



**Chandler • Arizona**  
Where Values Make The Difference



**MEMORANDUM**

**Management Services Memo No. 17-022**

**DATE:** SEPTEMBER 22, 2016

**TO:** MAYOR AND COUNCIL

**THRU:** MARSHA REED, CITY MANAGER *MR*  
DAWN LANG, MANAGEMENT SERVICES DIRECTOR *AW for DL*

**FROM:** GREG WESTRUM, BUDGET MANAGER *AW*

**SUBJECT:** FISCAL YEAR (FY) 2016-17 MONTHLY REVENUE SUMMARY, SALES TAX COLLECTION REPORT AND GENERAL FUND EXPENDITURE REPORTS THROUGH AUGUST 2016

Attached is the FY 2016-17 General Fund Monthly Revenue and Expenditure Report for the two-month period ending August 2016. No report was published in July due to the year-end close process that extends into August. Included in this report are:

- 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; and
- Attachment 5 – General Fund Expenditure Summary.

The General Fund Monthly Revenue Summary gives a budget to actual comparison of revenues through August 2016. This month reflects a 10.2% increase in total General Fund revenues from the budgeted revenue received to date based on historical trends. The individual categories show some significant variances between budget and revenue received to date based on historical trend, but it is important to note that the first few months of the fiscal year can result in some large percentage changes because certain revenues are not received every month. We will have a better feel for the trends of General Fund revenues during the second quarter of the fiscal year.

Local transaction privilege (sales) tax through August 2016, reflects an increase of 11.5% over historical trend, and an increase of 8.1% compared to the same period last year. The largest category, Retail/Manufactured Buildings/Jet Fuel is 9.9% higher than one year earlier. Several of the Sales Tax categories are 25% to 36% higher than the prior year through August, but the comparisons will become more valuable as we move into the second quarter.

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The FY 2016-17 General Fund Expenditure Summary report reflects the percent of adjusted budget expended and encumbered through August 2016, then compares this spending percent to the prior fiscal year. Spending of 21.8% has occurred through August 2016, compared to 20.2% for the same period last year.

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

cc: Nachie Marquez, Assistant City Manager

## CITY OF CHANDLER REVENUE SUMMARY

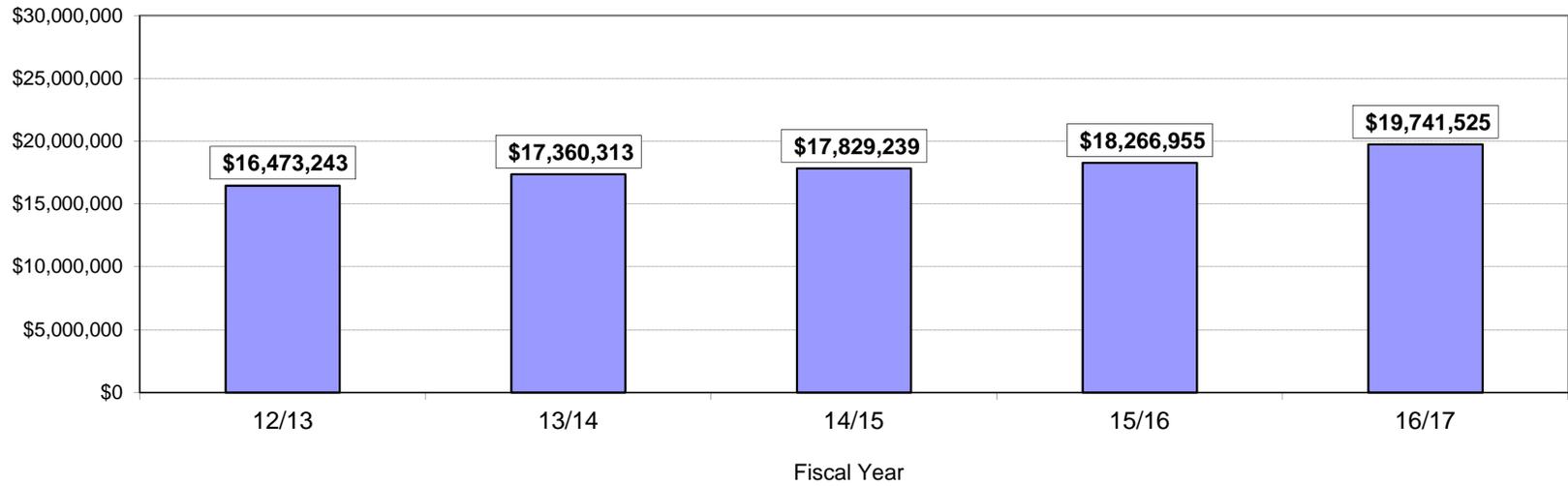
FY 2016-17 Year-To-Date Actuals Through August 2016

