

CITY COUNCIL REPORT



Meeting Date: January 14, 2025
Charter Provision: *Provide for the orderly government and administration of the affairs of the City*
Objective: *Adopt Budgets*

ACTION

Accept the Fiscal Year 2024/25 Monthly Financial Report as of October 2024.

BACKGROUND

Each month the city publishes a financial summary of the city year-to-date for the General Fund. Quarterly, the summary also includes the Transportation Fund, Tourism Development Fund, Enterprise Funds, Fleet Management Fund, Risk Management Fund, Healthcare Self Insurance Fund and Statement of Operations for WestWorld.

The report focuses on the General Fund and includes a summary of revenues and expenditures by major categories, highlighting significant variances.

The FY 2024/25 budget was adopted June 4, 2024, by Ordinance No. 4642 and No. 4643.

A monthly update comparing General Fund actual results for fiscal year-to-date through October 2024 versus prior years was sent in an email by the City Treasurer to the City Council on October 21, 2024.

ANALYSIS & ASSESSMENT

There are no proposed FY 2024/25 budget adjustments or use of contingency requested for the October 2024 Monthly Financial Report.

OPTIONS & STAFF RECOMMENDATION

Staff recommends the acceptance of the Fiscal Year 2024/25 Monthly Financial Report as of October 2024.

RESPONSIBLE DIVISION(S)

City Treasurer

STAFF CONTACT(S)

Ana Lia Johnson, Acting Budget Director, (480) 312-7893, anjohnson@scottsdaleaz.gov

APPROVED BY

Sonia Andrews, City Treasurer/Chief Financial Officer

Date

(480) 312-2364, sandrews@scottsdaleaz.gov

ATTACHMENTS

1. Monthly Financial Report Fiscal Year-to-Date as of October 2024.

Monthly Financial Report

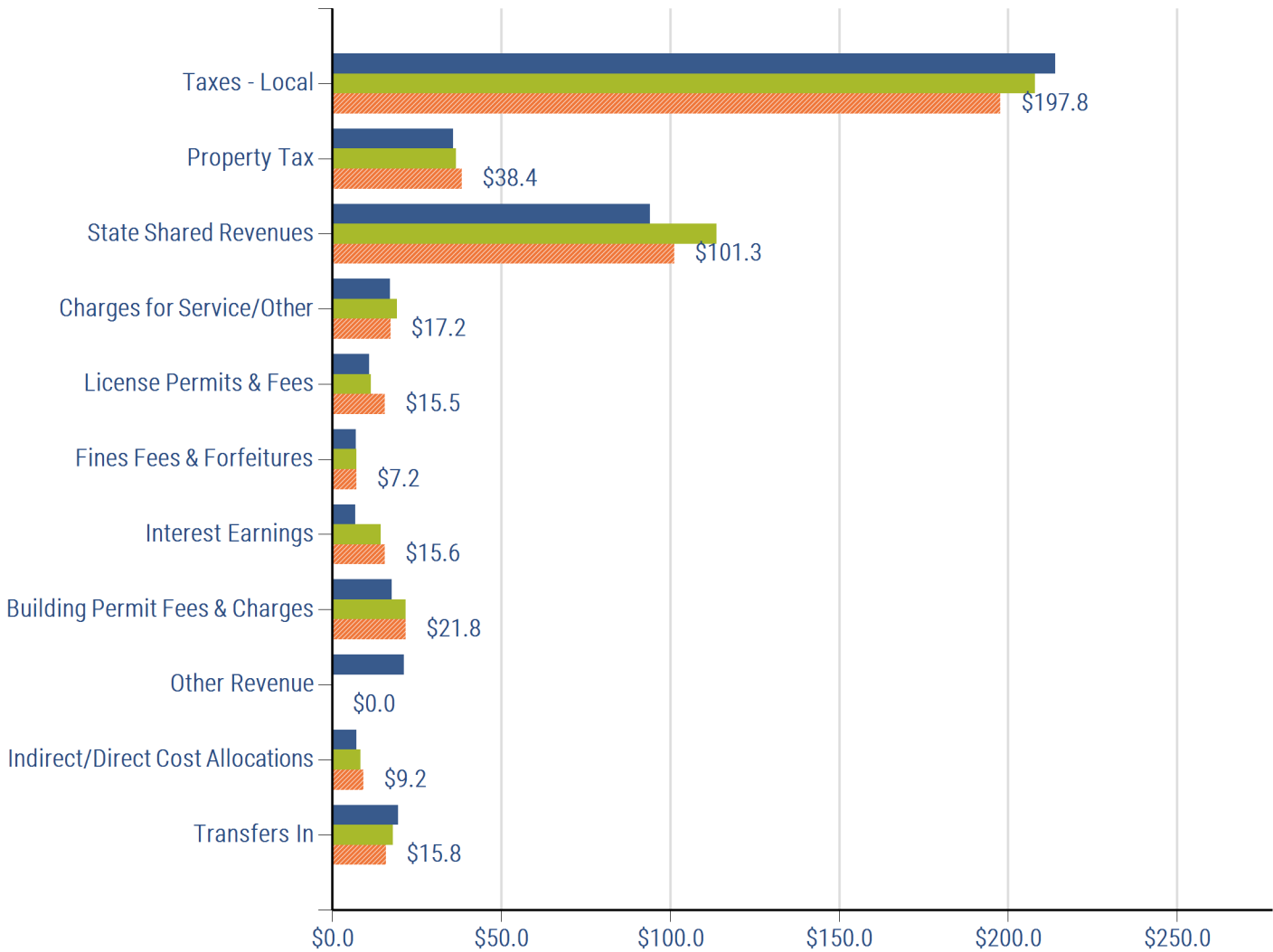
**Fiscal Year to Date as of
October 31, 2024**

