



Informational Memo

Management Services - Memo No. 25-083

Date: February 20, 2025

To: Mayor and Council

Thru: Joshua H. Wright, City Manager *JHW*
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 January 2025

Attached is the FY 2024-25 General Fund Revenue and Expenditure Reports for the period ending January 31, 2025, reflecting the impact of Christmas sales.

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 January 2025. This month reflects a 10.5% increase in total General Fund revenues from the budgeted revenues we would have anticipated being received to date based on historical trends, and a 1.5% 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 December TPT reported/received in January. 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 January 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 January 2025, reflect an overall increase of 9.2% above budgeted revenues we would have anticipated being received to date based on historical trends, and a 3.9% increase compared to prior year actuals. Also, when comparing the TPT collections received in January 2025 to the same month in the prior year, collections are up 5.6%. 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 January 2025. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 61.3% spending through January 2025, compared to 63.2% 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 January 2025

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

General Fund Revenue Summary

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

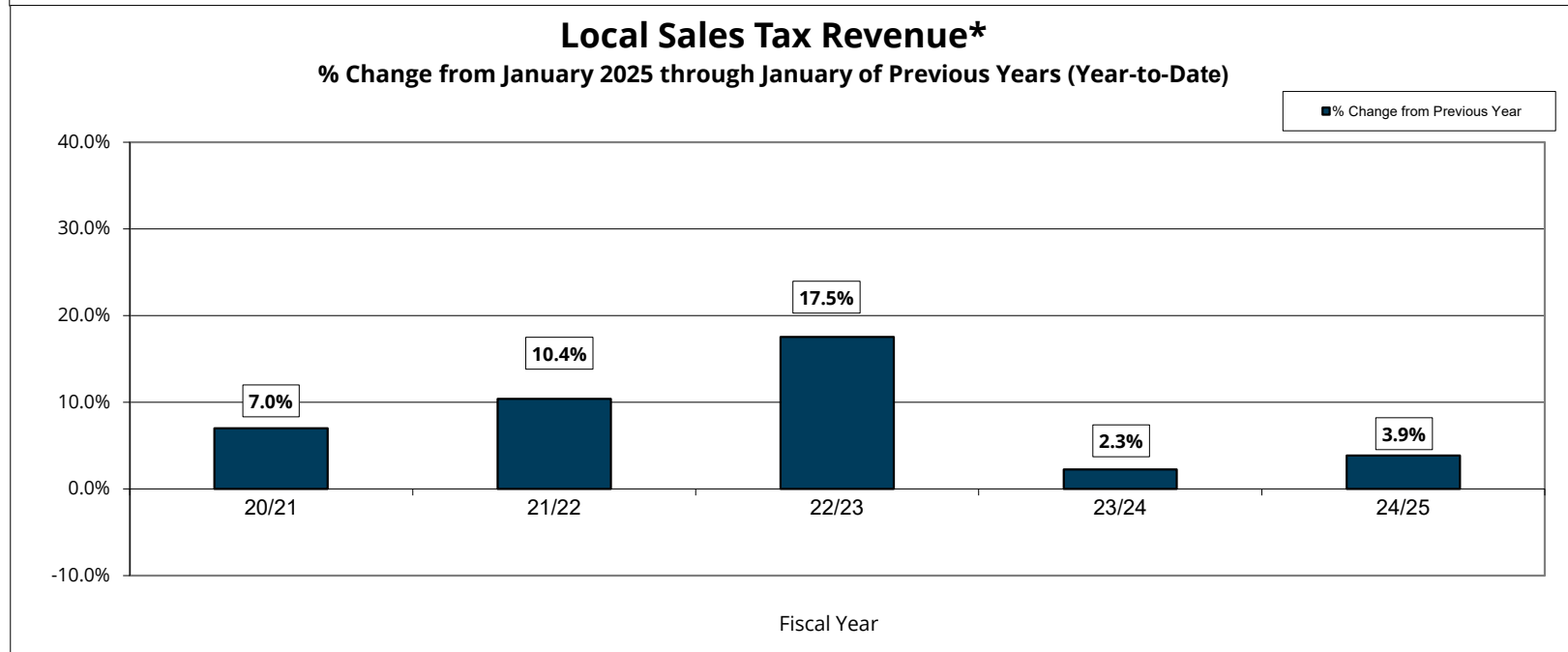
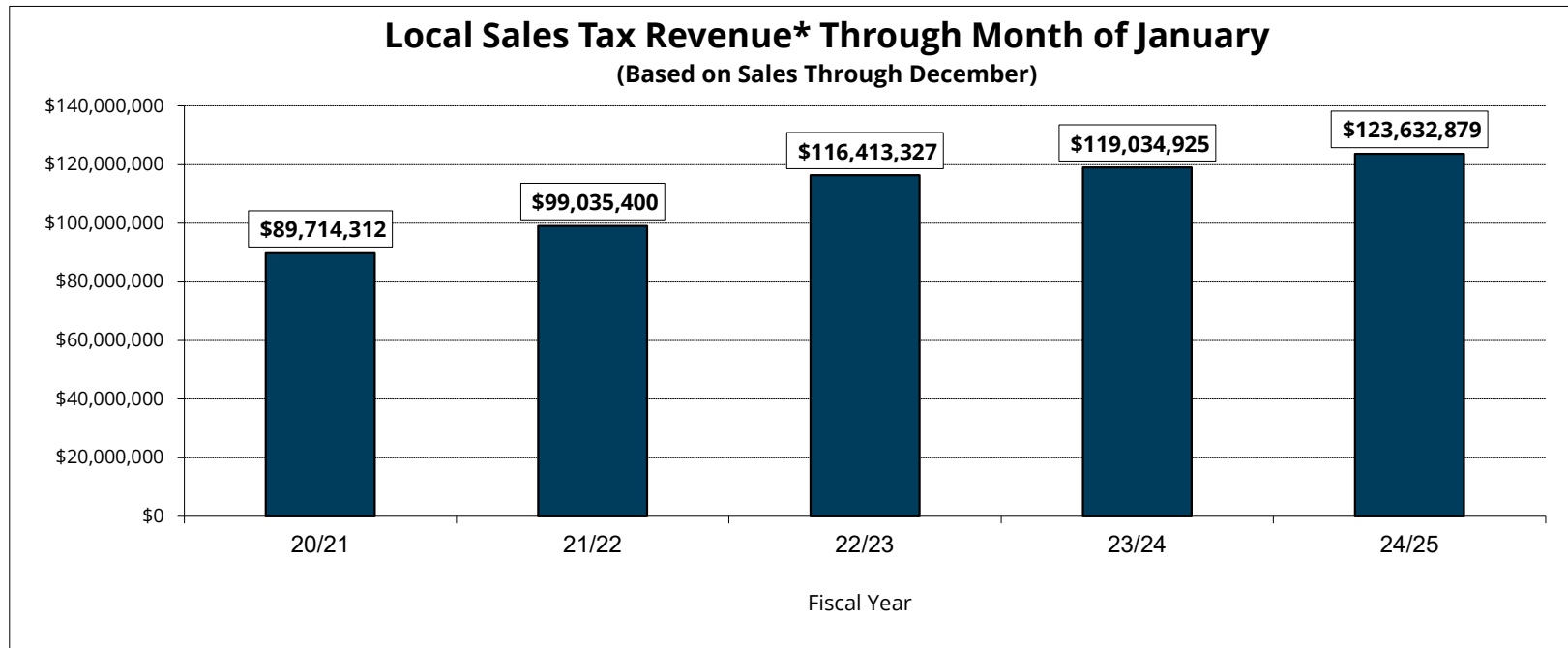
	Budget		Actuals			Comparison to Prior Year Actuals		
General Fund Revenues	FY 2024-25 Adopted Budget	FY 2024-25 Budget Prorated Based on Historical Trend	FY 2024-25 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	FY 2023-24 Actual Revenues for Same Period	Difference + or - from FY 2023-24 to FY 2024-25	% Change of Actuals to Same Period FY 2023-24
