



Chandler • Arizona
Where Values Make The Difference



MEMORANDUM

Management Services Memo No. 15-023

DATE: NOVEMBER 26, 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 OCTOBER 2014

Attached is the FY 2014-15 General Fund Monthly Revenue and Expenditure Report for the period ending October 2014. 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 October 2014. This month reflects a 4.5% increase in total General Fund revenues from the budgeted revenue received to date based on historical trends and 1.5% increase in revenues collected through October of 2013.

Local transaction privilege (sales) tax through October 2014 reflects an increase of 6.1% over historical trend, and an increase of 0.9% compared to the same period last year. Local transaction privilege tax collections are 3.2% lower than October of 2013, which we will monitor in the upcoming months.

Among the other revenue categories, Licenses and Permits are continuing to perform strongly compared to the budget based on historical trend (+79.1%) and compared to the prior year through October (+15.7%). Franchise Fee collections are below the historical trend (-69.2%) but

MS Memo No. 15-023

11/26/2014

Page 2

these revenues are received on an irregular schedule and are typically very close to budget at year end.

The FY 2014-15 General Fund Expenditure Summary report reflects the percent of adjusted budget expended and encumbered through October 2014, then compares this spending percent to the prior fiscal year. Spending of 34.3% has occurred through October 2014, compared to 35.1% for the same period last year. The only significant increase in the rate of spending is in the City Clerk's Office, which is 10.8% higher than FY 2013-14 due to election expenses for the August primary election.

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

c: Marsha Reed, Assistant City Manager

CITY OF CHANDLER REVENUE SUMMARY

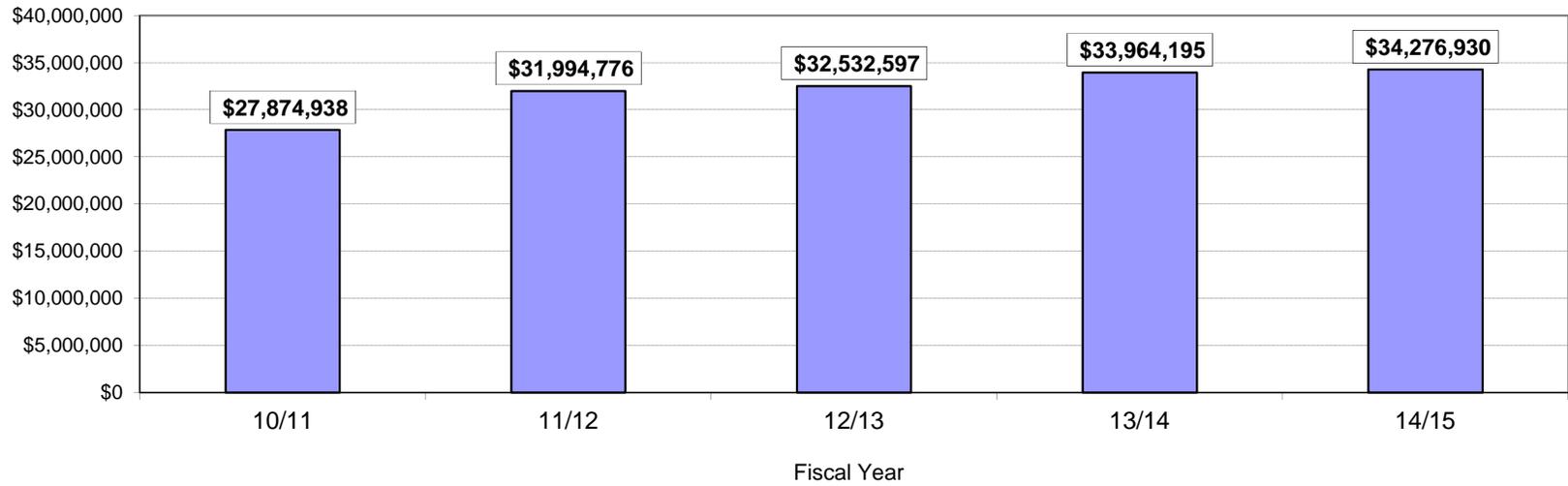
FY 2014-15 Year-To-Date Actuals Through October 2014

