



## Informational Memo

### Management Services - Memo No. 25-101

**Date:** May 6, 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 Third Quarter Financial Report

Attached is the FY 2024-25 Third Quarter Financial Report, summarizing budget to actual performance of General Fund operating revenue and expenditures and additional summaries and analysis of Enterprise, System Development, Impact Fees, Highway User Revenue, and Grant funds.

The analysis included in this report provides a snapshot at the end of the third quarter of FY 2024-25 by reflecting budget to actual compared to historical trends and the prior year. These historical comparisons are based on actual results compared to budget over the last four years (FY 2020-21 to FY 2023-24), and an explanation has been provided in those areas where there are significant deviations from the historical trend or the prior year's results.

When reviewing revenue trends over the third quarter, all General Fund revenue performance indicators are showing a positive indicator except Charges for Services which is a warning. The General Fund third quarter reflected overall minimal revenue growth of 0.3% over the prior year collections through March, with 78.5% of budgeted revenues received compared to the 81.8% historical average, expectations are to end the year in a positive position.

Overall, third quarter General Fund expenditures and encumbrances combined are at 73.7% of budget expended compared to 75% in the prior year. The decrease is primarily from the increased one-time Public Safety Personnel Retirement System (PSPRS) unfunded liability payment of \$73M in the prior year, which was \$66M more than the current year payment of \$7M. Based on known spending expectations, anticipated increases, and additional inflation impacts, expenditures will continue to be monitored throughout the year to ensure spending remains within budget.

Should you have additional questions regarding this information, please contact me at x2256 or Dawn Lang at x2255.

Attachment: FY 2024-25 Third Quarter Financial Report

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



Management Services

# Quarterly Financial Report

3rd Qtr FY 2024-25

## Performance at a Glance

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### PERFORMANCE INDICATORS

(At year-end, revenues performance indicators default to positive when 100% or more of budget is collected and expenditures performance indicators default to positive when total spending is less than adjusted budget)

- \* **Positive** = Rev: Variance is above or <2% below historical trend. Exp: Variance <= 2% compared to historical trend.  
**Warning** = Rev: Variance of 2 - 5% below historical trends. Exp: Variance of 2 - 5% above historical trends.  
**Negative** = Rev: Variance of > 5% below historical trends. Exp: Variance > 5% above historical trend.

# THE QUARTERLY FINANCIAL REPORT

## Report Objectives

- \* Provide historical comparisons to identify trends or deviations from trends.
- \* Develop performance benchmarks to measure positive and negative results.
- \* Create an executive level report to highlight potential issues or concerns.

## What is Included in the Report

The report emphasizes General Fund, with analysis of its revenue and each category of revenue, and the expenditures by department. Also included is a summary and analysis of Enterprise Funds, System Development Fee and Impact Fee Funds, the Highway User Tax Fund, and Grants.

## How to Read the Report

- \* Page 1 serves as a table of contents and quick view of performance issues.
- \* The benchmarks are Positive (navy colored), Warning (grey colored), and Negative (maroon colored), providing an initial indicator to determine if the category needs to be monitored closely in the upcoming period or if it is deviating from trends.
- \* Performance indicators for General Fund *revenues* are comparing the percent of year-to-date actuals collected to total budget AND the budget prorated based on the historical trend (last four years) of average actual year-to-date collections to budget.
- \* Performance indicators for General Fund *expenditures* are based on whether they are within budget for the percent of year-to-date actuals expended plus encumbrances compared to the total budgeted expenditures.
- \* Performance indicators for Enterprise Funds focus on the relationship between Operating Revenues and Operating Expenses (including debt service and indirect cost allocation) and the percentage of budget received/expended.

## ECONOMIC INDICATORS

### Gross Domestic Product (GDP)

Real gross domestic product - the output of goods and services produced by labor and property located in the US. Reflects spending for households, business, government, and trade.

The change to the GDP is an indicator of the general direction of the economy. Slow or negative growth will likely mean lower revenues for the City.

First Quarter 2024	1.6%
Second Quarter 2024 (third estimate)	3.0%
Third Quarter 2024 (third estimate)	3.1%
Fourth Quarter 2024	2.4%

Source: U.S. Department of Commerce

### Interest Rates

This table reflects the four most recent changes to the Federal Funds Rate by the Federal Reserve Board.

Lowering the Federal Funds Rate is a way for the Federal Reserve Board to make it less expensive for banks to borrow money for loans and investments and (in theory) pumping additional dollars into the economy.

July 27, 2023	5.25%-5.50%
September 19, 2024	4.75%-5.00%
November 8, 2024	4.50%-4.75%
December 19, 2024	4.25%-4.50%

Source: Federal Reserve Bank

### Unemployment

	National	State of Arizona	Phoenix Metro Area*
Dec-24	3.8%	3.5%	3.1%
Jan-25	4.0%	3.9%	3.5%
Feb-25	4.5%	3.9%	3.6%
Mar-25	4.2%	4.0%	3.6%

High unemployment rates typically result in a reduced demand for goods and services.

\*Source: Arizona Office of Economic Opportunity Monthly Employment Report (not seasonally adjusted)

### City Investment Portfolio

The City splits its investment portfolio between two investment firms with a different mix of holdings at each firm to reduce risk. Current Earning Benchmarks are as follows:

Allspring benchmark is ICE BofA 0-3 year U.S. Treasury Index

PFM's benchmark is ICE BofAML 1-5 year U.S. Treasury Index

Rate of Return is net of fees and includes interest earnings as well as both realized and unrealized gains/(losses). Rate of Return is typically negative in a rising rate environment.

Fiscal Year 2024-25 Rate of Return	3rd Quarter	Fiscal Year
<b>Benchmark</b>	<b>1.59%</b>	<b>4.45%</b>
Allspring Global Investments	1.61%	4.42%
<b>Benchmark</b>	<b>2.00%</b>	<b>4.64%</b>
PFM Asset Management, LLC	1.87%	4.64%
Fiscal Year 2023-24 Rate of Return	3rd Quarter	Fiscal Year
<b>Benchmark</b>	<b>0.58%</b>	<b>3.72%</b>
Allspring Global Investments	0.60%	4.02%
<b>Benchmark</b>	<b>-0.02%</b>	<b>3.32%</b>
PFM Asset Management, LLC	0.35%	3.53%

Source: Investment Advisors

### Building Permits

Single-family building permits are an indicator of the general economy. Higher numbers of permits indicate an active construction market and resultant home sales. Fewer building permits generally equates to less new construction, and permit fees and construction sales tax revenues.

Chandler's quarterly average for single family building permits is 70.25 for FY 2023-24, up from the 14.5 average permits per quarter in FY 2022-23. The 3 month average for FY 2024-25 is 46.

Quarter	State of Arizona	Chandler
Jan - Feb - Mar 2023	6,525	11
Apr - May - Jun 2023	8,799	24
Jul - Aug - Sep 2023	9,858	110
Oct - Nov - Dec 2023	9,164	87
Jan - Feb - Mar 2024	11,192	29
Apr - May - Jun 2024	10,967	55
Jul - Aug - Sep 2024	10,380	42
Oct - Nov - Dec 2024	8,973	46
Jan - Feb - Mar 2025	9,855	51

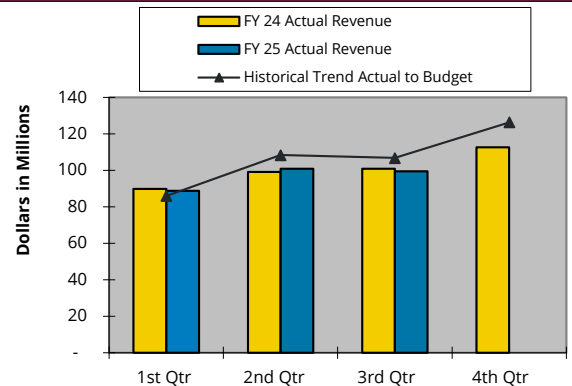
# General Fund

## Revenue Analysis:

### Overall General Fund Revenues FY 2024-25

		FY 25 Adopted Budget	FY 25 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 24	\$ 80,607,440	\$ 88,779,243	24.1%	23.4%
2nd Qtr	Oct - Dec 24	91,658,492	100,807,419	27.4%	29.4%
3rd Qtr	Jan - Mar 25	92,931,103	99,446,709	27.0%	29.0%
4th Qtr	Apr - Jun 25	103,036,766			
<b>Total</b>		<b>\$ 368,233,801</b>	<b>\$ 289,033,371</b>	<b>78.5%</b>	<b>81.8%</b>

\* Pro-rated based upon a four year historical trend of actual year-to-date collections



#### Positive

General Fund revenue collections for FY 2024-25 are \$23.8M (9%) above the adopted budget, and \$811,440 (0.3%) less than actual collections through the third quarter of FY 2023-24.

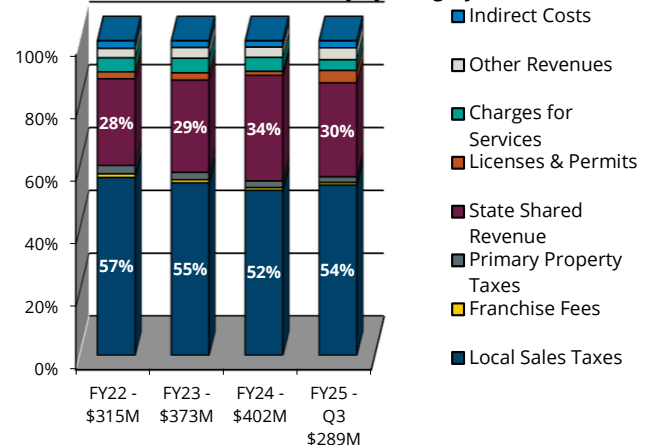
Overall, General Fund revenue increases are led by higher collection of local sales taxes, although this increase will be slowing as the residential rental tax elimination, which began in January 2025, is now reflected. These categories performed well due to level local consumer spending including related inflation, and development activity (although slowing in residential housing) in Chandler. The continued \$20B expansion of Intel, the largest development during this time period, continues to affect revenues in various categories. As this project winds down, we anticipate reductions in several categories. Once the development is complete, revenues will stabilize, classifying much of this additional revenue as one-time. The performance indicator is a warning as the percentage of budget received through the third quarter is between two to five percentage points below the historical budget received through the same period, however it has been changed to positive as collections are coming in higher than budgeted for the quarter.

The following charts provide more detail regarding the various sources of General Fund revenues and provide more detail on the performance indicators.

### Overall General Fund Revenues by Category FY 2024-25

Revenue Categories	FY 25 Adopted Budget	FY 25 Actual Revenue	% of Budget Rec'd to Date
Sales Tax	\$ 197,908,400	\$ 156,472,874	79.1%
Franchise Fees	3,650,000	2,437,102	66.8%
Primary Property Tax	8,783,722	5,109,715	58.2%
State Shared Sales Tax	116,408,000	86,321,267	74.2%
Licenses & Permits	6,978,300	11,451,111	164.1%
Charges for Services	15,707,789	9,887,086	62.9%
Other Revenues	10,265,308	10,955,004	106.7%
Indirect Cost Allocation	8,532,282	6,399,212	75.0%
<b>Total</b>	<b>\$ 368,233,801</b>	<b>\$ 289,033,371</b>	<b>78.5%</b>

General Fund Collection History by Category %



#### Positive

This chart summarizes General Fund revenue collections by revenue category for FY 2024-25. The graph helps us visualize what percentage each revenue category is to the total General Fund. The percentage spread of revenue sources are relatively consistent over the years with local sales taxes and State Shared Sales Tax Revenues being the largest General Fund revenue sources. The next several pages provide an analysis of each revenue category except Indirect Cost Allocation (payments by the Water, Wastewater, Reclaimed Water, Solid Waste, and Airport Enterprise Funds to the General Fund for City services provided for their operations). The performance indicator is positive as actual collections continue to come in higher than budget.

