



Informational Memo

Management Services - Memo No. 20-026

Date: December 19, 2019

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 November 2019

Attached is the FY 2019-20 General Fund Revenue and Expenditure Reports for the period ending November 30, 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 November 2019. This month reflects a 8.9% increase in total General Fund revenues from the budgeted revenues received to date based on historical trends. Collections in State and Local Transaction Privilege Tax (TPT) or Sales Tax shown in this report reflect October sales taxes received in November. 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 November 2019 compared to the same month prior year are 3.0% more. The Local TPT collections through November 2019 year to date reflect an overall increase of 11.5% above historical trend, and a 7.6% increase compared to the same period last year.

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The largest TPT category, Retail/Manufactured Buildings/Jet Fuel, is 5.6% higher year to date than one year earlier. Contracting reflects a 24.6% increase and Tangible Personal Property Rentals reflect a 19.4% 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 20.7% increase in Hotels/Motels reflects expected strong seasonal tourism activity in addition to the opening of new hotels. The 14.6% increase in Real Property Rentals reflects increases in rentals on the market as well as rental rates. The decrease of 68.2% in Publishing was due to a correction made at the State level from prior period collections. Other TPT categories are -5.7% to 5.4% lower or higher than the prior year through November.

The FY 2019-20 General Fund Expenditure Summary report reflects the percent of adjusted budget expended and encumbered through November 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 48.3% spending through November 2019, compared to 45.8% 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