| 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 2014-15 Adjusted Budget | FY 2014-15 Budget Prorated Based on Historical Trend | FY 2014-15 Actual Revenue YTD | 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 | \$ 32,291,266 | \$ 34,276,930 | \$ 1,985,664 | 6.1% | \$ 33,964,195 | \$ 312,735 | 0.9% | | |
| Local Sales Tax Fees, Audit Assessments, Penalties, Interest | 2,261,000 | 567,208 | 869,692 | 302,484 | 53.3% | 680,743 | 188,949 | 27.8% | | |
| Total Local Sales Tax Revenue | 99,261,000 | 32,858,474 | 35,146,622 | 2,288,148 | 7.0% | 34,644,938 | 501,684 | 1.4% | | |
| Franchise Fees | 2,979,000 | 544,052 | 167,410 | (376,642) | -69.2% | 712,784 | (545,374) | -76.5% | | |
| Primary Property Taxes | 6,964,900 | 448,984 | 492,073 | 43,089 | 9.6% | 481,870 | 10,203 | 2.1% | | |
| State Shared Sales Taxes | 21,000,000 | 4,934,341 | 5,050,422 | 116,081 | 2.4% | 4,859,874 | 190,548 | 3.9% | | |
| Vehicle License Tax | 8,300,000 | 2,197,057 | 2,243,645 | 46,588 | 2.1% | 2,151,146 | 92,499 | 4.3% | | |
| Urban Revenue Sharing | 28,607,000 | 9,532,186 | 9,536,241 | 4,055 | 0.0% | 8,781,034 | 755,207 | 8.6% | | |
| Licenses & Permits | 3,580,400 | 953,420 | 1,707,792 | 754,372 | 79.1% | 1,475,558 | 232,234 | 15.7% | | |
| Charges for Services | 11,003,060 | 3,265,444 | 3,375,798 | 110,354 | 3.4% | 3,422,903 | (47,105) | -1.4% | | |
| Fines & Forfeitures | 3,477,100 | 1,073,393 | 1,186,351 | 112,958 | 10.5% | 1,143,256 | 43,095 | 3.8% | | |
| Interest & Investments | 670,300 | 142,615 | 84,316 | (58,299) | -40.9% | 241,707 | (157,391) | -65.1% | | |
| Other Revenues | 1,994,400 | 664,806 | 265,197 | (399,609) | -60.1% | 366,779 | (101,582) | -27.7% | | |
| Indirect Cost | 7,578,900 | 2,526,321 | 2,526,300 | (21) | 0.0% | 2,613,986 | (87,686) | -3.4% | | |
| TOTAL GENERAL FUND REVENUES | \$ 195,416,060 | \$ 59,141,093 | \$ 61,782,167 | \$ 2,641,074 | 4.5% | \$ 60,895,835 | \$ 886,332 | 1.5% | | |
| Prior Month | \$ 195,416,060 | \$ 43,033,811 | \$ 45,719,281 | \$ 2,685,470 | 6.2% | \$ 44,405,391 | \$ 1,313,890 | 3.0% | | |
| Change from Prior Month | \$ - | \$ 16,107,282 | \$ 16,062,886 | \$ (44,396) | -1.7% | \$ 16,490,444 | \$ (427,558) | -1.5% | | |

