



Informational Memo

Management Services - Memo No. 25-092

Date: March 21, 2025

To: Mayor and Council

Thru: Dawn Lang, Acting City Manager *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 February 2025

Attached is the FY 2024-25 General Fund Revenue and Expenditure Reports for the period ending February 28, 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 February 2025. 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 0.9% 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 January TPT reported/received in February. 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 -0.7%. The Primary Property tax collections through February 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.

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 February 2025, reflect an overall increase of 7.8% above budgeted revenues we would have anticipated being received to date based on historical trends, and a 2.1% increase compared to prior year actuals. Also, when comparing the TPT collections received in February 2025 to the same month in the prior year, collections are down -10.1%. We anticipated a reduction this month, as the taxability of residential rental stopped in January and the reduction is now beginning to be reflected in the report.

Finally, the FY 2024-25 General Fund Expenditure Summary (Attachment 5) report reflects the percent of adjusted budget expended and encumbered through February 2025. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 67.6% spending through February 2025, compared to 7.5% 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 February 2025

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

General Fund Revenue Summary

FY 2024-25 Year-To-Date Actuals Through February 2025

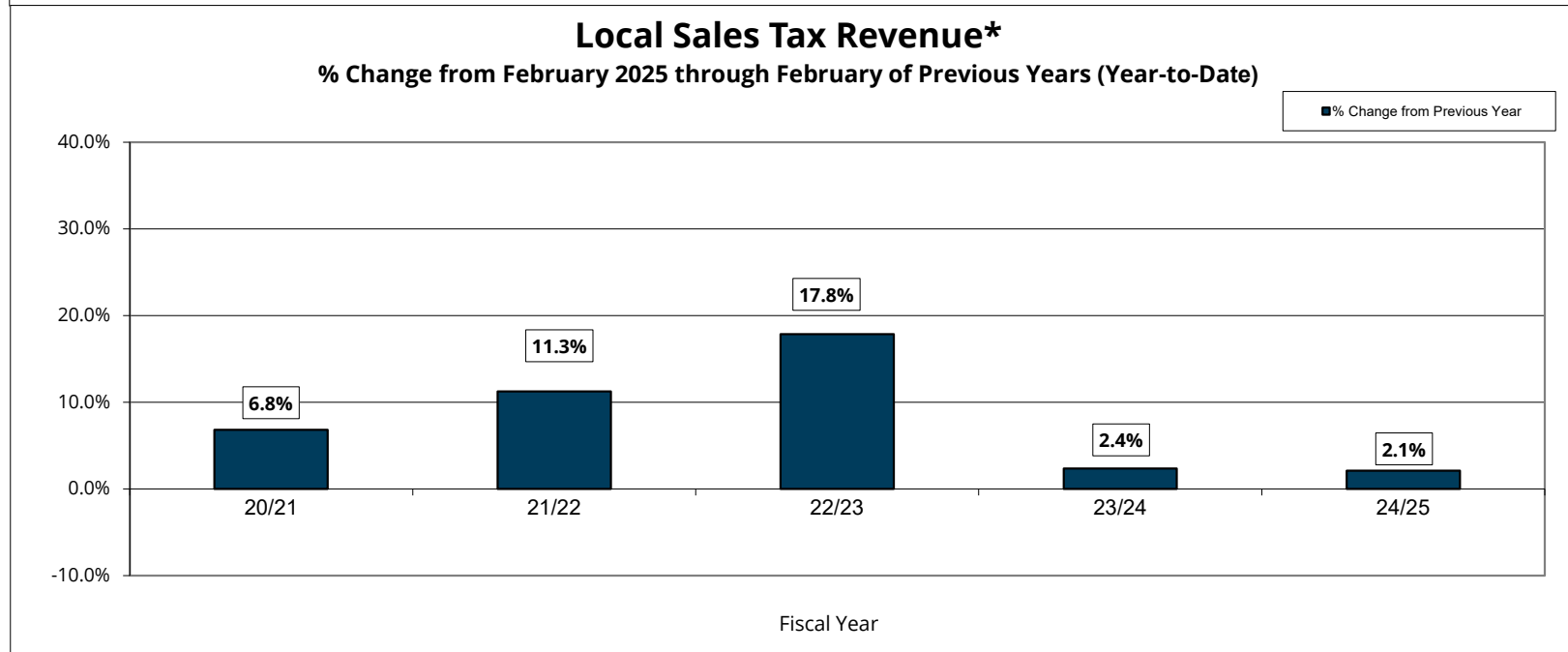
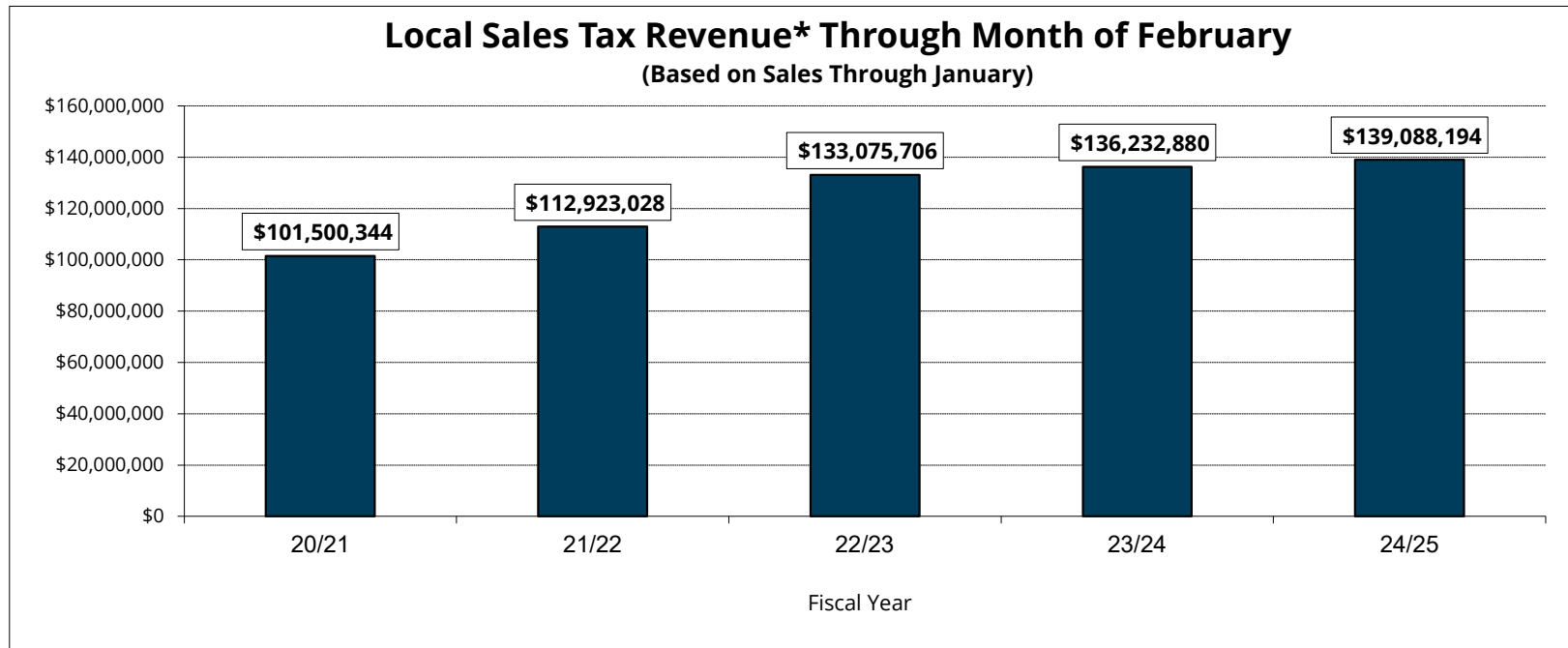
	Budget		Actuals			Comparison to Prior Year Actuals		
