

Monthly Financial Report

Fiscal Year to Date
as of August 31, 2017



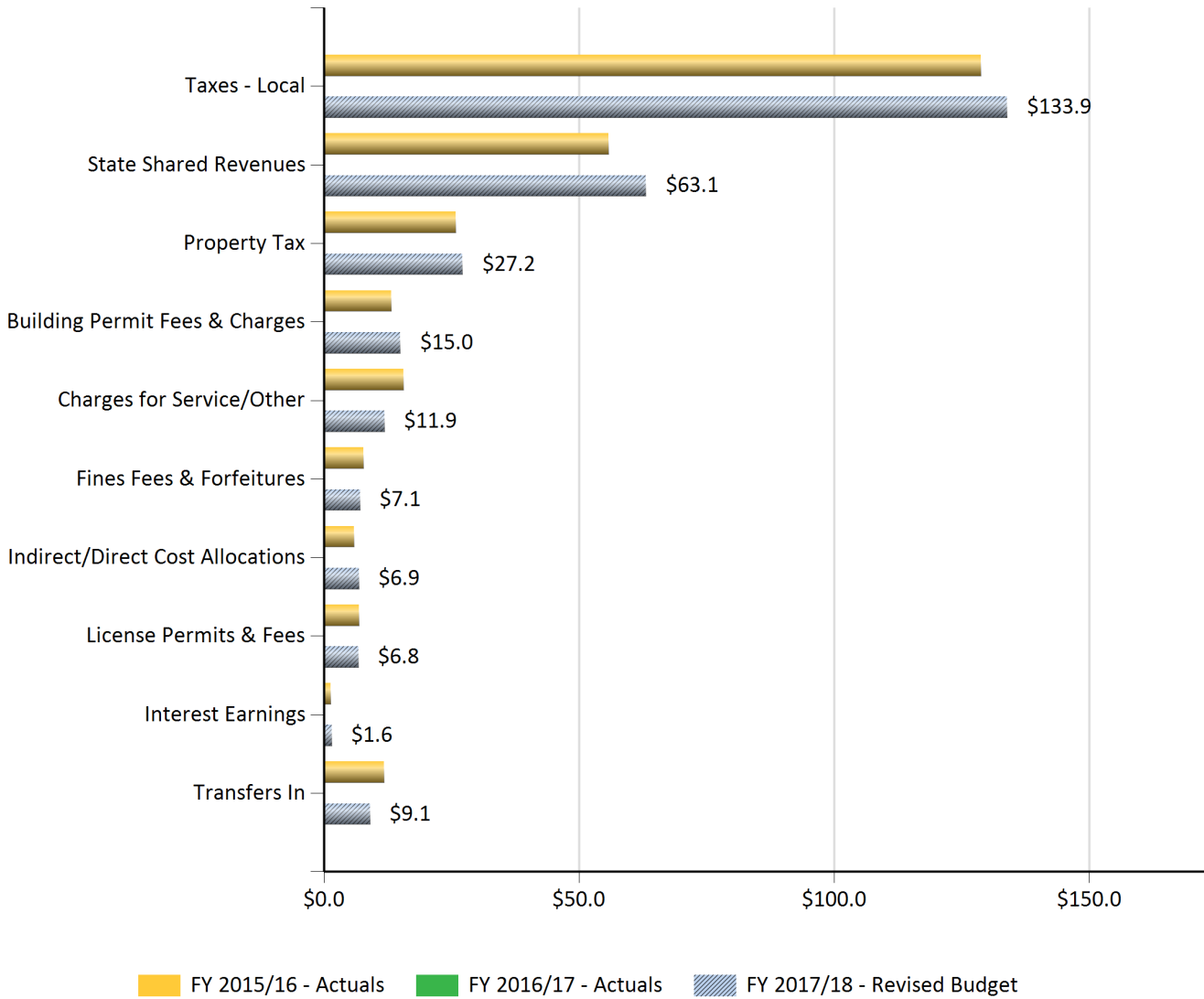
Report to the City Council
Prepared by the City Treasurer
October 17, 2017



