



MEMORANDUM

Management Services Memo No. 16-053

DATE: FEBRUARY 10, 2016

TO: MAYOR AND COUNCIL

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

FROM: GREG WESTRUM, BUDGET MANAGER *GW*

SUBJECT: FISCAL YEAR (FY) 2015-16 MONTHLY REVENUE SUMMARY, SALES TAX COLLECTION REPORT (INCLUDING ADDITIONAL INFORMATION ON AUTO SALES) AND GENERAL FUND EXPENDITURE REPORT THROUGH JANUARY 2016

Attached is the FY 2015-16 General Fund Monthly Revenue and Expenditure Report for the period ending January 2016. 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 January 2016. This month reflects a 5.7% increase in total General Fund revenues from the budgeted revenue received to date based on historical trends.

Local transaction privilege (sales) tax through January 2016, reflects an increase of 5.5% over historical trend, and an increase of 2.7% compared to the same period last year. Collections in January 2016, were 1.3% lower than January 2015. The largest category, Retail/Manufactured Buildings/Jet Fuel, is 1.9% higher than one year earlier. Some increases compared to the same period last year include Utilities (+6.3%), Amusements (+26.9%), Real Property Rentals (+12.8%), and Use Tax (+20.3%). The January report typically reflects the highest amount of sales tax collections for any month of the year since holiday retail sales in December are included in taxpayers returns filed in January. Collections in January 2016 were \$138,430 lower than January 2015.

Some categories lagging slightly behind as compared to the prior year are Contracting (-11.5%) and Telecommunications (-5.7%). January 2016 collections for the Retail/Manufactured Building/Jet Fuel category (which includes retail sales during the December holiday season) were approximately \$200,000 lower (-3.5%) than the prior year.

Year to date results for other General Fund revenue categories are mostly higher, led by Licenses and Permits (+79.2% compared to budget based on historical trend), Interest and Investments (+48.9%), and Vehicle License Tax (+9.5%). Franchise Fees are 39.3% above historical trend, but these fees are typically paid quarterly or annually so the trend can vary significantly in any given month depending on the receipt of payments. Most other categories are +/- 10% of revenues compared to budget based on historical trend.

The FY 2015-16 General Fund Expenditure Summary report reflects the percent of adjusted budget expended and encumbered through January 2016, then compares this spending percent to the prior fiscal year. Spending of 58.0% has occurred through January 2016, compared to 56.4% 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

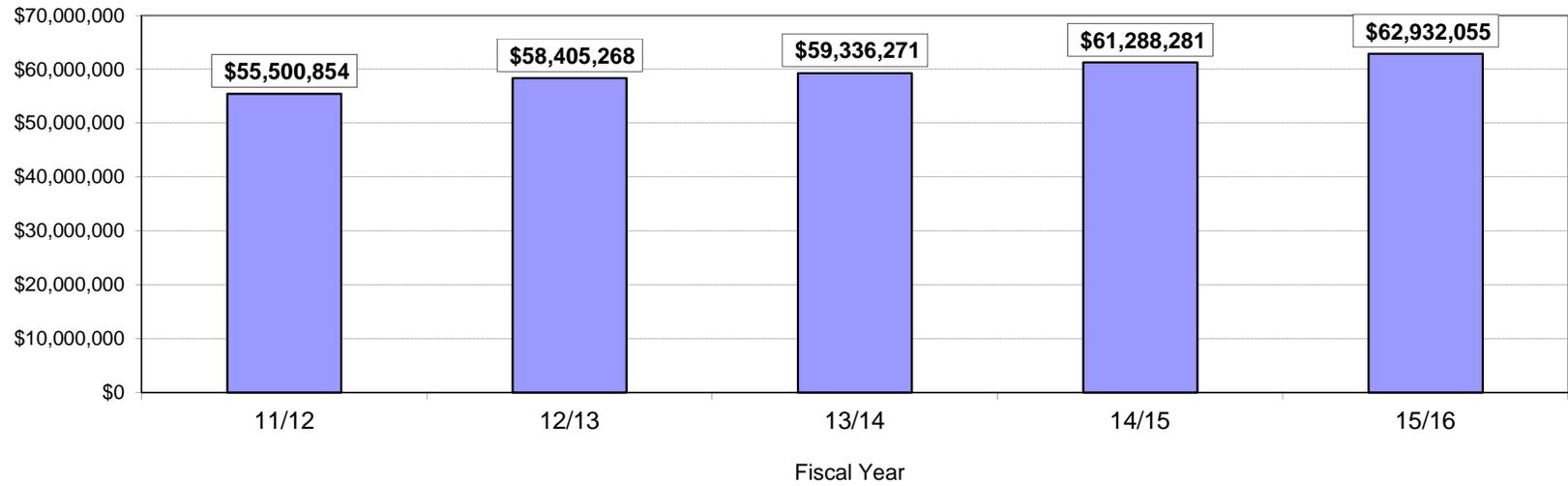
FY 2015-16 Year-To-Date Actuals Through January 2016

