



Informational Memo

Management Services - Memo No. 23-068

Date: June 22, 2023

To: Mayor and Council

Thru: Joshua H. Wright, City Manager *JHW*
Dawn Lang, Deputy City Manager/CFO *DLL*

From: Matt Dunbar, Assistant Director of Budget & Policy *MD*

Subject: Fiscal Year (FY) 2022-23 General Fund Revenue Summary, Sales Tax Collection Report, and Expenditure Reports through May 2023

Attached is the FY 2022-23 General Fund Revenue and Expenditure Reports for period ending May 31, 2023.

Included with this memo are the following attachments:

- Attachment 1 – General Fund Revenue Summary
- Attachment 2 – Local Sales Tax Revenue Five-Year Comparison
- Attachment 3 – Local Sales Tax Revenue by Class
- Attachment 4 – Local Sales Tax Revenue Month-by-Month Comparison to Prior Year
- Attachment 5 – General Fund Expenditure Summary

The General Fund Revenue Summary (Attachment 1) gives a budget to actual comparison of revenues through May 2023. This month reflects a 19.4% increase in total General Fund revenues from the budgeted revenues we would have anticipated receiving to date based on historical trends, and an 18.4% increase over the same period of the prior year. As a reminder, the FY 2022-23 Adopted Budget was developed without building in the revenue impacts of the large industrial development currently underway in Chandler. This activity has generated additional one-time revenue in the current year in numerous categories.

Collections in State and Local Transaction Privilege Tax (TPT) or Sales Tax (Attachments 1-4) shown in this report reflect April TPT reported/received in May. Overall, year to date (YTD) collections in Local TPT, Voter Authorized Local Revenues (VALR), also known as State Shared Sales Tax Revenue, and Urban Revenue Sharing all came in above budget reflecting continued strong spending from increased development activity and tourism, as well as inflation related increases. It is important to note, that fluctuations related to

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development/contracting are considered one-time, as once the developments are completed, the related permit and local TPT collections cease. The Local TPT collections through May 2023, reflect an overall increase of 16.0% above budget, and a 14.9% increase compared to prior year actuals. Also, when comparing the TPT collections received in May 2023 to the same month in the prior year, collections are up 11.1%.

Finally, the FY 2022-23 General Fund Expenditure Summary (Attachment 5) report reflects the percent of adjusted budget expended and encumbered through May 2023. This report then compares this spending percentage to the prior fiscal year. Overall department spending, including an increased one-time Public Safety Personnel Retirement System (PSPRS) unfunded liability payment of \$50M, resulted in 84.8% spending through May 2023, compared to 84.7% for the same period last year.

Should you have any questions regarding this information, please contact Dawn Lang at x2255 or Matt Dunbar at x2256.

Attachments: FY 2022-23 General Fund Monthly Revenue and Expenditure Reports through
May 2023

