



**Chandler · Arizona**  
*Where Values Make The Difference*

**Chandler**



**2010**

**MEMORANDUM**

**Management Services Memo No. 17-044**

**DATE:** JANUARY 19, 2017

**TO:** MAYOR AND COUNCIL

**THRU:** MARSHA REED, CITY MANAGER *MR*  
DAWN LANG, MANAGEMENT SERVICES DIRECTOR *AW for DLL*

**FROM:** GREG WESTRUM, BUDGET MANAGER *AW*

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

Attached is the FY 2016-17 General Fund Monthly Revenue and Expenditure Reports for the period ending December 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 December 2016. This month reflects a 10.9% 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 exception is Fines and Forfeitures (-22.1%). 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 December 2016 reflects an increase of 13.2% 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 9.6% higher than one year earlier, along with increases in categories such as Restaurants & Bars (+7.7%), Hotels/Motels (+24.3%), Contracting (+35.7%), and Use Tax (+106.4%). The increase in Hotels/Motels and Restaurants & 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

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expected performance during the first half of the year and will be watched closely to see if they level out over the remainder of the year. As a reminder, holiday retail sales in the month of December do not reflect sales tax revenue to the City until taxpayers file returns in January; therefore they will be in the next report.

The FY 2016-17 General Fund Expenditure Summary report reflects the percent of adjusted budget expended and encumbered through December 2016, then compares this spending percent to the prior fiscal year. Spending of 50.3% has occurred through December 2016, compared to 51.5% 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 December 2016

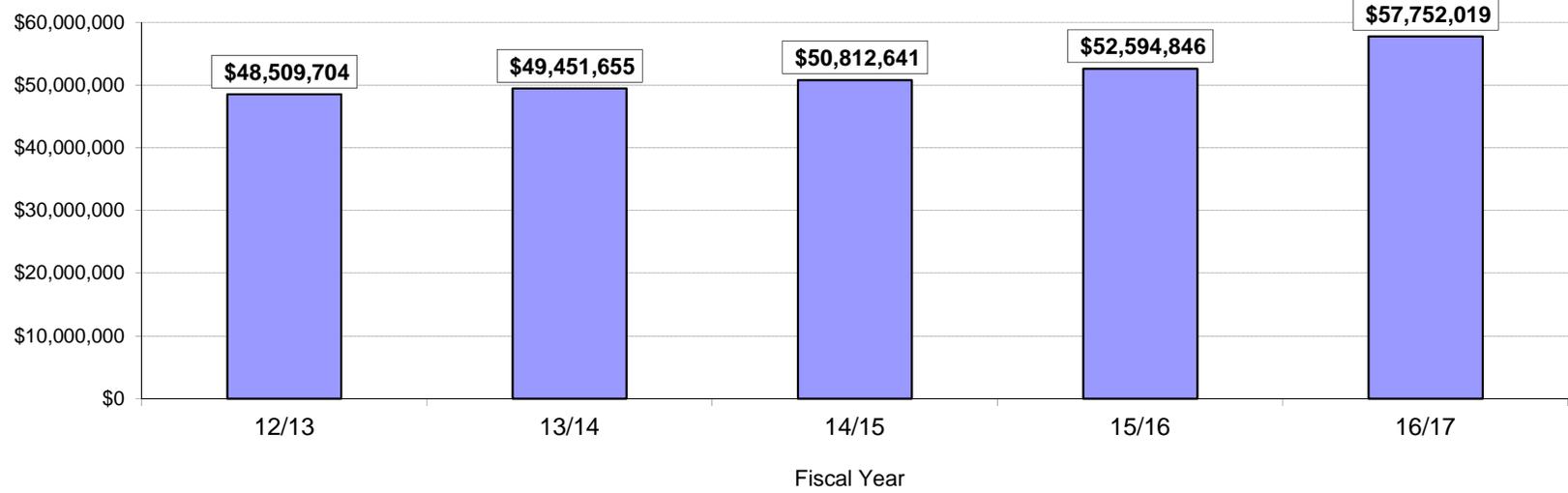
GENERAL FUND REVENUES	BUDGET		ACTUALS			COMPARISON TO PRIOR YEAR ACTUALS		
	FY 2016-17 Adopted Budget	FY 2016-17 Budget Prorated Based on Historical Trend	FY 2016-17 Actual Revenue YTD	+ or - of Actual to Budget Based on Historical Trend	% Change of Actual to Budget Based on Hist. Trend	FY 2015-16 Actual 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	\$ 51,010,419	\$ 57,752,019	\$ 6,741,600	13.2%	\$ 52,594,846	\$ 5,157,173	9.8%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,091,000	1,048,174	667,010	(381,164)	-36.4%	1,500,947	(833,937)	-55.6%
<b>Total Local Sales Tax Revenue</b>	<b>107,391,000</b>	<b>52,058,593</b>	<b>58,419,029</b>	<b>6,360,436</b>	<b>12.2%</b>	<b>54,095,793</b>	<b>4,323,236</b>	<b>8.0%</b>
Franchise Fees	3,275,000	798,271	820,426	22,155	2.8%	820,590	(164)	0.0%
Primary Property Taxes	7,556,520	3,815,620	3,896,827	81,207	2.1%	3,841,449	55,378	1.4%
State Shared Sales Taxes	23,407,000	9,205,301	9,487,219	281,918	3.1%	8,933,013	554,206	6.2%
Vehicle License Tax	9,500,000	4,018,244	4,523,418	505,174	12.6%	4,289,547	233,871	5.5%
Urban Revenue Sharing	30,000,000	14,994,835	15,965,412	970,577	6.5%	14,226,810	1,738,602	12.2%
Licenses & Permits	4,921,000	1,804,147	3,225,686	1,421,539	78.8%	3,398,523	(172,837)	-5.1%
Charges for Services	11,199,607	4,666,879	5,460,686	793,807	17.0%	4,798,651	662,035	13.8%
Fines & Forfeitures	3,501,900	1,643,920	1,281,358	(362,562)	-22.1%	1,557,903	(276,545)	-17.8%
Interest & Investments	1,222,000	233,469	659,125	425,656	182.3%	447,527	211,598	47.3%
Other Revenues	1,778,650	699,898	836,832	136,934	19.6%	963,368	(126,536)	-13.1%
Indirect Cost	7,068,600	3,534,300	3,534,300	(0)	0.0%	3,587,195	(52,895)	-1.5%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 210,821,277</b>	<b>\$ 97,473,475</b>	<b>\$ 108,110,318</b>	<b>\$ 10,636,841</b>	<b>10.9%</b>	<b>\$ 100,960,369</b>	<b>\$ 7,149,949</b>	<b>7.1%</b>
<b>Prior Month</b>	<b>\$ 210,821,277</b>	<b>\$ 81,428,278</b>	<b>\$ 90,711,852</b>	<b>\$ 9,283,575</b>	<b>11.4%</b>	<b>\$ 84,298,153</b>	<b>\$ 6,413,699</b>	<b>7.6%</b>
<b>Change from Prior Month</b>	<b>\$ -</b>	<b>\$ 16,045,197</b>	<b>\$ 17,398,466</b>	<b>\$ 1,353,266</b>	<b>-0.5%</b>	<b>\$ 16,662,216</b>	<b>\$ 736,250</b>	<b>-0.5%</b>

