



MEMORANDUM

Management Services Memo No. 15-015

DATE: OCTOBER 2, 2014

TO: MAYOR & COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
NACHIE MARQUEZ, ASSISTANT CITY MANAGER *NM*
DAWN LANG, MANAGEMENT SERVICES DIRECTOR *DL*

FROM: GREG WESTRUM, BUDGET MANAGER *GW*

SUBJECT: FISCAL YEAR (FY) 2014-15 MONTHLY REVENUE SUMMARY, SALES TAX COLLECTION REPORT AND GENERAL FUND EXPENDITURE REPORT THROUGH AUGUST 2014

Attached is the FY 2014-15 General Fund Monthly Revenue and Expenditure Report for the two-month period ending August 2014. No report was published in July due to the year-end close process that extends into August. Included in this report are:

- 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; and
- Attachment 5 – General Fund Expenditure Summary.

The General Fund Monthly Revenue Summary gives a budget to actual comparison of revenues through August 2014. This month reflects a 5.5% increase in total General Fund revenues from the budgeted revenue received to date based on historical trends. The individual categories show some significant variances between budget and revenue received to date based on historical trend, but it is important to note that the first few months of the fiscal year can result in some large percentage changes because certain revenues are not received every month. We will have a better feel for the trends of General Fund revenues during the second quarter of the fiscal year.

Local transaction privilege (sales) tax through August 2014 reflects an increase of 8.5% over historical trend, and an increase of 2.7% compared to the same period last year. The largest category, Retail/Manufactured Buildings/Jet Fuel is a healthy 2.8% higher than one year earlier. Most of the Sales Tax categories are higher than the prior year through August, but the comparisons will become more valuable as we move into the second quarter.

Similarly, the Interest & Investments category and Other Revenue category both reflect revenues below historical trend as of the end of August; however both are expected to be near historical amounts as the year progresses.

The FY 2014-15 General Fund Expenditure Summary report reflects the percent of adjusted budget expended and encumbered through August 2014, then compares this spending percent to the prior fiscal year. Spending of 21.5% has occurred through August 2014, compared to 22.1% for the same period last year. Please note that this report has been updated to incorporate the Planning Division into the City Manager and Organizational Support total. The recent change establishing the Community and Neighborhood Services Department and the Cultural Affairs Division (which was effective September 29, 2014) will be reflected starting with the October 2014 report.

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

cc: Marsha Reed, Assistant City Manager

CITY OF CHANDLER REVENUE SUMMARY

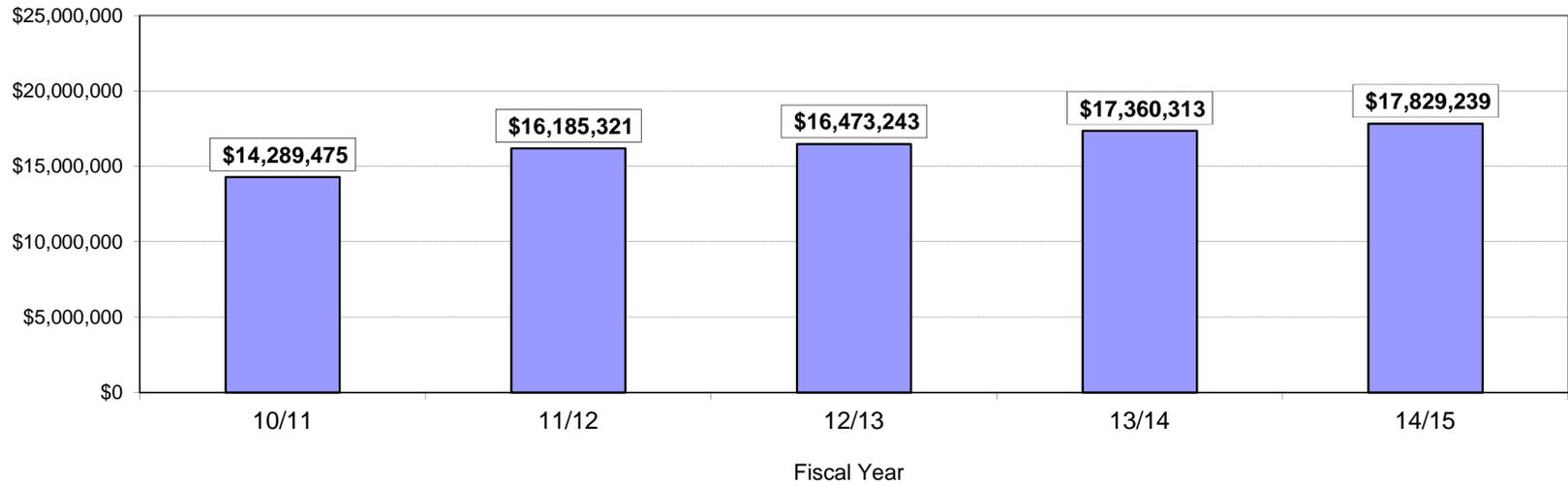
FY 2014-15 Year-To-Date Actuals Through August 2014