c: Tadd Wille, Assistant City Manager
Andy Bass, Deputy City Manager

General Fund Revenue Summary

FY 2022-23 Year-To-Date Actuals Through May 2023

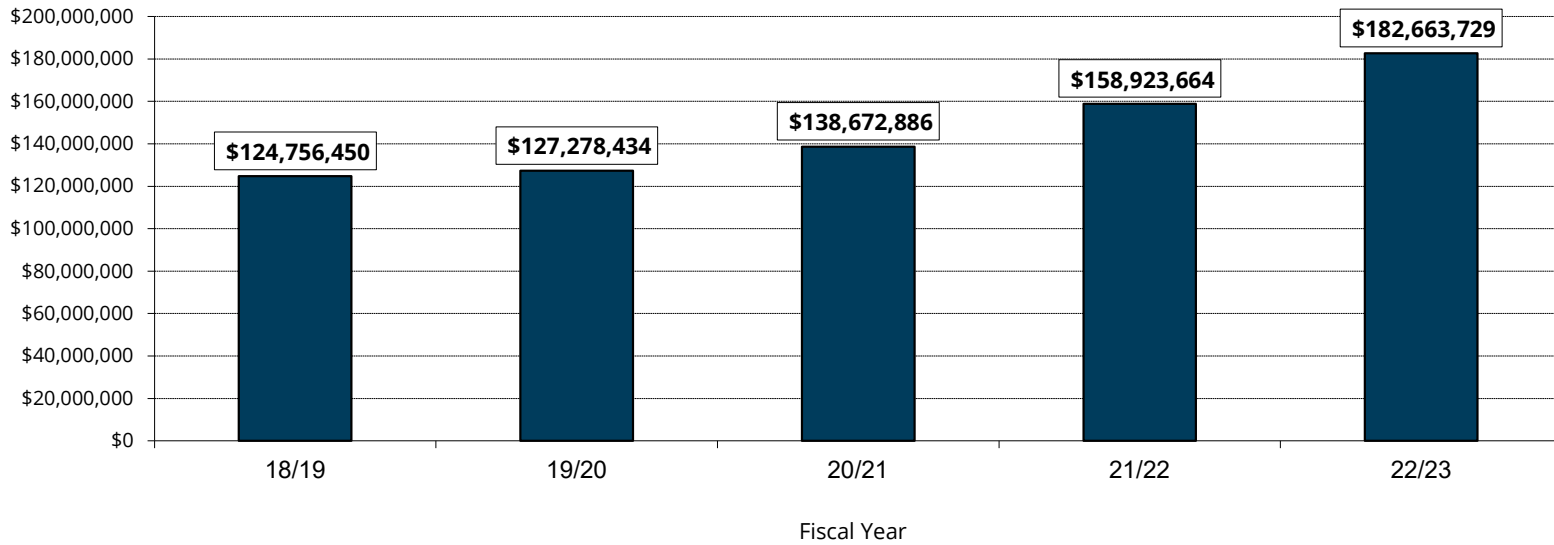
General Fund Revenues	Budget		Actuals			Comparison to Prior Year Actuals		
	FY 2022-23 Adopted Budget	FY 2022-23 Budget Prorated Based on Historical Trend	FY 2022-23 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	FY 2021-22 Actual Revenues for Same Period	Difference + or - from FY 2021-22 to FY 2022-23	% Change of Actuals to Same Period FY 2021-22
Local Sales Tax Collections	\$ 173,200,000	\$ 157,462,847	\$ 182,663,729	\$ 25,200,882	16.0%	\$ 158,923,664	\$ 23,740,065	14.9%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,748,400	1,696,000	5,039,436	3,343,436	197.1%	3,535,126	1,504,310	42.6%
Total Local Sales Tax Revenue	\$ 174,948,400	\$ 159,158,847	\$ 187,703,165	\$ 28,544,318	17.9%	\$ 162,458,790	\$ 25,244,375	15.5%
Franchise Fees	3,451,000	2,964,376	3,178,276	213,900	7.2%	3,132,207	46,069	1.5%
Primary Property Taxes	8,663,078	8,180,096	7,810,936	(369,160)	-4.5%	7,989,510	(178,574)	-2.2%
Voter Authorized Local Revenue	32,000,000	27,900,474	34,281,971	6,381,497	22.9%	33,409,188	872,783	2.6%
Vehicle License Tax	13,500,000	11,700,673	11,855,648	154,975	1.3%	10,486,846	1,368,802	13.1%
Urban Revenue Sharing	42,720,000	39,150,066	48,595,817	9,445,751	24.1%	32,977,880	15,617,937	47.4%
Smart and Safe*	605,000	-	707,435	707,435	0.0%	611,479	95,956	15.7%
Licenses & Permits	6,718,500	5,768,834	7,552,292	1,783,458	30.9%	6,138,573	1,413,719	23.0%
Charges for Services	13,133,500	11,056,846	13,920,172	2,863,326	25.9%	10,834,504	3,085,668	28.5%
Fines & Forfeitures	3,413,800	3,125,449	3,762,079	636,630	20.4%	3,057,290	704,789	23.1%
Interest & Investments	2,317,000	1,901,314	2,545,059	643,745	33.9%	1,406,435	1,138,624	81.0%
Other Revenues**	1,558,000	1,428,167	4,593,995	3,165,828	221.7%	2,538,567	2,055,428	81.0%
Indirect Cost	7,864,624	7,209,239	7,209,239	(0)	0.0%	6,919,537	289,702	4.2%
Total General Fund Revenues	\$ 310,892,902	\$ 279,544,381	\$ 333,716,084	\$ 54,171,703	19.4%	\$ 281,960,806	\$ 51,755,278	18.4%
Prior Month	\$ 310,892,902	\$ 251,093,515	\$ 299,243,800	\$ 48,150,284	19.2%	\$ 252,509,880	\$ 46,733,919	18.5%
Change from Prior Month	\$ -	\$ 28,450,866	\$ 34,472,284	\$ 6,021,418	0.2%	\$ 29,450,926	\$ 5,021,359	-0.2%

