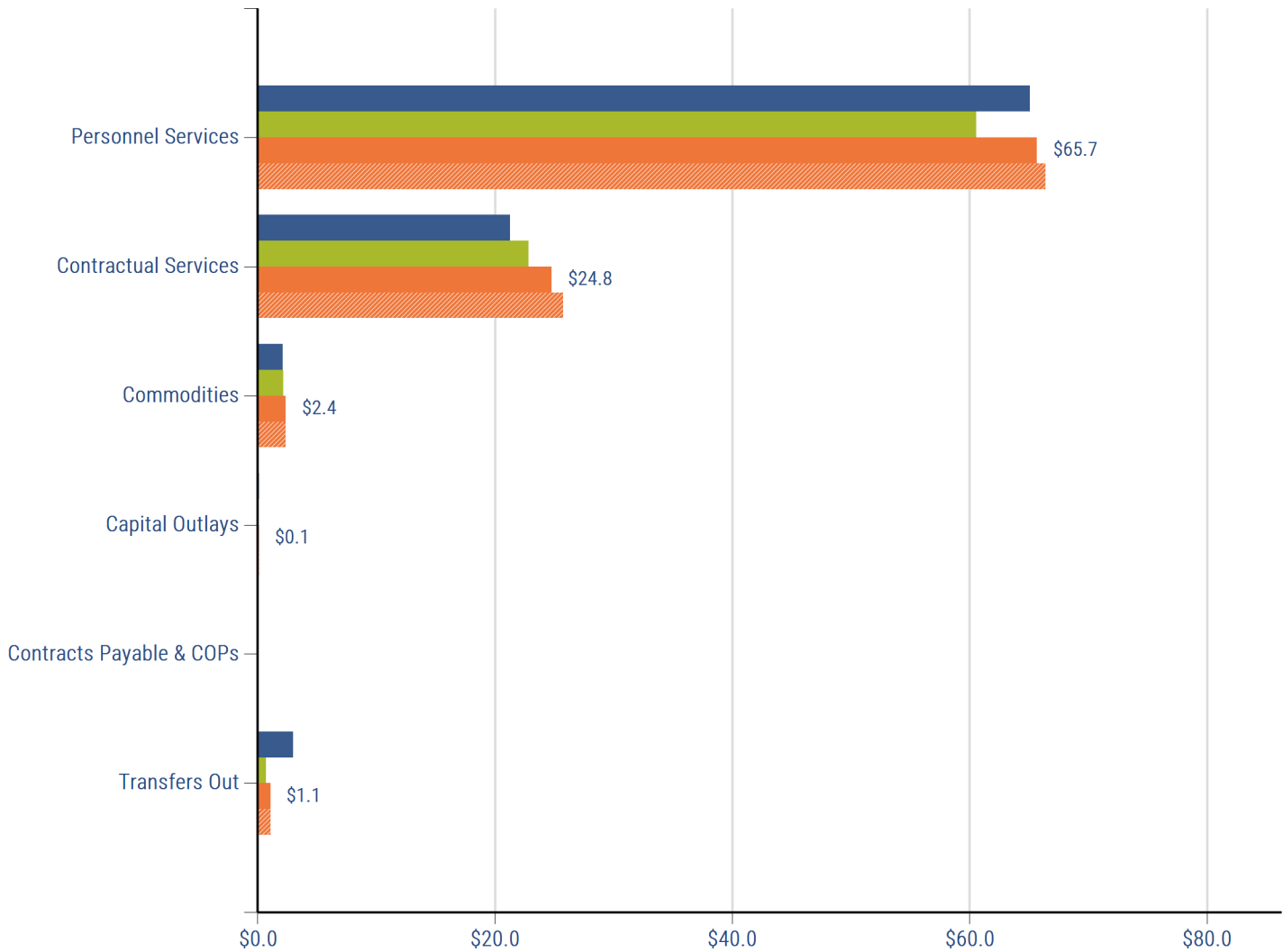


	FY 2017/18 <u>Actuals</u>	FY 2018/19 <u>Actuals</u>	FY 2019/20 <u>Revised Budget</u>
Personnel Services	\$193.7	\$198.9	\$213.2
Contractual Services	56.0	57.4	63.1
Commodities	7.6	8.3	9.1
Capital Outlays	1.0	1.0	0.9
Contracts Payable & COPs	2.9	2.9	2.9
Transfers Out	25.4	25.8	27.6
Total Uses	\$286.6	\$294.3	\$316.8

