



## Informational Memo

### Management Services - Memo No. 20-033

**Date:** January 16, 2020

**To:** Mayor and Council

**Thru:** Marsha Reed, City Manager *MR*  
Dawn Lang, Management Services Director *DL*  
Matt Dunbar, Budget Manager *MD*

**From:** Janet Northrup, Sr. Budget & Research Analyst *JN*

**Subject:** Fiscal Year (FY) 2019-20 Year-End General Fund Revenue Summary, Sales Tax Collection Report, and Expenditure Reports through December 2019

Attached is the FY 2019-20 General Fund Revenue and Expenditure Reports for the period ending December 31, 2019.

Included as attachments to this memo 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 Revenue Summary gives a budget to actual comparison of revenues through December 2019. This month reflects an 8.0% increase in total General Fund revenues from the budgeted revenues received to date based on historical trends.

The individual revenue categories show some variances between budget and revenues in excess of historical trend, with all but one revenue category recording revenues in excess of historical trend. The category of Other Revenues accounts for the most significant variance of -54.8%, but this category is comprised of revenues typically received in large periodic amounts and can be inconsistently timed when making historical comparisons.

Collections in State and Local Transaction Privilege Tax (TPT) or Sales Tax shown in this report reflect November sales taxes received in December, therefore does not include the full impact of the holiday season. December sales will be collected in January and reported

out on the February general Fund Revenue Summary. Overall collections in TPT and Licenses & Permits remain healthy as a result of strong consumer confidence leading to high retail spending and significant development in Chandler and its related economic impacts. Most of these increases are considered one-time, since once the developments are completed, the related Permit and Local TPT collections cease.

The Local TPT collections for the month of December 2019 compared to the same month prior year are 1.8% less. This is mainly due to the Contracting and Tangible Personal Property Rentals, which tells us new development may be winding down. This is the first month since October of 2017 that has seen a decrease from the same month in the prior year. The Local TPT collections through December 2019 year to date reflect an overall increase of 9.7% above historical trend, and a 5.9% increase compared to the same period last year.

The largest TPT category, Retail/Manufactured Buildings/Jet Fuel, is 7.0% higher year to date than one year earlier. Contracting reflects a 5.9% increase and Tangible Personal Property Rentals reflect a 6.9% increase from the prior year, mainly due to various major construction projects such as Intel, downtown construction, and various multi-family residential projects throughout the City. The 18.6% increase in Hotels/Motels reflects expected strong seasonal tourism activity in addition to the opening of new hotels. The 13.0% increase in Real Property Rentals reflects increases in rentals on the market as well as rental rates. The decrease of 57.4% in Publishing was due to a correction made at the State level from prior period collections. Other TPT categories are -5.4% to 7.1% lower or higher than the prior year through December.

The FY 2019-20 General Fund Expenditure Summary report reflects the percent of adjusted budget expended and encumbered through December 2019. This report then compares this spending percentage to the prior fiscal year. Overall department spending, including an increased one-time Public Safety Personnel Retirement System (PSPRS) unfunded liability payment (+\$20.5M over prior year), resulted in 54.5% spending through December 2019, compared to 52.1% for the same period last year.

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

Attachments: FY 2019-20 General Fund Monthly Revenue and Expenditure Reports

cc: Debra Stapleton, Assistant City Manager  
Joshua H. Wright, Assistant City Manager