Sources

General Fund

Twelve Months: Fiscal Year

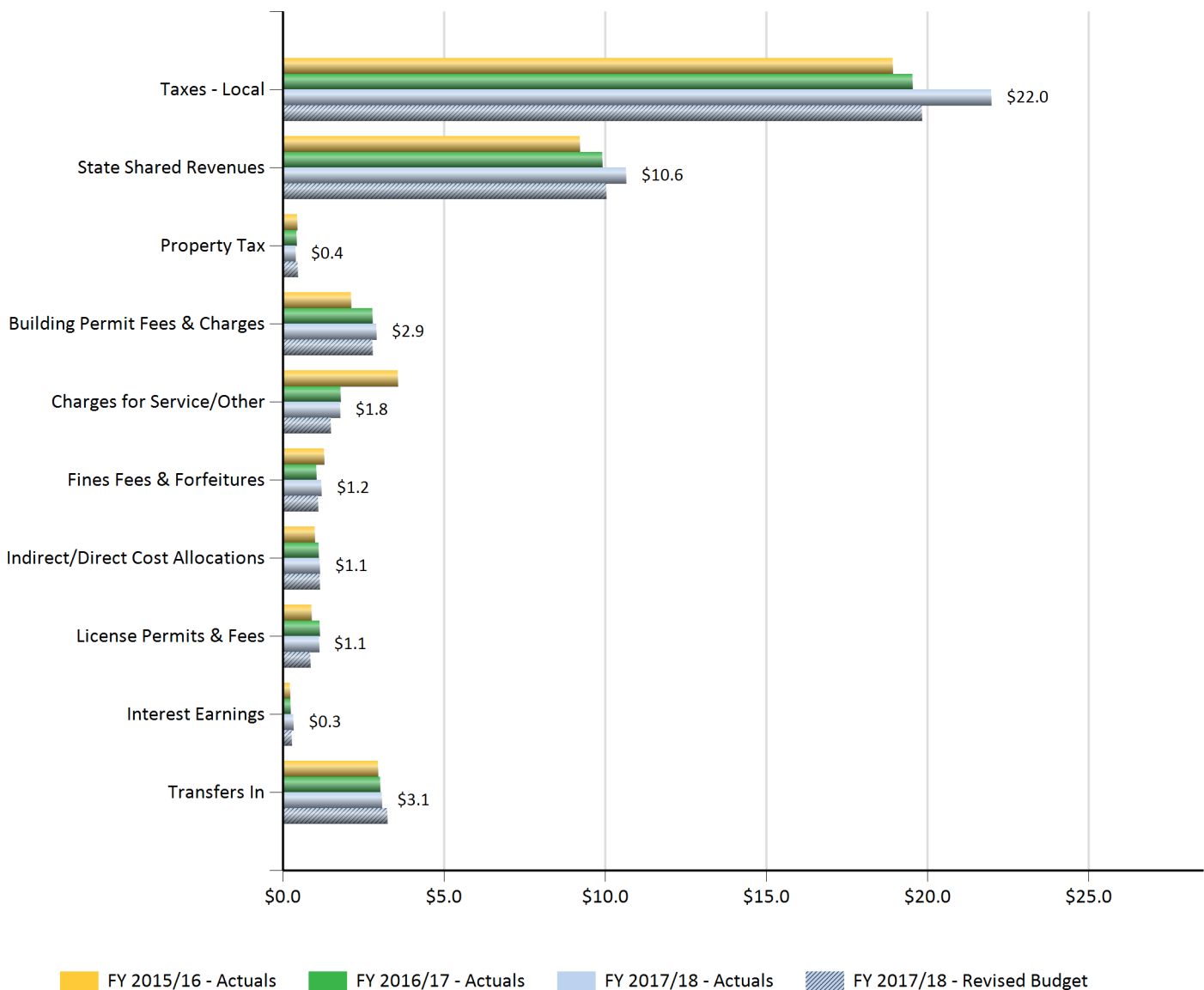


	FY 2015/16 <u>Actuals</u>	FY 2016/17 <u>Actuals</u>	FY 2017/18 <u>Revised Budget</u>
Taxes - Local	\$128.8	n/a	\$133.9
State Shared Revenues	55.8	n/a	63.1
Property Tax	25.9	n/a	27.2
Building Permit Fees & Charges	13.2	n/a	15.0
Charges for Service/Other	15.6	n/a	11.9
Fines Fees & Forfeitures	7.8	n/a	7.1
Indirect/Direct Cost Allocations	6.0	n/a	6.9
License Permits & Fees	6.9	n/a	6.8
Interest Earnings	1.4	n/a	1.6
Transfers In	11.8	n/a	9.1
Total Sources	\$273.1	n/a	\$282.6

Note: FY 2016/17 twelve month actuals are not available at this time. Once completed, they will be included within the report.



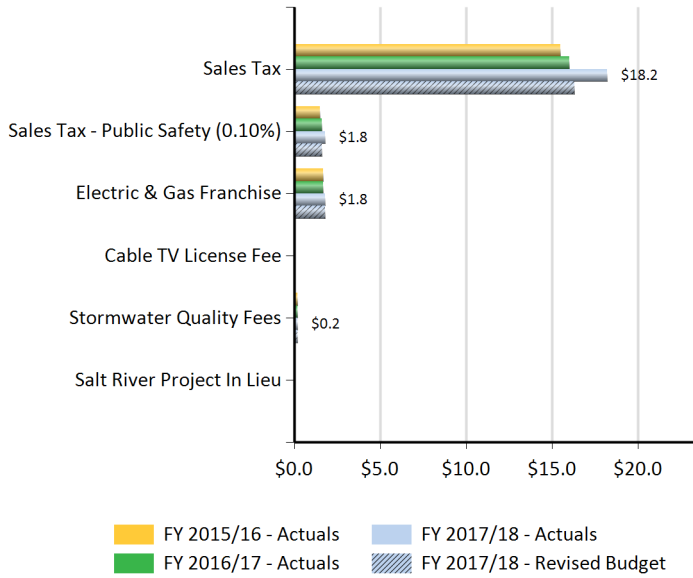
Sources (Fiscal Year to Date: August 2017)



	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$18.9	\$19.5	\$22.0	\$19.8	\$2.1	11%
State Shared Revenues	9.2	9.9	10.6	10.0	0.6	6%
Property Tax	0.4	0.4	0.4	0.5	(0.1)	(15%)
Building Permit Fees & Charges	2.1	2.8	2.9	2.8	0.1	4%
Charges for Service/Other	3.6	1.8	1.8	1.5	0.3	19%
Fines Fees & Forfeitures	1.3	1.0	1.2	1.1	0.1	9%
Indirect/Direct Cost Allocations	1.0	1.1	1.1	1.1	-	-
License Permits & Fees	0.9	1.1	1.1	0.9	0.3	30%
Interest Earnings	0.2	0.2	0.3	0.3	-	-
Transfers In	2.9	3.0	3.1	3.2	(0.2)	(5%)
Total Sources	\$40.6	\$41.0	\$44.5	\$41.2	\$3.3	8%



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



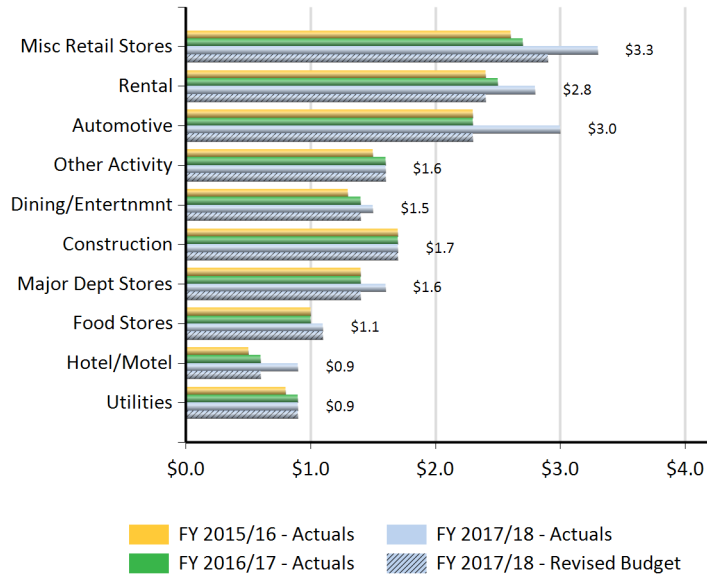
Actual to Revised Budget variance of \$2.1 million or 11%:

The favorable variance is primarily due to the continued unpredictability of the timing in collection by the Arizona Department of Revenue. There are only about 6 months of data to consider when spreading the budget. It will be some time before enough data is obtained to build any reliable spread for the "new normal." Additionally, the favorable variance is due to a taxpayer (hotel) that has been paying taxes to the city in error, which will be corrected in the coming months.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Sales Tax	\$15.5	\$16.0	\$18.2	\$16.3	\$1.9	12%
Sales Tax - Public Safety (0.10%)	1.5	1.6	1.8	1.6	0.2	12%
Electric & Gas Franchise	1.7	1.7	1.8	1.8	-	-
Cable TV License Fee	-	-	-	-	-	n/a
Stormwater Quality Fees	0.2	0.2	0.2	0.2	-	-
Salt River Project In Lieu	-	-	-	-	-	-
Taxes - Local Total	\$18.9	\$19.5	\$22.0	\$19.8	\$2.1	11%



Sales Tax (Fiscal Year to Date: August 2017)



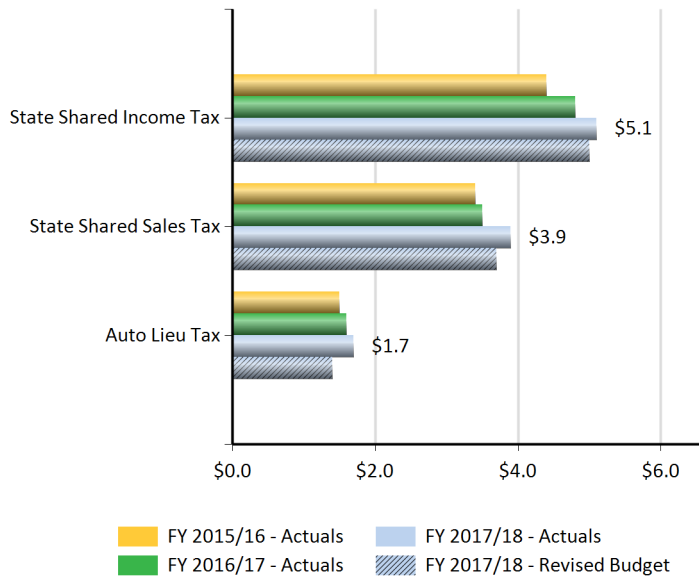
Actual to Revised Budget variance of \$1.9 million or 12%:

