



**MEMORANDUM**

**Management Services Memo No. 17-027**

**DATE:** OCTOBER 20, 2016

**TO:** MAYOR AND COUNCIL

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

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

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

Attached is the FY 2016-17 General Fund Monthly Revenue and Expenditure Reports for the period ending September 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 September 2016. This month reflects a 11.5% increase in total General Fund revenues from the budgeted revenue received to date based on historical trends. Some individual categories show significant variances between budgeted based on historical trend and revenue received to date, 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. For example, Franchise Fee collections (-48.8%) and Primary Property Tax collections (-30.3%) both reflect below budget based on historical trend; however, both categories typically start the year slowly but are expected to achieve their budgeted amounts by the end of the Fiscal Year.

On the positive side, Licenses & Permits is at 91.1% over budget based on historical trend, even though the category has collected \$350,198 less than the previous year, through September. We will have a better feel for the trends of General Fund revenues during the second quarter of the fiscal year (October through December).

Local transaction privilege (sales) tax through September 2016 reflects an increase of 14.0% over historical trend, and an increase of 10.1% compared to the same period last year. The largest category, Retail/Manufactured Buildings/Jet Fuel is 10.3% higher than one year earlier, along with increases in categories such as Restaurants & Bars (+7.6%), Hotels/Motels (+27.7%), Contracting (+34.8%), and Use Tax (+66.4%) categories. While the increase in Hotels/Motels is consistent with the growth in hotels in the City over the past year, some of the other increases are expected to moderate over the course of the year.

The FY 2016-17 General Fund Expenditure Summary report reflects the percent of adjusted budget expended and encumbered through September 2016, then compares this spending percent to the prior fiscal year. Spending of 28.9% has occurred through September 2016, compared to 28.1% 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

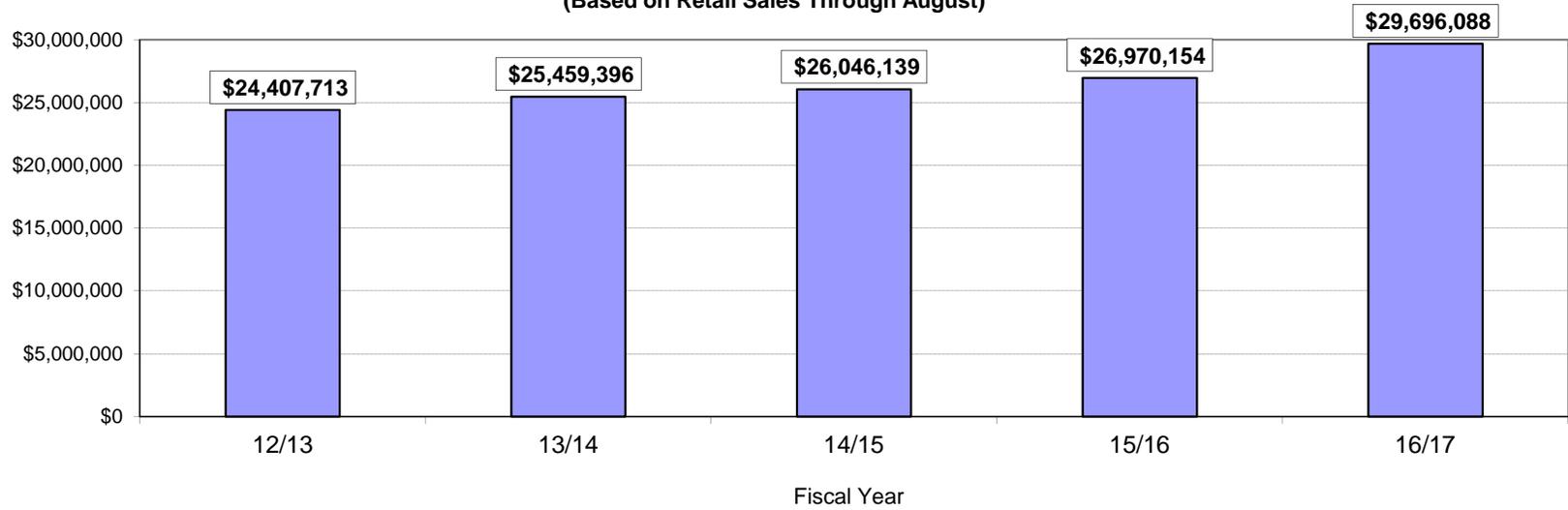
## FY 2016-17 Year-To-Date Actuals Through September 2016