GENERAL FUND REVENUES	BUDGET		ACTUALS			COMPARISON TO PRIOR YEAR ACTUALS		
	FY 2015-16 Adopted Budget	FY 2015-16 Budget Prorated Based on Historical Trend	FY 2015-16 Actual Revenue YTD	+ or - of Actual to Budget Based on Historical Trend	% Change of Actual to Budget Based on Hist. Trend	FY 2014-15 Actual Revenues for Same Period	Difference + or (-) from FY 2014-15 to FY 2015-16	% Change of Actuals to Same Period FY 2014-15
Local Sales Tax Collections	\$ 102,100,000	\$ 59,650,220	\$ 62,932,055	\$ 3,281,835	5.5%	\$ 61,288,281	\$ 1,643,774	2.7%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,089,750	1,314,119	1,752,041	437,922	33.3%	1,994,189	(242,148)	-12.1%
Total Local Sales Tax Revenue	104,189,750	60,964,339	64,684,096	3,719,757	6.1%	63,282,470	1,401,626	2.2%
Franchise Fees	3,175,000	1,249,059	1,740,300	491,241	39.3%	943,995	796,305	84.4%
Primary Property Taxes	7,272,000	3,842,757	4,067,975	225,218	5.9%	3,870,767	197,208	5.1%
State Shared Sales Taxes	22,506,700	10,699,702	10,775,544	75,843	0.7%	10,220,170	555,374	5.4%
Vehicle License Tax	9,300,000	4,669,724	5,112,709	442,986	9.5%	4,321,168	791,541	18.3%
Urban Revenue Sharing	28,453,600	16,592,095	16,597,945	5,849	0.0%	16,688,422	(90,477)	-0.5%
Licenses & Permits	4,488,000	2,145,851	3,845,252	1,699,401	79.2%	2,714,052	1,131,200	41.7%
Charges for Services	11,767,600	5,644,681	5,401,420	(243,261)	-4.3%	5,578,817	(177,397)	-3.2%
Fines & Forfeitures	3,662,700	1,986,919	1,810,243	(176,677)	-8.9%	2,006,522	(196,279)	-9.8%
Interest & Investments	1,094,000	367,677	547,583	179,906	48.9%	369,280	178,303	48.3%
Other Revenues	1,748,399	1,019,899	1,102,886	82,987	8.1%	805,361	297,525	36.9%
Indirect Cost	7,174,390	4,185,061	4,185,061	(0)	0.0%	4,421,025	(235,964)	-5.3%
TOTAL GENERAL FUND REVENUES	\$ 204,832,139	\$ 113,367,764	\$ 119,871,014	\$ 6,503,250	5.7%	\$ 115,222,049	\$ 4,648,965	4.0%
Prior Month	\$ 204,832,139	\$ 94,997,081	\$ 100,960,368	\$ 5,963,287	6.3%	\$ 96,463,635	\$ 4,496,732	4.7%
Change from Prior Month	\$ -	\$ 18,370,683	\$ 18,910,646	\$ 539,963	-0.6%	\$ 18,758,414	\$ 152,233	-0.7%

