



# Mayor Sciarra's Proposal to Rescind the Order to Authorize an Override

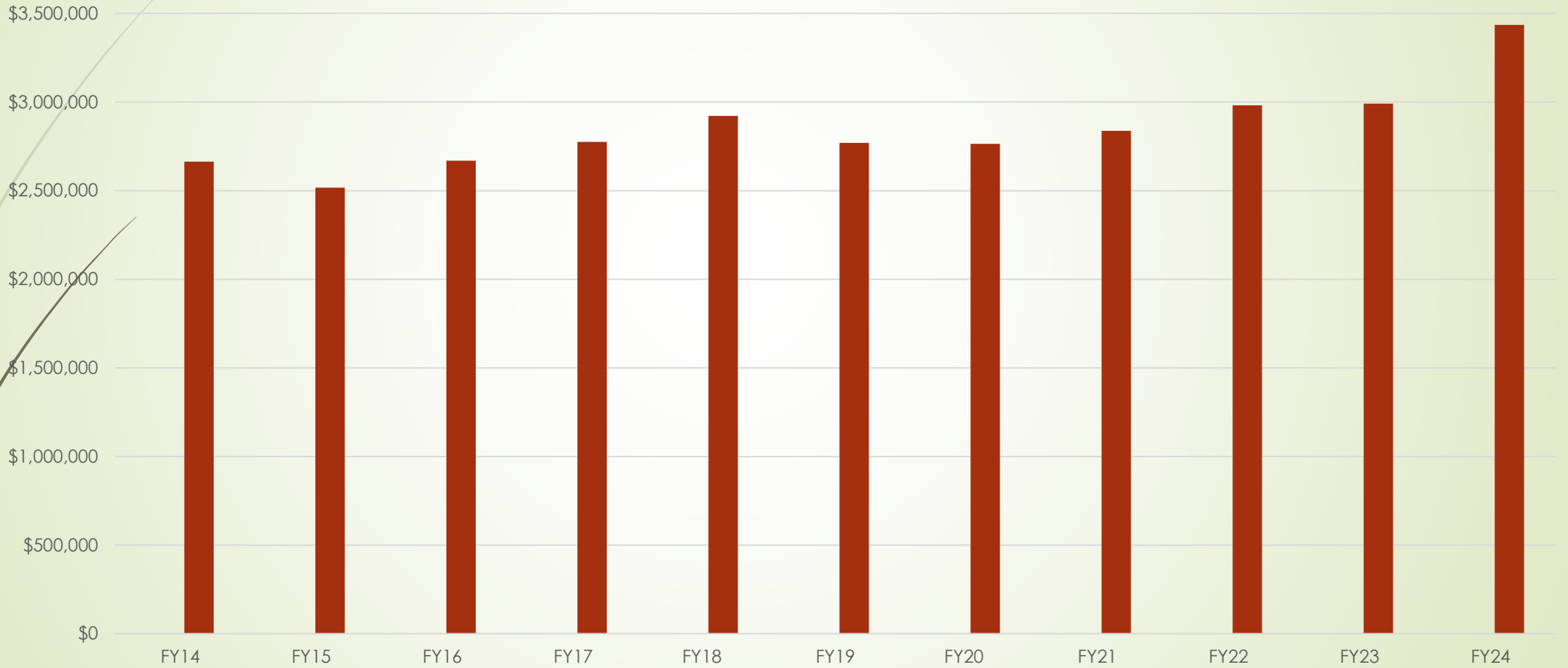


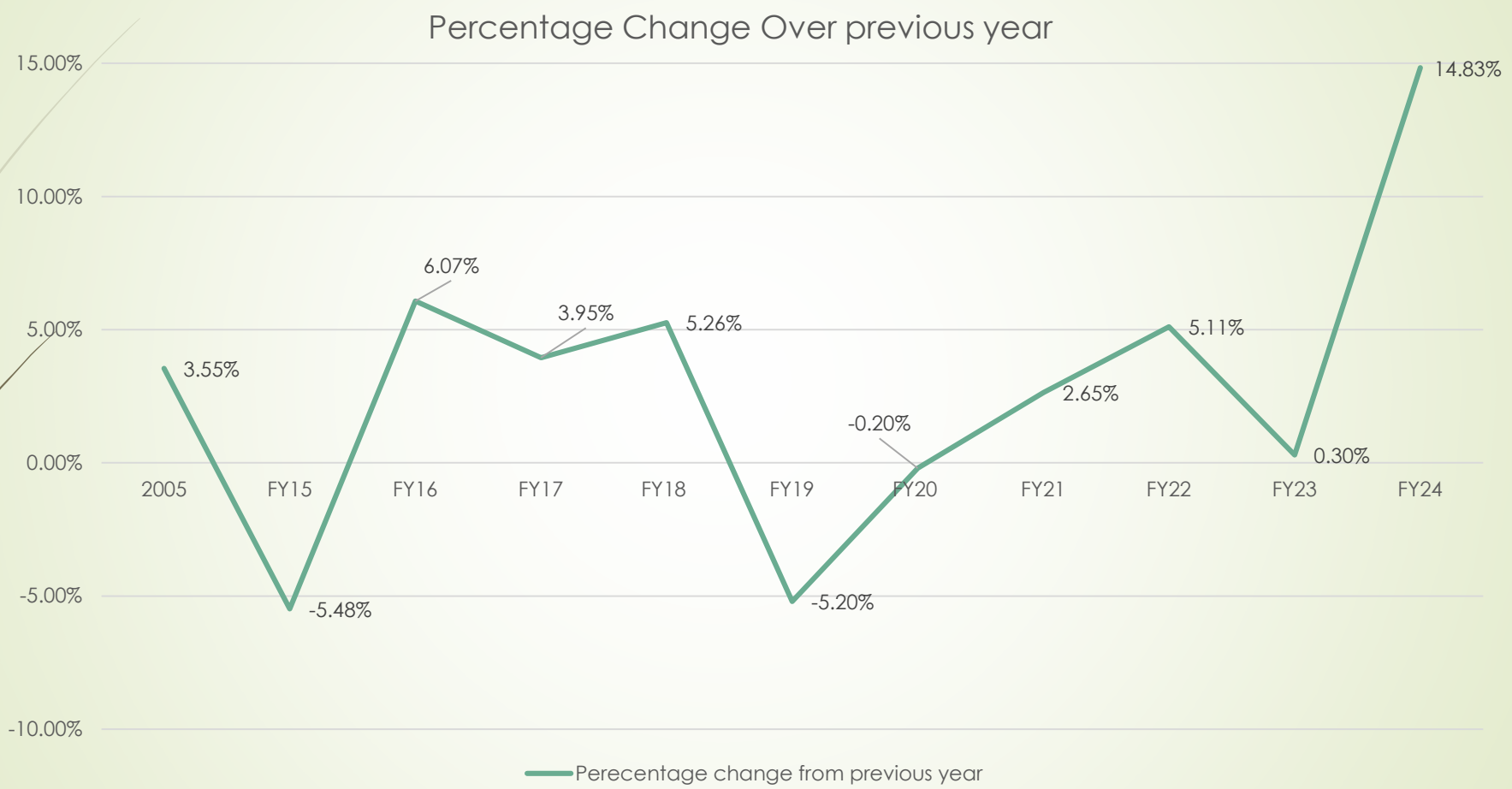
# Motor Vehicle Excise Tax

- ▶ Total receipts came in at \$3.4M, which is 32%, or \$835,031, over the estimate for the year
- ▶ The city followed the standard practice of using three to five year averages of actuals (FY2018 to FY2022) to set the initial estimates, which were \$2.86M and \$2.85M respectively.
- ▶ We saw an increase in receipts of 14.8%, or \$443,552, over the prior year (FY2023).
- ▶ The 4<sup>th</sup> quarter of FY2024 brought in \$1.1M, or 30% of the total revenues for the year. We generally see smaller amounts in the 4<sup>th</sup> qtr. In past years, the 4<sup>th</sup> qtr. typically accounted for a smaller portion of the total receipts for the year.
- ▶ In FY2025, we increased the estimate to \$2.9M using historical three and five year averages of \$2.93M and \$2.86M respectively.