GENERAL FUND REVENUES	BUDGET		ACTUALS	+ or - of Actual to Budget Based on Historical Trend		% Change of Actual to Budget Based on Hist. Trend		COMPARISON TO PRIOR YEAR ACTUALS		
	FY 2016-17 Adopted Budget	FY 2016-17 Budget Prorated Based on Historical Trend	FY 2016-17 Actual Revenue YTD	FY 2015-16 Actual Revenues for Same Period	Difference + or (-) from FY 2015-16 to FY 2016-17	% Change of Actuals to Same Period FY 2015-16				
Local Sales Tax Collections	\$ 105,300,000	\$ 17,709,919	<b>\$ 19,741,525</b>	\$ 2,031,606	11.5%		\$ 18,266,955	\$ 1,474,570	8.1%	
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,091,000	307,771	<b>300,967</b>	(6,804)	-2.2%		225,956	75,011	33.2%	
<b>Total Local Sales Tax Revenue</b>	<b>107,391,000</b>	<b>18,017,690</b>	<b>20,042,492</b>	<b>2,024,802</b>	<b>11.2%</b>		<b>18,492,911</b>	<b>1,549,581</b>	<b>8.4%</b>	
Franchise Fees	3,275,000	29,835	<b>26,465</b>	(3,370)	-11.3%		31,428	(4,963)	-15.8%	
Primary Property Taxes	7,556,520	22,366	<b>11,470</b>	(10,896)	-48.7%		6,888	4,582	66.5%	
State Shared Sales Taxes	23,407,000	1,866,638	<b>1,922,110</b>	55,471	3.0%		1,779,581	142,529	8.0%	
Vehicle License Tax	9,500,000	1,163,624	<b>1,230,641</b>	67,018	5.8%		1,241,691	(11,050)	-0.9%	
Urban Revenue Sharing	30,000,000	4,998,278	<b>5,321,804</b>	323,526	6.5%		4,742,270	579,534	12.2%	
Licenses & Permits	4,921,000	550,852	<b>941,030</b>	390,179	70.8%		1,307,115	(366,085)	-28.0%	
Charges for Services	11,199,607	1,709,391	<b>1,679,485</b>	(29,905)	-1.7%		1,688,766	(9,281)	-0.5%	
Fines & Forfeitures	3,501,900	570,272	<b>402,220</b>	(168,054)	-29.5%		564,851	(162,631)	-28.8%	
Interest & Investments	1,222,000	98,694	<b>317,562</b>	218,868	221.8%		91,178	226,384	248.3%	
Other Revenues	1,778,650	241,407	<b>492,057</b>	250,650	103.8%		241,838	250,219	103.5%	
Indirect Cost	7,068,600	1,178,103	<b>1,178,100</b>	(3)	0.0%		1,195,732	(17,632)	-1.5%	
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 210,821,277</b>	<b>\$ 30,447,149</b>	<b>\$ 33,565,436</b>	<b>\$ 3,118,287</b>	<b>10.2%</b>		<b>\$ 31,384,249</b>	<b>\$ 2,181,187</b>	<b>6.9%</b>	
Prior Month	\$ 210,821,277	\$ 14,067,274	\$ 15,460,898	\$ 1,393,623	9.9%		\$ 14,562,912	\$ 897,986	6.2%	
Change from Prior Month	\$ -	\$ 16,379,875	\$ 18,104,538	\$ 1,724,663	0.3%		\$ 16,821,337	\$ 1,283,201	0.8%	