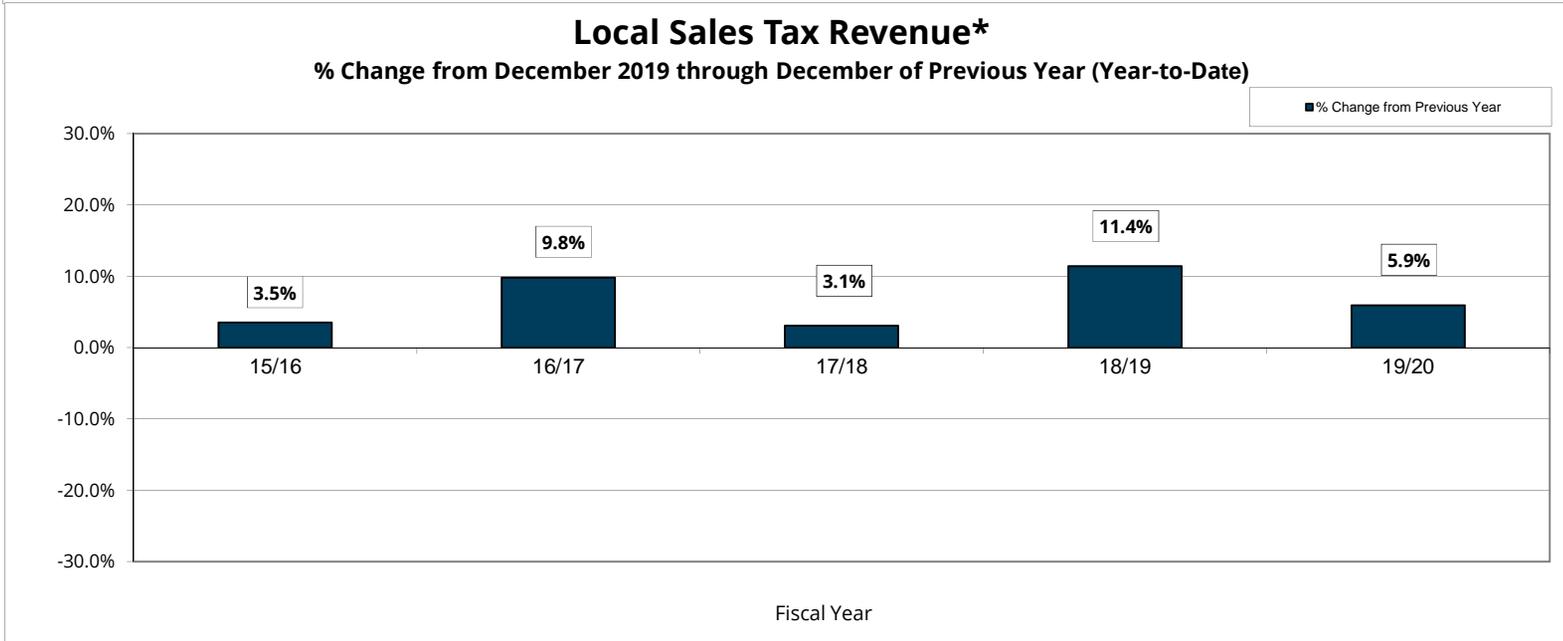
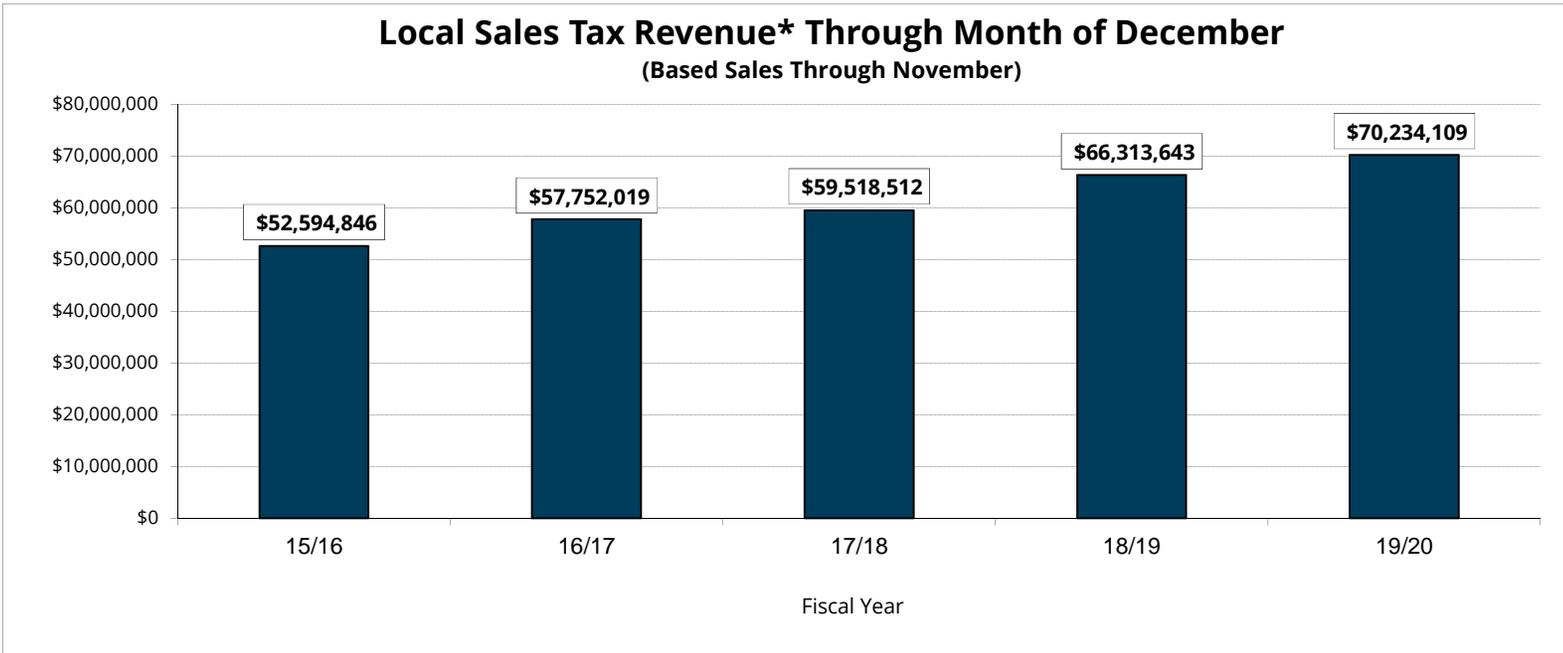
## General Fund Revenue Summary