### Motor Vehicle Excise FY2014 – FY2024



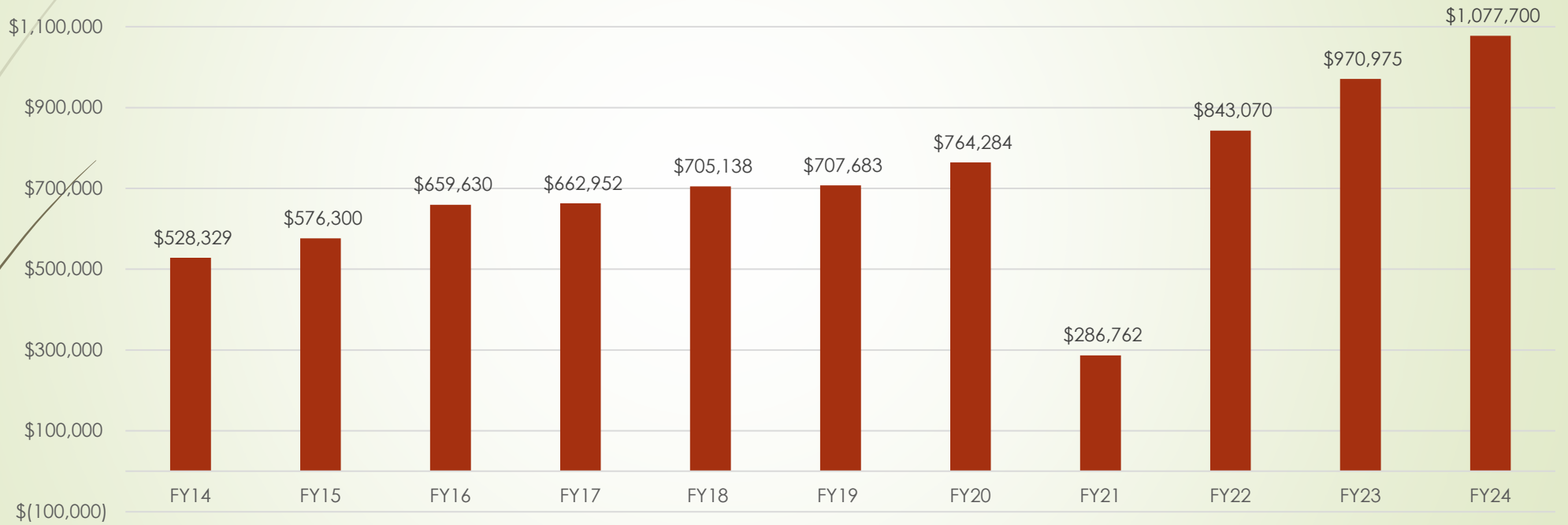




# Hotel/Motel Tax

- Total receipts came in at \$1,088,700, which represents a 39%, or \$297,700, increase over the budget estimate.
- This amount reflects an actual increase in receipts of 11% over the prior year.
- The estimated budget for FY2024 was set at \$780,000 based on the three and five year averages (FY2018 – FY2022) of \$631,000 and \$661,000 respectively.
- This FY2024 budget estimate represented an increase of 15.6% or \$105,500 over the prior year's estimate (FY2023).
- When reviewing 3<sup>rd</sup> quarter numbers for FY2024, it was clear that 1<sup>st</sup> and 2<sup>nd</sup> quarter numbers were up, but quarter 3 was down by 24.7%, or \$57,000 compared to the prior year.
- 4th quarter receipts were in line with the prior year receipts.
- The FY2025 budget estimate is set at \$875,000 which is above the three to five year averages (\$700,000 and \$714,000). This represents an additional 12% increase in the estimate over FY2024.

