



City Council Weekly Information Packet

Friday, September 24, 2021

Includes the following documents/information:

- 1) City Council Events Schedule
- 2) Update on Community Cat-TNR program
- 3) Tax Revenue Statistical Report – August 2021



City Council Events Schedule

September 24, 2021 thru November 20, 2021

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.

Mon	Sept 27	5:30 p.m. – 6:30 p.m.	Alegre Park Improvements Open House Location: Alegre Park 1940 E. Don Carlos Ave. Tempe, AZ
Mon	Sept 27	6:30 p.m. – 7:30 p.m.	Creamery Park Improvements Open House Location: Creamery Park 1520 E. 8th Street Tempe, AZ
Wed	Sept 29	5:30 p.m. – 9:00 p.m.	38th Annual Don Carlos Humanitarian Awards Location: Virtual
Thu	Sept 30	Noon – 1:00 p.m.	Alegre Park Improvements Virtual Public Meeting Location: tempe.gov/ParkUpdates to register for Zoom session
Thu	Sept 30	Noon – 1:00 p.m.	Creamery Park Improvements Virtual Public Meeting Location: tempe.gov/ParkUpdates to register for Zoom session
Sat	Oct 16	Noon – 4:00 p.m.	Tempe Neighborhoods Together Food Drive Location: Pyle Adult Recreation Center Parking Lot 655 E. Southern Ave. Tempe, AZ
Sun	Oct 31	2:00 p.m. – 4:00 p.m.	Tales from Double Butte Cemetery Location: Double Butte Cemetery 2505 W. Broadway Rd. Tempe, AZ
Wed	Nov 3	6:30 p.m. – 8:00 p.m.	Featured Exhibit - Tempe 150: Milestones Location: Tempe History Museum 809 E. Southern Ave.

			Tempe, AZ
Fri	Nov 5	8:15 a.m. - Noon	Tempe Leadership Governance Day (Class 37) Location: TBD
Fri	Nov 5	5:30 p.m. - 8:00 p.m.	"Legends" Gala Reception presented by Tempe History Society Location: Tempe History Museum 809 E. Southern Ave. Tempe, AZ
Sun	Nov 7	Noon - 6:00 p.m.	Tempe 150: A Sesquicentennial Celebration! (free community festival) Location: Tempe Beach Park 80 W. Rio Salado Pkwy Tempe, AZ
Thu - Sat	Nov 18 - Nov 20	All Day	National League of Cities City Summit Location: Virtual

09/24/2021 EF

MEMORANDUM

TO: Mayor and Council
THROUGH: Andrew Ching, City Manager
FROM: Keely Varvel Hartsell, Chief of Staff to the Mayor and Council
DATE: September 23, 2021
SUBJECT: Update on Community Cat/TNR program



On May 6, 2021, the Council approved \$10,000 for trap/neuter/return (TNR) and feral cat-related assistance activities in the City of Tempe for Fiscal Year 2021-22. Additional funds were made available through private donations for the program in the current fiscal year.

Staff in the Community Development Department were tasked with developing a plan to implement the program. The decision was made to continue using the nonprofit veterinary clinic, *Altered Tails*, to provide spay and neuter surgeries (those costs are billed to the City) and to contract with another nonprofit provider for the community response/education aspects of this program. The community response/education aspects of the program include responding to constituent requests via 311 for information/assistance, loaning out traps, maintaining traps and equipment, arranging for payment for spay/neuter surgeries with *Altered Tails* on behalf of residents, and educating residents on how to use traps and conduct basic feral cat colony management.

An RFP was issued and closed on August 19. Two non-profit organizations (*The Barn House* and the *Animal Defense League of Arizona*) submitted bids and an additional organization (*Saving One Life*) submitted a proposed alternative plan for consideration that does not align with the specific structure envisioned in the RFP. The evaluation of the RFP responses is underway, and a decision is expected in October. City employees Jeff Tamulevich, Drew Yocom, Shauna Warner, Kristin Gwinn, and Michael Greene and community member Heather Daly are serving on the RFP evaluation committee.

