



City Council Weekly Information Packet

Friday, October 27, 2023

Includes the following documents/information:

- 1) City Council Events Schedule
- 2) Tax Revenue Statistical Report – September 2023
- 3) Community Services Department Update



City Council Events Schedule

October 28, 2023 thru April 20, 2024

The Mayor and City Council have been invited to attend various community meetings and public and private events at which a quorum of the City Council may be present. The Council will not be conducting city business, nor will any legal action be taken. This is an event only and not a public meeting. A list of the community meetings and public and private events along with the schedules, dates, times, and locations is attached. Organizers may require a rsvp or fee.

Sat	Oct 28	12:30 p.m. – 2:00 p.m.	ASU 2023 Homecoming Parade Location: Downtown Tempe 851 S. Forest Mall Tempe, AZ
Sun	Oct 29	9:00 a.m. – 12:00 p.m.	YES Day for Autism at Tempe Town Lake Location: First Place 620 N. Mill Avenue Tempe, AZ
Wed	Nov 1	8:00 a.m. – 10:00 a.m.	LISC Phoenix Annual Breakfast & Community Awards Location: Renaissance Phoenix Downtown Hotel 100 N. 1 st Street Phoenix, AZ
Wed	Nov 1	8:30 a.m. – 11:30 a.m.	Police Appreciation Breakfast Location: Love International Church 2655 W. Georgia Avenue Phoenix, AZ
Fri	Nov 3	3:30 p.m. – 6:00 p.m.	Breakfast/Dinner with Berdetta/Culdesac Open House Location: Culdesac 2005 E. Apache Boulevard Tempe, AZ
Sat	Nov 4	8:00 a.m. – 12:00 p.m.	Community Tree Planting and Garden Renovation Location: Cecil Shamley Elementary School 1500 N. Scovel Street Tempe, AZ
Sat	Nov 4	9:30 a.m. – 10:30 a.m.	Clark Park Community Recreation Opportunities Open House Location: Clark Park 1730 S. Roosevelt Street Tempe, AZ

Sat	Nov 4	6:00 p.m. – 9:00 p.m.	Tempe Jam Location: Tempe Sports Complex 8401 S. Hardy Drive Tempe, AZ
Mon	Nov 6	8:00 a.m. – 6:00 p.m.	Mpact Transit Conference Location: Phoenix – Precise Location Details TBD Phoenix, AZ
Wed	Nov 8	11:30 a.m. – 1:00 p.m.	Copper 5 Honors Event Location: AZ Air National Guard 161 st Refueling Wing 3200 E. Old Tower Road Phoenix, AZ
Wed	Nov 8	5:30 a.m. – 11:00 a.m.	City of Tempe Veteran Employee Breakfast Location: City of Tempe 31 E. 5 th Street Tempe, AZ
Wed	Nov 8	5:30 p.m. – 6:30 p.m.	Councilmember Navarro’s Community Conversation – All Things Housing Location: Pyle Adult Center 655 E. Southern Avenue Tempe, AZ
Thur	Nov 9	5:30 p.m. – 8:30 p.m.	16 th Annual Golden Rule Awards Banquet Location: Mesa Convention Center – Centennial Hall 201 N. Center Street Mesa, AZ
Sat	Nov 11	9:30 a.m. – 11:00 a.m.	Veteran’s Day Parade Location: Downtown Tempe - Mill Avenue Tempe, AZ
Sat	Nov 11	10:00 a.m. – 1:00 p.m.	Diwali and Veterans Day Assembly Location: Kyrene Del Norte Dual Language Academy 1331 E. Redfield Drive Tempe, AZ
Sat	Nov 11	1:00 p.m. – 2:30 p.m.	Alameda Meadows, McClintock, Palmcroft Manor and Santo Tomas NA Meeting Location: Selleh Park 2425 S. Los Feliz Drive Tempe, AZ

