



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

**Chandler**



**2010**

**MEMORANDUM**

**Management Services Memo No. 15-017**

**DATE:** OCTOBER 15, 2014

**TO:** MAYOR & COUNCIL

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

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

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

Attached is the FY 2014-15 General Fund Monthly Revenue and Expenditure Report for the period ending September 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 September 2014. This month reflects a 6.2% increase in total General Fund revenues from the budgeted revenue received to date based on historical trends.

Local transaction privilege (sales) tax through September 2014 reflects an increase of 7.8% over historical trend, and an increase of 2.3% compared to the same period last year. Strong results by the two largest categories, Retail/Manufactured Buildings/Jet Fuel and Utilities are the primary reasons for the higher level of collections compared to FY 2013-14.

Among the other revenue categories, Licenses and Permits are continuing to perform strongly compared to budget based on historical trend (+119.0%) and compared to the prior year through September (+22.0%). Primary Property Tax collections are below the collections through September (-46.9%) of the previous year, partly due to the 3 cents reduction in the Primary

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Property Tax rate for FY 2014-15, and partly due to typically low property tax payments in the first quarter of the fiscal year.

The FY 2014-15 General Fund Expenditure Summary report reflects the percent of adjusted budget expended and encumbered through September 2014, then compares this spending percent to the prior fiscal year. Spending of 28.0% has occurred through September 2014, compared to 28.9% for the same period last year. The only significant increase in the rate of spending is in the City Clerk's Office, which is 11.2% 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

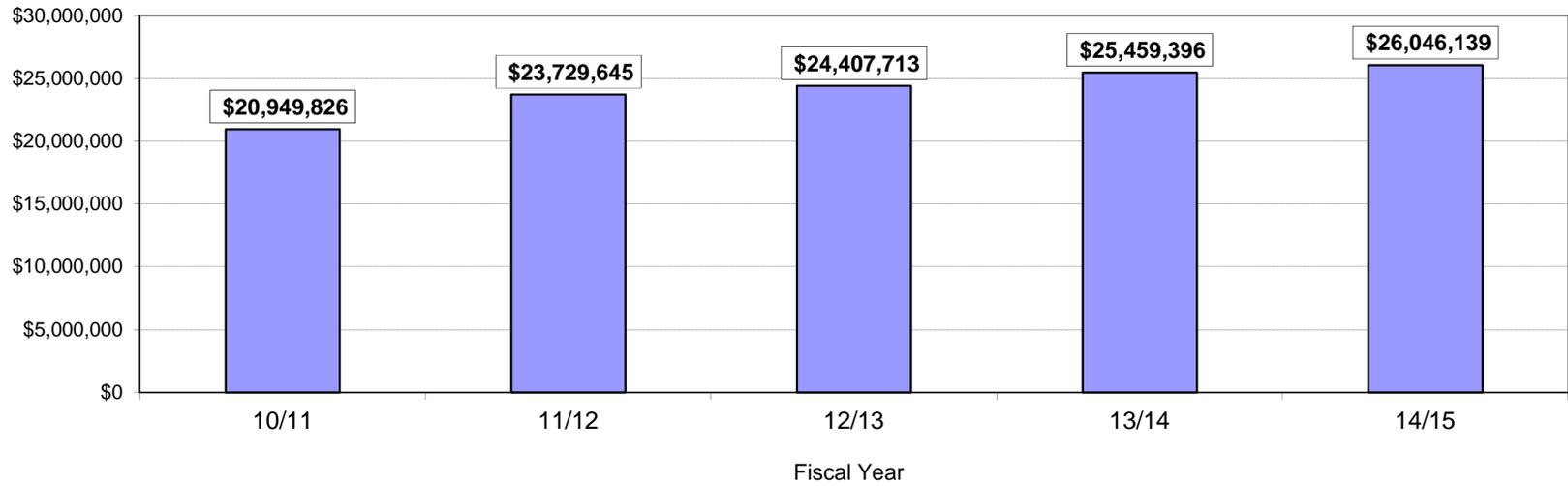
## FY 2014-15 Year-To-Date Actuals Through September 2014

