

#### **Informational Memo**

### **Management Services - Memo No. 25-111**

**Date:** May 23, 2025

**To:** Mayor and Council

Thru: Joshua H. Wright, City Manager

Dawn Lang, Deputy City Manager/CFO PLL

From: Matt Dunbar, Budget & Policy Director MD

**Subject:** Fiscal Year (FY) 2024-25 General Fund Revenue Summary, Sales Tax

Collection Report, and Expenditure Reports through April 2025

Attached is the FY 2024-25 General Fund Revenue and Expenditure Reports for the period ending April 30, 2025.

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 April 2025. This month reflects a 7.8% increase in total General Fund revenues from the budgeted revenues we would have anticipated being received to date based on historical trends, and a 0.8% decrease over the same period of the prior year.

Collections in State and Local Transaction Privilege Tax (TPT) or Sales Tax (Attachments 1-4) shown in this report reflect March TPT reported/received in April. Overall, year to date (YTD) collections in Local TPT and State Shared TPT Revenue all came in above budget, and Urban Revenue Sharing only slightly below budget at 0.8%. The Primary Property tax collections through April 2025 show as lower than anticipated due to refunds based on the Qasimyar vs. Maricopa County Class Action Lawsuit which impacted taxpayers that changed the use of their home from a residential home to a rental home between 2015 and 2021.

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Additionally, it is important to note, that fluctuations related to development/contracting are considered one-time, since once the developments are completed, the related permit and local TPT collections cease. The Local TPT collections through April 2025, reflect an overall increase of 5.6% above budgeted revenues we would have anticipated being received to date based on historical trends, and a 0.6% increase compared to prior year actuals. Also, when comparing the TPT collections received in April 2025 to the same month in the prior year, collections are down 5.3%. We anticipated a reduction, as the taxability of residential rental stopped in January and the reduction is now beginning to be reflected in the reports.

Finally, the FY 2024-25 General Fund Expenditure Summary (Attachment 5) report reflects the percent of adjusted budget expended and encumbered through April 2025. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 80.2% spending through April 2025, compared to 80.9% for the same period last year which included a large Public Safety Personnel Retirement System (PSPRS) payment of \$73 million which was a one-time increase in the prior year.

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

Attachments: FY 2024-25 General Fund Monthly Revenue and Expenditure Reports through April 2025

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

## **General Fund Revenue Summary**

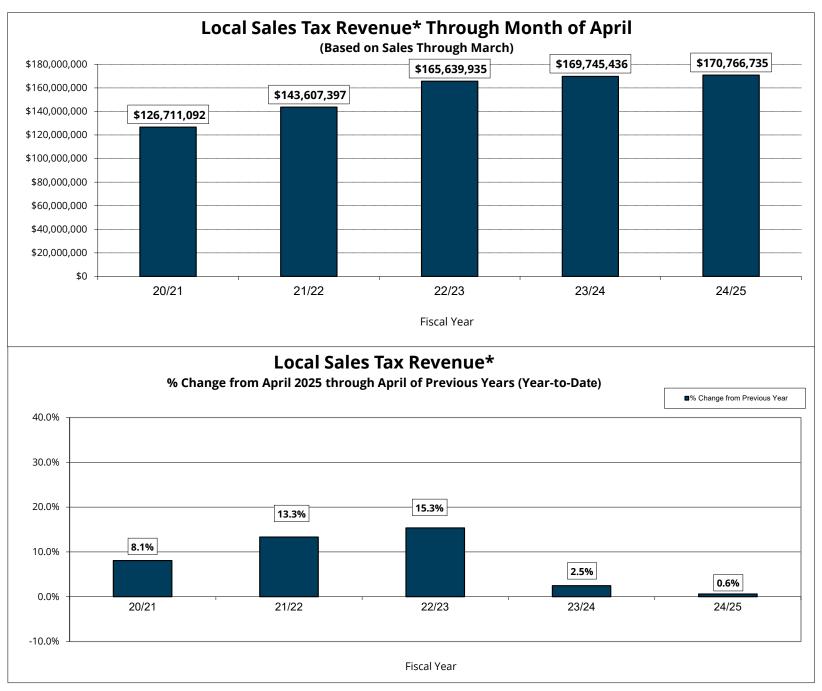
## FY 2024-25 Year-To-Date Actuals Through April 2025