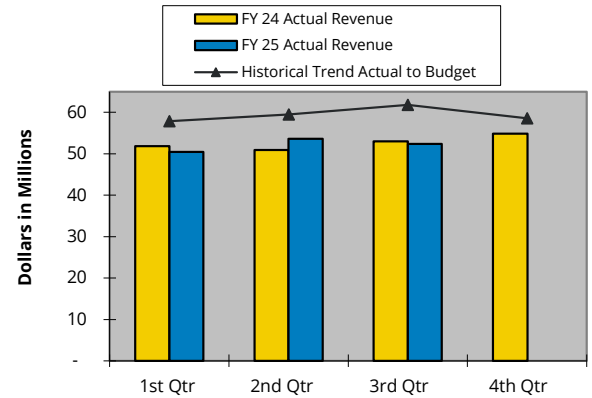
# General Fund

## Revenue Analysis (continued):

### Sales Tax Revenue FY 2024-25

		FY 25 Adopted Budget	FY 25 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 24	\$ 46,982,983	\$ 50,450,498	25.5%	29.2%
2nd Qtr	Oct - Dec 24	48,458,357	53,648,248	27.1%	30.1%
3rd Qtr	Jan - Mar 25	50,463,224	52,374,128	26.5%	31.2%
4th Qtr	Apr - Jun 25	52,003,836			
<b>Total</b>		<b>\$ 197,908,400</b>	<b>\$ 156,472,874</b>	<b>79.1%</b>	<b>90.5%</b>

\* Pro-rated based upon a four year historical trend of actual year-to-date collections



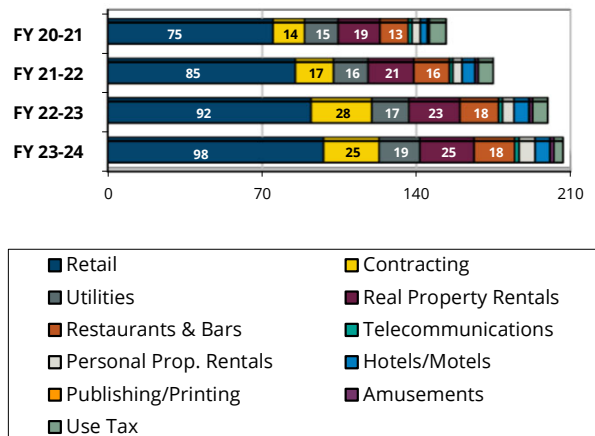
#### Positive

Figures above **include** General Fund local sales tax collections and the related revenues of license fees, audit assessments, penalties, and interest. Sales tax collections for FY 2024-25 are \$10.6M (7.2%) above adopted budget anticipated to be received and \$635,862 (0.4%) higher than actual collections in the prior year through the third quarter of FY 2023-24. The performance indicator is a negative as the percentage of budget received through the third quarter is more than five percentage points below the historical budget received through the same period, however it has been changed to positive due to collections coming in higher than budgeted for the quarter, as well as acknowledgement that the historical trend is inflated from unsustainable one-time development.

### Sales Tax Collection History

		FY 25 Adopted Budget	FY 25 Actual Revenue	% of Actual to Budget	% Chg from Prior Yr.
Retail/Mfd. Bldg/Jet Fuel	\$	92,000,000	\$ 73,138,524	79.5%	2.9%
Contracting		23,700,000	15,518,722	65.5%	-19.2%
Utilities		21,950,000	16,654,726	75.9%	14.3%
Real Property Rentals		18,000,000	17,402,148	96.7%	-6.5%
Restaurants & Bars		17,500,000	13,880,599	79.3%	3.3%
Telecommunications		1,550,000	1,288,959	83.2%	-15.2%
Personal Prop. Rentals		5,500,000	4,653,971	84.6%	-18.2%
Hotels/Motels		6,800,000	4,748,233	69.8%	4.6%
Publishing/Printing/Adv.		200,000	148,290	74.1%	7.6%
Amusements		1,300,000	1,417,680	109.1%	20.6%
Use Tax		7,500,000	5,514,720	73.5%	121.1%
<b>Total Sales Tax</b>	<b>\$</b>	<b>196,000,000</b>	<b>\$ 154,366,571</b>	<b>78.8%</b>	<b>1.3%</b>

4 Years Actual Sales Tax by Category  
(in millions)



The above figures reflect General Fund sales tax collections by category and **exclude** the related revenues of license fees, audit assessments, penalties, and interest. Sales tax collections for FY 2024-25 were \$9.9M (6.8%) above the adopted budget anticipated to be received and \$1.9M (1.3%) higher than actual collections through the third quarter of FY 2023-24. It should be noted that many of the categories are positive, reflecting strong consumer spending, although slowing from the prior year as Intel winds down their project. Contracting/development collections and Personal Property Rentals are down as the Intel project slows and residential rental tax elimination is impacting the Real Property Rentals category. Use tax is a highly fluctuating revenue category and significant swings in collection percentage are not abnormal.

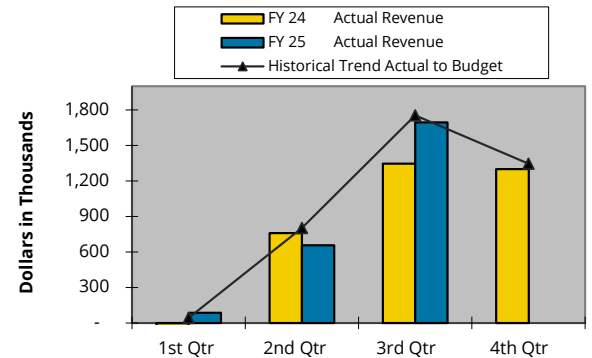
# General Fund

## Revenue Analysis (continued):

### Franchise Fee Revenue FY 2024-25

		FY 25 Adopted Budget	FY 25 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 24	\$ 38,748	\$ 85,527	2.3%	1.1%
2nd Qtr	Oct - Dec 24	743,734	656,917	18.0%	22.0%
3rd Qtr	Jan - Mar 25	1,622,522	1,694,658	46.4%	48.0%
4th Qtr	Apr - Jun 25	1,244,996			
<b>Total</b>		<b>\$ 3,650,000</b>	<b>\$ 2,437,102</b>	<b>66.7%</b>	<b>71.1%</b>

\* Pro-rated based upon a four year historical trend of actual year-to-date collections



#### Positive

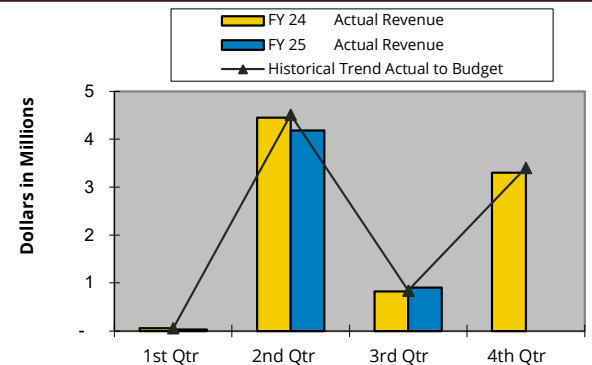
Franchise fees are paid by Arizona Public Service (2% of commercial and residential sales), Southwest Gas Corporation (2% of commercial and residential sales), Cox Communications (5% of gross revenue), Air Products (2% of gross sales), and Western Broadband (5% of gross sales).

Franchise fee collections for FY 2024-25 are \$32,098 (1.3%) above the adopted budget anticipated to be received and \$355,690 (17.1%) higher than actual collections through the third quarter of FY 2023-24. The performance indicator is a warning as the percentage of budget received through the third quarter is between two to five percentage points below the historical budget received through the same period, however it has been changed to positive due to collections coming in higher than budgeted for the quarter.

### Primary Property Tax Revenue FY 2024-25

		FY 25 Adopted Budget	FY 25 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 24	\$ 57,547	\$ 29,138	0.3%	0.7%
2nd Qtr	Oct - Dec 24	4,493,935	4,180,738	47.6%	51.3%
3rd Qtr	Jan - Mar 25	839,121	899,839	10.2%	9.6%
4th Qtr	Apr - Jun 25	3,393,119			
<b>Total</b>		<b>\$ 8,783,722</b>	<b>\$ 5,109,715</b>	<b>58.1%</b>	<b>61.6%</b>

\* Pro-rated based upon a four year historical trend of actual year-to-date collections



#### Positive

This presentation only includes primary property taxes (supporting General Fund operations) and does not include secondary property taxes (supporting debt service on capital projects and recorded in the General Obligation Debt Service Fund). Property tax collections are due starting October 1st and March 1st each year. For FY 2024-25, Chandler is collecting a primary tax rate of \$0.2126 per \$100 of assessed valuation and a secondary tax rate of \$0.87 per \$100 of assessed valuation for a total rate of \$1.0826, representing a \$0.01 cent decrease from the rates adopted in the prior year. This reduction helps offset some of the City's assessed valuation increase of 4.7% related to appreciation, which resulted in a small net tax increase for the median value homeowner.

Primary property tax collections for FY 2024-25 are \$280,888 (5.2%) less than the adopted budget anticipated to be received and \$217,777 (4.1%) less than actual collections through the third quarter of FY 2023-24. The majority of collections come in the second and fourth quarters since the first half of the property tax bills are due in October and the second half are due in March. The performance indicator is a warning as the percentage of budget received through the third quarter is between two to five percentage points below the historical budget received through the same period, however with the reductions anticipated due to the Qasimyar court ruling, the indicator has been changed to positive as the reduction in revenue is anticipated. The Qasimyar vs. Maricopa County Class Action Lawsuit refunds impacted taxpayers that changed the use of their home from a residential home to a rental home between 2015 and 2021 when the home value had been lower.

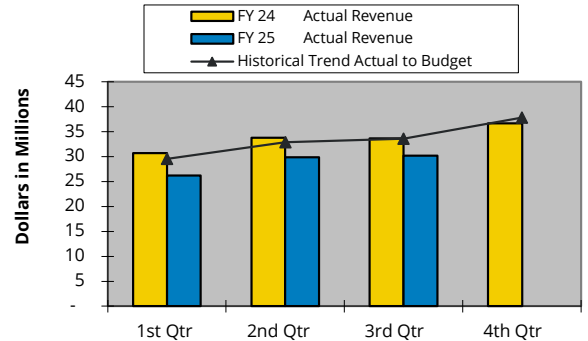
# General Fund

## Revenue Analysis (continued):

### State Shared Sales Tax Revenues FY 2024-25

		FY 25 Adopted Budget	FY 25 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 24	\$ 25,866,242	\$ 26,203,145	22.5%	25.4%
2nd Qtr	Oct - Dec 24	28,657,188	29,889,623	25.7%	28.2%
3rd Qtr	Jan - Mar 25	28,937,527	30,228,498	26.0%	28.8%
4th Qtr	Apr - Jun 25	32,947,043			
<b>Total</b>		<b>\$ 116,408,000</b>	<b>\$ 86,321,266</b>	<b>74.2%</b>	<b>82.4%</b>

\* Pro-rated based upon a four year historical trend of actual year-to-date collections



#### Positive

-- **State Shared Sales Tax Revenue:** The State sales tax rate is currently 5.6%, of which a portion of the various categories of sales tax are distributed to cities and towns based on population as State Shared Sales Tax Revenue. Collections for FY 2024-25 are \$1.8M (6.4%) above adopted budget anticipated to be received and \$342,855 (1.1%) higher than actual collections through the third quarter of FY 2023-24.

-- **Smart and Safe (State Shared Revenue):** Prop 207 was approved by voters in 2020 and created a 16% excise tax on the sale of recreational marijuana effective 2021. Fire and Police departments receive revenue based on the number of employees enrolled in PSPRS at the time. Collections for FY 2024-25 are \$227,173 (41.3%) above adopted budget anticipated to be received and \$59,591 (8.3%) higher than actual collections through the third quarter of FY 2023-24.