Report to the City Council
Prepared by the City Treasurer
January 14, 2025

Sources

General Fund

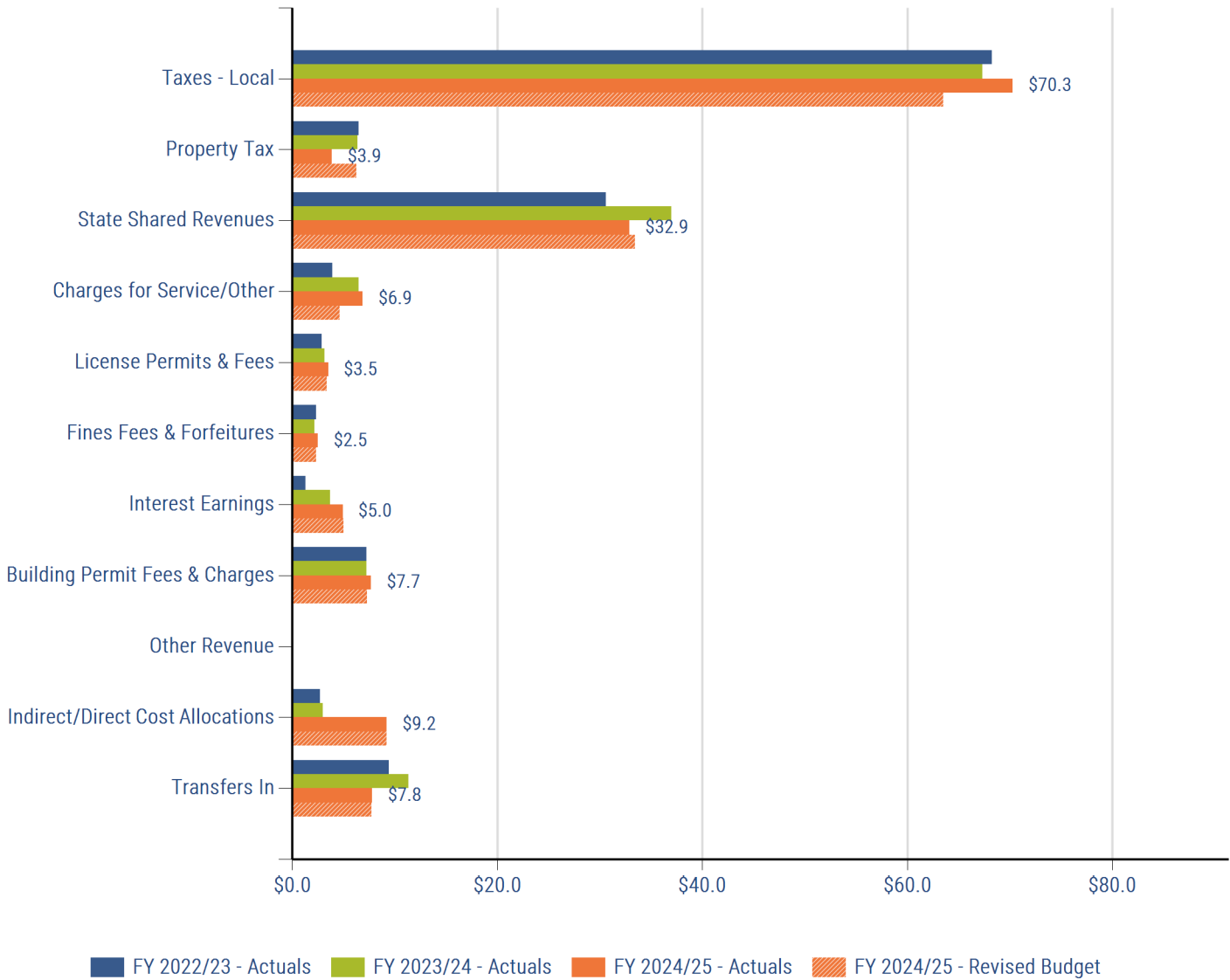
Twelve Months: Fiscal Year



■ FY 2022/23 - Actuals
 ■ FY 2023/24 - Actuals
 ▨ FY 2024/25 - Revised Budget

	FY 2022/23 <u>Actuals</u>	FY 2023/24 <u>Actuals</u>	FY 2024/25 <u>Revised Budget</u>
Taxes - Local	\$214.1	\$208.0	\$197.8
Property Tax	35.8	36.5	38.4
State Shared Revenues	94.0	113.7	101.3
Charges for Service/Other	17.0	19.2	17.2
License Permits & Fees	10.8	11.3	15.5
Fines Fees & Forfeitures	7.0	7.1	7.2
Interest Earnings	6.9	14.4	15.6
Building Permit Fees & Charges	17.6	21.7	21.8
Other Revenue	21.2	0.1	-
Indirect/Direct Cost Allocations	7.2	8.3	9.2
Transfers In	19.4	18.0	15.8
Total Sources	\$450.9	\$458.3	\$439.7

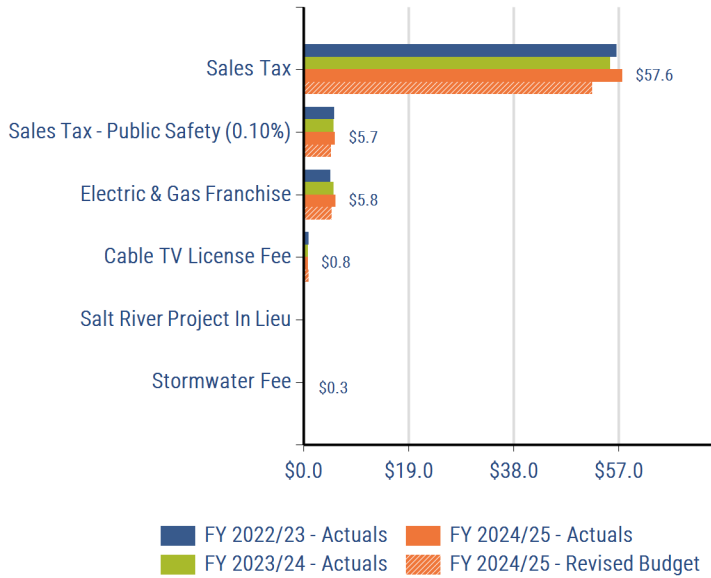
Sources (Fiscal Year to Date: October 2024)



	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$68.2	\$67.3	\$70.3	\$63.5	\$6.8	11%
Property Tax	6.5	6.4	3.9	6.3	(2.4)	(38%)
State Shared Revenues	30.6	37.0	32.9	33.5	(0.5)	(2%)
Charges for Service/Other	3.9	6.5	6.9	4.6	2.3	49%
License Permits & Fees	2.9	3.2	3.5	3.4	0.2	5%
Fines Fees & Forfeitures	2.3	2.2	2.5	2.3	0.2	8%
Interest Earnings	1.3	3.7	5.0	5.0	-	-
Building Permit Fees & Charges	7.2	7.3	7.7	7.3	0.4	6%
Other Revenue	-	-	-	-	-	-
Indirect/Direct Cost Allocations	2.7	3.0	9.2	9.2	-	-
Transfers In	9.4	11.3	7.8	7.7	0.1	1%
Total Sources	\$135.1	\$147.8	\$149.6	\$142.8	\$6.9	5%

Note: \$ in millions/rounding differences and blank lines may occur.

Taxes - Local (Fiscal Year to Date: October 2024)