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



Uses (Fiscal Year to Date: October 2019)

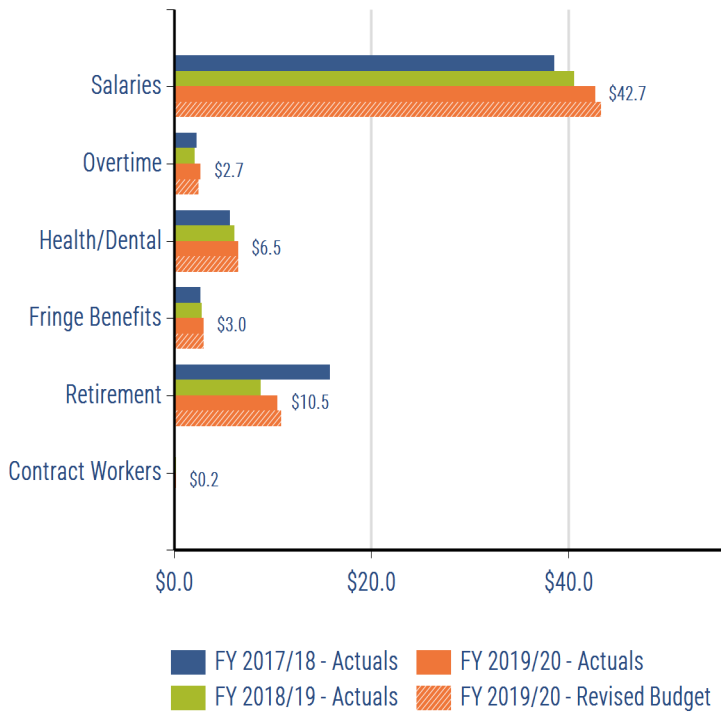


■ FY 2017/18 - Actuals
 ■ FY 2018/19 - Actuals
 ■ FY 2019/20 - Actuals
 ■ FY 2019/20 - Revised Budget

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$65.1	\$60.6	\$65.7	\$66.4	\$0.7	1%
Contractual Services	21.3	22.8	24.8	25.8	1.0	4%
Commodities	2.1	2.2	2.4	2.4	-	-
Capital Outlays	0.1	0.1	0.1	0.1	-	-
Contracts Payable & COPs	-	-	-	-	-	-
Transfers Out	3.0	0.7	1.1	1.1	-	-
Total Uses	\$91.6	\$86.4	\$94.0	\$95.7	\$1.7	2%



Personnel Services (Fiscal Year to Date: October 2019)



Actual to Revised Budget variance of \$0.7 million or 1%: Salaries is favorable mainly due to rank promotions in Public Safety - Police with replacement employees coming in at a lower rate than the person who was promoted, vacant positions in the City Attorney's Division (vacancy savings is not swept for the City Attorney and vacant part time positions in Community Services. Overtime is unfavorable due to higher than expected special event and holiday overtime needs in Public Safety - Police, paramedics leaving and needing to be replaced by someone else with paramedic status and firefighters being deployed to wildfires in California (which will be reimbursed). Retirement is favorable primarily due to overall PSPRS expenses being less than estimated. It is also related to the actual payment being lower than estimated for one-time Public Safety Retirement refund, including interest, to those sworn personnel who contributed to retirement unnecessarily while participating in the Deferred Retirement Option Plan (DROP). Contract Workers is unfavorable mainly due to an IT employee with a specific skillset retiring then coming back as a contract worker.