-- **Vehicle License Tax:** Cities and towns receive 25% of the net revenues collected for vehicle licensing within their county from the State, as well as surcharges from vehicle rentals. The respective city share's are determined by the proportion of city population to total incorporated population of the county. Collections for FY 2024-25 are \$1.1M (12.3%) above adopted budget anticipated to be received and \$515,343 (5.2%) more than actual collections through the third quarter of FY 2023-24.

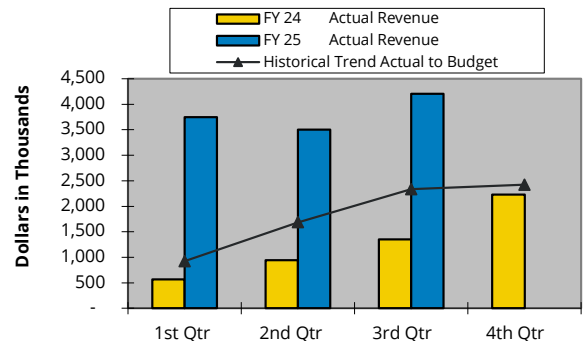
-- **Urban Revenue Sharing:** Eighteen percent (18%) of the **2022** State income tax collection is distributed to cities and towns as urban revenue sharing based upon estimated population. Collections for FY 2024-25 are \$335,396 (0.7%) below the adopted budget anticipated to be received and \$11.1M (19.9%) less than actual collections through the third quarter of FY 2023-24, which reflects the known reduction as the full impact of the flat tax went into effect.

The overall State Shared revenue performance indicator is negative as the percentage of budget received through the third quarter is more than five percentage points below the historical budget received through the same period, however it has been changed to positive due to collections coming in higher than budgeted for the quarter, and the reduction was anticipated.

### Licenses & Permits Revenue FY 2024-25

		FY 25 Adopted Budget	FY 25 Actual Revenue	% of Budget Rec'd	*% of Budget Hist. Rec'd
1st Qtr	Jul - Sep 24	\$ 875,785	\$ 3,745,777	53.7%	13.3%
2nd Qtr	Oct - Dec 24	1,597,039	3,501,261	50.2%	24.2%
3rd Qtr	Jan - Mar 25	2,210,135	4,204,073	60.2%	33.4%
4th Qtr	Apr - Jun 25	2,295,341			
<b>Total</b>		<b>\$ 6,978,300</b>	<b>\$ 11,451,111</b>	<b>164.1%</b>	<b>70.9%</b>

\* Pro-rated based upon a four year historical trend of actual year-to-date collections



#### Positive

This category includes revenue for various licenses: transaction privilege (sales) tax, alcoholic beverages, transient merchants, peddlers and solicitors, secondhand and junk dealers, amusements, business registrations, and professional/occupational licenses, as well as cable license application fees. In addition, revenue from building, alarm, and fiber optic permits are included. License and permit collections for FY 2024-25 are \$6.8M (144.5%) above adopted budget anticipated to be received and \$8.6M (299.7%) more than actual collections through the third quarter of FY 2023-24. Lower collections for FY 2023-24 were anticipated as large industrial permits inflated the historical comparison, however, we are also seeing a slowing of other permit related revenues. Higher collections in the first three quarters of FY 2024-25 reflects large receipts recorded for industrial permits. The performance indicator is positive as the percentage of budget exceeds total budgeted revenues.



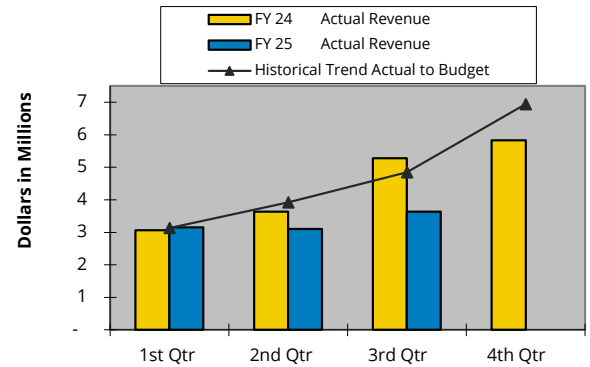
# General Fund

## Revenue Analysis (continued):

### Charges for Services Revenue FY 2024-25

		<b>FY 25 Adopted Budget</b>	<b>FY 25 Actual Revenue</b>	<b>% of Budget Rec'd</b>	<b>*% of Budget Hist. Rec'd</b>
1st Qtr	Jul - Sep 24	\$ 2,612,176	\$ 3,152,083	20.1%	19.9%
2nd Qtr	Oct - Dec 24	3,268,215	3,103,026	19.7%	24.9%
3rd Qtr	Jan - Mar 25	4,037,491	3,631,977	23.1%	30.8%
4th Qtr	Apr - Jun 25	5,789,907			
<b>Total</b>		<b>\$ 15,707,789</b>	<b>\$ 9,887,086</b>	<b>62.9%</b>	<b>75.6%</b>

\* Pro-rated based upon a four year historical trend of actual year-to-date collections



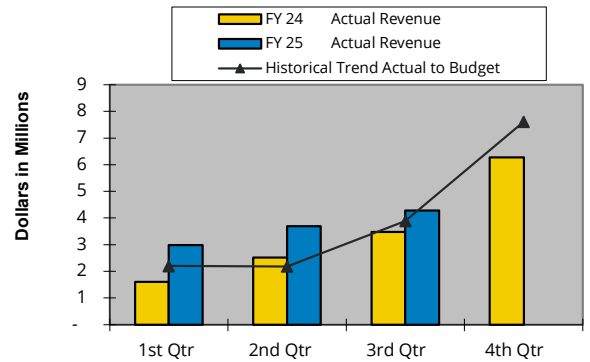
#### Warning

Charges for Services includes revenue from various engineering, recreation, and library fees, police and fire miscellaneous service reimbursements, and public school reimbursements. Charges for services collections for FY 2024-25 were \$30,796 (0.3%) below the adopted budget anticipated and \$2.1M (17.4%) less than actual collections through the third quarter of FY 2023-24. The performance indicator is negative as the percentage of budget received through the third quarter is more than five percentage points below the historical budget received through the same period, however it has been changed to warning due to collections coming slightly below budget for the quarter, as the reduction was anticipated.

### Other Revenue FY 2024-25

		<b>FY 25 Adopted Budget</b>	<b>FY 25 Actual Revenue</b>	<b>% of Budget Rec'd</b>	<b>*% of Budget Hist. Rec'd</b>
1st Qtr	Jul - Sep 24	\$ 2,040,885	\$ 2,980,005	29.0%	21.4%
2nd Qtr	Oct - Dec 24	2,306,957	3,694,536	36.0%	21.3%
3rd Qtr	Jan - Mar 25	2,688,011	4,280,463	41.7%	37.9%
4th Qtr	Apr - Jun 25	3,229,455			
<b>Total</b>		<b>\$ 10,265,308</b>	<b>\$ 10,955,004</b>	<b>106.7%</b>	<b>80.6%</b>

\* Pro-rated based upon a four year historical trend of actual year-to-date collections



#### Positive

Other revenue captures interest income, fines and forfeitures, court fees, sale of land and fixed assets, and other miscellaneous items. Revenue streams in this category are not constant. Other revenue collections for FY 2024-25 are \$3.9M (3.9%) above adopted budget anticipated and \$3.4M (44.2%) more than actual collections through the third quarter of FY 2023-24. Higher collections in the first three quarters of FY 2024-25 reflects interest income due to higher balances and rates. The performance indicator is positive as the percentage of budget received through the third quarter is already above the annual budget revenue.



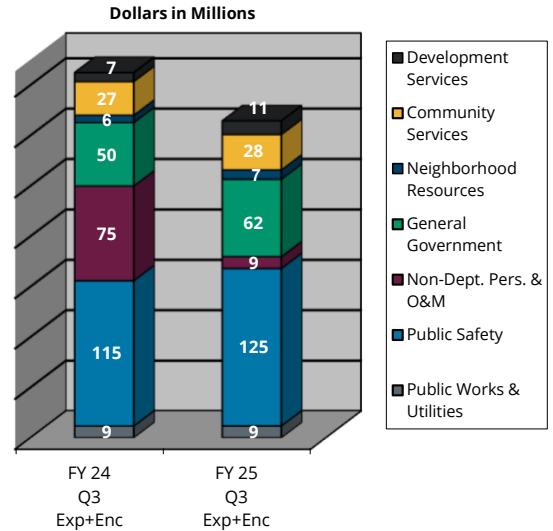
# General Fund

## Expenditure Analysis:

### General Fund Expenditures + Encumbrances for FY 2024-25 by Function

	FY 25 Adjusted Budget	FY 25 Q3 Exp+Enc	% of Budget Exp'd	% of Budget Prior Yr.
<b>* Dept. Operating</b>				
General Government	\$ 86,266,763	\$ 61,525,644	71.3%	66.2%
Community Services	37,796,691	28,080,520	74.3%	74.3%
Development Services	15,266,123	10,852,437	71.1%	63.3%
Public Safety	161,443,626	124,949,363	77.4%	76.7%
Public Works & Utilities	11,942,249	9,463,174	79.2%	76.2%
Neighborhood Resources	10,056,846	7,383,256	73.4%	57.1%
Non-Dept. Pers. & O&M	18,641,732	9,296,313	49.9%	83.3%
<b>Subtotal</b>	<b>\$ 341,414,030</b>	<b>\$ 251,550,707</b>	<b>73.7%</b>	<b>75.0%</b>
Non-Dept. Reserves	\$ 3,750,592	\$ -	0.0%	0.0%
Non-Dept. Contingencies	37,624,510	-	0.0%	0.0%
<b>Total</b>	<b>\$ 382,789,132</b>	<b>\$ 251,550,707</b>	<b>65.7%</b>	<b>65.8%</b>

\* Excluding Interfund Transfers



Total General Fund operating expenditures and encumbrances are reflected by City function, along with budgeted non-departmental reserves (encumbrance and unencumbered carryforward, utility, fuel, and downtown redevelopment) and contingencies (15% of revenues and Council Contingency). Since General Obligation debt and General Fund capital expenditures are reflected in the General Obligation Debt and General Capital Projects Funds, this presentation only includes General Fund operating expenditures to more clearly reflect the results of operations.

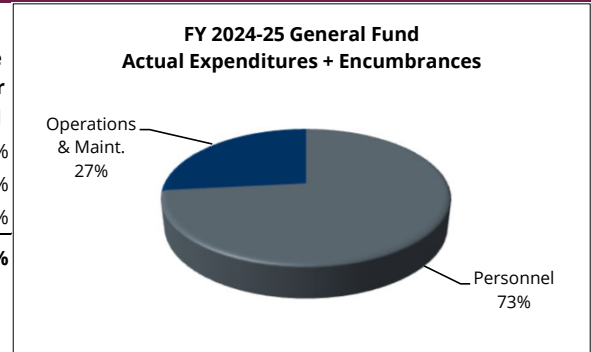
The chart reflects actual spending and encumbrances for FY 2023-24 and FY 2024-25. Non-Dept. The Personnel and O&M (maroon category) decrease mainly reflects the difference in the amount of the prior year's payment of \$73M towards the Public Safety Personnel Retirement System (PSPRS) unfunded liability payoff, to the current year's payment of \$7M. Public Safety's (blue category) increased mainly reflects higher personnel and technology related costs. General Government (green category) increased due to professional services (a large encumbrance in Transportation Policy in the first quarter that will be spent down throughout the year), higher utilities citywide reflected in Building & Facilities, and personnel costs. All other areas remained fairly consistent.

FY 2024-25 operating expended and encumbered through the third quarter is 73.7% of the adjusted budget compared to 75.0% of adjusted budget spent and encumbered in the prior year. As shown on the following pages, departments (excluding non-departmental) have expended between 66.0% and 79.2% of their General Fund adjusted budgets through through the third quarter of FY 2024-25.

