



Informational Memo

Management Services - Memo No. 25-068

Date: January 30, 2025

To: Mayor and Council

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

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 December 2024

Attached is the FY 2024-25 General Fund Revenue and Expenditure Reports for the period ending December 31, 2024.

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 December 2024. This month reflects a 10.1% increase in total General Fund revenues from the budgeted revenues we would have anticipated being received to date based on historical trends, and a 0.3% increase 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 November TPT reported/received in December. 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 -0.6%. The Primary Property tax collections through December 2024 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.

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 December 2024, reflect an overall increase of 9.0% above budgeted revenues we would have anticipated being received to date based on historical trends, and a 3.5% increase compared to prior year actuals. Also, when comparing the TPT collections received in December 2024 to the same month in the prior year, collections are up 7.4%. We anticipate these revenue increases to reduce as residential rental reporting stops in January which is reported in February and that revenue decline will start showing in the March report.

Finally, the FY 2024-25 General Fund Expenditure Summary (Attachment 5) report reflects the percent of adjusted budget expended and encumbered through December 2024. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 52.5% spending through December 2024, compared to 58.3% 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 December 2024

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

General Fund Revenue Summary

FY 2024-25 Year-To-Date Actuals Through December 2024

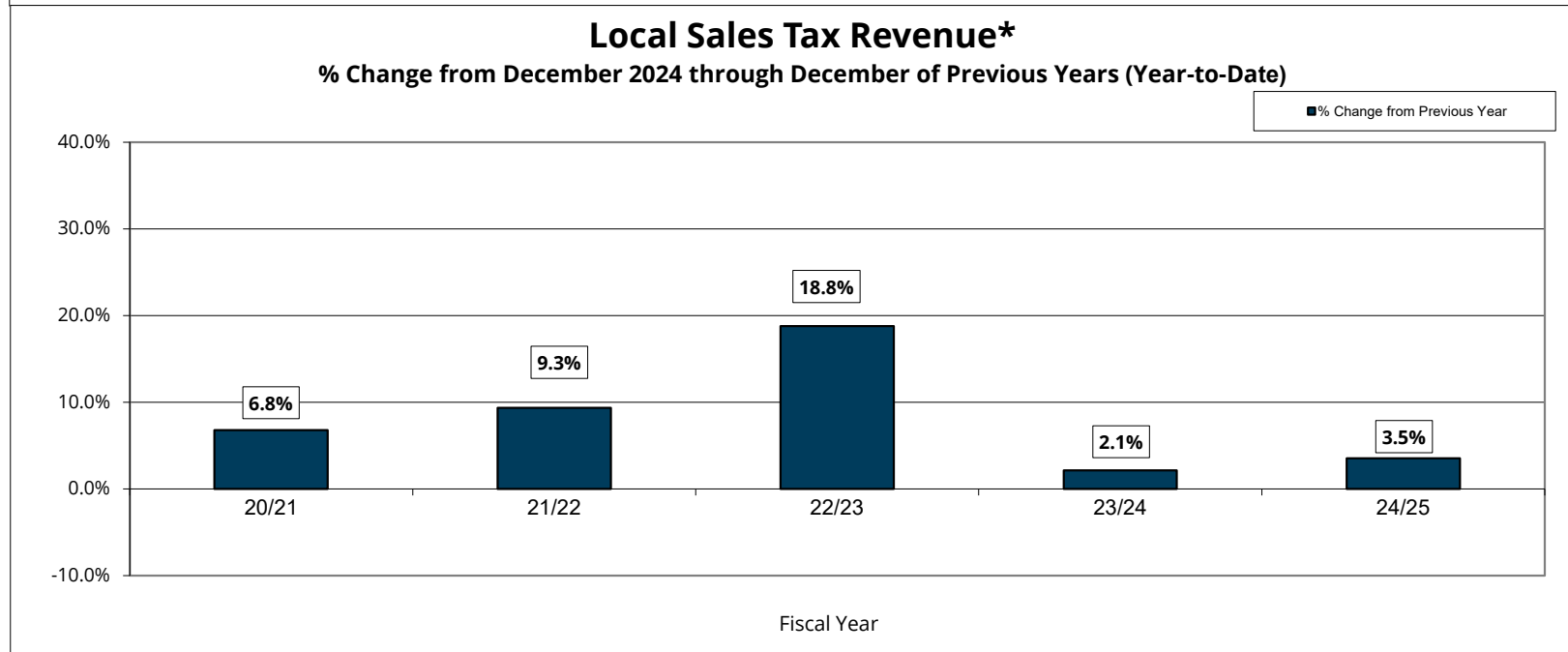
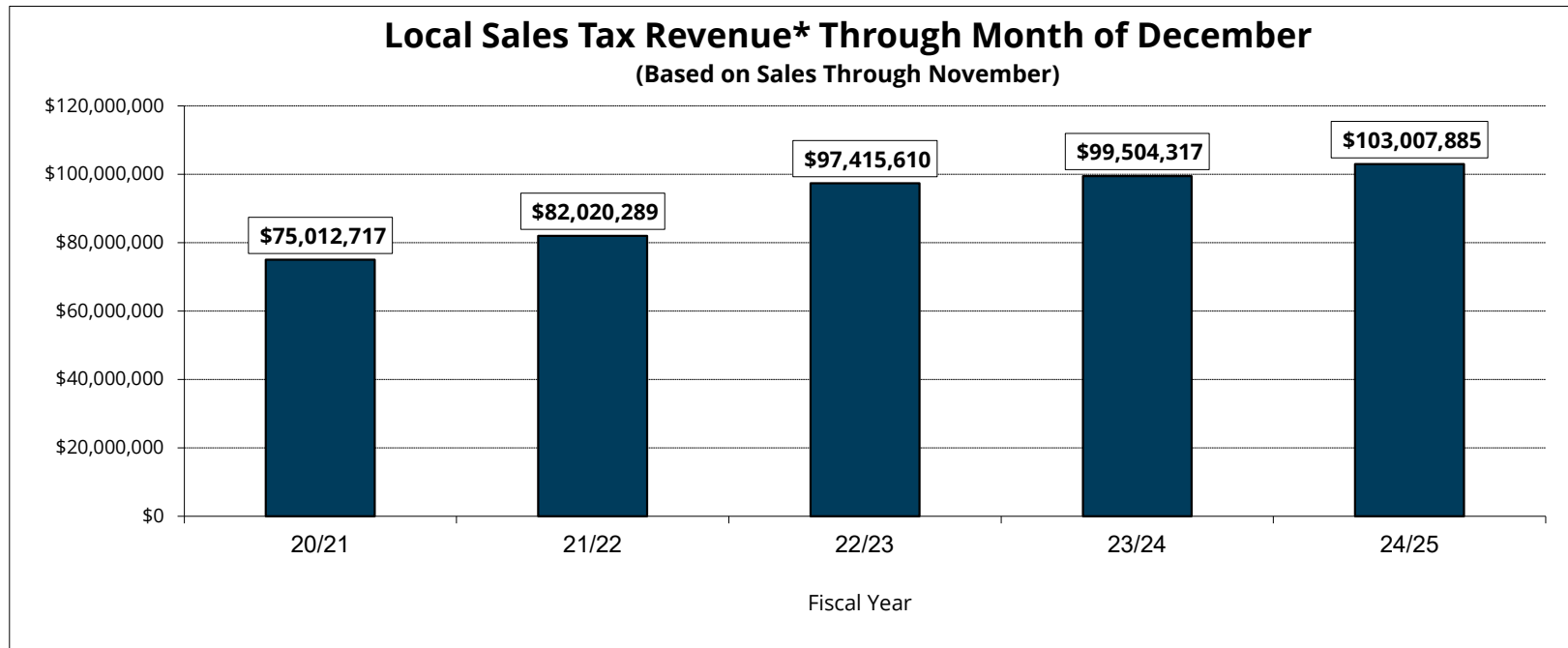
	Budget		Actuals			Comparison to Prior Year Actuals		
General Fund Revenues	FY 2024-25 Adopted Budget	FY 2024-25 Budget Prorated Based on Historical Trend	FY 2024-25 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	FY 2023-24 Actual Revenues for Same Period	Difference + or - from FY 2023-24 to FY 2024-25	% Change of Actuals to Same Period FY 2023-24
Local Sales Tax Collections	196,000,000	94,489,240	103,007,885	8,518,645	9.0%	99,504,317	3,503,568	3.5%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,908,400	952,100	1,090,861	138,761	14.6%	3,315,987	(2,225,126)	-67.1%
Total Local Sales Tax Revenue	\$ 197,908,400	\$ 95,441,340	\$ 104,098,746	\$ 8,657,406	9.1%	\$ 102,820,304	\$ 1,278,442	1.2%
Franchise Fees	3,650,000	782,482	742,444	(40,038)	-5.1%	734,426	8,018	1.1%