GENERAL FUND REVENUES	BUDGET		ACTUALS			COMPARISON TO PRIOR YEAR ACTUALS		
	FY 2014-15 Adjusted Budget	FY 2014-15 Budget Prorated Based on Historical Trend	FY 2014-15 Actual Revenue YTD	+ or - of Actual to Budget Based on Historical Trend	% Change of Actual to Budget Based on Hist. Trend	FY 2013-14 Actual Revenues for Same Period	Difference + or (-) from FY 2013-14 to FY 2014-15	% Change of Actuals to Same Period FY 2013-14
Local Sales Tax Collections	\$ 97,000,000	\$ 16,434,749	\$ 17,829,239	\$ 1,394,490	8.5%	\$ 17,360,313	\$ 468,926	2.7%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,261,000	325,292	269,656	(55,636)	-17.1%	463,533	(193,877)	-41.8%
Total Local Sales Tax Revenue	99,261,000	16,760,041	18,098,895	1,338,854	8.0%	17,823,846	275,049	1.5%
Franchise Fees	2,979,000	37,582	30,176	(7,406)	-19.7%	26,161	4,015	15.3%
Primary Property Taxes	6,964,900	22,074	21,168	(906)	-4.1%	35,397	(14,229)	-40.2%
State Shared Sales Taxes	21,000,000	1,686,768	1,688,584	1,816	0.1%	1,654,347	34,237	2.1%
Vehicle License Tax	8,300,000	934,132	857,213	(76,919)	-8.2%	1,150,686	(293,473)	-25.5%
Urban Revenue Sharing	28,607,000	4,765,946	4,768,121	2,175	0.0%	4,390,517	377,604	8.6%
Licenses & Permits	3,580,400	358,281	770,293	412,012	115.0%	700,073	70,220	10.0%
Charges for Services	11,003,060	1,759,135	1,901,669	142,534	8.1%	1,733,514	168,155	9.7%
Fines & Forfeitures	3,477,100	536,832	580,185	43,353	8.1%	597,126	(16,941)	-2.8%
Interest & Investments	670,300	89,323	(15,002)	(104,325)	-116.8%	280,039	(295,041)	-105.4%
Other Revenues	1,994,400	332,401	146,075	(186,326)	-56.1%	186,849	(40,774)	-21.8%
Indirect Cost	7,578,900	1,263,150	1,263,150	(0)	0.0%	1,306,993	(43,843)	-3.4%
TOTAL GENERAL FUND REVENUES	\$ 195,416,060	\$ 28,545,665	\$ 30,110,527	\$ 1,564,862	5.5%	\$ 29,885,548	\$ 224,979	0.8%
Prior Month	\$ 195,416,060	\$ 12,905,293	\$ 14,422,213	\$ 1,516,920	11.8%	\$ 13,558,782	\$ 863,431	6.4%
Change from Prior Month	\$ -	\$ 15,640,372	\$ 15,688,314	\$ 47,942	-6.3%	\$ 16,326,766	\$ (638,452)	-5.6%