### FY 2019-20 Year-To-Date Actuals Through December 2019

General Fund Revenues	Budget		Actuals			Comparison to Prior Year Actuals		
	FY 2019-20 Adopted Budget	FY 2019-20 Budget Prorated Based on Historical Trend	FY 2019-20 Actual Revenue	+ or - of Actual to Budget Based on Historical Trend	% Change of Actual to Budget Based on Historical Trend	FY 2018-19 Actual Revenues for Same Period	Difference + or - from FY 2018-19 to FY 2019-20	% Change of Actuals to Same Period FY 2018-19
Local Sales Tax Collections	\$ 133,000,000	\$ 63,998,679	\$ 70,234,109	\$ 6,235,430	9.7%	\$ 66,313,643	\$ 3,920,466	5.9%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,832,100	889,344	841,857	(47,487)	-5.3%	803,674	38,183	4.8%
<b>Total Local Sales Tax Revenue</b>	<b>\$ 134,832,100</b>	<b>\$ 64,888,023</b>	<b>\$ 71,075,966</b>	<b>\$ 6,187,943</b>	<b>9.5%</b>	<b>\$ 67,117,317</b>	<b>\$ 3,958,649</b>	<b>5.9%</b>
Franchise Fees	3,300,000	824,001	844,870	20,869	2.5%	912,466	(67,596)	-7.4%
Primary Property Taxes	7,821,800	4,105,810	4,103,834	(1,976)	0.0%	4,100,030	3,804	0.1%
State Shared Sales Taxes	25,000,000	10,511,755	11,658,538	1,146,783	10.9%	11,466,992	191,546	1.7%
Vehicle License Tax	11,300,000	5,054,958	5,111,104	56,146	1.1%	4,995,792	115,312	2.3%
Urban Revenue Sharing	31,500,000	15,752,649	16,627,579	874,930	5.6%	15,346,764	1,280,815	8.3%
Licenses & Permits	6,905,500	2,921,870	3,281,747	359,877	12.3%	4,292,001	(1,010,254)	-23.5%
Charges for Services	12,369,250	5,196,716	5,572,236	375,520	7.2%	5,770,124	(197,888)	-3.4%
Fines & Forfeitures	3,763,650	1,771,856	1,846,941	75,085	4.2%	1,907,996	(61,055)	-3.2%
Interest & Investments	3,259,000	1,167,111	1,785,665	618,554	53.0%	1,095,550	690,115	63.0%
Other Revenues	1,367,883	683,942	309,032	(374,910)	-54.8%	1,224,867	(915,835)	-74.8%
Indirect Cost	7,551,592	3,775,796	3,775,796	(0)	0.0%	3,705,754	70,042	1.9%
<b>Total General Fund Revenues</b>	<b>\$ 248,970,775</b>	<b>\$ 116,654,487</b>	<b>\$ 125,993,308</b>	<b>\$ 9,338,821</b>	<b>8.0%</b>	<b>\$ 121,935,653</b>	<b>\$ 4,057,657</b>	<b>3.3%</b>
<b>Prior Month</b>	<b>\$ 248,970,775</b>	<b>\$ 96,400,048</b>	<b>\$ 104,961,831</b>	<b>\$ 8,561,783</b>	<b>8.9%</b>	<b>\$ 101,197,850</b>	<b>\$ 3,763,981</b>	<b>3.7%</b>