Note:

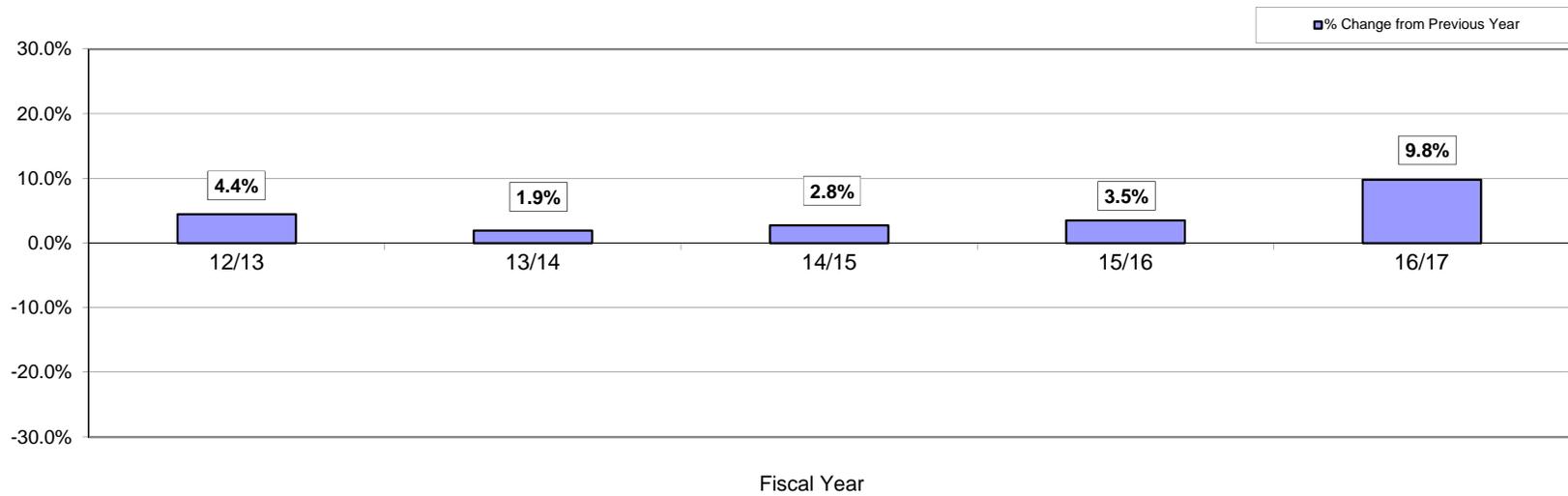
FY 2016-17 Adopted Budget excludes Interfund Transfers of \$800,000 to the General Fund for Impact Fee loan repayments.