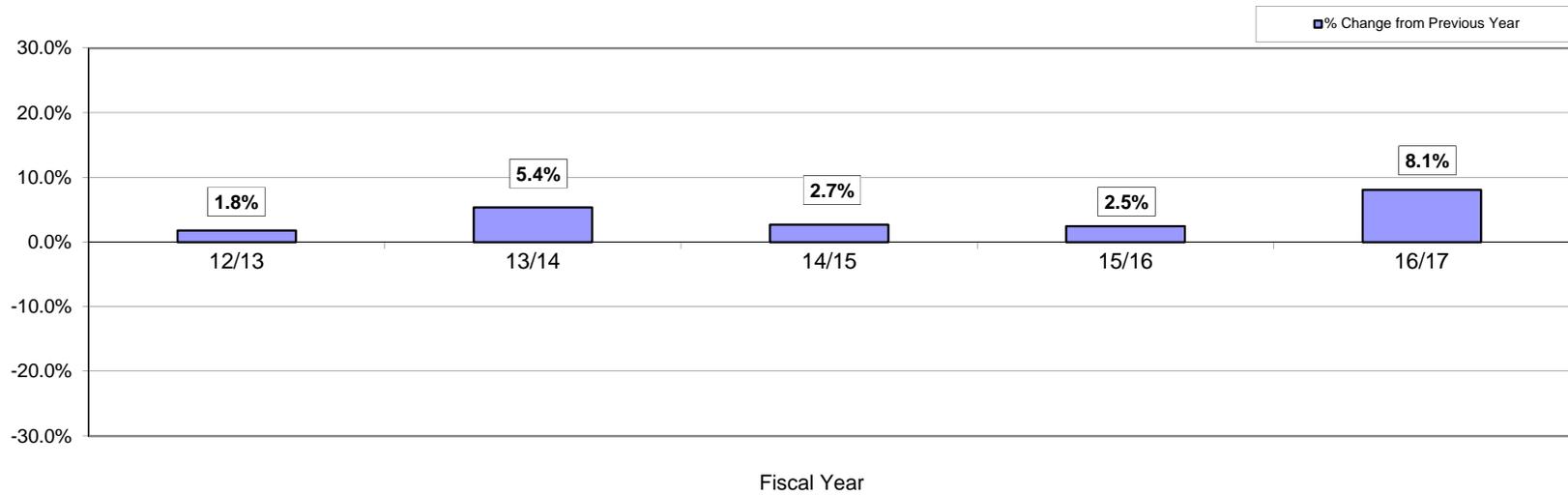
Note:

FY 2016-17 Adopted Budget excludes Interfund Transfers of \$800,000 to the General Fund for Impact Fee loan repayments.