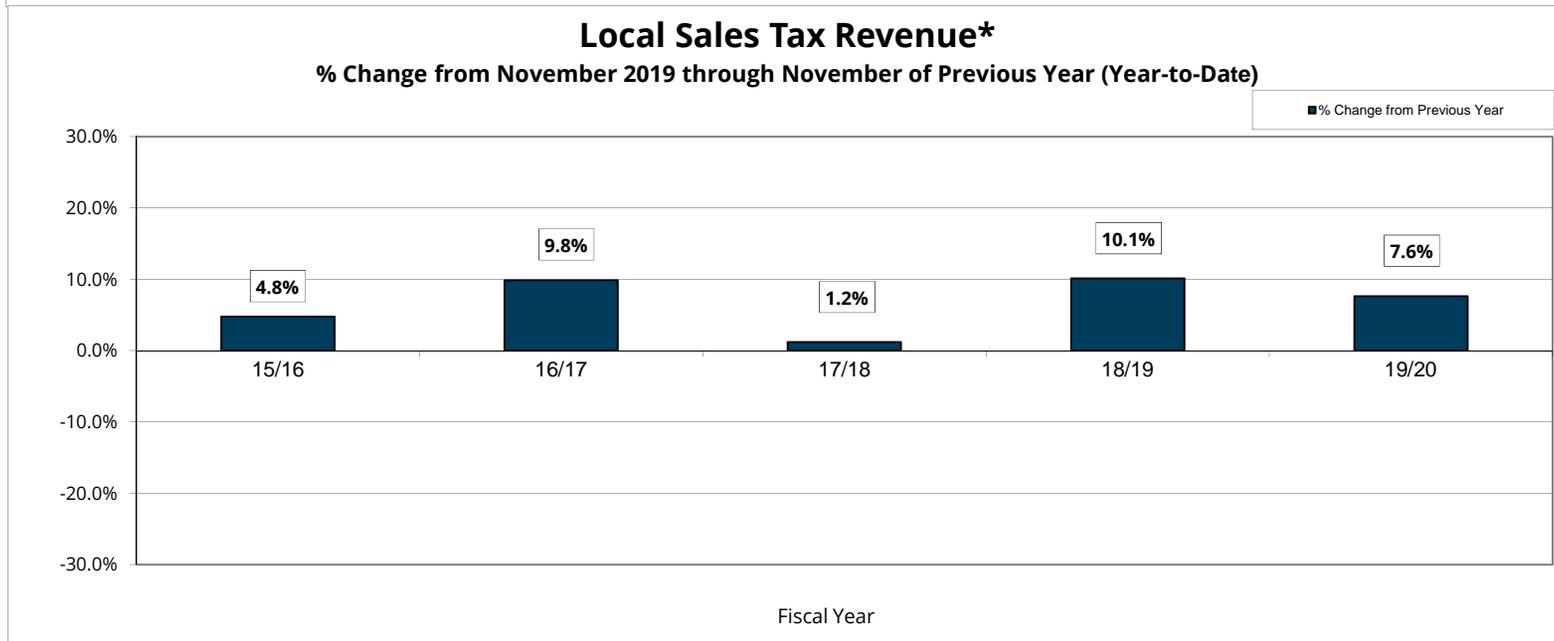
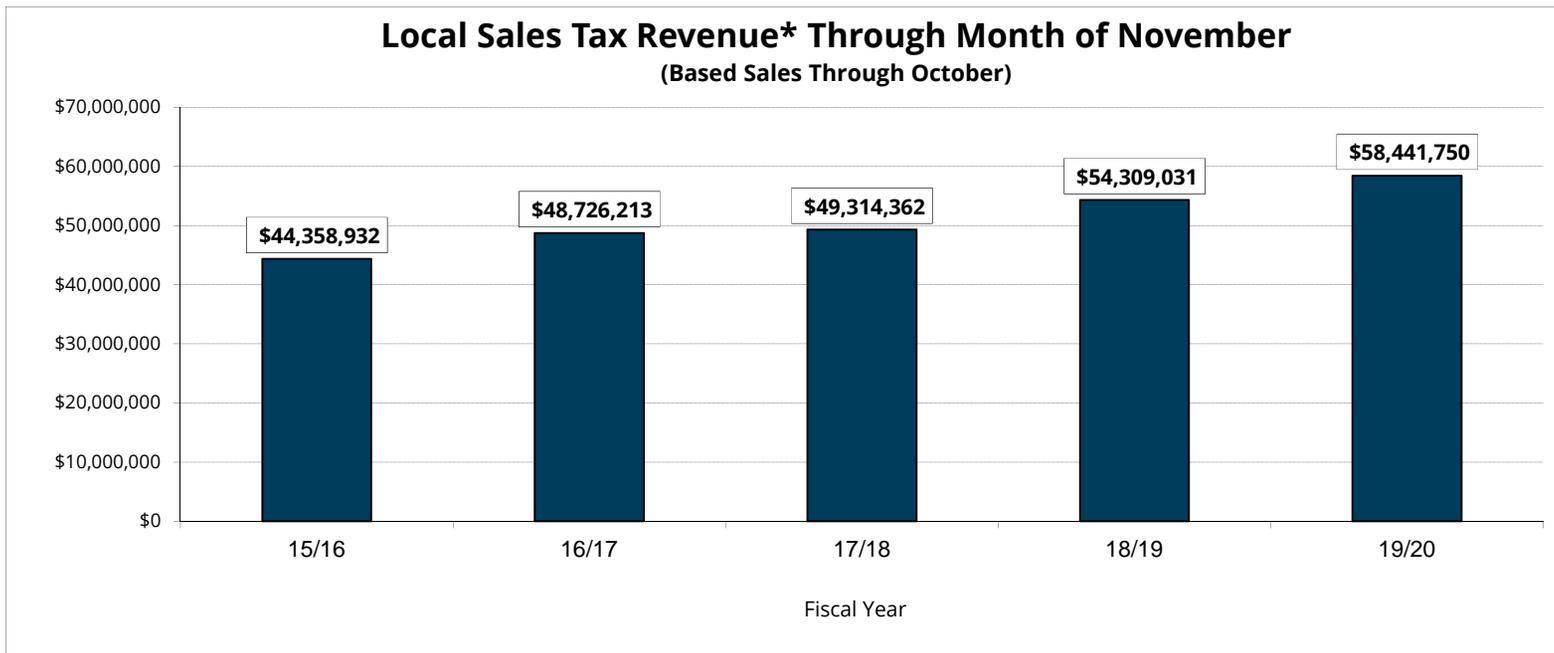
General Fund Revenue Summary