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Salaries	\$38.6	\$40.6	\$42.7	\$43.3	\$0.6	1%
Overtime	2.3	2.1	2.7	2.5	(0.2)	(6%)
Health/Dental	5.7	6.1	6.5	6.5	-	-
Fringe Benefits	2.7	2.8	3.0	3.0	-	-
Retirement	15.8	8.8	10.5	10.9	0.4	4%
Contract Workers	0.1	0.2	0.2	0.1	(0.1)	(56%)
Personnel Services Total	\$65.1	\$60.6	\$65.7	\$66.4	\$0.7	1%

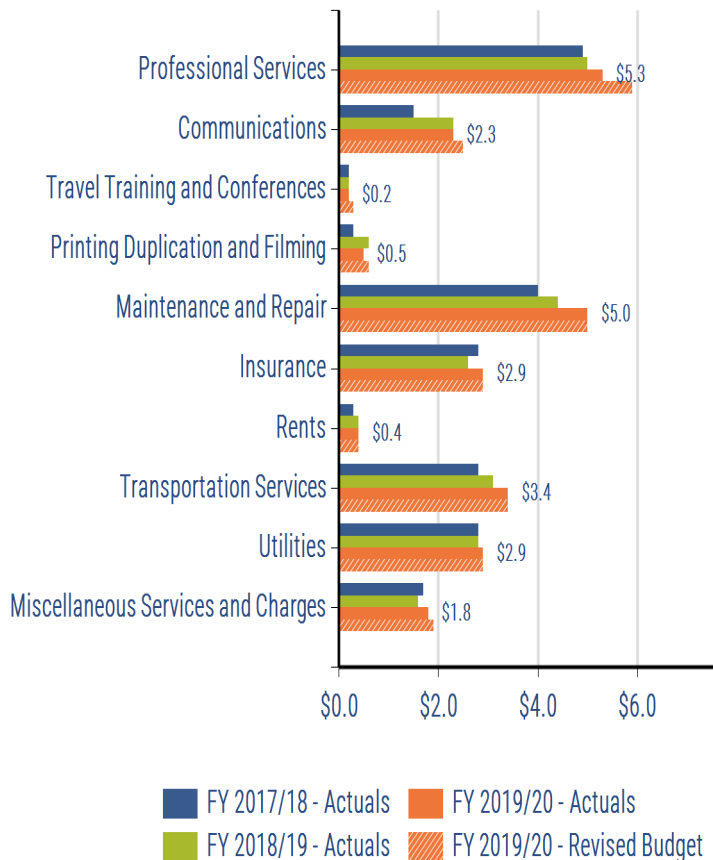
Personnel Services Macro Adjustments

	FY 2019/20	FY 2019/20	
	Adopted Budget	Year-To-Date Saved/(Used)	Remaining
Pay Program - Citywide	\$2.2	(\$2.2)	\$ -
Pay Program - Fire	0.6	(0.6)	-
Pay Program - Police Officer	0.7	(0.7)	-
Pay Program - Police Sergeant	0.2	(0.2)	-
Vacancy Savings	(5.8)	2.0	(3.8)
Medical Leave Payouts	1.4	(0.4)	0.9
Vacation Leave Payouts	0.7	(0.3)	0.4
Vacation Trade Payouts	0.7	-	0.7
Compensation Other	5.2	(5.2)	0.1
Personnel Services Macro Adjustments Total	\$6.0	(\$7.7)	(\$1.7)

Total Saved/(Used) YTD of (\$7.7) million: The city has achieved \$2.0 million in vacancy savings year-to-date offset by (\$0.7) million in vacation and medical leave payouts. In July, the Pay Programs and the implementation of the second year of Classification and Compensation Study (Compensation Other) were funded.



Contractual Services (Fiscal Year to Date: October 2019)



Actual to Revised Budget variance of \$1.0 million or 4%: Professional Services is favorable mainly due to the timing of invoices, lower than expected expenses related to armored car services in the City Treasurer Division as well as for the Photo Enforcement, Humane Society and custodial services contracts and less than anticipated jail occupancy. It is also due to an annual payment to the Maricopa Association of Governments being budgeted twice in error. This will be corrected going forward. Communications is favorable mainly due to the timing of the second quarter Regional Wireless Cooperative invoices and lower than expected postage and shipping costs in the City Treasurer Division. The Favorable variance in Printing Duplication and Filming is mostly due to lower than planned printing services needed in the City Treasurer Division. The unfavorable variance in Maintenance and Repair is primarily due to an accounting issue related to the timing of software expenditures. The unfavorable variance would have been greater but is almost completely offset by a favorable variance related to the timing of field maintenance and software license and maintenance expenses in Community Services and the timing of expenses related to the city's payroll system. Miscellaneous Services and Charges is favorable primarily due to the timing of the dispatch invoice in Public Safety – Fire. The favorable variance would have been greater but is mostly offset by holiday light expenses coming earlier than usual and the timing of the Animal Control contract.