General Fund Revenues	FY 2024-25 Adopted Budget	FY 2024-25 Budget Prorated Based on Historical Trend	FY 2024-25 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	FY 2023-24 Actual Revenues for Same Period	Difference + or - from FY 2023-24 to FY 2024-25	% Change of Actuals to Same Period FY 2023-24
Local Sales Tax Collections	196,000,000	129,060,451	139,088,194	10,027,743	7.8%	136,232,880	2,855,314	2.1%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,908,400	1,294,574	1,443,148	148,574	11.5%	3,305,116	(1,861,968)	-56.3%
Total Local Sales Tax Revenue	\$ 197,908,400	\$ 130,355,025	\$ 140,531,342	\$ 10,176,317	7.8%	\$ 139,537,996	\$ 993,346	0.7%
Franchise Fees	3,650,000	2,301,661	1,984,481	(317,180)	-13.8%	1,927,272	57,209	3.0%
Primary Property Taxes	8,783,722	5,142,506	4,850,787	(291,719)	-5.7%	5,071,571	(220,784)	-4.4%
State Shared Sales Tax Revenue	41,500,000	25,106,620	27,076,478	1,969,858	7.8%	26,601,079	475,399	1.8%
Vehicle License Tax	13,500,000	8,093,023	8,967,481	874,458	10.8%	8,423,897	543,585	6.5%
Urban Revenue Sharing	60,100,000	40,013,209	39,732,898	(280,311)	-0.7%	49,590,692	(9,857,794)	-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%	1,687,500	(1,687,500)	-100.0%
Licenses & Permits	6,978,300	4,335,715	11,134,714	6,798,999	156.8%	2,497,402	8,637,312	345.9%
Charges for Services	15,707,789	7,826,795	8,953,057	1,126,262	14.4%	9,099,452	(146,395)	-1.6%
Fines & Forfeitures	3,657,800	2,303,995	2,647,696	343,701	14.9%	2,809,036	(161,339)	-5.7%
Interest & Investments	3,777,000	1,913,783	5,725,907	3,812,124	199.2%	2,552,591	3,173,316	124.3%
Other Revenues	2,830,508	1,887,005	1,294,246	(592,759)	-31.4%	1,201,363	92,883	7.7%
Indirect Cost	8,532,282	5,688,188	5,688,188	(0)	0.0%	5,318,788	369,400	6.9%
Total General Fund Revenues	\$ 368,233,801	\$ 235,517,937	\$ 259,364,860	\$ 23,846,923	10.1%	\$ 257,036,633	\$ 2,328,227	0.9%
Prior Month	\$ 368,233,801	\$ 205,377,848	\$ 226,840,258	\$ 21,462,410	10.5%	\$ 223,398,116	\$ 3,442,142	1.5%
Change from Prior Month	\$ -	\$ 30,140,089	\$ 32,524,602	\$ 2,384,513	-0.3%	\$ 33,638,517	\$ (1,113,915)	-0.6%