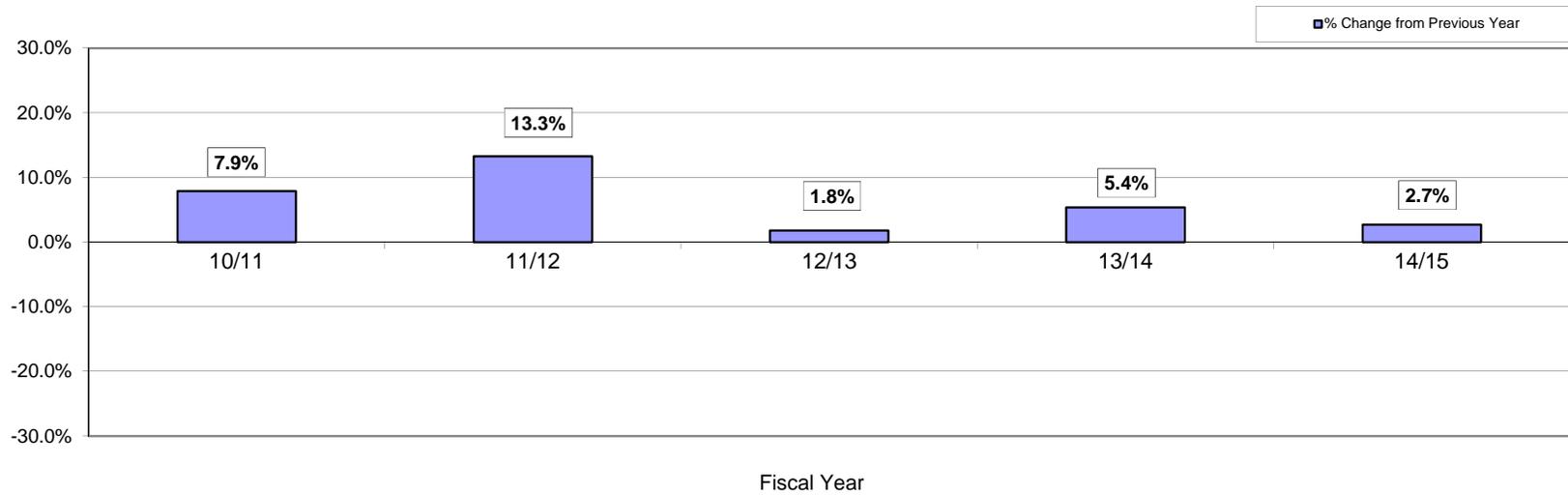
Note:

FY 2014-15 Adjusted Budget excludes Interfund Transfers of \$942,550 to the General Fund for impact fee loan repayments.

**Local Sales Tax Revenue* Through Month of August
(Based on Retail Sales Through July)**



**Local Sales Tax Revenue*
% Change from August through August 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 AUGUST EACH YEAR (YEAR-TO-DATE)**