Note:

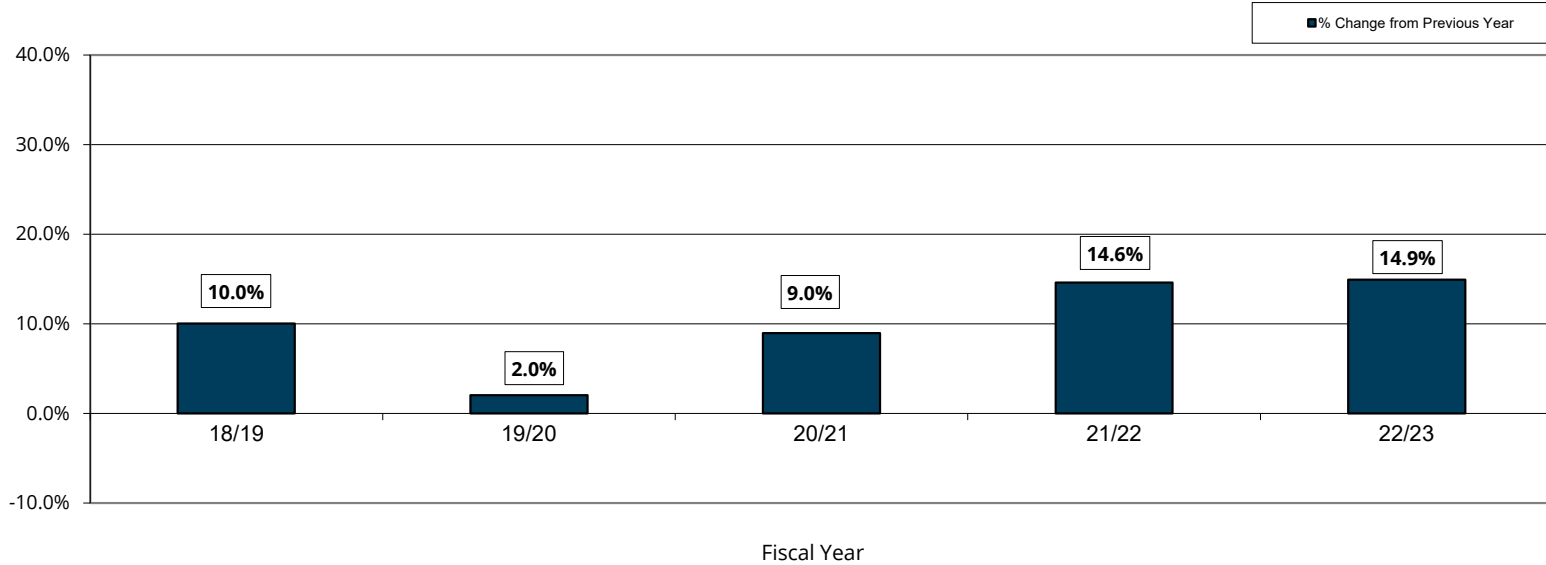
FY 2022-23 Adopted Budget excludes one-time Interfund Transfers-In of \$1,250,000 to the General Fund 101 for Impact Fee loan repayments, which are used to fund General Capital Projects in Fund 401.

**Prior year Other Revenues included the Smart & Safe, however it was reduce to show in the correct category.

Local Sales Tax Revenue* Through Month of May (Based on Sales Through April)



Local Sales Tax Revenue* % Change from May 2023 through May of Previous Year (Year-to-Date)



*Totals are for sales tax only, and exclude privilege license fees, audit assessments, interest, and penalties.

Sales Tax Revenue By Class

Through May Each Year (Year-to-Date)