The favorable variance is primarily due to the continued unpredictability of the timing in collection by the Arizona Department of Revenue. There are only about 6 months of data to consider when spreading the budget. It will be some time before enough data is obtained to build any reliable spread for the "new normal." Additionally, the favorable variance is due to a taxpayer (hotel) that has been paying taxes to the city in error, which will be corrected in the coming months.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	\$2.6	\$2.7	\$3.3	\$2.9	\$0.4	13%
Rental	2.4	2.5	2.8	2.4	0.4	15%
Automotive	2.3	2.3	3.0	2.3	0.7	31%
Other Activity	1.5	1.6	1.6	1.6	-	-
Dining/Entertainment	1.3	1.4	1.5	1.4	-	-
Construction	1.7	1.7	1.7	1.7	(0.1)	(3%)
Major Dept Stores	1.4	1.4	1.6	1.4	0.2	12%
Food Stores	1.0	1.0	1.1	1.1	-	-
Hotel/Motel	0.5	0.6	0.9	0.6	0.3	48%
Utilities	0.8	0.9	0.9	0.9	-	-
Sales Tax Total	\$15.5	\$16.0	\$18.2	\$16.3	\$1.9	12%



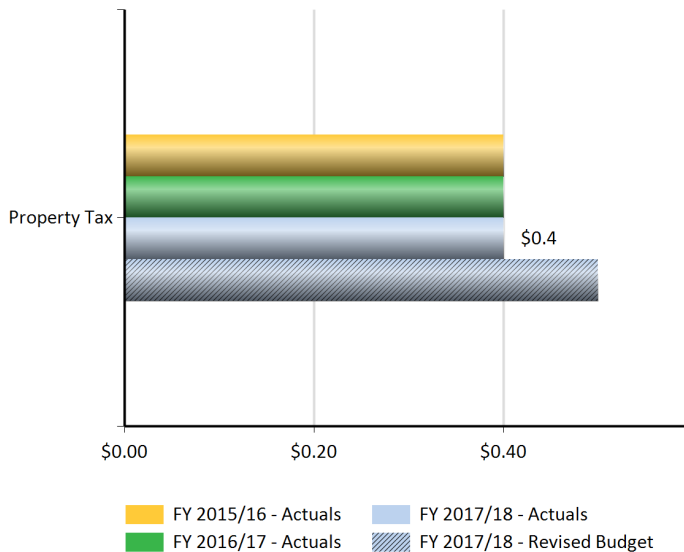
State Shared Revenues (Fiscal Year to Date: August 2017)



Actual to Revised Budget variance of \$0.6 million or 6%:
 The favorable variance in State Shared Sales Tax is due to actuals coming in differently than what the state projected. The favorable variance in Auto Lieu Tax is due to higher than forecasted sales of new and used vehicles, which resulted in additional licensing fees being collected.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Income Tax	\$4.4	\$4.8	\$5.1	\$5.0	\$0.1	3%
State Shared Sales Tax	3.4	3.5	3.9	3.7	0.2	5%
Auto Lieu Tax	1.5	1.6	1.7	1.4	0.3	22%
State Shared Revenues Total	\$9.2	\$9.9	\$10.6	\$10.0	\$0.6	6%

Property Tax (Fiscal Year to Date: August 2017)



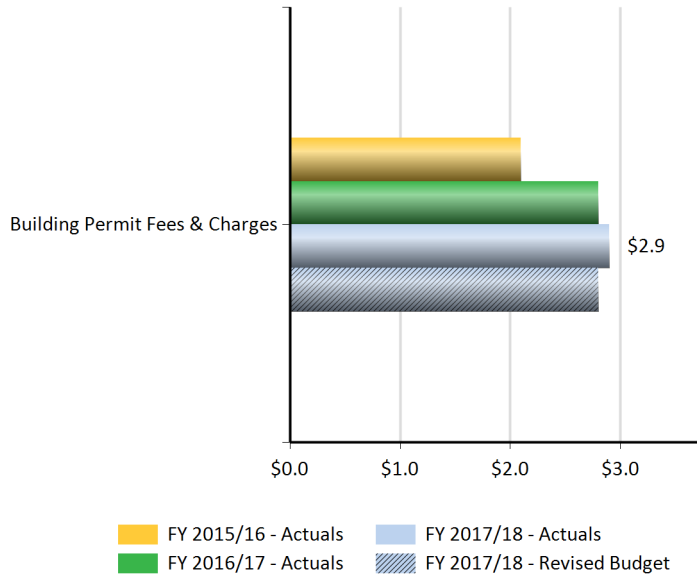
Actual to Revised Budget variance of (\$0.1) million or (15%):
 Property Tax unfavorable variance is due to timing. The budget is based on the way taxpayers paid last year and may vary year over year.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$0.4	\$0.4	\$0.4	\$0.5	(\$0.1)	(15%)
Property Tax Total	\$0.4	\$0.4	\$0.4	\$0.5	(\$0.1)	(15%)



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

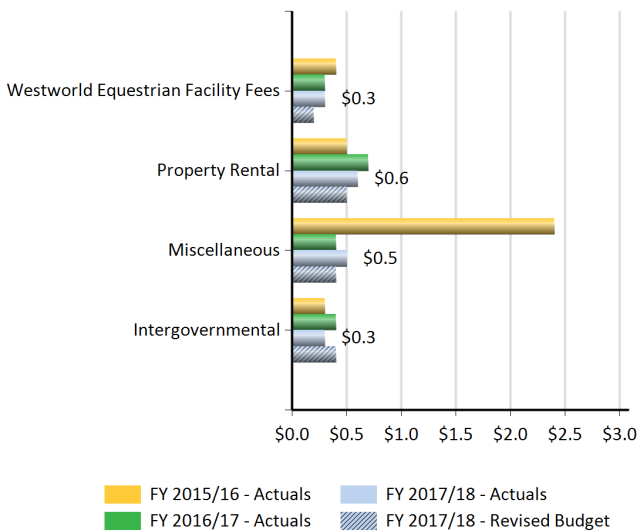
Actual to Revised Budget variance of \$0.1 million or 4%:
No explanation necessary.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$2.1	\$2.8	\$2.9	\$2.8	\$0.1	4%
Building Permit Fees & Charges Total	\$2.1	\$2.8	\$2.9	\$2.8	\$0.1	4%

