



Informational Memo

Management Services - Memo No. 23-060

Date: May 30, 2023

To: Mayor and Council

Thru: Joshua H. Wright, City Manager
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 April 2023

Attached is the FY 2022-23 General Fund Revenue and Expenditure Reports for period ending April 30, 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 April 2023. This month reflects a 19.2% increase in total General Fund revenues from the budgeted revenues we would have anticipated receiving to date based on historical trends, and an 18.5% 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 March TPT reported/received in April. 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

Memo No. 23-060

May 30, 2023

Page 2

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 April 2023, reflect an overall increase of 15.4% above budget, and a 15.3% increase compared to prior year actuals. Also, when comparing the TPT collections received in April 2023 to the same month in the prior year, collections are up 0.1%.

Finally, the FY 2022-23 General Fund Expenditure Summary (Attachment 5) report reflects the percent of adjusted budget expended and encumbered through April 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 79.4% spending through April 2023, compared to 78.9% 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 April 2023

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

General Fund Revenue Summary

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

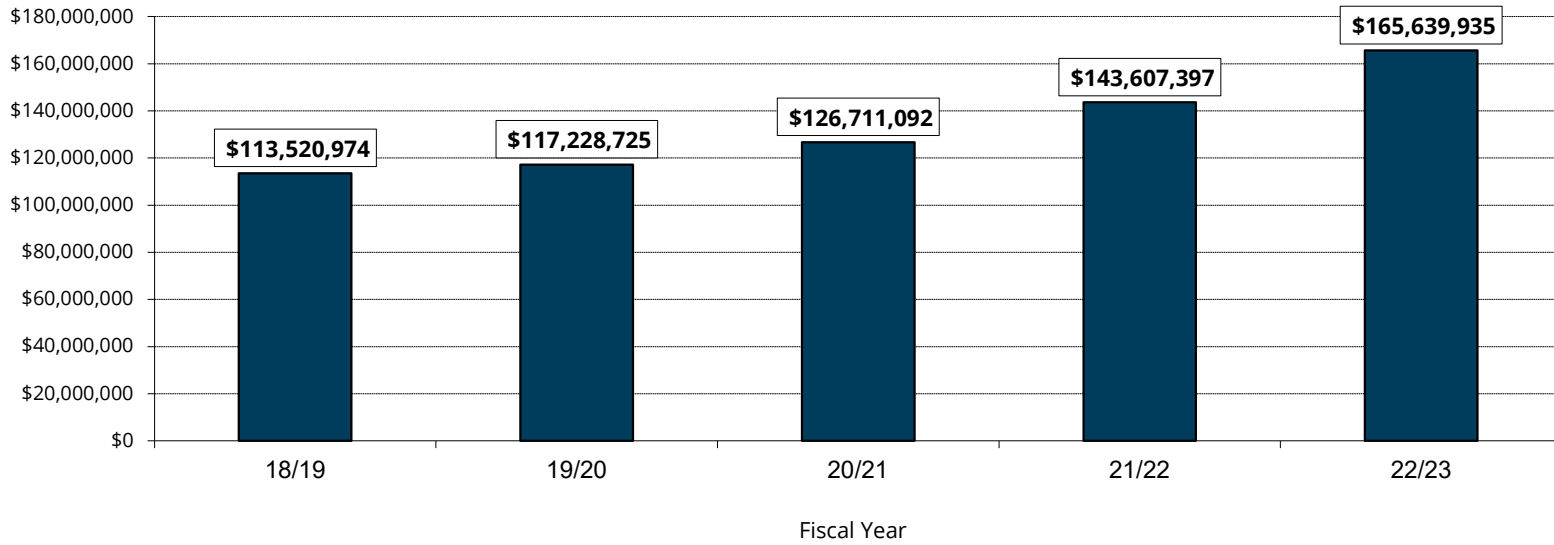
General Fund Revenues	Budget		Actuals			Comparison to Prior Year Actuals		
	FY 2022-23 Adopted Budget	FY 2022-23 Budget Prorated Based on Historical Trend	FY 2022-23 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	FY 2021-22 Actual Revenues for Same Period	Difference + or - from FY 2021-22 to FY 2022-23	% Change of Actuals to Same Period FY 2021-22
Local Sales Tax Collections	\$ 173,200,000	\$ 143,560,020	\$ 165,639,935	\$ 22,079,915	15.4%	\$ 143,607,397	\$ 22,032,538	15.3%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,748,400	1,509,268	3,930,581	2,421,313	160.4%	3,265,193	665,388	20.4%
Total Local Sales Tax Revenue	\$ 174,948,400	\$ 145,069,288	\$ 169,570,516	\$ 24,501,228	16.9%	\$ 146,872,590	\$ 22,697,926	15.5%
Franchise Fees	3,451,000	2,265,798	2,591,676	325,878	14.4%	2,449,516	142,160	5.8%
Primary Property Taxes	8,663,078	5,821,061	5,788,244	(32,817)	-0.6%	5,675,000	113,244	2.0%
Voter Authorized Local Revenue	32,000,000	25,116,852	32,607,177	7,490,325	29.8%	30,351,659	2,255,518	7.4%
Vehicle License Tax	13,500,000	10,689,442	10,686,580	(2,862)	0.0%	9,596,906	1,089,674	11.4%
Urban Revenue Sharing	42,720,000	35,580,131	44,178,015	8,597,884	24.2%	29,944,704	14,233,311	47.5%
Smart and Safe*	605,000	-	707,435	707,435	0.0%	611,479	95,956	15.7%
Licenses & Permits	6,718,500	4,860,908	6,837,776	1,976,868	40.7%	5,049,942	1,787,834	35.4%
Charges for Services	13,133,500	9,371,374	12,706,523	3,335,149	35.6%	9,139,955	3,566,568	39.0%
Fines & Forfeitures	3,413,800	2,850,143	3,390,283	540,140	19.0%	2,757,949	632,334	22.9%
Interest & Investments	2,317,000	1,616,332	2,094,829	478,497	29.6%	1,261,108	833,721	66.1%
Other Revenues**	1,558,000	1,298,333	1,530,893	232,560	17.9%	2,508,584	(977,691)	-39.0%
Indirect Cost	7,864,624	6,553,853	6,553,853	(0)	0.0%	6,290,488	263,365	4.2%
Total General Fund Revenues	\$ 310,892,902	\$ 251,093,515	\$ 299,243,800	\$ 48,150,285	19.2%	\$ 252,509,880	\$ 46,733,920	18.5%
Prior Month	\$ 310,892,902	\$ 224,595,504	\$ 269,782,508	\$ 45,187,004	20.1%	\$ 224,417,517	\$ 45,364,991	20.2%
Change from Prior Month	\$ -	\$ 26,498,011	\$ 29,461,292	\$ 2,963,281	-0.9%	\$ 28,092,363	\$ 1,368,929	-1.7%