Primary Property Taxes	8,783,722	4,551,482	4,209,876	(341,606)	-7.5%	4,505,750	(295,874)	-6.6%
State Shared Sales Tax Revenue	41,500,000	18,400,475	18,999,449	598,974	3.3%	19,287,490	(288,041)	-1.5%
Vehicle License Tax	13,500,000	5,955,963	6,516,060	560,097	9.4%	6,222,980	293,080	4.7%
Urban Revenue Sharing	60,100,000	29,969,814	29,799,674	(170,140)	-0.6%	37,193,019	(7,393,347)	-19.9%
Smart and Safe	1,308,000	197,178	777,585	580,407	294.4%	717,994	59,591	8.3%
Public Safety State Allocation*	-	-	-	-	0.0%	1,125,000	(1,125,000)	-100.0%
Licenses & Permits	6,978,300	2,472,824	7,247,038	4,774,214	193.1%	1,512,973	5,734,065	379.0%
Charges for Services	15,707,789	5,880,391	6,255,109	374,718	6.4%	6,699,762	(444,653)	-6.6%
Fines & Forfeitures	3,657,800	1,651,635	1,933,505	281,870	17.1%	1,998,420	(64,915)	-3.2%
Interest & Investments	3,777,000	1,280,953	3,738,664	2,457,711	191.9%	1,418,991	2,319,673	163.5%
Other Revenues	2,830,508	1,415,254	1,002,372	(412,882)	-29.2%	703,270	299,102	42.5%
Indirect Cost	8,532,282	4,266,141	4,266,141	(0)	0.0%	3,989,091	277,050	6.9%
Total General Fund Revenues	\$ 368,233,801	\$ 172,265,932	\$ 189,586,662	\$ 17,320,731	10.1%	\$ 188,929,472	\$ 657,193	0.3%
Prior Month	\$ 368,233,801	\$ 142,141,529	\$ 155,729,952	\$ 13,588,423	9.6%	\$ 157,619,041	\$ (1,889,089)	-1.2%
Change from Prior Month	\$ -	\$ 30,124,403	\$ 33,856,710	\$ 3,732,308	0.5%	\$ 31,310,431	\$ 2,546,282	1.5%