### General Fund Expenditures + Encumbrances for FY 2024-25 by Category

	FY 25 Adjusted Budget	FY 25 Q3 Exp+Enc	FY 24 Q3 Exp+Enc	% Change from Prior Yr. Actual
<b>*Dept. Operating</b>				
Personnel	\$ 246,226,474	\$ 184,543,110	\$ 230,921,974	-20.1%
Operations & Maint.	95,187,556	67,007,597	58,975,892	13.6%
Reserves/Contingencies	41,375,102	-	-	0.0%
<b>Total</b>	<b>\$ 382,789,132</b>	<b>\$ 251,550,707</b>	<b>\$ 289,897,866</b>	<b>-13.2%</b>

\* Excluding Interfund Transfers



Total General Fund operating expenditures and encumbrances are reflected by spending category. Personnel spending through the third quarter of FY 2024-25 is 20.14% less than spending for FY 2023-24. The majority of the decrease is due the \$7M payment to the Public Safety Personnel Retirement System (PSPRS), versus \$73M in the prior year and also includes other citywide personnel cost increases and FTE changes. Operations and maintenance spending through the second quarter of FY 2024-25 is 13.6% more than spending for FY 2023-24. Some of the increase reflects higher spending and encumbrances for Fire, Police, Neighborhood Resources, and IT professional services.

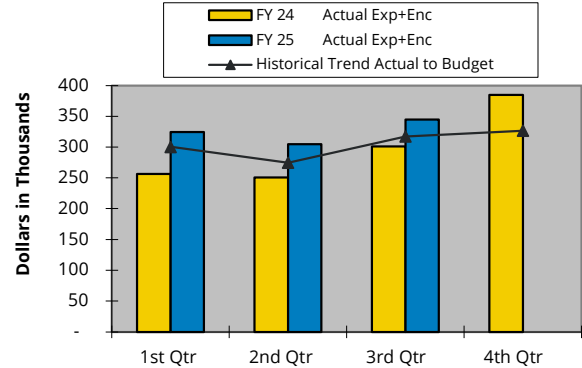
# General Fund

## Expenditure Analysis (continued / department summaries):

### Mayor & Council Expenditure FY 2024-25 Comparison

		FY 25 Adjusted	FY 25	% of Budget	*Avg Hist.
		Budget	Actual Exp+Enc	Expended by Qtr	Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr	Jul - Sep 24	\$ 300,310	\$ 324,241	23.9%	22.1%
2nd Qtr	Oct - Dec 24	320,587	304,471	22.5%	20.3%
3rd Qtr	Jan - Mar 25	362,916	344,460	25.4%	23.4%
4th Qtr	Apr - Jun 25	372,490			
<b>Total</b>		<b>\$ 1,356,303</b>	<b>\$ 973,172</b>	<b>71.8%</b>	<b>65.8%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



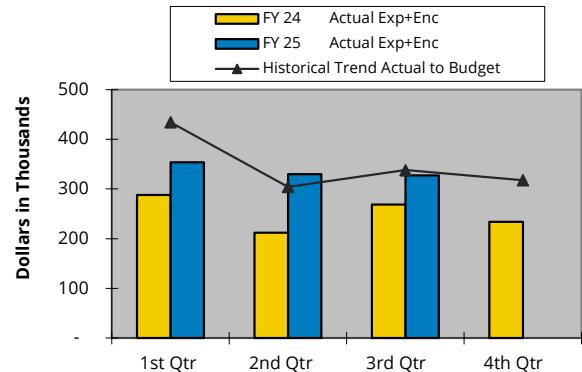
#### Positive

The Mayor and Council division spent 71.8% of their FY 2024-25 adjusted budget and has historically spent 65.8% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the first three quarters of FY 2024-25 reflects increases in personnel costs. This results in a negative performance indicator as expenses through the third quarter are between two and five percentage points, however it has been changed to positive as the expectation is to be within budget by fiscal year end.

### City Clerk Expenditure FY 2024-25 Comparison

		FY 25 Adjusted	FY 25	% of Budget	*Avg Hist.
		Budget	Actual Exp+Enc	Expended by Qtr	Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr	Jul - Sep 24	\$ 434,375	\$ 353,897	23.1%	28.4%
2nd Qtr	Oct - Dec 24	349,635	330,005	21.5%	19.9%
3rd Qtr	Jan - Mar 25	383,722	327,281	21.4%	22.1%
4th Qtr	Apr - Jun 25	363,653			
<b>Total</b>		<b>\$ 1,531,385</b>	<b>\$ 1,011,183</b>	<b>66.0%</b>	<b>70.4%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



#### Positive

City Clerk includes the following cost centers: City Clerk and Records Management. The department spent 66.0% of their FY 2024-25 adjusted budget and has historically spent 70.4% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the first three quarters of FY 2024-25 compared to FY 2023-24 reflects election expenses and the new Records Management cost center which was established in FY 2024-25. This results in a positive performance indicator, with the expectation to be within budget by fiscal year end.

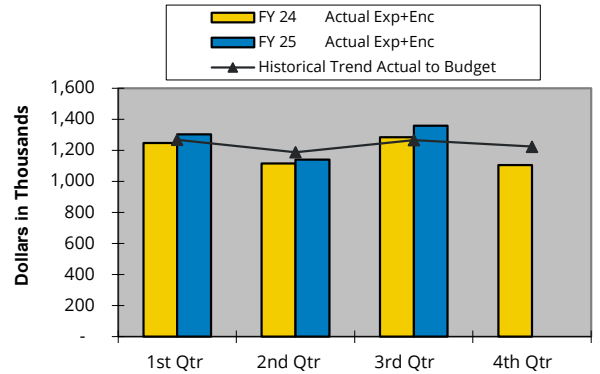
# General Fund

## Expenditure Analysis (continued / department summaries):

### Law Expenditure FY 2024-25 Comparison

		FY 25 Adjusted Budget	FY 25 Actual Exp+Enc	% of Budget Expended by Qtr	*Avg Hist. Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr Jul - Sep 24	\$	1,269,110	\$ 1,302,529	26.0%	25.3%
2nd Qtr Oct - Dec 24		1,209,211	1,139,259	22.8%	23.7%
3rd Qtr Jan - Mar 25		1,286,097	1,358,455	27.1%	25.3%
4th Qtr Apr - Jun 25		1,243,833			
<b>Total</b>	<b>\$</b>	<b>5,008,251</b>	<b>\$ 3,800,243</b>	<b>75.9%</b>	<b>74.3%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



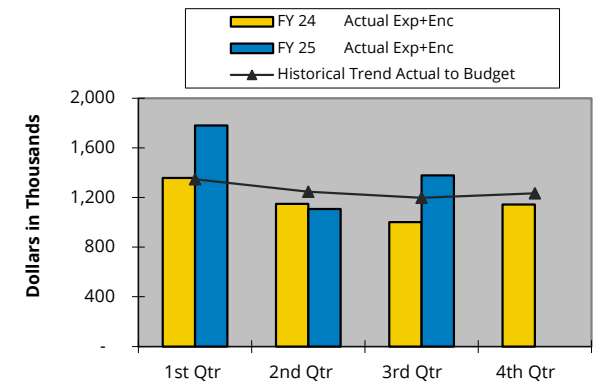
#### Positive

Law spent 75.9% of their FY 2024-25 adjusted budget and has historically spent 74.3% of their adjusted budget through the third quarter of the fiscal year. This results in a positive performance indicator, with the expectation to be within budget by fiscal year end.

### City Magistrate Expenditure FY 2024-25 Comparison

		FY 25 Adjusted Budget	FY 25 Actual Exp+Enc	% of Budget Expended by Qtr	*Avg Hist. Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr Jul - Sep 24	\$	1,348,031	\$ 1,780,679	29.2%	22.1%
2nd Qtr Oct - Dec 24		1,605,953	1,106,023	18.1%	20.4%
3rd Qtr Jan - Mar 25		1,556,502	1,376,856	22.6%	19.6%
4th Qtr Apr - Jun 25		1,592,688			
<b>Total</b>	<b>\$</b>	<b>6,103,175</b>	<b>\$ 4,263,558</b>	<b>69.9%</b>	<b>62.1%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



#### Positive

City Magistrate spent 69.9% of their FY 2024-25 adjusted budget and has historically spent 62.1% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the first quarter of FY 2024-25 reflects increases in professional services (a large encumbrance for public defender services in the first quarter that will be spent down throughout the year) and personnel costs. The performance indicator is negative as expenses through the third quarter are more than five percentage points higher than historical budget spent through the third quarter, however it has been changed to positive since the expectation is to be within budget by fiscal year end.

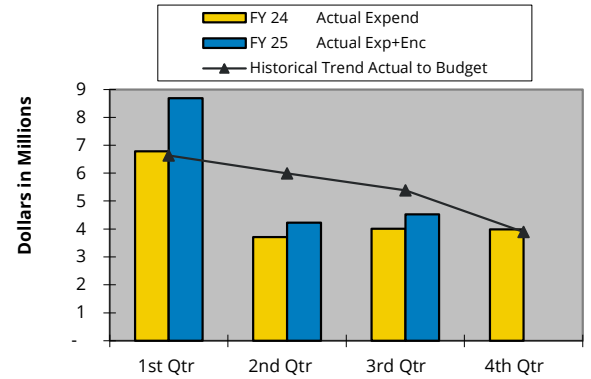
# General Fund

## Expenditure Analysis (continued / department summaries):

### City Manager & Organizational Support Expenditure FY 2024-25 Comparison

		FY 25 Adjusted Budget	FY 25 Actual Exp+Enc	% of Budget Expended by Qtr	*Avg Hist. Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr Jul - Sep 24	\$	6,633,047	\$ 8,680,550	37.5%	28.7%
2nd Qtr Oct - Dec 24		5,990,836	4,230,275	18.3%	20.6%
3rd Qtr Jan - Mar 25		5,388,990	4,528,438	19.6%	18.0%
4th Qtr Apr - Jun 25		5,130,079			
<b>Total</b>	<b>\$</b>	<b>23,142,952</b>	<b>\$ 17,439,263</b>	<b>75.4%</b>	<b>67.3%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



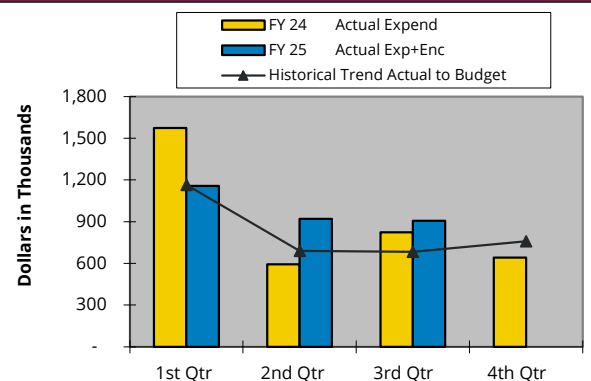
#### Positive

City Manager & Organizational Support includes the following divisions budgeted in the General Fund: Administration, Buildings & Facilities, Diversity, Equity, & Inclusion, Economic Development, Fleet Services, Human Resources, Transportation Policy, as well as Cultural Development which is shown separately. Combined these divisions spent 75.4% of their FY 2024-25 adjusted budget and have historically spent 67.3% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the first quarter of FY 2024-25 reflects increases in professional services (a large encumbrance in Transportation Policy in the first quarter that will be spent down throughout the year), higher utilities citywide reflected in Building & Facilities, and personnel costs. The performance indicator is negative as expenses through the third quarter are more than five percentage points higher than historical budget spent through the third quarter, however it has been changed to positive as the expectation is to be within budget by fiscal year end.