Note:

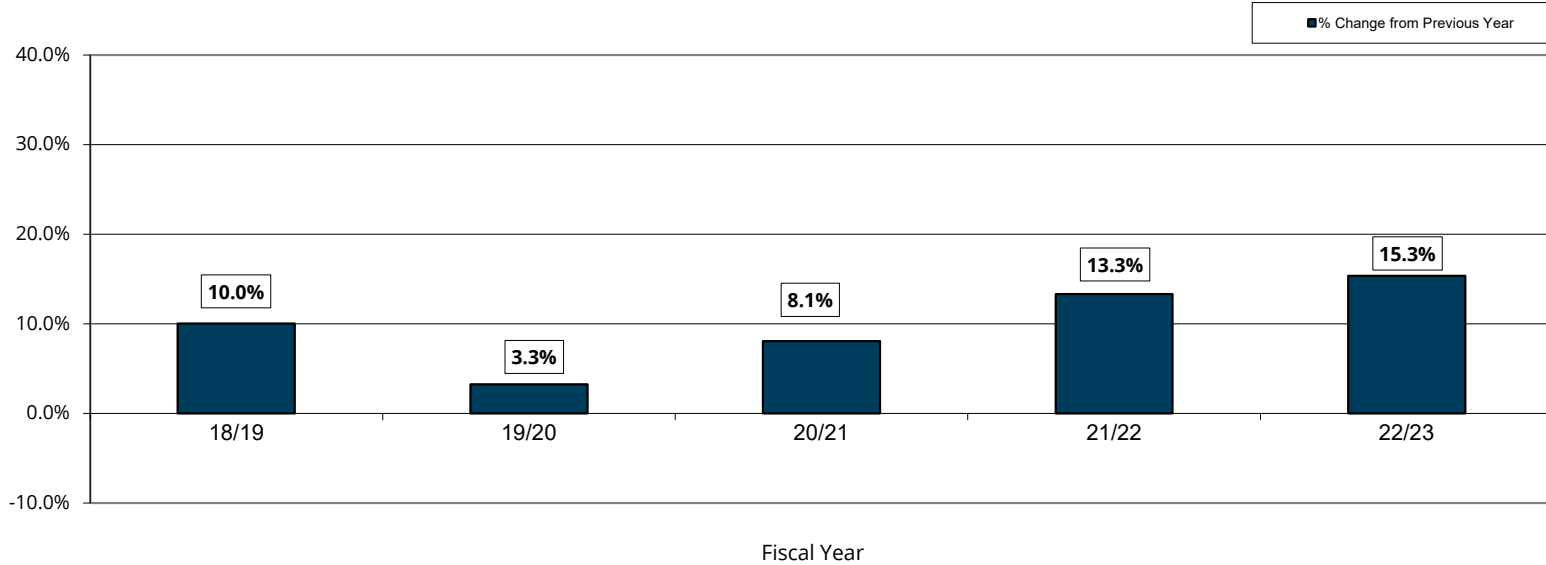
FY 2022-23 Adopted Budget excludes one-time Interfund Transfers-In of \$1,250,000 to the General Fund 101 for Impact Fee loan repayments, which are used to fund General Capital Projects in Fund 401.

