

Monthly Financial Report

Fiscal Year to Date
as of May 31, 2017

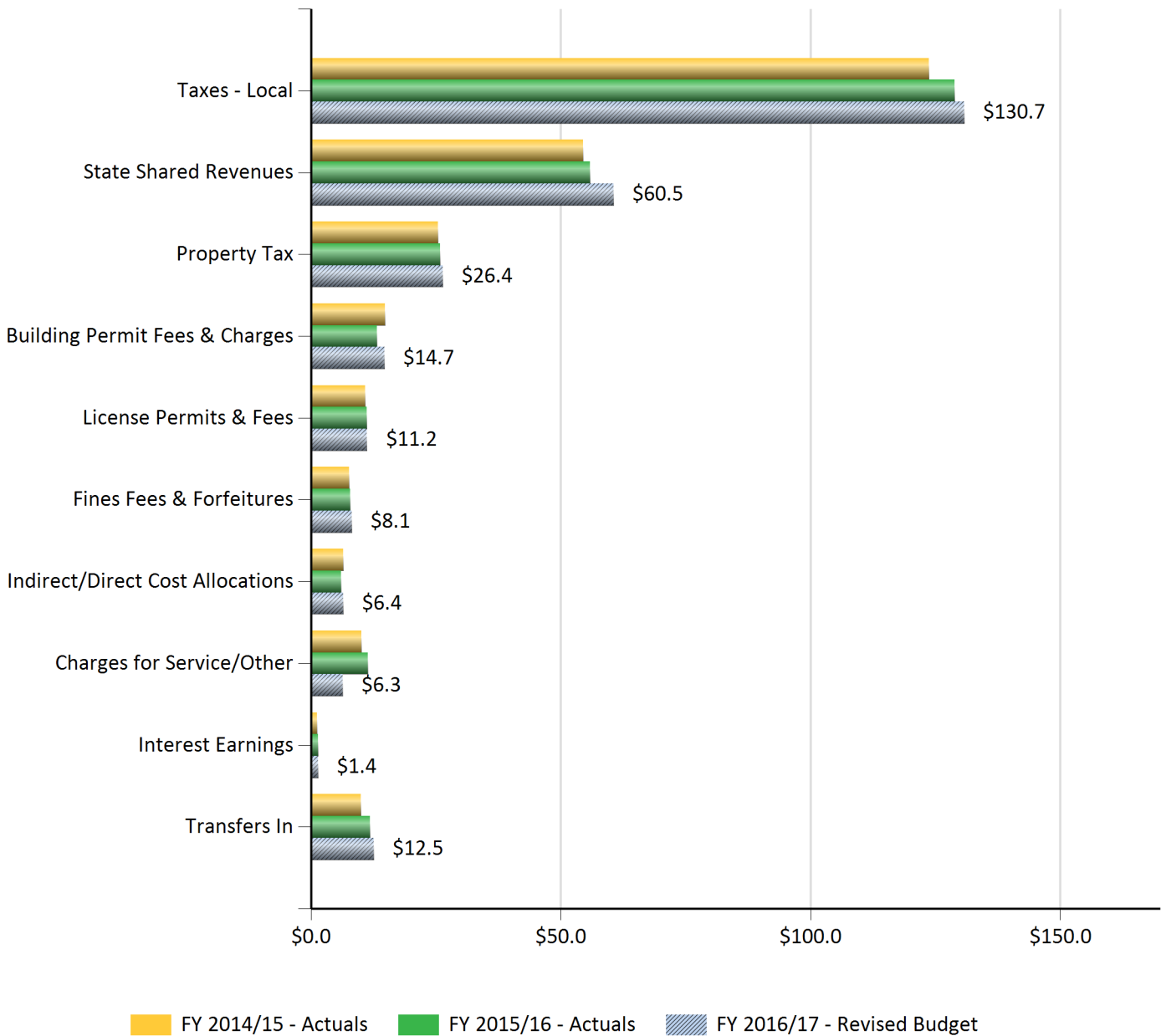


Report to the City Council
Prepared by the City Treasurer
August 29, 2017



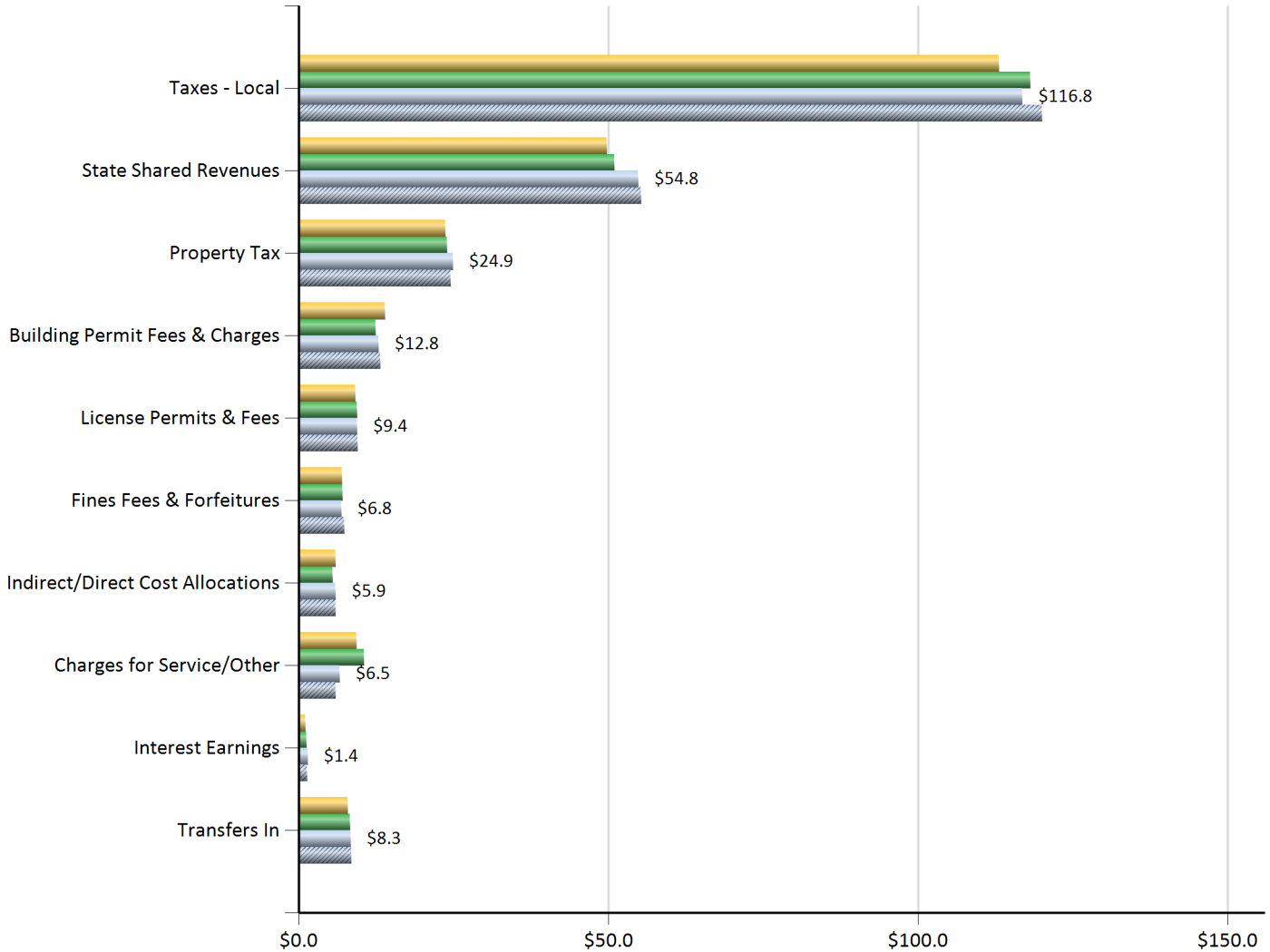
Sources

Twelve Months: Fiscal Year





Sources (Fiscal Year to Date: May 2017)