# Hotel-Motel Tax FY2014 - FY2024



# Hotel-Motel % Change Over Previous Year

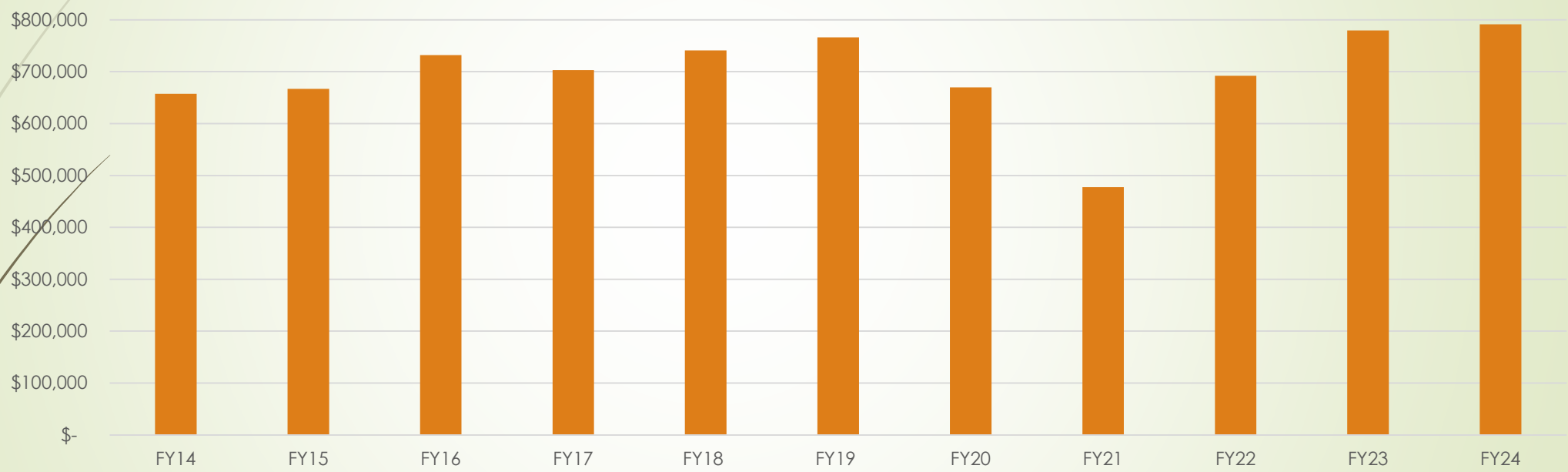




# Meals Tax

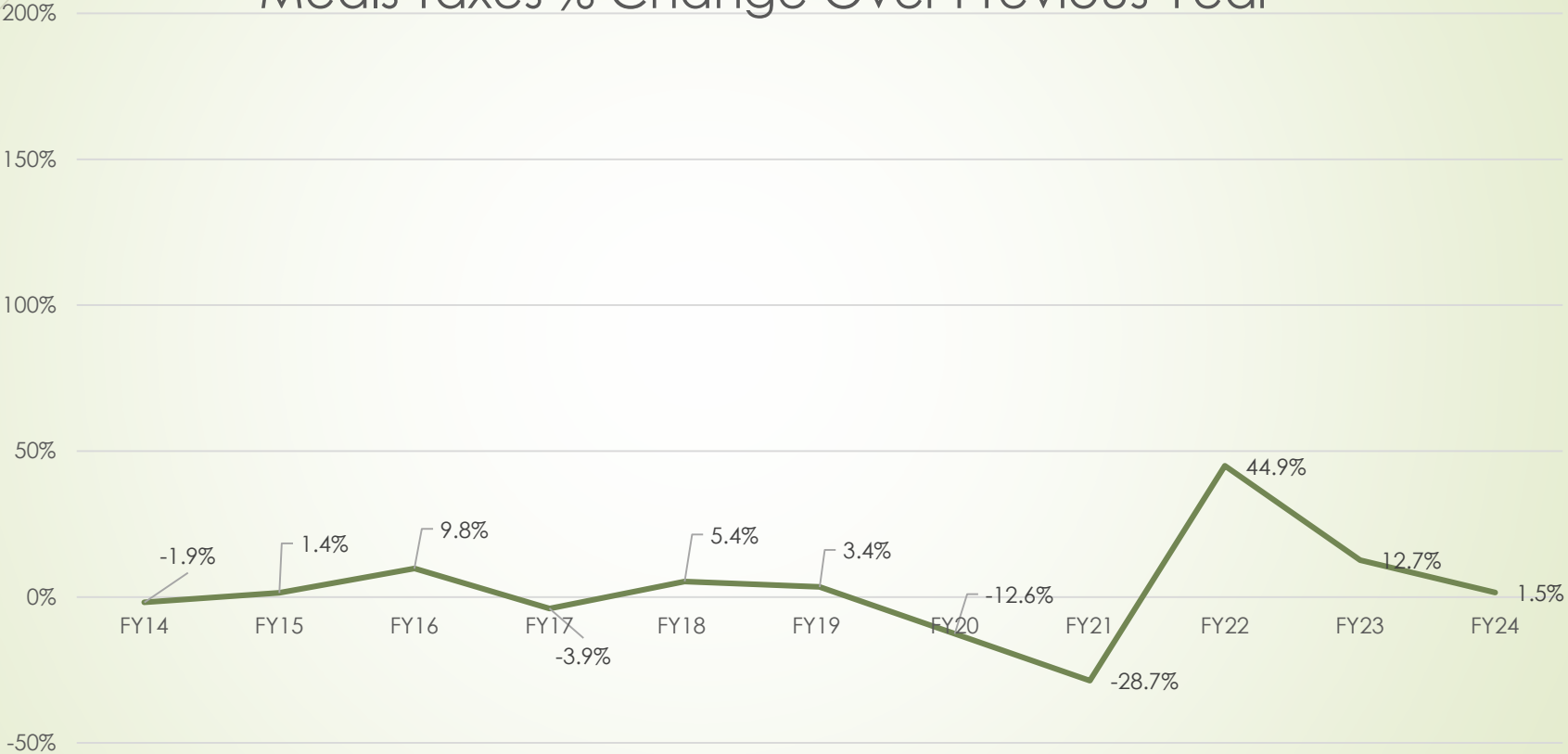
- ▶ Total FY2024 receipts came in at \$791,412, which is 21%, or \$141,412, over the budget estimate.
- ▶ The budget estimate in FY2024 was \$650,000 based on the three and five year averages (FY2018-FY2022) at \$613,000 and \$669,000 respectively.
- ▶ This budget estimate represented an Increase of 17%, or \$95,500, over the prior year's estimate (FY2023).
- ▶ Actual receipts over the prior year are only up 1.5%.
- ▶ For FY2025, the budget estimate was increased by 11.5% to \$725,000 which is over the three to five year averages of \$649,000 to \$677,000.