**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 April (Based on Sales Through March)



Local Sales Tax Revenue* % Change from April 2023 through April 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 April 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%	7.9%	\$ 14,404,631	1.3%	\$ 13,350,984	8.2%	\$ 13,177,834	-1.7%	\$ 12,182,696	6.3%	\$ 12,397,908
Telecommunications	0.9%	8.2%	\$ 1,442,555	-11.8%	\$ 1,332,649	-22.9%	\$ 1,510,930	10.5%	\$ 1,959,386	-13.8%	\$ 1,773,288
Publishing / Advertising / Printing / Transportation	0.1%	8.4%	\$ 183,449	4.4%	\$ 169,299	54.6%	\$ 162,184	-34.8%	\$ 104,910	6.3%	\$ 160,879
Restaurants & Bars	9.3%	9.7%	\$ 14,473,737	28.8%	\$ 13,190,412	-1.9%	\$ 10,238,976	-0.1%	\$ 10,434,587	7.9%	\$ 10,447,453
Amusements	0.8%	14.8%	\$ 1,213,556	80.2%	\$ 1,057,328	-39.7%	\$ 586,906	-6.1%	\$ 972,979	15.0%	\$ 1,036,029
Real Property Rentals	11.9%	12.9%	\$ 19,520,183	9.7%	\$ 17,289,896	3.2%	\$ 15,759,025	10.2%	\$ 15,266,485	9.2%	\$ 13,854,579
Tangible Personal Property Rentals	2.4%	22.9%	\$ 4,282,847	11.8%	\$ 3,483,935	-16.4%	\$ 3,116,805	11.0%	\$ 3,729,260	8.5%	\$ 3,359,903
Hotels / Motels	3.3%	18.8%	\$ 5,671,302	93.9%	\$ 4,771,895	-28.7%	\$ 2,461,238	2.4%	\$ 3,451,564	9.8%	\$ 3,370,117
Contracting	9.9%	61.2%	\$ 21,694,619	14.7%	\$ 13,458,799	2.2%	\$ 11,736,239	-14.9%	\$ 11,489,183	34.3%	\$ 13,495,618
Retail / Manufactured Buildings / Jet Fuel	48.6%	10.3%	\$ 76,872,300	13.2%	\$ 69,720,850	15.1%	\$ 61,582,857	8.5%	\$ 53,511,696	6.7%	\$ 49,332,165
Use Tax	3.9%	1.7%	\$ 5,880,755	-9.4%	\$ 5,781,351	54.6%	\$ 6,378,097	-3.9%	\$ 4,125,980	20.5%	\$ 4,293,034
Total Sales Tax Revenue*	100.0%	15.3%	\$ 165,639,935	13.3%	\$ 143,607,396	8.1%	\$ 126,711,092	3.3%	\$ 117,228,725	10.0%	\$ 113,520,974

Sales Tax Revenue By Class

Through April (Month-over-Month)