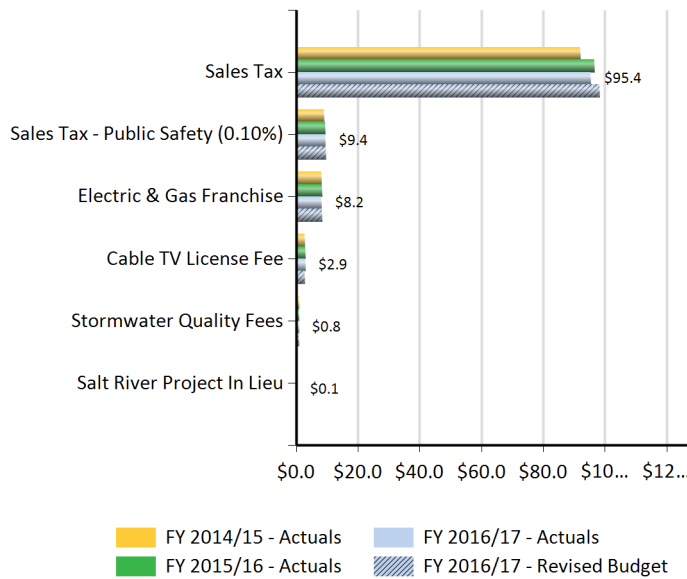


■ FY 2014/15 - Actuals
 ■ FY 2015/16 - Actuals
 ■ FY 2016/17 - Actuals
 ▨ FY 2016/17 - Revised Budget

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$113.0	\$118.1	\$116.8	\$120.0	(\$3.2)	(3%)
State Shared Revenues	49.7	50.9	54.8	55.2	(0.4)	(1%)
Property Tax	23.6	23.9	24.9	24.5	0.3	1%
Building Permit Fees & Charges	13.9	12.4	12.8	13.1	(0.3)	(2%)
License Permits & Fees	9.1	9.4	9.4	9.4	-	-
Fines Fees & Forfeitures	6.9	7.0	6.8	7.3	(0.5)	(6%)
Indirect/Direct Cost Allocations	5.9	5.5	5.9	5.9	-	-
Charges for Service/Other	9.3	10.5	6.5	5.9	0.7	12%
Interest Earnings	1.0	1.2	1.4	1.3	0.1	8%
Transfers In	7.9	8.3	8.3	8.4	(0.1)	(1%)
Total Sources	\$240.4	\$247.1	\$247.6	\$251.1	(\$3.5)	(1%)



Taxes - Local (Fiscal Year to Date: May 2017)

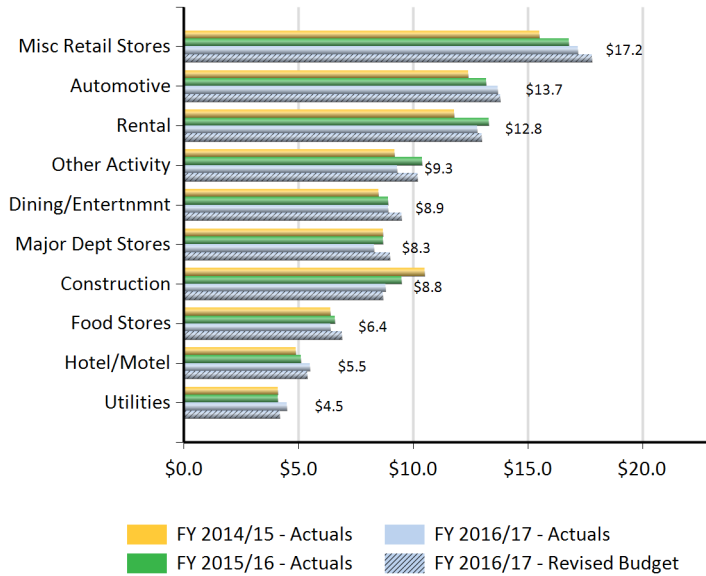


Actual to Revised Budget variance of (\$3.2) million or (3%): Unfavorable variances in Sales Tax and Sales Tax - Public Safety (0.10%) are due to Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily. The unfavorable variance in Electric & Gas Franchise is due to the timing of the receipt of a Southwest Gas payment while the favorable variance in Cable TV License Fees is due to higher than anticipated franchise revenues related to the 3rd quarter payments from Cox Communications.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget	
					Favorable / (Unfavorable) Amount	Percent
Sales Tax	\$92.0	\$96.5	\$95.4	\$98.3	(\$3.0)	(3%)
Sales Tax - Public Safety (0.10%)	9.0	9.5	9.4	9.6	(0.2)	(3%)
Electric & Gas Franchise	8.2	8.3	8.2	8.4	(0.2)	(3%)
Cable TV License Fee	2.8	2.9	2.9	2.7	0.2	7%
Stormwater Quality Fees	0.8	0.8	0.8	0.8	-	-
Salt River Project In Lieu	0.1	0.1	0.1	0.1	-	-
Taxes - Local Total	\$113.0	\$118.1	\$116.8	\$120.0	(\$3.2)	(3%)



Sales Tax (Fiscal Year to Date: May 2017)

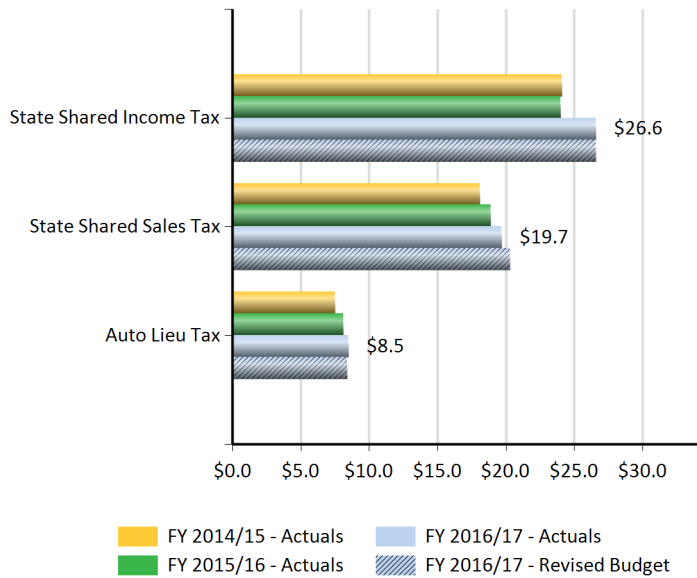


Actual to Revised Budget variance of (\$3.0) million or (3%):
 The unfavorable variance is primarily a result of the ADOR taking over administration, collection and reporting of sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily. The favorable variance in Construction is due to unanticipated speculative sales. Construction's favorable variance is partially offset as a result of reclassifying a taxpayer to the Utilities category thus creating a favorable variance in this category. The favorable variance in Hotel/Motel is due to normal business fluctuations.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Misc Retail Stores	\$15.5	\$16.8	\$17.2	\$17.8	(\$0.6)	(3%)
Automotive	12.4	13.2	13.7	13.8	(0.1)	(1%)
Rental	11.8	13.3	12.8	13.0	(0.2)	(1%)
Other Activity	9.2	10.4	9.3	10.2	(0.8)	(8%)
Dining/Entertainment	8.5	8.9	8.9	9.5	(0.6)	(6%)
Major Dept Stores	8.7	8.7	8.3	9.0	(0.7)	(8%)
Construction	10.5	9.5	8.8	8.7	0.1	2%
Food Stores	6.4	6.6	6.4	6.9	(0.5)	(7%)
Hotel/Motel	4.9	5.1	5.5	5.4	0.1	2%
Utilities	4.1	4.1	4.5	4.2	0.3	7%
Sales Tax Total	\$92.0	\$96.5	\$95.4	\$98.3	(\$3.0)	(3%)



