



Informational Memo

Management Services - Memo No. 25-026

Date: August 27, 2024

To: Mayor and Council

Thru: Joshua H. Wright, City Manager *JHW*
Dawn Lang, Deputy City Manager/CFO *DLL*

From: Matt Dunbar, Budget & Policy Director *MD*

Subject: Fiscal Year-End (FYE) 2023-24 General Fund Revenue Summary, Sales Tax Collection Report, and Expenditure Reports through June 2024

Attached is the FYE 2023-24 General Fund Revenue and Expenditure Reports for the period ending June 30, 2024. The June report is typically released in August of each year due to the fiscal year end accounting process, which ensures all revenues and expenditures are thoroughly reviewed and properly reflected.

Included with this memo are the following attachments:

- 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
- Attachment 5 – General Fund Expenditure Summary

The General Fund Revenue Summary (Attachment 1) gives a budget to actual comparison of revenues through June 2024. The fiscal year end reflects a 7.6% increase in total General Fund revenues from the budgeted revenues for the fiscal year, and a 7.7% increase over the same period of the prior year.

During the preparation of the FY 2024-25 Budget, year-end FY 2023-24 revenues were updated based on actual collections reflected in this report from January 2024 and other information available at that time. This allowed for the estimating of the fiscal year end General Fund balance used to calculate available one-time funds for use in the FY 2024-25 Budget. Through this process, \$10.3 million of the \$28.3 million over the Adopted Budget was anticipated and incorporated into the FY 2024-25 Budget. The final net impact of the

additional one-time funds, revenues, as well as expenditures and carryforwards, is being calculated.

Collections in State and Local Transaction Privilege Tax (TPT) or Sales Tax (Attachments 1-4) shown in this report reflect sales for May TPT reported/received in June. Overall, year to date (YTD) collections in Local TPT, State Shared Revenue, and Urban Revenue Sharing all came in above budget as we continued to see economic growth through the end of the fiscal year. The Local TPT collections through June 2024, reflect an overall increase of 6.0% above budget, and a 3.5% increase compared to prior year actuals. Additionally, when comparing the TPT collections received in June 2024 to the same month in the prior year, collections are up 16.8%, with the majority of that increase coming from the resolution of a tax issue that resulted in an increase of retail revenues in this month that will be one-time in nature. Without that adjustment, tax revenues would have come in only slightly higher at 1.2% above the prior year versus 3.5%.

The State continues to see under collection in State Income Tax with the transition to the flat tax, which will have a direct impact on Urban Revenue Sharing and has been incorporated into the forecast for future years. Current Urban Revenue Sharing reflects taxes collected at the State two years prior and came in at a slight 0.5% above budget. It is important to note, that fluctuations related to development/contracting are considered one-time, as once the developments are completed, the related permit and local TPT collections cease.

Finally, the FY 2023-24 General Fund Expenditure Summary (Attachment 5) report reflects the percent of adjusted budget expended and encumbered through June 2024. This report then compares this spending percentage to the prior fiscal year. Overall department spending, including the increased one-time Public Safety Personnel Retirement System (PSPRS) unfunded liability payment of \$73M, resulted in 91.9% spending through June 2024, compared to 89.6% for the same period last year.

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

Attachment: FYE 2023-24 General Fund Monthly Revenue and Expenditure Reports through June 2024

