



MEMORANDUM

Management Services Memo No. 17-034

DATE: DECEMBER 21, 2016

TO: MAYOR AND COUNCIL

THRU: MARSHA REED, CITY MANAGER *MR*
DAWN LANG, MANAGEMENT SERVICES DIRECTOR *DL*

FROM: GREG WESTRUM, BUDGET MANAGER *GW*

SUBJECT: FISCAL YEAR (FY) 2016-17 MONTHLY REVENUE SUMMARY, SALES TAX COLLECTION REPORT AND GENERAL FUND EXPENDITURE REPORTS THROUGH NOVEMBER 2016

Attached is the FY 2016-17 General Fund Monthly Revenue and Expenditure Reports for the period ending November 2016. 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 November 2016. This month reflects a 11.4% increase in total General Fund revenues from the budgeted revenue received to date based on historical trends. Most revenue categories are recording revenues in excess of historical trend. The two exceptions are Franchise Fees (-12.1%) and Fines and Forfeitures (-21.6%). Franchise Fee revenues are inconsistent from month to month because payments are made on different schedules (quarterly, semi-annually, or annually). Revenues for Fines and Forfeitures are lower than budget based on historical trend as the result of the transition of the Photo Red Light program to a new contractor. The transition is now complete and revenues are stable, but remain lower than budgeted based on historical trend.

Local transaction privilege (sales) tax through November 2016 reflects an increase of 13.6% over historical trend, and an increase of 9.8% compared to the same period last year. The largest category, Retail/Manufactured Buildings/Jet Fuel is 10.0% higher than one year earlier, along with increases in categories such as Restaurants & Bars (+7.5%), Hotels/Motels (+30.0%), Contracting (+38.3%), and Use Tax (+93.8%). The increase in Hotels/Motels and Restaurants

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& Bars is consistent with the construction of new hotels and new restaurants in the City over the past year. The increases in Contracting and Use Tax collections continue with better than expected performance during the first part of the year and will be watched closely to see if they level out over the course of the year.

The FY 2016-17 General Fund Expenditure Summary report reflects the percent of adjusted budget expended and encumbered through November 2016, then compares this spending percent to the prior fiscal year. Spending of 41.2% has occurred through November 2016, compared to 42.5% for the same period last year.

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

cc: Nachie Marquez, Assistant City Manager

CITY OF CHANDLER REVENUE SUMMARY

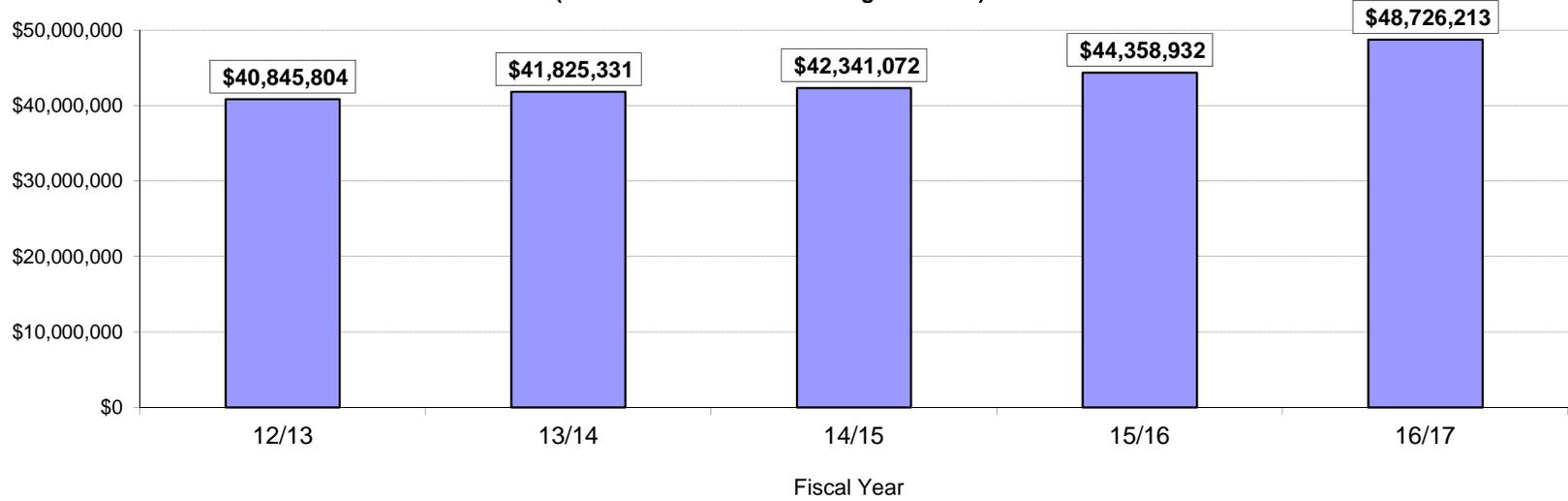
FY 2016-17 Year-To-Date Actuals Through November 2016

