



Informational Memo
Management Services - Memo No. 20-016

Date: October 17, 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 September 2019

Attached is the FY 2019-20 General Fund Revenue and Expenditure Reports for the period ending September 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 September 2019. This month reflects a 12.6% increase in total General Fund revenues from the budgeted revenues received to date based on historical trends. The individual categories show some significant variances between budget and revenue received to date based on historical trend, but it is important to note that the first few months of the fiscal year can result in some large percentage changes because certain revenues are not received every month. We will have a better feel for the trends of General Fund revenues during the second quarter of the fiscal year.

Collections in Local Transaction Privilege Tax (TPT) or Sales Tax shown in this report reflect August sales taxes received in September. Collections in Local 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 TPT collections for the month of September 2019 compared to the same month prior year are 3.8% more. The TPT collections through September 2019 reflect an overall increase of 16.5% above historical trend, and a 9.7% increase compared to the same period last year.

The largest TPT category, Retail/Manufactured Buildings/Jet Fuel, is 5.2% higher than one year earlier. Contracting reflects a 46.3% increase and Tangible Personal Property Rentals reflects a 32.1% 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 26.0% increase in Hotels/Motels reflects expected strong seasonal tourism activity in addition to the opening of new hotels. The 17.3% increase in Real Property Rentals reflects increases in rentals on the market as well as rental rates. The decrease of 120.6% in Publishing was due a correction make at the State level from prior period collections. Other TPT categories are -8.6% to 5.8% lower or higher than the prior year through September.

The FY 2019-20 General Fund Expenditure Summary report reflects the percent of adjusted budget expended and encumbered through September 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 33.8% spending through September 2019, compared to 30.1% 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

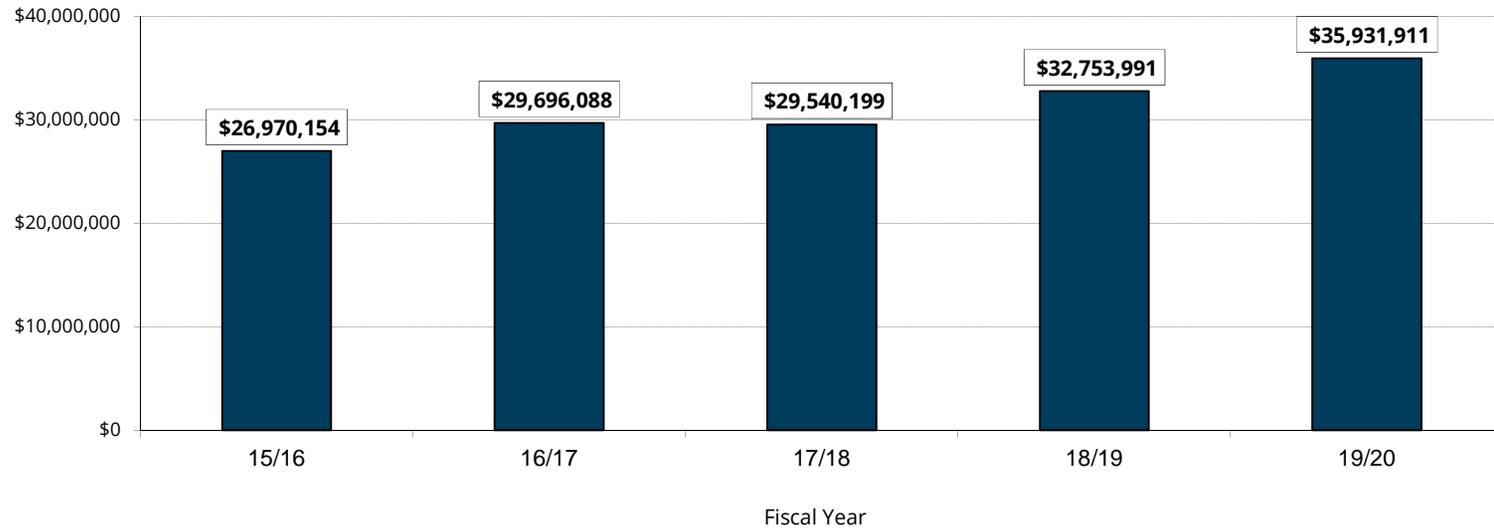
cc: Debra Stapleton, Assistant City Manager
Joshua H. Wright, Assistant City Manager