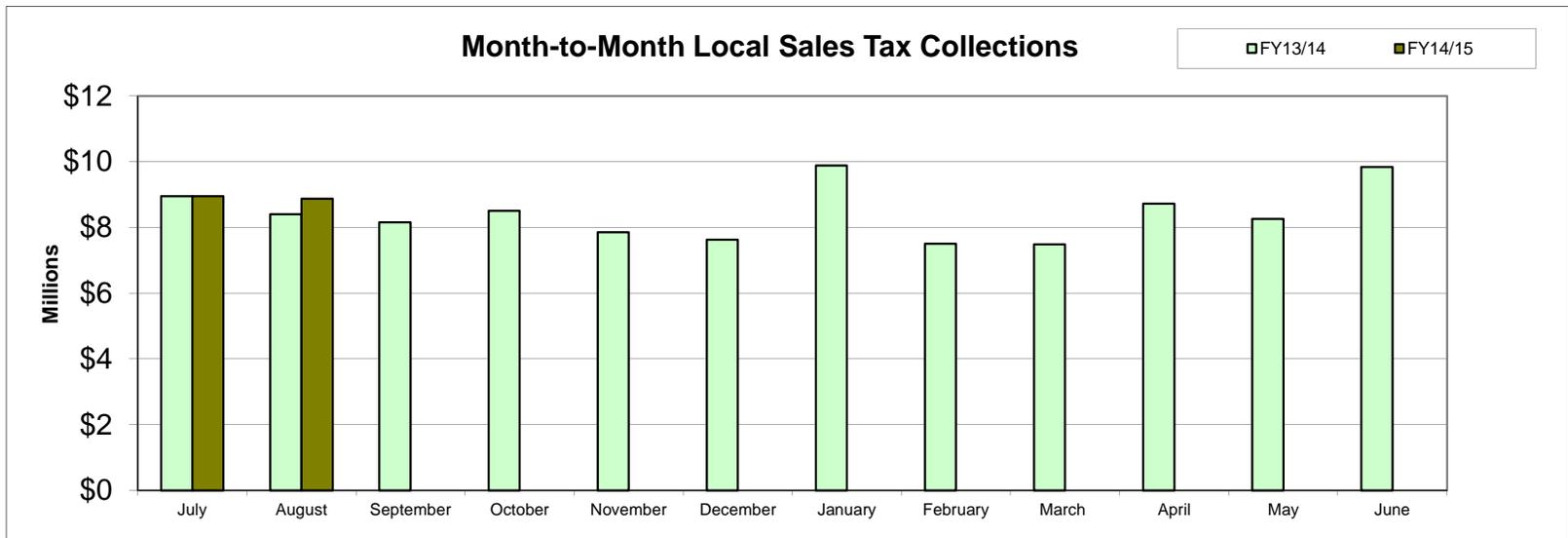
Sales Tax Category	FY13/14 % of Total	% Chg fm PY	THRU AUG FY 2014-15	% Chg fm PY	THRU AUG FY 2013-14	% Chg fm PY	THRU AUG FY 2012-13	% Chg fm PY	THRU AUG FY 2011-12	% Chg fm PY	THRU AUG FY 2010-11
Utilities	12.3%	4.1%	\$ 2,863,843.99	4.7%	\$ 2,749,746.45	-0.8%	\$ 2,626,952.61	2.0%	\$ 2,648,408.71	7.5%	\$ 2,595,587.40
Telecommunications	3.5%	-0.7%	579,583.33	-14.1%	583,714.38	7.5%	679,316.39	-0.7%	632,070.85	-4.3%	636,484.10
Publishing / Advertising / Printing / Transportation	0.3%	-18.7%	38,444.91	-7.9%	47,266.06	-26.1%	51,324.34	23.1%	69,487.66	11.3%	56,468.72
Restaurants & Bars	9.4%	2.8%	1,584,237.93	12.7%	1,540,625.50	-5.2%	1,366,975.06	18.4%	1,442,199.37	10.1%	1,217,914.05
Amusements	0.7%	-9.8%	115,043.67	16.1%	127,576.51	-6.1%	109,880.69	13.4%	117,055.13	35.5%	103,267.54
Real Property Rentals	10.9%	2.5%	1,966,941.94	3.8%	1,919,664.44	3.3%	1,850,154.15	11.5%	1,791,171.60	6.9%	1,605,773.80
Tangible Personal Property Rentals	2.9%	26.3%	568,537.11	-7.2%	450,228.88	15.5%	485,094.53	9.6%	420,151.89	9.8%	383,355.97
Hotels / Motels	2.4%	10.8%	329,861.92	3.0%	297,827.65	-8.3%	289,041.86	50.8%	315,051.50	44.8%	208,915.02
Contracting	9.7%	4.9%	1,751,565.64	-6.7%	1,669,737.86	20.5%	1,788,950.93	40.0%	1,484,606.76	-10.7%	1,060,713.87
Retail / Manufactured Buildings / Jet Fuel	46.8%	2.8%	7,963,333.48	12.4%	7,748,188.84	-2.4%	6,894,014.05	13.5%	7,061,466.05	11.1%	6,222,754.92
Use Tax	1.1%	-69.9%	67,845.04	-31.9%	225,736.83	62.8%	331,538.65	2.7%	203,651.23	35.3%	198,239.41
TOTAL SALES TAX REVENUE	100.0%	2.7%	\$ 17,829,238.96	5.4%	\$ 17,360,313.40	1.8%	\$ 16,473,243.26	13.3%	\$ 16,185,320.75	7.9%	\$ 14,289,474.80