General Fund Revenue Summary

FY 2023-24 Year-To-Date Actuals Through June 2024

General Fund Revenues	Budget	Actuals			Comparison to Prior Year Actuals		
	FY 2023-24 Adopted Budget	FY 2023-24 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	FY 2022-23 Actual Revenues for Same Period	Difference + or - from FY 2022-23 to FY 2023-24	% Change of Actuals to Same Period FY 2022-23
Local Sales Tax Collections	194,950,000	206,617,359	11,667,359	6.0%	199,683,592	6,933,767	3.5%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	1,908,400	4,119,686	2,211,286	115.9%	5,305,736	(1,186,050)	-22.4%
Total Local Sales Tax Revenue	\$ 196,858,400	\$ 210,737,044	\$ 13,878,644	7.1%	\$ 204,989,329	\$ 5,747,715	2.8%
Franchise Fees	3,471,000	3,383,051	(87,949)	-2.5%	3,630,508	(247,457)	-6.8%
Primary Property Taxes	8,731,611	8,626,641	(104,970)	-1.2%	8,733,273	(106,632)	-1.2%
State Shared Sales Tax Revenue	39,000,000	42,363,408	3,363,408	8.6%	41,309,738	1,053,670	2.6%
Vehicle License Tax	13,000,000	14,385,498	1,385,498	10.7%	13,863,884	521,614	3.8%
Urban Revenue Sharing	74,000,000	74,386,039	386,039	0.5%	53,013,618	21,372,421	40.3%
Smart and Safe	1,100,000	1,503,202	403,202	36.7%	1,518,558	(15,356)	-1.0%
Public Safety State Allocation*	-	2,250,000	2,250,000	0.0%	-	2,250,000	0.0%
Licenses & Permits	6,864,900	5,095,759	(1,769,141)	-25.8%	8,742,071	(3,646,312)	-41.7%
Charges for Services	13,932,139	17,799,915	3,867,776	27.8%	17,334,010	465,905	2.7%
Fines & Forfeitures	3,549,850	4,296,570	746,720	21.0%	4,127,033	169,537	4.1%
Interest & Investments	3,818,000	5,970,440	2,152,440	56.4%	3,323,539	2,646,901	79.6%
Other Revenues	1,753,200	3,607,776	1,854,576	105.8%	5,259,431	(1,651,655)	-31.4%
Indirect Cost	7,978,182	7,978,182	-	0.0%	7,864,624	113,558	1.4%
Total General Fund Revenues	\$ 374,057,282	\$ 402,383,525	\$ 28,326,243	7.6%	\$ 373,709,616	\$ 28,673,909	7.7%
Prior Month	\$ 374,057,282	\$ 361,463,757	\$ 24,686,712	7.3%	\$ 333,716,084	\$ 27,747,674	8.3%
Change from Prior Month	\$ -	\$ 40,919,768	\$ 3,639,531	0.2%	\$ 39,993,532	\$ 926,236	-0.6%

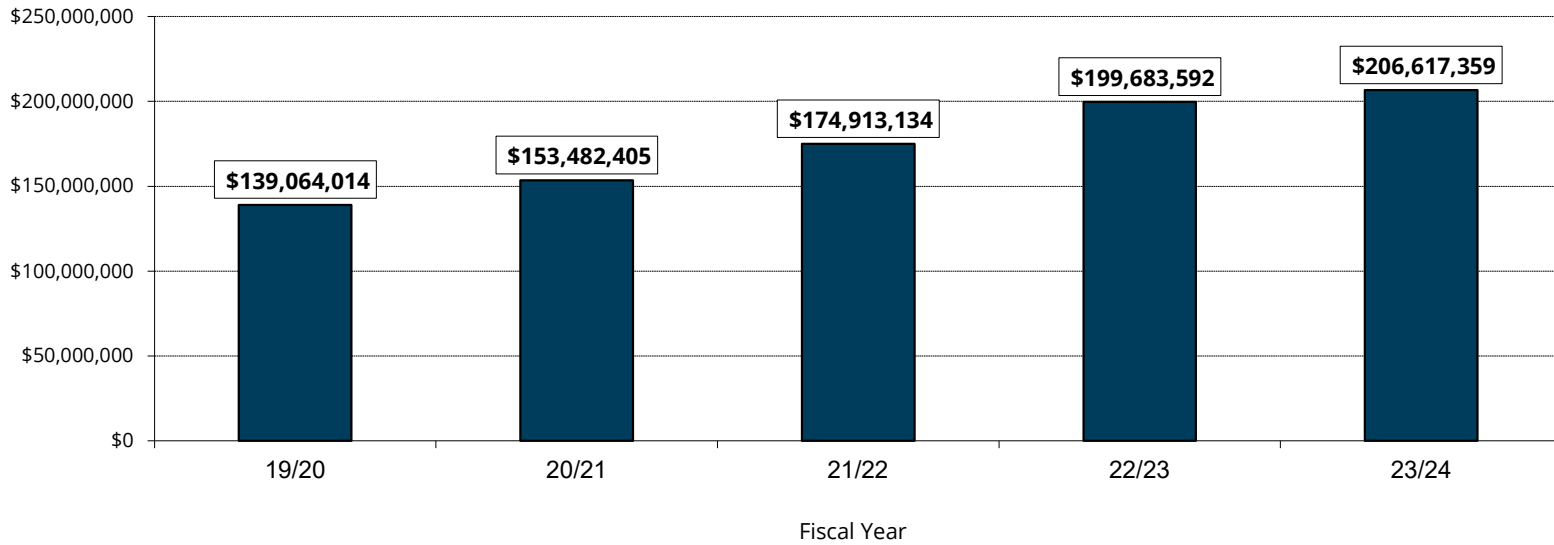
Note:

FY 2023-24 Adopted Budget excludes one-time Interfund Transfers-In of \$700,000 to the General Fund 101 for Impact Fee loan repayments, which are used to fund General Capital Projects in Fund 401. Excludes actual transfer in of \$29,025.93 from Public Facility Bond interest.

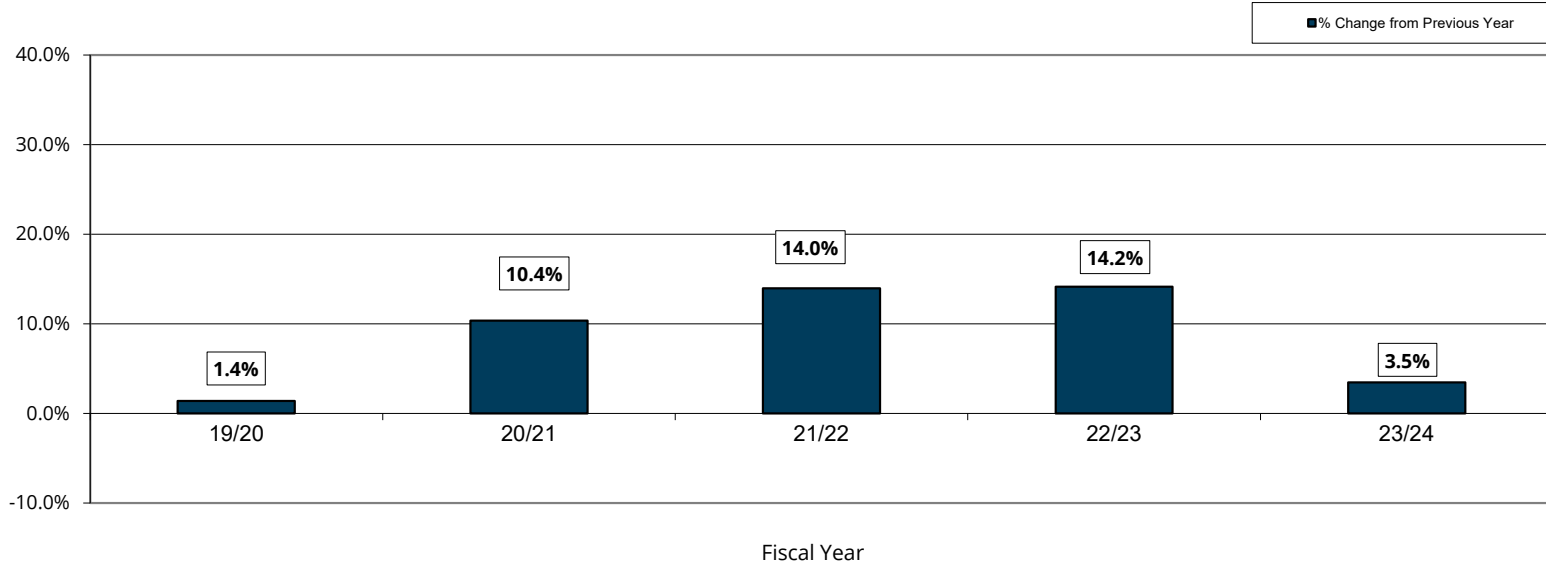
*Public Safety State Allocation is a new revenue line established this FY with an anticipated total to be received of \$2,250,000.