Local Sales Tax Collections	196,000,000	113,245,721	123,632,879	10,387,158	9.2%	119,034,925	4,597,954	3.9%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,908,400	1,140,099	1,197,942	57,843	5.1%	3,650,183	(2,452,241)	-67.2%
Total Local Sales Tax Revenue	\$ 197,908,400	\$ 114,385,820	\$ 124,830,821	\$ 10,445,001	9.1%	\$ 122,685,108	\$ 2,145,713	1.7%
Franchise Fees	3,650,000	1,557,130	1,736,661	179,531	11.5%	1,572,630	164,031	10.4%
Primary Property Taxes	8,783,722	4,970,834	4,696,258	(274,576)	-5.5%	4,925,442	(229,184)	-4.7%
State Shared Sales Tax Revenue	41,500,000	21,630,745	22,674,876	1,044,131	4.8%	22,186,607	488,269	2.2%
Vehicle License Tax	13,500,000	6,995,556	7,778,920	783,364	11.2%	7,190,536	588,384	8.2%
Urban Revenue Sharing	60,100,000	34,991,512	34,766,286	(225,226)	-0.6%	43,391,856	(8,625,570)	-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%	1,125,000	(1,125,000)	-100.0%
Licenses & Permits	6,978,300	3,325,482	8,716,122	5,390,640	162.1%	2,187,533	6,528,589	298.4%
Charges for Services	15,707,789	6,792,811	7,896,514	1,103,703	16.2%	7,657,983	238,531	3.1%
Fines & Forfeitures	3,657,800	1,985,149	2,315,908	330,759	16.7%	2,406,748	(90,840)	-3.8%
Interest & Investments	3,777,000	1,564,102	4,726,584	3,162,482	202.2%	1,875,435	2,851,149	152.0%
Other Revenues	2,830,508	1,651,130	946,558	(704,572)	-42.7%	821,304	125,254	15.3%
Indirect Cost	8,532,282	4,977,165	4,977,165	(0)	0.0%	4,653,940	323,225	6.9%
Total General Fund Revenues	\$ 368,233,801	\$ 205,377,848	\$ 226,840,258	\$ 21,462,410	10.5%	\$ 223,398,116	\$ 3,442,142	1.5%
Prior Month	\$ 368,233,801	\$ 172,265,932	\$ 189,586,662	\$ 17,320,729	10.1%	\$ 188,929,472	\$ 657,193	0.3%
Change from Prior Month	\$ -	\$ 33,111,916	\$ 37,253,596	\$ 4,141,681	0.4%	\$ 34,468,644	\$ 2,784,950	1.2%