Sat	Nov 11	4:00 p.m. – 6:00 p.m.	Tempe Palms NA Annual Fall Potluck Location: Cul-de-sac End of Siesta and Shannon Tempe, AZ
Mon	Nov 13	12:00 p.m. – 1:00 p.m.	Preserves Management Plan Virtual Meeting Location: Zoom Register here: Register here
Tues	Nov 14	5:30 p.m. – 7:00 p.m.	MYAC Meeting Location: MYAC 3500 S. Rural Road Tempe, AZ
Thur	Nov 16	4:00 p.m. – 5:00 p.m.	Ribbon Cutting – Body 20 Location: Body 20 7650 S. McClintock Drive, Suite 101 Tempe, AZ
Thur	Nov 16	6:00 p.m. – 8:00 p.m.	7 th Annual Celebrating Champions for Youth Location: Tempe Union Innovation Center – Café 490 W. Guadalupe Road Tempe, AZ
Fri	Nov 24	6:00 p.m. – 9:00 p.m.	Fantasy of Lights Street Parade Location: 3 rd Street & Mill 1 W. Rio Salado Parkway Tempe, AZ
Thur	Dec 7	5:30 p.m. – 7:30 p.m.	Downtown Tempe Menorah Lighting Location: Ragsdale MLK Park 24 E. 6 th Street Tempe, AZ
Sat	Dec 16	6:00 p.m. – 9:00 p.m.	NAACP State Conference Fundraiser Gala Location: Hyatt Regency 122 N. Second Street Tempe, AZ
Tues	Jan 16	11:15 a.m. – 1:00 p.m.	Tempe Tourism Office Annual Luncheon Location: Tempe Tourism Office 222 S. Mill Avenue, Suite 120 Tempe, AZ

Sat	Feb 24	10:00 a.m. – 2:00 p.m.	PlayDay 2024 – Tempe’s Annual Day of Play Location: Kiwanis Park – Fiesta Playground All-American Way & Mill Avenue Tempe, AZ
Sat	Mar 2	7:30 a.m. – 11:30 a.m.	Tempe Cares 2024 Location: Tempe Leadership 1438 W. Broadway Road #213 Tempe, AZ
Wed	Mar 27	4:30 p.m. – 7:30 p.m.	Geeks Night Out 2024 – Tempe’s Annual STEAM Festival Location: Tempe Public Library 3500 S. Rural Road Tempe, AZ
Sat	Apr 20	9:00 a.m. – 10:00 p.m.	AZ Alpha Delta Kappa State Convention Location: Double Tree Hilton 2100 S. Priest Drive Tempe, AZ

10/27/2023 JR

MEMORANDUM



TO: Mayor and Council
FROM: Lauri Oszakiewski, Senior Municipal Budget & Finance Analyst
THROUGH: Tom Duensing, Deputy City Manager
Lisette Camacho, Financial Services Director
DATE: October 27, 2023
SUBJECT: Tax Revenue Statistical Report – September 2023

Introduction

The Municipal Budget Office (MBO) reviews the City’s privilege (sales) tax collections for the General Fund (1.2%), Transit Fund (0.5%) and Arts & Cultural Fund (0.1%) and the General Fund bed tax (5.0%) in order to monitor the financial performance of the City’s largest revenue source. This monthly analysis also provides the opportunity to determine if adjustments need to be made for any significant variances to ensure continuity of programs and service delivery. The September 2023 report summarizes our analysis of the August sales activity reported to the Arizona Department of Revenue (ADOR).