Attachment 1

Local Sales Tax Revenue* Through Month of June (Based on Sales Through May)



Local Sales Tax Revenue* % Change from June 2024 through June of Previous Years (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 June Each Year (Year-to-Date) Revised

Sales Tax Category	FY22-23 % of Total	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21	% Chg Fm PY	FY 2019-20
Utilities	8.4%	9.8%	\$ 18,510,764	7.4%	\$ 16,856,222	3.1%	\$ 15,693,029	7.4%	\$ 15,219,916	-1.5%	\$ 14,175,575
Telecommunications	0.9%	16.0%	\$ 2,045,904	11.7%	\$ 1,764,220	-12.0%	\$ 1,579,834	-23.6%	\$ 1,796,135	7.7%	\$ 2,351,801
Publishing / Advertising / Printing / Transportation	0.1%	-19.2%	\$ 174,842	7.4%	\$ 216,469	3.0%	\$ 201,544	52.8%	\$ 195,636	-51.0%	\$ 128,021
Restaurants & Bars	8.8%	4.9%	\$ 18,453,260	8.6%	\$ 17,583,604	26.0%	\$ 16,186,585	6.4%	\$ 12,842,386	-5.3%	\$ 12,065,697
Amusements	0.7%	13.4%	\$ 1,691,668	13.0%	\$ 1,491,849	74.9%	\$ 1,319,845	-28.0%	\$ 754,428	-18.0%	\$ 1,048,280
Real Property Rentals	11.6%	6.2%	\$ 24,628,962	11.6%	\$ 23,201,895	9.6%	\$ 20,798,190	5.0%	\$ 18,984,981	8.7%	\$ 18,088,282
Tangible Personal Property Rentals	2.6%	38.9%	\$ 7,244,167	25.5%	\$ 5,214,792	11.4%	\$ 4,154,766	-13.4%	\$ 3,728,482	6.3%	\$ 4,303,935
Hotels / Motels	3.4%	-1.1%	\$ 6,740,884	16.6%	\$ 6,815,308	87.7%	\$ 5,845,521	-14.6%	\$ 3,114,795	-10.2%	\$ 3,647,202
Contracting	13.8%	-8.4%	\$ 25,281,079	59.4%	\$ 27,599,546	21.1%	\$ 17,310,576	4.6%	\$ 14,291,652	-16.9%	\$ 13,667,589
Retail / Manufactured Buildings / Jet Fuel	46.1%	6.1%	\$ 97,766,534	8.4%	\$ 92,114,309	13.5%	\$ 85,001,177	16.7%	\$ 74,897,527	7.5%	\$ 64,154,359
Use Tax	3.4%	-40.2%	\$ 4,079,296	0.0%	\$ 6,825,378	-10.9%	\$ 6,822,068	40.9%	\$ 7,656,467	0.3%	\$ 5,433,275
Total Sales Tax Revenue*	100.0%	3.5%	\$ 206,617,359	14.2%	\$ 199,683,592	14.0%	\$ 174,913,134	10.4%	\$ 153,482,405	1.4%	\$ 139,064,014

Sales Tax Revenue By Class

Through June (Month-over-Month)

Sales Tax Category	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22	% Chg Fm PY	FY 2020-21	% Chg Fm PY	FY 2019-20
Utilities	9.3%	\$ 1,496,953	4.3%	\$ 1,370,019	22.6%	\$ 1,314,018	-6.1%	\$ 1,071,909	4.2%	\$ 1,141,696
Telecommunications	-2.8%	\$ 174,347	67.9%	\$ 179,344	-24.1%	\$ 106,807	-28.8%	\$ 140,733	-6.1%	\$ 197,779
Publishing / Advertising / Printing / Transportation	-20.7%	\$ 13,844	-2.1%	\$ 17,467	5.0%	\$ 17,839	41.5%	\$ 16,990	-85.7%	\$ 12,007
Restaurants & Bars	3.1%	\$ 1,597,512	1.8%	\$ 1,550,000	12.4%	\$ 1,522,398	45.1%	\$ 1,353,851	-20.0%	\$ 933,330
Amusements	21.7%	\$ 154,187	1.8%	\$ 126,668	41.9%	\$ 124,484	80.6%	\$ 87,733	-57.8%	\$ 48,567
Real Property Rentals	10.6%	\$ 2,024,164	2.5%	\$ 1,830,309	8.3%	\$ 1,785,332	9.9%	\$ 1,648,339	0.5%	\$ 1,499,366
Tangible Personal Property Rentals	11.6%	\$ 458,930	26.2%	\$ 411,082	-1.4%	\$ 325,832	3.6%	\$ 330,558	-11.9%	\$ 319,002
Hotels / Motels	6.7%	\$ 524,253	-3.3%	\$ 491,215	58.1%	\$ 508,139	164.6%	\$ 321,482	-61.3%	\$ 121,512
Contracting	-29.0%	\$ 2,057,788	9.3%	\$ 2,897,184	82.4%	\$ 2,650,369	31.4%	\$ 1,452,674	-29.4%	\$ 1,105,206
Retail / Manufactured Buildings / Jet Fuel**	42.0%	\$ 10,938,873	7.3%	\$ 7,705,443	7.1%	\$ 7,183,499	14.7%	\$ 6,708,371	10.3%	\$ 5,848,752
Use Tax	0.7%	\$ 444,384	-2.1%	\$ 441,132	-73.1%	\$ 450,752	200.3%	\$ 1,676,879	-16.3%	\$ 558,361
Total Sales Tax Revenue*	16.8%	\$ 19,885,235	6.4%	\$ 17,019,863	8.0%	\$ 15,989,470	25.7%	\$ 14,809,519	-4.8%	\$ 11,785,579