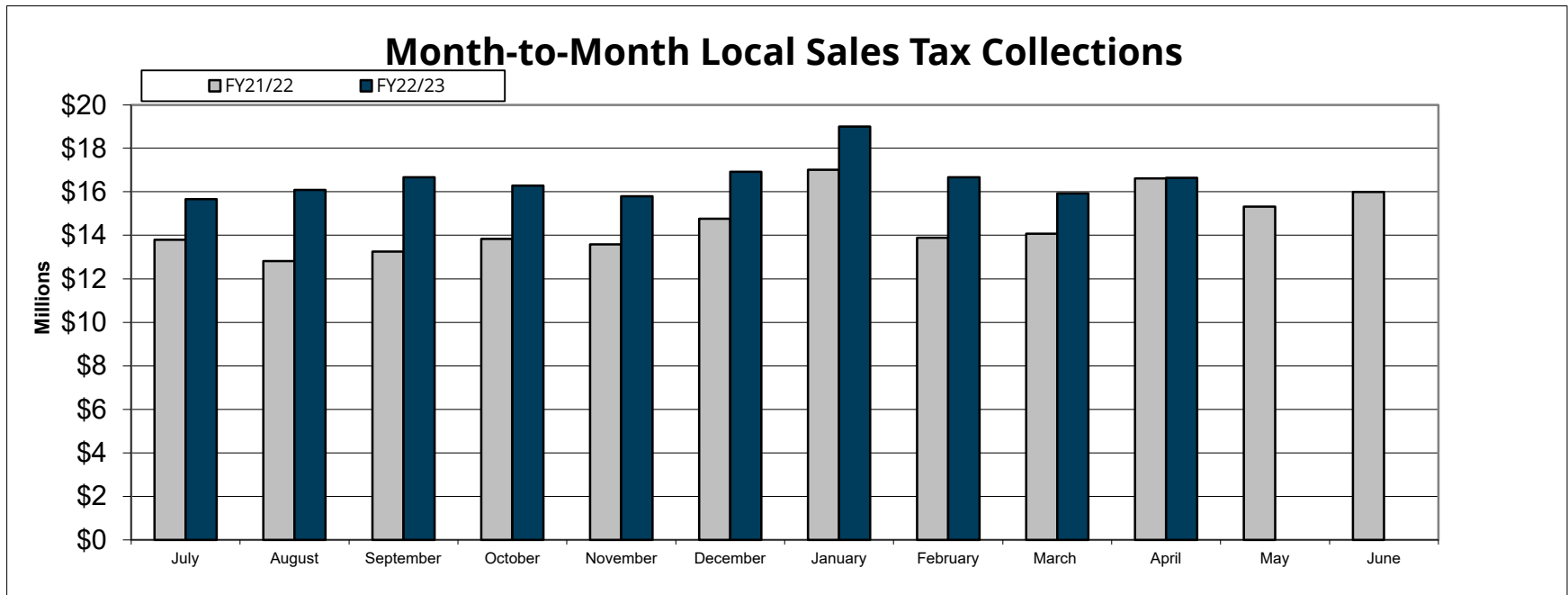
Sales Tax Category	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21	% Chg Fm PY	FY 2019-20	% Chg Fm PY	FY 2018-19
Utilities	19.7%	\$ 1,118,810	-5.5%	\$ 934,499	12.7%	\$ 989,238	1.7%	\$ 877,611	-9.8%	\$ 863,332
Telecommunications	62.6%	\$ 211,775	-11.0%	\$ 130,266	-22.7%	\$ 146,310	-0.1%	\$ 189,397	-9.2%	\$ 189,500
Publishing / Advertising / Printing / Transportation	-6.0%	\$ 18,072	24.0%	\$ 19,216	2.1%	\$ 15,496	-9.8%	\$ 15,178	-6.5%	\$ 16,822
Restaurants & Bars	6.1%	\$ 1,689,327	28.4%	\$ 1,592,671	41.7%	\$ 1,240,584	-28.5%	\$ 875,637	27.9%	\$ 1,224,310
Amusements	-15.3%	\$ 150,993	101.1%	\$ 178,324	28.1%	\$ 88,682	-48.5%	\$ 69,246	51.0%	\$ 134,453
Real Property Rentals	11.1%	\$ 1,996,476	6.9%	\$ 1,796,586	8.4%	\$ 1,681,376	3.6%	\$ 1,550,914	27.2%	\$ 1,497,574
Tangible Personal Property Rentals	32.9%	\$ 507,680	15.3%	\$ 382,083	4.3%	\$ 331,325	0.4%	\$ 317,515	5.4%	\$ 316,290
Hotels / Motels	-3.6%	\$ 954,851	106.3%	\$ 990,637	47.5%	\$ 480,239	-50.5%	\$ 325,495	84.0%	\$ 657,860
Contracting	-3.6%	\$ 1,896,842	103.1%	\$ 1,967,445	-8.1%	\$ 968,576	-21.8%	\$ 1,053,629	71.6%	\$ 1,347,949
Retail / Manufactured Buildings / Jet Fuel	-5.5%	\$ 7,542,189	18.1%	\$ 7,981,472	23.1%	\$ 6,757,359	5.0%	\$ 5,487,524	8.0%	\$ 5,227,243
Use Tax	-14.5%	\$ 550,617	-17.4%	\$ 644,083	50.8%	\$ 779,583	23.9%	\$ 516,850	20.0%	\$ 417,005
Total Sales Tax Revenue*	0.1%	\$ 16,637,632	23.3%	\$ 16,617,281	19.5%	\$ 13,478,769	-5.2%	\$ 11,278,996	18.5%	\$ 11,892,337