General Fund Revenue Summary

FY 2019-20 Year-To-Date Actuals Through September 2019

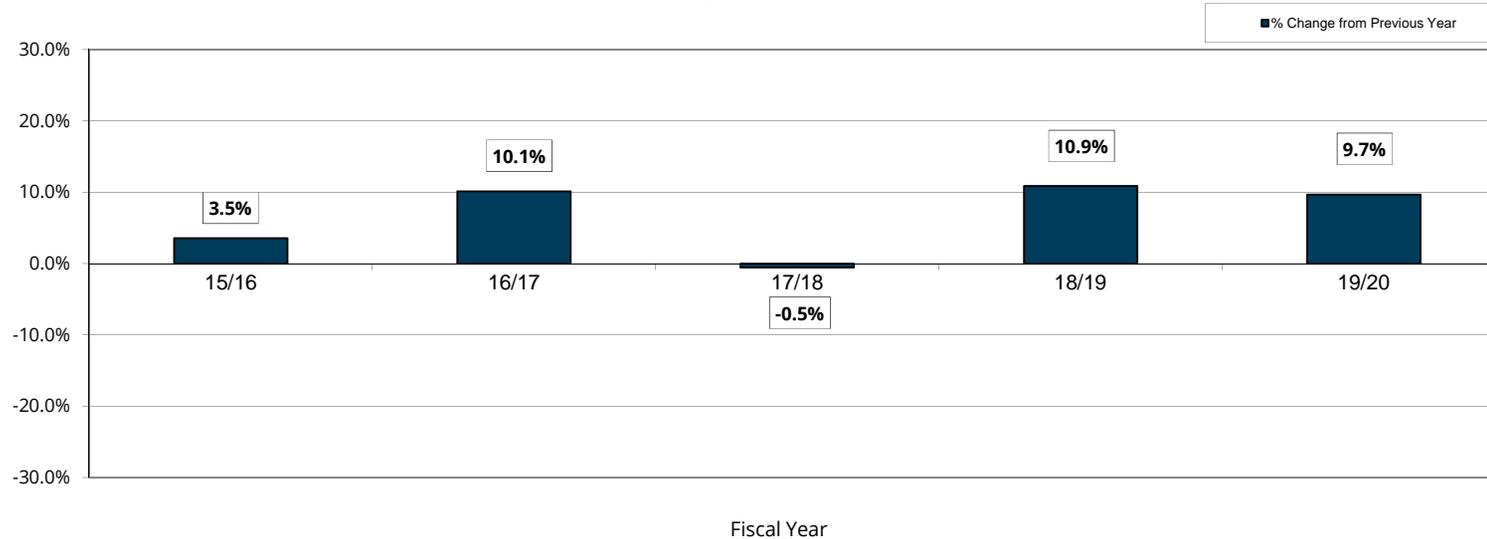
General Fund Revenues	Budget		Actuals			Comparison to Prior Year Actuals		
	FY 2019-20 Adopted Budget	FY 2019-20 Budget Prorated Based on Historical Trend	FY 2019-20 Actual Revenue	+ or - of Actual to Budget Based on Historical Trend	% Change of Actual to Budget Based on Historical Trend	FY 2018-19 Actual 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	\$ 30,839,149	\$ 35,931,911	\$ 5,092,762	16.5%	\$ 32,753,991	\$ 3,177,920	9.7%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,832,100	381,930	478,761	96,831	25.4%	198,471	280,290	141.2%
Total Local Sales Tax Revenue	\$ 134,832,100	\$ 31,221,079	\$ 36,410,672	\$ 5,189,593	16.6%	\$ 32,952,462	\$ 3,458,210	10.5%
Franchise Fees	3,300,000	42,649	-	(42,649)	-100.0%	60,363	(60,363)	-100.0%
Primary Property Taxes	7,821,800	65,238	28,599	(36,639)	-56.2%	165,560	(136,961)	-82.7%
State Shared Sales Taxes	25,000,000	4,452,364	5,135,526	683,162	15.3%	5,093,503	42,023	0.8%
Vehicle License Tax	11,300,000	2,341,138	2,426,685	85,547	3.7%	2,333,934	92,751	4.0%
Urban Revenue Sharing	31,500,000	7,876,298	8,313,790	437,491	5.6%	7,673,280	640,510	8.3%
Licenses & Permits	6,905,500	1,245,858	1,562,496	316,638	25.4%	2,836,004	(1,273,508)	-44.9%
Charges for Services	12,369,250	2,627,600	2,474,660	(152,940)	-5.8%	3,217,656	(742,996)	-23.1%
Fines & Forfeitures	3,763,650	915,651	995,829	80,178	8.8%	992,459	3,370	0.3%
Interest & Investments	3,259,000	440,167	830,858	390,691	88.8%	364,769	466,089	127.8%
Other Revenues	1,367,883	341,971	126,838	(215,133)	-62.9%	1,083,002	(956,164)	-88.3%
Indirect Cost	7,551,592	1,887,901	1,887,898	(3)	0.0%	1,852,881	35,017	1.9%
Total General Fund Revenues	\$ 248,970,775	\$ 53,457,914	\$ 60,193,851	\$ 6,735,937	12.6%	\$ 58,625,873	\$ 1,567,977	2.7%
Prior Month	\$ 248,970,775	\$ 34,850,291	\$ 41,054,049	\$ 6,203,759	17.8%	\$ 37,096,337	\$ 3,957,712	10.7%
Change from Prior Month	\$ -	\$ 18,607,623	\$ 19,139,802	\$ 532,178	-5.2%	\$ 21,529,535	\$ (2,389,734)	-8.0%