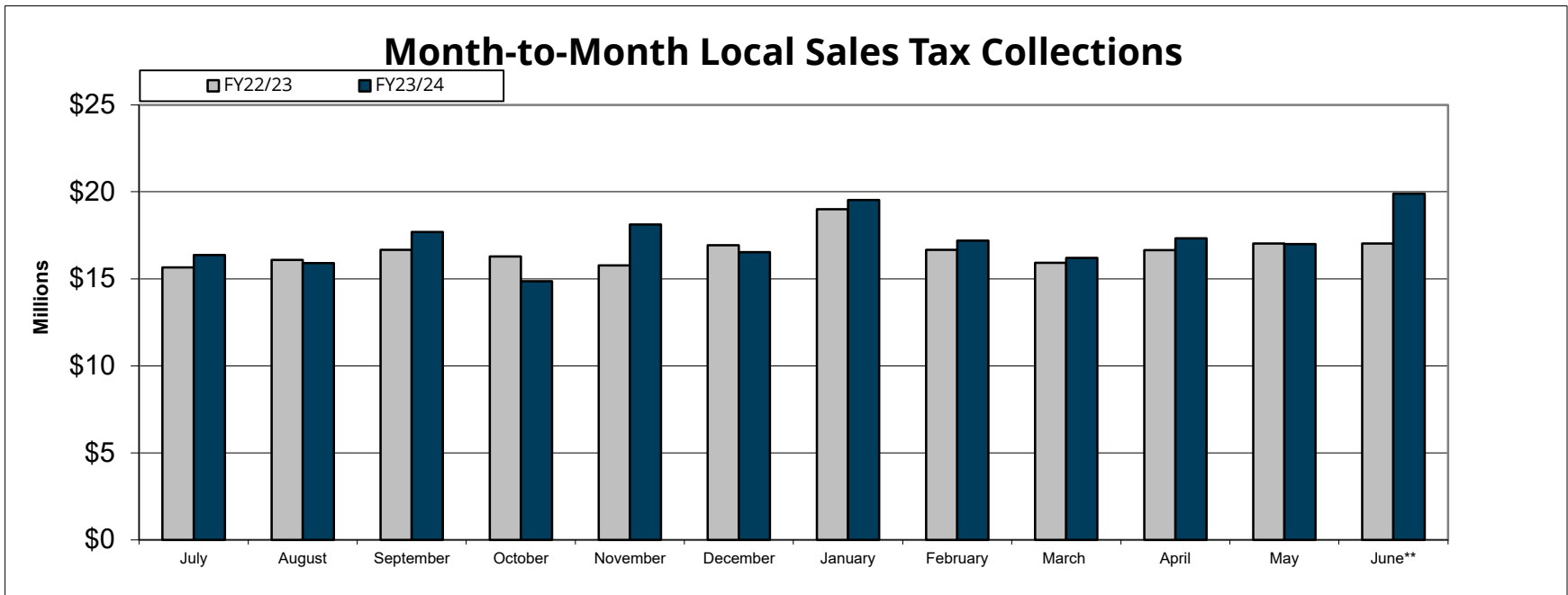
*Totals are for sales tax only, and exclude privilege license fees, audit assessments, interest, and penalties.