When this program was previously in its “pilot” phase, Council Aide Kristin Gwinn was serving in the role of providing the community response/education aspects of this program. Additionally, she worked to organize proactive, targeted TNR “mobile clinics” to address the feral cat issue in specific neighborhoods. These “mobile TNR clinics” were conducted in collaboration with the nonprofit TNR surgery provider, *Fix.Adopt.Save*. (*Fix.Adopt.Save* did not charge the City for this service). The last mobile clinic was in July. Kristin’s dedicated staff work to the pilot program ended in July as the program was transitioned to the Community Development Department.

Since August 1, I have personally been responding to constituent inquiries via 311 related to feral cat issues (with some continued assistance from Kristin). Should a contract be awarded, these responsibilities will be given to the contractor and that work will be overseen by the Community Development Department and no longer the responsibility of Council staff.

The *Fix.Adopt.Save* organization has offered to pay to provide the surgeries for one more mobile TNR clinic on October 14. Since no contractor has yet been chosen and minimal funds have been spent this fiscal year on the program, Kristin Gwinn has been authorized to provide the organizational activities needed to prepare for and execute a TNR mobile clinic the week of October 11-15. Kristin will continue to serve in her regular capacity of Council Aide during this project timeframe. Due to the nature of the work (and Kristin’s regular Council Aide duties), it

is anticipated that the initiative will require significant work outside of regular office hours to be completed. Specifically, the project will require Kristin to work after regular office hours to organize and train volunteers, trap cats, transport caged cats and monitor caged cats before and after surgeries. Kristin will track the hours she works on the project outside regular office hours and a stipend will be provided to Kristin for after-hours work out of funds available this fiscal year for this program. This October TNR mobile clinic will be a one-time occurrence and obligation of Kristin's time.

We look forward to reporting to the Mayor and Council on the successful efforts of the October mobile clinic and providing you information about the results of the RFP process soon. In the meantime, please let me know of any questions.

MEMORANDUM



TO: Mayor and Council
FROM: Lauri Vickers, Municipal Budget & Finance Analyst
THROUGH: Mark Day, Municipal Budget Director
DATE: September 24, 2021
SUBJECT: Tax Revenue Statistical Report – August 2021

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 August 2021 report summarizes our analysis of the July sales activity reported to the Arizona Department of Revenue (ADOR).