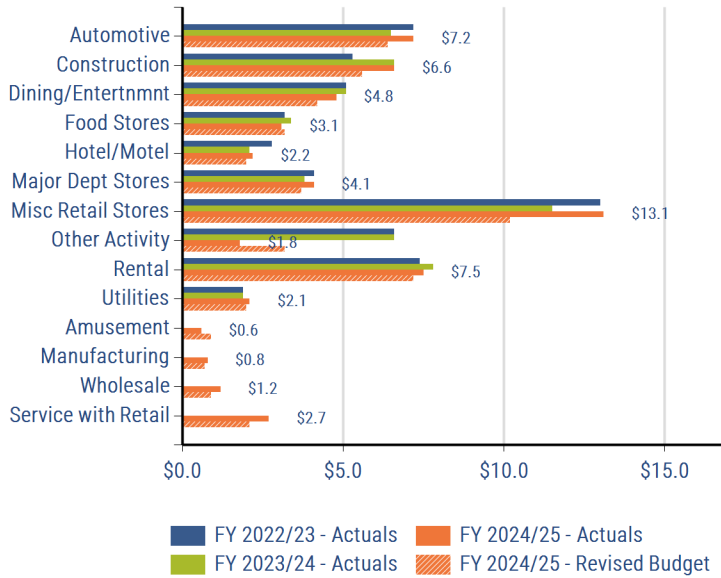


Actual to Revised Budget variance of \$6.8 million or 11%:
 The favorable variance is primarily due to Sales Tax and Electric & Gas Franchise. See detailed Sales Tax information on page 5. The favorable variance for Electric & Gas Franchise is due to higher than expected electric usage.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Sales Tax	\$56.6	\$55.4	\$57.6	\$52.2	\$5.5	10%
Sales Tax - Public Safety (0.10%)	5.6	5.5	5.7	5.0	0.7	13%
Electric & Gas Franchise	4.9	5.4	5.8	5.1	0.7	14%
Cable TV License Fee	0.9	0.8	0.8	0.9	(0.1)	(11%)
Salt River Project In Lieu	-	-	-	-	-	-
Stormwater Fee	0.3	0.3	0.3	0.3	-	-
Taxes - Local Total	\$68.2	\$67.3	\$70.3	\$63.5	\$6.8	11%

Note: \$ in millions/rounding differences and blank lines may occur.

Sales Tax (Fiscal Year to Date: October 2024)



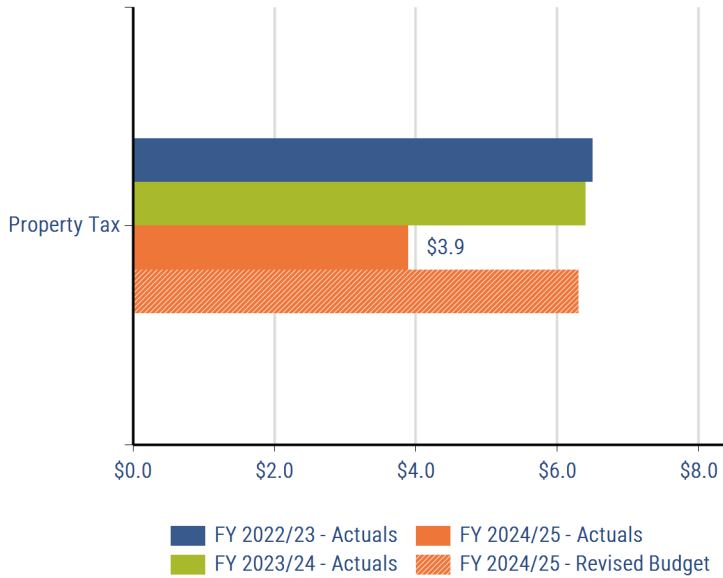
Actual to Revised Budget variance of \$5.5 million or 10%:
 The favorable variance is primarily due to: 1)Automotive - a large one-time audit payment, a new car dealership, and the timing differences of when taxpayers reported; 2)Construction - an increase in residential/commercial construction and one-time audit payments; and 3) Misc. Retail Stores - a large one-time audit payment and businesses are doing better than expected.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Automotive	\$7.2	\$6.5	\$7.2	\$6.4	\$0.7	11%
Construction	5.3	6.6	6.6	5.6	1.0	18%
Dining/Entertainment	5.1	5.1	4.8	4.2	0.5	13%
Food Stores	3.2	3.4	3.1	3.2	(0.1)	(3%)
Hotel/Motel	2.8	2.1	2.2	2.0	0.2	8%
Major Dept Stores	4.1	3.8	4.1	3.7	0.4	11%
Misc Retail Stores	13.0	11.5	13.1	10.2	2.9	28%
Other Activity*	6.6	6.6	7.1	7.8	(0.6)	(8%)
Rental	7.4	7.8	7.5	7.2	0.3	5%
Utilities	1.9	1.9	2.1	2.0	0.1	6%
Sales Tax Total	56.6	55.4	57.6	52.2	\$5.5	10%

Note: \$ in millions/rounding differences and blank lines may occur.

* Other Activity also includes Amusement, Manufacturing, Wholesale, and Service with Retail.

Property Tax (Fiscal Year to Date: October 2024)

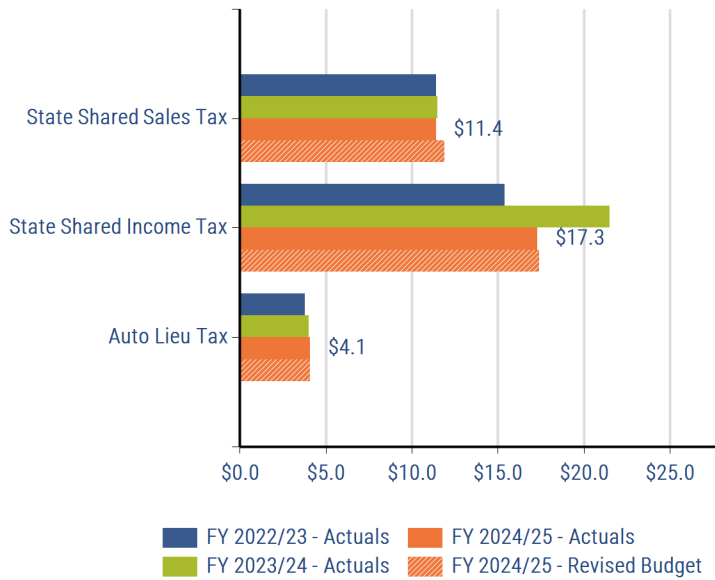


Actual to Revised Budget variance of (\$2.4) million or (38%): The unfavorable variance in property tax is due to the impact of the Qasimyar v. Maricopa County property tax judgement.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$6.5	\$6.4	\$3.9	\$6.3	(\$2.4)	(38%)
Property Tax Total	\$6.5	\$6.4	\$3.9	\$6.3	(\$2.4)	(38%)

Note: \$ in millions/rounding differences and blank lines may occur.

State Shared Revenues (Fiscal Year to Date: October 2024)

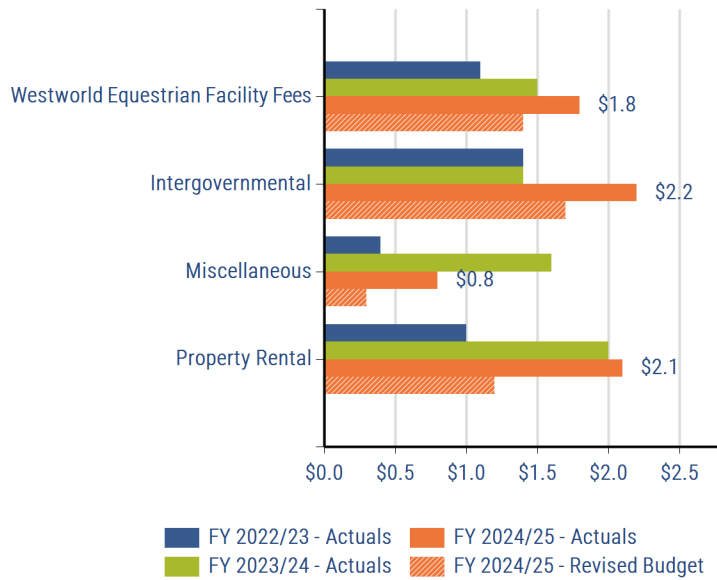


Actual to Revised Budget variance of (\$0.5) million or (2%):
 The unfavorable variance in State Shared Sales Tax - is due to lower than expected revenues collection in retail sales according to the Joint Legislative Budget Committee.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Sales Tax	\$11.4	\$11.5	\$11.4	\$11.9	(\$0.5)	(4%)
State Shared Income Tax	15.4	21.5	17.3	17.4	(0.1)	(1%)
Auto Lieu Tax	3.8	4.0	4.1	4.1	-	-
State Shared Revenues Total	\$30.6	\$37.0	\$32.9	\$33.5	(\$0.5)	(2%)

Note: \$ in millions/rounding differences and blank lines may occur.