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



****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) Revised

Sales Tax Category	FY24-25 % of Total	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21
Utilities	9.0%	15.4%	\$ 12,252,336	8.2%	\$ 10,620,487	3.1%	\$ 9,811,697	2.5%	\$ 9,513,722	8.8%	\$ 9,284,712
Telecommunications	1.0%	-10.8%	\$ 903,973	27.3%	\$ 1,013,630	-2.2%	\$ 796,420	-14.5%	\$ 814,606	-20.3%	\$ 952,859
Publishing / Advertising / Printing / Transportation	0.1%	8.8%	\$ 100,540	-19.7%	\$ 92,446	14.7%	\$ 115,188	-1.3%	\$ 100,439	151.5%	\$ 101,807
Restaurants & Bars	8.9%	4.2%	\$ 9,025,763	5.4%	\$ 8,658,209	10.5%	\$ 8,215,960	29.2%	\$ 7,437,778	-8.9%	\$ 5,755,855
Amusements	0.8%	21.0%	\$ 903,233	11.2%	\$ 746,599	28.0%	\$ 671,200	85.6%	\$ 524,539	-51.5%	\$ 282,610
Real Property Rentals	11.9%	3.0%	\$ 12,514,820	8.9%	\$ 12,150,388	11.8%	\$ 11,153,133	8.7%	\$ 9,974,133	0.5%	\$ 9,179,515
Tangible Personal Property Rentals	3.5%	-18.5%	\$ 3,024,342	57.2%	\$ 3,712,195	15.6%	\$ 2,361,484	11.3%	\$ 2,043,044	-14.3%	\$ 1,836,372
Hotels / Motels	3.3%	2.9%	\$ 2,677,945	-2.4%	\$ 2,601,210	26.1%	\$ 2,664,144	72.4%	\$ 2,113,376	-31.1%	\$ 1,225,532
Contracting	12.2%	-13.7%	\$ 11,185,239	-2.3%	\$ 12,964,836	94.5%	\$ 13,266,635	-10.3%	\$ 6,819,591	0.2%	\$ 7,599,783
Retail / Manufactured Buildings / Jet Fuel	47.3%	2.4%	\$ 47,187,417	2.6%	\$ 46,074,312	13.9%	\$ 44,923,362	11.1%	\$ 39,437,214	16.4%	\$ 35,503,482
Use Tax	2.0%	-271.5%	\$ 3,232,275	-74.7%	\$ 870,007	6.0%	\$ 3,436,388	-1.5%	\$ 3,241,846	36.2%	\$ 3,290,190
Total Sales Tax Revenue*	100.0%	3.5%	\$ 103,007,885	2.1%	\$ 99,504,317	18.8%	\$ 97,415,610	9.3%	\$ 82,020,289	6.8%	\$ 75,012,717

Sales Tax Revenue By Class

Through December (Month-over-Month)