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	\$ 24,159,594	<b>\$ 26,046,139</b>	\$ 1,886,545	7.8%		\$ 25,459,396	\$ 586,743	2.3%	
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,261,000	473,935	<b>704,605</b>	230,670	48.7%		589,322	115,283	19.6%	
<b>Total Local Sales Tax Revenue</b>	<b>99,261,000</b>	<b>24,633,529</b>	<b>26,750,744</b>	<b>2,117,215</b>	<b>8.6%</b>		<b>26,048,718</b>	<b>702,026</b>	<b>2.7%</b>	
Franchise Fees	2,979,000	58,142	<b>59,573</b>	1,431	2.5%		51,979	7,594	14.6%	
Primary Property Taxes	6,964,900	49,033	<b>32,045</b>	(16,988)	-34.6%		60,319	(28,274)	-46.9%	
State Shared Sales Taxes	21,000,000	3,284,020	<b>3,357,485</b>	73,465	2.2%		3,239,324	118,161	3.6%	
Vehicle License Tax	8,300,000	1,624,263	<b>1,531,529</b>	(92,734)	-5.7%		1,807,403	(275,874)	-15.3%	
Urban Revenue Sharing	28,607,000	7,149,066	<b>7,152,181</b>	3,115	0.0%		6,585,775	566,406	8.6%	
Licenses & Permits	3,580,400	534,126	<b>1,169,528</b>	635,402	119.0%		958,923	210,605	22.0%	
Charges for Services	11,003,060	2,420,101	<b>2,618,345</b>	198,244	8.2%		2,365,260	253,085	10.7%	
Fines & Forfeitures	3,477,100	790,101	<b>886,516</b>	96,415	12.2%		857,798	28,718	3.3%	
Interest & Investments	670,300	98,104	<b>32,406</b>	(65,698)	-67.0%		166,404	(133,998)	-80.5%	
Other Revenues	1,994,400	498,601	<b>234,204</b>	(264,397)	-53.0%		302,998	(68,794)	-22.7%	
Indirect Cost	7,578,900	1,894,725	<b>1,894,725</b>	(0)	0.0%		1,960,490	(65,765)	-3.4%	
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 195,416,060</b>	<b>\$ 43,033,811</b>	<b>\$ 45,719,281</b>	<b>\$ 2,685,470</b>	<b>6.2%</b>		<b>\$ 44,405,391</b>	<b>\$ 1,313,890</b>	<b>3.0%</b>	
<b>Prior Month</b>	<b>\$ 195,416,060</b>	<b>\$ 28,545,665</b>	<b>\$ 30,110,527</b>	<b>\$ 1,564,862</b>	<b>5.5%</b>		<b>\$ 29,885,548</b>	<b>\$ 224,979</b>	<b>0.8%</b>	
<b>Change from Prior Month</b>	<b>\$ -</b>	<b>\$ 14,488,146</b>	<b>\$ 15,608,754</b>	<b>\$ 1,120,608</b>	<b>0.7%</b>		<b>\$ 14,519,843</b>	<b>\$ 1,088,911</b>	<b>2.2%</b>	

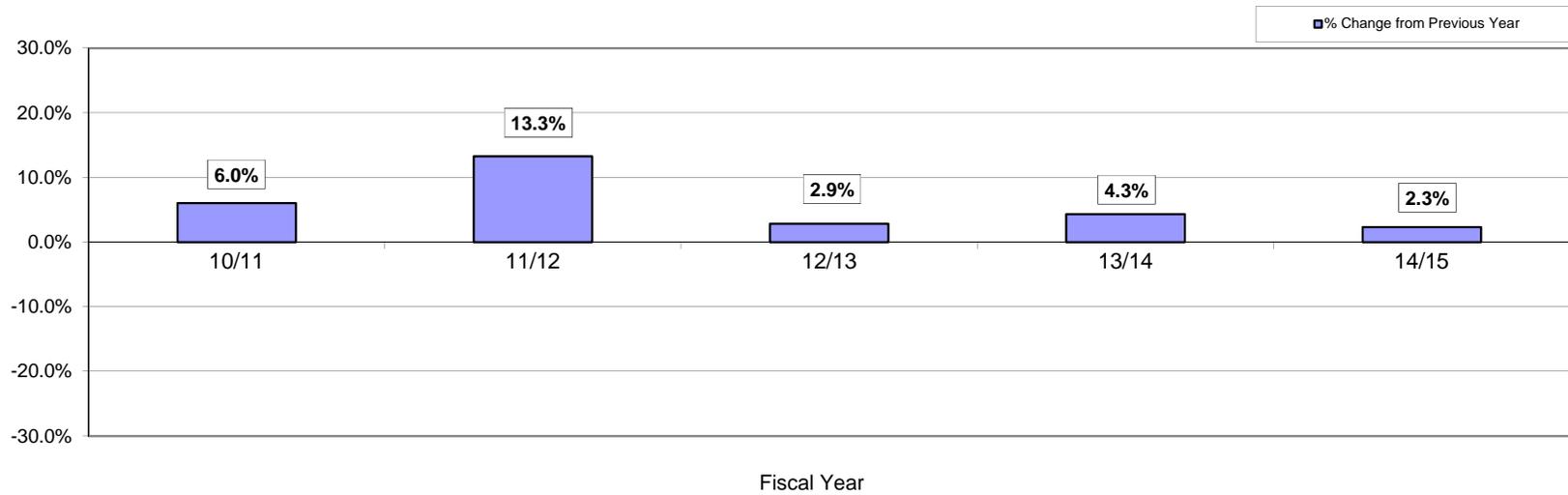
**Note:**

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 September  
(Based on Retail Sales Through August)**