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

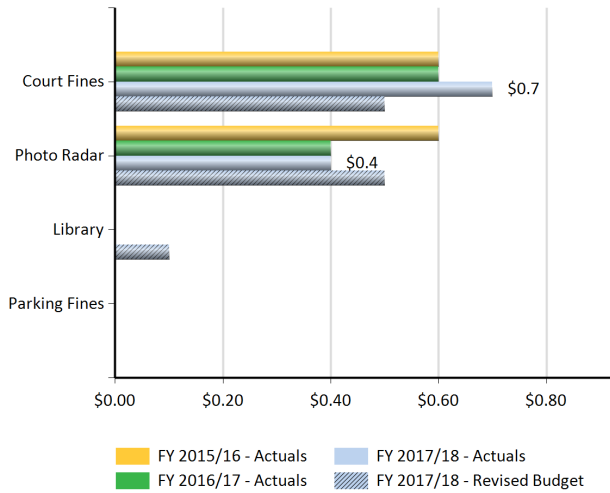
Actual to Revised Budget variance of \$0.3 million or 19%:
Favorable variance in Westworld Equestrian Facility Fees is due to the collections of FY 2016/17 revenue being recorded in FY 2017/18. The favorable variance in property rental is due to higher than anticipated Cell tower lease payments from AT&T and Verizon. The favorable variance in Miscellaneous is related mainly to the timing of payments received for the Public Safety - Fire Mobile Integrated Health program compared to when they were expected. The unfavorable variance in Intergovernmental is related to the decision to go to a 6 month agreement with the Palomino Library and Scottsdale Unified School District instead of the 12 month agreement that was planned in the budget.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$0.4	\$0.3	\$0.3	\$0.2	\$0.2	91%
Property Rental	0.5	0.7	0.6	0.5	0.1	25%
Miscellaneous	2.4	0.4	0.5	0.4	0.1	28%
Intergovernmental	0.3	0.4	0.3	0.4	(0.1)	(25%)
Charges for Service/Other Total	\$3.6	\$1.8	\$1.8	\$1.5	\$0.3	19%



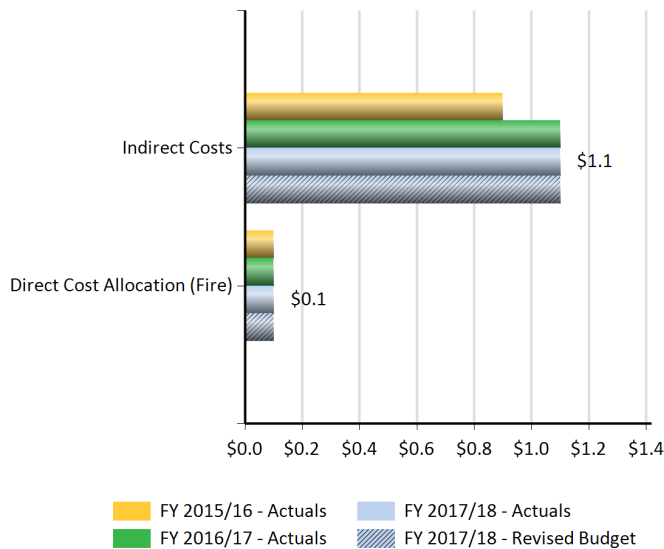
Fines Fees & Forfeitures (Fiscal Year to Date: August 2017)



Actual to Revised Budget variance of \$0.1 million or 9%: Favorable variance in Court Fines is due to the timing of when base fines collections were received verses when they were anticipated. This is partially offset by an unfavorable variance due to photo radar cameras being turned off while a new contract was negotiated, which resulted in a decline in revenue.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$0.6	\$0.6	\$0.7	\$0.5	\$0.2	35%
Photo Radar	0.6	0.4	0.4	0.5	(0.1)	(17%)
Library	-	-	-	0.1	-	-
Parking Fines	-	-	-	-	-	-
Fines Fees & Forfeitures Total	\$1.3	\$1.0	\$1.2	\$1.1	\$0.1	9%

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



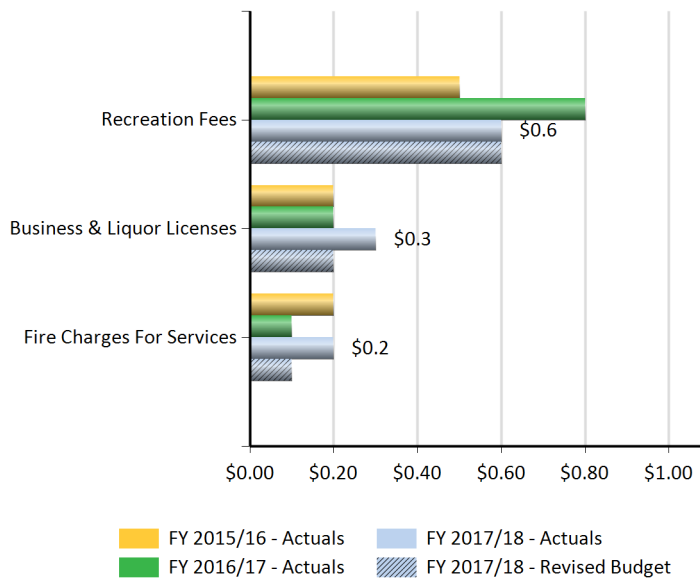
Actual to Revised Budget variance of \$0.0 million or 0%: No explanation necessary.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$0.9	\$1.1	\$1.1	\$1.1	\$ -	-
Direct Cost Allocation (Fire)	0.1	0.1	0.1	0.1	-	-
Indirect/Direct Cost Allocations Total	\$1.0	\$1.1	\$1.1	\$1.1	\$ -	-



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

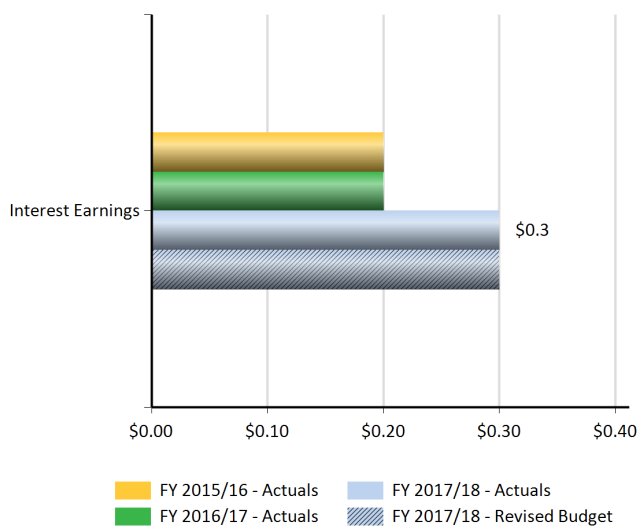
Actual to Revised Budget variance of \$0.3 million or 30%:
 Favorable variances in Business & Liquor Licenses and Fire Charges For Services are due to revenue received in FY 2017/18 that were budgeted for FY 2016/17.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Recreation Fees	\$0.5	\$0.8	\$0.6	\$0.6	\$ -	-
Business & Liquor Licenses	0.2	0.2	0.3	0.2	0.1	53%
Fire Charges For Services	0.2	0.1	0.2	0.1	0.1	nm
License Permits & Fees Total	\$0.9	\$1.1	\$1.1	\$0.9	\$0.3	30%

Interest Earnings (Fiscal Year to Date: August 2017)