**Local Sales Tax Revenue\* Through Month of August  
(Based on Retail Sales Through July)**



**Local Sales Tax Revenue\*  
% Change from August through August of Previous Year (Year-to-Date)**



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

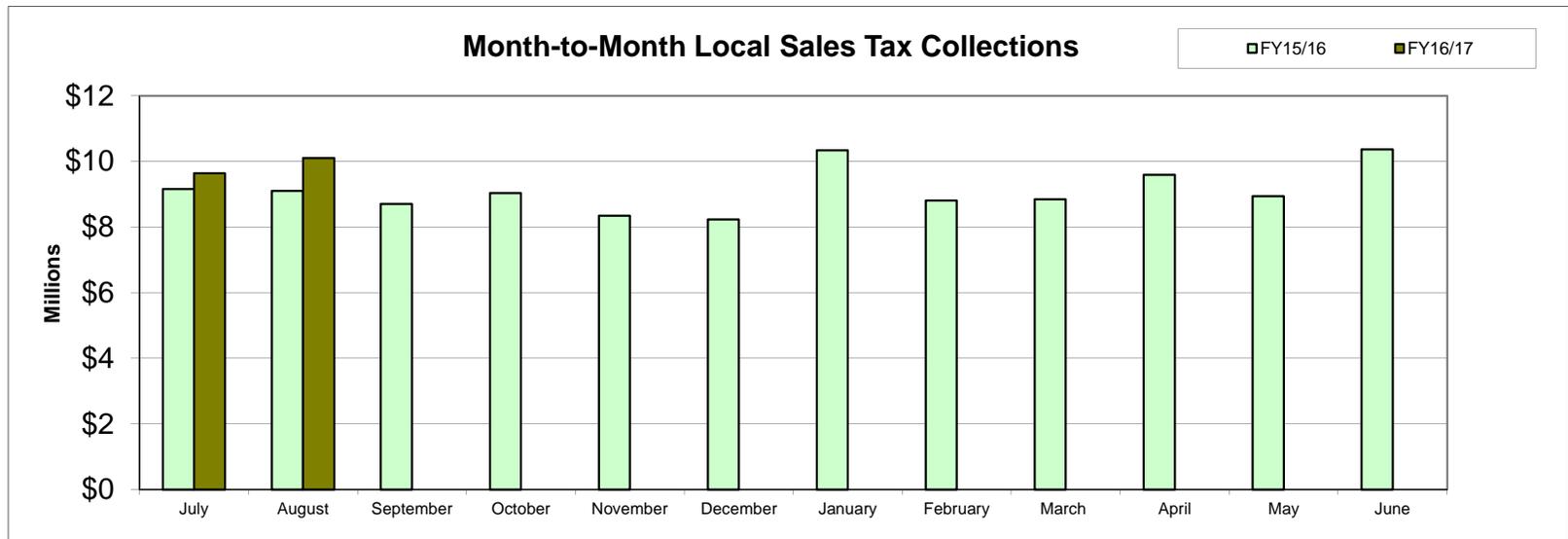
<b>SALES TAX REVENUE BY CLASS THROUGH AUGUST EACH YEAR (YEAR-TO-DATE)</b>											
Sales Tax Category	FY15-16	% Chg	THRU AUG								
	% of Total	fm PY	FY 2016-17	fm PY	FY 2015-16	fm PY	FY 2014-15	fm PY	FY 2013-14	fm PY	FY 2012-13
Utilities	12.6%	-5.7%	\$ 2,924,493.83	8.3%	\$ 3,102,901.51	4.1%	\$ 2,863,843.99	4.7%	\$ 2,749,746.45	-0.8%	\$ 2,626,952.61
Telecommunications	3.0%	-5.0%	\$ 508,798.93	-7.6%	535,571.70	-0.7%	579,583.33	-14.1%	583,714.38	7.5%	679,316.39
Publishing / Advertising / Printing / Transportation	0.2%	-35.2%	\$ 31,177.04	25.1%	48,110.65	-18.7%	38,444.91	-7.9%	47,266.06	-26.1%	51,324.34
Restaurants & Bars	9.8%	6.9%	\$ 1,749,711.49	3.4%	1,637,345.67	2.8%	1,584,237.93	12.7%	1,540,625.50	-5.2%	1,366,975.06
Amusements	0.9%	13.9%	\$ 172,290.75	31.5%	151,267.30	-9.8%	115,043.67	16.1%	127,576.51	-6.1%	109,880.69
Real Property Rentals	12.1%	2.5%	\$ 2,274,106.98	12.8%	2,218,564.08	2.5%	1,966,941.94	3.8%	1,919,664.44	3.3%	1,850,154.15
Tangible Personal Property Rentals	2.9%	36.0%	\$ 726,755.79	-6.0%	534,239.84	26.3%	568,537.11	-7.2%	450,228.88	15.5%	485,094.53
Hotels / Motels	2.7%	25.8%	\$ 422,365.56	1.8%	335,860.54	10.8%	329,861.92	3.0%	297,827.65	-8.3%	289,041.86
Contracting	8.1%	25.0%	\$ 1,846,157.71	-15.7%	1,477,309.99	4.9%	1,751,565.64	-6.7%	1,669,737.86	20.5%	1,788,950.93
Retail / Manufactured Buildings / Jet Fuel	46.7%	9.9%	\$ 8,857,613.68	1.2%	8,061,451.32	2.8%	7,963,333.48	12.4%	7,748,188.84	-2.4%	6,894,014.05
Use Tax	1.0%	38.8%	\$ 228,053.05	142.2%	164,332.42	-69.9%	67,845.04	-31.9%	225,736.83	62.8%	331,538.65
<b>TOTAL SALES TAX REVENUE</b>	<b>100.0%</b>	<b>8.1%</b>	<b>\$ 19,741,524.81</b>	<b>2.5%</b>	<b>\$ 18,266,955.02</b>	<b>2.7%</b>	<b>\$ 17,829,238.96</b>	<b>5.4%</b>	<b>\$ 17,360,313.40</b>	<b>1.8%</b>	<b>\$ 16,473,243.26</b>