GENERAL FUND REVENUES	BUDGET		ACTUALS	+ or - of Actual to Budget Based on Historical Trend		% Change of Actual to Budget Based on Hist. Trend		COMPARISON TO PRIOR YEAR ACTUALS		
	FY 2016-17 Adopted Budget	FY 2016-17 Budget Prorated Based on Historical Trend	FY 2016-17 Actual Revenue YTD	FY 2015-16 Actual Revenues for Same Period	Difference + or (-) from FY 2015-16 to FY 2016-17	% Change of Actuals to Same Period FY 2015-16				
Local Sales Tax Collections	\$ 105,300,000	\$ 42,906,742	\$ 48,726,213	\$ 5,819,471	13.6%	\$ 44,358,932	\$ 4,367,281	9.8%		
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,091,000	819,895	515,847	(304,048)	-37.1%	1,158,731	(642,884)	-55.5%		
Total Local Sales Tax Revenue	107,391,000	43,726,637	49,242,060	5,515,423	12.6%	45,517,663	3,724,397	8.2%		
Franchise Fees	3,275,000	769,757	676,667	(93,090)	-12.1%	820,590	(143,923)	-17.5%		
Primary Property Taxes	7,556,520	2,996,736	3,471,576	474,840	15.8%	3,231,226	240,350	7.4%		
State Shared Sales Taxes	23,407,000	7,350,041	7,596,361	246,320	3.4%	7,104,121	492,240	6.9%		
Vehicle License Tax	9,500,000	3,327,023	3,707,382	380,359	11.4%	3,526,049	181,333	5.1%		
Urban Revenue Sharing	30,000,000	12,495,695	13,304,510	808,815	6.5%	11,855,675	1,448,835	12.2%		
Licenses & Permits	4,921,000	1,600,804	2,825,261	1,224,457	76.5%	2,796,790	28,471	1.0%		
Charges for Services	11,199,607	4,039,207	4,551,514	512,307	12.7%	4,189,966	361,548	8.6%		
Fines & Forfeitures	3,501,900	1,373,090	1,076,903	(296,187)	-21.6%	1,310,564	(233,661)	-17.8%		
Interest & Investments	1,222,000	234,824	532,580	297,756	126.8%	355,074	177,506	50.0%		
Other Revenues	1,778,650	569,213	781,788	212,575	37.3%	601,106	180,682	30.1%		
Indirect Cost	7,068,600	2,945,250	2,945,250	(0)	0.0%	2,989,329	(44,079)	-1.5%		
TOTAL GENERAL FUND REVENUES	\$ 210,821,277	\$ 81,428,278	\$ 90,711,852	\$ 9,283,575	11.4%	\$ 84,298,153	\$ 6,413,699	7.6%		
Prior Month	\$ 210,821,277	\$ 62,743,288	\$ 70,596,045	\$ 7,852,757	12.5%	\$ 65,217,567	\$ 5,378,478	8.2%		
Change from Prior Month	\$ -	\$ 18,684,990	\$ 20,115,807	\$ 1,430,818	-1.1%	\$ 19,080,586	\$ 1,035,221	-0.6%		