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

CITY OF CHANDLER LOCAL SALES TAX REVENUE

Monthly Actuals Compared to Prior Year

Local Sales Tax Collections *	Monthly Collections FY13/14	Monthly Collections FY14/15	\$ Difference +/- (-) FY14/15 over FY13/14	% Difference +/- (-) FY14/15 over FY13/14
July	8,953,475	8,951,200	(2,275)	0.0%
August	8,406,838	8,878,039	471,201	5.6%
September	8,159,584			
October	8,505,695			
November	7,862,064			
December	7,627,478			
January	9,885,551			
February	7,504,161			
March	7,486,638			
April	8,725,845			
May	8,266,573			
June	9,836,698			
Totals	17,360,313	17,829,239	468,926	2.7%



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

CITY OF CHANDLER GENERAL FUND EXPENDITURE SUMMARY THROUGH AUGUST 2014

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru Aug 2014	Percentage of Adjusted Budget Expended & Encumbered Thru Aug 2014	Percentage of Adjusted Budget Expended & Encumbered Thru Aug 2013	Over/Under Last Year's Percentage
City Clerk	\$ 788,201	\$ 804,270	\$ 168,639	21.0%	21.9%	-0.9%
City Manager and Organization Support*	25,664,875	27,048,045	7,306,710	27.0%	28.9%	-1.9%
Communications & Public Affairs	2,089,986	2,142,027	449,018	21.0%	24.9%	-3.9%
Community Services**	24,102,111	25,016,157	6,606,272	26.4%	25.9%	0.5%
Fire	31,198,671	31,789,969	6,503,963	20.5%	17.3%	3.2%
Law	3,552,717	3,608,219	501,055	13.9%	15.3%	-1.4%
Magistrate	4,183,379	4,242,231	559,415	13.2%	13.8%	-0.6%
Management Services	6,951,597	7,174,741	1,246,202	17.4%	20.1%	-2.7%
Mayor and Council	786,732	824,766	125,240	15.2%	15.7%	-0.5%
Police	61,912,203	64,253,552	11,762,986	18.3%	19.5%	-1.2%
Transportation & Development***	17,210,251	19,490,870	5,098,772	26.2%	24.3%	1.9%
Non-Departmental (Personnel Services and O&M)	11,689,650	8,603,635	1,642,606	19.1%	37.1%	-18.0%
Subtotal Prior to Contingencies/Reserves	\$ 190,130,373	\$ 194,998,482	\$ 41,970,878	21.5%	22.1%	-0.6%
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	9,400,000	4,531,891	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	29,356,659	28,881,559	-	0.0%	0.0%	0.0%
TOTAL	\$ 228,887,032	\$ 228,411,932	\$ 41,970,878	18.4%	19.1%	-0.7%

* Organization Support includes Building & Facilities, Cultural Affairs (October 2014 through June 2015), Economic Development, Human Resources, Information Technology, Neighborhood Resources (July 2014 through September 2014), and Planning. Prior year spending percentages are adjusted as appropriate to have a true comparison.

** This Department is renamed Community and Neighborhood Services Department starting October 2014, and will include all Neighborhood Resources' cost centers previously reported under Organization Support starting that month. Additionally, the Library, Museum, and Center for the Arts cost centers will be moved from this Department to the Cultural Affairs Division of the City Manager and Organization Support Department starting October 2014.

*** Amounts and percentages adjusted in the current and prior year to reflect the reporting of Planning as part of Organization Support.

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.