Local Sales Tax Revenue* Through Month of September (Based Sales Through August)



Local Sales Tax Revenue*

% Change from September 2019 through September 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 September 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%	-3.1%	\$ 4,721,578.34	1.9%	\$ 4,871,658.63	2.8%	\$ 4,783,019.37	-2.5%	\$ 4,651,609.00	9.3%	\$ 4,773,110.79
Telecommunications	1.6%	1.9%	599,219.27	-8.0%	587,946.96	-14.7%	639,147.09	-5.2%	749,702.40	-8.4%	791,229.52
Publishing / Advertising / Printing / Transportation	0.2%	-120.6%	(9,306.04)	-8.5%	45,183.27	8.2%	49,385.70	-30.4%	45,633.34	16.7%	65,591.80
Restaurants & Bars	9.3%	5.8%	3,095,845.36	9.5%	2,925,139.85	1.7%	2,671,181.39	7.6%	2,626,490.94	3.6%	2,440,539.29
Amusements	0.9%	2.9%	277,851.92	5.0%	269,987.44	6.5%	257,017.23	4.3%	241,263.42	34.3%	231,338.65
Real Property Rentals	12.1%	17.3%	4,630,994.02	16.4%	3,946,637.42	1.1%	3,390,295.78	6.3%	3,352,625.67	12.1%	3,152,685.94
Tangible Personal Property Rentals	3.0%	32.1%	1,193,555.59	-2.0%	903,606.94	-6.7%	921,660.19	31.0%	987,975.03	-4.7%	753,963.74
Hotels / Motels	3.0%	26.0%	728,341.50	10.2%	578,080.55	-11.3%	524,524.15	27.7%	591,321.25	-3.6%	463,006.64
Contracting	12.0%	46.3%	4,551,025.56	8.0%	3,111,537.15	-2.1%	2,880,078.50	34.8%	2,942,293.77	-1.6%	2,182,707.40
Retail / Manufactured Buildings / Jet Fuel	43.5%	5.2%	14,970,516.02	12.6%	14,231,561.53	-3.3%	12,643,350.02	10.3%	13,080,415.28	0.8%	11,859,573.10
Use Tax	3.9%	-8.6%	1,172,289.46	64.3%	1,282,651.53	82.9%	780,539.65	66.4%	426,758.03	52.1%	256,407.27
Total Sales Tax Revenue	100.0%	9.7%	\$ 35,931,911.00	10.9%	\$ 32,753,991.27	-0.5%	\$ 29,540,199.07	10.1%	\$ 29,696,088.13	3.5%	\$ 26,970,154.14

