



## Informational Memo

### Management Services - Memo No. 23-053

**Date:** April 19, 2023

**To:** Mayor and Council

**Thru:** Joshua H. Wright, City Manager  
Dawn Lang, Deputy City Manager/CFO *DLL*

**From:** Matt Dunbar, Assistant Director of Budget & Policy *MD*

**Subject:** Fiscal Year (FY) 2022-23 General Fund Revenue Summary, Sales Tax Collection Report, and Expenditure Reports through March 2023

Attached is the FY 2022-23 General Fund Revenue and Expenditure Reports for period ending March 31, 2023.

Included with this memo are the following attachments:

- 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
- Attachment 5 – General Fund Expenditure Summary

The General Fund Revenue Summary (Attachment 1) gives a budget to actual comparison of revenues through March 2023. This month reflects an 20.1% increase in total General Fund revenues from the budgeted revenues we would have anticipated receiving to date based on historical trends, and a 19.9% increase over the same period of the prior year. As a reminder, the FY 2022-23 Adopted Budget was developed without building in the revenue impacts of the large industrial development currently underway in Chandler. This activity has generated additional one-time revenue in the current year in numerous categories. This is being reviewed for what portion can be deemed sustainable to formulate the FY 2023-24 budget.

Collections in State and Local Transaction Privilege Tax (TPT) or Sales Tax (Attachments 1-4) shown in this report reflect February TPT reported/received in March. Overall, year to date (YTD) collections in Local TPT, Voter Authorized Local Revenues (VALR), also known as State Shared Sales Tax Revenue, and Urban Revenue Sharing all came in above budget reflecting

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continued strong spending from increased development activity and tourism, as well as inflation related increases. It is important to note, that fluctuations related to development/contracting are considered one-time, as once the developments are completed, the related permit and local TPT collections cease. The Local TPT collections through March 2023, reflect an overall increase of 16.1% above budget, and a 17.3% increase compared to prior year actuals. Also, when comparing the TPT collections received in March 2023 to the same month in the prior year, collections are up 13.2%.

Finally, the FY 2022-23 General Fund Expenditure Summary (Attachment 5) report reflects the percent of adjusted budget expended and encumbered through March 2023. 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 of \$50M, resulted in 73.7% spending through March 2023, compared to 73.5% 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 2022-23 General Fund Monthly Revenue and Expenditure Reports through March 2023