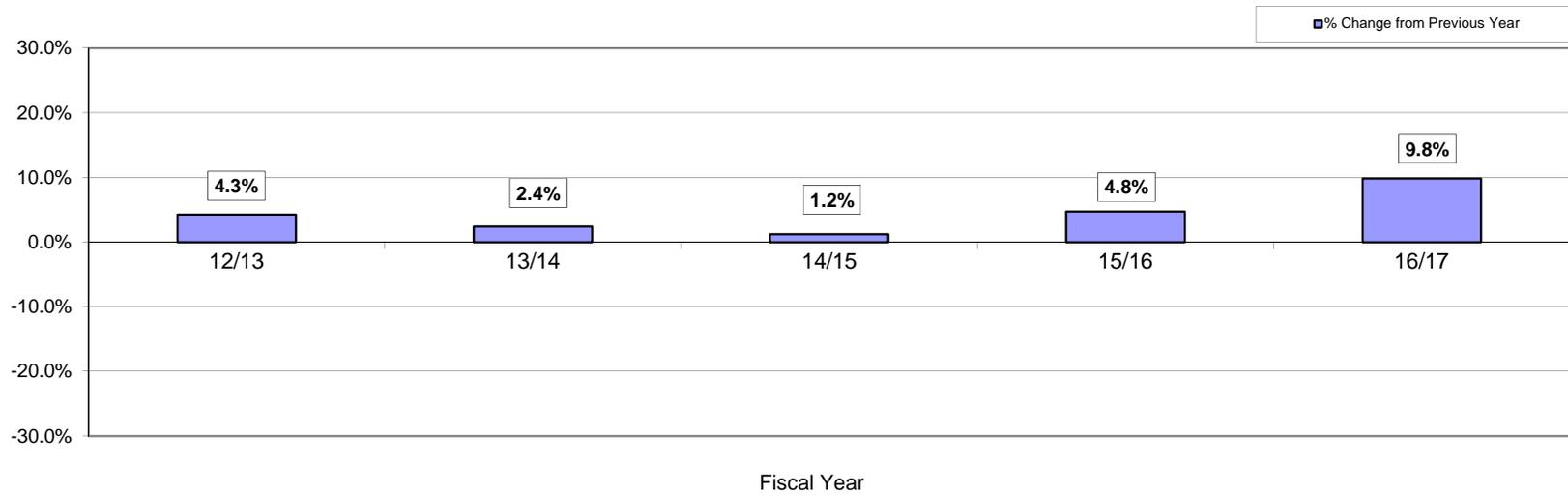
Note:

FY 2016-17 Adopted Budget excludes Interfund Transfers of \$800,000 to the General Fund for Impact Fee loan repayments.

Local Sales Tax Revenue* Through Month of November
 (Based on Retail Sales Through October)