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



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

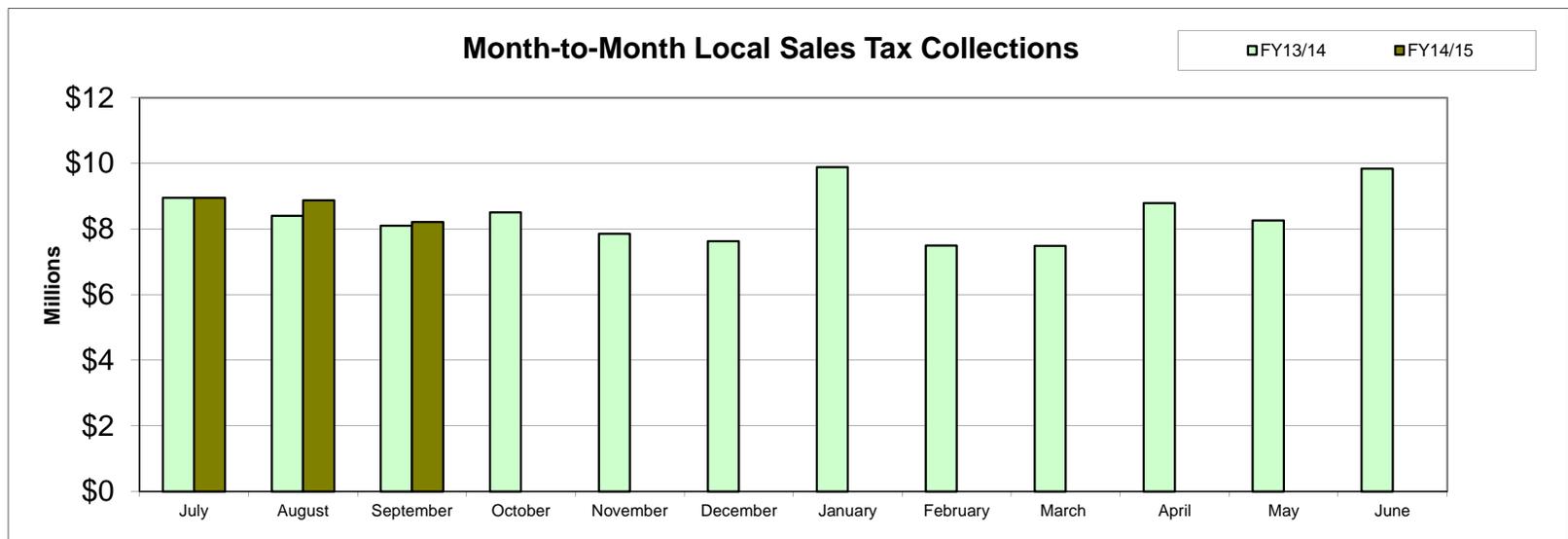
<b>SALES TAX REVENUE BY CLASS THROUGH SEPTEMBER EACH YEAR (YEAR-TO-DATE)</b>											
Sales Tax Category	FY13/14	% Chg	THRU SEP	% Chg	THRU SEP	% Chg	THRU SEP	% Chg	THRU SEP	% Chg	THRU SEP
	% of Total	fm PY	FY 2014-15	fm PY	FY 2013-14	fm PY	FY 2012-13	fm PY	FY 2011-12	fm PY	FY 2010-11
Utilities	12.3%	3.3%	\$ 4,366,367.62	3.5%	\$ 4,228,524.59	-1.2%	\$ 4,085,107.70	4.1%	\$ 4,134,781.66	4.7%	\$ 3,972,085.25
Telecommunications	3.5%	-1.4%	864,192.86	-11.4%	876,542.47	5.6%	989,730.06	2.5%	937,309.55	-7.7%	914,315.01
Publishing / Advertising / Printing / Transportation	0.3%	-18.8%	56,186.93	-7.5%	69,154.64	-20.7%	74,722.00	14.4%	94,189.80	3.7%	82,298.26
Restaurants & Bars	9.4%	3.7%	2,354,715.84	11.5%	2,271,120.56	-1.9%	2,037,447.54	14.1%	2,077,566.12	8.0%	1,821,097.79
Amusements	0.7%	-8.0%	172,209.28	16.1%	187,089.02	-7.1%	161,195.78	11.9%	173,580.59	17.9%	155,061.27
Real Property Rentals	10.9%	3.8%	2,813,162.25	6.3%	2,709,477.13	-0.4%	2,547,958.06	12.1%	2,558,733.70	3.2%	2,283,383.05
Tangible Personal Property Rentals	2.9%	13.9%	791,413.60	-0.9%	694,667.82	14.9%	701,011.68	9.2%	610,109.84	8.4%	558,802.22
Hotels / Motels	2.4%	8.8%	480,496.66	9.3%	441,725.53	-8.7%	404,288.95	55.8%	442,609.53	18.3%	284,023.69
Contracting	9.7%	-7.5%	2,217,609.02	-9.8%	2,397,275.23	4.7%	2,656,903.03	69.7%	2,538,348.75	-3.2%	1,495,713.30
Retail / Manufactured Buildings / Jet Fuel	46.8%	4.3%	11,761,187.91	9.0%	11,278,227.17	4.8%	10,343,512.03	8.2%	9,867,024.26	9.0%	9,120,141.68
Use Tax	1.1%	-44.8%	168,596.75	-24.7%	305,592.15	37.4%	405,835.86	12.4%	295,390.92	30.1%	262,904.66
<b>TOTAL SALES TAX REVENUE</b>	<b>100.0%</b>	<b>2.3%</b>	<b>\$ 26,046,138.72</b>	<b>4.3%</b>	<b>\$ 25,459,396.31</b>	<b>2.9%</b>	<b>\$ 24,407,712.69</b>	<b>13.3%</b>	<b>\$ 23,729,644.72</b>	<b>6.0%</b>	<b>\$ 20,949,826.18</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 FY13/14	Monthly Collections FY14/15	\$ Difference + / (-) FY14/15 over FY13/14	% Difference + / (-) FY14/15 over FY13/14
<b>July</b>	<b>8,953,475</b>	8,951,200	(2,275)	0.0%
<b>August</b>	<b>8,406,838</b>	8,878,039	471,201	5.6%
<b>September</b>	<b>8,099,083</b>	8,216,900	117,817	1.5%
October	8,504,798			
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			
<b>Totals</b>	<b>25,459,396</b>	<b>26,046,139</b>	<b>586,743</b>	<b>2.3%</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 SEPTEMBER 2014