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Professional Services	\$4.9	\$5.0	\$5.3	\$5.9	\$0.6	10%
Communications	1.5	2.3	2.3	2.5	0.2	9%
Travel Training and Conferences	0.2	0.2	0.2	0.3	-	-
Printing Duplication and Filming	0.3	0.6	0.5	0.6	0.1	8%
Maintenance and Repair	4.0	4.4	5.0	5.0	(0.1)	(2%)
Insurance	2.8	2.6	2.9	2.9	-	-
Rents	0.3	0.4	0.4	0.4	-	-
Transportation Services	2.8	3.1	3.4	3.4	-	-
Utilities	2.8	2.8	2.9	2.9	-	-
Miscellaneous Services and Charges	1.7	1.6	1.8	1.9	0.1	5%
Contractual Services Total	\$21.3	\$22.8	\$24.8	\$25.8	\$1.0	4%

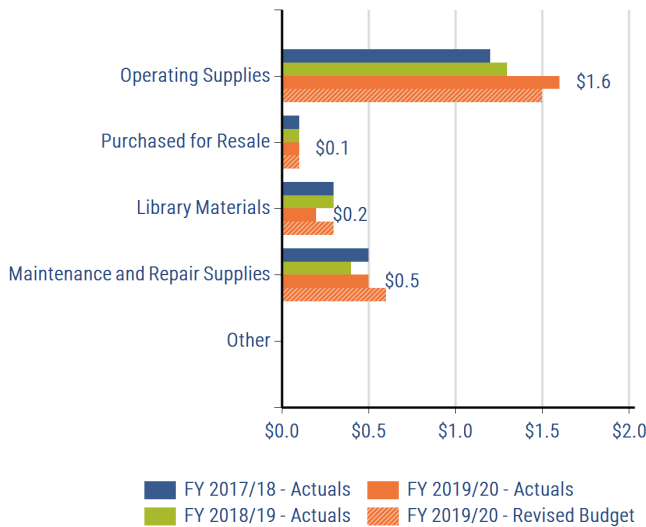
Contractual Services Macro Adjustments

	FY 2019/20	FY 2019/20	
	Adopted Budget	Year-To-Date Used	Remaining
Fuel and Maint and Repair	\$5.2	(\$1.7)	\$3.5
Utilities	8.5	(2.9)	5.6
Contractual Services Macro Adjustments Total	\$13.7	(\$4.6)	\$9.1

Total Saved/(Used) YTD of (\$4.6) million: Utilities and new in FY 2019/20, Fuel and Maint and Repair are budgeted on a macro level. Budgeting on a macro level is a tool used by the Budget Department to more accurately track how expenses are occurring by each



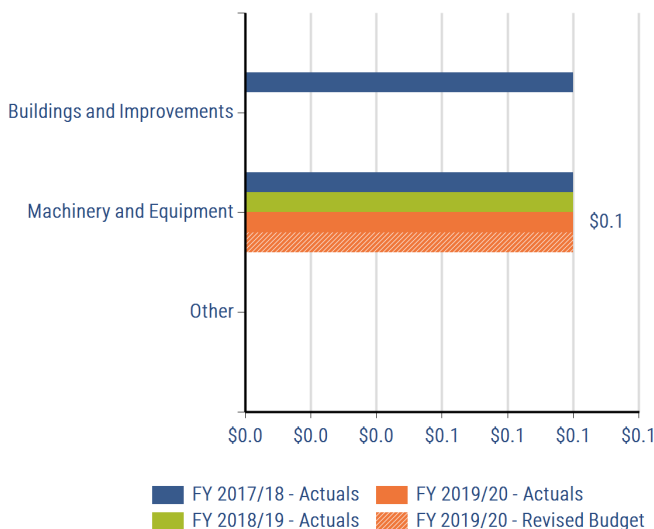
Commodities (Fiscal Year to Date: October 2019)