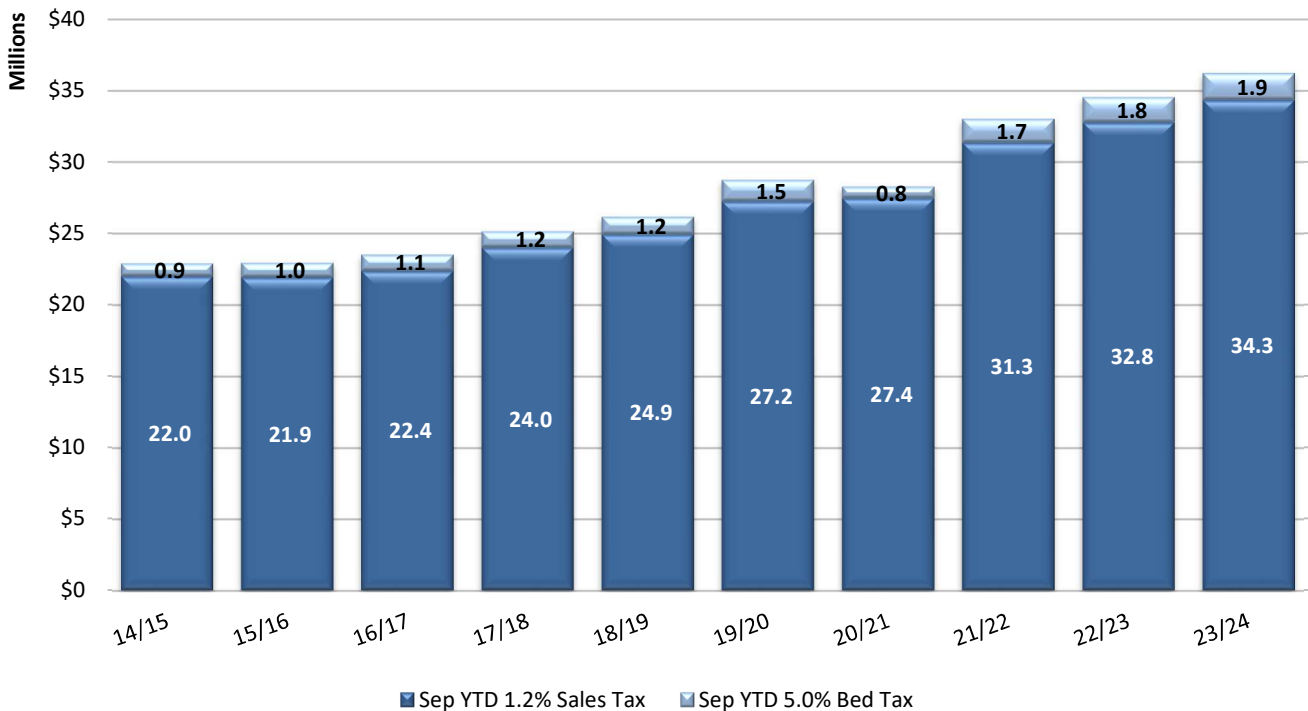
Overall Highlights

Total fiscal year to date taxable *sales* increased by 2.9% over the same year to date period in the prior fiscal year. Total sales tax *revenue* is up 3.0% or \$1.6 million, due to growth in non-recurring business activities (\$926 thousand), contracting (\$275 thousand), and combined hotel/motel and bed tax (\$224 thousand) activity. The attached Executive Summary provides a summary of historical and current fiscal year taxable sales, sales tax collections by fund, tax revenues by business activity, and an analysis of retail tax revenues by activity.

General Fund Highlights

As the General Fund portion of the City’s sales and bed tax revenue collections represents the General Fund’s largest revenue source, further analysis is performed on these specific tax collections. The graph below depicts year to date General Fund historical sales and bed tax revenue from FY 2014/15 through FY 2023/24. General Fund sales and bed tax revenue for FY 2023/24 is up 4.9% or \$1.7 million over the prior year to date period.