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

# CITY OF CHANDLER LOCAL SALES TAX REVENUE

## Monthly Actuals Compared to Prior Year

Local Sales Tax Collections *	Monthly Collections FY15/16	Monthly Collections FY16/17	\$ Difference + / (-) FY16/17 over FY15/16	% Difference + / (-) FY16/17 over FY15/16
<b>July</b>	<b>9,159,604</b>	9,639,550	479,946	5.2%
<b>August</b>	<b>9,107,351</b>	10,101,975	994,624	10.9%
September	8,703,199			
October	9,037,881			
November	8,350,897			
December	8,235,914			
January	10,337,210			
February	8,815,281			
March	8,844,656			
April	9,594,147			
May	8,947,728			
June	10,371,886			
<b>Totals</b>	<b>18,266,955</b>	<b>19,741,525</b>	<b>1,474,570</b>	<b>8.1%</b>



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

## CITY OF CHANDLER GENERAL FUND EXPENDITURE SUMMARY THROUGH AUGUST 2016

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru Aug 2016	Percentage of Adjusted Budget Expended & Encumbered Thru Aug 2016	Percentage of Adjusted Budget Expended & Encumbered Thru Aug 2015	Over/Under Last Year's Percentage
City Clerk	\$ 826,714	\$ 840,887	\$ 176,800	21.0%	24.7%	-3.7%
City Manager and Organization Support*	37,752,673	38,776,207	9,565,579	24.7%	25.9%	-1.2%
Communications & Public Affairs	2,523,492	2,601,477	702,518	27.0%	20.0%	7.0%
Community Services**	17,736,240	18,297,120	4,947,900	27.0%	26.5%	0.5%
Fire***	32,718,525	33,424,091	7,192,253	21.5%	17.6%	3.9%
Law	3,614,983	3,614,983	571,416	15.8%	15.8%	0.0%
Magistrate	4,417,406	4,421,701	671,858	15.2%	15.9%	-0.7%
Management Services	7,375,173	7,434,675	1,461,919	19.7%	17.6%	2.1%
Mayor and Council	878,151	878,151	138,353	15.8%	16.4%	-0.6%
Police	67,435,967	67,698,777	13,925,305	20.6%	16.6%	4.0%
Transportation & Development	18,788,378	20,518,094	6,094,811	29.7%	32.1%	-2.4%
Non-Departmental (Personnel Services and O&M)	12,284,503	13,734,969	857,992	6.2%	7.2%	-1.0%
<b>Subtotal Prior to Contingencies/Reserves</b>	<b>\$ 206,352,205</b>	<b>\$ 212,241,132</b>	<b>\$ 46,306,703</b>	<b>21.8%</b>	<b>20.2%</b>	<b>1.6%</b>
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	9,226,409	3,337,482	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	31,634,000	31,634,000	-	0.0%	0.0%	0.0%
<b>TOTAL</b>	<b>\$ 247,212,614</b>	<b>\$ 247,212,614</b>	<b>\$ 46,306,703</b>	<b>18.7%</b>	<b>17.5%</b>	<b>1.2%</b>

\* Organization Support includes Innovations, Building & Facilities, Code Enforcement, Community Development, Cultural Affairs, Economic Development, Fleet Services, Housing & Redevelopment, Human Resources, Information Technology, Neighborhood Resources, and Planning. Prior year spending percentages are adjusted as appropriate to have a true comparison.

\*\* Community Services includes Aquatics, Parks Development & Operations, Recreation, Sports & Fitness Facilities, and Nature & Recreation Facilities. Prior year spending percentages are adjusted as appropriate to have a true comparison.

\*\*\* Fire, Health & Medical includes Administration, Health and Medical, Fire Operations, Prevention and Preparedness, and Fire Support Services. Prior year spending percentages are adjusted as appropriate to have a true comparison.

**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.