	Buc	lget	Actuals			Comparison to Prior Year Actuals			
General Fund Revenues	FY 2024-25 Adopted Budget	FY 2024-25 Budget Prorated Based on Historical Trend	FY 2024-25 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	FY 2023-24 Actual Revenues for Same Period	Difference + or - from FY 2023-24 to FY 2024-25	% Change of Actuals to Same Period FY 2023-24	
Local Sales Tax Collections	196,000,000	161,638,071	170,766,735	9,128,664	5.6%	169,745,436	1,021,299	0.6%	
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,908,400	1,538,211	2,509,903	971,692	63.2%	3,603,871	(1,093,968)	-30.4%	
Total Local Sales Tax Revenue	\$ 197,908,400	\$ 163,176,282	\$ 173,276,638	\$ 10,100,355	6.2%	\$ 173,349,307	\$ (72,669)	0.0%	
Franchise Fees	3,650,000	2,673,666	2,950,766	277,100	10.4%	3,004,130	(53,364)	-1.8%	
Primary Property Taxes	8,783,722	5,807,748	5,456,096	(351,652)	-6.1%	5,684,291	(228,195)	-4.0%	
State Shared Sales Tax Revenue	41,500,000	32,392,354	33,593,977	1,201,623	3.7%	32,945,215	648,762	2.0%	
Vehicle License Tax	13,500,000	10,488,239	11,718,990	1,230,751	11.7%	10,961,480	757,510	6.9%	
Urban Revenue Sharing	60,100,000	50,056,605	49,666,123	(390,482)	-0.8%	61,988,366	(12,322,243)	-19.9%	
Smart and Safe	1,308,000	550,412	777,585	227,173	41.3%	717,994	59,591	8.3%	
Public Safety State Allocation*	-	-	-	-	0.0%	2,250,000	(2,250,000)	-100.0%	
Licenses & Permits	6,978,300	5,147,951	11,048,151	5,900,200	114.6%	3,712,091	7,336,060	197.6%	
Charges for Services	15,707,789	10,684,088	10,957,203	273,115	2.6%	11,158,749	(201,546)	-1.8%	
Fines & Forfeitures	3,657,800	3,002,256	3,372,726	370,470	12.3%	3,606,665	(233,939)	-6.5%	
Interest & Investments	3,777,000	2,604,462	7,693,483	5,089,021	195.4%	3,623,282	4,070,201	112.3%	
Other Revenues	2,830,508	2,358,757	1,438,647	(920,110)	-39.0%	2,079,059	(640,412)	-30.8%	
Indirect Cost	8,532,282	7,110,235	7,110,235	(0)	0.0%	6,648,485	461,750	6.9%	
Total General Fund Revenues	\$ 368,233,801	\$ 296,053,055	\$ 319,060,620	\$ 23,007,565	7.8%	\$ 321,729,113	\$ (2,668,494)	-0.8%	
Prior Month	\$ 368,233,801	\$ 265,197,035	\$ 289,033,371	\$ 23,836,336	9.0%	\$ 289,844,809	\$ (811,439)	-0.3%	
Change from Prior Month	<b>\$</b> -	\$ 30,856,020	\$ 30,027,249	\$ (828,771)	-1.2%	\$ 31,884,304	\$ (1,857,055)	-0.5%	

#### Note:

FY 2024-25 Adopted Budget excludes one-time Interfund Transfers-In of \$650,000 to the General Fund 101 for Impact Fee loan repayments, which are used to fund General Capital Projects in Fund 401.
\*Public Safety State Allocation is a new revenue line established in FY 2023-24 with a final total received of \$2,500,000. No additional funding is anticipated in the current FY.