c: Tadd Wille, Assistant City Manager  
Andy Bass, Deputy City Manager

## General Fund Revenue Summary

### FY 2022-23 Year-To-Date Actuals Through March 2023

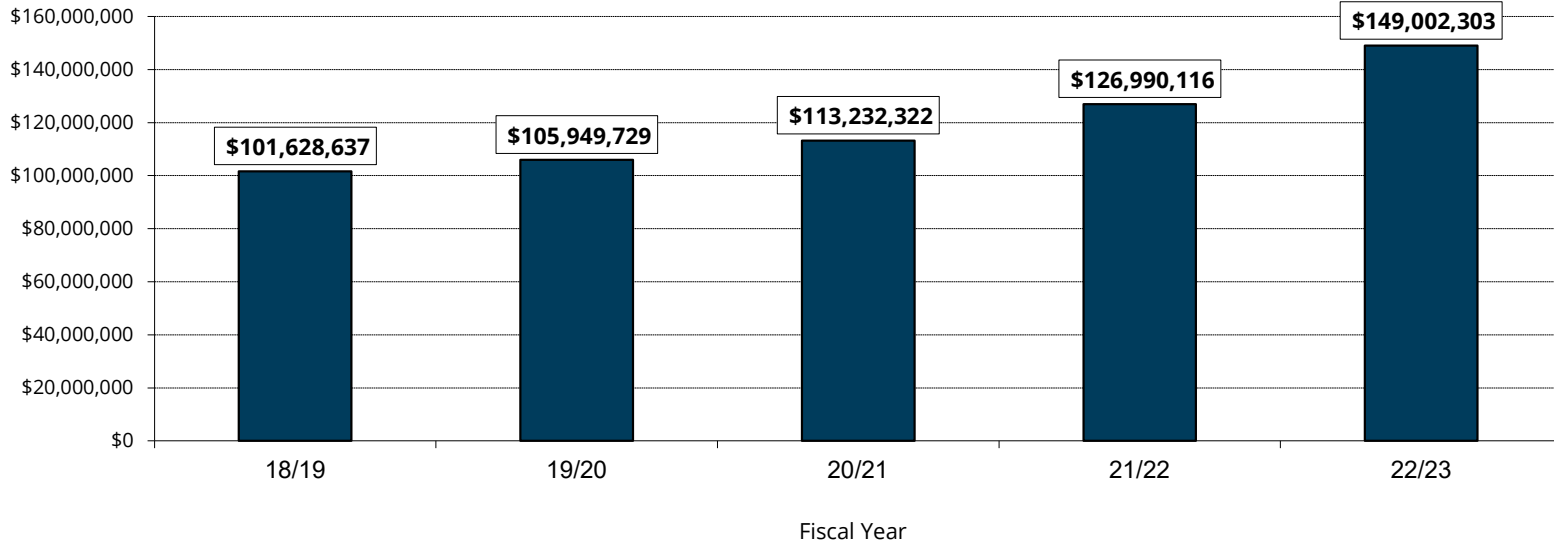
General Fund Revenues	Budget		Actuals		Comparison to Prior Year Actuals			
	FY 2022-23 Adopted Budget	FY 2022-23 Budget Prorated Based on Historical Trend	FY 2022-23 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	FY 2021-22 Actual Revenues for Same Period	Difference + or - from FY 2021-22 to FY 2022-23	% Change of Actuals to Same Period FY 2021-22
Local Sales Tax Collections	\$ 173,200,000	\$ 128,366,325	\$ 149,002,303	\$ 20,635,978	16.1%	\$ 126,990,116	\$ 22,012,187	17.3%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,748,400	1,345,328	3,518,546	2,173,218	161.5%	2,695,643	822,903	30.5%
<b>Total Local Sales Tax Revenue</b>	<b>\$ 174,948,400</b>	<b>\$ 129,711,653</b>	<b>\$ 152,520,849</b>	<b>\$ 22,809,196</b>	<b>17.6%</b>	<b>\$ 129,685,759</b>	<b>\$ 22,835,090</b>	<b>17.6%</b>
Franchise Fees	3,451,000	2,112,146	2,459,325	347,179	16.4%	2,449,646	9,679	0.4%
Primary Property Taxes	8,663,078	5,310,396	5,402,844	92,448	1.7%	5,265,775	137,069	2.6%
Voter Authorized Local Revenue	32,000,000	22,044,644	29,132,348	7,087,704	32.2%	26,414,951	2,717,397	10.3%
Vehicle License Tax	13,500,000	9,445,777	9,349,908	(95,869)	-1.0%	8,283,875	1,066,033	12.9%
Urban Revenue Sharing	42,720,000	32,010,197	39,760,214	7,750,017	24.2%	26,911,528	12,848,686	47.7%
Smart and Safe*	605,000	-	707,435	707,435	0.0%	611,479	95,956	15.7%
Licenses & Permits	6,718,500	4,529,969	6,521,209	1,991,240	44.0%	4,828,093	1,693,116	35.1%
Charges for Services	13,133,500	8,404,602	11,744,363	3,339,761	39.7%	8,292,604	3,451,759	41.6%
Fines & Forfeitures	3,413,800	2,551,851	3,070,829	518,978	20.3%	2,446,879	623,950	25.5%
Interest & Investments	2,317,000	1,407,301	1,704,995	297,694	21.2%	1,111,376	593,619	53.4%
Other Revenues**	1,558,000	1,168,500	1,509,721	341,221	29.2%	2,454,112	(944,392)	-38.5%
Indirect Cost	7,864,624	5,898,468	5,898,468	(0)	0.0%	5,661,439	237,029	4.2%
<b>Total General Fund Revenues</b>	<b>\$ 310,892,902</b>	<b>\$ 224,595,504</b>	<b>\$ 269,782,508</b>	<b>\$ 45,187,004</b>	<b>20.1%</b>	<b>\$ 224,417,517</b>	<b>\$ 45,364,992</b>	<b>20.2%</b>
<b>Prior Month</b>	<b>\$ 310,892,902</b>	<b>\$ 200,824,042</b>	<b>\$ 238,246,963</b>	<b>\$ 37,422,921</b>	<b>18.6%</b>	<b>\$ 199,894,093</b>	<b>\$ 38,352,870</b>	<b>19.2%</b>
<b>Change from Prior Month</b>	<b>\$ -</b>	<b>\$ 23,771,462</b>	<b>\$ 31,535,545</b>	<b>\$ 7,764,083</b>	<b>1.5%</b>	<b>\$ 24,523,424</b>	<b>\$ 7,012,121</b>	<b>1.0%</b>