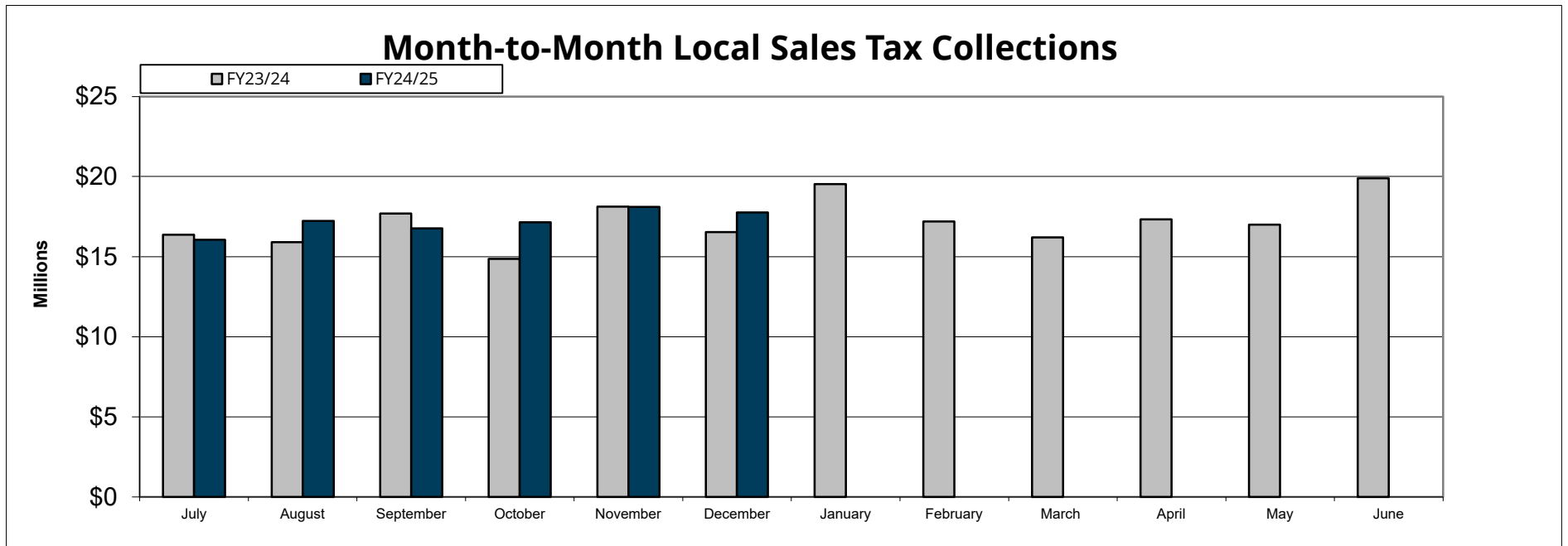
Sales Tax Category	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21
Utilities	10.0%	\$ 1,420,189	14.2%	\$ 1,291,270	-10.3%	\$ 1,130,412	20.6%	\$ 1,260,493	-38.7%	\$ 1,045,292
Telecommunications	-24.8%	\$ 126,123	36.5%	\$ 167,618	-6.8%	\$ 122,779	-11.7%	\$ 131,743	-24.8%	\$ 149,280
Publishing / Advertising / Printing / Transportation	29.0%	\$ 19,450	-35.4%	\$ 15,074	22.5%	\$ 23,321	-16.9%	\$ 19,040	32.8%	\$ 22,908
Restaurants & Bars	4.7%	\$ 1,554,390	4.1%	\$ 1,483,987	13.2%	\$ 1,425,019	20.7%	\$ 1,258,316	0.2%	\$ 1,042,367
Amusements	29.8%	\$ 149,862	8.7%	\$ 115,428	15.1%	\$ 106,198	16.4%	\$ 92,305	-23.2%	\$ 79,271
Real Property Rentals	4.0%	\$ 2,277,692	2.3%	\$ 2,189,649	13.7%	\$ 2,141,180	11.7%	\$ 1,883,901	8.5%	\$ 1,685,996
Tangible Personal Property Rentals	1.0%	\$ 513,055	35.8%	\$ 507,741	-0.3%	\$ 373,786	40.6%	\$ 375,021	-16.7%	\$ 266,710
Hotels / Motels	6.2%	\$ 577,688	-13.6%	\$ 544,014	43.0%	\$ 629,889	82.8%	\$ 440,618	-17.0%	\$ 241,093
Contracting	12.4%	\$ 1,833,187	-42.5%	\$ 1,630,901	116.9%	\$ 2,835,997	-31.4%	\$ 1,307,280	71.1%	\$ 1,904,707
Retail / Manufactured Buildings / Jet Fuel	9.2%	\$ 8,766,898	5.1%	\$ 8,024,739	4.5%	\$ 7,637,797	14.1%	\$ 7,309,798	34.4%	\$ 6,405,692
Use Tax	8.7%	\$ 508,882	12.8%	\$ 557,503	-27.6%	\$ 494,391	-1.4%	\$ 683,300	82.6%	\$ 693,001
Total Sales Tax Revenue*	7.4%	\$ 17,747,416	-2.3%	\$ 16,527,924	14.6%	\$ 16,920,770	9.1%	\$ 14,761,816	17.8%	\$ 13,536,318