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 February 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%	14.7%	\$ 15,183,217	9.2%	\$ 13,238,968	6.6%	\$ 12,127,573	1.2%	\$ 11,381,472	8.0%	\$ 11,243,549
Telecommunications	1.0%	-14.7%	\$ 1,154,975	27.7%	\$ 1,354,344	-1.3%	\$ 1,060,586	-12.4%	\$ 1,074,824	-22.8%	\$ 1,227,533
Publishing / Advertising / Printing / Transportation	0.1%	7.4%	\$ 134,591	-16.6%	\$ 125,325	12.0%	\$ 150,286	0.9%	\$ 134,205	78.3%	\$ 133,017
Restaurants & Bars	8.9%	3.8%	\$ 12,326,813	5.3%	\$ 11,877,233	10.5%	\$ 11,284,629	29.6%	\$ 10,209,963	-8.1%	\$ 7,880,107
Amusements	0.8%	21.1%	\$ 1,250,251	9.9%	\$ 1,032,501	25.3%	\$ 939,721	78.2%	\$ 749,732	-47.6%	\$ 420,627
Real Property Rentals	11.9%	-3.2%	\$ 16,228,984	7.9%	\$ 16,757,314	12.7%	\$ 15,524,522	10.4%	\$ 13,772,065	1.6%	\$ 12,470,267
Tangible Personal Property Rentals	3.5%	-20.5%	\$ 4,110,579	56.8%	\$ 5,172,061	19.1%	\$ 3,298,334	10.8%	\$ 2,769,550	-12.1%	\$ 2,500,668
Hotels / Motels	3.3%	4.8%	\$ 3,928,004	-2.1%	\$ 3,746,947	25.3%	\$ 3,825,849	80.0%	\$ 3,053,847	-34.3%	\$ 1,696,297
Contracting	12.2%	-17.6%	\$ 14,093,023	-3.6%	\$ 17,102,432	85.4%	\$ 17,737,203	-4.2%	\$ 9,568,138	5.3%	\$ 9,987,649
Retail / Manufactured Buildings / Jet Fuel	47.3%	3.3%	\$ 65,903,783	2.5%	\$ 63,816,600	12.1%	\$ 62,269,754	13.4%	\$ 55,558,373	13.8%	\$ 48,982,566
Use Tax	2.0%	-137.6%	\$ 4,773,975	-58.6%	\$ 2,009,156	4.4%	\$ 4,857,249	-6.2%	\$ 4,650,858	49.2%	\$ 4,958,063
Total Sales Tax Revenue*	100.0%	2.1%	\$ 139,088,194	2.4%	\$ 136,232,880	17.8%	\$ 133,075,706	11.3%	\$ 112,923,028	6.8%	\$ 101,500,344