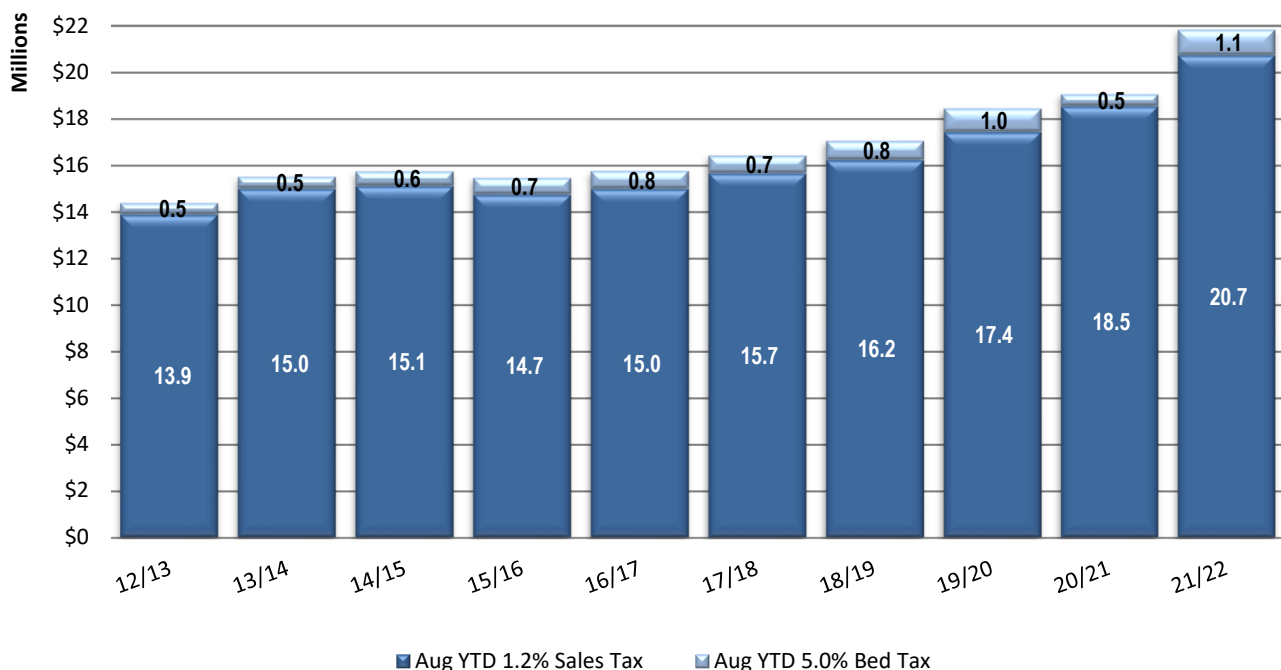
Overall Highlights

Total fiscal year to date taxable sales increased by 11.8% over the same year to date period in the prior fiscal year. Total sales tax revenue is up 13.0% or \$3.7 million, due to growth in retail (\$2.6 million), restaurant (\$852 thousand) and combined hotel/transient lodging (\$817 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

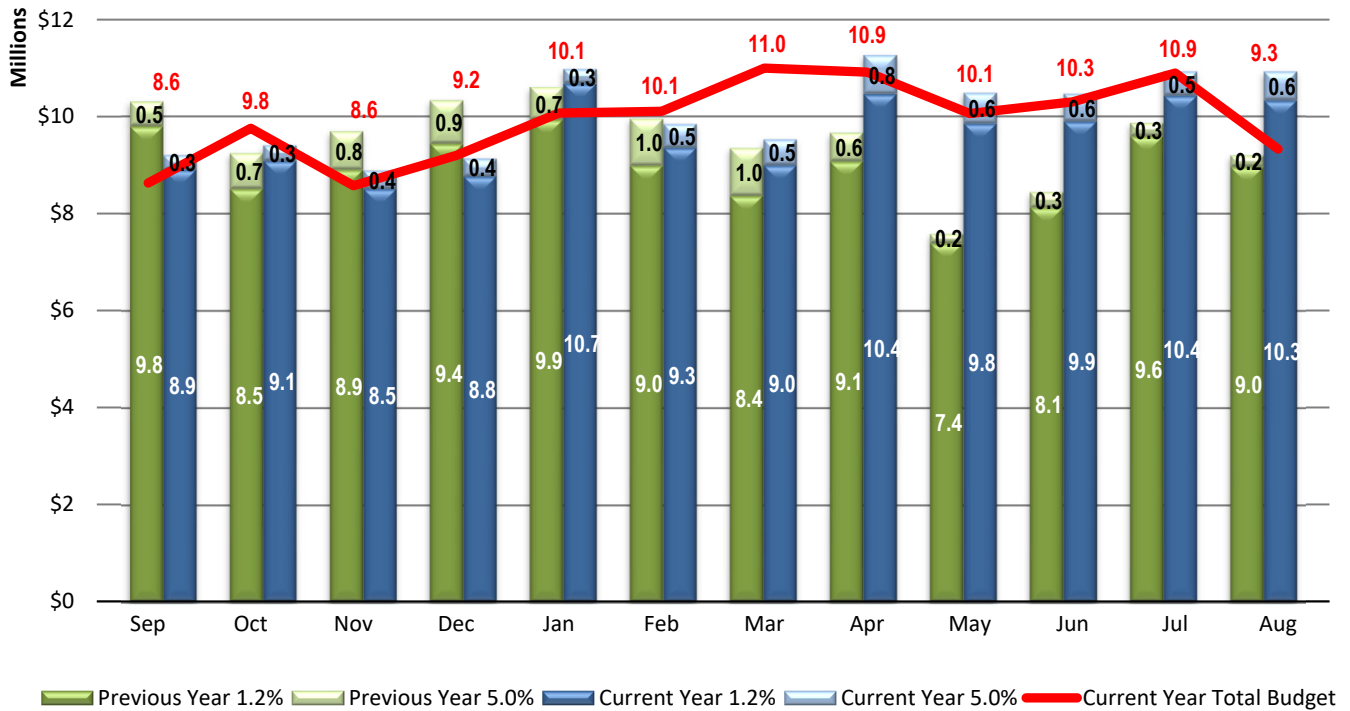
As the General Fund portion of the City's sales and bed tax revenue collections represents the General Fund's largest revenue source, further analysis is performed on these specific tax collections. The graph below depicts year to date General Fund historical sales and bed tax revenue from FY 2012/13 through FY 2021/22. General Fund sales and bed tax revenue for FY 2021/22 is up 14.6% or \$2.8 million over the prior year to date period.