*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 FY23/24	Monthly Collections FY24/25	\$ Difference + / (-) FY24/25 over FY23/24	% Difference + / (-) FY24/25 over FY23/24
July	16,367,375	16,041,259	(326,116)	-2.0%
August	15,915,687	17,219,415	1,303,727	8.2%
September	17,693,076	16,754,892	(938,185)	-5.3%
October	14,875,472	17,146,826	2,271,356	15.3%
November	18,124,782	18,098,076	(26,706)	-0.1%
December	16,527,924	17,747,416	1,219,492	7.4%
January	19,530,608		(19,530,608)	-100.0%
February	17,197,955		(17,197,955)	-100.0%
March	16,194,706		(16,194,706)	-100.0%
April	17,317,851		(17,317,851)	-100.0%
May	16,986,687		(16,986,687)	-100.0%
June	19,885,235		(19,885,235)	-100.0%
Totals	\$ 99,504,316	\$ 103,007,885	\$ 3,503,568	3.5%



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

General Fund Expenditure Summary Thru December 2024

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru December 2024	Percentage of Adjusted Budget Expended & Encumbered Thru December 2024	Percentage of Adjusted Budget Expended & Encumbered Thru December 2023	Over/Under Last Year's Percentage
City Clerk	\$ 1,491,484	\$ 1,526,708	683,902	44.8%	46.4%	-1.6%
City Manager and Organization Support ⁽¹⁾						
City Manager	2,344,587	2,429,049	1,163,007	47.9%	48.4%	-0.5%
Buildings & Facilities	8,760,515	9,324,981	5,988,423	64.2%	62.7%	1.5%
Cultural Development	5,187,478	5,557,546	2,753,481	49.5%	52.0%	-2.5%
Diversity, Equity, and Inclusion	712,984	794,617	312,537	39.3%	32.9%	6.4%
Economic Development	2,249,706	2,872,066	1,804,574	62.8%	53.4%	9.4%
Fleet Services	1,526,315	1,606,897	812,550	50.6%	43.8%	6.8%
Human Resources	2,477,410	2,588,949	1,357,709	52.4%	43.1%	9.3%
Transportation Policy	3,335,785	3,510,957	1,472,024	41.9%	15.5%	26.4%
Communications & Public Affairs	3,535,004	4,001,545	2,077,899	51.9%	51.0%	0.9%
Community Services	34,953,712	37,779,617	19,935,677	52.8%	54.9%	-2.1%
Development Services	13,044,834	14,001,941	5,987,736	42.8%	41.3%	1.5%
Fire	48,798,146	51,229,439	27,237,302	53.2%	52.1%	1.1%
Information Technology	24,028,446	30,229,471	16,158,441	53.5%	49.3%	4.2%
Law	4,816,283	5,008,251	2,441,788	48.8%	49.0%	-0.2%
Magistrate	5,847,458	6,099,581	2,886,702	47.3%	44.6%	2.7%
Management Services	8,924,130	9,315,572	4,456,182	47.8%	43.5%	4.3%
Mayor and Council	1,288,723	1,356,303	628,712	46.4%	39.0%	7.4%
Neighborhood Resources	10,262,729	10,054,005	5,838,899	58.1%	42.0%	16.1%
Police	100,299,908	110,544,617	58,497,896	52.9%	51.4%	1.5%
Public Works & Utilities	10,257,708	11,929,517	7,218,714	60.5%	65.7%	-5.2%
Non-Departmental (Personnel Services and O&M)	28,479,897	18,868,302	8,962,222	47.5%	81.7%	-34.2%
Subtotal Prior to Contingencies/Reserves	\$ 322,623,242	\$ 340,629,931	\$ 178,676,377	52.5%	58.3%	-5.8%
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	14,899,800	3,750,592	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	54,345,300	38,887,131	-	0.0%	0.0%	0.0%
Total General Fund Expenditures	\$ 391,868,342	\$ 383,267,654	\$ 178,676,377	46.6%	51.1%	-4.5%

⁽¹⁾ 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 **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.