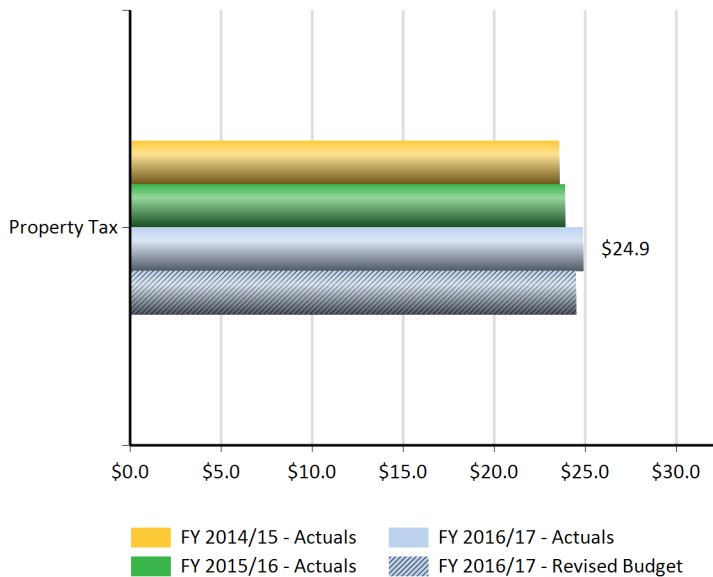
State Shared Revenues (Fiscal Year to Date: May 2017)



Actual to Revised Budget variance of (\$0.4) million or (1%): State Shared Revenues is unfavorable due to Sales Tax. While both February and May saw increases when compared to the other months throughout the year, the total year to date revenue is not meeting the expected budget determined by the Arizona League of Cities and Towns. This is being partially offset by a favorable variance in Auto Lieu Tax due to the higher than forecasted sales of new and used vehicles in June 2016 which resulted in these purchases being licensed in the first few months of the current Fiscal Year. As the year progressed, sales trends slowed in the late fall and winter, but have been picking up during the spring months. However, since the majority of the year's budget resides in May and June, the modest increase in sales is not keeping up with the much higher budgeted amounts in May, nor are they expected to in June. This is decreasing the favorable variance in Auto Lieu Tax seen thus far this year.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Income Tax	\$24.1	\$24.0	\$26.6	\$26.6	\$ -	-
State Shared Sales Tax	18.1	18.9	19.7	20.3	(0.6)	(3%)
Auto Lieu Tax	7.5	8.1	8.5	8.4	0.2	2%
State Shared Revenues Total	\$49.7	\$50.9	\$54.8	\$55.2	(\$0.4)	(1%)

Property Tax (Fiscal Year to Date: May 2017)

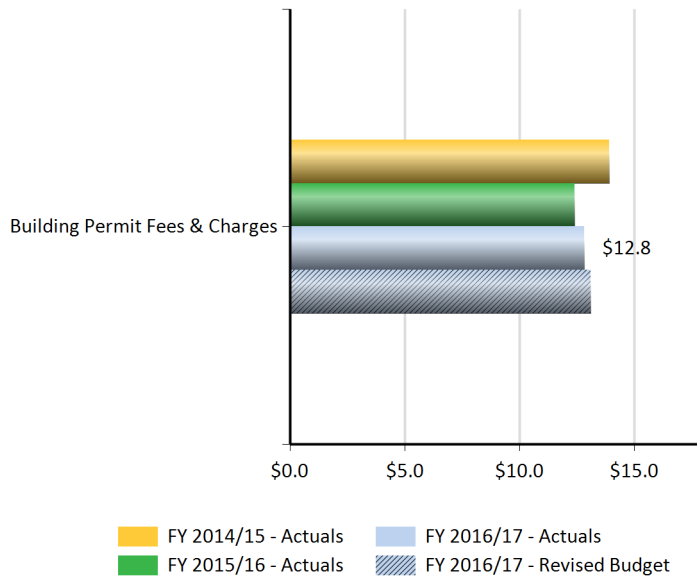


Actual to Revised Budget variance of \$0.3 million or 1%: Property Tax is favorable due to timing. Property owners have the option to pay in one or two installments (October or October and April/May). The budget is based on the way taxpayers paid last year and may vary year over year.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$23.6	\$23.9	\$24.9	\$24.5	\$0.3	1%
Property Tax Total	\$23.6	\$23.9	\$24.9	\$24.5	\$0.3	1%



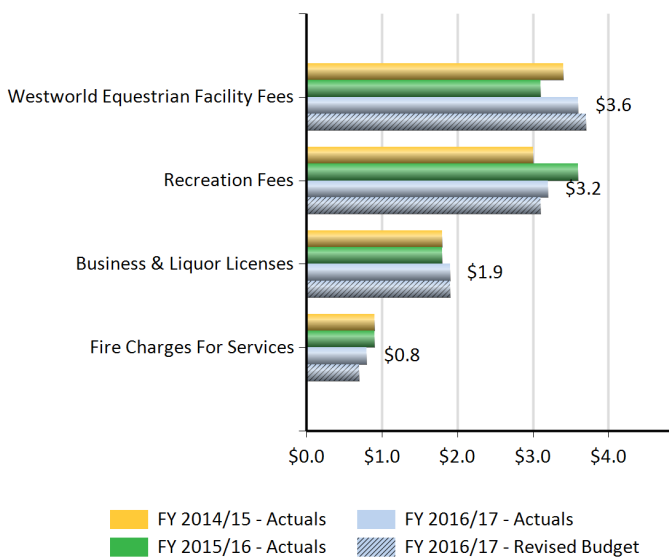
Building Permit Fees & Charges (Fiscal Year to Date: May 2017)



Actual to Revised Budget variance of (\$0.3) million or (2%):
 The unfavorable variance is due to lower than estimated multi-family residential valuations. This is partially offset by an upward trend in single family construction and unbudgeted special event fee revenue.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$13.9	\$12.4	\$12.8	\$13.1	(\$0.3)	(2%)
Building Permit Fees & Charges Total	\$13.9	\$12.4	\$12.8	\$13.1	(\$0.3)	(2%)

License Permits & Fees (Fiscal Year to Date: May 2017)

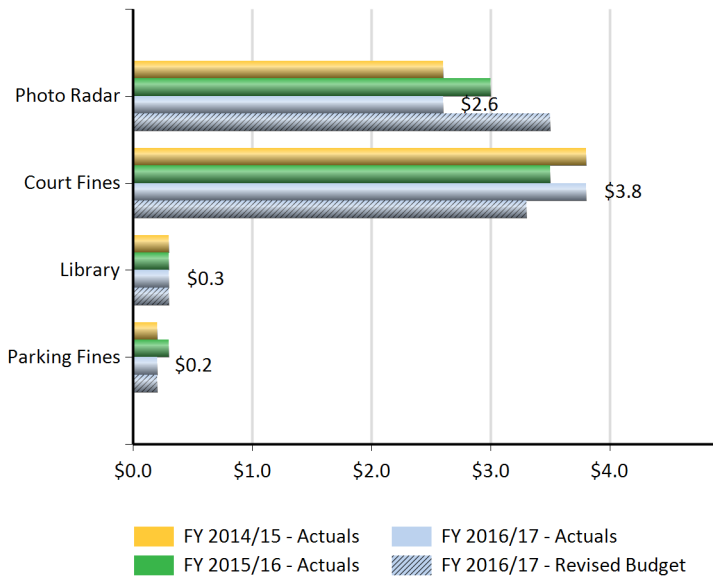


Actual to Revised Budget variance of \$0.0 million or 0%:
 WestWorld Equestrian Facility Fees is unfavorable due to an event at WestWorld being canceled at the last minute impacting revenue from rental facilities and feed and bedding sales. This is partially offset by higher than expected revenue from Recreation Fees for Afterschool Programs and Aquatic Lessons and a favorable variance in Fire Charges For Services related to stronger demand for Fire Services during the special events season than what was anticipated.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
WestWorld Equestrian Facility Fees	\$3.4	\$3.1	\$3.6	\$3.7	(\$0.2)	(5%)
Recreation Fees	3.0	3.6	3.2	3.1	0.1	3%
Business & Liquor Licenses	1.8	1.8	1.9	1.9	-	-
Fire Charges For Services	0.9	0.9	0.8	0.7	0.1	8%
License Permits & Fees Total	\$9.1	\$9.4	\$9.4	\$9.4	\$ -	-