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 January 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%	15.7%	\$ 13,695,188	8.3%	\$ 11,833,047	6.0%	\$ 10,930,534	0.7%	\$ 10,308,972	8.4%	\$ 10,240,782
Telecommunications	1.0%	-13.7%	\$ 1,027,087	28.6%	\$ 1,190,017	-2.4%	\$ 925,537	-14.0%	\$ 948,003	-21.2%	\$ 1,101,791
Publishing / Advertising / Printing / Transportation	0.1%	7.8%	\$ 119,401	-16.9%	\$ 110,801	13.4%	\$ 133,378	-1.5%	\$ 117,668	110.4%	\$ 119,409
Restaurants & Bars	8.9%	3.4%	\$ 10,737,816	5.8%	\$ 10,383,141	9.7%	\$ 9,817,111	30.9%	\$ 8,945,026	-9.1%	\$ 6,834,524
Amusements	0.8%	20.2%	\$ 1,090,134	10.4%	\$ 907,143	27.1%	\$ 821,857	84.3%	\$ 646,831	-49.2%	\$ 351,031
Real Property Rentals	11.9%	2.1%	\$ 15,139,806	9.4%	\$ 14,830,227	12.7%	\$ 13,561,239	9.2%	\$ 12,036,770	1.7%	\$ 11,025,278
Tangible Personal Property Rentals	3.5%	-14.2%	\$ 3,593,265	47.9%	\$ 4,185,808	16.3%	\$ 2,829,370	11.5%	\$ 2,433,023	-12.7%	\$ 2,182,312
Hotels / Motels	3.3%	4.7%	\$ 3,239,583	-1.2%	\$ 3,095,407	24.5%	\$ 3,133,682	77.4%	\$ 2,517,187	-33.1%	\$ 1,418,997
Contracting	12.2%	-14.1%	\$ 12,815,762	-2.8%	\$ 14,912,407	82.2%	\$ 15,337,563	-3.5%	\$ 8,418,045	2.2%	\$ 8,726,077
Retail / Manufactured Buildings / Jet Fuel	47.3%	3.8%	\$ 58,207,390	2.4%	\$ 56,055,490	12.6%	\$ 54,736,404	12.1%	\$ 48,632,639	15.1%	\$ 43,399,549
Use Tax	2.0%	-159.1%	\$ 3,967,448	-63.4%	\$ 1,531,438	3.9%	\$ 4,186,653	-6.6%	\$ 4,031,236	43.1%	\$ 4,314,561
Total Sales Tax Revenue*	100.0%	3.9%	\$ 123,632,879	2.3%	\$ 119,034,925	17.5%	\$ 116,413,327	10.4%	\$ 99,035,400	7.0%	\$ 89,714,312