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

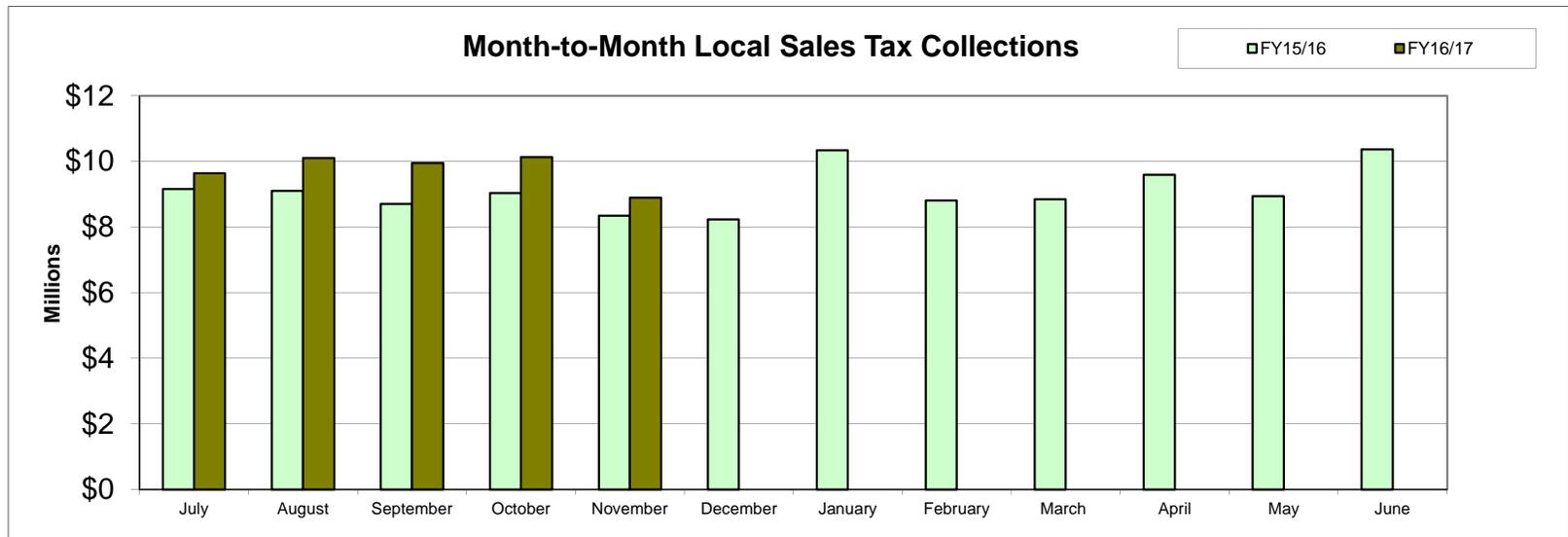
Sales Tax Category	FY15-16	% Chg	THRU NOV								
	% of Total	fm PY	FY 2016-17	fm PY	FY 2015-16	fm PY	FY 2014-15	fm PY	FY 2013-14	fm PY	FY 2012-13
Utilities	12.6%	-2.2%	\$ 7,211,698.89	7.2%	\$ 7,370,158.05	5.8%	\$ 6,873,287.44	1.1%	\$ 6,499,197.59	-0.1%	\$ 6,431,396.08
Telecommunications	3.0%	-9.6%	\$ 1,200,942.21	-8.2%	1,328,625.60	-1.3%	1,447,281.62	-8.6%	1,466,475.44	6.8%	1,604,935.09
Publishing / Advertising / Printing / Transportation	0.2%	-36.4%	\$ 70,417.01	2.5%	110,790.75	11.5%	108,037.31	-28.1%	96,900.45	-16.4%	134,803.52
Restaurants & Bars	9.8%	7.5%	\$ 4,394,362.32	4.6%	4,089,082.87	4.7%	3,908,164.00	8.5%	3,731,328.93	1.5%	3,438,398.75
Amusements	0.9%	-2.9%	\$ 376,134.96	32.3%	387,529.29	-0.9%	292,967.73	14.2%	295,695.27	-5.1%	258,915.18
Real Property Rentals	12.1%	2.9%	\$ 5,601,401.98	12.4%	5,444,368.45	6.3%	4,843,075.25	2.4%	4,556,342.49	4.0%	4,448,025.94
Tangible Personal Property Rentals	2.9%	24.5%	\$ 1,561,546.33	-3.3%	1,254,581.00	26.3%	1,297,221.57	-14.4%	1,027,424.75	20.5%	1,200,319.37
Hotels / Motels	2.7%	30.0%	\$ 1,047,157.04	1.7%	805,802.85	0.3%	792,198.58	10.1%	789,960.73	-3.5%	717,412.61
Contracting	8.1%	38.3%	\$ 4,844,284.10	-6.9%	3,503,571.47	-12.7%	3,761,674.67	-8.0%	4,308,907.63	4.8%	4,682,182.97
Retail / Manufactured Buildings / Jet Fuel	46.7%	10.0%	\$ 21,615,174.70	5.2%	19,649,996.41	0.5%	18,671,191.99	7.1%	18,572,258.89	5.2%	17,341,655.30
Use Tax	1.0%	93.8%	\$ 803,093.50	19.8%	414,425.38	-28.0%	345,972.22	-18.2%	480,839.20	33.3%	587,759.42
TOTAL SALES TAX REVENUE	100.0%	9.8%	\$ 48,726,213.04	4.8%	\$ 44,358,932.12	1.2%	\$ 42,341,072.38	2.4%	\$ 41,825,331.37	4.3%	\$ 40,845,804.23