<b>Change from Prior Month</b>	<b>\$ -</b>	<b>\$ 20,254,439</b>	<b>\$ 21,031,477</b>	<b>\$ 777,038</b>	<b>-0.9%</b>	<b>\$ 20,737,803</b>	<b>\$ 293,674</b>	<b>-0.4%</b>

Note:

FY 2019-20 Actual excludes one-time Interfund Transfers-In of \$2,100,000 to the General Fund for Impact Fee loan repayments, which are used for General Capital Projects.



\*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	FY18-19 % of Total	% Chg Fm PY	FY 2019-20	% Chg Fm PY	FY 2018-19	% Chg Fm PY	FY 2017-18	% Chg Fm PY	FY 2016-17	% Chg Fm PY	FY 2015-16
Utilities	10.5%	-2.5%	\$ 8,531,800.25	8.0%	\$ 8,751,486.18	0.2%	\$ 8,106,623.67	-1.1%	\$ 8,093,452.73	7.2%	\$ 8,180,266.31
Telecommunications	1.6%	7.1%	1,195,503.44	-11.2%	1,115,995.25	-12.5%	1,257,152.46	-9.1%	1,437,056.64	-8.0%	1,581,324.31
Publishing / Advertising / Printing / Transportation	0.2%	-57.4%	40,486.15	-8.6%	95,114.78	16.9%	104,072.00	-32.8%	89,008.98	2.0%	132,471.25
Restaurants & Bars	9.3%	6.0%	6,319,649.38	9.1%	5,960,148.63	3.1%	5,463,600.18	7.7%	5,299,054.14	4.5%	4,919,779.54
Amusements	0.9%	3.0%	582,480.99	13.1%	565,670.45	8.2%	500,162.75	-0.5%	462,444.85	29.1%	464,743.48
Real Property Rentals	12.1%	13.0%	9,138,383.15	11.8%	8,089,713.38	8.4%	7,236,718.22	3.7%	6,674,722.62	14.1%	6,437,158.98
Tangible Personal Property Rentals	3.0%	6.9%	2,142,756.84	5.4%	2,004,142.24	4.8%	1,901,368.26	20.2%	1,814,147.76	-1.3%	1,508,674.77
Hotels / Motels	3.0%	18.6%	1,778,099.43	9.9%	1,499,468.12	5.9%	1,364,481.79	24.3%	1,287,907.05	-2.9%	1,036,274.30
Contracting	12.0%	5.9%	7,584,552.37	23.2%	7,160,664.81	2.8%	5,810,832.78	35.7%	5,651,009.72	-10.4%	4,164,535.41
Retail / Manufactured Buildings / Jet Fuel	43.5%	7.0%	30,505,111.34	10.5%	28,517,092.22	-0.5%	25,814,489.23	9.6%	25,953,340.93	3.2%	23,689,952.76
Use Tax	3.9%	-5.4%	2,415,285.21	30.4%	2,554,147.37	97.9%	1,959,010.16	106.4%	989,873.39	12.0%	479,664.54
<b>Total Sales Tax Revenue</b>	<b>100.0%</b>	<b>5.9%</b>	<b>\$ 70,234,108.55</b>	<b>11.4%</b>	<b>\$ 66,313,643.43</b>	<b>3.1%</b>	<b>\$ 59,518,511.50</b>	<b>9.8%</b>	<b>\$ 57,752,018.81</b>	<b>3.5%</b>	<b>\$ 52,594,845.65</b>