Fines Fees & Forfeitures (Fiscal Year to Date: May 2017)

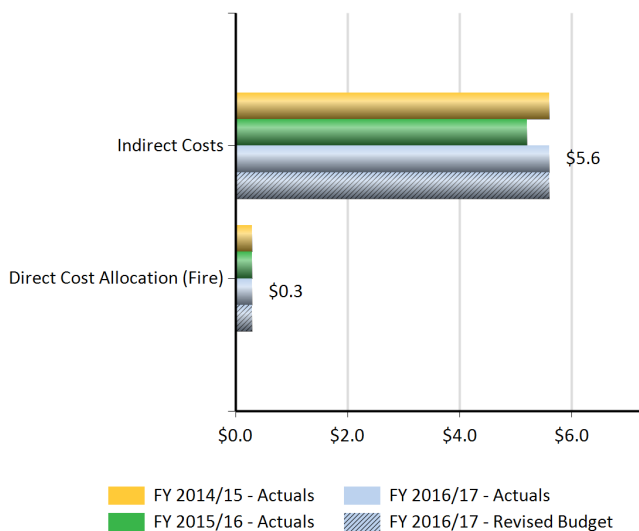


Actual to Revised Budget variance of (\$0.5) million or (6%):

The unfavorable variance in Photo Radar is due to the two month period where all cameras were turned off and the issuance of citations was suspended. While the cameras are in use again, this unfavorable balance will carry for the remainder of the fiscal year. Court Fines is offsetting the unfavorable variance due to the garnishment of tax returns for individuals who have unpaid court fees/fines.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Photo Radar	\$2.6	\$3.0	\$2.6	\$3.5	(\$0.9)	(26%)
Court Fines	3.8	3.5	3.8	3.3	0.5	14%
Library	0.3	0.3	0.3	0.3	-	-
Parking Fines	0.2	0.3	0.2	0.2	-	-
Fines Fees & Forfeitures Total	\$6.9	\$7.0	\$6.8	\$7.3	(\$0.5)	(6%)

Indirect/Direct Cost Allocations (Fiscal Year to Date: May 2017)



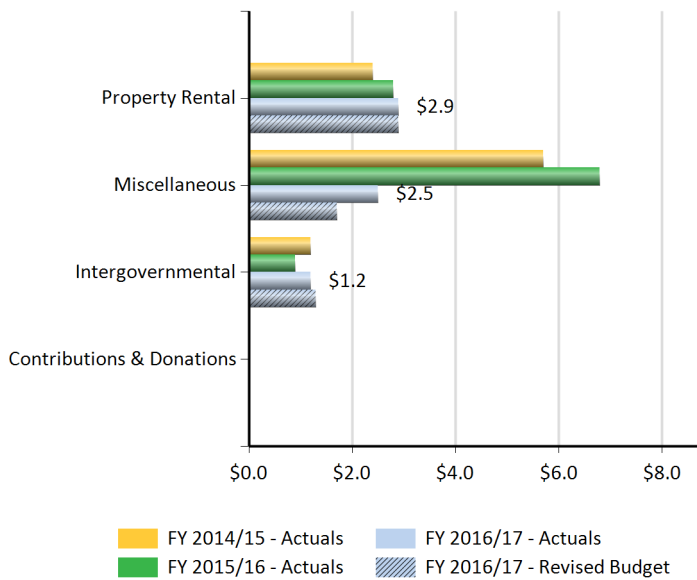
Actual to Revised Budget variance of \$0.0 million or 0%:

No explanation is necessary.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$5.6	\$5.2	\$5.6	\$5.6	\$ -	-
Direct Cost Allocation (Fire)	0.3	0.3	0.3	0.3	-	-
Indirect/Direct Cost Allocations Total	\$5.9	\$5.5	\$5.9	\$5.9	\$ -	-



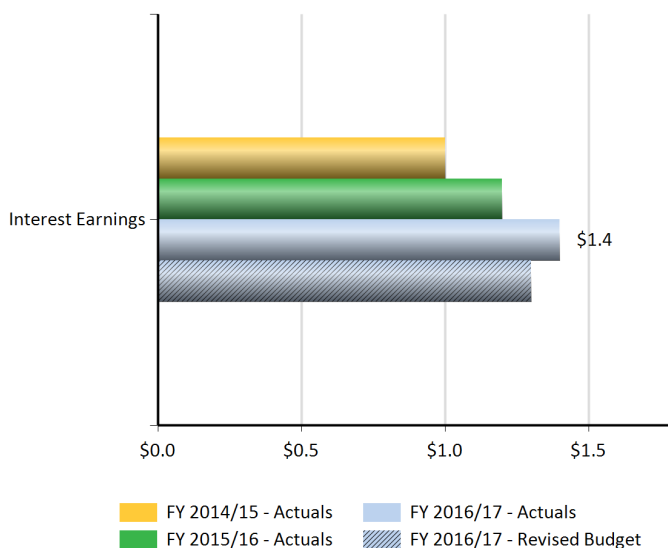
Charges for Service/Other (Fiscal Year to Date: May 2017)



Actual to Revised Budget variance of \$0.7 million or 12%: Miscellaneous is favorable mainly due to the recovery of expenses from Community Services for stadium usage in FY 2015/16 that has been posted in FY 2016/17 and the recovery of expenses for building usage and utilities being higher than anticipated. It is also related to Recovery of Expense in Public Safety-Fire for payments for services from Professional Medical Transport and revenue received by the City Attorney for Copies of Materials. Finally, Intergovernmental is unfavorable because revenue received from Scottsdale United for School Resource Officers is less than expected and the Crime Lab has lost some ongoing contracts as a result of no longer being a full service facility. FY 2015/16 actuals Miscellaneous include one-time revenue from the sale of the Human Resources and graphics buildings and a DC Ranch property owned by the City.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Property Rental	\$2.4	\$2.8	\$2.9	\$2.9	\$ -	-
Miscellaneous	5.7	6.8	2.5	1.7	0.8	47%
Intergovernmental	1.2	0.9	1.2	1.3	(0.1)	(5%)
Contributions & Donations	-	-	-	-	-	-
Charges for Service/Other Total	\$9.3	\$10.5	\$6.5	\$5.9	\$0.7	12%

Interest Earnings (Fiscal Year to Date: May 2017)