Sales Tax Category	FY21-22 % of Total	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21	% Chg Fm PY	FY 2019-20	% Chg Fm PY	FY 2018-19
Utilities	9.0%	7.7%	\$ 15,486,203	1.6%	\$ 14,379,010	8.5%	\$ 14,148,007	-1.9%	\$ 13,033,879	5.8%	\$ 13,290,790
Telecommunications	0.9%	7.6%	\$ 1,584,876	-11.0%	\$ 1,473,027	-23.1%	\$ 1,655,402	9.1%	\$ 2,154,021	-9.4%	\$ 1,973,848
Publishing / Advertising / Printing / Transportation	0.1%	8.3%	\$ 199,002	2.8%	\$ 183,705	54.0%	\$ 178,645	-34.5%	\$ 116,014	7.2%	\$ 177,166
Restaurants & Bars	9.3%	9.3%	\$ 16,033,604	27.6%	\$ 14,664,188	3.2%	\$ 11,488,534	-3.8%	\$ 11,132,367	8.1%	\$ 11,570,195
Amusements	0.8%	14.2%	\$ 1,365,181	79.3%	\$ 1,195,361	-33.3%	\$ 666,695	-14.1%	\$ 999,713	18.3%	\$ 1,163,196
Real Property Rentals	11.9%	12.4%	\$ 21,371,585	9.7%	\$ 19,012,857	4.5%	\$ 17,336,642	9.5%	\$ 16,588,915	10.0%	\$ 15,155,938
Tangible Personal Property Rentals	2.4%	25.5%	\$ 4,803,710	12.7%	\$ 3,828,933	-14.7%	\$ 3,397,924	8.1%	\$ 3,984,933	9.9%	\$ 3,684,723
Hotels / Motels	3.3%	18.5%	\$ 6,324,093	91.1%	\$ 5,337,382	-20.8%	\$ 2,793,313	-5.9%	\$ 3,525,689	11.0%	\$ 3,745,823
Contracting	9.9%	68.5%	\$ 24,702,362	14.2%	\$ 14,660,207	2.2%	\$ 12,838,978	-15.5%	\$ 12,562,383	34.7%	\$ 14,871,694
Retail / Manufactured Buildings / Jet Fuel	48.6%	8.5%	\$ 84,408,865	14.1%	\$ 77,817,678	17.0%	\$ 68,189,156	7.2%	\$ 58,305,606	6.2%	\$ 54,373,586
Use Tax	3.9%	0.2%	\$ 6,384,246	6.6%	\$ 6,371,315	22.7%	\$ 5,979,588	2.6%	\$ 4,874,914	18.4%	\$ 4,749,490
Total Sales Tax Revenue*	100.0%	14.9%	\$ 182,663,729	14.6%	\$ 158,923,664	9.0%	\$ 138,672,886	2.0%	\$ 127,278,434	10.0%	\$ 124,756,450

Sales Tax Revenue By Class

Through May (Month-over-Month)