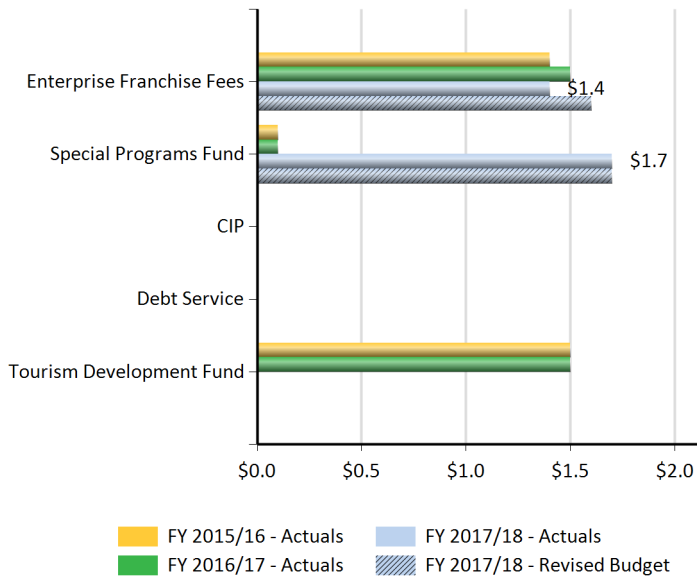
Actual to Revised Budget variance of \$0.0 million or 0%:
 No explanation necessary.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$0.2	\$0.2	\$0.3	\$0.3	\$ -	-
Interest Earnings Total	\$0.2	\$0.2	\$0.3	\$0.3	\$ -	-



Transfers In (Fiscal Year to Date: August 2017)



Actual to Revised Budget variance of (\$0.2) million or (5%):
 The unfavorable variance is related to Enterprise Franchise Fees being less than anticipated. This is due to lower than forecasted Sewer water deliveries in most recent winter period and the timing of Reclaimed Water Distribution System franchise fees.

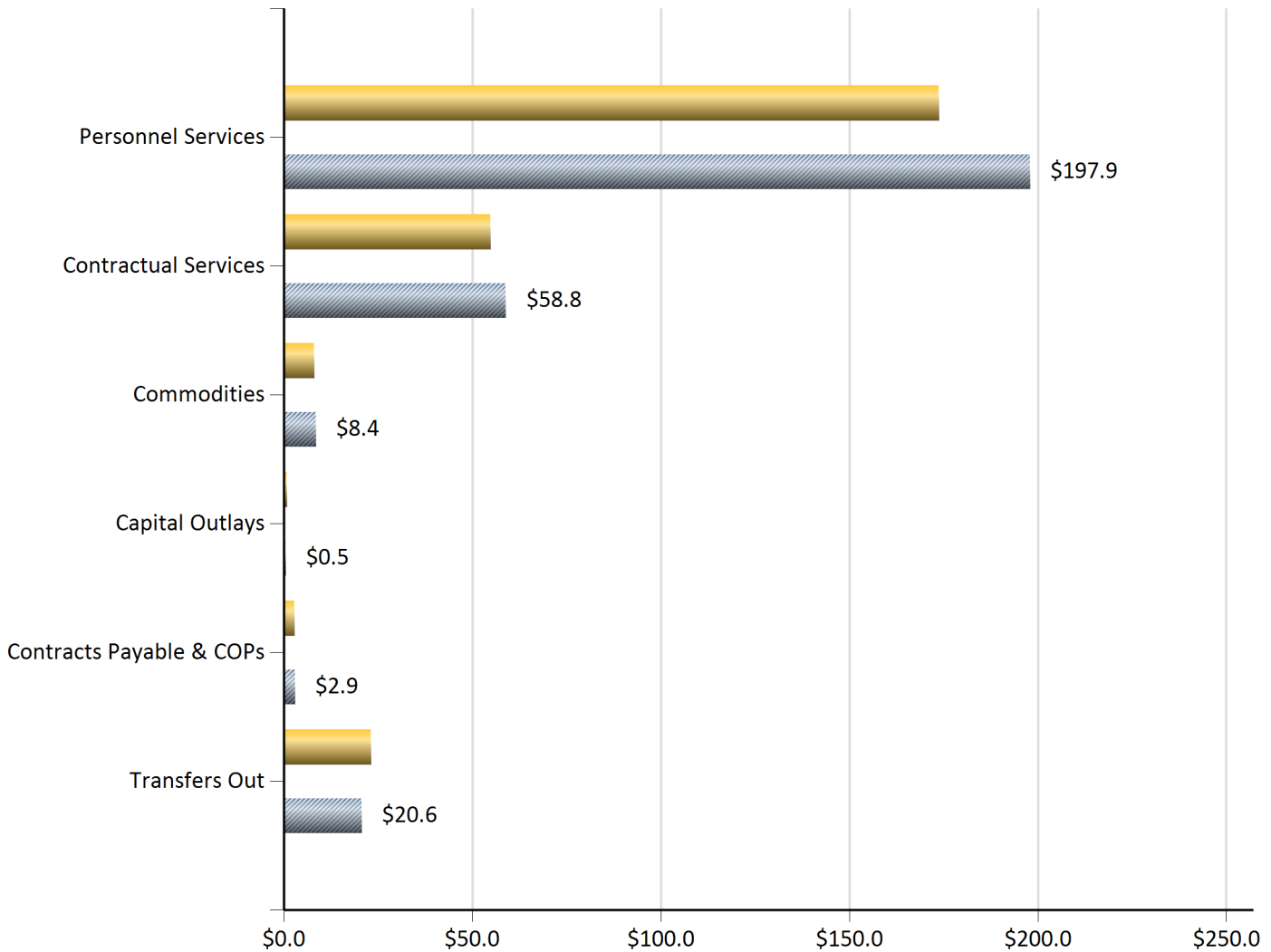
	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Enterprise Franchise Fees	\$1.4	\$1.5	\$1.4	\$1.6	(\$0.2)	(10%)
Special Programs Fund	0.1	0.1	1.7	1.7	-	-
CIP	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Tourism Development Fund	1.5	1.5	-	-	-	-
Transfers In Total	\$2.9	\$3.0	\$3.1	\$3.2	(\$0.2)	(5%)