Sales Tax Revenue By Class

Through January (Month-over-Month)

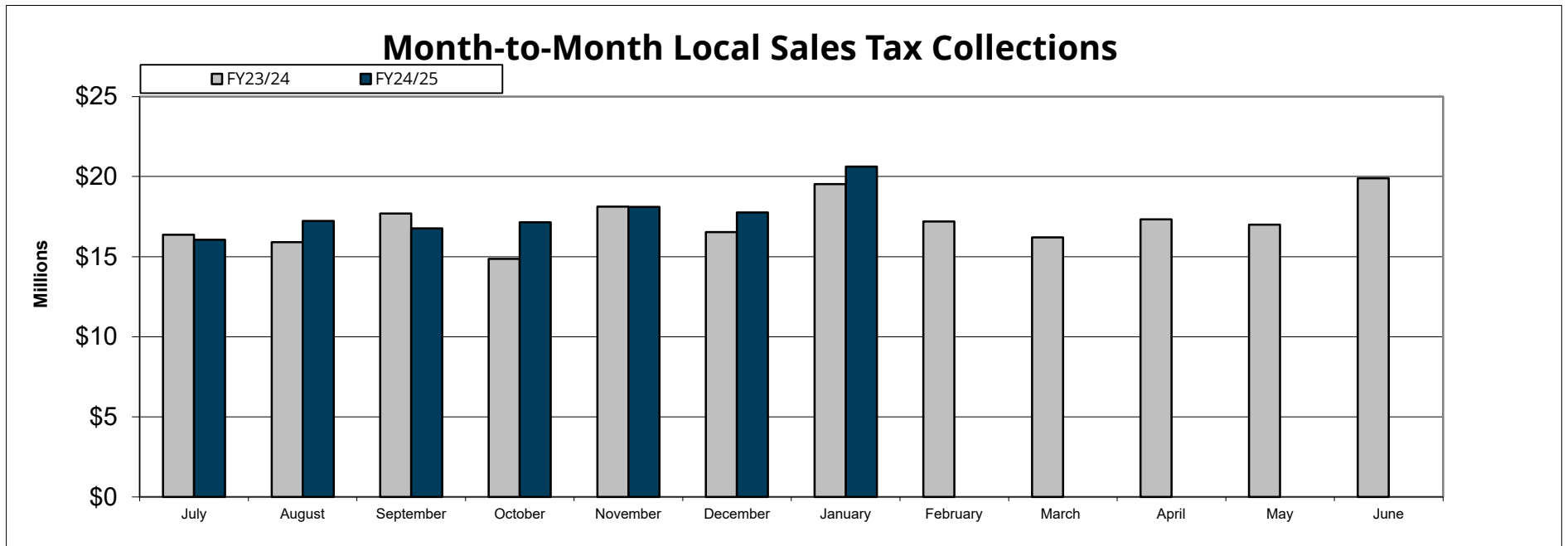
Sales Tax Category	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21
Utilities	19.0%	\$ 1,442,851	8.4%	\$ 1,212,559	40.7%	\$ 1,118,837	-16.8%	\$ 795,250	4.0%	\$ 956,070
Telecommunications	-30.2%	\$ 123,114	36.6%	\$ 176,387	-3.2%	\$ 129,117	-10.4%	\$ 133,397	-26.6%	\$ 148,932
Publishing / Advertising / Printing / Transportation	2.8%	\$ 18,861	0.9%	\$ 18,356	5.6%	\$ 18,190	-2.1%	\$ 17,229	8.2%	\$ 17,602
Restaurants & Bars	-0.7%	\$ 1,712,053	7.7%	\$ 1,724,932	6.2%	\$ 1,601,151	39.7%	\$ 1,507,248	-10.1%	\$ 1,078,669
Amusements	16.4%	\$ 186,901	6.6%	\$ 160,544	23.2%	\$ 150,657	78.7%	\$ 122,292	-36.9%	\$ 68,422
Real Property Rentals	-2.0%	\$ 2,624,985	11.3%	\$ 2,679,839	16.7%	\$ 2,408,106	11.7%	\$ 2,062,637	8.4%	\$ 1,845,763
Tangible Personal Property Rentals	20.1%	\$ 568,923	1.2%	\$ 473,613	20.0%	\$ 467,886	12.7%	\$ 389,979	-2.9%	\$ 345,940
Hotels / Motels	13.6%	\$ 561,638	5.3%	\$ 494,197	16.3%	\$ 469,538	108.7%	\$ 403,810	-43.4%	\$ 193,465
Contracting	-16.3%	\$ 1,630,523	-6.0%	\$ 1,947,571	29.6%	\$ 2,070,928	41.9%	\$ 1,598,454	17.8%	\$ 1,126,295
Retail / Manufactured Buildings / Jet Fuel	10.4%	\$ 11,019,973	1.7%	\$ 9,981,178	6.7%	\$ 9,813,042	16.5%	\$ 9,195,424	9.9%	\$ 7,896,066
Use Tax	-11.1%	\$ 735,172	-11.8%	\$ 661,431	-5.0%	\$ 750,265	-22.9%	\$ 789,390	71.1%	\$ 1,024,371
Total Sales Tax Revenue*	5.6%	\$ 20,624,994	2.8%	\$ 19,530,608	11.7%	\$ 18,997,718	15.7%	\$ 17,015,111	8.2%	\$ 14,701,595