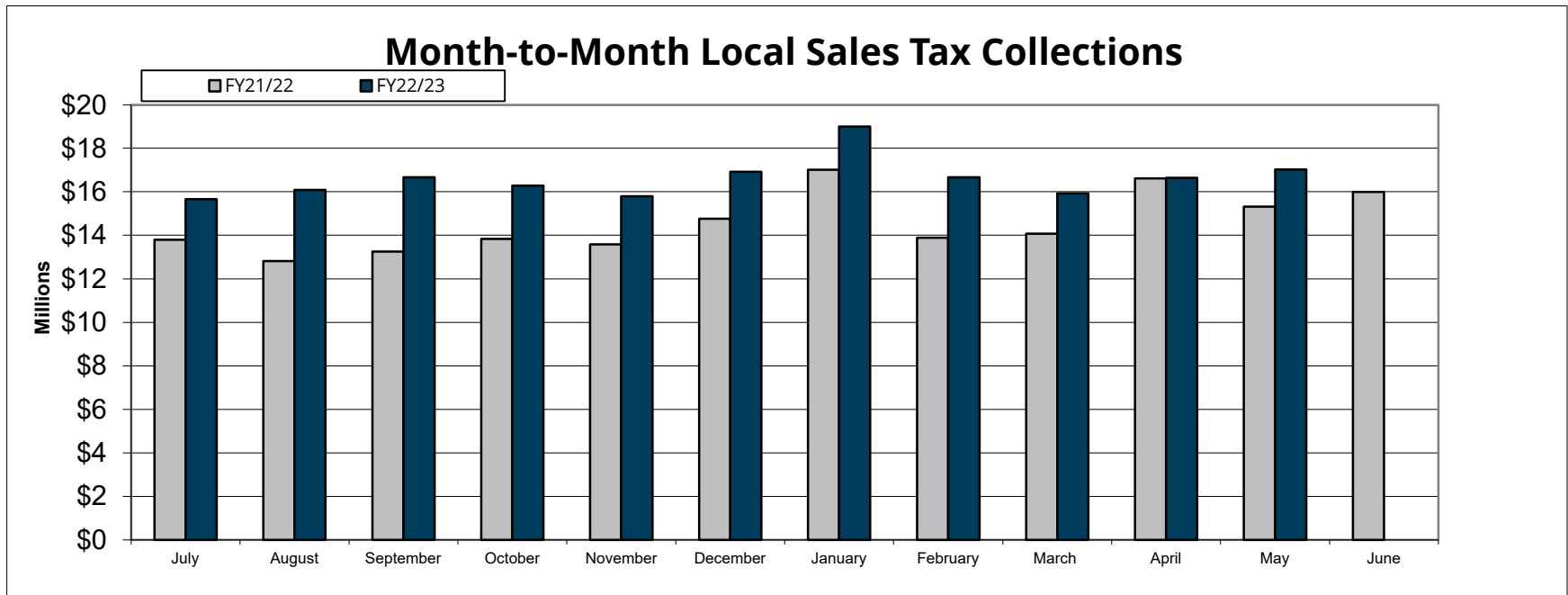
Sales Tax Category	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21	% Chg Fm PY	FY 2019-20	% Chg Fm PY	FY 2018-19
Utilities	5.2%	\$ 1,081,572	6.0%	\$ 1,028,026	14.0%	\$ 970,174	-4.7%	\$ 851,183	-6.7%	\$ 892,882
Telecommunications	1.4%	\$ 142,321	-2.8%	\$ 140,379	-25.8%	\$ 144,472	-3.0%	\$ 194,635	-4.0%	\$ 200,560
Publishing / Advertising / Printing / Transportation	8.0%	\$ 15,554	-12.5%	\$ 14,406	48.2%	\$ 16,461	-31.8%	\$ 11,104	-9.5%	\$ 16,286
Restaurants & Bars	5.8%	\$ 1,559,867	17.9%	\$ 1,473,776	79.1%	\$ 1,249,558	-37.9%	\$ 697,780	17.3%	\$ 1,122,742
Amusements	9.8%	\$ 151,625	73.0%	\$ 138,034	198.5%	\$ 79,789	-79.0%	\$ 26,734	42.8%	\$ 127,168
Real Property Rentals	7.5%	\$ 1,851,403	9.2%	\$ 1,722,961	19.3%	\$ 1,577,617	1.6%	\$ 1,322,431	10.5%	\$ 1,301,359
Tangible Personal Property Rentals	51.0%	\$ 520,863	22.7%	\$ 344,999	10.0%	\$ 281,119	-21.3%	\$ 255,673	8.3%	\$ 324,819
Hotels / Motels	15.4%	\$ 652,791	70.3%	\$ 565,487	348.0%	\$ 332,075	-80.3%	\$ 74,125	5.1%	\$ 375,706
Contracting	150.4%	\$ 3,007,743	8.9%	\$ 1,201,409	2.8%	\$ 1,102,739	-22.0%	\$ 1,073,200	75.2%	\$ 1,376,076
Retail / Manufactured Buildings / Jet Fuel	-6.9%	\$ 7,536,565	22.6%	\$ 8,096,827	37.8%	\$ 6,606,299	-4.9%	\$ 4,793,911	4.1%	\$ 5,041,422
Use Tax	-14.7%	\$ 503,491	-248.0%	\$ 589,965	-153.2%	\$ (398,508)	64.1%	\$ 748,934	31.4%	\$ 456,456
Total Sales Tax Revenue*	11.1%	\$ 17,023,794	28.0%	\$ 15,316,268	19.0%	\$ 11,961,794	-10.6%	\$ 10,049,709	11.9%	\$ 11,235,476

*Totals are for sales tax only, and exclude privilege license fees, audit assessments, interest, and penalties.

Local Sales Tax Revenue

Monthly Actuals Compared to Prior Year

Local Sales Tax Collections *	Monthly Collections FY21/22	Monthly Collections FY22/23	\$ Difference + / (-) FY22/23 over FY21/22	% Difference + / (-) FY22/23 over FY21/22
July	13,788,430	15,662,901	1,874,471	13.6%
August	12,815,247	16,086,953	3,271,706	25.5%
September	13,251,577	16,668,758	3,417,181	25.8%
October	13,827,187	16,286,090	2,458,903	17.8%
November	13,576,031	15,790,137	2,214,106	16.3%
December	14,761,816	16,920,770	2,158,954	14.6%
January	17,015,111	18,997,718	1,982,607	11.7%
February	13,887,628	16,662,379	2,774,750	20.0%
March	14,067,088	15,926,597	1,859,509	13.2%
April	16,617,281	16,637,632	20,351	0.1%
May	15,316,268	17,023,794	1,707,526	11.1%
June	15,989,470	-	(15,989,470)	-100.0%
Totals	\$ 158,923,664	\$ 182,663,729	\$ 23,740,065	14.9%