Uses

General Fund

Twelve Months: Fiscal Year



■ FY 2015/16 - Actuals
 ■ FY 2016/17 - Actuals
 ■ *FY 2017/18 - Revised Budget

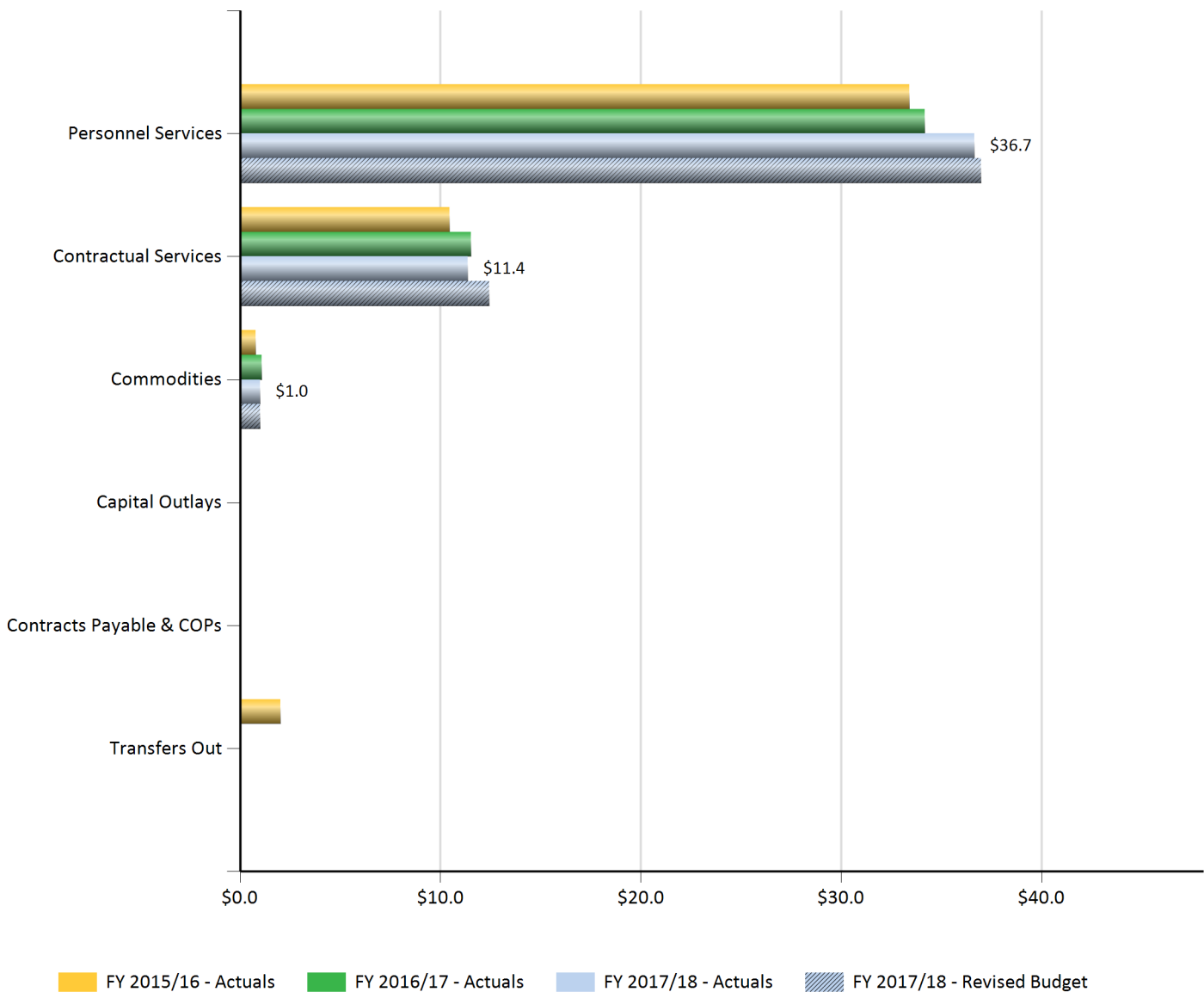
	FY 2015/16 <u>Actuals</u>	FY 2016/17 <u>Actuals</u>	FY 2017/18 <u>Revised Budget</u>
Personnel Services	\$173.7	n/a	\$197.9
Contractual Services	54.7	n/a	58.8
Commodities	8.0	n/a	8.4
Capital Outlays	0.8	n/a	0.5
Contracts Payable & COPs	2.8	n/a	2.9
Transfers Out	23.1	n/a	20.6
Total Uses	\$263.1	n/a	\$289.0

*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, utilities and the Parker Case Ruling payout.

Note: FY 2016/17 twelve month actuals are not available at this time. Once completed, they will be included within the report.



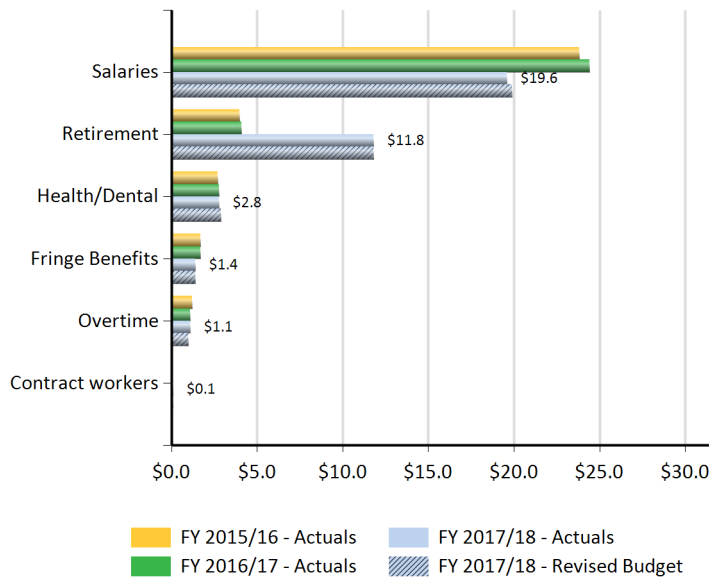
Uses (Fiscal Year to Date: August 2017)



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$33.4	\$34.2	\$36.7	\$37.0	\$0.3	1%
Contractual Services	10.5	11.5	11.4	12.4	1.1	9%
Commodities	0.8	1.1	1.0	1.0	-	-
Capital Outlays	-	-	-	-	-	-
Contracts Payable & COPs	-	-	-	-	-	-
Transfers Out	2.0	-	-	-	-	-
Total Uses	\$46.7	\$46.8	\$49.1	\$50.5	\$1.4	3%



Personnel Services (Fiscal Year to Date: August 2017)



Actual to Revised Budget variance of \$0.3 million or 1%: Salaries has a favorable variance mostly due to Part-Time Wages for vacant positions. Additionally, when comparing to FY 2016/17 actuals, salaries are \$4.8 million lower because there was an extra pay period in FY 2016/17. The is no variance in Retirement, but it is worth noting that retirement is \$7.7 million higher than in FY 2016/17 because of the Parker Case Ruling, resulting in a refunding of prior year retirement contributions for public safety sworn staff hired before July 1, 2012 and elected officials. It was budgeted at the macro-level initially in FY 2017/18 but was moved to the respective divisions in July. Further court rulings are expected on the accompanying interest payment calculation. Overtime has an unfavorable variance due to a large police investigation that involved the safety of two DPS officers and their families and a shortfall in Fire Department staffing where a total of 15 firefighters are on leave, which includes nine firefighters on worker's compensation for injuries, two on off-duty injuries, one on FMLA and three recruits filling vacancies.