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



In addition to the 10-year historical comparison, we also review 12 months of General Fund monthly sales and bed tax collections compared to the previous year and to the FY 2021/22 adopted budget for the combined sales and bed tax, as noted in the graph below. For the month of August, combined sales and bed tax collections are \$1.6 million above the projected budget amount.

General Fund Monthly Sales and Bed Tax Collection vs. Previous Year



Finally, the MBO prepares the attached Actual to Budget Comparison report that provides a summary of FY 2021/22 General Fund sales tax, bed tax, and a combined total sales and bed tax collections compared to a projected budget amount for the month. Although sales and bed tax are not actually budgeted on a monthly basis, this type of analysis of actual collections compared to projections provides insight into sales and bed tax performance. Using this approach, fiscal year to date General Fund sales tax is \$1.2 million above revenue projections, General Fund bed tax is \$441 thousand above projections, and the combined General Fund sales and bed tax collections for the General Fund are \$1.6 million above the revenue projection.

- Attachments: Executive Summary
Actual Compared to Budget Projection

Executive Summary

Current Month - August

Fiscal Year to Date - August

	2018-19		2019-20		2020-21		2021-22		2018-19		2019-20		2020-21		2021-22	
		Change		Change		Change		Change		Change		Change		Change		Change
Taxable Sales																
Total Taxable Sales	684,667,000	5.7%	778,660,000	13.7%	764,007,000	-1.9%	871,978,000	14.1%	1,408,873,000	4.0%	1,516,024,000	7.6%	1,583,915,000	4.5%	1,771,104,000	11.8%
Retail Taxable Sales	380,095,000	5.9%	434,535,000	14.3%	444,050,000	2.2%	517,703,000	16.6%	795,144,000	5.1%	836,392,000	5.2%	904,791,000	8.2%	1,051,389,000	16.2%
Tax Revenues by Fund																
General Fund																
Privilege Tax (1.2%)	7,880,000	5.1%	8,984,000	14.0%	8,955,000	-0.3%	10,320,000	15.2%	16,233,000	3.7%	17,435,000	7.4%	18,542,000	6.3%	20,742,000	11.9%
Bed Tax (5.0%)	399,000	12.4%	454,000	13.8%	236,000	-48.0%	597,000	153.0%	803,000	7.9%	999,000	24.4%	505,000	-49.4%	1,092,000	116.2%
Privilege Tax Rebates	240,000	27.0%	251,000	4.6%	156,000	-37.8%	-	-100.0%	481,000	14.5%	518,000	7.7%	344,000	-33.6%	249,000	-27.6%
Total General Fund	8,519,000	5.9%	9,689,000	13.7%	9,347,000	-3.5%	10,917,000	16.8%	17,517,000	4.1%	18,952,000	8.2%	19,391,000	2.3%	22,083,000	13.9%
Transit Fund																
Privilege Tax (0.5%)	3,283,000	5.1%	3,746,000	14.1%	3,731,000	-0.4%	4,300,000	15.3%	6,764,000	3.6%	7,270,000	7.5%	7,726,000	6.3%	8,643,000	11.9%
Privilege Tax Rebates	100,000	26.6%	102,000	2.0%	65,000	-36.3%	-	-100.0%	200,000	16.3%	210,000	5.0%	143,000	-31.9%	104,000	-27.3%
Total Transit Fund	3,383,000	5.6%	3,848,000	13.7%	3,796,000	-1.4%	4,300,000	13.3%	6,964,000	3.9%	7,480,000	7.4%	7,869,000	5.2%	8,747,000	11.2%
Arts & Culture Fund																
Privilege Tax (0.1%)	677,000	5.6%	770,000	13.7%	759,000	-1.4%	860,000	13.3%	1,393,000	4.0%	1,496,000	7.4%	1,574,000	5.2%	1,749,000	11.1%