***Totals are for sales tax only, and exclude privilege license fees, audit assessments, interest, and penalties.**

General Fund Expenditure Summary Thru May 2023

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru May 2023	Percentage of Adjusted Budget Expended & Encumbered Thru May 2023	Percentage of Adjusted Budget Expended & Encumbered Thru May 2022	Over/Under Last Year's Percentage
City Clerk	\$ 1,033,622	\$ 1,187,055	\$ 880,219	74.2%	86.5%	-12.3%
City Manager and Organization Support ⁽¹⁾						
City Manager	1,829,806	1,980,735	1,795,407	90.6%	90.9%	-0.3%
Diversity, Equity, and Inclusion	442,243	602,479	467,196	77.5%	77.5%	0.0%
Human Resources	2,007,553	2,228,889	1,930,187	86.6%	78.0%	8.6%
Buildings & Facilities	8,351,624	9,005,595	7,833,711	87.0%	85.6%	1.4%
Fleet Services	1,299,084	1,509,467	1,289,970	85.5%	84.4%	1.0%
Economic Development	1,808,172	2,148,886	1,661,110	77.3%	83.1%	-5.7%
Transportation Policy	2,907,566	3,323,544	455,077	13.7%	52.2%	-38.5%
Cultural Development	4,001,437	4,330,984	3,936,343	90.9%	90.3%	0.6%
Communications & Public Affairs	2,682,072	3,175,678	2,464,076	77.6%	78.5%	-1.0%
Community Services	29,928,146	33,316,377	28,815,406	86.5%	86.5%	0.0%
Development Services	10,008,386	10,816,708	8,735,497	80.8%	81.0%	-0.2%
Fire	39,238,155	45,204,639	42,037,400	93.0%	94.6%	-1.6%
Information Technology	16,084,234	18,110,424	13,725,794	75.8%	76.4%	-0.7%
Law	4,236,416	4,521,513	4,102,082	90.7%	92.7%	-2.0%
Magistrate	5,025,617	5,280,652	3,888,549	73.6%	69.0%	4.7%
Management Services	7,486,762	7,971,549	6,258,317	78.5%	80.7%	-2.2%
Mayor and Council	1,184,388	1,221,459	1,048,188	85.8%	78.3%	7.5%
Neighborhood Resources	4,114,985	8,580,013	4,717,578	55.0%	44.6%	10.3%
Police	83,324,801	93,898,061	83,246,486	88.7%	89.4%	-0.7%
Public Works & Utilities	10,314,947	11,952,152	10,254,911	85.8%	87.5%	-1.7%
Non-Departmental (Personnel Services and O&M)	78,553,795	61,840,008	52,238,600	84.5%	78.8%	5.6%
Subtotal Prior to Contingencies/Reserves	\$ 315,863,811	\$ 332,206,867	\$ 281,782,104	84.8%	84.7%	0.1%
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	10,174,000	1,861,430	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	45,879,300	37,834,580	-	0.0%	0.0%	0.0%
Total General Fund Expenditures	\$ 371,917,111	\$ 371,902,877	\$ 281,782,104	75.8%	74.8%	1.0%

⁽¹⁾ Organization Support includes Buildings and Facilities, Economic Development, Diversity, Equity & Inclusion, Fleet Services, Human Resources, Transportation Policy and Cultural Development.

Adopted Budget: Includes estimated reserves for encumbrance carryforward from the previous fiscal year and full Council approved reserve/contingency established in the budget.

Adjusted Budget: Includes movement of estimated reserves for encumbrance appropriation to departments based on actual end-of-year encumbrances and Council approved contingency transfers. Reserves/Contingency appropriation cannot be spent from Reserve/Contingency line items; it must be moved to spendable lines within Departments.

NOTE: The total Adopted budget compared to the total Adjusted budget always equals when viewing **all** funds. When looking at the General Fund only, it is not uncommon for the amounts to differ. This is due to estimated carryforward appropriation, personnel adjustment appropriation or Council approved contingency transfers being moved to other funds, as directed by Council and authorized by the Budget Resolution.