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget	
					Favorable / (Unfavorable) Amount	Percent
Salaries	\$23.8	\$24.4	\$19.6	\$19.9	\$0.3	2%
Retirement	4.0	4.1	11.8	11.8	-	-
Health/Dental	2.7	2.8	2.8	2.9	-	-
Fringe Benefits	1.7	1.7	1.4	1.4	-	-
Overtime	1.2	1.1	1.1	1.0	(0.1)	(11%)
Contract workers	-	-	0.1	0.1	-	-
Personnel Services Total	\$33.4	\$34.2	\$36.7	\$37.0	\$0.3	1%

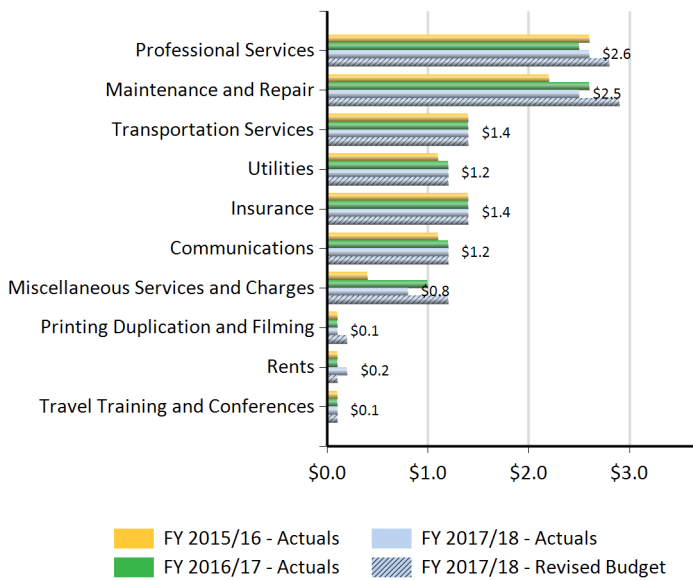
Macro Personnel Adjustments

	2015/16	2016/17	2017/18	2017/18	
	Actual	Actual	Adopted Budget	Year-To-Date Saved/(Used)	Remaining
3% Pay for Performance	\$3.0	n/a	\$2.1	(\$2.1)	\$ -
5% Step - Fire	-	n/a	0.9	(0.8)	0.1
5% Step - Police Officer	-	n/a	1.3	(1.3)	-
5% Step - Police Sergeant	-	n/a	0.4	(0.4)	-
Retirement Savings	(0.8)	n/a	-	-	-
Compensation Adjustments	-	n/a	0.4	-	0.4
Vacancy Savings	(4.8)	n/a	(4.0)	0.8	(3.2)
Medical Leave Payouts	1.0	n/a	1.4	(0.1)	1.3
Vacation Leave Payouts	0.9	n/a	0.8	-	0.7
Parker Case Ruling	-	n/a	7.8	(7.7)	-
Total Vacancy Savings/Payouts	(\$0.6)	n/a	\$11.0	(\$11.7)	(\$0.7)

Total Saved/(Used) YTD of (\$11.7) million: The city has achieved \$0.8 million in vacancy savings year-to-date offset by (\$0.1) 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 5 percent step program for Firefighters, Fire Engineers and Fire Captains; a 5 percent step program for Police Sergeants; a 5 percent step program for Police Officers and a 3 percent pay program based on performance for all other city employees. Additionally, the Parker case has settled for the initial payout resulting in \$7.7 million in retirement funds being refunded to sworn employees hired before July 1, 2012 and elected officials.



Contractual Services (Fiscal Year to Date: August 2017)



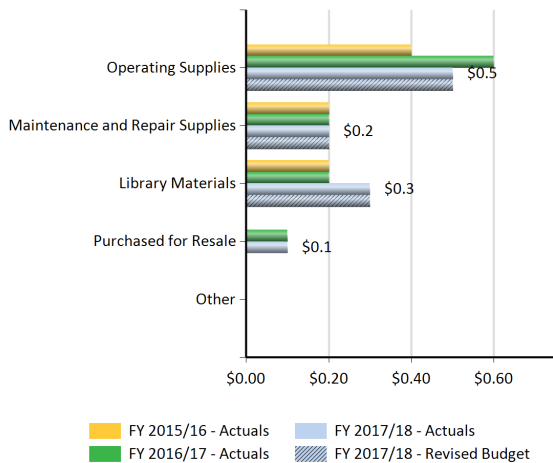
Actual to Revised Budget variance of \$1.1 million or 9%: Professional Services has a favorable variance due to the Maricopa County Sheriff’s Office Jail contract and the Maricopa County Animal Control contract being budgeted in August, but payments will not occur until September. Additionally, some of the photo enforcement cameras were turned off while a new contract was negotiated resulting in fewer citations issued. Maintenance and Repair is favorable due to the timing of invoices. Miscellaneous Services and Charges is favorable due to the quarterly payment to the Phoenix Fire Department for communication and dispatch services being budgeted in July but will not occur until September.

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Professional Services	\$2.6	\$2.5	\$2.6	\$2.8	\$0.2	8%
Maintenance and Repair	2.2	2.6	2.5	2.9	0.4	13%
Transportation Services	1.4	1.4	1.4	1.4	-	-
Utilities	1.1	1.2	1.2	1.2	-	-
Insurance	1.4	1.4	1.4	1.4	-	-
Communications	1.1	1.2	1.2	1.2	-	-
Miscellaneous Services and Charges	0.4	1.0	0.8	1.2	0.4	32%
Printing Duplication and Filming	0.1	0.1	0.1	0.2	-	-
Rents	0.1	0.1	0.2	0.1	-	-
Travel Training and Conferences	0.1	0.1	0.1	0.1	-	-
Contractual Services Total	\$10.5	\$11.5	\$11.4	\$12.4	\$1.1	9%



Commodities (Fiscal Year to Date: August 2017)

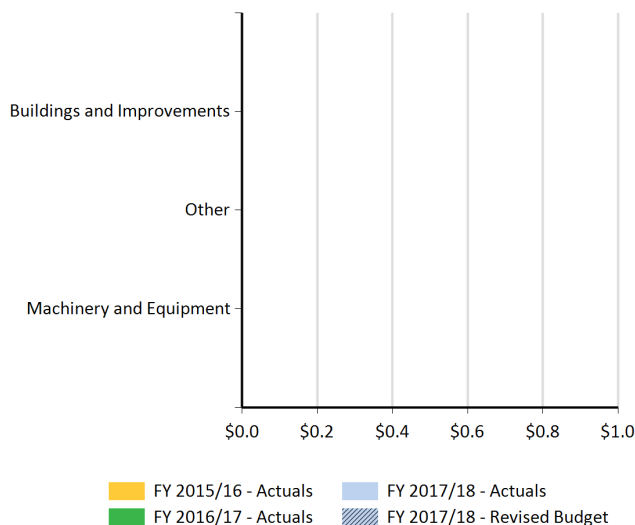
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$0.4	\$0.6	\$0.5	\$0.5	\$ -	-
Maintenance and Repair Supplies	0.2	0.2	0.2	0.2	-	-
Library Materials	0.2	0.2	0.3	0.3	-	-
Purchased for Resale	-	0.1	0.1	-	-	-
Other	-	-	-	-	-	-
Commodities Total	\$0.8	\$1.1	\$1.0	\$1.0	\$ -	-

Capital Outlays (Fiscal Year to Date: August 2017)

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

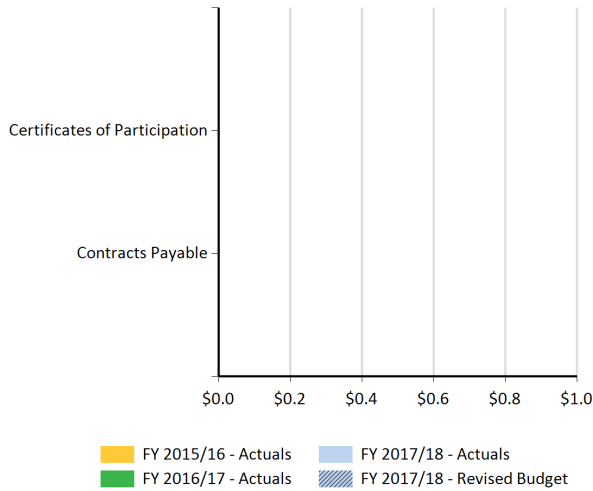


	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-
Capital Outlays Total	\$0.0	\$0.0	\$0.0	\$0.0	\$ -	-