Charges for Service/Other (Fiscal Year to Date: October 2024)



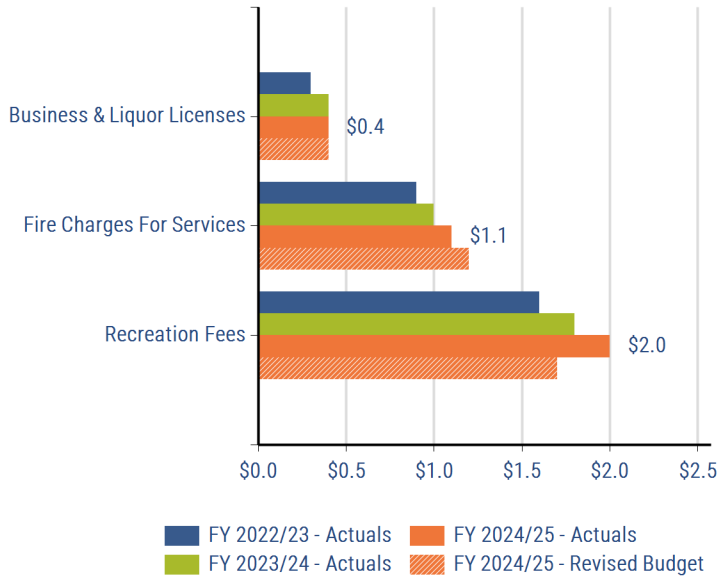
Actual to Revised Budget variance of \$2.3 million or 49%:
 The favorable variance is due to 1) Miscellaneous - timing in receiving recovery payments in Public Safety - Fire and WestWorld and 2) Property rental - lease payment received earlier than expected.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$1.1	\$1.5	\$1.8	\$1.4	\$0.4	31%
Intergovernmental	1.4	1.4	2.2	1.7	0.4	23%
Miscellaneous	0.4	1.6	0.8	0.3	0.5	>100%
Property Rental	1.0	2.0	2.1	1.2	0.9	76%
Charges for Service/Other Total	\$3.9	\$6.5	\$6.9	\$4.6	\$2.3	49%

Note: \$ in millions/rounding differences and blank lines may occur.

License Permits & Fees (Fiscal Year to Date: October 2024)

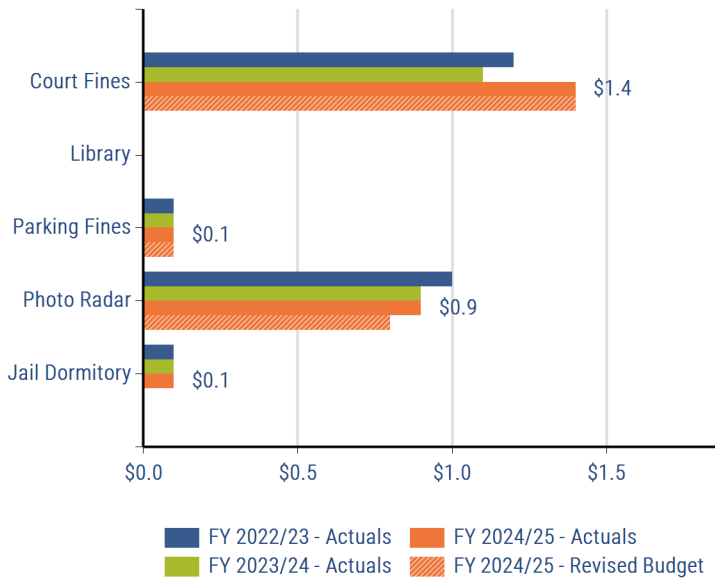
Actual to Revised Budget variance of \$0.2 million or 5%:
The favorable variance is due to Recreation Fees - higher than expected enrollment in summer sessions.



	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Business & Liquor Licenses	\$0.3	\$0.4	\$0.4	\$0.4	\$ -	-
Fire Charges For Services	0.9	1.0	1.1	1.2	(0.1)	(5%)
Recreation Fees	1.6	1.8	2.0	1.7	0.2	14%
License Permits & Fees Total	\$2.9	\$3.2	\$3.5	\$3.4	\$0.2	5%

Note: \$ in millions/rounding differences and blank lines may occur.

Fines Fees & Forfeitures (Fiscal Year to Date: October 2024)



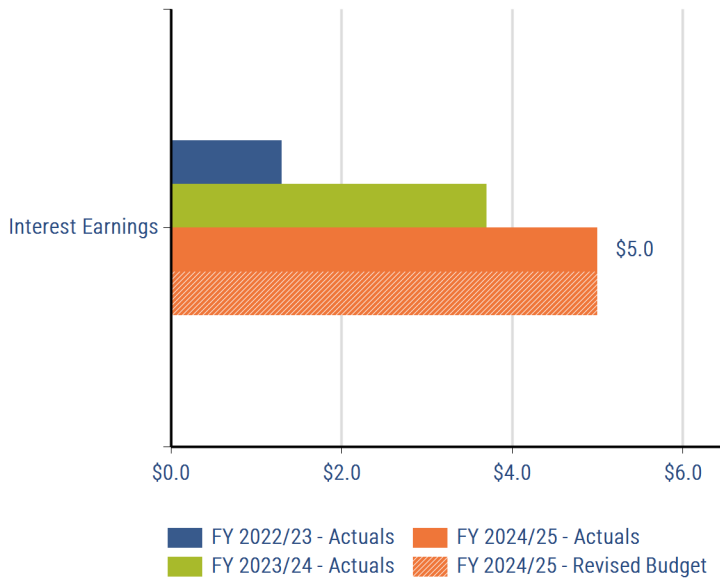
Actual to Revised Budget variance of \$0.2 million or 8%: The favorable variance is due to 1) Photo Radar - higher than anticipated filings for traffic photo enforcement; and 2) Jail Dormitory - higher than anticipated participation in the Jail Dorm program.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Court Fines	\$1.2	\$1.1	\$1.4	\$1.4	\$0.1	5%
Library	-	-	-	-	-	-
Parking Fines	0.1	0.1	0.1	0.1	-	-
Photo Radar	1.0	0.9	0.9	0.8	0.1	9%
Jail Dormitory	0.1	0.1	0.1	-	0.1	>100%
Fines Fees & Forfeitures Total	\$2.3	\$2.2	\$2.5	\$2.3	\$0.2	8%

Note: \$ in millions/rounding differences and blank lines may occur.