Note:

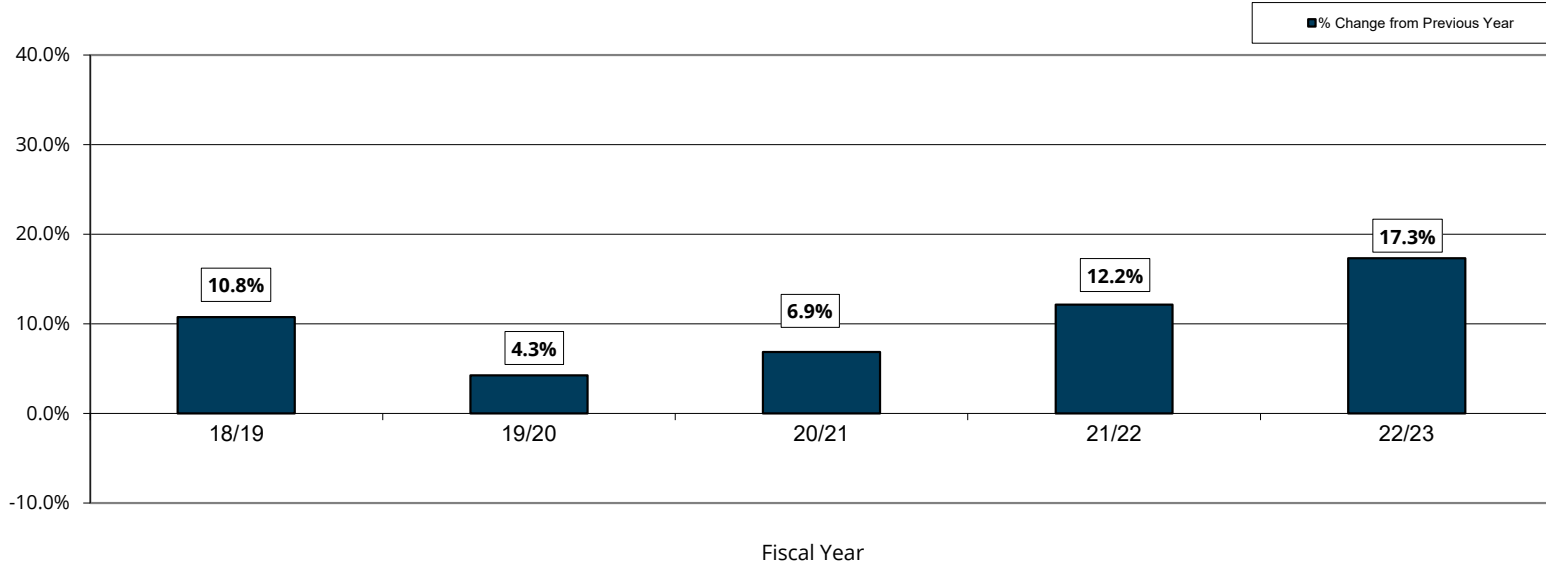
FY 2022-23 Adopted Budget excludes one-time Interfund Transfers-In of \$1,250,000 to the General Fund 101 for Impact Fee loan repayments, which are used to fund General Capital Projects in Fund 401.

\*\*Prior year Other Revenues included the Smart & Safe, however it was reduce to show in the correct category.