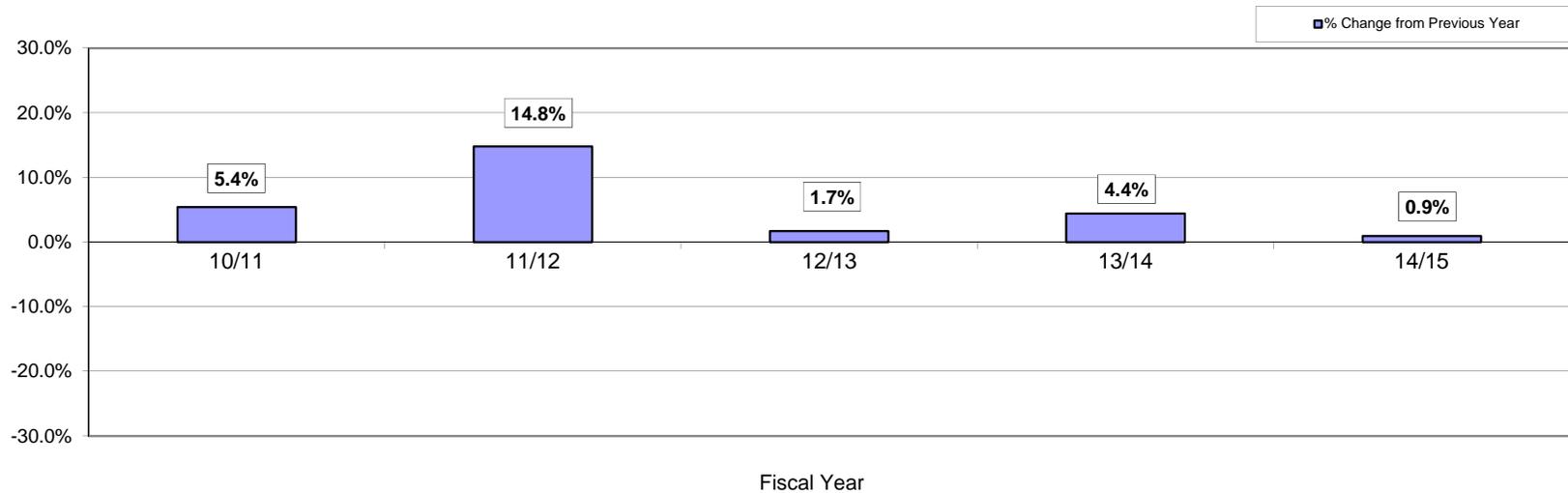
Note:

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 October
 (Based on Retail Sales Through September)