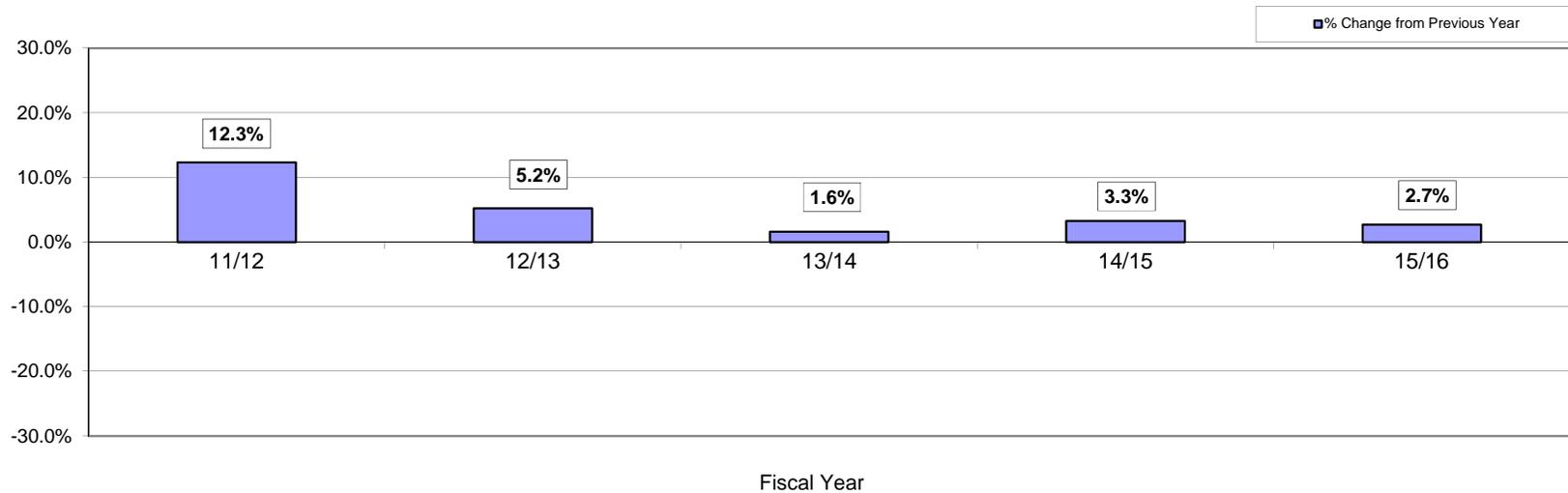
Note:

FY 2015-16 Adopted Budget excludes Interfund Transfers of \$900,000 to the General Fund for Impact Fee loan repayments.

Local Sales Tax Revenue* Through Month of January
 (Based on Retail Sales Through December)