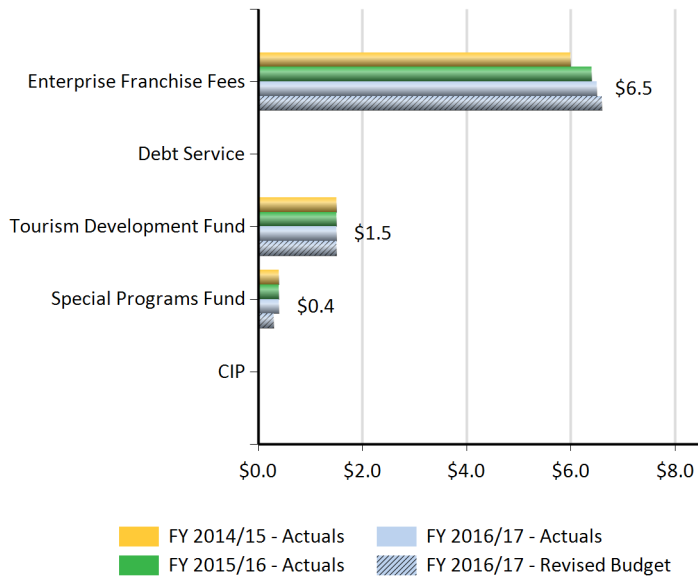
Actual to Revised Budget variance of \$0.1 million or 8%: Favorable variance due to a higher than anticipated cash balance to which interest is paid on.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$1.0	\$1.2	\$1.4	\$1.3	\$0.1	8%
Interest Earnings Total	\$1.0	\$1.2	\$1.4	\$1.3	\$0.1	8%



Transfers In (Fiscal Year to Date: May 2017)

Actual to Revised Budget variance of (\$0.1) million or (1%):
No explanation is necessary.

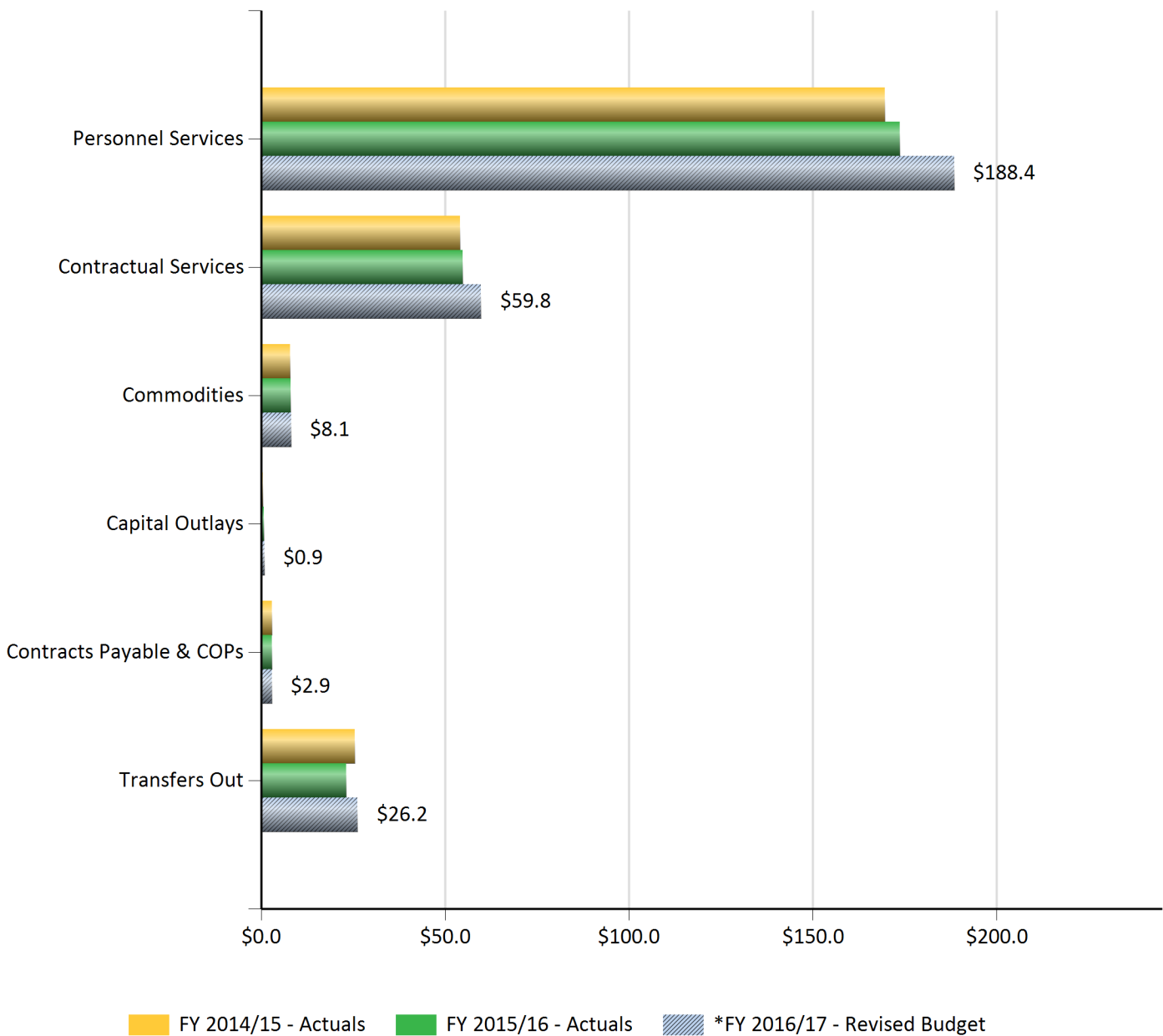


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Enterprise Franchise Fees	\$6.0	\$6.4	\$6.5	\$6.6	(\$0.1)	(2%)
Debt Service	-	-	-	-	-	-
Tourism Development Fund	1.5	1.5	1.5	1.5	-	-
Special Programs Fund	0.4	0.4	0.4	0.3	-	-
CIP	-	-	-	-	-	-
Transfers In Total	\$7.9	\$8.3	\$8.3	\$8.4	(\$0.1)	(1%)