### Communications & Public Affairs Expenditure FY 2024-25 Comparison

		FY 25 Adjusted Budget	FY 25 Actual Exp+Enc	% of Budget Expended by Qtr	*Avg Hist. Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr Jul - Sep 24	\$	1,163,571	\$ 1,157,820	28.9%	29.1%
2nd Qtr Oct - Dec 24		925,786	920,079	23.0%	17.3%
3rd Qtr Jan - Mar 25		917,707	906,627	22.7%	17.0%
4th Qtr Apr - Jun 25		994,481			
<b>Total</b>	<b>\$</b>	<b>4,001,545</b>	<b>\$ 2,984,526</b>	<b>74.6%</b>	<b>63.4%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



#### Positive

Communications and Public Affairs (CAPA) spent 74.6% of their FY 2024-25 adjusted budget and have historically spent 63.4% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the first quarter of FY 2023-24 compared to FY 2024-25 was for planned one-time expenses for marketing/promotional and talent recruitment campaigns. Higher spending in the second quarter of FY 2024-25 compared to FY 2023-24 was for studio equipment cost associated with the government access channel. The performance indicator is negative as expenses through the third quarter are more than five percentage points above the historical budget spent through the third quarter, however it has been changed to positive as the expectation is to be within budget by fiscal year end.

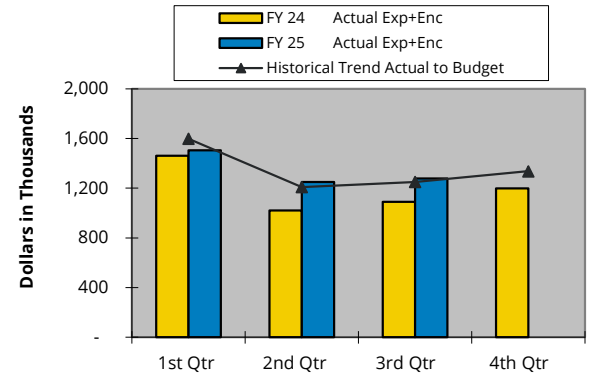
# General Fund

## Expenditure Analysis (continued / department summaries):

### Cultural Development Expenditure 2024-25 Comparison

		FY 25 Adjusted	FY 25	% of Budget	*Avg Hist.
		Budget	Actual Exp+Enc	Expended by Qtr	Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr Jul - Sep 24	\$	1,598,805	\$ 1,503,507	27.0%	28.7%
2nd Qtr Oct - Dec 24		1,267,927	1,249,973	22.3%	21.7%
3rd Qtr Jan - Mar 25		1,309,914	1,278,454	23.0%	22.4%
4th Qtr Apr - Jun 25		1,396,245			
<b>Total</b>	<b>\$</b>	<b>5,572,891</b>	<b>\$ 4,031,934</b>	<b>72.3%</b>	<b>72.8%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



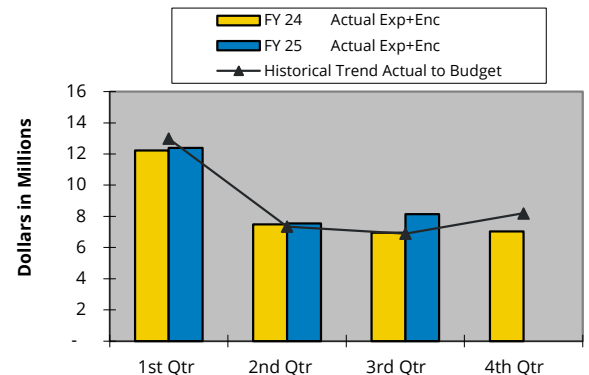
#### Positive

Cultural Development includes the following cost centers: Administration, Center for the Arts, Downtown Redevelopment, Museum, and Special Events, and is considered part of City Manager, Organizational Support. The department spent 72.3% of their FY 2024-25 adjusted budget and have historically spent 72.8% of their adjusted budget through the third quarter of the fiscal year. This results in a positive performance indicator, with the expectation to be within budget by fiscal year end.

### Community Services Expenditure 2024-25 Comparison

		FY 25 Adjusted	FY 25	% of Budget	*Avg Hist.
		Budget	Actual Exp+Enc	Expended by Qtr	Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr Jul - Sep 24	\$	12,983,627	\$ 12,390,805	32.8%	34.4%
2nd Qtr Oct - Dec 24		8,138,187	7,544,872	20.0%	19.4%
3rd Qtr Jan - Mar 25		7,686,623	8,144,843	21.5%	18.2%
4th Qtr Apr - Jun 25		8,988,254			
<b>Total</b>	<b>\$</b>	<b>37,796,691</b>	<b>\$ 28,080,520</b>	<b>74.3%</b>	<b>72.0%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



#### Positive

Community Services includes the following divisions budgeted in the General Fund: Administration, Aquatics, Library, Nature & Recreation Facilities, Park Maintenance & Operations, Recreation, and Sports & Fitness Facilities. The department spent 74.3% of their FY 2024-25 adjusted budget and have historically spent 72.0% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the third quarter of FY 2024-25 reflects increases in personnel and park maintenance. This results in a warning performance indicator, however it has been changed to positive as the expectation is to be within budget by fiscal year end.

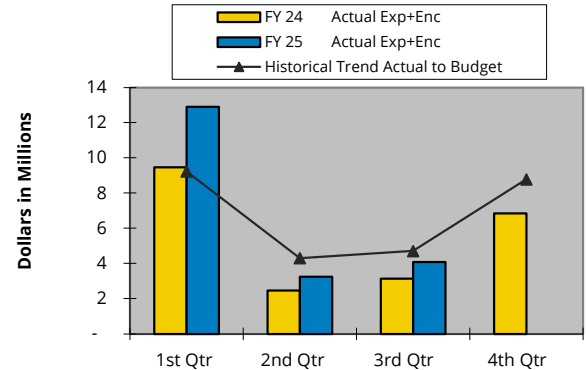
# General Fund

## Expenditure Analysis (continued / department summaries):

### Information Technology Expenditure 2024-25 Comparison

		FY 25 Adjusted	FY 25	% of Budget	*Avg Hist.
		Budget	Actual	Expended	Trend %
Operating Only			Exp+Enc	by Qtr	of Budget
1st Qtr Jul - Sep 24	\$	9,229,924	\$ 12,907,965	42.7%	30.5%
2nd Qtr Oct - Dec 24		5,370,953	3,250,476	10.8%	14.2%
3rd Qtr Jan - Mar 25		5,782,056	4,074,541	13.4%	15.6%
4th Qtr Apr - Jun 25		9,851,756			
<b>Total</b>	<b>\$</b>	<b>30,234,689</b>	<b>\$ 20,232,982</b>	<b>66.9%</b>	<b>60.3%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



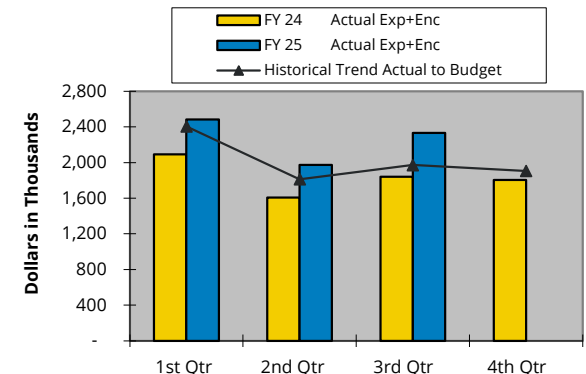
#### Positive

Information Technology spent 66.9% of their FY 2024-25 adjusted budget and have historically spent 60.3% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the first quarter of FY 2024-25 reflects increases in professional services (large encumbrances for various contracts in the first quarter that will be spent down throughout the year) and personnel costs. The performance indicator is negative as expenses through the third quarter are more than five percentage points above the historical budget spent through the third quarter, however it has been changed to positive as the expectation is to be within budget by fiscal year end.

### Management Services Expenditure FY 2024-25 Comparison

		FY 25 Adjusted	FY 25	% of Budget	*Avg Hist.
		Budget	Actual	Expended	Trend %
Operating Only			Exp+Enc	by Qtr	of Budget
1st Qtr Jul - Sep 24	\$	2,405,014	\$ 2,482,830	26.7%	25.8%
2nd Qtr Oct - Dec 24		2,218,902	1,973,352	21.1%	19.5%
3rd Qtr Jan - Mar 25		2,379,416	2,332,601	25.1%	21.2%
4th Qtr Apr - Jun 25		2,312,240			
<b>Total</b>	<b>\$</b>	<b>9,315,572</b>	<b>\$ 6,788,783</b>	<b>72.9%</b>	<b>66.5%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



#### Positive

Management Services Department includes the following divisions budgeted in the General Fund: Administration, Accounting, Budget, Central Supply, Purchasing, Tax & License, and Utility Services (reimbursed by the Public Works & Utilities Department, Water/Wastewater/Solid Waste, through the Indirect Cost Allocation). These divisions spent 72.9% of their FY 2024-25 adjusted budget and have historically spent 66.5% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the first three quarters of FY 2024-25 reflects increases in personnel costs with a new positions added to the Budget and Tax & License Divisions and vacancies filled. The performance indicator is negative as expenses through the third quarter are more than five percentage points above the historical budget spent through the third quarter, however it has been changed to positive as the expectation is to be within budget by fiscal year end.

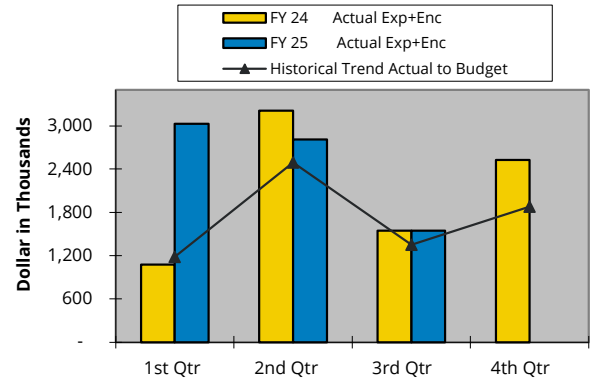
# General Fund

## Expenditure Analysis (continued / department summaries):

### Neighborhood Resources Expenditure 2024-25 Comparison

		FY 25 Adjusted Budget	FY 25 Actual Exp+Enc	% of Budget Expended by Qtr	*Avg Hist. Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr Jul - Sep 24	\$	1,181,171	\$ 3,029,170	30.1%	11.7%
2nd Qtr Oct - Dec 24		3,543,199	2,809,729	28.0%	24.8%
3rd Qtr Jan - Mar 25		2,401,852	1,544,357	15.3%	13.4%
4th Qtr Apr - Jun 25		2,930,624			
<b>Total</b>	<b>\$</b>	<b>10,056,846</b>	<b>\$ 7,383,256</b>	<b>73.4%</b>	<b>49.9%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



#### Positive

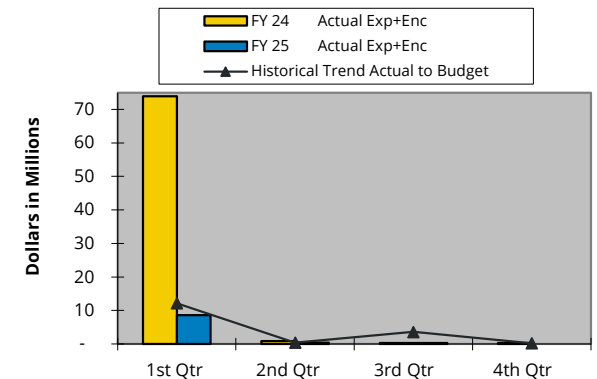
Neighborhood Resources includes the following cost centers budgeted in the General Fund: Administration, Housing & Redevelopment, Neighborhood Preservation, and Community Development. The department spent 73.4% of their FY 2024-25 adjusted budget and have historically spent 49.9% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the first quarter of FY 2024-25 compared to FY 2023-24 reflects the timing shift of encumbrances from the prior year between the first and second quarter. The performance indicator is negative as expenses through the third quarter are more than five percentage points above historical budget spent through the third quarter, however this was changed to positive as the expectation is to be within budget by fiscal year end.