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



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

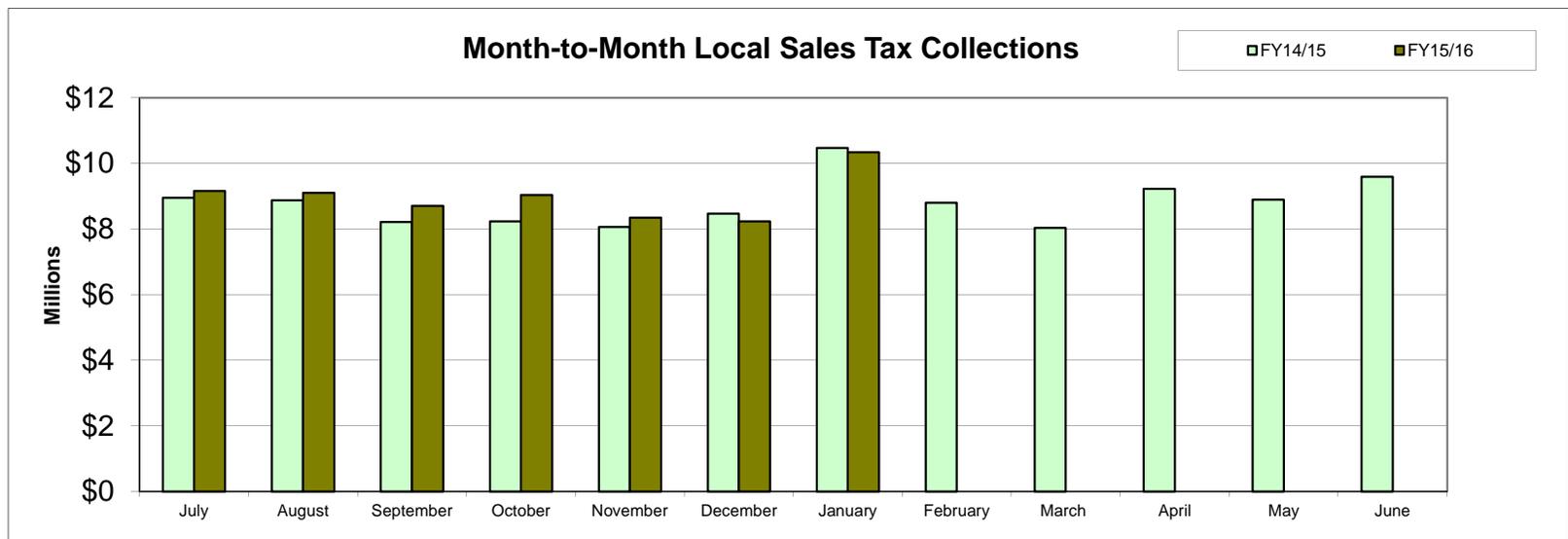
SALES TAX REVENUE BY CLASS THROUGH JANUARY EACH YEAR (YEAR-TO-DATE)											
Sales Tax Category	FY14-15	% Chg	THRU JAN	% Chg	THRU JAN						
	% of Total	fm PY	FY 2015-16	fm PY	FY 2014-15	fm PY	FY 2013-14	fm PY	FY 2012-13	fm PY	FY 2011-12
Utilities	12.5%	6.3%	\$ 9,062,054.67	6.5%	\$ 8,523,134.66	0.6%	\$ 8,003,330.50	0.6%	\$ 7,953,326.75	5.8%	\$ 7,902,158.20
Telecommunications	3.2%	-5.7%	1,864,132.91	-3.9%	1,976,266.28	-7.3%	2,057,142.26	2.9%	2,218,178.67	-1.0%	2,155,740.63
Publishing / Advertising / Printing / Transportation	0.2%	-1.7%	153,099.81	5.7%	155,722.81	-24.2%	147,303.38	-11.3%	194,282.25	2.9%	218,925.04
Restaurants & Bars	9.6%	4.5%	5,806,227.97	4.3%	5,554,433.34	7.4%	5,325,886.60	2.4%	4,961,199.91	10.1%	4,843,626.14
Amusements	0.8%	26.9%	543,947.80	3.0%	428,809.30	10.3%	416,219.86	-2.0%	377,245.41	8.0%	384,773.29
Real Property Rentals	11.3%	12.8%	7,660,920.48	4.7%	6,791,154.30	3.2%	6,483,939.65	4.6%	6,280,621.81	8.5%	6,003,493.78
Tangible Personal Property Rentals	3.1%	-4.2%	1,778,496.25	20.7%	1,857,229.97	-9.1%	1,538,211.09	18.0%	1,692,020.56	3.7%	1,434,207.85
Hotels / Motels	2.7%	4.1%	1,265,923.17	2.6%	1,216,017.57	9.5%	1,185,582.04	1.1%	1,082,796.48	19.4%	1,071,450.57
Contracting	8.4%	-11.5%	4,947,222.56	-6.3%	5,591,064.47	-8.8%	5,968,157.56	7.8%	6,545,807.42	60.2%	6,071,425.59
Retail / Manufactured Buildings / Jet Fuel	47.1%	1.9%	29,181,893.06	4.4%	28,638,851.49	4.2%	27,428,118.90	6.4%	26,313,846.10	9.5%	24,735,875.61
Use Tax	1.1%	20.3%	668,136.67	-29.0%	555,596.67	-0.5%	782,379.54	15.7%	785,942.69	12.7%	679,177.70
TOTAL SALES TAX REVENUE	100.0%	2.7%	\$ 62,932,055.35	3.3%	\$ 61,288,280.86	1.6%	\$ 59,336,271.38	5.2%	\$ 58,405,268.05	12.3%	\$ 55,500,854.40