Uses

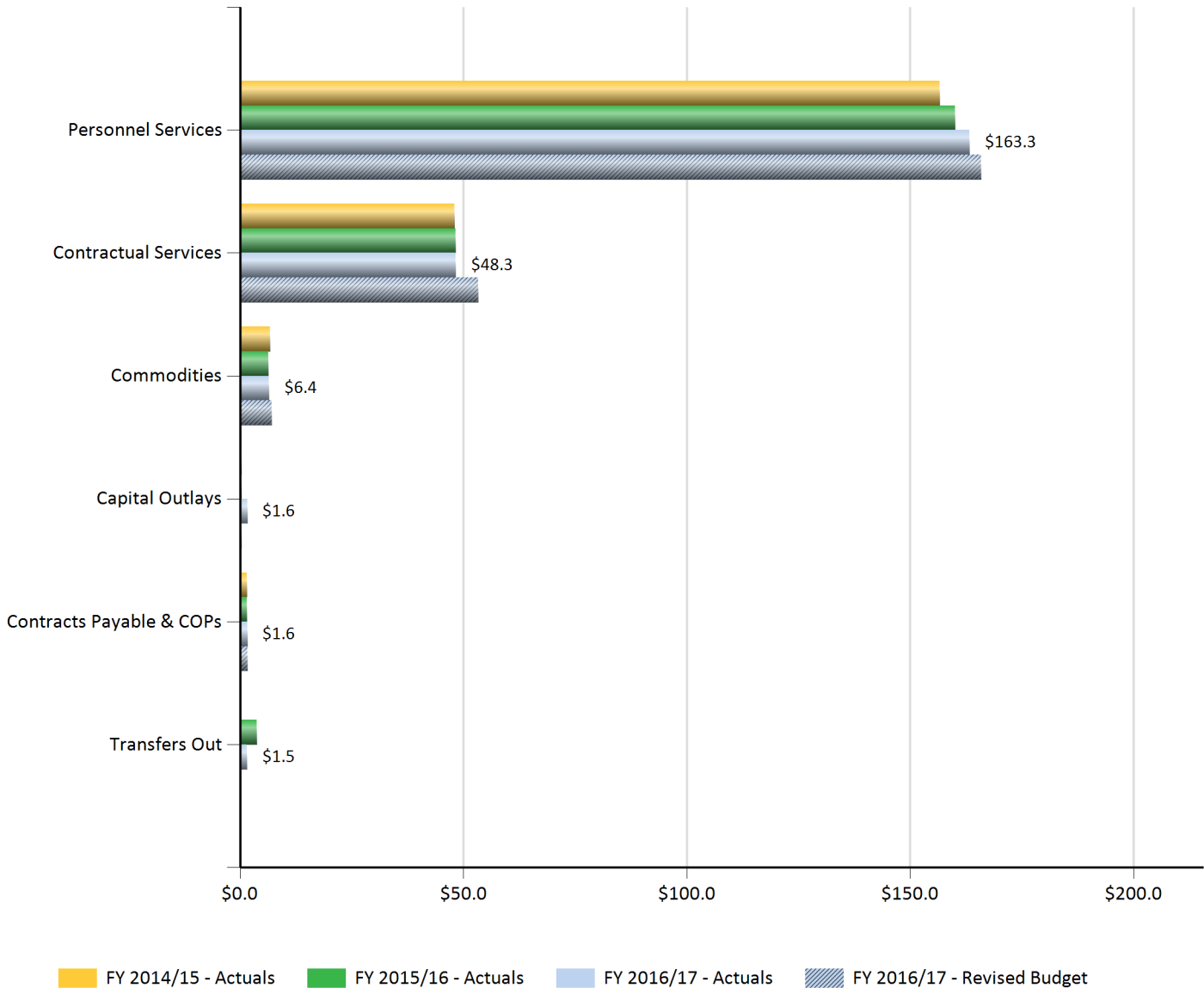
Twelve Months: Fiscal Year



*Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance, up to 5% pay for performance for those in the Step Program, compensation adjustments and utilities.



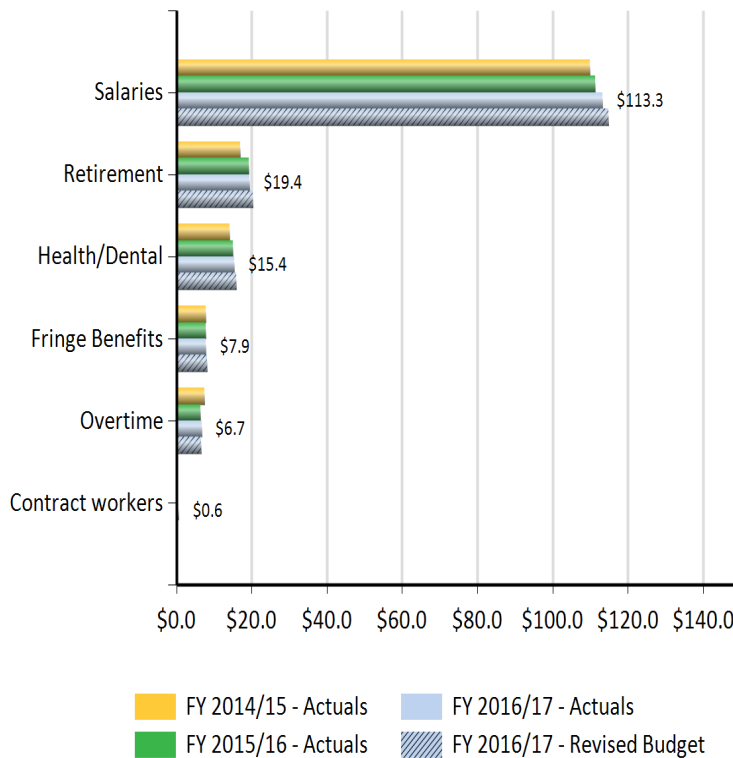
Uses (Fiscal Year to Date: May 2017)



	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	<u>Actuals</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Revised Budget</u>	<u>Favorable / (Unfavorable) Amount</u>	<u>Percent</u>
Personnel Services	\$156.6	\$160.1	\$163.3	\$165.9	\$2.6	2%
Contractual Services	48.0	48.3	48.3	53.3	5.1	10%
Commodities	6.7	6.3	6.4	7.0	0.6	9%
Capital Outlays	0.3	0.3	1.6	0.3	(1.3)	nm
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Transfers Out	-	3.7	1.5	-	(1.5)	n/a
Total Uses	\$213.2	\$220.3	\$222.7	\$228.2	\$5.6	2%



Personnel Services (Fiscal Year to Date: May 2017)



Actual to Revised Budget variance of \$2.6 million or 2%: The favorable variance is due primarily to savings in Salaries and Retirement. Salaries are favorable due to Police, Fire and City Attorney retirements/promotions and Community Services having higher than expected turnover, all of which brought in new staff earning less than previous incumbents. Additionally, Fire is not using budget set aside for paramedics due to staff not being certified until January when specialty pay became required. The favorable variance in Retirement is related to salary and overtime savings by the Police department and the Fire Insurance Premium Tax Credit. The amount received in the tax credit was more than expected which means the city's Fire retirement costs will be lower than anticipated. There is a citywide favorable impact in Health/Dental due to differing plan selections occurring after each position had been budgeted and adopted. While Overtime is showing a slight unfavorable variance, Police has a large favorable variance due to dynamic staffing and deployment efficiencies. This is offset by a large unfavorable variance in Fire due to 19 sworn employees out on leaves due to injuries/FMLA, 2 positions considered vacant because the planned occupants are currently in the academy, and 2 vacancies due to resignations all of which negatively impacts constant staffing requirements. Finally, Contract Workers is unfavorable because the City Treasurer is contracting with two retired, director level employees for ongoing services and Community & Ec. Dev. - Planning's Contract Workers' account is being charged for outside professional services used for support in inspections, field engineering and community outreach in lieu of the Contractual Services account where charges should occur.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Salaries	\$109.9	\$111.4	\$113.3	\$114.9	\$1.6	1%
Retirement	17.0	19.3	19.4	20.3	0.9	4%
Health/Dental	14.1	15.0	15.4	15.9	0.5	3%
Fringe Benefits	7.9	7.9	7.9	8.1	0.1	2%
Overtime	7.4	6.4	6.7	6.6	(0.1)	(1%)
Contract workers	0.2	0.2	0.6	0.2	(0.4)	nm
Personnel Services Total	\$156.6	\$160.1	\$163.3	\$165.9	\$2.6	2%

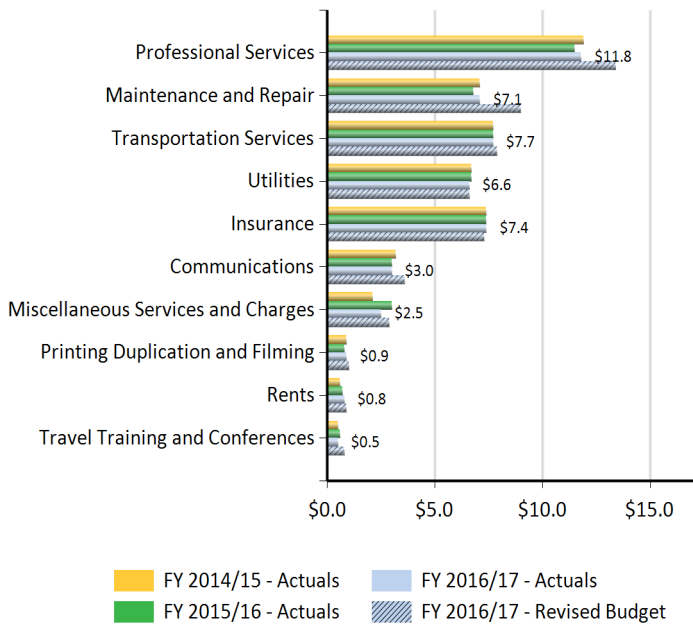
Macro Personnel Adjustments

	2014/15 Actual	2015/16 Actual	2016/17 Adopted Budget	2016/17 Year-To-Date	
				Saved/(Used)	Remaining
3% Pay for Performance	\$4.6	\$3.0	\$2.6	(\$2.6)	\$ -
5% Step - Fire	-	-	0.9	(0.9)	-
5% Step - Police	-	-	1.3	(1.3)	-
Retirement Savings	-	(0.8)	-	0.5	0.5
Vacancy Savings	(3.8)	(4.8)	(3.9)	4.7	-
Medical Leave Payouts	1.6	1.0	1.0	(1.0)	-
Vacation Leave Payouts	0.7	0.9	0.9	(0.6)	0.3
Total Vacancy Savings/Payouts	\$3.1	(\$0.6)	\$2.9	(\$1.2)	\$1.7