#### Attachment 1



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

#### **Sales Tax Revenue By Class** Through April Each Year (Year-to-Date) FY24-25 % of % Chg % Chg % Chg % Chg % Chg **Sales Tax Category** Fm PY FY 2024-25 Fm PY FY 2023-24 Fm PY FY 2022-23 Fm PY FY 2021-22 Fm PY FY 2020-21 Total Utilities 9.0% 14.3% \$ 18,014,498 9.4% \$ 15,763,069 7.9% \$ 14,404,631 1.3% \$ 13,350,984 8.2% \$ 13,177,834 1.0% -16.0% \$ 1,421,454 17.4% \$ 1,693,155 8.2% \$ 1,442,555 -11.8% \$ 1,332,649 -22.9% \$ 1,510,930 Telecommunications 0.1% 15.9% 8.4% \$ 4.4% \$ 54.6% \$ Publishing / Advertising / Printing / Transportation 174,858 -17.8% \$ 150,885 183,449 169,299 162,184 Restaurants & Bars 8.9% 3.0% 15,687,328 5.2% \$ 15,231,375 9.7% \$ 14,473,737 28.8% \$ 13,190,412 -1.9% \$ 10,238,976 13.3% \$ 14.8% \$ 80.2% \$ -39.7% \$ Amusements 0.8% 19.2% \$ 1,639,387 1,375,531 1,213,556 1,057,328 586,906 Real Property Rentals 11.9% -10.5% \$ 18,550,532 6.2% \$ 20,724,427 12.9% \$ 19,520,183 9.7% \$ 17,289,896 3.2% \$ 15,759,025 Tangible Personal Property Rentals 3.5% -17.3% \$ 46.2% \$ 22.9% \$ 4,282,847 11.8% \$ -16.4% \$ 5,180,183 6,260,391 3,483,935 3,116,805 Hotels / Motels 3.5% -2.7% \$ 18.8% \$ 93.9% \$ -28.7% \$ 3.3% \$ 5,712,602 5,520,706 5,671,302 4,771,895 2,461,238 12.2% -19.9% \$ 16,660,200 -4.2% \$ 20,788,507 61.2% \$ 14.7% \$ 13,458,799 2.2% \$ 11,736,239 Contracting 21,694,619 Retail / Manufactured Buildings / Jet Fuel 47.3% 3.4% \$ 81,790,290 2.9% \$ 79,127,934 10.3% \$ 76,872,300 13.2% \$ 69,720,850 15.1% \$ 61,582,857 2.0% 90.9% \$ 5,935,403 -47.1% \$ 3,109,455 1.7% \$ 5,880,755 -9.4% 5,781,351 54.6% \$ 6,378,097 Total Sales Tax Revenue\* 100.0% 0.6% \$ 170,766,735 2.5% \$ 169,745,436 15.3% \$ 165,639,935 13.3% \$ 143,607,397 126,711,092 8.1% \$