Actual to Revised Budget variance of \$0.0 million or 0%: Operating Supplies is unfavorable due to the timing of the purchases of uniforms, personal protective equipment and ammunition. The variance would have been greater but is offset in Community Services by the timing of landscape horticultural, agricultural supplies and library material purchases. Maintenance and Repair Supplies is favorable due to the timing of invoices.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Operating Supplies	\$1.2	\$1.3	\$1.6	\$1.5	(\$0.1)	(7%)
Purchased for Resale	0.1	0.1	0.1	0.1	-	-
Library Materials	0.3	0.3	0.2	0.3	-	-
Maintenance and Repair Supplies	0.5	0.4	0.5	0.6	0.1	15%
Other	-	-	-	-	-	-
Commodities Total	\$2.1	\$2.2	\$2.4	\$2.4	\$ -	-

Capital Outlays (Fiscal Year to Date: October 2019)



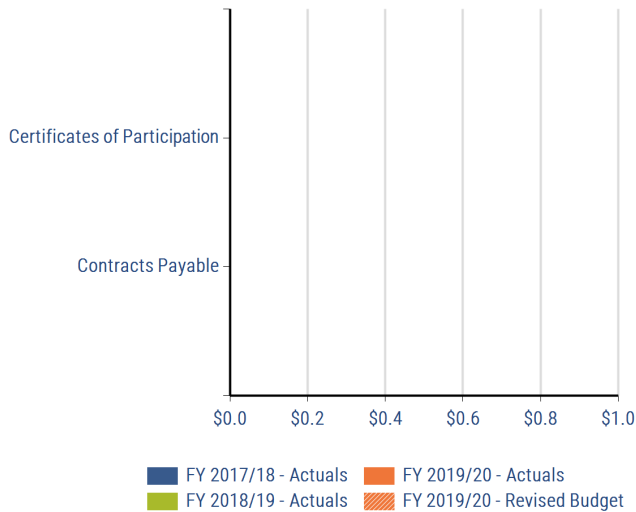
Actual to Revised Budget variance of \$0.0 million or 0%: No explanation necessary.

	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Buildings and Improvements	\$0.1	\$ -	\$ -	\$ -	\$ -	-
Machinery and Equipment	0.1	0.1	0.1	0.1	-	-
Other	-	-	-	-	-	-
Capital Outlays Total	\$0.1	\$0.1	\$0.1	\$0.1	\$ -	-



Contracts Payable & COPs (Fiscal Year to Date: October 2019)

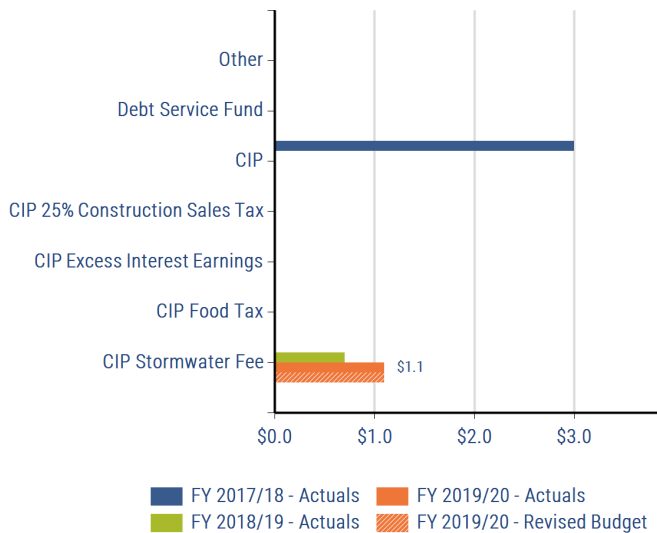
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contracts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contracts Payable & COPs Total	\$0.0	\$0.0	\$0.0	\$0.0	\$ -	-

Transfers Out (Fiscal Year to Date: October 2019)