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

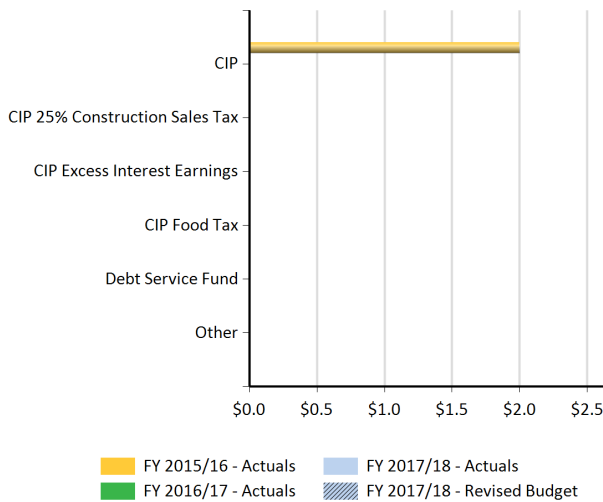
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contracts Payable	-	-	-	-	-	-
Contracts Payable & COPs Total	\$0.0	\$0.0	\$0.0	\$0.0	\$ -	-

Transfers Out (Fiscal Year to Date: August 2017)

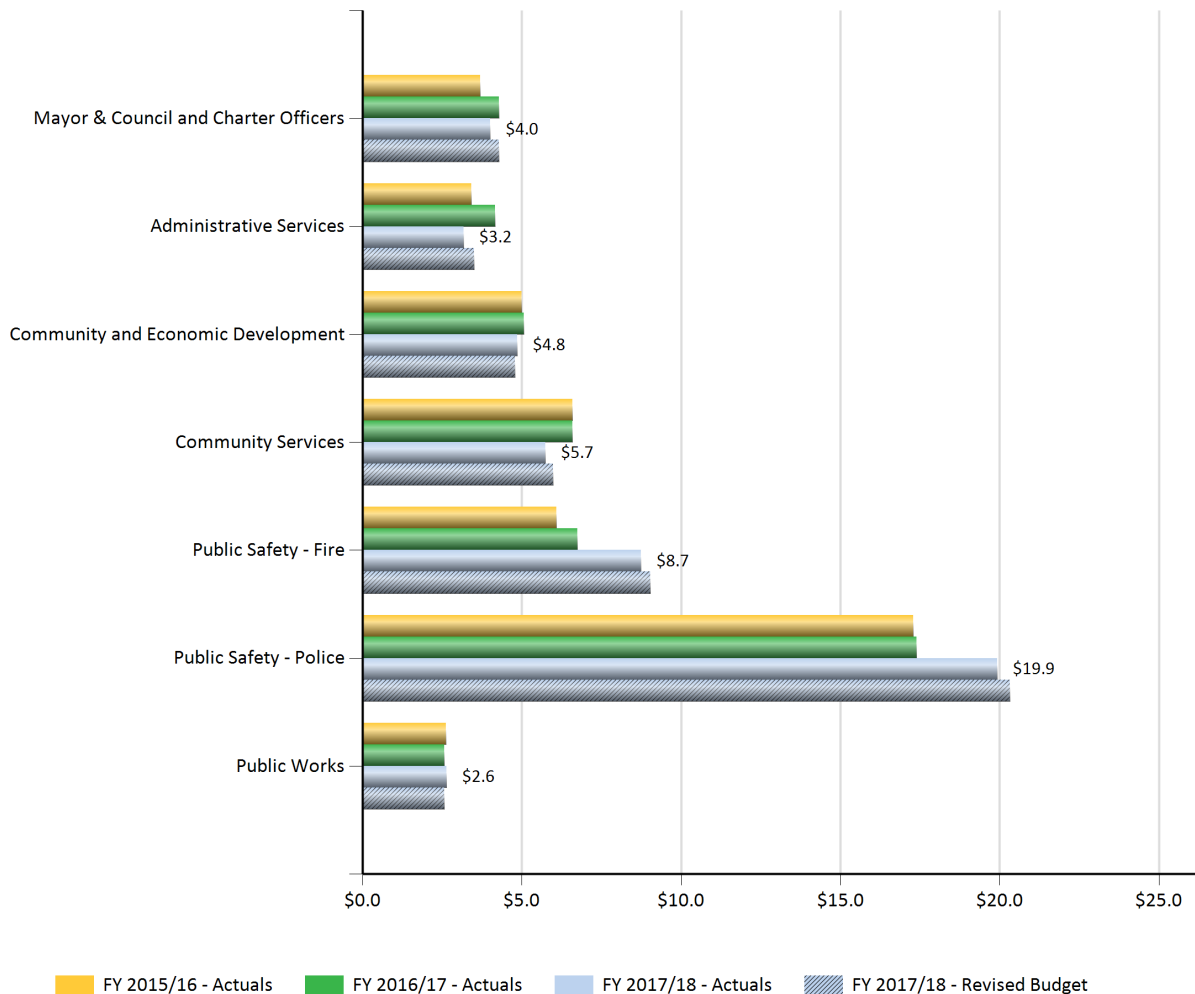
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation necessary.



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
CIP	\$2.0	\$ -	\$ -	\$ -	\$ -	-
CIP 25% Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Other	-	-	-	-	-	-
Transfers Out Total	\$2.0	\$0.0	\$0.0	\$0.0	\$ -	-



Division Expenditures (Fiscal Year to Date: August 2017)



	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget	
					Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$3.7	\$4.3	\$4.0	\$4.3	\$0.3	7%
Administrative Services	3.4	4.2	3.2	3.5	0.3	9%
Community and Economic Development	5.0	5.1	4.8	4.8	(0.1)	(1%)
Community Services	6.6	6.6	5.7	6.0	0.2	4%
Public Safety - Fire	6.1	6.8	8.7	9.0	0.3	3%
Public Safety - Police	17.3	17.4	19.9	20.3	0.4	2%
Public Works	2.6	2.6	2.6	2.6	(0.1)	(3%)
Total	\$44.7	\$46.8	\$49.1	\$50.5	\$1.4	3%

Actual to Revised Budget variance of \$1.4 million or 3%: Mayor and Council and Charter Officers is favorable mainly due to City Treasurer Banking Services and Software Maintenance and Licensing being less than anticipated and City Manager Contractual Services expenses not occurring as anticipated. Administrative Services is favorable due to the timing of invoices. Community Services is favorable mainly due to part-time salary savings and invoice timing. Public Safety - Fire is favorable due to the quarterly payment to the Phoenix Fire Department for communication and dispatch services being budgeted in July but will not occur until September. Public Safety - Police is favorable due to the Maricopa County Sheriff's Office Jail contract and the Maricopa County Animal Control contract being budgeted in August but payments will not occur until September and because some of the photo enforcement cameras were turned off while a new contract was negotiated resulting in fewer citations.