	% Chg		% Chg		% Chg		% Chg		% Chg	
Sales Tax Category	Fm PY	FY 2024-25	Fm PY	FY 2023-24	Fm PY	FY 2022-23	Fm PY	FY 2021-22	Fm PY	FY 2020-21
Utilities	13.9%	\$ 1,359,772	6.7%	\$ 1,194,007	19.7%	\$ 1,118,810	-5.5%	\$ 934,499	12.7%	\$ 989,23
Telecommunications	-23.3%		-18.5%		62.6%	, ,	-11.0%		-22.7%	
Publishing / Advertising / Printing / Transportation	103.1%	\$ 26,567	-27.6%	\$ 13,082	-6.0%	\$ 18,072	24.0%	\$ 19,216	2.1%	\$ 15,49
Restaurants & Bars	0.8%	\$ 1,806,729	6.1%	\$ 1,792,141	6.1%	\$ 1,689,327	28.4%	\$ 1,592,671	41.7%	\$ 1,240,58
Amusements	10.9%	\$ 221,707	32.4%	\$ 199,931	-15.3%	\$ 150,993	101.1%	\$ 178,324	28.1%	\$ 88,68
Real Property Rentals	-45.7%	\$ 1,148,385	5.9%	\$ 2,114,346	11.1%	\$ 1,996,476	6.9%	\$ 1,796,586	8.4%	\$ 1,681,37
Tangible Personal Property Rentals	-8.0%	\$ 526,213	12.6%	\$ 571,706	32.9%	\$ 507,680	15.3%	\$ 382,083	4.3%	\$ 331,32
Hotels / Motels	-1.7%	\$ 964,369	2.7%	\$ 980,722	-3.6%	\$ 954,851	106.3%	\$ 990,637	47.5%	\$ 480,23
Contracting	-28.1%	\$ 1,141,478	-16.3%	\$ 1,586,729	-3.6%	\$ 1,896,842	103.1%	\$ 1,967,445	-8.1%	\$ 968,57
Retail / Manufactured Buildings / Jet Fuel	7.1%	\$ 8,651,766	7.1%	\$ 8,077,591	-5.5%	\$ 7,542,189	18.1%	\$ 7,981,472	23.1%	\$ 6,757,35
Use Tax	31.6%	\$ 420,683	11.7%	\$ 614,924	-14.5%	\$ 550,617	-17.4%	\$ 644,083	50.8%	\$ 779,58
otal Sales Tax Revenue*	-5.3%	\$ 16,400,164	4.1%	\$ 17,317,851	0.1%	\$ 16,637,632	23.3%	\$ 16,617,281	19.5%	\$ 13,478,76

<sup>\*</sup>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** 

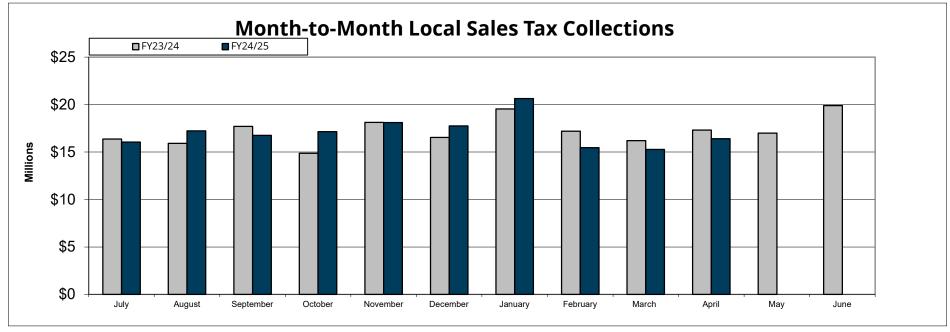
Local Sales
Tax
Collections *
July
August
September
October
November
December
January
February
March
April
May
June
Totals

Monthly							
Collections							
FY23/24							
	16,367,375						
	15,915,687						
	17,693,076						
	14,875,472						
	18,124,782						
	16,527,924						
	19,530,608						
	17,197,955						
	16,194,706						
	17,317,851						
	16,986,687						
	19,885,235						
\$	169,745,436						

Monthly							
Collections							
FY24/25							
16,041,259							
17,219,415							
16,754,892							
17,146,826							
18,098,076							
17,747,416							
20,624,994							
15,455,315							
15,278,377							
16,400,164							
\$ 170,766,735							

\$ Difference					
+/(-)					
FY24/25 over FY23/24					
(326,116)					
1,303,727					
(938,185)					
2,271,356					
(26,706)					
1,219,492					
1,094,386					
(1,742,640)					
(916,328)					
(917,687)					
(16,986,687)					
(19,885,235)					
\$ 1,021,298					

% Difference
+/(-)
FY24/25 over FY23/24
-2.0%
8.2%
-5.3%
15.3%
-0.1%
7.4%
5.6%
-10.1%
-5.7%
-5.3%
-100.0%
-100.0%
0.6%



<sup>\*</sup>Totals are for sales tax only, and <u>exclude</u> privilege license fees, audit assessments, interest, and penalties.