General Fund Year to Date Sales and Bed Tax Collections through September



Executive Summary

Current Month - September	2020-21		2021-22		2022-23		2023-24	
		Change		Change		Change		Change
Taxable Sales								
Total Taxable Sales	763,290,000	-9.9%	932,157,000	22.1%	948,264,000	1.7%	1,016,237,000	7.2%
Retail Taxable Sales	444,970,000	2.8%	563,901,000	26.7%	531,766,000	-5.7%	584,465,000	9.9%
Tax Revenues by Fund								
General Fund								
Privilege Tax (1.2%)	8,900,000	-9.1%	10,819,000	21.6%	10,951,000	1.2%	11,998,000	9.6%
Bed Tax (5.0%)	300,000	-40.7%	559,000	86.3%	646,000	15.6%	663,000	2.6%
Privilege Tax Rebates	187,000	-27.5%	233,000	24.6%	273,000	17.2%	52,000	-81.0%
Total General Fund	9,387,000	-11.1%	11,611,000	23.7%	11,870,000	2.2%	12,713,000	7.1%
Transit Fund								
Privilege Tax (0.5%)	3,709,000	-9.2%	4,508,000	21.5%	4,563,000	1.2%	5,021,000	10.0%
Privilege Tax Rebates	78,000	-23.5%	97,000	24.4%	114,000	17.5%	-	-100.0%
Total Transit Fund	3,787,000	-9.5%	4,605,000	21.6%	4,677,000	1.6%	5,021,000	7.4%
Arts & Culture Fund								
Privilege Tax (0.1%)	757,000	-9.6%	921,000	21.7%	935,000	1.5%	1,004,000	7.4%
Total Arts & Culture Fund	757,000	-9.6%	921,000	21.7%	935,000	1.5%	1,004,000	7.4%
Totals	13,931,000	-10.6%	17,137,000	23.0%	17,482,000	2.0%	18,738,000	7.2%
Tax Revenues by Business Activities								
Retail	8,009,000	2.8%	10,150,000	26.7%	9,572,000	-5.7%	10,520,000	9.9%
Rentals	2,524,000	2.4%	2,992,000	18.5%	3,460,000	15.6%	3,449,000	-0.3%
Utilities/Communication	902,000	-0.2%	921,000	2.1%	929,000	0.9%	1,000,000	7.6%
Restaurants	846,000	-18.9%	1,191,000	40.8%	1,344,000	12.8%	1,337,000	-0.5%
Contracting	1,029,000	1.5%	824,000	-19.9%	1,003,000	21.7%	1,150,000	14.7%
Hotel/Motel	114,000	-40.0%	217,000	90.4%	250,000	15.2%	286,000	14.4%
Transient (Bed Tax)	300,000	-40.7%	559,000	86.3%	646,000	15.6%	696,000	7.7%
Non-Recurring Business Activities	137,000	-90.7%	39,000	-71.5%	4,000	-89.7%	-	-100.0%
Amusements	26,000	-74.8%	106,000	307.7%	146,000	37.7%	190,000	30.1%
All Other	43,000	-51.7%	136,000	216.3%	127,000	-6.6%	109,000	-14.2%
Totals	13,931,000	-10.6%	17,137,000	23.0%	17,482,000	2.0%	18,738,000	7.2%
Retail Tax Revenues by Activities								
Automotive	1,152,000	-11.5%	1,378,000	19.6%	1,370,000	-0.6%	1,988,000	45.1%
Building Supply Stores	328,000	10.1%	362,000	10.4%	409,000	13.0%	399,000	-2.4%
Department Stores	1,120,000	-2.9%	1,305,000	16.5%	1,380,000	5.7%	1,452,000	5.2%
Drug/Small Stores	1,221,000	0.5%	1,463,000	19.8%	1,452,000	-0.8%	1,398,000	-3.7%
Furniture/Equipment/Electronics	610,000	24.2%	650,000	6.6%	578,000	-11.1%	628,000	8.7%
Grocery Stores	841,000	7.8%	826,000	-1.8%	894,000	8.2%	964,000	7.8%
Manufacturing Firms	631,000	-19.4%	1,502,000	138.0%	500,000	-66.7%	522,000	4.4%
All Other Retail	2,106,000	19.3%	2,664,000	26.5%	2,989,000	12.2%	3,169,000	6.0%
Totals	8,009,000	2.8%	10,150,000	26.7%	9,572,000	-5.7%	10,520,000	9.9%
