Memorandum

DATE August 11, 2023

^{TO} Honorable Mayor and Members of the City Council

SUBJECT Sales Tax Receipts

The June 2023 sales tax receipts from the State Comptroller's Office are \$38.0 million and represents a 1.4 percent decrease in total collections compared to the same reporting period last year. Over the most recent 12 months, sales tax receipts have increased by 6.8 percent.

| ٠ | June 2022 actual | \$38,602,297 |
|---|------------------|--------------|
| ٠ | June 2023 budget | \$39,913,555 |
| ٠ | June 2023 actual | \$38,045,795 |

As part of the FY 2022-23 mid-year budget ordinance approved by the City Council on May 10, we increased the sales tax revenue budget by \$15.5 million from \$417.2 million to \$432.8 million. The budget increase was possible based on year-to-date actual collections for October through February. Since that time, we have experienced three out of four months with actual collections being less than the same reporting period from last year.

Our contract economist, Dearmon Analytics, predicts our growth to slow to a more historical growth rate over the next several months. We will continue to monitor our sales tax forecast closely and provide additional information as it becomes available.

If you have any questions, please contact me or Janette Weedon, Director of Budget and Management Services.

Jack Ireland Chief Financial Officer

[Attachment]

c: T.C. Broadnax, City Manager Tammy Palomino, Interim City Attorney Mark Swann, City Auditor Bilierae Johnson, City Secretary Preston Robinson, Administrative Judge Kimberly Bizor Tolbert, Deputy City Manager Jon Fortune, Deputy City Manager Majed A. Al-Ghafry, Assistant City Manager M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager Dr. Robert Perez, Assistant City Manager Carl Simpson, Assistant City Manager Genesis D. Gavino, Chief of Staff to the City Manager Directors and Assistant Directors



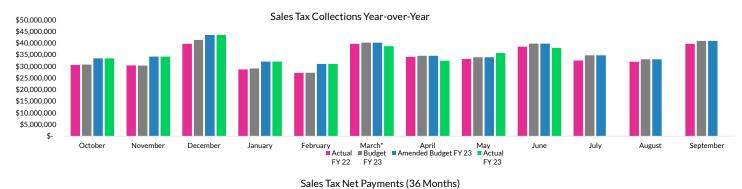
Sales Tax as of June 2023

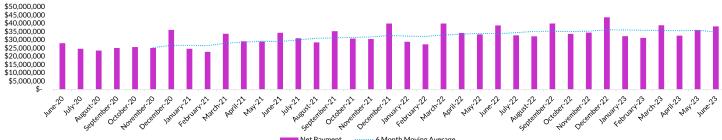
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EV 2022 22

| Month | Actual FY 22 | | Budget FY 23 | | Amended Budget FY 23 | | Actual FY 23 | | YTD Variance FY 2022-23 Actuals versus FY 2021-22 Actuals (\$) | YTD Variance FY 2022-23 Actuals versus FY 2021-22 Actuals (%) | FY 2022-23 Actuals versus Amended Budget (\$) | | FY 2022-23 Actuals versus Amended Budget (%) |
|-----------|-----------------|-------------|-------------------|----|-------------------------|----|-----------------|----|---|--|---|-------------|--|
| October | \$ | 30,717,609 | \$ 30,857,310 | \$ | 33,546,824 | \$ | 33,546,824 | \$ | 2,829,215 | 9.2% | \$ | - | 0.0% |
| November | | 30,461,440 | 30,389,940 | | 34,320,398 | | 34,320,398 | | 3,858,958 | 12.7% | \$ | - | 0.0% |
| December | | 39,784,802 | 41,477,877 | | 43,576,728 | | 43,576,728 | | 3,791,926 | 9.5% | \$ | - | 0.0% |
| January | | 28,760,595 | 29,196,263 | | 32,196,210 | | 32,196,210 | | 3,435,615 | 11.9% | \$ | - | 0.0% |
| February | | 27,238,115 | 27,350,419 | | 31,149,534 | | 31,149,534 | | 3,911,419 | 14.4% | \$ | - | 0.0% |
| March* | | 39,832,144 | 40,266,992 | | 40,266,992 | | 38,794,242 | | (1,037,902) | -2.6% | | (1,472,750) | -3.7% |
| April | | 34,139,323 | 34,661,953 | | 34,661,953 | | 32,534,853 | | (1,604,470) | -4.7% | | (2,127,100) | -6.1% |
| May | | 33,254,120 | 34,060,402 | | 34,060,402 | | 35,825,917 | | 2,571,797 | 7.7% | | 1,765,515 | 5.2% |
| June | | 38,602,297 | 39,913,555 | | 39,913,555 | | 38,045,795 | | (556,502) | -1.4% | | (1,867,760) | -4.7% |
| July | | 32,646,635 | 34,850,176 | | 34,850,176 | | | | | | | | |
| August | | 32,060,088 | 33,125,024 | | 33,125,024 | | | | | | | | |
| September | | 39,811,956 | 41,082,472 | | 41,082,472 | | | | | | | | |
| Total | \$ | 407,309,124 | \$ 417,232,383 | \$ | 432,750,269 | \$ | 319,990,501 | \$ | 17,200,056 | 5.7% | \$ | (3,702,095) | -1.2% |

* Restated to reflect self reported sales tax





Net Payment 6 Month Moving Average

Sales Tax Net Payments - Year over Year Change (%) A9.5% 60.0% 40.70% 50.0% 25.2% 27.9°% 40.0% 22.89 26.9% . 2. 2. 2. P 30.0% Ale N 200 20. _^°^{,5} 3, 15.Ó 9.90% 20.0% 1.70 8% 10.0% Det 20 9 Allo 0.0% 2.6% A.6% -20.0% ^{5,9%} A.7% ,b.^{70%} ,8^{,2%} september 22 september 20 Leave tebruary 2 september 21 December 21 Henry February 22 November 22 December 22 February 23 Wardh 23 ember 20 inber 20 November 21 January22 AUBUST 22 October22 January 23 July 20 AUBUST 20 october 20 Watch-21 April-21 October 21 Marchill April 22 Aprily23 June 20 May 21 June 21 1114-22 ugust 21 May22 " une 22 1014-22 May 23 uner23

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