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

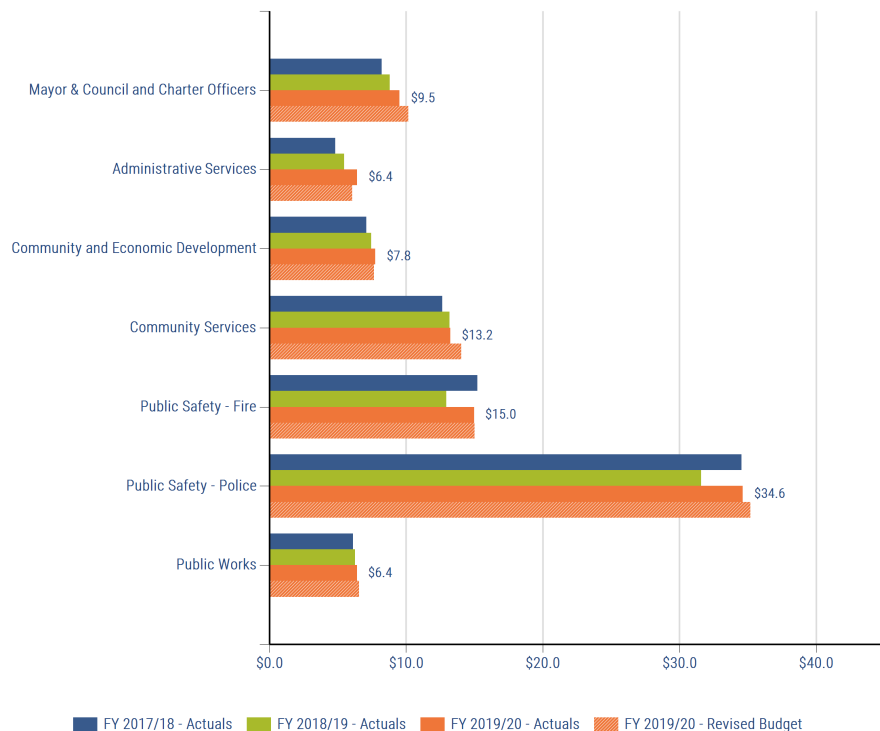


	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Other	\$ -	\$ -	\$ -	\$ -	\$ -	-
Debt Service Fund	-	-	-	-	-	-
CIP	3.0	-	-	-	-	-
CIP 25% Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
CIP Stormwater Fee	-	0.7	1.1	1.1	-	-
Transfers Out Total	\$3.0	\$0.7	\$1.1	\$1.1	\$ -	-

\$ in millions / rounding differences may occur



Division Expenditures (Fiscal Year to Date: October 2019)



	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2019/20 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	vs. Budget (Favorable / (Unfavorable)) Percent
Mayor & Council and Charter Officers	\$8.2	\$8.8	\$9.5	\$10.2	\$0.6	6%
Administrative Services	4.8	5.5	6.4	6.0	(0.4)	(6%)
Community and Economic Development	7.1	7.5	7.8	7.7	(0.1)	(1%)
Community Services	12.6	13.2	13.2	14.0	0.8	6%
Public Safety - Fire	15.2	12.9	15.0	15.0	-	-
Public Safety - Police	34.5	31.6	34.6	35.2	0.6	2%
Public Works	6.1	6.3	6.4	6.6	0.1	2%
Total	\$88.6	\$85.7	\$92.9	\$94.6	\$1.7	2%

Actual to Revised Budget variance of \$1.7 million or 2%: Mayor & Council and Charter Officers is favorable mainly due to the timing of annual maintenance fees of the city's payroll system, lower than expected armored car, postage, shipping and printing costs in the City Treasurer Division. It is also related to the timing of invoices and an annual payment to the Maricopa Association of Governments being budgeted twice in error in the City Manager Division and vacant positions in the City Attorney's Division. Administrative Services is unfavorable mainly due to an accounting issue related to the timing of software expenditures. Community Services is favorable due to the timing of field and software and license maintenance fees, and the purchase of landscape horticultural, agricultural supplies and library materials. It is also related to more than anticipated vacant part time positions. While Public Safety – Fire is showing no variance, there is actually an unfavorable variance due to the timing of the purchase of protective equipment and uniforms and to overtime related to firefighters assisting with wildfires in California, which the city will be reimbursed for, and unbudgeted training costs associated with paramedics leaving and needing to be replaced by someone else with paramedic status being almost entirely offset by the timing of the dispatch invoice. Public Safety – Police is favorable due to rank promotions with replacement employees coming in at a lower rate than the person who was promoted, overall lower than expected Public Safety Personnel Retirement System expenses by not having to pay retirement on salaries savings, the timing of invoices and the photo radar, Humane Society contract, and lower than forecasted jail occupancy. The favorable variance would have been greater but was offset due to higher than expected overtime related to officer needs during holidays and special events and the timing of the Animal Control contract and ammunition costs.