### Non-Departmental Expenditure FY 2024-25 Comparison

		FY 25 Adjusted Budget	FY 25 Actual Exp+Enc	% of Budget Expended by Qtr	*Avg Hist. Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr Jul - Sep 24	\$	12,145,000	\$ 8,567,468	46.0%	65.1%
2nd Qtr Oct - Dec 24		1,282,214	394,754	2.1%	2.2%
3rd Qtr Jan - Mar 25		4,317,069	334,091	1.8%	19.3%
4th Qtr Apr - Jun 25		897,449			
<b>Total**</b>	<b>\$</b>	<b>18,641,732</b>	<b>\$ 9,296,313</b>	<b>49.9%</b>	<b>86.6%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget

\*\* Excludes Reserves and Contingencies



#### Positive

Non-Departmental includes citywide costs that do not belong to a specific department or are infrequent/unusual (i.e., memberships, legal fees, studies, strategic economic development opportunities, and miscellaneous downtown redevelopment expenses). Spending in this category fluctuates due to changing one-time needs from year to year. Non-departmental planned spending for FY 2024-25 is 49.9% of the adjusted budget and has historically spent 86.6% of the adjusted budget through the third quarter of the fiscal year. Higher spending in FY 2023-24 compared to FY 2024-25 is reflective of the decreased payment to the Public Safety Personnel Retirement System (PSPRS) payment in the amount of \$7.0M, which was \$73M in the prior year. This results in a positive performance indicator, with the expectation to be within budget by fiscal year end.



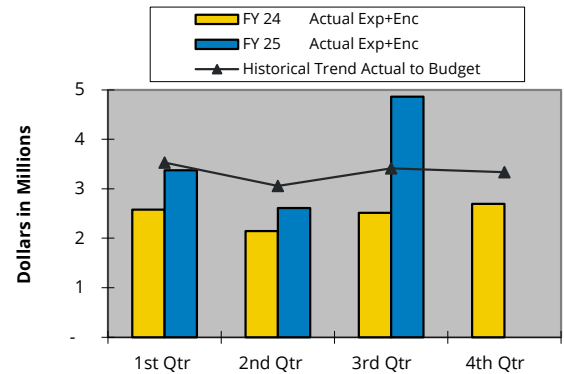
# General Fund

## Expenditure Analysis (continued / department summaries):

### Development Services Expenditure FY 2024-25 Comparison

		FY 25 Adjusted	FY 25	% of Budget	*Avg Hist.
		Budget	Actual	Expended	Trend %
Operating Only			Exp+Enc	by Qtr	of Budget
1st Qtr	Jul - Sep 24	\$ 3,531,138	\$ 3,376,299	22.1%	23.1%
2nd Qtr	Oct - Dec 24	3,647,599	2,611,437	17.1%	20.0%
3rd Qtr	Jan - Mar 25	4,002,120	4,864,701	31.9%	22.4%
4th Qtr	Apr - Jun 25	4,085,266			
<b>Total</b>		<b>\$ 15,266,123</b>	<b>\$ 10,852,437</b>	<b>71.1%</b>	<b>65.5%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



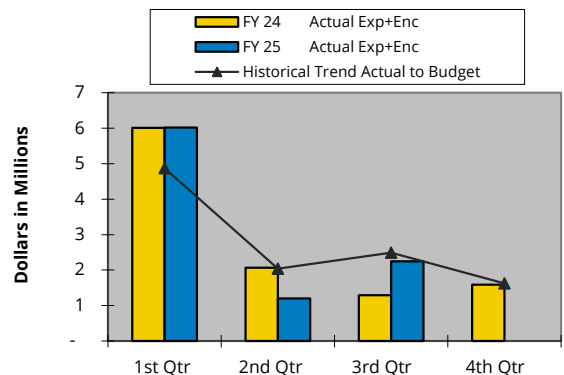
#### Positive

Development Services includes the following cost centers: Administration, Construction Management and Permits, Building Safety, Transportation Engineering, Engineering, and Planning. The department spent 71.1% of their FY 2024-25 adjusted budget and have historically spent 65.5% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the first and third quarter of FY 2024-25 reflects increases in professional services and personnel costs related to the Fiber program. The performance indicator is negative as expenses through the third quarter are more than five percentage points higher than historical budget spent through the third quarter, however it has been changed to positive as the expectation is to be within budget by fiscal year end.

### Public Works & Utilities Expenditure FY 2024-25 Comparison

		FY 25 Adjusted	FY 25	% of Budget	*Avg Hist.
		Budget	Actual	Expended	Trend %
Operating Only			Exp+Enc	by Qtr	of Budget
1st Qtr	Jul - Sep 24	\$ 4,874,470	\$ 6,015,865	50.4%	40.8%
2nd Qtr	Oct - Dec 24	2,346,400	1,202,849	10.1%	17.1%
3rd Qtr	Jan - Mar 25	2,794,378	2,244,460	18.7%	20.9%
4th Qtr	Apr - Jun 25	1,927,001			
<b>Total</b>		<b>\$ 11,942,249</b>	<b>\$ 9,463,174</b>	<b>79.2%</b>	<b>78.8%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



#### Positive

Public Works & Utilities includes the following divisions budgeted in the General Fund: Administration, Capital Projects, Traffic Engineering, Streets, and Street Sweeping. The department spent 79.2% of their FY 2024-25 adjusted budget and have historically spent 78.8% of their adjusted budget through the third quarter of the fiscal year. Slightly higher spending compared to the historical trend reflects availability of materials, general increases in costs of goods, and personnel increases. This results in a positive performance indicator, with the expectation to be within budget by fiscal year end.

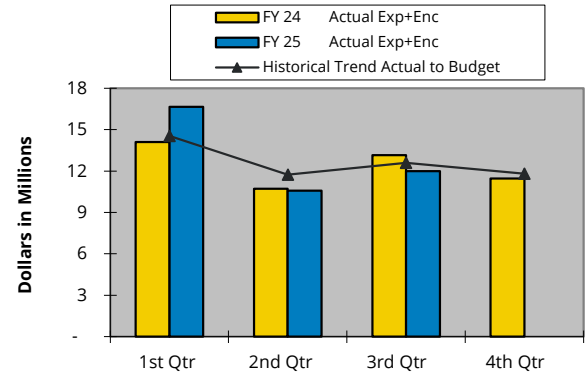
# General Fund

## Expenditure Analysis (continued / department summaries):

### Fire Expenditure FY 2024-25 Comparison

		FY 25 Adjusted Budget	FY 25 Actual Exp+Enc	% of Budget Expended by Qtr	*Avg Hist. Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr	Jul - Sep 24	\$ 14,560,280	\$ 16,659,832	32.4%	28.3%
2nd Qtr	Oct - Dec 24	11,967,817	10,577,470	20.7%	22.8%
3rd Qtr	Jan - Mar 25	12,844,904	11,985,138	23.2%	24.5%
4th Qtr	Apr - Jun 25	12,061,469			
<b>Total</b>		<b>\$ 51,434,470</b>	<b>\$ 39,222,440</b>	<b>76.3%</b>	<b>75.6%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



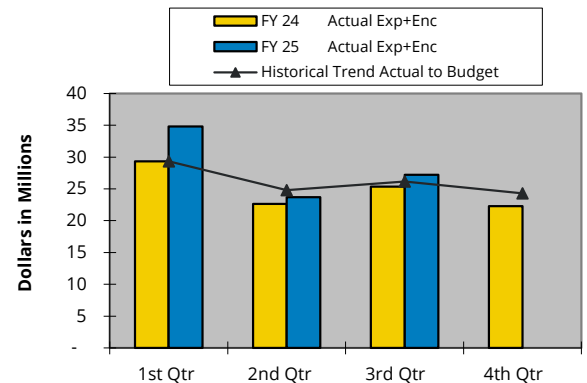
#### Positive

Fire includes the following cost centers: Administration, Health & Medical Services, Operations, Prevention & Preparedness, and Support Services. The department spent 76.3% of their FY 2024-25 adjusted budget and have historically spent 75.6% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the first quarter of FY 2024-25 reflects increases in professional services and personnel costs which includes a one-time payment to the Post Employment Health Plan (PEHP) for all sworn members covered by the MOU. This results in a positive performance indicator, with the expectation to be within budget by fiscal year end.

### Police Expenditure FY 2024-25 Comparison

		FY 25 Adjusted Budget	FY 25 Actual Exp+Enc	% of Budget Expended by Qtr	*Avg Hist. Trend % of Budget by Qtr
<b>Operating Only</b>					
1st Qtr	Jul - Sep 24	\$ 29,361,589	\$ 34,793,009	31.6%	26.7%
2nd Qtr	Oct - Dec 24	26,558,321	23,704,887	21.5%	22.5%
3rd Qtr	Jan - Mar 25	27,967,359	27,229,027	24.8%	23.8%
4th Qtr	Apr - Jun 25	26,121,887			
<b>Total</b>		<b>\$ 110,009,156</b>	<b>\$ 85,726,923</b>	<b>77.9%</b>	<b>73.0%</b>

\* Historical Trend represents the average of the past 4 years % of actual to budget



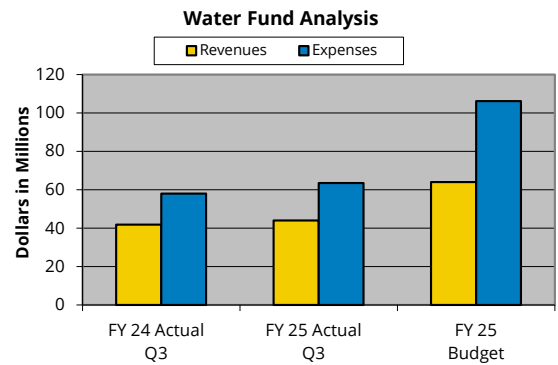
#### Positive

Police includes the following cost centers: Administration, Communications, Criminal Investigations, Detention Services, Field Operations, Forensic Services, Operational Support, Planning & Research, Professional Standards, Property & Evidence, Records, and Technology. The department spent 77.9% of their FY 2024-25 adjusted budget and have historically spent 73.0% of their adjusted budget through the third quarter of the fiscal year. Higher spending in the first quarter of FY 2024-25 reflects increases in personnel costs which includes a one-time payment to the Post Employment Health Plan (PEHP) for all sworn members covered by the MOU. The performance indicator is warning as expenses through the third quarter are between two and five percentage points higher than historical budget spent through the third quarter, however it has been changed to positive as the expectation is to be within budget by fiscal year end.

## Enterprise Fund Analysis:

## Water Fund Analysis FY 2024-25 Comparison

	FY 25 Adjusted Budget	FY 25 Actual Revenue/ Exp+Enc	% of Budget Rec'd/Exp'd to Date	% of Budget Prior Yr.
<b>Water Fund</b>				
Revenues	\$ 62,054,928	\$ 43,918,797	71%	73%
Transfers In	1,839,514	-	0%	23%
<b>Total Revenues</b>	<b>\$ 63,894,442</b>	<b>\$ 43,918,797</b>	<b>69%</b>	<b>68%</b>
Operating Expenses	\$ 45,558,140	\$ 38,771,845	85%	88%
Major Capital Expenses	39,420,546	18,844,561	48%	34%
Debt Service	15,469,937	2,303,259	15%	18%
Transfers Out	5,672,987	3,444,203	61%	84%
<b>Total Expenses</b>	<b>\$ 106,121,610</b>	<b>\$ 63,363,869</b>	<b>60%</b>	<b>57%</b>
<b>Net Rev / Exp</b>	<b>\$ (42,227,168)</b>	<b>\$ (19,445,072)</b>		

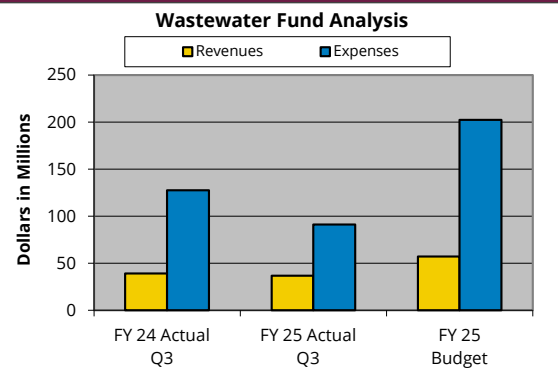
**Positive**

The performance indicator for Enterprise Funds focuses on the relationship between Operating Revenues and Operating Expenses (including debt service and indirect cost allocation) and the percentage of budget received/expended.