Fiscal Year to Date - September								
	2020-21		2021-22		2022-23		2023-24	
		Change		Change		Change		Change
Taxable Sales								
Total Taxable Sales	2,347,205,000	-0.7%	2,703,261,000	15.2%	2,822,673,000	4.4%	2,903,854,000	2.9%
Retail Taxable Sales	1,349,761,000	6.4%	1,615,290,000	19.7%	1,527,114,000	-5.5%	1,638,563,000	7.3%
Tax Revenues by Fund								
General Fund								
Privilege Tax (1.2%)	27,442,000	0.8%	31,340,000	14.2%	32,751,000	4.5%	34,318,000	4.8%
Bed Tax (5.0%)	806,000	-46.4%	1,651,000	104.8%	1,773,000	7.4%	1,886,000	6.4%
Privilege Tax Rebates	531,000	-31.6%	703,000	32.4%	695,000	-1.1%	94,000	-86.5%
Total General Fund	28,779,000	-2.5%	33,694,000	17.1%	35,219,000	4.5%	36,298,000	3.1%
Transit Fund								
Privilege Tax (0.5%)	11,435,000	0.7%	13,059,000	14.2%	13,646,000	4.5%	14,336,000	5.1%
Privilege Tax Rebates	221,000	-29.4%	293,000	32.6%	290,000	-1.0%	-	-100.0%
Total Transit Fund	11,656,000	-0.1%	13,352,000	14.6%	13,936,000	4.4%	14,336,000	2.9%
Arts & Culture Fund								
Privilege Tax (0.1%)	2,331,000	-0.1%	2,670,000	14.5%	2,787,000	4.4%	2,867,000	2.9%
Total Arts & Culture Fund	2,331,000	-0.1%	2,670,000	14.5%	2,787,000	4.4%	2,867,000	2.9%
Totals	42,766,000	-50.9%	49,716,000	16.3%	51,942,000	4.5%	53,501,000	3.0%
Tax Revenues by Business Activities								
Retail	24,296,000	6.4%	29,075,000	19.7%	27,488,000	-5.5%	27,435,000	-0.2%
Rentals	7,939,000	4.3%	8,966,000	12.9%	10,389,000	15.9%	10,555,000	1.6%
Utilities/Communication	2,449,000	1.2%	2,546,000	4.0%	2,652,000	4.2%	2,592,000	-2.3%
Restaurants	2,428,000	-22.9%	3,626,000	49.3%	3,955,000	9.1%	4,007,000	1.3%
Contracting	3,403,000	5.1%	2,392,000	-29.7%	2,987,000	24.9%	3,262,000	9.2%
Hotel/Motel	306,000	-46.0%	639,000	108.8%	687,000	7.5%	760,000	10.6%
Transient (Bed Tax)	806,000	-46.4%	1,651,000	104.8%	1,773,000	7.4%	1,924,000	8.5%
Non-Recurring Business Activities	863,000	-45.9%	186,000	-78.4%	1,291,000	594.1%	2,217,000	71.7%
Amusements	115,000	-69.6%	378,000	228.7%	473,000	25.1%	521,000	10.1%
All Other	160,000	-99.6%	256,000	60.0%	248,000	-3.1%	226,000	-8.9%
Totals	42,766,000	-50.9%	49,716,000	16.3%	51,942,000	4.5%	53,501,000	3.0%
Retail Tax Revenues by Activities								
Automotive	3,434,000	-5.5%	4,101,000	19.4%	4,080,000	-0.5%	5,318,000	30.3%
Building Supply Stores	1,042,000	10.5%	1,194,000	14.6%	1,337,000	12.0%	1,229,000	-8.1%
Department Stores	3,052,000	-1.4%	3,496,000	14.5%	3,692,000	5.6%	3,722,000	0.8%
Drug/Small Stores	3,779,000	9.1%	4,058,000	7.4%	3,518,000	-13.3%	4,003,000	13.8%
Furniture/Equipment/Electronics	2,041,000	12.6%	2,337,000	14.5%	1,415,000	-39.5%	1,492,000	5.4%
Grocery Stores	2,498,000	10.2%	2,387,000	-4.4%	2,624,000	9.9%	2,820,000	7.5%
Manufacturing Firms	1,841,000	-10.5%	3,178,000	72.6%	1,142,000	-64.1%	1,534,000	34.3%
All Other Retail	6,609,000	18.6%	8,324,000	25.9%	9,680,000	16.3%	7,317,000	-24.4%
Totals	24,296,000	6.4%	29,075,000	19.7%	27,488,000	-5.5%	27,435,000	-0.2%