*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	-	(15,316,268)	-100.0%
June	15,989,470	-	(15,989,470)	-100.0%
Totals	\$ 143,607,396	\$ 165,639,935	\$ 22,032,538	15.3%



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

General Fund Expenditure Summary Thru April 2023

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru April 2023	Percentage of Adjusted Budget Expended & Encumbered Thru April 2023	Percentage of Adjusted Budget Expended & Encumbered Thru April 2022	Over/Under Last Year's Percentage
City Clerk	\$ 1,033,622	\$ 1,187,055	\$ 772,565	65.1%	80.9%	-15.8%
City Manager and Organization Support ⁽¹⁾						
City Manager	1,829,806	1,980,735	1,638,893	82.7%	83.0%	-0.3%
Diversity, Equity, and Inclusion	442,243	602,479	414,911	68.9%	59.9%	9.0%
Human Resources	2,007,553	2,228,889	1,765,586	79.2%	71.1%	8.1%
Buildings & Facilities	8,351,624	9,005,595	7,301,334	81.1%	78.7%	2.4%
Fleet Services	1,299,084	1,509,467	1,219,413	80.8%	77.6%	3.2%
Economic Development	1,808,172	2,148,886	1,548,395	72.1%	77.6%	-5.5%
Transportation Policy	2,907,566	3,323,544	553,840	16.7%	50.3%	-33.6%
Cultural Development	4,001,437	4,330,984	3,610,973	83.4%	81.8%	1.6%
Communications & Public Affairs	2,682,072	3,175,678	2,075,927	65.4%	68.1%	-2.7%
Community Services	29,928,146	33,316,377	26,948,308	80.9%	79.4%	1.5%
Development Services	10,008,386	10,816,708	7,915,832	73.2%	73.9%	-0.7%
Fire	39,238,155	45,092,700	38,792,149	86.0%	87.3%	-1.3%
Information Technology	16,084,234	18,110,424	12,432,158	68.6%	70.9%	-2.3%
Law	4,236,416	4,521,513	3,762,591	83.2%	85.2%	-2.0%
Magistrate	5,025,617	5,280,652	3,530,432	66.9%	62.7%	4.2%
Management Services	7,486,762	7,971,549	5,692,936	71.4%	74.3%	-2.9%
Mayor and Council	1,184,388	1,221,459	947,743	77.6%	71.2%	6.4%
Neighborhood Resources	4,114,985	8,580,013	4,215,489	49.1%	41.5%	7.6%
Police	83,324,801	93,898,061	76,413,764	81.4%	82.6%	-1.2%
Public Works & Utilities	10,314,947	11,952,152	9,924,021	83.0%	84.1%	-1.1%
Non-Departmental (Personnel Services and O&M)	78,553,795	61,913,377	52,185,436	84.3%	78.7%	5.6%
Subtotal Prior to Contingencies/Reserves	\$ 315,863,811	\$ 332,168,297	\$ 263,662,696	79.4%	78.9%	0.5%
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	10,174,000	1,900,000	-	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	\$ 263,662,696	70.9%	69.6%	1.3%

⁽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.