Sales Tax Revenue By Class

Through February (Month-over-Month)

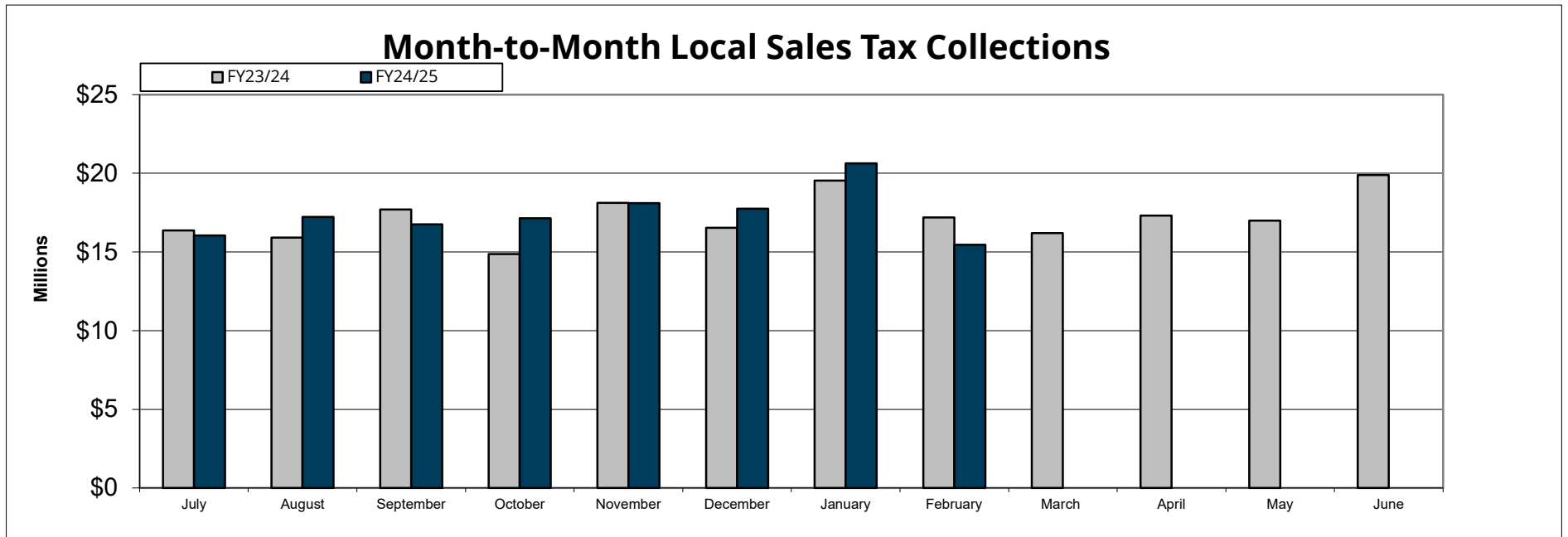
Sales Tax Category	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21
Utilities	5.8%	\$ 1,488,030	17.4%	\$ 1,405,922	11.6%	\$ 1,197,039	7.0%	\$ 1,072,500	4.7%	\$ 1,002,767
Telecommunications	-22.2%	\$ 127,888	21.7%	\$ 164,326	6.5%	\$ 135,049	0.9%	\$ 126,821	-34.2%	\$ 125,742
Publishing / Advertising / Printing / Transportation	4.6%	\$ 15,190	-14.1%	\$ 14,523	2.2%	\$ 16,909	21.5%	\$ 16,537	-23.8%	\$ 13,608
Restaurants & Bars	6.4%	\$ 1,588,997	1.8%	\$ 1,494,092	16.0%	\$ 1,467,518	21.0%	\$ 1,264,937	-1.4%	\$ 1,045,583
Amusements	27.7%	\$ 160,117	6.4%	\$ 125,358	14.5%	\$ 117,864	47.9%	\$ 102,901	-37.5%	\$ 69,596
Real Property Rentals	-43.5%	\$ 1,089,178	-1.8%	\$ 1,927,087	13.1%	\$ 1,963,283	20.1%	\$ 1,735,295	0.5%	\$ 1,444,989
Tangible Personal Property Rentals	-47.5%	\$ 517,314	110.3%	\$ 986,253	39.4%	\$ 468,964	5.7%	\$ 336,527	-8.0%	\$ 318,356
Hotels / Motels	5.7%	\$ 688,421	-5.9%	\$ 651,540	29.0%	\$ 692,167	93.5%	\$ 536,661	-39.8%	\$ 277,301
Contracting	-41.7%	\$ 1,277,262	-8.7%	\$ 2,190,025	108.6%	\$ 2,399,640	-8.8%	\$ 1,150,093	33.9%	\$ 1,261,571
Retail / Manufactured Buildings / Jet Fuel	-0.8%	\$ 7,696,393	3.0%	\$ 7,761,110	8.8%	\$ 7,533,351	24.1%	\$ 6,925,734	4.0%	\$ 5,583,017
Use Tax	-68.8%	\$ 806,527	-28.8%	\$ 477,718	8.2%	\$ 670,596	-3.7%	\$ 619,623	108.3%	\$ 643,503
Total Sales Tax Revenue*	-10.1%	\$ 15,455,315	3.2%	\$ 17,197,955	20.0%	\$ 16,662,379	17.8%	\$ 13,887,628	5.2%	\$ 11,786,032