FY 2016-17 Actual excludes Interfund Transfers of \$500,000 to the General Fund for Impact Fee loan repayments.

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



**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 DECEMBER EACH YEAR (YEAR-TO-DATE)**

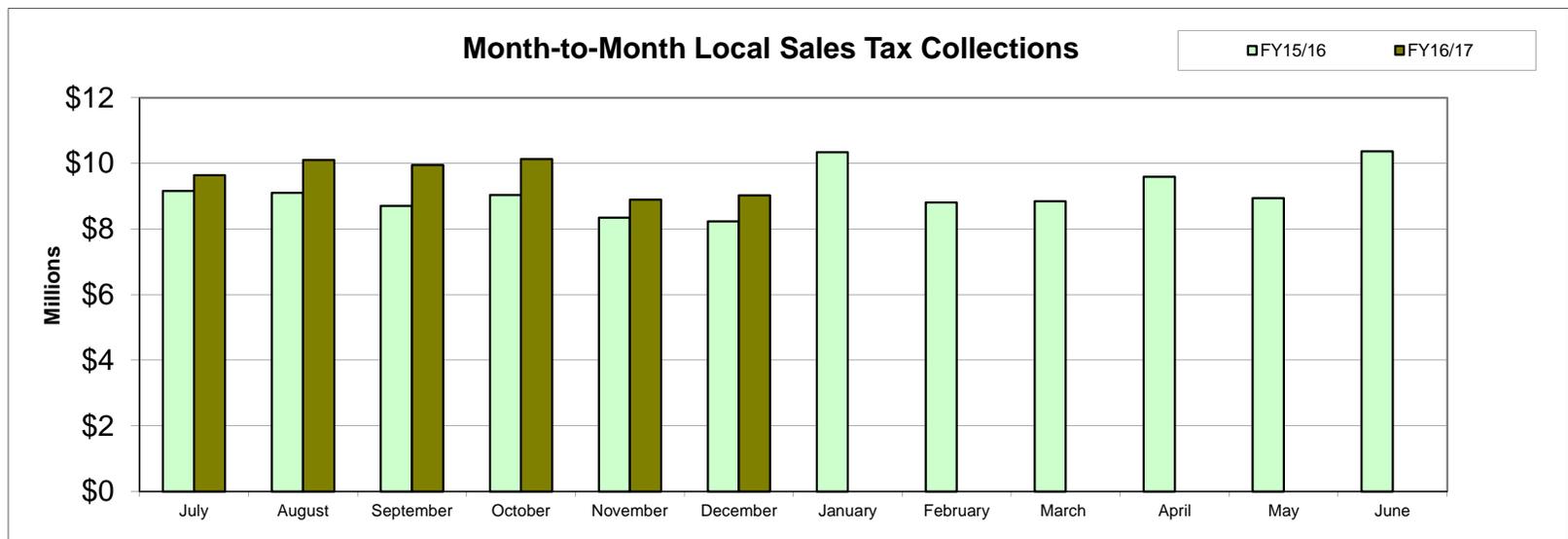
Sales Tax Category	FY15-16	% Chg	THRU DEC								
	% of Total	fm PY	FY 2016-17	fm PY	FY 2015-16	fm PY	FY 2014-15	fm PY	FY 2013-14	fm PY	FY 2012-13
Utilities	12.6%	-1.1%	\$ 8,093,452.73	7.2%	\$ 8,180,266.31	5.9%	\$ 7,631,598.32	0.4%	\$ 7,203,210.48	0.4%	\$ 7,176,579.42
Telecommunications	3.0%	-9.1%	\$ 1,437,056.64	-8.0%	1,581,324.31	2.2%	1,719,726.10	-11.7%	1,683,481.03	3.5%	1,907,237.87
Publishing / Advertising / Printing / Transportation	0.2%	-32.8%	\$ 89,008.98	2.0%	132,471.25	6.1%	129,825.74	-24.6%	122,343.61	-13.0%	162,161.14
Restaurants & Bars	9.8%	7.7%	\$ 5,299,054.14	4.5%	4,919,779.54	4.6%	4,707,249.78	8.7%	4,500,776.79	1.8%	4,141,021.12
Amusements	0.9%	-0.5%	\$ 462,444.85	29.1%	464,743.48	1.9%	360,091.48	11.4%	353,286.89	-2.5%	317,232.33
Real Property Rentals	12.1%	3.7%	\$ 6,674,722.62	14.1%	6,437,158.98	5.2%	5,641,726.56	2.9%	5,362,699.92	3.9%	5,210,900.44
Tangible Personal Property Rentals	2.9%	20.2%	\$ 1,814,147.76	-1.3%	1,508,674.77	22.4%	1,528,953.48	-12.3%	1,249,247.76	17.5%	1,424,470.63
Hotels / Motels	2.7%	24.3%	\$ 1,287,907.05	-2.9%	1,036,274.30	7.4%	1,067,151.00	6.2%	994,051.95	0.7%	936,368.61
Contracting	8.1%	35.7%	\$ 5,651,009.72	-10.4%	4,164,535.41	-8.6%	4,648,768.58	-9.9%	5,084,013.43	8.2%	5,645,101.30
Retail / Manufactured Buildings / Jet Fuel	46.7%	9.6%	\$ 25,953,340.93	3.2%	23,689,952.76	2.8%	22,949,415.50	6.7%	22,333,028.63	4.8%	20,922,281.55
Use Tax	1.0%	106.4%	\$ 989,873.39	12.0%	479,664.54	-24.3%	428,134.05	-15.1%	565,514.11	23.0%	666,349.93
<b>TOTAL SALES TAX REVENUE</b>	<b>100.0%</b>	<b>9.8%</b>	<b>\$ 57,752,018.81</b>	<b>3.5%</b>	<b>\$ 52,594,845.65</b>	<b>2.8%</b>	<b>\$ 50,812,640.59</b>	<b>1.9%</b>	<b>\$ 49,451,654.60</b>	<b>4.4%</b>	<b>\$ 48,509,704.34</b>