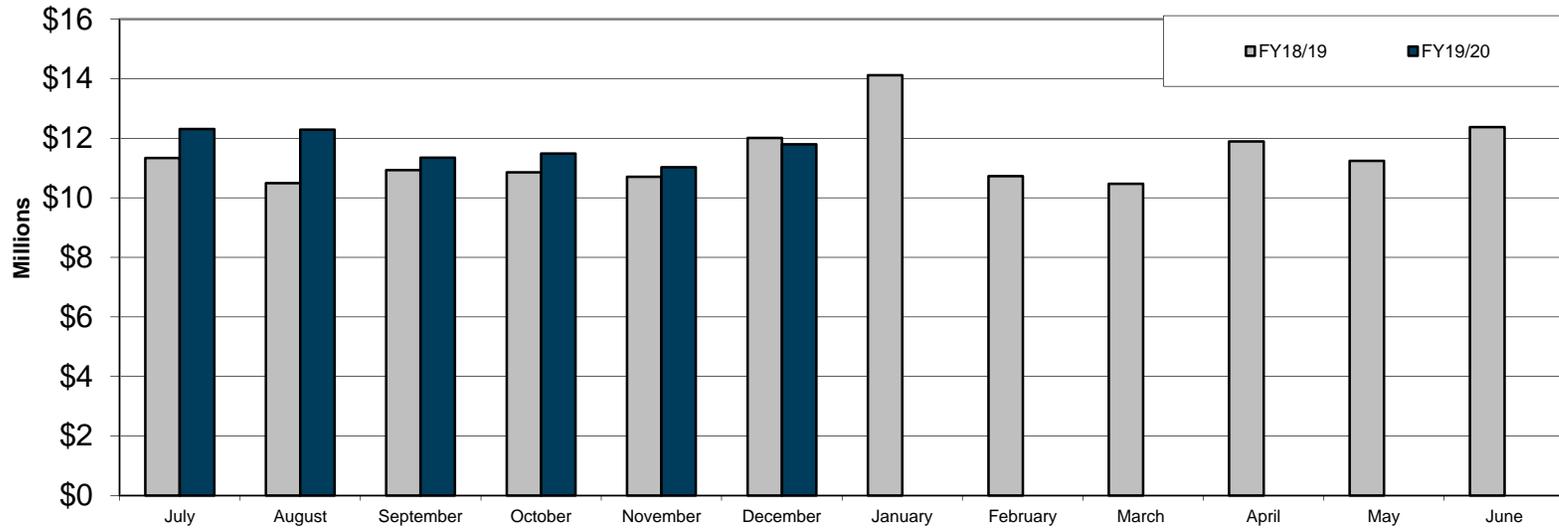
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# Local Sales Tax Revenue