**June 2023-24 includes a one-time adjustment of \$2.6M to the retail classification to resolve a taxpayer issue.

Local Sales Tax Revenue

Monthly Actuals Compared to Prior Year

Local Sales Tax Collections *	Monthly Collections FY22/23	Monthly Collections FY23/24	\$ Difference + / (-) FY23/24 over FY22/23	% Difference + / (-) FY23/24 over FY22/23
July	15,662,901	16,367,375	704,474	4.5%
August	16,086,953	15,915,687	(171,267)	-1.1%
September	16,668,758	17,693,076	1,024,318	6.1%
October	16,286,090	14,875,472	(1,410,617)	-8.7%
November	15,790,137	18,124,782	2,334,645	14.8%
December	16,920,770	16,527,924	(392,846)	-2.3%
January	18,997,718	19,530,608	532,890	2.8%
February	16,662,379	17,197,955	535,576	3.2%
March	15,926,597	16,194,706	268,109	1.7%
April	16,637,632	17,317,851	680,219	4.1%
May	17,023,794	16,986,687	(37,107)	-0.2%
June**	17,019,863	19,885,235	2,865,372	16.8%
Totals	\$ 199,683,592	\$ 206,617,359	\$ 6,933,766	3.5%



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

****June 2023-24 includes a one-time adjustment of \$2.6M to the retail classification to resolve a taxpayer issue.**

General Fund Expenditure Summary Thru June 2024

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru June 2024	Percentage of Adjusted Budget Expended & Encumbered Thru June 2024	Percentage of Adjusted Budget Expended & Encumbered Thru June 2023	Over/Under Last Year's Percentage
City Clerk	\$ 836,937	\$ 1,081,978	\$ 1,002,958	92.7%	81.0%	11.7%
City Manager and Organization Support ⁽¹⁾						
City Manager	2,053,320	2,136,408	2,130,567	99.7%	99.0%	0.7%
Diversity, Equity, and Inclusion	593,070	716,920	565,812	78.9%	78.4%	0.5%
Human Resources	2,408,834	2,518,014	2,232,791	88.7%	86.1%	2.6%
Buildings & Facilities	8,513,745	9,275,700	9,064,695	97.7%	92.8%	4.9%
Fleet Services	1,386,437	1,445,286	1,313,657	90.9%	90.5%	0.4%
Economic Development	2,207,660	2,509,191	2,260,580	90.1%	75.4%	14.7%
Transportation Policy	3,196,401	3,247,085	914,293	28.2%	14.9%	13.3%
Cultural Development	4,542,297	4,872,253	4,769,860	97.9%	97.8%	0.1%
Communications & Public Affairs	3,809,110	4,304,791	3,632,582	84.4%	81.3%	3.1%
Community Services	33,452,125	35,941,987	33,694,482	93.7%	92.6%	1.1%
Development Services	10,980,344	11,455,329	9,930,098	86.7%	84.2%	2.5%
Fire	44,819,411	50,532,631	49,396,626	97.8%	98.3%	-0.5%
Information Technology	21,304,000	24,176,352	21,898,438	90.6%	88.0%	2.6%
Law	4,687,089	4,831,140	4,750,747	98.3%	98.2%	0.1%
Magistrate	5,400,966	5,617,814	4,651,207	82.8%	75.5%	7.3%
Management Services	8,188,881	8,540,282	7,348,872	86.0%	81.8%	4.2%
Mayor and Council	1,262,159	1,302,992	1,192,645	91.5%	90.6%	0.9%
Neighborhood Resources	6,700,823	10,205,930	8,356,001	81.9%	56.7%	25.2%
Police	92,895,766	104,079,860	99,635,405	95.7%	92.3%	3.4%
Public Works & Utilities	10,597,467	12,286,372	10,953,045	89.1%	93.1%	-4.0%
Non-Departmental (Personnel Services and O&M)	99,431,981	85,453,157	75,401,110	88.2%	88.4%	-0.2%
Subtotal Prior to Contingencies/Reserves	\$ 369,268,823	\$ 386,531,472	\$ 355,096,471	91.9%	89.6%	2.3%
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	16,124,552	3,209,616	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	55,395,400	50,658,927	-	0.0%	0.0%	0.0%
Total General Fund Expenditures	\$ 440,788,775	\$ 440,400,015	\$ 355,096,471	80.6%	80.1%	0.5%

⁽¹⁾ Organization Support includes Buildings and Facilities, Economic Development, Diversity, Equity & Inclusion, Fleet Services, Human Resources, Transportation Policy and Cultural Development.

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.