*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 FY15/16	Monthly Collections FY16/17	\$ Difference +/- (-) FY16/17 over FY15/16	% Difference +/- (-) FY16/17 over FY15/16
July	9,159,604	9,639,550	479,946	5.2%
August	9,107,351	10,101,975	994,624	10.9%
September	8,703,199	9,954,563	1,251,364	14.4%
October	9,037,881	10,135,640	1,097,759	12.1%
November	8,350,897	8,894,485	543,588	6.5%
December	8,235,914			
January	10,337,210			
February	8,815,281			
March	8,844,656			
April	9,594,147			
May	8,947,728			
June	10,371,886			
Totals	44,358,932	48,726,213	4,367,281	9.8%



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

CITY OF CHANDLER GENERAL FUND EXPENDITURE SUMMARY THROUGH NOVEMBER 2016

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru Nov 2016	Percentage of Adjusted Budget Expended & Encumbered Thru Nov 2016	Percentage of Adjusted Budget Expended & Encumbered Thru Nov 2015	Over/Under Last Year's Percentage
City Clerk	\$ 826,714	\$ 900,418	\$ 373,050	41.4%	43.2%	-1.8%
City Manager and Organization Support*	37,752,673	39,337,941	17,326,729	44.0%	44.9%	-0.9%
Communications & Public Affairs	2,523,492	2,817,324	1,100,876	39.1%	41.1%	-2.0%
Community Services**	17,736,240	18,831,529	8,764,670	46.5%	46.5%	0.0%
Fire, Health & Medical***	32,718,525	34,127,649	14,125,598	41.4%	41.3%	0.1%
Law	3,614,983	3,670,305	1,352,572	36.9%	38.0%	-1.1%
Magistrate	4,417,406	4,449,032	1,649,489	37.1%	36.8%	0.3%
Management Services	7,375,173	7,586,375	2,988,854	39.4%	42.0%	-2.6%
Mayor and Council	878,151	897,526	340,710	38.0%	39.8%	-1.8%
Police	67,435,967	68,656,745	28,794,424	41.9%	43.2%	-1.3%
Transportation & Development	18,788,378	20,726,452	9,188,393	44.3%	48.2%	-3.9%
Non-Departmental (Personnel Services and O&M)	12,284,503	11,465,550	2,045,961	17.8%	29.5%	-11.7%
Subtotal Prior to Contingencies/Reserves	\$ 206,352,205	\$ 213,466,846	\$ 88,051,326	41.2%	42.5%	-1.2%
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	9,226,409	3,326,492	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	31,634,000	30,419,276	-	0.0%	0.0%	0.0%
TOTAL	\$ 247,212,614	\$ 247,212,614	\$ 88,051,326	35.6%	37.8%	-2.2%

* Organization Support includes Innovations, Building & Facilities, Code Enforcement, Community Development, Cultural Affairs, Economic Development, Fleet Services (moved from Fire, Health & Medical), Housing & Redevelopment, Human Resources, Information Technology, Neighborhood Resources, and Planning. Prior year spending percentages are adjusted as appropriate to have a true comparison.

** Community Services includes Aquatics, Parks Development & Operations, Recreation, Sports & Fitness Facilities, and Nature & Recreation Facilities. Prior year spending percentages are adjusted as appropriate to have a true comparison.

*** Fire, Health & Medical includes Administration, Health and Medical, Fire Operations, Prevention and Preparedness, and Fire Support Services. Fleet Services transferred to Organization Support. Prior year spending percentages are adjusted as appropriate to have a true comparison.

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, movement of personnel appropriation to Departments based on final negotiated Council approved contracts, 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.