The Water Operating Fund includes the following cost centers: Administration, Environmental Resources, Meter Services, San Tan Vista Water Treatment Plant, Water Capital, Water Distribution, Water Quality, Water Treatment Plant, and Water Systems Maintenance. The Water Operating Fund supports operating functions and major capital costs that can be paid without borrowing. The Net Revenue/Expense for FY 2024-25 reflects a \$42.2M drawdown (includes unspent capital carryforward from prior years) to fund balance due to increased pay as you go, as well as bond funded (sold in prior year) capital spending, and also assumes all appropriated operating and capital funds are spent, which is typically not the case. The budgeted Transfers In totaling \$1,839,514 includes \$450,714 for System Development Fee (SDF) loan paybacks and \$1,388,800 from Reclaimed Water to pay towards related capital costs. The budgeted Transfers Out totaling \$5,672,987 includes indirect cost allocation to the General Fund of \$3,439,300, payment of \$221,949 to the Technology Replacement Fund, payment of \$600,000 to the Insured Liability Self-Insurance Fund, payment of \$33,528 to the Workers' Compensation Self-Insurance Trust, and a payment of \$23,511 to the Uninsured Liability Self-Insurance Fund, as well as a subsidy of \$1,354,699 to the Reclaimed Water Fund (reflects benefit received). Year-to-date **Operating Revenues** through the third quarter are 71% compared to 73% for FY 2023-24, while **Operating Expenses** through the third quarter are 85% compared to 88% for FY 2023-24. This results in a positive performance indicator, with the expectation to be within budget by fiscal year end.

## Wastewater Fund Analysis FY 2024-25 Comparison

	FY 25 Adjusted Budget	FY 25 Actual Revenue/ Exp+Enc	% of Budget Rec'd/Exp'd to Date	% of Budget Prior Yr.
<b>Wastewater Fund</b>				
Revenues	\$ 50,795,566	\$ 36,535,147	72%	70%
Transfers In	6,260,896	-	0%	11%
<b>Total Revenues</b>	<b>\$ 57,056,462</b>	<b>\$ 36,535,147</b>	<b>64%</b>	<b>59%</b>
Operating Expenses	\$ 25,391,000	\$ 18,928,902	75%	77%
Major Capital Expenses	153,448,226	67,221,913	44%	51%
Debt Service	19,019,789	2,432,000	13%	29%
Transfers Out	4,464,800	2,370,679	53%	84%
<b>Total Expenses</b>	<b>\$ 202,323,815</b>	<b>\$ 90,953,493</b>	<b>45%</b>	<b>52%</b>
<b>Net Rev / Exp</b>	<b>\$ (145,267,353)</b>	<b>\$ (54,418,347)</b>		

**Positive**

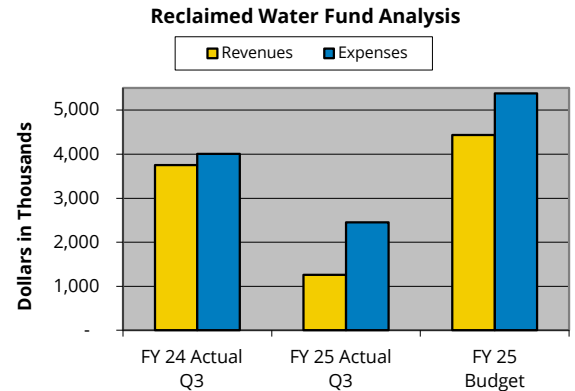
The performance indicator for Enterprise Funds focuses on the relationship between Operating Revenues and Operating Expenses (including debt service and indirect cost allocation) and the percentage of budget received/expended.

The Wastewater Operating Fund includes the following cost centers: Airport Water Reclamation Facility, Lone Butte Wastewater Treatment, Ocotillo Brine Reduction Facility, Ocotillo Water Reclamation Facility, Wastewater Capital, Wastewater Collection, and Wastewater Quality. The Wastewater Operating Fund supports operating functions and major capital costs that can be paid without borrowing. The Net Revenue/Expense for FY 2024-25 reflects an \$145M drawdown (includes unspent capital carryforward from prior years) to fund balance due to increased pay as you go, as well as bond funded (sold in prior year) capital spending and also assumes all appropriated operating and capital funds are spent, which is typically not the case. The budgeted Transfers In totaling \$6,260,896 includes \$5M for System Development Fee (SDF) loan paybacks and \$1,260,896 from Reclaimed Water towards related capital costs. The budgeted Transfers Out totaling \$4,464,800 includes indirect cost allocation to the General Fund of \$2,911,800, payment of \$152,413 to the Technology Replacement Fund, payment of \$22,377 to the Workers' Compensation Self-Insurance Trust, and a payment of \$23,511 to the Uninsured Liability Self-Insurance Fund, as well as a subsidy of \$1,354,699 to the Reclaimed Water Fund (reflects benefits received). Year-to-date **Operating Revenues** through the third quarter are 72% compared to 70% for FY 2023-24, while **Operating Expenses** through the third quarter are 75% compared to 77% for FY 2023-24. This results in a positive performance indicator, with the expectation to be within budget by fiscal year end.

## Enterprise Fund Analysis (continued):

## Reclaimed Water Fund Analysis FY 2024-25 Comparison

	FY 25 Adjusted Budget	FY 25 Actual Revenue/ Exp+Enc	% of Budget Rec'd/Exp'd to Date	% of Budget Prior Yr.
<b>Reclaimed Water</b>				
Revenues	\$ 1,729,000	\$ 1,260,770	73%	64%
Transfers In	2,709,398	-	0%	100%
<b>Total Revenues</b>	<b>\$ 4,438,398</b>	<b>\$ 1,260,770</b>	<b>28%</b>	<b>86%</b>
Operating Expenses	\$ 2,590,444	\$ 2,349,172	91%	80%
Transfers Out	2,783,214	100,906	4%	99%
<b>Total Expenses</b>	<b>\$ 5,373,658</b>	<b>\$ 2,450,078</b>	<b>46%</b>	<b>92%</b>
<b>Net Rev / Exp</b>	<b>\$ (935,260)</b>	<b>\$ (1,189,307)</b>		

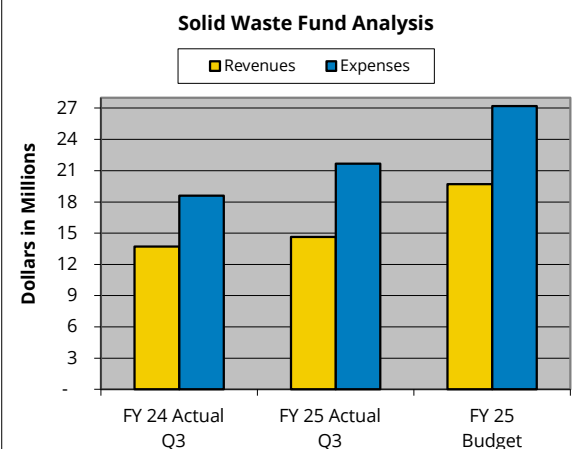
**Positive**

The performance indicator for Enterprise Funds focuses on the relationship between Operating Revenues and Operating Expenses (including debt service and indirect cost allocation) and the percentage of budget received/expended.

The Reclaimed Water Operating Fund supports operating functions and now a portion of related capital costs. The Net Revenue/Expense for the FY 2024-25 budget reflects a drawdown to fund balance. The budgeted Transfers In totaling \$2,709,398 includes subsidies from Water and Wastewater Funds of \$1,354,699 each to reflect the benefit each fund receives by reclaiming water. The budgeted Transfers Out totaling \$2,783,214 include an indirect cost allocation to the General Fund of \$129,500, payment of \$3,070 to the Technology Replacement Fund, and \$948 to the Workers' Compensation Self-Insurance Trust, as well as a payment of \$1,388,800 to the Water Fund and \$1,260,896 to the Wastewater Fund to reflect contributions to reclaimed capital costs. Year-to-date **Operating Revenues** through the third quarter are 73% of budget compared to 64% for FY 2023-24, while **Operating Expenses** through the third quarter are 91% of budget as compared to 80% for FY 2023-24. This results in a negative fund indicator, however it has been changed to positive, since the budget for the Reclaimed Water Interconnect Facility was adopted in Fund 615 and the expense are being changed to Reclaimed Water Fund. Budget is being transferred from Fund 615 as needed, and the intent to be within budget by fiscal year end.

## Solid Waste Fund Analysis FY 2024-25 Comparison

	FY 25 Adjusted Budget	FY 25 Actual Revenue/ Exp+Enc	% of Budget Rec'd/Exp'd to Date	% of Budget Prior Yr.
<b>Solid Waste</b>				
Revenues	\$ 19,712,816	\$ 14,642,059	74%	72%
<b>Total Revenues</b>	<b>\$ 19,712,816</b>	<b>\$ 14,642,059</b>	<b>74%</b>	<b>72%</b>
Operating Expenses	\$ 20,116,422	\$ 17,688,519	88%	88%
Major Capital Expenses	5,753,482	2,949,946	51%	20%
Transfers Out	1,345,520	1,026,136	76%	77%
<b>Total Expenses</b>	<b>\$ 27,215,424</b>	<b>\$ 21,664,601</b>	<b>80%</b>	<b>78%</b>
<b>Net Rev / Exp</b>	<b>\$ (7,502,608)</b>	<b>\$ (7,022,542)</b>		

**Positive**

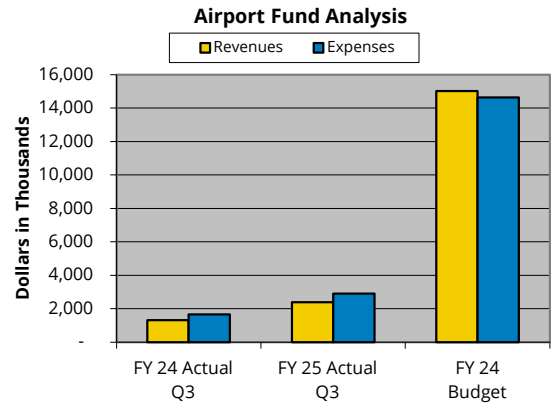
The performance indicator for Enterprise Funds focuses on the relationship between Operating Revenues and Operating Expenses (including debt service and indirect cost allocation) and the percentage of budget received/expended.

The Solid Waste Operating Fund supports operating functions and major capital costs that can be paid without borrowing. The Net Revenue/Expense for FY 2024-25 reflects a drawdown of \$7.5M (includes unspent capital carryforward from prior years). The budgeted Transfers Out totaling \$1,345,520 include an indirect cost allocation to the General Fund of \$1,261,500, payment of \$67,985 to the Technology Replacement Fund, and payment of \$16,035 to the Workers' Compensation Self-Insurance Trust. Year-to-date **Operating Revenues** through the third quarter are 74% compared to 72% for FY 2023-24, while **Operating Expenses** through the third quarter are 88% compared to 88% for FY 2023-24. The third quarter of the fiscal year includes remaining encumbrances (\$5.9M) recorded for the fiscal year, with revenues more equally apportioned throughout the year. By adjusting for those encumbrances, the resulting fund indicator is positive.