\*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
<b>July</b>	9,159,604	9,639,550	479,946	5.2%
<b>August</b>	9,107,351	10,101,975	994,624	10.9%
<b>September</b>	8,703,199	9,954,563	1,251,364	14.4%
<b>October</b>	9,037,881	10,135,640	1,097,759	12.1%
<b>November</b>	8,350,897	8,894,485	543,588	6.5%
<b>December</b>	8,235,914	9,025,806	789,892	9.6%
January	10,337,210			
February	8,815,281			
March	8,844,656			
April	9,594,147			
May	8,947,728			
June	10,371,886			
<b>Totals</b>	<b>52,594,846</b>	<b>57,752,018</b>	<b>5,157,174</b>	<b>9.8%</b>



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

# CITY OF CHANDLER GENERAL FUND EXPENDITURE SUMMARY THROUGH DECEMBER 2016

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru Dec 2016	Percentage of Adjusted Budget Expended & Encumbered Thru Dec 2016	Percentage of Adjusted Budget Expended & Encumbered Thru Dec 2015	Over/Under Last Year's Percentage
City Clerk	\$ 826,714	\$ 900,418	\$ 509,494	56.6%	51.7%	4.9%
City Manager and Organization Support*	37,752,673	39,337,941	20,630,872	52.4%	54.2%	-1.8%
Communications & Public Affairs	2,523,492	2,817,324	1,263,384	44.8%	49.1%	-4.3%
Community Services**	17,736,240	18,831,529	10,120,578	53.7%	53.6%	0.1%
Fire, Health & Medical***	32,718,525	34,127,649	17,634,790	51.7%	52.4%	-0.7%
Law	3,614,983	3,670,305	1,749,058	47.7%	48.9%	-1.2%
Magistrate	4,417,406	4,449,032	2,106,106	47.3%	47.6%	-0.3%
Management Services	7,375,173	7,586,375	3,721,833	49.1%	49.7%	-0.6%
Mayor and Council	878,151	897,526	426,774	47.6%	49.9%	-2.3%
Police	67,435,967	68,656,745	36,130,631	52.6%	54.3%	-1.7%
Transportation & Development	18,788,378	20,726,452	10,876,062	52.5%	55.3%	-2.8%
Non-Departmental (Personnel Services and O&M)	12,284,503	11,465,550	2,135,817	18.6%	30.0%	-11.4%
<b>Subtotal Prior to Contingencies/Reserves</b>	<b>\$ 206,352,205</b>	<b>\$ 213,466,846</b>	<b>\$ 107,305,399</b>	<b>50.3%</b>	<b>51.5%</b>	<b>-1.2%</b>
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%
<b>TOTAL</b>	<b>\$ 247,212,614</b>	<b>\$ 247,212,614</b>	<b>\$ 107,305,399</b>	<b>43.4%</b>	<b>45.8%</b>	<b>-2.4%</b>

\* 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.