*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	20,624,994	1,094,386	5.6%
February	17,197,955	15,455,315	(1,742,640)	-10.1%
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	\$ 136,232,879	\$ 139,088,194	\$ 2,855,313	2.1%



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

General Fund Expenditure Summary Thru February 2025

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru February 2025	Percentage of Adjusted Budget Expended & Encumbered Thru February 2025	Percentage of Adjusted Budget Expended & Encumbered Thru February 2024	Over/Under Last Year's Percentage
City Clerk	\$ 1,491,484	\$ 1,531,385	921,343	60.2%	63.3%	-3.1%
City Manager and Organization Support ⁽¹⁾						
City Manager	2,344,587	2,429,049	1,655,672	68.2%	67.3%	0.9%
Buildings & Facilities	8,760,515	9,324,981	7,363,786	79.0%	77.6%	1.4%
Cultural Development	5,187,478	5,572,891	3,623,775	65.0%	67.9%	-2.9%
Diversity, Equity, and Inclusion	712,984	794,617	463,338	58.3%	48.5%	9.8%
Economic Development	2,249,706	2,886,913	2,151,677	74.5%	67.5%	7.0%
Fleet Services	1,526,315	1,606,897	1,059,868	66.0%	60.9%	5.1%
Human Resources	2,477,410	2,589,538	1,760,366	68.0%	60.1%	7.9%
Transportation Policy	3,335,785	3,510,957	1,571,700	44.8%	17.9%	26.9%
Communications & Public Affairs	3,535,004	4,001,545	2,640,732	66.0%	63.3%	2.7%
Community Services	34,953,712	37,796,691	25,889,674	68.5%	69.6%	-1.1%
Development Services	13,044,834	15,266,123	9,404,951	61.6%	58.5%	3.1%
Fire	48,798,146	51,434,470	35,976,700	69.9%	71.2%	-1.3%
Information Technology	24,028,446	30,234,689	19,190,251	63.5%	59.7%	3.8%
Law	4,816,283	5,008,251	3,410,039	68.1%	68.1%	0.0%
Magistrate	5,847,458	6,103,175	3,874,634	63.5%	61.1%	2.4%
Management Services	8,924,130	9,315,572	6,123,066	65.7%	60.5%	5.2%
Mayor and Council	1,288,723	1,356,303	864,076	63.7%	56.2%	7.5%
Neighborhood Resources	10,262,729	10,056,846	6,954,717	69.2%	50.6%	18.7%
Police	100,299,908	110,545,309	78,254,869	70.8%	69.2%	1.6%
Public Works & Utilities	10,257,708	11,942,249	8,950,661	74.9%	73.2%	1.7%
Non-Departmental (Personnel Services and O&M)	28,479,897	18,641,732	9,171,096	49.2%	82.6%	-33.4%
Subtotal Prior to Contingencies/Reserves	\$ 322,623,242	\$ 341,950,183	\$ 231,276,991	67.6%	70.5%	-2.9%
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	37,624,510	-	0.0%	0.0%	0.0%
Total General Fund Expenditures	\$ 391,868,342	\$ 383,325,285	\$ 231,276,991	60.3%	61.9%	-1.6%

⁽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.