### Local Sales Tax Revenue\* Through Month of March (Based on Sales Through February)



### Local Sales Tax Revenue\* % Change from March 2023 through March 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 March Each Year (Year-to-Date)

Sales Tax Category	FY21-22 % of Total	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21	% Chg Fm PY	FY 2019-20	% Chg Fm PY	FY 2018-19
Utilities	9.0%	7.0%	\$ 13,285,822	1.9%	\$ 12,416,486	7.8%	\$ 12,188,595	-2.0%	\$ 11,305,084	7.2%	\$ 11,534,576
Telecommunications	0.9%	2.4%	\$ 1,230,780	-11.9%	\$ 1,202,383	-22.9%	\$ 1,364,620	11.8%	\$ 1,769,989	-14.9%	\$ 1,583,787
Publishing / Advertising / Printing / Transportation	0.1%	10.2%	\$ 165,377	2.3%	\$ 150,083	63.5%	\$ 146,688	-37.7%	\$ 89,731	-6.7%	\$ 144,058
Restaurants & Bars	9.3%	10.2%	\$ 12,784,410	28.9%	\$ 11,597,741	-5.9%	\$ 8,998,393	3.6%	\$ 9,558,951	8.0%	\$ 9,223,143
Amusements	0.8%	20.9%	\$ 1,062,563	76.4%	\$ 879,004	-44.9%	\$ 498,224	0.2%	\$ 903,733	14.5%	\$ 901,576
Real Property Rentals	11.9%	13.1%	\$ 17,523,707	10.1%	\$ 15,493,311	2.6%	\$ 14,077,648	11.0%	\$ 13,715,570	6.3%	\$ 12,357,005
Tangible Personal Property Rentals	2.4%	21.7%	\$ 3,775,167	11.4%	\$ 3,101,851	-18.4%	\$ 2,785,480	12.1%	\$ 3,411,745	7.8%	\$ 3,043,613
Hotels / Motels	3.3%	24.7%	\$ 4,716,451	90.9%	\$ 3,781,258	-36.6%	\$ 1,980,999	15.3%	\$ 3,126,069	10.2%	\$ 2,712,258
Contracting	9.9%	72.3%	\$ 19,797,777	6.7%	\$ 11,491,353	3.2%	\$ 10,767,664	-14.1%	\$ 10,435,554	42.6%	\$ 12,147,669
Retail / Manufactured Buildings / Jet Fuel	48.6%	12.3%	\$ 69,330,112	12.6%	\$ 61,739,379	14.2%	\$ 54,825,498	8.9%	\$ 48,024,171	7.3%	\$ 44,104,922
Use Tax	3.9%	3.8%	\$ 5,330,139	-8.2%	\$ 5,137,268	55.1%	\$ 5,598,514	-6.9%	\$ 3,609,130	23.5%	\$ 3,876,030
<b>Total Sales Tax Revenue*</b>	<b>100.0%</b>	<b>17.3%</b>	<b>\$ 149,002,303</b>	<b>12.2%</b>	<b>\$ 126,990,115</b>	<b>6.9%</b>	<b>\$ 113,232,322</b>	<b>4.3%</b>	<b>\$ 105,949,729</b>	<b>10.8%</b>	<b>\$ 101,628,637</b>

## Sales Tax Revenue By Class

Through March (Month-over-Month)