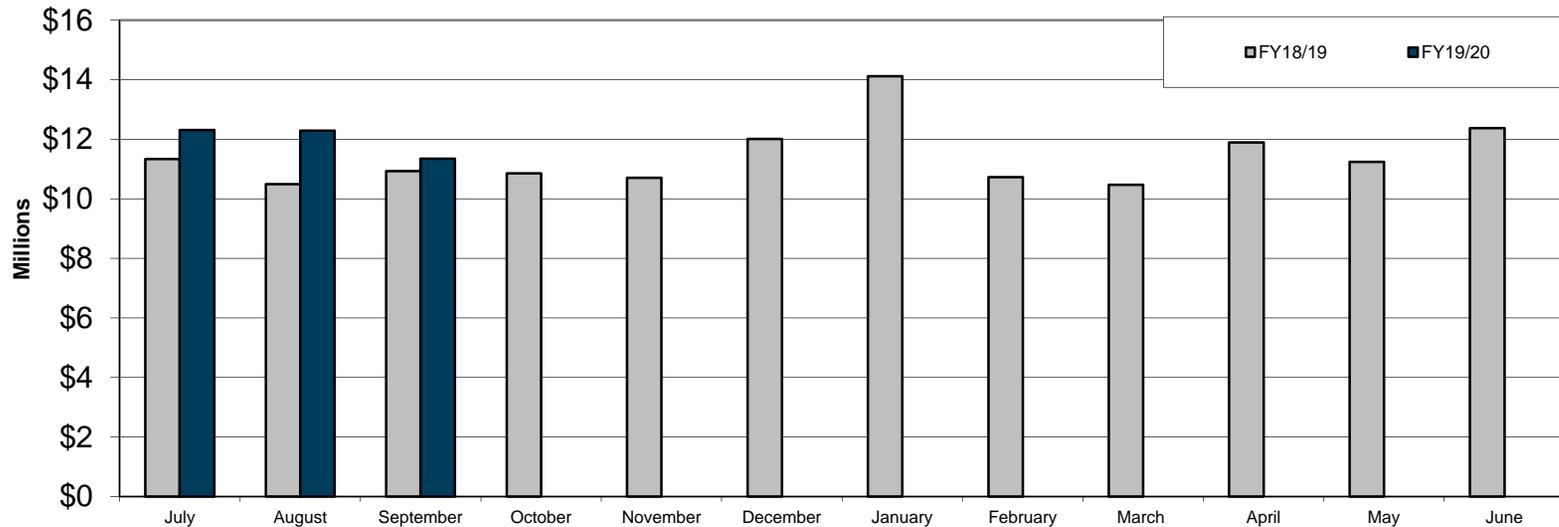
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Local Sales Tax Revenue

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			
November	10,703,487			
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	\$ 32,753,991	\$ 35,931,911	\$ 3,177,920	9.7%

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 September 2019

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru Sept 2019	Percentage of Adjusted Budget Expended & Encumbered Thru Sept 2019	Percentage of Adjusted Budget Expended & Encumbered Thru Sept 2018	Over/Under Last Year's Percentage
City Clerk	\$ 749,869	\$ 793,476	\$ 194,373	24.5%	28.4%	-3.9%
City Manager and Organization Support ⁽¹⁾	19,489,116	19,387,746	5,902,175	30.4%	24.4%	6.0%
Communications & Public Affairs	2,574,476	2,966,099	752,196	25.4%	27.2%	-1.8%
Community Services	26,971,684	27,854,930	8,279,891	29.7%	33.5%	-3.8%
Cultural Development	3,650,576	3,863,620	1,123,326	29.1%	28.6%	0.5%
Development Services	8,877,333	9,065,593	1,843,159	20.3%	21.8%	-1.5%
Fire	37,255,753	37,872,718	10,619,998	28.0%	28.5%	-0.5%
Information Technology	11,662,825	12,666,371	3,096,849	24.4%	24.9%	-0.5%
Law	3,795,202	3,862,945	864,691	22.4%	22.6%	-0.2%
Magistrate	4,607,201	4,667,631	1,048,383	22.5%	23.3%	-0.8%
Management Services	8,137,020	8,327,144	2,440,753	29.3%	24.2%	5.1%
Mayor and Council	1,049,815	1,064,088	247,850	23.3%	28.5%	-5.2%
Neighborhood Resources	4,013,933	4,259,265	1,765,636	41.5%	45.4%	-3.9%
Police	76,789,941	78,318,585	18,857,021	24.1%	28.4%	-4.3%
Public Works & Utilities	8,795,573	14,595,554	6,159,425	42.2%	39.6%	2.6%
Non-Departmental (Personnel Services and O&M)	40,072,980	38,605,985	27,427,340	71.0%	47.2%	23.8%
Subtotal Prior to Contingencies/Reserves	\$ 258,493,297	\$ 268,171,750	\$ 90,623,066	33.8%	30.1%	3.7%
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	\$ 307,485,568	\$ 90,623,066	29.5%	25.9%	3.6%

⁽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.