GENERAL FUND REVENUES	BUDGET		ACTUALS			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	+ or - of Actual to Budget Based on Historical Trend	% Change of Actual to Budget Based on Hist. Trend	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	\$ 26,056,485	<b>\$ 29,696,088</b>	\$ 3,639,603	14.0%	\$ 26,970,154	\$ 2,725,934	10.1%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,091,000	461,822	<b>383,920</b>	(77,902)	-16.9%	452,120	(68,200)	-15.1%
<b>Total Local Sales Tax Revenue</b>	<b>107,391,000</b>	<b>26,518,307</b>	<b>30,080,008</b>	<b>3,561,701</b>	<b>13.4%</b>	<b>27,422,274</b>	<b>2,657,734</b>	<b>9.7%</b>
Franchise Fees	3,275,000	51,699	<b>26,465</b>	(25,234)	-48.8%	60,406	(33,941)	-56.2%
Primary Property Taxes	7,556,520	40,652	<b>28,348</b>	(12,304)	-30.3%	21,719	6,629	30.5%
State Shared Sales Taxes	23,407,000	3,676,087	<b>3,823,103</b>	147,016	4.0%	3,561,550	261,553	7.3%
Vehicle License Tax	9,500,000	1,892,945	<b>2,073,248</b>	180,303	9.5%	1,987,106	86,142	4.3%
Urban Revenue Sharing	30,000,000	7,497,417	<b>7,982,706</b>	485,289	6.5%	7,113,405	869,301	12.2%
Licenses & Permits	4,921,000	761,965	<b>1,456,234</b>	694,269	91.1%	1,806,432	(350,198)	-19.4%
Charges for Services	11,199,607	2,349,329	<b>2,409,321</b>	59,992	2.6%	2,434,996	(25,675)	-1.1%
Fines & Forfeitures	3,501,900	838,997	<b>630,444</b>	(208,553)	-24.9%	829,230	(198,786)	-24.0%
Interest & Investments	1,222,000	127,389	<b>261,898</b>	134,509	105.6%	176,262	85,636	48.6%
Other Revenues	1,778,650	353,939	<b>616,373</b>	262,434	74.1%	347,737	268,636	77.3%
Indirect Cost	7,068,600	1,767,153	<b>1,767,150</b>	(3)	0.0%	1,793,598	(26,448)	-1.5%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 210,821,277</b>	<b>\$ 45,875,879</b>	<b>\$ 51,155,298</b>	<b>\$ 5,279,419</b>	<b>11.5%</b>	<b>\$ 47,554,715</b>	<b>\$ 3,600,584</b>	<b>7.6%</b>
Prior Month	\$ 210,821,277	\$ 30,447,149	\$ 33,565,436	\$ 3,118,287	10.2%	\$ 31,384,249	\$ 2,181,187	6.9%
Change from Prior Month	\$ -	\$ 15,428,730	\$ 17,589,862	\$ 2,161,132	1.3%	\$ 16,170,466	\$ 1,419,397	0.6%

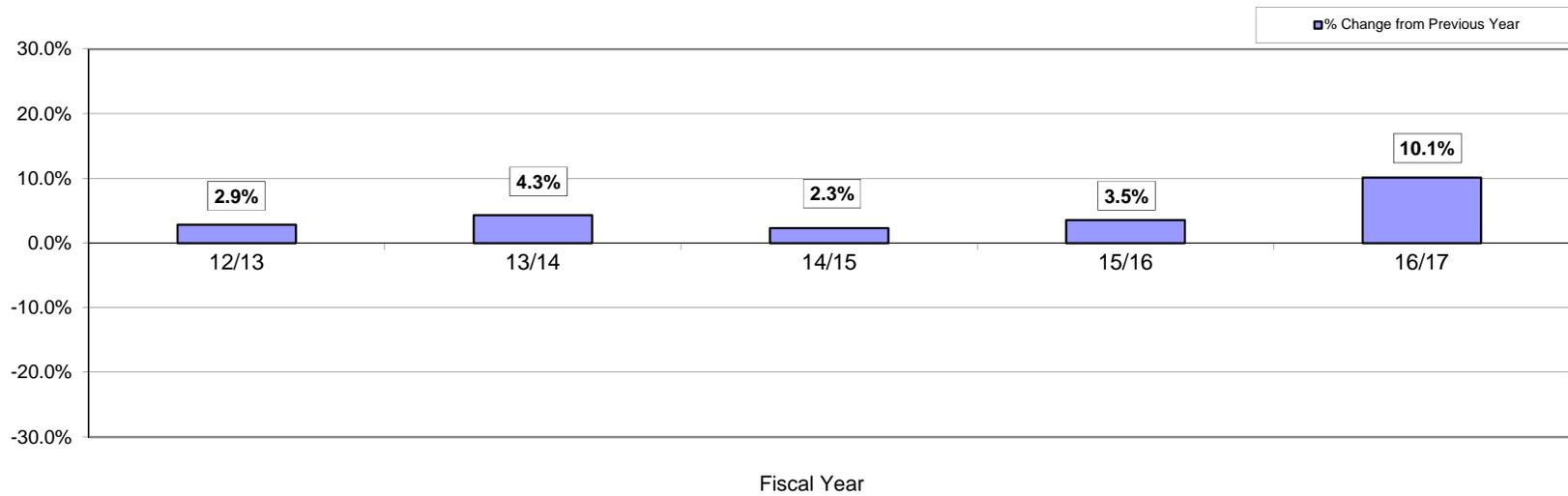
Note:

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 September  
(Based on Retail Sales Through August)**



**Local Sales Tax Revenue\*  
% Change from September through September 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 SEPTEMBER EACH YEAR (YEAR-TO-DATE)**

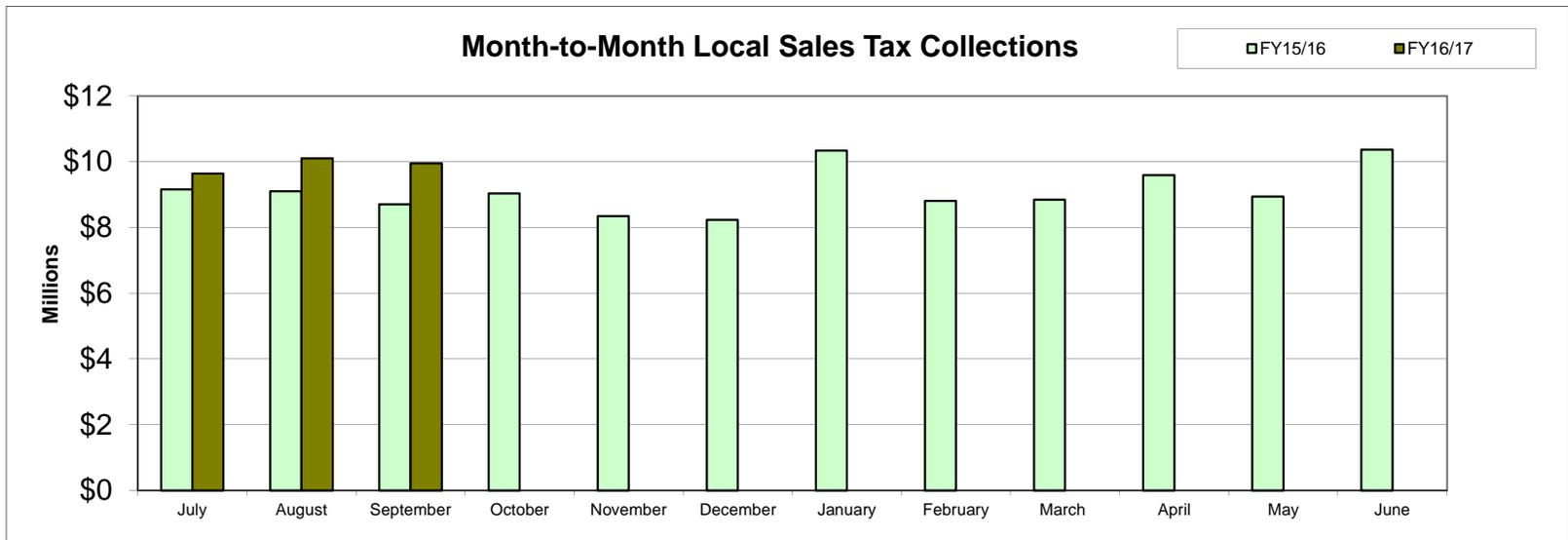
Sales Tax Category	FY15-16	% Chg	THRU SEP	% Chg	THRU SEP	% Chg	THRU SEP	% Chg	THRU SEP	% Chg	THRU SEP
	% of Total	fm PY	FY 2016-17	fm PY	FY 2015-16	fm PY	FY 2014-15	fm PY	FY 2013-14	fm PY	FY 2012-13
Utilities	12.6%	-2.5%	\$ 4,651,609.00	9.3%	\$ 4,773,110.79	3.3%	\$ 4,366,367.62	3.5%	\$ 4,228,524.59	-1.2%	\$ 4,085,107.70
Telecommunications	3.0%	-5.2%	\$ 749,702.40	-8.4%	791,229.52	-1.4%	864,192.86	-11.4%	876,542.47	5.6%	989,730.06
Publishing / Advertising / Printing / Transportation	0.2%	-30.4%	\$ 45,633.34	16.7%	65,591.80	-18.8%	56,186.93	-7.5%	69,154.64	-20.7%	74,722.00
Restaurants & Bars	9.8%	7.6%	\$ 2,626,490.94	3.6%	2,440,539.29	3.7%	2,354,715.84	11.5%	2,271,120.56	-1.9%	2,037,447.54
Amusements	0.9%	4.3%	\$ 241,263.42	34.3%	231,338.65	-8.0%	172,209.28	16.1%	187,089.02	-7.1%	161,195.78
Real Property Rentals	12.1%	6.3%	\$ 3,352,625.67	12.1%	3,152,685.94	3.8%	2,813,162.25	6.3%	2,709,477.13	-0.4%	2,547,958.06
Tangible Personal Property Rentals	2.9%	31.0%	\$ 987,975.03	-4.7%	753,963.74	13.9%	791,413.60	-0.9%	694,667.82	14.9%	701,011.68
Hotels / Motels	2.7%	27.7%	\$ 591,321.25	-3.6%	463,006.64	8.8%	480,496.66	9.3%	441,725.53	-8.7%	404,288.95
Contracting	8.1%	34.8%	\$ 2,942,293.77	-1.6%	2,182,707.40	-7.5%	2,217,609.02	-9.8%	2,397,275.23	4.7%	2,656,903.03
Retail / Manufactured Buildings / Jet Fuel	46.7%	10.3%	\$ 13,080,415.28	0.8%	11,859,573.10	4.3%	11,761,187.91	9.0%	11,278,227.17	4.8%	10,343,512.03
Use Tax	1.0%	66.4%	\$ 426,758.03	52.1%	256,407.27	-44.8%	168,596.75	-24.7%	305,592.15	37.4%	405,835.86
<b>TOTAL SALES TAX REVENUE</b>	<b>100.0%</b>	<b>10.1%</b>	<b>\$ 29,696,088.13</b>	<b>3.5%</b>	<b>\$ 26,970,154.14</b>	<b>2.3%</b>	<b>\$ 26,046,138.72</b>	<b>4.3%</b>	<b>\$ 25,459,396.31</b>	<b>2.9%</b>	<b>\$ 24,407,712.69</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%
<b>September</b>	<b>8,703,199</b>	9,954,563	1,251,364	14.4%
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>26,970,154</b>	<b>29,696,088</b>	<b>2,725,934</b>	<b>10.1%</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 SEPTEMBER 2016