Total Saved/(Used) YTD of (\$1.2) million: The city has achieved \$4.7 million in vacancy savings year-to-date offset by (\$1.6) million in vacation and medical leave payouts. In July, the Citywide Pay for Performance Program was funded and implemented initiating the use of ongoing dollars for compensation increases. These increases include a 3 percent pay program based on performance; a 5 percent step program for Firefighters, Fire Engineers and Fire Captains; and a 5 percent step program for Police Officers.



Contractual Services (Fiscal Year to Date: May 2017)

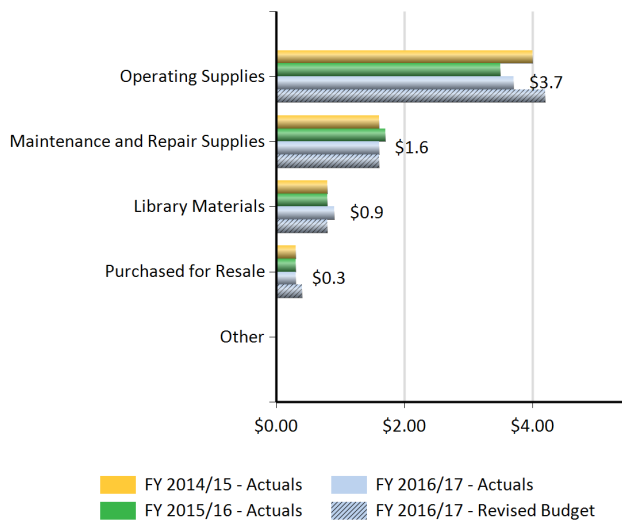


Actual to Revised Budget variance of \$5.1 million or 10%:
 The favorable variance in Contractual Services is due largely to Professional Services, Maintenance and Repair, Communications, Miscellaneous Services and Charges and Travel Training and Conferences. Professional Services is favorable due to the jail services contract in Police being less costly than anticipated and the photo radar program, which was suspended last spring for two months, having impacts continuing into this fiscal year. The cost of administering this program was lower in July and August due to fewer tickets issued. Maintenance and Repair is favorable due to the timing of several major facilities maintenance projects in Public Works and Community Services. Communications is favorable due to specialty lines expenditures being less than anticipated. Miscellaneous Services and Charges is favorable because the Arizona Department of Revenue admin and banking charges were less than anticipated. Finally, Travel Training and Conferences is favorable due primarily to lower than anticipated spending on training in Community & Economic Development and sponsored training in Administrative Services being pushed to next fiscal year.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Professional Services	\$11.9	\$11.5	\$11.8	\$13.4	\$1.6	12%
Maintenance and Repair	7.1	6.8	7.1	9.0	2.0	22%
Transportation Services	7.7	7.7	7.7	7.9	0.2	2%
Utilities	6.7	6.7	6.6	6.6	-	-
Insurance	7.4	7.4	7.4	7.3	(0.1)	(1%)
Communications	3.2	3.0	3.0	3.6	0.5	15%
Miscellaneous Services and Charges	2.1	3.0	2.5	2.9	0.4	14%
Printing Duplication and Filming	0.9	0.8	0.9	1.0	0.2	15%
Rents	0.6	0.7	0.8	0.9	0.1	7%
Travel Training and Conferences	0.5	0.6	0.5	0.8	0.3	41%
Contractual Services Total	\$48.0	\$48.3	\$48.3	\$53.3	\$5.1	10%



Commodities (Fiscal Year to Date: May 2017)

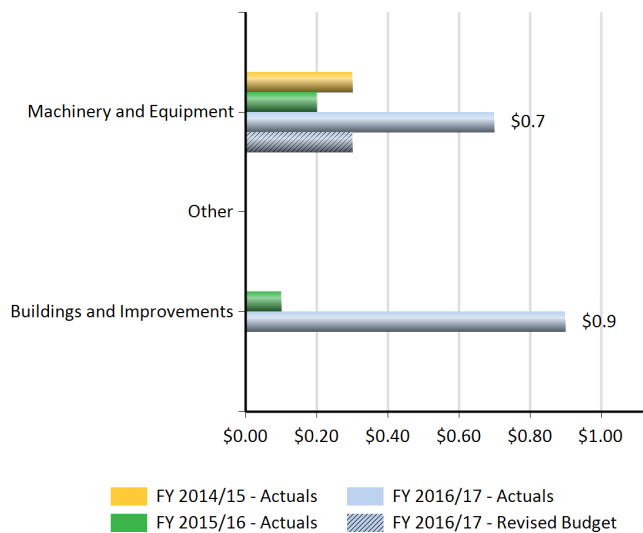


Actual to Revised Budget variance of \$0.6 million or 9%:

The favorable variance in Commodities is primarily due to timing as spending in categories such as Operating Supplies is hard to predict. Purchased for Resale is favorable due to feed and bed purchases at WestWorld being lower than anticipated.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Operating Supplies	\$4.0	\$3.5	\$3.7	\$4.2	\$0.5	12%
Maintenance and Repair Supplies	1.6	1.7	1.6	1.6	-	-
Library Materials	0.8	0.8	0.9	0.8	-	-
Purchased for Resale	0.3	0.3	0.3	0.4	0.1	29%
Other	-	-	-	-	-	-
Commodities Total	\$6.7	\$6.3	\$6.4	\$7.0	\$0.6	9%

Capital Outlays (Fiscal Year to Date: May 2017)



Actual to Revised Budget variance of (\$1.3) million or nm:

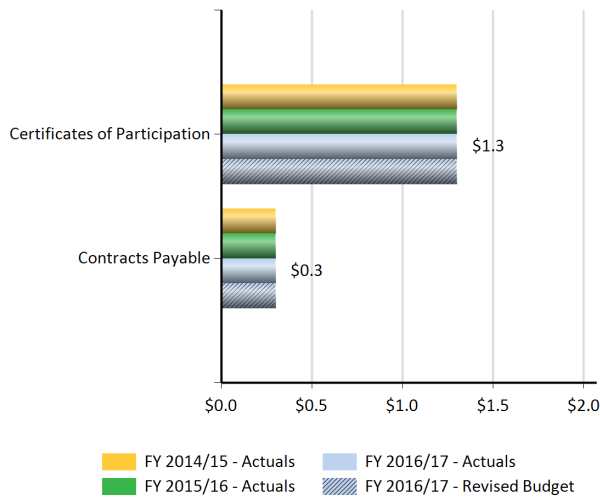
Machinery and Equipment is unfavorable due to timing issues related to the Scottsdale Cultural Center (SCC) project. Building and Improvements is unfavorable because repair costs that were originally budgeted in Contractual Services were billed appropriately to Capital Outlays.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Machinery and Equipment	\$0.3	\$0.2	\$0.7	\$0.3	(\$0.4)	nm
Other	-	-	-	-	-	n/a
Buildings and Improvements	-	0.1	0.9	-	(0.9)	n/a
Capital Outlays Total	\$0.3	\$0.3	\$1.6	\$0.3	(\$1.3)	nm