Total Arts & Culture Fund	677,000	5.6%	770,000	13.7%	759,000	-1.4%	860,000	13.3%	1,393,000	4.0%	1,496,000	7.4%	1,574,000	5.2%	1,749,000	11.1%
Totals	12,579,000	5.8%	14,307,000	13.7%	13,902,000	-2.8%	16,077,000	15.6%	25,874,000	-48.0%	27,928,000	7.9%	28,834,000	3.2%	32,579,000	13.0%
Tax Revenues by Business Activities																
Retail	6,842,000	5.9%	7,822,000	14.3%	7,993,000	2.2%	9,319,000	16.6%	14,313,000	6.0%	15,055,000	5.2%	16,286,000	8.2%	18,925,000	16.2%
Rentals	2,279,000	4.9%	2,492,000	9.3%	2,716,000	9.0%	2,890,000	6.4%	4,619,000	7.5%	5,148,000	11.5%	5,415,000	5.2%	5,974,000	10.3%
Utilities/Communication	890,000	1.0%	853,000	-4.2%	838,000	-1.8%	851,000	1.6%	1,638,000	-2.2%	1,516,000	-7.4%	1,548,000	2.1%	1,625,000	5.0%
Restaurants	943,000	4.9%	1,027,000	8.9%	742,000	-27.8%	1,235,000	66.4%	1,970,000	4.7%	2,106,000	6.9%	1,582,000	-24.9%	2,434,000	53.9%
Contracting	890,000	8.7%	1,221,000	37.2%	1,221,000	0.0%	705,000	-42.3%	1,901,000	-4.5%	2,224,000	17.0%	2,374,000	6.7%	1,568,000	-34.0%
Hotel/Motel	154,000	14.1%	172,000	11.7%	89,000	-48.3%	231,000	159.6%	323,000	14.1%	377,000	16.7%	192,000	-49.1%	422,000	119.8%
Transient (Bed Tax)	399,000	12.4%	454,000	13.8%	236,000	-48.0%	597,000	153.0%	803,000	7.9%	999,000	24.4%	505,000	-49.4%	1,092,000	116.2%
Non-Recurring Business Activities	3,000	-66.7%	86,000	2766.7%	-	-100.0%	73,000	100.0%	(71,000)	-158.2%	119,000	-267.6%	726,000	510.1%	147,000	-79.8%
Amusements	108,000	0.9%	127,000	17.6%	17,000	-86.6%	117,000	588.2%	247,000	-0.4%	275,000	11.3%	89,000	-67.6%	272,000	205.6%
All Other	73,000	37.7%	53,000	-27.4%	51,000	-3.8%	60,000	17.6%	132,000	-99.5%	109,000	-17.4%	117,000	7.3%	120,000	2.6%
Totals	12,581,000	5.8%	14,307,000	13.7%	13,903,000	-2.8%	16,078,000	15.6%	25,875,000	-48.0%	27,928,000	7.9%	28,834,000	3.2%	32,579,000	13.0%
Retail Tax Revenues by Activities																
Automotive	1,131,000	1.9%	1,130,000	-0.1%	1,102,000	-2.5%	1,367,000	24.0%	2,232,000	2.5%	2,331,000	4.4%	2,282,000	-2.1%	2,723,000	19.3%
Building Supply Stores	288,000	-0.3%	313,000	8.7%	361,000	15.3%	401,000	11.1%	585,000	0.3%	645,000	10.3%	714,000	10.7%	832,000	16.5%
Department Stores	883,000	0.5%	975,000	10.4%	903,000	-7.4%	1,088,000	20.5%	1,890,000	3.6%	1,941,000	2.7%	1,931,000	-0.5%	2,190,000	13.4%
Drug/Small Stores	977,000	19.1%	1,193,000	22.1%	1,243,000	4.2%	1,211,000	-2.6%	2,005,000	19.8%	2,251,000	12.3%	2,558,000	13.6%	2,595,000	1.4%
Furniture/Equipment/Electronics	505,000	-25.4%	580,000	14.9%	728,000	25.5%	739,000	1.5%	1,231,000	-14.8%	1,321,000	7.3%	1,431,000	8.3%	1,688,000	18.0%
Grocery Stores	725,000	3.7%	758,000	4.6%	833,000	9.9%	733,000	-12.0%	1,449,000	1.7%	1,486,000	2.6%	1,657,000	11.5%	1,561,000	-5.8%
Manufacturing Firms	611,000	36.7%	777,000	27.2%	550,000	-29.2%	726,000	32.0%	1,488,000	32.7%	1,275,000	-14.3%	1,209,000	-5.2%	1,676,000	38.6%
All Other Retail	1,722,000	12.0%	2,096,000	21.7%	2,273,000	8.4%	3,054,000	34.4%	3,433,000	5.5%	3,805,000	10.8%	4,504,000	18.4%	5,660,000	25.7%
Totals	6,842,000	5.9%	7,822,000	14.3%	7,993,000	2.2%	9,319,000	16.6%	14,313,000	6.0%	15,055,000	5.2%	16,286,000	8.2%	18,925,000	16.2%