Interest Earnings (Fiscal Year to Date: October 2024)

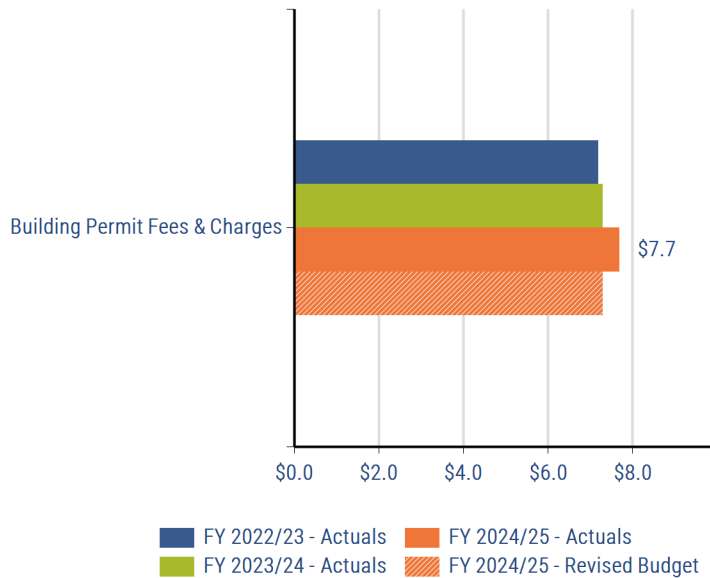
Actual to Revised Budget variance of \$0.0 million or (1%):
The interest earnings are overall aligned with budget.



	<u>FY 2022/23</u> <u>Actuals</u>	<u>FY 2023/24</u> <u>Actuals</u>	<u>FY 2024/25</u> <u>Actuals</u>	<u>FY 2024/25</u> <u>Revised Budget</u>	<u>Actual vs. Budget</u> <u>Favorable / (Unfavorable)</u> <u>Amount</u>	<u>Percent</u>
Interest Earnings	\$1.3	\$3.7	\$5.0	\$5.0	\$ -	-
Interest Earnings Total	\$1.3	\$3.7	\$5.0	\$5.0	\$ -	-

Note: \$ in millions/rounding differences and blank lines may occur.

Building Permit Fees & Charges (Fiscal Year to Date: October 2024)



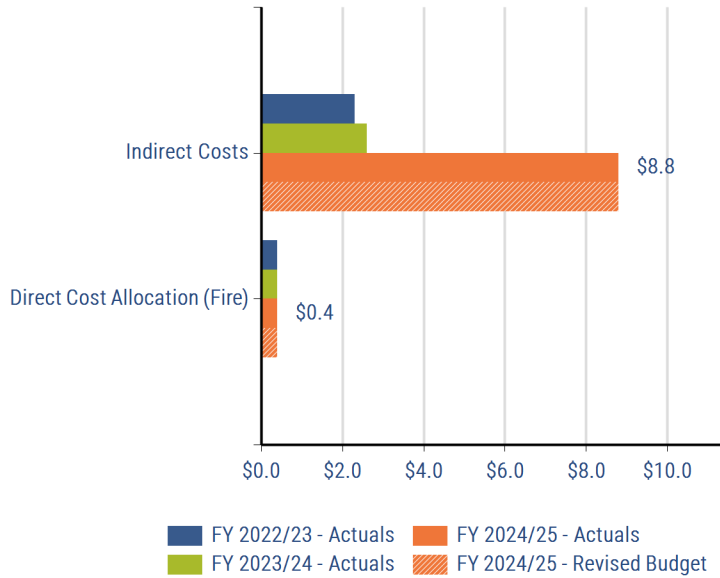
Actual to Revised Budget variance of \$0.4 million or 6%:
 The favorable variance is due to higher than expected revenues from encroachment permits and plan review fees. The favorable variance would be greater but is being offset by the special event fees that were budgeted in October but were expected until later in the fiscal year in Public Safety - Police division.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$7.2	\$7.3	\$7.7	\$7.3	\$0.4	6%
Building Permit Fees & Charges Total	\$7.2	\$7.3	\$7.7	\$7.3	\$0.4	6%

Note: \$ in millions/rounding differences and blank lines may occur.

Indirect/Direct Cost Allocations (Fiscal Year to Date: October 2024)

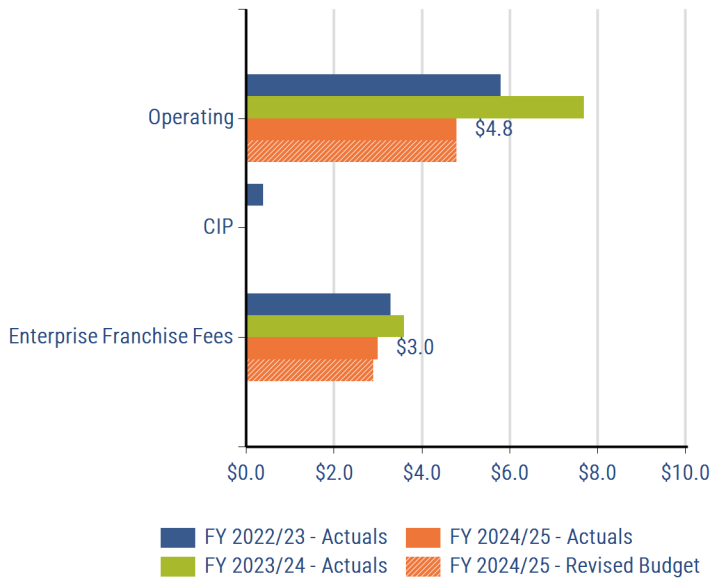
Actual to Revised Budget variance of \$0.0 million or 0%:
Indirect/Direct Cost Allocations are aligned with budget.



	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$2.3	\$2.6	\$8.8	\$8.8	\$ -	-
Direct Cost Allocation (Fire)	0.4	0.4	0.4	0.4	-	-
Indirect/Direct Cost Allocations Total	\$2.7	\$3.0	\$9.2	\$9.2	\$ -	-

Note: \$ in millions/rounding differences and blank lines may occur.