FY 2019-20 Year-To-Date Actuals Through November 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	\$ 52,436,918	\$ 58,441,750	\$ 6,004,832	11.5%	\$ 54,309,031	\$ 4,132,719	7.6%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,832,100	702,182	706,814	4,632	0.7%	600,718	106,096	17.7%
Total Local Sales Tax Revenue	\$ 134,832,100	\$ 53,139,100	\$ 59,148,564	\$ 6,009,464	11.3%	\$ 54,909,749	\$ 4,238,815	7.7%
Franchise Fees	3,300,000	766,534	260,116	(506,418)	-66.1%	847,501	(587,385)	-69.3%
Primary Property Taxes	7,821,800	3,519,828	3,632,063	112,235	3.2%	3,444,993	187,070	5.4%
State Shared Sales Taxes	25,000,000	8,422,957	9,831,008	1,408,051	16.7%	9,216,677	614,331	6.7%
Vehicle License Tax	11,300,000	4,181,024	4,287,195	106,171	2.5%	4,195,507	91,688	2.2%
Urban Revenue Sharing	31,500,000	13,127,199	13,856,316	729,117	5.6%	12,788,936	1,067,380	8.3%
Licenses & Permits	6,905,500	2,564,127	2,706,928	142,801	5.6%	3,871,151	(1,164,223)	-30.1%
Charges for Services	12,369,250	4,530,657	4,806,456	275,799	6.1%	5,168,769	(362,313)	-7.0%
Fines & Forfeitures	3,763,650	1,499,677	1,549,866	50,189	3.3%	1,618,955	(69,089)	-4.3%
Interest & Investments	3,259,000	932,497	1,513,588	581,091	62.3%	850,049	663,539	78.1%
Other Revenues	1,367,883	569,951	223,234	(346,717)	-60.8%	1,197,433	(974,199)	-81.4%
Indirect Cost	7,551,592	3,146,497	3,146,497	(0)	0.0%	3,088,130	58,367	1.9%
Total General Fund Revenues	\$ 248,970,775	\$ 96,400,048	\$ 104,961,831	\$ 8,561,781	8.9%	\$ 101,197,850	\$ 3,763,981	3.7%
Prior Month	\$ 248,970,775	\$ 74,304,823	\$ 81,068,998	\$ 6,764,175	9.1%	\$ 77,994,651	\$ 3,074,348	3.9%
Change from Prior Month	\$ -	\$ 22,095,225	\$ 23,892,833	\$ 1,797,608	-0.2%	\$ 23,203,199	\$ 689,634	-0.2%

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 November 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%	-1.6%	\$ 7,625,689.92	4.3%	\$ 7,746,257.99	3.0%	\$ 7,428,122.03	-2.2%	\$ 7,211,698.89	7.2%	\$ 7,370,158.05
Telecommunications	1.6%	5.4%	1,000,431.37	-10.3%	949,131.56	-11.9%	1,058,164.95	-9.6%	1,200,942.21	-8.2%	1,328,625.60
Publishing / Advertising / Printing / Transportation	0.2%	-68.2%	24,752.92	-6.4%	77,834.43	18.1%	83,154.18	-36.4%	70,417.01	2.5%	110,790.75
Restaurants & Bars	9.3%	5.2%	5,168,600.58	8.3%	4,912,446.35	3.2%	4,535,304.18	7.5%	4,394,362.32	4.6%	4,089,082.87
Amusements	0.9%	1.1%	473,018.65	12.6%	467,727.32	10.5%	415,495.57	-2.9%	376,134.96	32.3%	387,529.29
Real Property Rentals	12.1%	14.6%	7,594,918.34	10.2%	6,628,973.34	7.4%	6,017,760.82	2.9%	5,601,401.98	12.4%	5,444,368.45
Tangible Personal Property Rentals	3.0%	19.4%	1,827,005.46	-5.1%	1,529,625.12	3.2%	1,611,478.40	24.5%	1,561,546.33	-3.3%	1,254,581.00
Hotels / Motels	3.0%	20.7%	1,393,559.43	9.3%	1,154,852.18	0.9%	1,056,142.72	30.0%	1,047,157.04	1.7%	805,802.85
Contracting	12.0%	24.6%	6,594,963.50	14.6%	5,294,718.37	-4.6%	4,619,192.63	38.3%	4,844,284.10	-6.9%	3,503,571.47
Retail / Manufactured Buildings / Jet Fuel	43.5%	5.6%	24,765,179.64	11.0%	23,454,229.23	-2.3%	21,122,190.73	10.0%	21,615,174.70	5.2%	19,649,996.41
Use Tax	3.9%	-5.7%	1,973,630.46	53.1%	2,093,235.21	70.3%	1,367,355.37	93.8%	803,093.50	19.8%	414,425.38
Total Sales Tax Revenue	100.0%	7.6%	\$ 58,441,750.27	10.1%	\$ 54,309,031.10	1.2%	\$ 49,314,361.58	9.8%	\$ 48,726,213.04	4.8%	\$ 44,358,932.12