Contracts Payable & COPs (Fiscal Year to Date: May 2017)

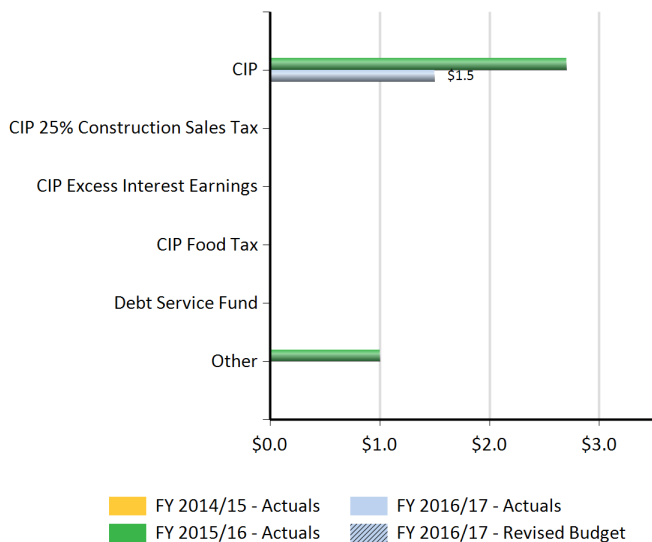
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation is necessary



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$1.3	\$1.3	\$1.3	\$1.3	\$ -	-
Contracts Payable	0.3	0.3	0.3	0.3	-	-
Contracts Payable & COPs Total	\$1.6	\$1.6	\$1.6	\$1.6	\$ -	-

Transfers Out (Fiscal Year to Date: May 2017)

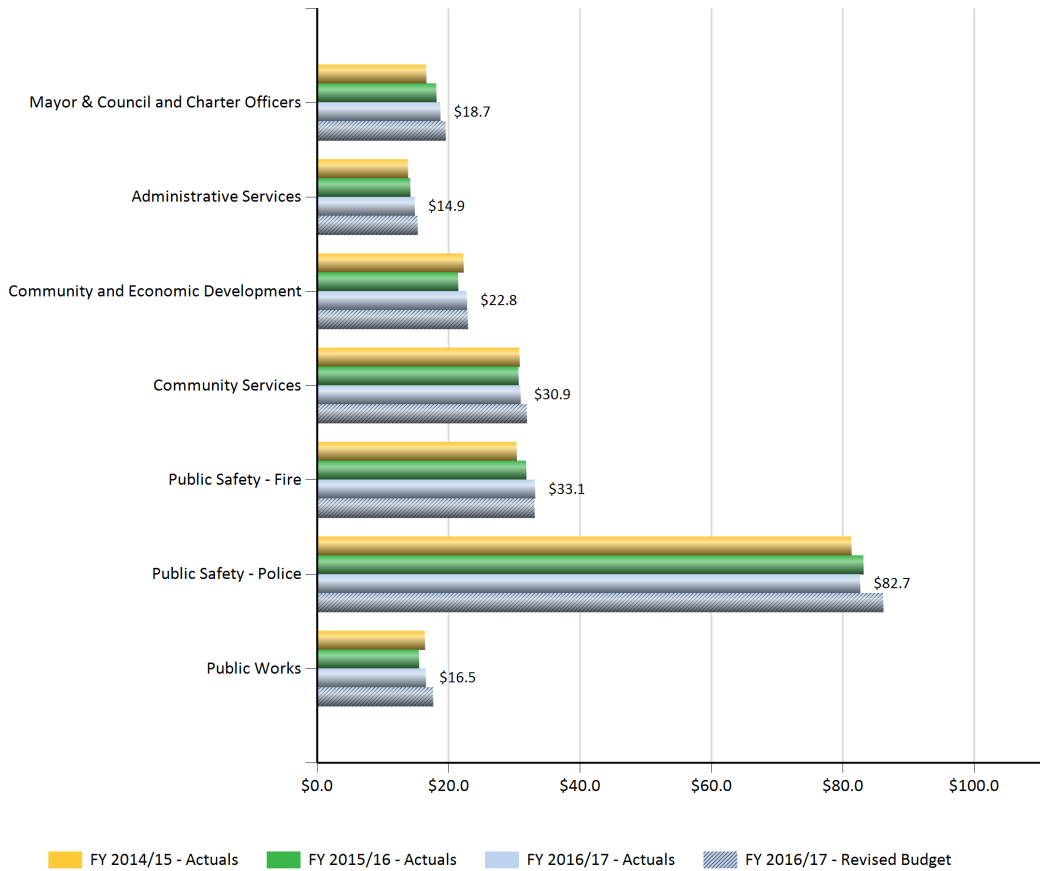
Actual to Revised Budget variance of (\$1.5) million or n/a: The unfavorable variance is mainly due to a contingency transfer funded from the General Fund operating budget unreserved fund balance to the newly created Fire Self Contained Breathing (SCBA) Replacement capital project, per Council approval. The actuals in FY 2015/16 Other are related to City Council authorizing the transfer of approximately \$1.0 million from the General Fund to the Healthcare Self-Insurance Fund to reimburse health related expenditures for retirees and public safety disabled retirees. Additionally, the actuals in FY 2015/16 CIP include the sale of the Human Resources and graphics buildings and a DC Ranch property owned by the city. These proceeds while collected in the General Fund were transferred to the Capital Improvement Program (CIP).



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
CIP	\$ -	\$2.7	\$1.5	\$ -	(\$1.5)	n/a
CIP 25% Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Other	-	1.0	-	-	-	n/a
Transfers Out Total	\$0.0	\$3.7	\$1.5	\$0.0	(\$1.5)	n/a



Division Expenditures (Fiscal Year to Date: May 2017)



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$16.6	\$18.2	\$18.7	\$19.6	\$0.8	4%
Administrative Services	13.8	14.2	14.9	15.3	0.5	3%
Community and Economic Development	22.3	21.4	22.8	22.9	0.2	1%
Community Services	30.8	30.7	30.9	31.9	1.0	3%
Public Safety - Fire	30.4	31.8	33.1	33.1	-	-
Public Safety - Police	81.3	83.2	82.7	86.1	3.5	4%
Public Works	16.4	15.5	16.5	17.7	1.1	6%
Total	\$211.6	\$215.0	\$219.6	\$226.7	\$7.1	3%

Actual to Revised Budget variance of \$7.1 million or 3%: The most noteworthy item contributing to the favorable variance in Mayor & Council and Charter Officers is the Arizona Department of Revenue administrative charge being less than anticipated in the City Treasurer's Office. Additionally, in the City Attorney's Office, the contractual work order credit to Risk Management is higher than expected. Administrative Services is favorable mainly because of the timing of purchases and the moving of sponsored training to next fiscal year. The favorable variance in Community Services is related to higher than expected turnover with new staff earning less than previous incumbents and the timing of maintenance projects. While Public Safety - Fire nets to a zero variance, it actually has a large unfavorable variance offset by a significant favorable variance. The unfavorable variance is associated with constant staffing overtime costs due to injuries or FMLA. This is offset by retirements/promotions resulting in new staff coming in at a lower cost, a higher than expected retirement Fire Insurance Premium Tax Credit and the delay in purchase of emergency medical supplies. For Public Safety-Police, the favorable variance is related to retirements/promotions resulting in new staff coming in at a lower cost. There are also savings in overtime related to dynamic staffing and deployment efficiencies, lower than expected costs associated with the jail services contract, the previous temporary suspension of the photo radar program which resulted in fewer tickets processed and the timing of invoices. Finally, the favorable variance in Public Works is due to the timing of major facility maintenance and repair projects.