Actual Compared to Budget Projection

Privilege Tax Revenue - General Fund (1.2%) 2023-24 Actual Compared to Budget

Monthly Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.3%	\$ 12,015,000	\$ 11,283,000	\$ (732,000)	-6.1%
Aug	8.1%	11,727,000	11,037,000	(690,000)	-5.9%
Sep	8.1%	11,714,000	11,998,000	284,000	2.4%
Oct	9.1%	13,172,000			
Nov	8.2%	11,844,000			
Dec	8.7%	12,522,000			
Jan	8.6%	12,494,000			
Feb	7.8%	11,284,000			
Mar	8.2%	11,832,000			
Apr	9.0%	13,031,000			
May	7.5%	10,924,000			
Jun	8.4%	12,163,000			
Totals	100.0%	\$ 144,722,000	\$ 34,318,000	\$ (1,138,000)	-0.8%

Cumulative Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.3%	\$ 12,015,000	\$ 11,283,000	\$ (732,000)	-6.1%
Jul-Aug	16.4%	23,742,000	22,320,000	(1,422,000)	-6.0%
Jul-Sep	24.5%	35,456,000	34,318,000	(1,138,000)	-3.2%
Jul-Oct	33.6%	48,628,000			
Jul-Nov	41.8%	60,472,000			
Jul-Dec	50.4%	72,994,000			
Jul-Jan	59.1%	85,488,000			
Jul-Feb	66.9%	96,772,000			
Jul-Mar	75.0%	108,604,000			
Jul-Apr	84.0%	121,635,000			
Jul-May	91.6%	132,559,000			
Jul-Jun	100.0%	144,722,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
% of Increase	\$ 145,280,000	\$ 144,722,000	\$ 558,000	0.4%
% Received	\$ 140,077,000	\$ 144,722,000	\$ (4,645,000)	-3.2%

Bed Tax Revenue - General Fund (5.0%) 2023-24 Actual Compared to Budget

Monthly Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	6.4%	\$ 785,000	\$ 688,000	\$ (97,000)	-12.4%
Aug	9.7%	1,188,000	535,000	(653,000)	-55.0%
Sep	12.6%	1,549,000	663,000	(886,000)	-57.2%
Oct	14.7%	1,807,000			
Nov	9.9%	1,220,000			
Dec	8.1%	996,000			
Jan	4.7%	583,000			
Feb	5.0%	617,000			
Mar	5.8%	712,000			
Apr	6.9%	848,000			
May	7.9%	974,000			
Jun	8.3%	1,022,000			
Totals	100.0%	\$ 12,301,000	\$ 1,886,000	\$ (1,636,000)	-13.3%

Cumulative Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	6.4%	\$ 785,000	\$ 688,000	\$ (97,000)	-12.4%
Jul-Aug	16.0%	1,973,000	1,223,000	(750,000)	-38.0%
Jul-Sep	28.6%	3,522,000	1,886,000	(1,636,000)	-46.5%
Jul-Oct	43.3%	5,329,000			
Jul-Nov	53.2%	6,549,000			
Jul-Dec	61.3%	7,545,000			
Jul-Jan	66.1%	8,128,000			
Jul-Feb	71.1%	8,745,000			
Jul-Mar	76.9%	9,457,000			
Jul-Apr	83.8%	10,305,000			
Jul-May	91.7%	11,279,000			
Jul-Jun	100.0%	12,301,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Bed Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
% of Increase	\$ 13,653,000	\$ 12,301,000	\$ 1,352,000	11.0%
% Received	\$ 6,587,000	\$ 12,301,000	\$ (5,714,000)	-46.5%

Total General Fund Tax Revenue 2023-24 Actual Compared to Budget

Monthly Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.2%	\$ 12,800,000	\$ 11,971,000	\$ (829,000)	-6.5%
Aug	8.2%	12,915,000	11,572,000	(1,343,000)	-10.4%
Sep	8.4%	13,263,000	12,661,000	(602,000)	-4.5%
Oct	9.5%	14,979,000			
Nov	8.3%	13,064,000			
Dec	8.6%	13,518,000			
Jan	8.3%	13,077,000			
Feb	7.6%	11,901,000			
Mar	8.0%	12,544,000			
Apr	8.8%	13,879,000			
May	7.6%	11,898,000			
Jun	8.4%	13,185,000			
Totals	100.0%	\$ 157,023,000	\$ 36,204,000	\$ (2,774,000)	-1.8%

Cumulative Amounts

	2023-24 Budget		2023-24 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	8.2%	\$ 12,800,000	\$ 11,971,000	\$ (829,000)	-6.5%
Jul-Aug	16.4%	25,715,000	23,543,000	(2,172,000)	-8.4%
Jul-Sep	24.8%	38,978,000	36,204,000	(2,774,000)	-7.1%
Jul-Oct	34.4%	53,957,000			
Jul-Nov	42.7%	67,021,000			
Jul-Dec	51.3%	80,539,000			
Jul-Jan	59.6%	93,616,000			
Jul-Feb	67.2%	105,517,000			
Jul-Mar	75.2%	118,061,000			
Jul-Apr	84.0%	131,940,000			
Jul-May	91.6%	143,838,000			
Jul-Jun	100.0%	157,023,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Total Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
% of Increase	\$ 158,850,000	\$ 157,023,000	\$ 1,827,000	1.2%
% Received	\$ 145,848,000	\$ 157,023,000	\$ (11,175,000)	-7.1%