*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		(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	\$ 119,034,924	\$ 123,632,879	\$ 4,597,954	3.9%



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

General Fund Expenditure Summary Thru January 2025

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru January 2025	Percentage of Adjusted Budget Expended & Encumbered Thru January 2025	Percentage of Adjusted Budget Expended & Encumbered Thru January 2024	Over/Under Last Year's Percentage
City Clerk	\$ 1,491,484	\$ 1,526,708	823,539	53.9%	53.0%	0.9%
City Manager and Organization Support ⁽¹⁾						
City Manager	2,344,587	2,429,049	1,445,161	59.5%	55.8%	3.7%
Buildings & Facilities	8,760,515	9,324,981	6,784,694	72.8%	68.7%	4.1%
Cultural Development	5,187,478	5,557,546	3,207,963	57.7%	58.1%	-0.4%
Diversity, Equity, and Inclusion	712,984	794,617	387,998	48.8%	39.5%	9.3%
Economic Development	2,249,706	2,872,066	2,023,079	70.4%	59.0%	11.4%
Fleet Services	1,526,315	1,606,897	956,619	59.5%	50.3%	9.2%
Human Resources	2,477,410	2,588,949	1,636,163	63.2%	49.2%	14.0%
Transportation Policy	3,335,785	3,510,957	1,528,758	43.5%	16.5%	27.0%
Communications & Public Affairs	3,535,004	4,001,545	2,333,801	58.3%	56.9%	1.4%
Community Services	34,953,712	37,779,617	23,968,243	63.4%	61.4%	2.0%
Development Services	13,044,834	15,264,562	7,439,744	48.7%	47.7%	1.0%
Fire	48,798,146	51,382,733	32,585,048	63.4%	59.4%	4.0%
Information Technology	24,028,446	30,229,471	18,095,040	59.9%	53.5%	6.4%
Law	4,816,283	5,008,251	3,021,304	60.3%	56.4%	3.9%
Magistrate	5,847,458	6,099,581	3,476,019	57.0%	51.2%	5.8%
Management Services	8,924,130	9,315,572	5,453,888	58.5%	50.3%	8.1%
Mayor and Council	1,288,723	1,356,303	760,466	56.1%	46.5%	9.6%
Neighborhood Resources	10,262,729	10,054,005	6,349,164	63.2%	45.2%	18.0%
Police	100,299,908	110,544,617	70,122,899	63.4%	58.2%	5.2%
Public Works & Utilities	10,257,708	11,942,249	8,046,085	67.4%	69.2%	-1.8%
Non-Departmental (Personnel Services and O&M)	28,479,897	18,715,008	9,024,435	48.2%	82.5%	-34.3%
Subtotal Prior to Contingencies/Reserves	\$ 322,623,242	\$ 341,905,284	\$ 209,470,110	61.3%	63.2%	3.0%
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	\$ 383,280,386	\$ 209,470,110	54.7%	55.4%	3.6%

⁽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.