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru Sep 2014	Percentage of Adjusted Budget Expended & Encumbered Thru Sep 2014	Percentage of Adjusted Budget Expended & Encumbered Thru Sep 2013	Over/Under Last Year's Percentage
City Clerk	\$ 788,201	\$ 804,270	\$ 309,958	38.5%	27.3%	11.2%
City Manager and Organization Support*	25,664,875	27,048,045	9,203,460	34.0%	34.4%	-0.4%
Communications & Public Affairs	2,089,986	2,142,027	595,483	27.8%	27.0%	0.8%
Community Services**	24,102,111	25,016,157	8,348,415	33.4%	32.9%	0.5%
Fire	31,198,671	31,789,969	8,854,965	27.9%	28.3%	-0.4%
Law	3,552,717	3,608,219	767,810	21.3%	21.7%	-0.4%
Magistrate	4,183,379	4,242,231	865,870	20.4%	20.6%	-0.2%
Management Services	6,951,597	7,174,741	1,759,101	24.5%	27.2%	-2.7%
Mayor and Council	786,732	824,766	185,082	22.4%	23.0%	-0.6%
Police	61,912,203	64,253,552	16,678,052	26.0%	26.4%	-0.4%
Transportation & Development***	17,210,251	19,490,870	6,086,813	31.2%	29.0%	2.2%
Non-Departmental (Personnel Services and O&M)	11,689,650	11,227,259	1,659,342	14.8%	29.7%	-14.9%
<b>Subtotal Prior to Contingencies/Reserves</b>	<b>\$ 190,130,373</b>	<b>\$ 197,622,106</b>	<b>\$ 55,314,351</b>	<b>28.0%</b>	<b>28.9%</b>	<b>-0.9%</b>
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	28,881,559	-	0.0%	0.0%	0.0%
<b>TOTAL</b>	<b>\$ 228,887,032</b>	<b>\$ 229,201,665</b>	<b>\$ 55,314,351</b>	<b>24.1%</b>	<b>25.5%</b>	<b>-1.4%</b>

\* 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.