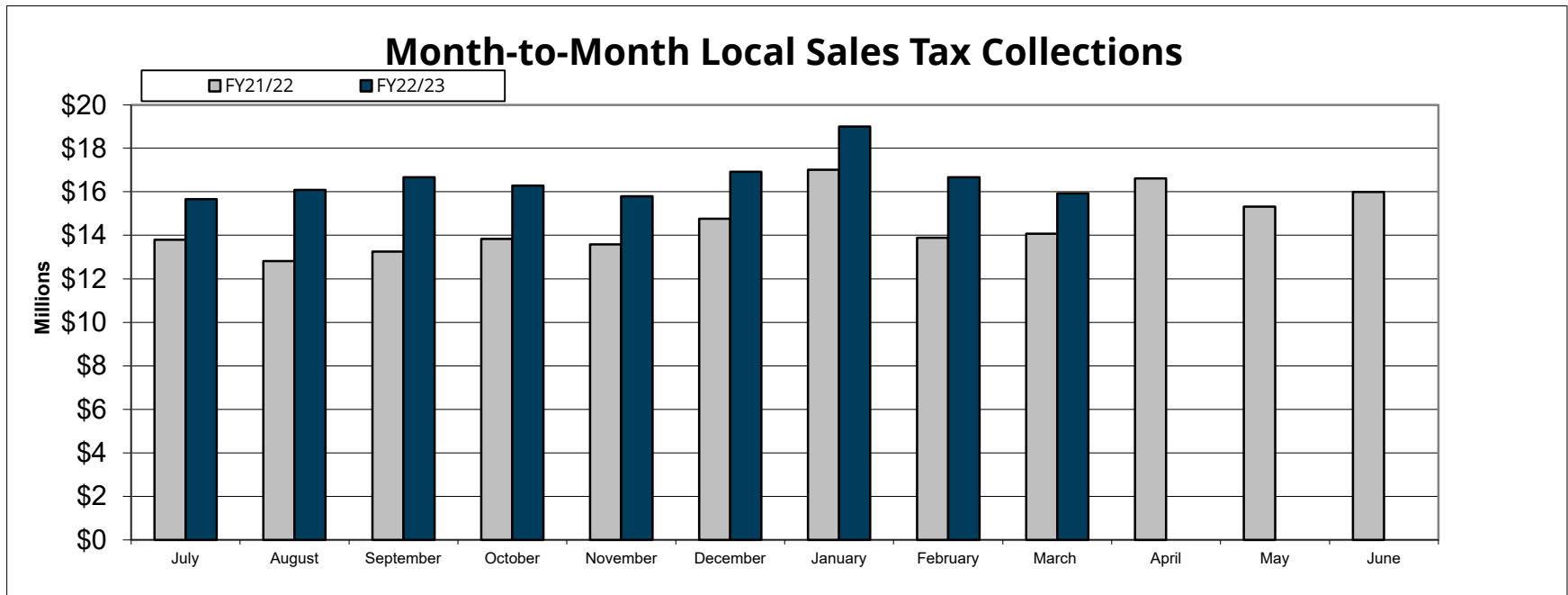
Sales Tax Category	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21	% Chg Fm PY	FY 2019-20	% Chg Fm PY	FY 2018-19
Utilities	11.9%	\$ 1,158,249	9.5%	\$ 1,035,014	5.4%	\$ 945,046	-0.6%	\$ 896,751	-5.7%	\$ 902,166
Telecommunications	33.4%	\$ 170,194	-7.0%	\$ 127,558	-24.1%	\$ 137,087	-0.6%	\$ 180,698	-12.9%	\$ 181,879
Publishing / Advertising / Printing / Transportation	-5.0%	\$ 15,090	16.1%	\$ 15,878	-9.6%	\$ 13,671	6.4%	\$ 15,122	-21.0%	\$ 14,218
Restaurants & Bars	8.1%	\$ 1,499,781	24.1%	\$ 1,387,777	14.1%	\$ 1,118,285	-6.3%	\$ 979,796	9.2%	\$ 1,045,490
Amusements	-5.0%	\$ 122,842	66.6%	\$ 129,272	-23.4%	\$ 77,596	-6.1%	\$ 101,322	21.2%	\$ 107,930
Real Property Rentals	16.1%	\$ 1,999,185	7.1%	\$ 1,721,246	11.8%	\$ 1,607,381	8.9%	\$ 1,437,294	12.1%	\$ 1,319,708
Tangible Personal Property Rentals	43.5%	\$ 476,833	16.7%	\$ 332,302	-49.7%	\$ 284,812	76.9%	\$ 566,723	6.8%	\$ 320,403
Hotels / Motels	22.4%	\$ 890,602	155.5%	\$ 727,411	-47.8%	\$ 284,702	6.2%	\$ 545,334	43.6%	\$ 513,608
Contracting	7.1%	\$ 2,060,574	146.6%	\$ 1,923,216	-18.1%	\$ 780,015	-26.0%	\$ 952,947	64.1%	\$ 1,288,578
Retail / Manufactured Buildings / Jet Fuel	14.2%	\$ 7,060,358	5.8%	\$ 6,181,006	17.7%	\$ 5,842,933	11.6%	\$ 4,965,546	-8.1%	\$ 4,450,372
Use Tax	-2.8%	\$ 472,890	-24.1%	\$ 486,409	123.8%	\$ 640,450	-12.7%	\$ 286,205	-5.6%	\$ 327,916
<b>Total Sales Tax Revenue*</b>	<b>13.2%</b>	<b>\$ 15,926,597</b>	<b>19.9%</b>	<b>\$ 14,067,088</b>	<b>7.4%</b>	<b>\$ 11,731,979</b>	<b>4.3%</b>	<b>\$ 10,927,737</b>	<b>4.3%</b>	<b>\$ 10,472,268</b>