Transfers In (Fiscal Year to Date: October 2024)

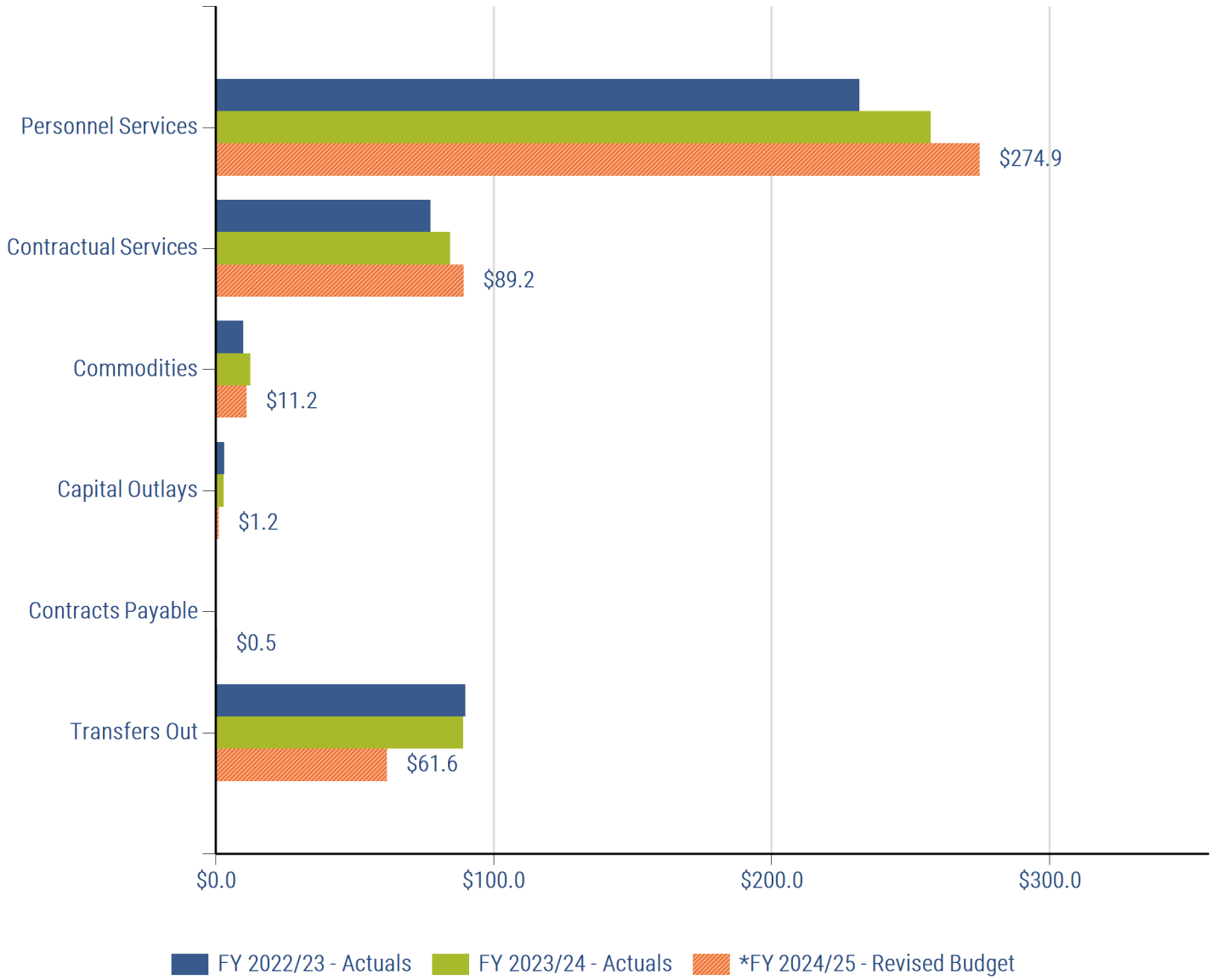


Actual to Revised Budget variance of \$0.1 million or 1%:
 Transfers In is the authorized movement of cash or other resources from other funds to support the General Fund. The minimal favorable variance is due to slightly higher than expected Enterprise Franchise Fees.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating	\$5.8	\$7.7	\$4.8	\$4.8	\$ -	-
CIP	0.4	-	-	-	-	-
Enterprise Franchise Fees	3.3	3.6	3.0	2.9	-	-
Transfers In Total	\$9.4	\$11.3	\$7.8	\$7.7	\$0.1	1%

Note: \$ in millions/rounding differences and blank lines may occur.