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



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

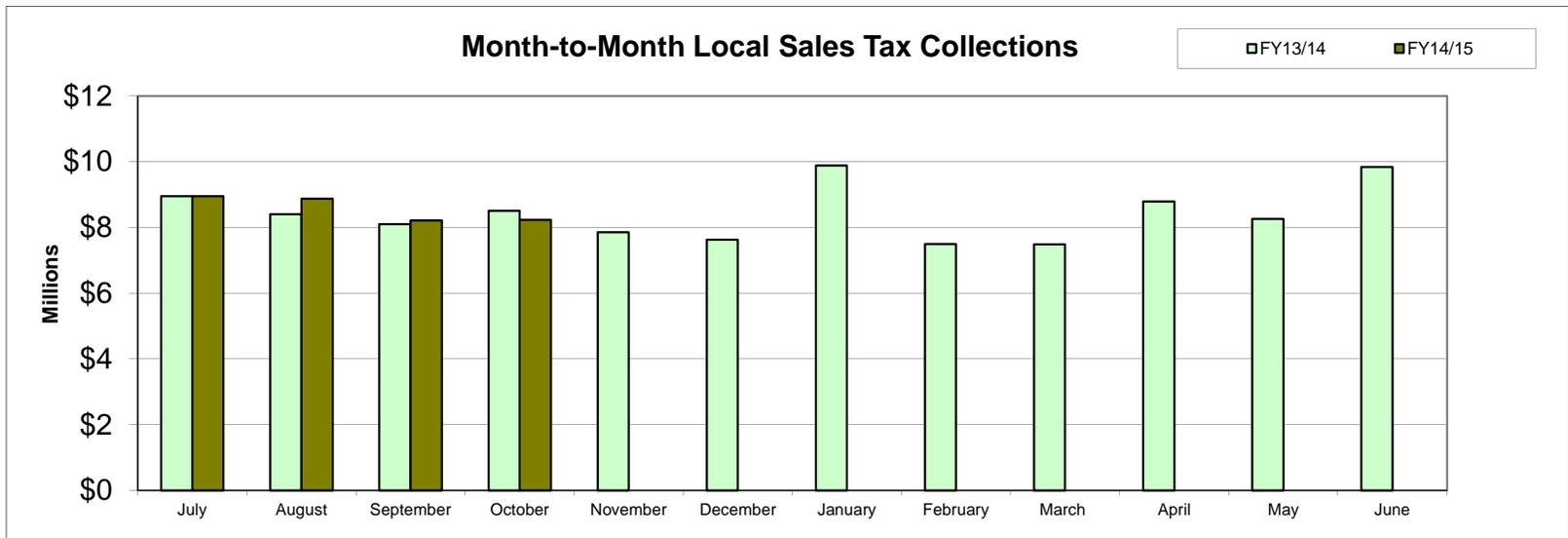
| SALES TAX REVENUE BY CLASS THROUGH OCTOBER EACH YEAR (YEAR-TO-DATE) | | | | | | | | | | | |
|--|---------------|-------------|-------------------------|-------------|-------------------------|-------------|-------------------------|--------------|-------------------------|-------------|-------------------------|
| Sales Tax Category | FY13/14 | % Chg | THRU OCT | % Chg | THRU OCT | % Chg | THRU OCT | % Chg | THRU OCT | % Chg | THRU OCT |
| | % of Total | fm PY | FY 2014-15 | fm PY | FY 2013-14 | fm PY | FY 2012-13 | fm PY | FY 2011-12 | fm PY | FY 2010-11 |
| Utilities | 12.3% | 4.4% | \$ 5,726,003.54 | 4.5% | \$ 5,483,704.53 | -3.5% | \$ 5,247,058.86 | 5.5% | \$ 5,436,084.58 | 4.6% | \$ 5,153,438.02 |
| Telecommunications | 3.5% | -1.4% | 1,160,096.48 | -9.3% | 1,177,018.44 | 4.5% | 1,297,955.80 | 0.6% | 1,242,261.29 | -6.9% | 1,235,034.24 |
| Publishing / Advertising / Printing / Transportation | 0.3% | -13.9% | 82,216.84 | -7.8% | 95,511.94 | -19.6% | 103,547.35 | 8.2% | 128,867.38 | 1.7% | 119,142.44 |
| Restaurants & Bars | 9.4% | 4.3% | 3,120,969.28 | 9.4% | 2,992,314.18 | 0.1% | 2,734,687.36 | 12.3% | 2,730,873.00 | 7.8% | 2,432,026.67 |
| Amusements | 0.7% | -4.1% | 235,239.82 | 17.8% | 245,305.39 | -6.1% | 208,290.90 | 10.6% | 221,868.82 | 15.0% | 200,640.44 |
| Real Property Rentals | 10.9% | 5.2% | 3,940,585.80 | 3.1% | 3,744,699.92 | 4.4% | 3,632,559.39 | 9.6% | 3,477,890.39 | 5.1% | 3,172,459.82 |
| Tangible Personal Property Rentals | 2.9% | 11.0% | 1,054,880.89 | 0.9% | 950,590.33 | 18.2% | 942,043.97 | 9.7% | 797,017.10 | 5.5% | 726,759.00 |
| Hotels / Motels | 2.4% | 7.2% | 628,809.25 | 3.0% | 586,601.42 | -1.5% | 569,791.71 | 49.7% | 578,714.90 | 13.0% | 386,481.56 |
| Contracting | 9.7% | -9.0% | 3,126,215.89 | -2.2% | 3,433,894.92 | -1.4% | 3,510,657.62 | 75.5% | 3,561,920.75 | -5.5% | 2,029,509.15 |
| Retail / Manufactured Buildings / Jet Fuel | 46.8% | 0.9% | 14,954,016.62 | 7.5% | 14,826,978.22 | 2.6% | 13,788,472.33 | 11.4% | 13,441,426.59 | 7.9% | 12,068,506.46 |
| Use Tax | 1.1% | -42.0% | 247,895.31 | -14.1% | 427,575.51 | 31.7% | 497,531.92 | 7.7% | 377,851.52 | 34.5% | 350,940.34 |
| TOTAL SALES TAX REVENUE | 100.0% | 0.9% | \$ 34,276,929.72 | 4.4% | \$ 33,964,194.80 | 1.7% | \$ 32,532,597.21 | 14.8% | \$ 31,994,776.32 | 5.4% | \$ 27,874,938.14 |