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru Sept 2016	Percentage of Adjusted Budget Expended & Encumbered Thru Sept 2016	Percentage of Adjusted Budget Expended & Encumbered Thru Sept 2015	Over/Under Last Year's Percentage
City Clerk	\$ 826,714	\$ 900,418	\$ 286,052	31.8%	30.9%	0.9%
City Manager and Organization Support*	37,752,673	38,907,341	12,245,687	31.5%	31.6%	-0.1%
Communications & Public Affairs	2,523,492	2,625,172	807,967	30.8%	25.6%	5.2%
Community Services**	17,736,240	18,816,179	6,362,459	33.8%	33.7%	0.1%
Fire, Health & Medical***	32,718,525	33,930,398	9,543,436	28.1%	25.0%	3.1%
Law	3,614,983	3,670,305	841,760	22.9%	23.2%	-0.3%
Magistrate	4,417,406	4,449,032	1,026,480	23.1%	23.2%	-0.1%
Management Services	7,375,173	7,544,247	1,993,117	26.4%	28.7%	-2.3%
Mayor and Council	878,151	892,526	206,149	23.1%	24.3%	-1.2%
Police	67,435,967	68,644,985	19,000,442	27.7%	24.5%	3.2%
Transportation & Development	18,788,378	20,656,452	7,142,476	34.6%	37.8%	-3.2%
Non-Departmental (Personnel Services and O&M)	12,284,503	11,215,067	1,825,350	16.3%	25.1%	-8.8%
<b>Subtotal Prior to Contingencies/Reserves</b>	<b>\$ 206,352,205</b>	<b>\$ 212,252,122</b>	<b>\$ 61,281,375</b>	<b>28.9%</b>	<b>28.1%</b>	<b>0.8%</b>
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	9,226,409	3,326,492	-	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>\$ 61,281,375</b>	<b>24.8%</b>	<b>25.0%</b>	<b>-0.2%</b>

\* Organization Support includes Innovations, Building & Facilities, Code Enforcement, Community Development, Cultural Affairs, Economic Development, Fleet Services (moved from Fire, Health & Medical), 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. Fleet Services transferred to Organization Support. 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, movement of personnel appropriation to Departments based on final negotiated Council approved contracts, 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.