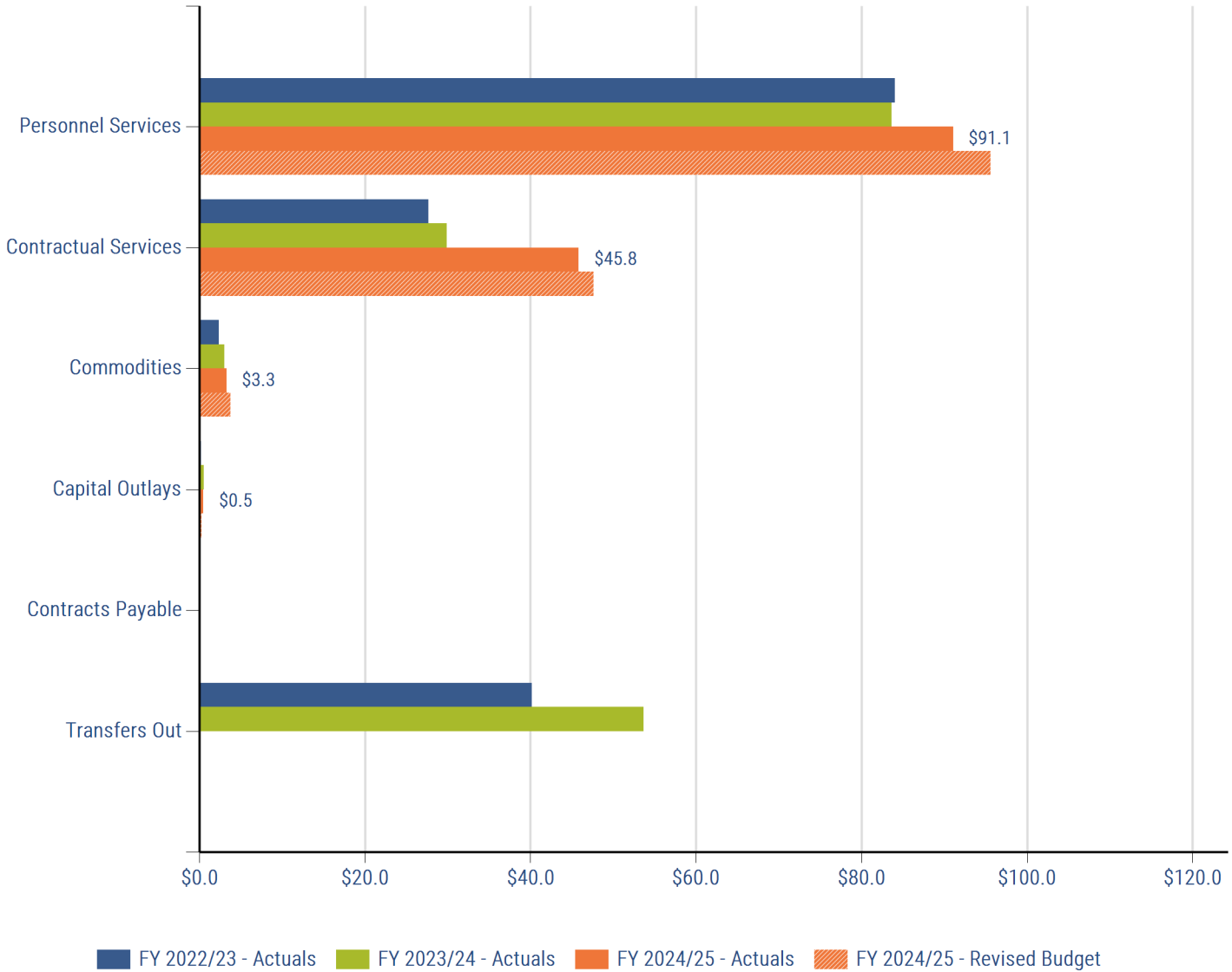
Twelve Months: Fiscal Year



	FY 2022/23 <u>Actuals</u>	FY 2023/24 <u>Actuals</u>	FY 2024/25 <u>Revised Budget</u>
Personnel Services	\$231.7	\$257.3	\$274.9
Contractual Services	77.3	84.4	89.2
Commodities	9.9	12.5	11.2
Capital Outlays	3.2	2.9	1.2
Contracts Payable	0.4	0.4	0.5
Transfers Out	89.9	89.1	61.6
Total Uses	\$412.3	\$446.7	\$438.5

Note: \$ in millions/rounding differences and blank lines may occur.

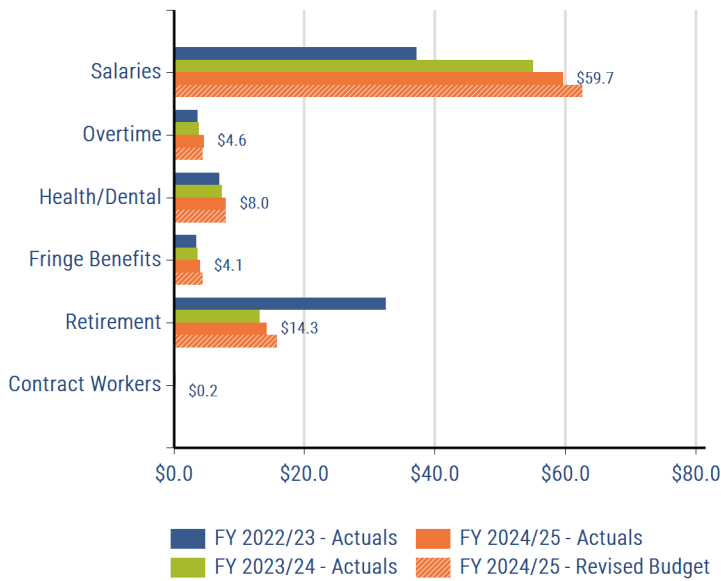
Uses (Fiscal Year to Date: October 2024)



	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$84.1	\$83.6	\$91.1	\$95.6	\$4.5	5%
Contractual Services	27.7	29.9	45.8	47.6	1.8	4%
Commodities	2.4	3.0	3.3	3.8	0.5	13%
Capital Outlays	0.2	0.5	0.5	0.3	(0.2)	(82%)
Contracts Payable	-	-	-	-	-	-
Transfers Out	40.1	53.7	-	-	-	-
Total Uses	\$154.5	\$170.8	\$140.6	\$147.3	\$6.6	4%

Note: \$ in millions/rounding differences and blank lines may occur.

Personnel Services (Fiscal Year to Date: October 2024)

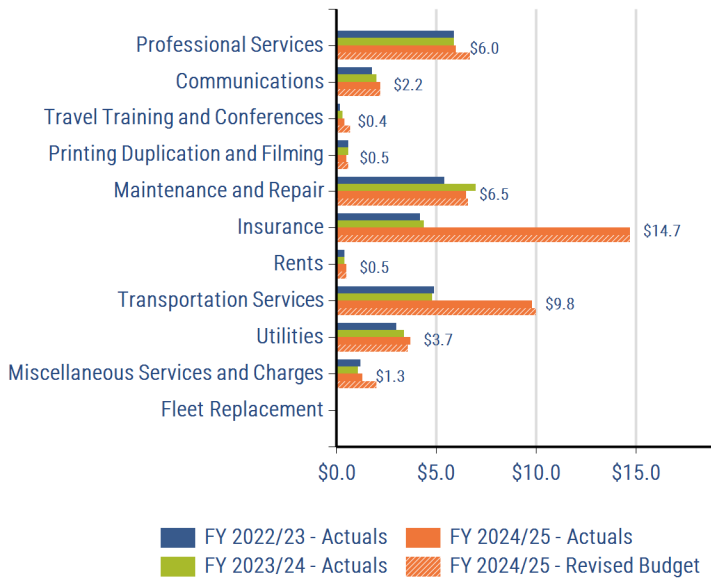


Actual to Revised Budget variance of \$4.5 million or 5%:
 The favorable variance is due to: 1) Salaries - vacancy savings and new staff hired at a lower rate than the employee who retired or left; and 2) Retirement - mostly due to new Public Safety staff being hired at a different retirement tier than the employees who retired or left, which resulted in lower retirement contributions. The unfavorable variance in Overtime is due to higher than expected staffing needs and significant events in Public Safety - Police division.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Salaries	\$37.2	\$55.1	\$59.7	\$62.7	\$3.0	5%
Overtime	3.7	3.9	4.6	4.4	(0.2)	(6%)
Health/Dental	7.0	7.4	8.0	8.0	-	-
Fringe Benefits	3.5	3.7	4.1	4.4	0.3	7%
Retirement	32.5	13.2	14.3	15.8	1.5	9%
Contract Workers	0.2	0.3	0.2	0.2	-	-
Personnel Services Total	\$84.1	\$83.6	\$91.1	\$95.6	\$4.5	5%

Note: \$ in millions/rounding differences and blank lines may occur.

Contractual Services (Fiscal Year to Date: October 2024)