## Monthly Actuals Compared to Prior Year

Local Sales Tax Collections *	Monthly Collections FY18/19	Monthly Collections FY19/20	\$ Difference + / (-) FY19/20 over FY18/19	% Difference + / (-) FY19/20 over FY18/19
July	\$ 11,336,169	\$ 12,302,360	\$ 966,190	8.5%
August	10,490,872	12,284,035	1,793,164	17.1%
September	10,926,950	11,345,516	418,566	3.8%
October	10,851,553	11,487,595	636,042	5.9%
November	10,703,487	11,022,244	318,758	3.0%
December	12,004,612	11,792,358	(212,254)	-1.8%
January	14,116,030			
February	10,726,696			
March	10,472,268			
April	11,892,337			
May	11,235,476			
June	12,376,721			
<b>Totals</b>	<b>\$ 66,313,643</b>	<b>\$ 70,234,109</b>	<b>\$ 3,920,466</b>	<b>5.9%</b>

## Month-to-Month Local Sales Tax Collections



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

## General Fund Expenditure Summary Thru December 2019 (Revised)

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru Dec 2019	Percentage of Adjusted Budget Expended & Encumbered Thru Dec 2019	Percentage of Adjusted Budget Expended & Encumbered Thru Dec 2018	Over/Under Last Year's Percentage
City Clerk	\$ 749,869	\$ 1,180,676	\$ 395,887	33.5%	55.8%	-22.3%
City Manager and Organization Support <sup>(1)</sup>	16,972,444	19,387,746	9,400,702	48.5%	46.4%	2.1%
Communications & Public Affairs	2,574,476	2,966,099	1,345,391	45.4%	49.4%	-4.0%
Community Services	26,971,684	27,854,930	14,681,467	52.7%	54.4%	-1.7%
Cultural Development	3,650,576	3,863,620	1,987,791	51.4%	47.7%	3.7%
Development Services	8,877,333	9,065,593	3,990,157	44.0%	45.6%	-1.6%
Fire	37,255,753	38,357,560	20,322,485	53.0%	53.0%	0.0%
Information Technology	11,662,825	12,666,371	5,411,311	42.7%	45.5%	-2.8%
Law	3,795,202	3,862,945	1,908,608	49.4%	48.2%	1.2%
Magistrate	4,607,201	4,667,631	2,227,437	47.7%	48.0%	-0.3%
Management Services	8,137,020	8,327,144	4,276,967	51.4%	48.3%	3.1%
Mayor and Council	1,049,815	1,064,088	514,638	48.4%	48.6%	-0.2%
Neighborhood Resources	4,013,933	4,263,575	2,407,345	56.5%	61.0%	-4.5%
Police	76,789,941	78,511,738	40,311,533	51.3%	53.2%	-1.9%
Public Works & Utilities	11,312,245	14,625,461	9,533,836	65.2%	51.2%	14.0%
Non-Departmental (Personnel Services and O&M)	40,072,980	37,989,566	27,656,347	72.8%	59.7%	13.1%
<b>Subtotal Prior to Contingencies/Reserves</b>	<b>\$ 258,493,297</b>	<b>\$ 268,654,743</b>	<b>\$ 146,371,903</b>	<b>54.5%</b>	<b>52.1%</b>	<b>2.4%</b>
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	10,650,000	3,650,000	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	37,345,700	35,276,618	-	0.0%	0.0%	0.0%
<b>Total General Fund Expenditures</b>	<b>\$ 306,488,997</b>	<b>\$ 307,581,361</b>	<b>\$ 146,371,903</b>	<b>47.6%</b>	<b>44.9%</b>	<b>2.7%</b>

<sup>(1)</sup> Organization Support includes Economic Development, Fleet Services, Human Resources and Transportation Policy.

**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.