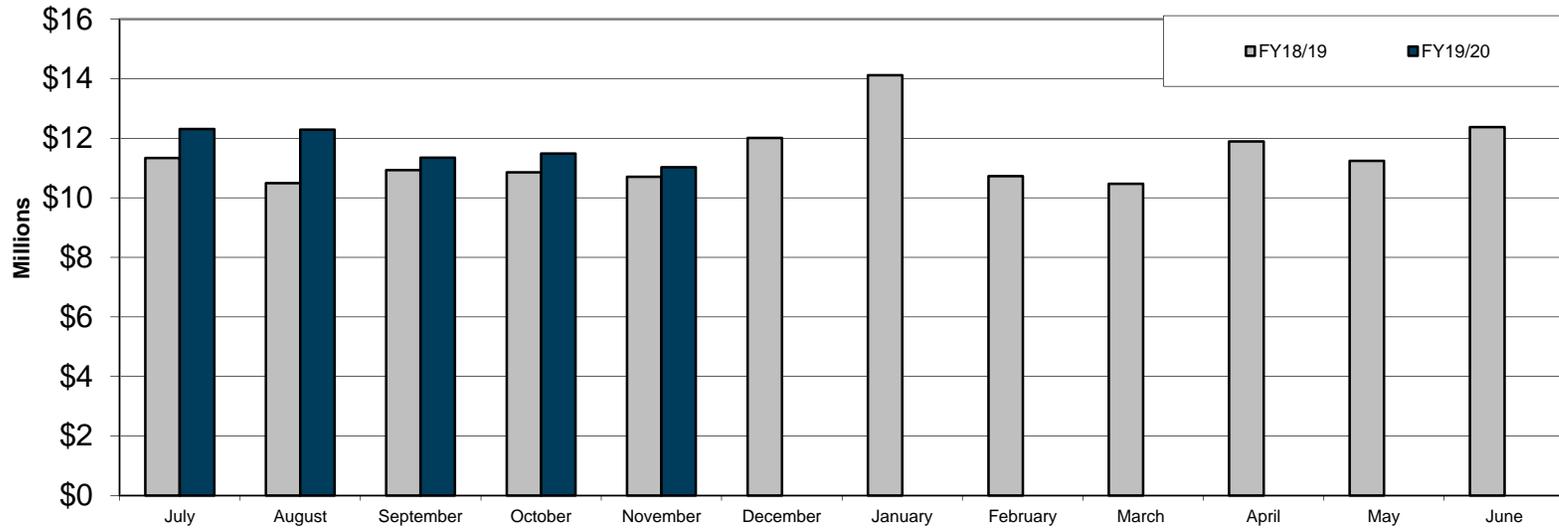
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Local Sales Tax Revenue

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			
January	14,116,030			
February	10,726,696			
March	10,472,268			
April	11,892,337			
May	11,235,476			
June	12,376,721			
Totals	\$ 54,309,031	\$ 58,441,750	\$ 4,132,719	7.6%

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 November 2019

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru Nov 2019	Percentage of Adjusted Budget Expended & Encumbered Thru Nov 2019	Percentage of Adjusted Budget Expended & Encumbered Thru Nov 2018	Over/Under Last Year's Percentage
City Clerk	\$ 749,869	\$ 793,476	\$ 322,965	40.7%	49.7%	-9.0%
City Manager and Organization Support ⁽¹⁾	16,972,444	19,387,746	8,147,649	42.0%	40.6%	1.4%
Communications & Public Affairs	2,574,476	2,966,099	1,239,792	41.8%	39.8%	2.0%
Community Services	26,971,684	27,854,930	13,199,000	47.4%	48.6%	-1.2%
Cultural Development	3,650,576	3,863,620	1,733,347	44.9%	44.8%	0.1%
Development Services	8,877,333	9,065,593	3,377,917	37.3%	38.5%	-1.2%
Fire	37,255,753	38,015,259	17,537,752	46.1%	45.9%	0.2%
Information Technology	11,662,825	12,666,371	4,513,609	35.6%	39.7%	-4.1%
Law	3,795,202	3,862,945	1,591,988	41.2%	40.8%	0.4%
Magistrate	4,607,201	4,667,631	1,896,108	40.6%	40.9%	-0.3%
Management Services	8,137,020	8,327,144	3,732,687	44.8%	41.2%	3.6%
Mayor and Council	1,049,815	1,064,088	435,697	40.9%	42.2%	-1.3%
Neighborhood Resources	4,013,933	4,263,575	2,181,553	51.2%	56.6%	-5.4%
Police	76,789,941	78,511,738	34,719,896	44.2%	46.1%	-1.9%
Public Works & Utilities	11,312,245	14,625,461	7,353,000	50.3%	47.6%	2.7%
Non-Departmental (Personnel Services and O&M)	40,072,980	38,339,824	27,524,885	71.8%	57.9%	13.9%
Subtotal Prior to Contingencies/Reserves	\$ 258,493,297	\$ 268,275,500	\$ 129,507,845	48.3%	45.8%	2.5%
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	35,663,818	-	0.0%	0.0%	0.0%
Total General Fund Expenditures	\$ 306,488,997	\$ 307,589,318	\$ 129,507,845	42.1%	39.5%	2.6%

⁽¹⁾ 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.