## Enterprise / Other Funds Analysis (continued):

## Airport Fund Analysis FY 2024-25 Comparison

	FY 25 Adjusted Budget	FY 25 Actual Revenue/ Exp+Enc	% of Budget Rec'd/Exp'd to Date	% of Budget Prior Yr.
<b>Airport Fund</b>				
Revenues	\$ 1,217,988	\$ 987,485	81%	92%
General Fund Subsidy	13,416,901	1,396,732	10%	6%
<b>Total Revenues</b>	<b>\$ 14,634,889</b>	<b>\$ 2,384,216</b>	<b>16%</b>	<b>18%</b>
Operating Expenses	\$ 1,602,906	\$ 1,317,350	82%	75%
Major Capital Expenses	12,916,659	1,504,658	12%	6%
Transfers Out	115,324	90,324	78%	78%
<b>Total Expenses</b>	<b>\$ 14,634,889</b>	<b>\$ 2,912,332</b>	<b>20%</b>	<b>24%</b>
<b>Net Rev / Exp</b>	<b>\$ -</b>	<b>\$ (528,115)</b>		

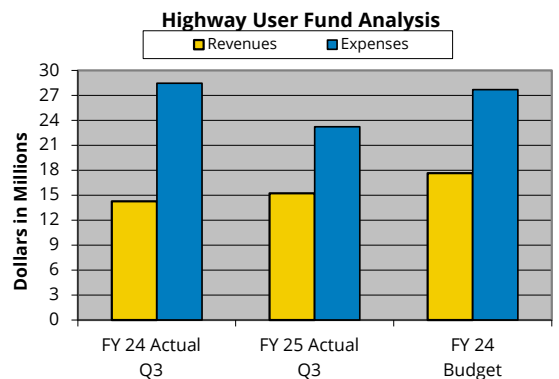
**Positive**

The performance indicator for Enterprise Funds focuses on the relationship between Operating Revenues and Operating Expenses (including debt service and indirect cost allocation) and the percentage of budget received/expended.

The Airport Fund supports operating functions and major capital costs that can be paid without borrowing. The Net Revenue/Expense for FY 2024-25 reflects no budgeted change in fund balance since the General Fund Subsidy of \$13.4M is budgeted from the General Fund to make up the funding needed to support operations and/or Major Capital Expenses. The budgeted Transfers Out totaling \$115,324 includes indirect cost allocation to the General Fund of \$100,000 and a payment of \$15,324 to the Technology Replacement Fund. Year-to-date **Operating Revenues** through the third quarter are 81% of budget compared to 92% for FY 2023-24, while year-to-date **Operating Expenses** through the third quarter are 82% of budget compared to 75% for FY 2023-24. This results in a positive performance indicator, with the expectation to be within budget by fiscal year end.

## Highway User Fund (HURF) Analysis FY 2024-25 Comparison

	FY 25 Adjusted Budget	FY 25 Actual Revenue/ Exp+Enc	% of Budget Rec'd/Exp'd to Date	% of Budget Prior Yr.
<b>Highway Users Tax</b>				
Highway Users Tax	\$ 17,000,000	\$ 14,109,317	83%	80%
Other	669,000	1,106,007	165%	100%
<b>Total Revenues</b>	<b>\$ 17,669,000</b>	<b>\$ 15,215,324</b>	<b>86%</b>	<b>81%</b>
Operating Expenses	\$ 10,243,725	\$ 7,603,092	74%	75%
Major Capital Expenses	17,334,017	15,506,587	89%	92%
Transfers Out	133,747	133,227	100%	100%
<b>Total Expenses</b>	<b>\$ 27,711,489</b>	<b>\$ 23,242,906</b>	<b>84%</b>	<b>87%</b>
<b>Net Rev / Exp</b>	<b>\$ (10,042,489)</b>	<b>\$ (8,027,581)</b>		

**Positive**

The performance indicator for this Special Revenue Fund focuses on the relationship between Operating Revenues and Operating Expenses (including debt service) and the percentage of budget received/expended.

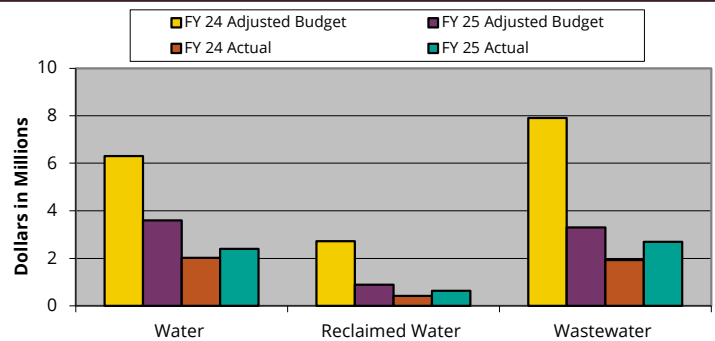
Highway Users Tax is collected by the state on all gasoline sales. It is combined with other state-level vehicle related revenues, and distributed to cities and towns by using two formulas based upon population. Funds are restricted for use on streets and related projects. The Net Revenue/Expense for FY 2024-25 reflects a drawdown of \$10.0M (includes unspent capital carryforward from prior years). The budgeted Transfers Out totaling \$133,747 include a payment to the General Fund of \$2,082 for miscellaneous charges, a payment of \$26,583 to the Technology Replacement Fund, and a payment of \$105,082 to the Uninsured Liability Self-Insurance Fund for stormwater oversight. Year-to-date **Operating Revenues** through the third quarter are 83% of budget compared to 80% for FY 2023-24, while year-to-date **Operating Expenses** through the third quarter are 74% of budget compared to 75% for FY 2023-24. This results in a positive performance indicator, with the expectation to be within budget by fiscal year end.

## Other Funds Analysis (continued):

### Enterprise System Development Fee Funds Analysis FY 2024-25 Comparison

Enterprise System Development Fee (SDF) Funds	FY 25 Adjusted Budget	FY 25 Actual Revenue	% of Budget Rec'd to Date
Water	\$ 3,594,000	\$ 2,398,640	67%
Reclaimed Water	890,300	630,757	71%
Wastewater	3,293,000	2,694,704	82%
<b>Total SDF Revenue</b>	<b>\$ 7,777,300</b>	<b>\$ 5,724,100</b>	<b>74%</b>

Note: Budget and Actual amounts reflect SDF revenues and the interest earned on fund balances, and excludes loan transfers in/out or proceeds from bond sales.

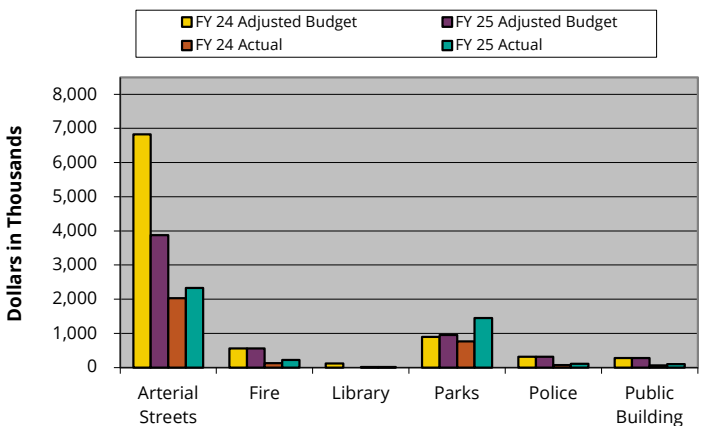


Enterprise (Water, Wastewater, and Reclaimed Water) System Development Fees (SDFs) are assessed on building permits based on the meter size. Enterprise SDF's are assessed on all residential, but may or may not be assessed on Commercial. Commercial properties are assessed if a Water Meter Permit (WMI) is needed. Enterprise SDFs are based on development and fluctuate quarterly as well as from year to year. The graph shows the FY 2024-25 budget and year-to-date collections through the third quarter compared to the FY 2023-24 budget and year-to-date collections through the third quarter. Collections through the third quarter of FY 2024-25 were 74% of the budget as compared to the prior year's collections of 26% of the budget, including a significant development permit issued this year.

### General System Development Fee Funds Analysis FY 2024-25 Comparison

General System Development Fee (SDF) Funds	FY 25 Adjusted Budget	FY 25 Actual Revenue	% of Budget Rec'd to Date
Arterial Streets	\$ 3,876,000	\$ 2,332,258	60%
Fire	557,000	218,898	39%
Library	-	12,132	0%
Parks	948,000	1,442,673	152%
Police	312,000	110,706	35%
Public Building	277,000	99,639	36%
<b>Total SDF Revenue</b>	<b>\$ 5,970,000</b>	<b>\$ 4,216,305</b>	<b>71%</b>

Note: Budget and Actual amounts reflect Impact Fee revenues and the interest earned on fund balances, and excludes loan transfers in/out or proceeds from bond sales.

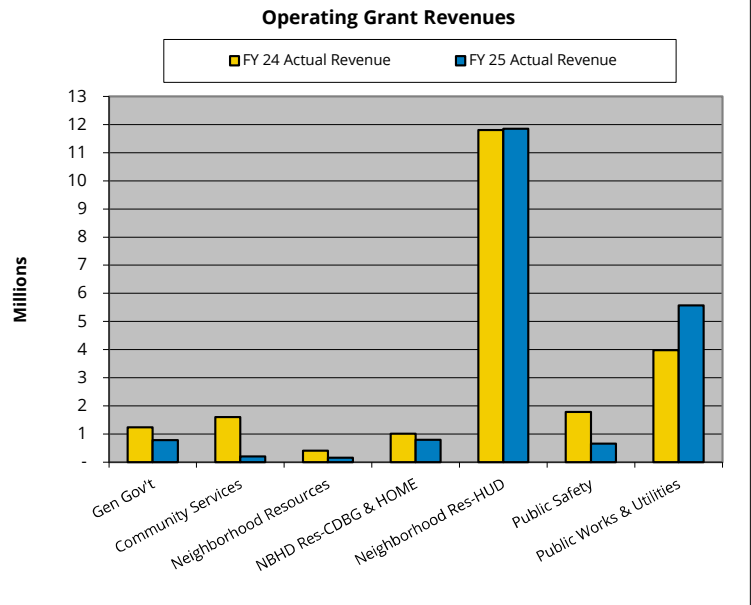


General (Arterial Streets, Fire, Library, Parks, Police, and Public Building) System Development Fees (SDFs) are charged on all commercial and residential building permits and is based on square footage and land use. General SDF fees are based on development and will fluctuate quarterly as well as annually. The graph shows the FY 2024-25 budget and year-to-date collections through the third quarter compared to the FY 2023-24 budget and year-to-date collections through the third quarter. Collections through the third quarter of FY 2024-25 were 71% of the budget as compared to the prior year's collections of 34% of the budget, including a significant development permit issued this year.

## Other Funds Analysis (continued):

### Grant Funds Analysis FY 2024-25 Comparison

	FY 25 Actual Revenue	FY 24 Actual Revenue
General Government*	\$ 386,457	\$ 372,758
Community Services	199,266	254,819
Neighborhood Resources	161,110	406,997
Neighborhood Res. - CDBG & HOME	799,577	1,007,276
Neighborhood Res. - HUD	11,853,525	11,805,251
Public Safety	653,753	1,786,882
Public Works & Utilities	727,011	-
<b>Total Operating Grant Revenue</b>	<b>\$ 14,780,699</b>	<b>\$ 15,633,983</b>
General Government*	\$ 398,198	\$ 864,794
Community Services	-	1,344,722
Cultural Development	224,756	-
Public Works & Utilities	4,847,645	3,975,141
<b>Total Capital Grant Revenue</b>	<b>\$ 5,470,598</b>	<b>\$ 6,184,657</b>
<b>Total Grant Revenue</b>	<b>\$ 20,251,297</b>	<b>\$ 21,818,640</b>



\* Includes Airport, CAPA, City Manager, Economic Development, Law, Magistrate, Transportation Policy, and Non-Departmental non-entitlement programs.

Grants are an additional source of funds for major capital projects and certain operating programs. Grant sources include federal, state, and county governments as well as donations from businesses, organizations, or individuals to support particular programs. In most cases, grant revenues for many programs are received on a reimbursable basis, so the revenue on a large capital project may lag a fiscal year after the project is initiated. Actual collections through the third quarter of FY 2024-25 are \$20.3M as compared to \$21.8M as collected through the third quarter of FY 2023-24. The Federal Grant Freeze will impact some categories and is being monitored.