*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 | 8,099,083 | 8,216,900 | 117,817 | 1.5% |
| October | 8,504,798 | 8,230,791 | (274,007) | -3.2% |
| November | 7,861,137 | | | |
| December | 7,626,323 | | | |
| January | 9,884,617 | | | |
| February | 7,503,042 | | | |
| March | 7,485,610 | | | |
| April | 8,792,406 | | | |
| May | 8,266,573 | | | |
| June | 9,836,698 | | | |
| Totals | 33,964,195 | 34,276,930 | 312,735 | 0.9% |



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

CITY OF CHANDLER GENERAL FUND EXPENDITURE SUMMARY THROUGH OCTOBER 2014

| Department | Adopted Budget | Adjusted Budget | Expenses & Encumbrances Thru Oct 2014 | Percentage of Adjusted Budget Expended & Encumbered Thru Oct 2014 | Percentage of Adjusted Budget Expended & Encumbered Thru Oct 2013 | Over/Under Last Year's Percentage |
|--|-----------------------|-----------------------|---------------------------------------|---|---|-----------------------------------|
| City Clerk | \$ 788,201 | \$ 804,270 | \$ 352,467 | 43.8% | 33.0% | 10.8% |
| City Manager and Organization Support* | 30,577,391 | 32,090,922 | 12,251,441 | 38.2% | 39.5% | -1.3% |
| Communications & Public Affairs | 2,089,986 | 2,313,170 | 788,781 | 34.1% | 30.9% | 3.2% |
| Community & Neighborhood Services** | 19,189,595 | 20,331,173 | 8,667,140 | 42.6% | 41.3% | 1.3% |
| Fire | 31,198,671 | 31,789,969 | 11,233,934 | 35.3% | 35.4% | -0.1% |
| Law | 3,552,717 | 3,608,219 | 1,032,779 | 28.6% | 28.1% | 0.5% |
| Magistrate | 4,183,379 | 4,242,231 | 1,154,906 | 27.2% | 27.9% | -0.7% |
| Management Services | 6,951,597 | 7,249,591 | 2,400,918 | 33.1% | 33.9% | -0.8% |
| Mayor and Council | 786,732 | 824,766 | 238,713 | 28.9% | 31.4% | -2.5% |
| Police | 61,912,203 | 64,400,751 | 21,139,437 | 32.8% | 33.7% | -0.9% |
| Transportation & Development*** | 17,210,251 | 19,718,800 | 7,126,050 | 36.1% | 31.2% | 4.9% |
| Non-Departmental (Personnel Services and O&M) | 11,689,650 | 11,227,259 | 1,701,623 | 15.2% | 31.2% | -16.0% |
| Subtotal Prior to Contingencies/Reserves | \$ 190,130,373 | \$ 198,601,121 | \$ 68,088,189 | 34.3% | 35.1% | -0.8% |
| Non-Departmental Reserves (Carryforward, Utility, Fuel & DT) | 9,400,000 | 2,698,000 | - | 0.0% | 0.0% | 0.0% |
| Non-Departmental Contingencies (15% & Council) | 29,356,659 | 27,695,551 | - | 0.0% | 0.0% | 0.0% |
| TOTAL | \$ 228,887,032 | \$ 228,994,672 | \$ 68,088,189 | 29.7% | 31.0% | -1.3% |

* 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.