COMMUNITY SERVICES UPDATE

October 27, 2023

Public Art Update—Maryanne Corder Neighborhood Grants 2023/2024

The Mary Anne Corder Grant program is administered through Neighborhood Services each year. When Neighborhood or Homeowner's Associations apply to create a work of public art as part of this grant program, Tempe Public Art facilitates the process for the community and the artist. For FY 24, three neighborhoods received funds to create works of art in their areas. All three artworks are in the design process right now and are expected to be installed by the end of this fiscal year.

Sunset Neighborhood Association will work with artist Martin Moreno **to create a** sculptural piece of art made from metal and handmade tile, on the Northeast corner of 5th St and Beck Avenue. This project will serve as a representation of the pride for their community, and a celebration of the rich history of the area they call home.

University Heights Neighborhood Association is working with artist Heidi Dauphin **to create a** sculptural piece that will be a metal pole with up to 5 spinning panels with handmade ceramic tiles unique to the neighborhood. Artwork will be installed in the center of traffic calming circle at intersection of Una/Butte, just north of Apache Blvd.

McClintock/Santo Tomas Neighborhood Associations partnered to commission artists Rachel Slick and Timothy Shirack. The team will **create** colorful metal poles topped with art depicting desert plants and wildlife of the Southwest. Art will be in the public area across from Curry Elementary School (east side of Country Club Way) and Connolly Middle School (south side of Concorda).

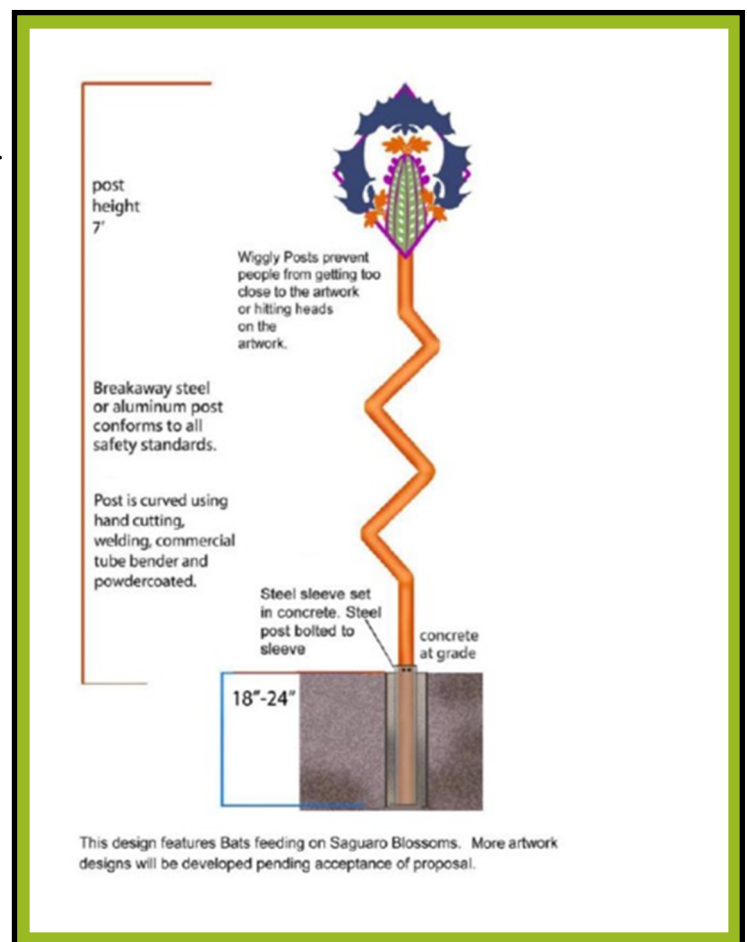


Image: Rachael Slick and Timothy Shirack's example for one of the sculptural poles for McClintock/Santo Thomas Neighborhoods