# General Fund Expenditure Summary Thru April 2025

				-		Percentage of Adjusted Budget	Percentage of Adjusted Budget	
Department		0 dames d		0 al:a4 a al	Expenses & Encumbrances	Expended & Encumbered	Expended & Encumbered	Over/Under Last Year's
Department .		Adopted Budget		Adjusted Budget	Thru April 2025	Thru April 2025	Thru April 2024	Percentage
City Clerk	\$	1,491,484	\$	1,531,385	1,109,941	72.5%	78.6%	-6.1%
City Manager and Organization Support <sup>(1)</sup>		1, 10 1, 10 1	Ċ	1,221,222	.,,.	. =.0		21115
City Manager		2,344,587		2,429,049	2,087,857	86.0%	83.8%	2.2%
Buildings & Facilities		8,760,515		9,324,981	8,610,653	92.3%	89.9%	2.4%
Cultural Development		5,187,478		5,572,891	4,583,166	82.2%	84.9%	-2.7%
Diversity, Equity, and Inclusion		712,984		794,617	560,445	70.5%	59.2%	11.3%
Economic Development		2,249,706		2,886,913	2,411,432	83.5%	79.2%	4.3%
Fleet Services		1,526,315		1,606,897	1,282,861	79.8%	74.4%	5.5%
Human Resources		2,477,410		2,589,538	2,243,657	86.6%	73.1%	13.5%
Transportation Policy		3,335,785		3,510,957	1,664,837	47.4%	20.3%	27.1%
Communications & Public Affairs		3,535,004		4,001,545	3,146,388	78.6%	76.7%	1.9%
Community Services		34,953,712		37,796,691	30,600,928	81.0%	80.8%	0.2%
Development Services		13,044,834		15,266,123	11,708,926	76.7%	73.4%	3.3%
Fire		48,798,146		51,879,685	42,863,738	82.6%	85.5%	-2.9%
Information Technology		24,028,446		30,234,689	23,452,203	77.6%	74.6%	3.0%
Law		4,816,283		5,008,251	4,163,791	83.1%	83.1%	0.0%
Magistrate		5,847,458		6,103,175	4,669,494	76.5%	68.9%	7.6%
Management Services		8,924,130		9,315,572	7,454,143	80.0%	72.2%	7.8%
Mayor and Council		1,288,723		1,356,303	1,088,481	80.3%	75.9%	4.4%
Neighborhood Resources		10,262,729		10,056,846	7,819,752	77.8%	66.0%	11.8%
Police		100,299,908		110,118,861	93,115,014	84.6%	82.8%	1.8%
Public Works & Utilities		10,257,708		11,942,249	9,801,047	82.1%	79.3%	2.8%
Non-Departmental (Personnel Services and O&M)		28,479,897		18,090,417	9,361,226	51.7%	84.2%	-32.5%
Subtotal Prior to Contingencies/Reserves	\$	322,623,242	\$	341,417,635	\$ 273,799,979	80.2%	80.9%	-0.7%
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)		14,899,800		3,746,987	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)		54,345,300		37,579,988	-	0.0%	0.0%	0.0%
Total General Fund Expenditures	\$	391,868,342	\$	382,744,610	\$ 273,799,979	71.5%	71.0%	0.5%

<sup>(1)</sup> Organization Support includes Buildings and Facilities, Economic Development, Diversity, Equity & Inclusion, Fleet Services, Human Resources, Transportation Policy and Cultural Development.

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 <u>all</u> 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.