Actual Compared to Budget Projection

Privilege Tax Revenue - General Fund (1.2%) 2021-22 Actual Compared to Budget

Monthly Amounts

	2021-22 Budget		2021-22 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	9.5%	\$ 10,650,000	\$ 10,422,000	\$ (228,000)	-2.1%
Aug	7.9%	8,923,000	10,320,000	1,397,000	15.7%
Sep	7.9%	8,934,000			
Oct	9.2%	10,373,000			
Nov	8.0%	9,039,000			
Dec	8.3%	9,329,000			
Jan	8.4%	9,478,000			
Feb	7.9%	8,915,000			
Mar	8.3%	9,327,000			
Apr	8.5%	9,525,000			
May	7.8%	8,825,000			
Jun	8.1%	9,132,000			
Totals	100.0%	\$ 112,450,000	\$ 20,742,000	\$ 1,169,000	1.0%

Cumulative Amounts

	2021-22 Budget		2021-22 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	9.5%	\$ 10,650,000	\$ 10,422,000	\$ (228,000)	-2.1%
Jul-Aug	17.4%	19,573,000	20,742,000	1,169,000	6.0%
Jul-Sep	25.4%	28,507,000			
Jul-Oct	34.6%	38,880,000			
Jul-Nov	42.6%	47,919,000			
Jul-Dec	50.9%	57,248,000			
Jul-Jan	59.3%	66,726,000			
Jul-Feb	67.3%	75,641,000			
Jul-Mar	75.6%	84,968,000			
Jul-Apr	84.0%	94,493,000			
Jul-May	91.9%	103,318,000			
Jul-Jun	100.0%	112,450,000			