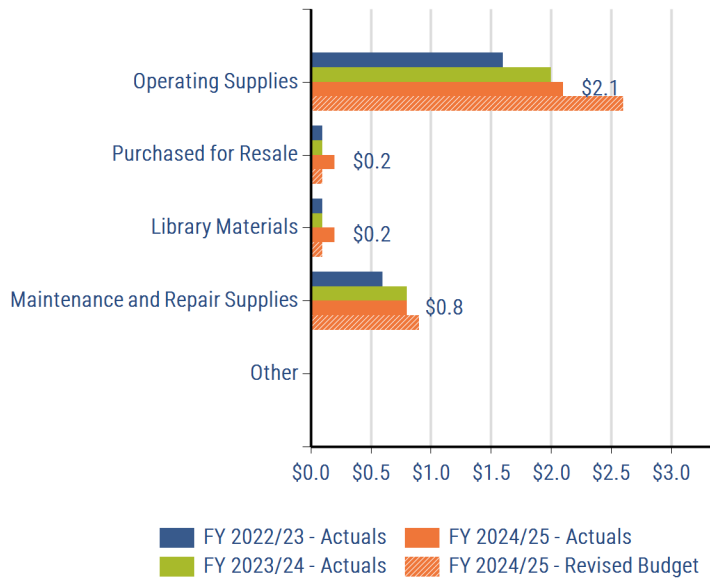


Actual to Revised Budget variance of \$1.8 million or 4%:
 The favorable variance is due to 1) Professional Services - timing of expenses for consultant/medical/jail services; and 2) Travel Training and Conferences - timing of expenses for professional training in Public Safety - Fire division; and 3) Misc. Services and Charges - delay in receiving invoices for dispatch services in Public Safety - Fire division.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Professional Services	\$5.9	\$5.9	\$6.0	\$6.7	\$0.7	10%
Communications	1.8	2.0	2.2	2.2	(0.1)	(3%)
Travel Training and Conferences	0.2	0.3	0.4	0.7	0.3	39%
Printing Duplication and Filming	0.6	0.6	0.5	0.6	0.1	9%
Maintenance and Repair	5.4	7.0	6.5	6.6	0.1	1%
Insurance	4.2	4.4	14.7	14.7	-	-
Rents	0.4	0.4	0.5	0.5	-	-
Transportation Services	4.9	4.8	9.8	10.0	0.2	2%
Utilities	3.0	3.4	3.7	3.6	(0.1)	(2%)
Miscellaneous Services and Charges	1.2	1.1	1.3	2.0	0.7	33%
Contractual Services Total	\$27.7	\$29.9	\$45.8	\$47.6	\$1.8	4%

Note: \$ in millions/rounding differences and blank lines may occur.

Commodities (Fiscal Year to Date: October 2024)

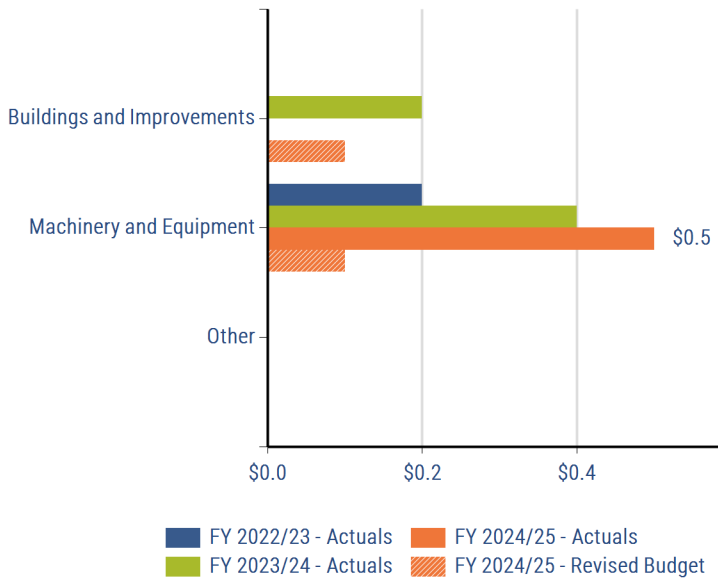


Actual to Revised Budget variance of \$0.5 million or 13%:
 The favorable variance is due to Operating Supplies - timing differences in purchasing personal protective equipment, radio equipment and emergency medical supplies in Public Safety - Fire Division. The favorable variance would be greater, but is being offset by the earlier than planned purchase of ammunition and weapons in the Public Safety - Police division.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$1.6	\$2.0	\$2.1	\$2.6	\$0.5	19%
Purchased for Resale	0.1	0.1	0.2	0.1	-	-
Library Materials	0.1	0.1	0.2	0.1	-	-
Maintenance and Repair Supplies	0.6	0.8	0.8	0.9	0.1	7%
Other	-	-	-	-	-	-
Commodities Total	\$2.4	\$3.0	\$3.3	\$3.8	\$0.5	13%

Note: \$ in millions/rounding differences and blank lines may occur.

Capital Outlays (Fiscal Year to Date: October 2024)



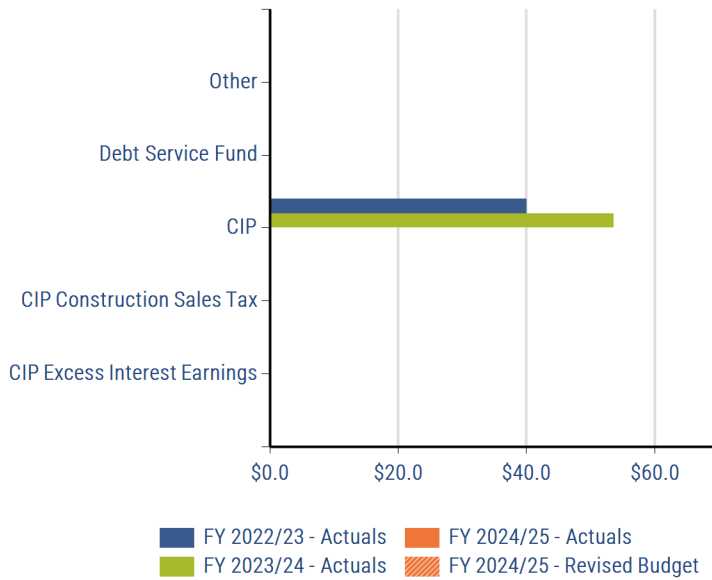
Actual to Revised Budget variance of (\$0.2) million or (82%): The unfavorable variance is due to Machinery and Equipment - vehicles for Code Enforcement officers that were approved by Council and ordered in FY 2023/24 were received in FY2024/25.

	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Buildings and Improvements	\$ -	\$0.2	\$ -	\$0.1	\$0.1	92%
Machinery and Equipment	0.2	0.4	0.5	0.1	(0.3)	>(100%)
Other	-	-	-	-	-	-
Capital Outlays Total	\$0.2	\$0.5	\$0.5	\$0.3	(\$0.2)	(82%)

Note: \$ in millions/rounding differences and blank lines may occur.

Transfers Out (Fiscal Year to Date: October 2024)

Actual to Revised Budget variance of \$0.0 million or 0%:
 Transfers Out are the authorized movement of cash to other funds and/or capital projects. No transfers out are budgeted in this period.



	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Other	\$ -	\$ -	\$ -	\$ -	\$ -	-
Debt Service Fund	-	-	-	-	-	-
CIP	40.1	53.7	-	-	-	-
CIP Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
Transfers Out Total	\$40.1	\$53.7	\$0.0	\$0.0	\$ -	-

Note: \$ in millions/rounding differences and blank lines may occur.

Division Expenditures (Fiscal Year to Date: October 2024)



	FY 2022/23 Actuals	FY 2023/24 Actuals	FY 2024/25 Actuals	FY 2024/25 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$9.8	\$9.8	\$11.9	\$12.7	\$0.8	6%
Administrative Services	8.3	10.7	10.6	11.2	0.6	5%
Community and Economic Development	8.7	9.1	10.4	10.3	(0.1)	(1%)
Community Services	15.5	16.5	19.8	20.1	0.3	2%
Public Safety - Fire	17.6	21.9	28.1	31.1	3.0	10%
Public Safety - Police	47.5	41.4	51.1	53.0	1.9	4%
Public Works	7.0	7.8	8.8	8.9	0.1	2%
Total	\$114.3	\$117.1	\$140.6	\$147.2	\$6.6	4%

Note: \$ in millions/rounding differences and blank lines may occur.