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

# Local Sales Tax Revenue

## Monthly Actuals Compared to Prior Year

Local Sales Tax Collections *	Monthly Collections FY21/22	Monthly Collections FY22/23	\$ Difference + / (-) FY22/23 over FY21/22	% Difference + / (-) FY22/23 over FY21/22
July	13,788,430	15,662,901	1,874,471	13.6%
August	12,815,247	16,086,953	3,271,706	25.5%
September	13,251,577	16,668,758	3,417,181	25.8%
October	13,827,187	16,286,090	2,458,903	17.8%
November	13,576,031	15,790,137	2,214,106	16.3%
December	14,761,816	16,920,770	2,158,954	14.6%
January	17,015,111	18,997,718	1,982,607	11.7%
February	13,887,628	16,662,379	2,774,750	20.0%
March	14,067,088	15,926,597	1,859,509	13.2%
April	16,617,281	-	(16,617,281)	-100.0%
May	15,316,268	-	(15,316,268)	-100.0%
June	15,989,470	-	(15,989,470)	-100.0%
<b>Totals</b>	<b>\$ 126,990,115</b>	<b>\$ 149,002,303</b>	<b>\$ 22,012,187</b>	<b>17.3%</b>



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

## General Fund Expenditure Summary Thru March 2023

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru March 2023	Percentage of Adjusted Budget Expended & Encumbered Thru March 2023	Percentage of Adjusted Budget Expended & Encumbered Thru March 2022	Over/Under Last Year's Percentage
City Clerk	\$ 1,033,622	\$ 1,187,055	\$ 704,360	59.3%	76.5%	-17.2%
City Manager and Organization Support <sup>(1)</sup>	18,646,048	20,803,595	13,257,268	63.7%	67.8%	-4.1%
Communications & Public Affairs	2,682,072	3,175,678	1,938,936	61.1%	64.5%	-3.4%
Community Services	29,928,146	33,316,377	24,465,775	73.4%	71.8%	1.6%
Cultural Development	4,001,437	4,330,984	3,337,141	77.1%	75.4%	1.7%
Development Services	10,008,386	10,816,708	7,136,196	66.0%	66.8%	-0.8%
Fire	39,238,155	45,092,700	35,529,128	78.8%	80.0%	-1.2%
Information Technology	16,084,234	18,110,424	10,615,653	58.6%	60.3%	-1.7%
Law	4,236,416	4,521,513	3,399,774	75.2%	77.6%	-2.4%
Magistrate	5,025,617	5,280,652	3,180,052	60.2%	55.9%	4.3%
Management Services	7,486,762	7,971,549	5,132,820	64.4%	66.3%	-1.9%
Mayor and Council	1,184,388	1,221,459	853,845	69.9%	63.3%	6.6%
Neighborhood Resources	4,114,985	8,580,013	3,485,353	40.6%	37.0%	3.6%
Police	83,324,801	93,723,458	70,084,383	74.8%	78.6%	-3.8%
Public Works & Utilities	10,314,947	11,952,152	9,538,317	79.8%	80.3%	-0.5%
Non-Departmental (Personnel Services and O&M)	78,553,795	62,087,980	52,138,133	84.0%	78.3%	5.7%
<b>Subtotal Prior to Contingencies/Reserves</b>	<b>\$ 315,863,811</b>	<b>\$ 332,172,297</b>	<b>\$ 244,797,133</b>	<b>73.7%</b>	<b>73.5%</b>	<b>0.2%</b>
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	10,174,000	1,900,000	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	45,879,300	37,834,580	-	0.0%	0.0%	0.0%
<b>Total General Fund Expenditures</b>	<b>\$ 371,917,111</b>	<b>\$ 371,906,877</b>	<b>\$ 244,797,133</b>	<b>65.8%</b>	<b>64.9%</b>	<b>0.9%</b>

<sup>(1)</sup> Organization Support includes Buildings and Facilities, Economic Development, Diversity, Equity & Inclusion, 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.