*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 FY14/15	Monthly Collections FY15/16	\$ Difference + / (-) FY15/16 over FY14/15	% Difference + / (-) FY15/16 over FY14/15
July	8,951,200	9,159,604	208,404	2.3%
August	8,878,039	9,107,351	229,312	2.6%
September	8,216,900	8,703,199	486,299	5.9%
October	8,230,791	9,037,881	807,090	9.8%
November	8,064,142	8,350,897	286,755	3.6%
December	8,471,569	8,235,914	(235,655)	-2.8%
January	10,475,640	10,337,210	(138,430)	-1.3%
February	8,802,881			
March	8,039,585			
April	9,224,608			
May	8,892,715			
June	9,594,021			
Totals	61,288,281	62,932,056	1,643,775	2.7%



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

CITY OF CHANDLER GENERAL FUND EXPENDITURE SUMMARY THROUGH JANUARY 2016

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru Jan 2016	Percentage of Adjusted Budget Expended & Encumbered Thru Jan 2016	Percentage of Adjusted Budget Expended & Encumbered Thru Jan 2015	Over/Under Last Year's Percentage
City Clerk	\$ 617,010	\$ 638,367	\$ 358,203	56.1%	68.4%	-12.3%
City Manager and Organizational Support*	31,542,698	33,364,510	20,162,502	60.4%	60.3%	0.1%
Communications & Public Affairs	2,317,974	2,516,908	1,390,522	55.2%	62.9%	-7.7%
Community & Neighborhood Services	20,522,667	21,776,880	13,165,390	60.5%	60.7%	-0.2%
Fire	33,446,070	34,520,993	20,684,061	59.9%	60.5%	-0.6%
Law	3,475,487	3,557,561	2,015,318	56.6%	53.1%	3.5%
Magistrate	4,306,286	4,371,308	2,385,618	54.6%	51.7%	2.9%
Management Services	7,124,855	7,419,497	4,217,943	56.8%	57.2%	-0.4%
Mayor and Council	837,550	851,888	490,251	57.5%	53.3%	4.2%
Police	66,601,585	67,477,952	42,178,592	62.5%	59.2%	3.3%
Transportation & Development	18,002,139	21,118,323	12,674,225	60.0%	54.9%	5.1%
Non-Departmental (Personnel Services and O&M)	10,344,754	18,127,185	5,493,525	30.3%	13.2%	17.1%
Subtotal Prior to Contingencies/Reserves	\$ 199,139,075	\$ 215,741,372	\$ 125,216,150	58.0%	56.4%	1.6%
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	14,649,854	2,474,361	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	30,806,993	24,233,072	-	0.0%	0.0%	0.0%
TOTAL	\$ 244,595,922	\$ 242,448,805	\$ 125,216,150	51.6%	49.0%	2.6%

* Organization Support includes Building & Facilities, Cultural Affairs, Economic Development, Human Resources, Information Technology, and Planning.

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.