Tax and License Annual Privilege Tax Revenue Projections

Method	Privilege Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
% of Increase	\$ 126,377,000	\$ 112,450,000	\$ 13,927,000	12.4%
% Received	\$ 119,166,000	\$ 112,450,000	\$ 6,716,000	6.0%

Bed Tax Revenue - General Fund (5.0%) 2021-22 Actual Compared to Budget

Monthly Amounts

	2021-22 Budget		2021-22 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	6.3%	\$ 246,000	\$ 495,000	\$ 249,000	101.2%
Aug	10.4%	405,000	597,000	192,000	47.4%
Sep	12.6%	488,000			
Oct	15.1%	585,000			
Nov	9.5%	368,000			
Dec	7.4%	287,000			
Jan	5.5%	215,000			
Feb	4.7%	184,000			
Mar	5.5%	212,000			
Apr	6.4%	250,000			
May	8.2%	319,000			
Jun	8.4%	325,000			
Totals	100.0%	\$ 3,884,000	\$ 1,092,000	\$ 441,000	11.4%

Cumulative Amounts

	2021-22 Budget		2021-22 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	6.3%	\$ 246,000	\$ 495,000	\$ 249,000	101.2%
Jul-Aug	16.8%	651,000	1,092,000	441,000	67.7%
Jul-Sep	29.3%	1,139,000			
Jul-Oct	44.4%	1,724,000			
Jul-Nov	53.9%	2,092,000			
Jul-Dec	61.3%	2,379,000			
Jul-Jan	66.8%	2,594,000			
Jul-Feb	71.5%	2,778,000			
Jul-Mar	77.0%	2,990,000			
Jul-Apr	83.4%	3,240,000			
Jul-May	91.6%	3,559,000			
Jul-Jun	100.0%	3,884,000			

Tax and License Annual Bed Tax Revenue Projections

Method	Bed Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
% of Increase	\$ 7,199,000	\$ 3,884,000	\$ 3,315,000	85.4%
% Received	\$ 6,515,000	\$ 3,884,000	\$ 2,631,000	67.7%

Total General Fund Tax Revenue 2021-22 Actual Compared to Budget

Monthly Amounts

	2021-22 Budget		2021-22 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	9.4%	\$ 10,896,000	\$ 10,917,000	\$ 21,000	0.2%
Aug	8.0%	9,328,000	10,917,000	1,589,000	17.0%
Sep	8.1%	9,422,000			
Oct	9.4%	10,958,000			
Nov	8.1%	9,407,000			
Dec	8.3%	9,616,000			
Jan	8.3%	9,693,000			
Feb	7.8%	9,099,000			
Mar	8.2%	9,539,000			
Apr	8.4%	9,775,000			
May	7.9%	9,144,000			
Jun	8.1%	9,457,000			
Totals	100.0%	\$ 116,334,000	\$ 21,834,000	\$ 1,610,000	1.4%

Cumulative Amounts

	2021-22 Budget		2021-22 Actual	Over / (Under)	
	Percent	Amount		Amount	Percent
Jul	9.4%	\$ 10,896,000	\$ 10,917,000	\$ 21,000	0.2%
Jul-Aug	17.4%	20,224,000	21,834,000	1,610,000	8.0%
Jul-Sep	25.5%	29,646,000			
Jul-Oct	34.9%	40,604,000			
Jul-Nov	43.0%	50,011,000			
Jul-Dec	51.3%	59,627,000			
Jul-Jan	59.6%	69,320,000			
Jul-Feb	67.4%	78,419,000			
Jul-Mar	75.6%	87,958,000			
Jul-Apr	84.0%	97,733,000			
Jul-May	91.9%	106,877,000			
Jul-Jun	100.0%	116,334,000			

Tax and License Annual Total Tax Revenue Projections

Method	Total Tax		Over / (Under)	
	Projected	Budget	Amount	Percent
% of Increase	\$ 133,475,000	\$ 116,334,000	\$ 17,141,000	14.7%
% Received	\$ 125,595,000	\$ 116,334,000	\$ 9,261,000	8.0%