## Meals Tax FY2014 - FY2024





# Meals Taxes % Change Over Previous Year



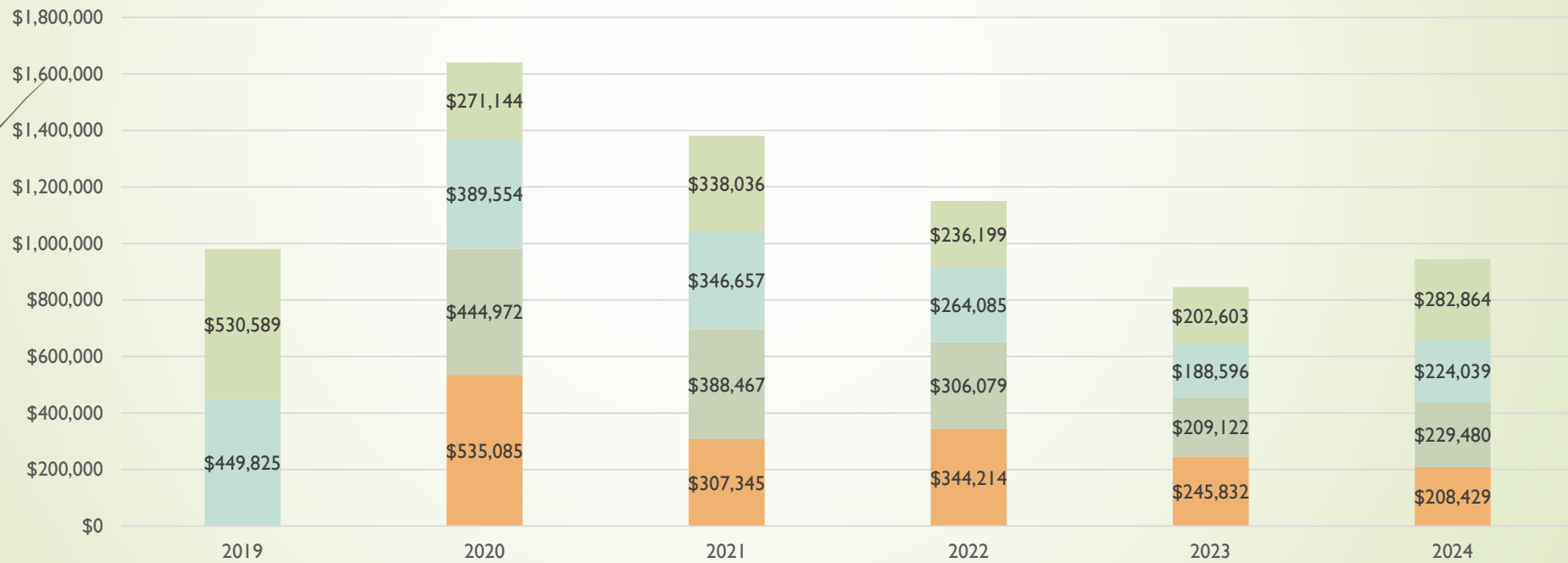


# Cannabis

- ▶ Total FY2024 receipts came in at \$944,812, which represents an increase of 26%, or \$200,417, over the budget.
- ▶ The estimated budget has been reduced each year because the revenues have been declining since FY2020 due to various factors in the industry.
- ▶ This year, the total receipts increased by 11.6%, or \$98,659, over FY2023.
- ▶ \$80,000, or 81% of that increase was in the 4<sup>th</sup> quarter.
- ▶ The budget for FY2025 was reduced from FY2024 due to the historical declines in revenue. Now that we have seen these revenues begin to increase again, we can take this into account for future year estimates.

## Local Option Adult Use Cannabis Excise Tax

- Quarter 1 - September payment
- Quarter 2 - December payment
- Quarter 3 - March payment
- Quarter 4 - June payment

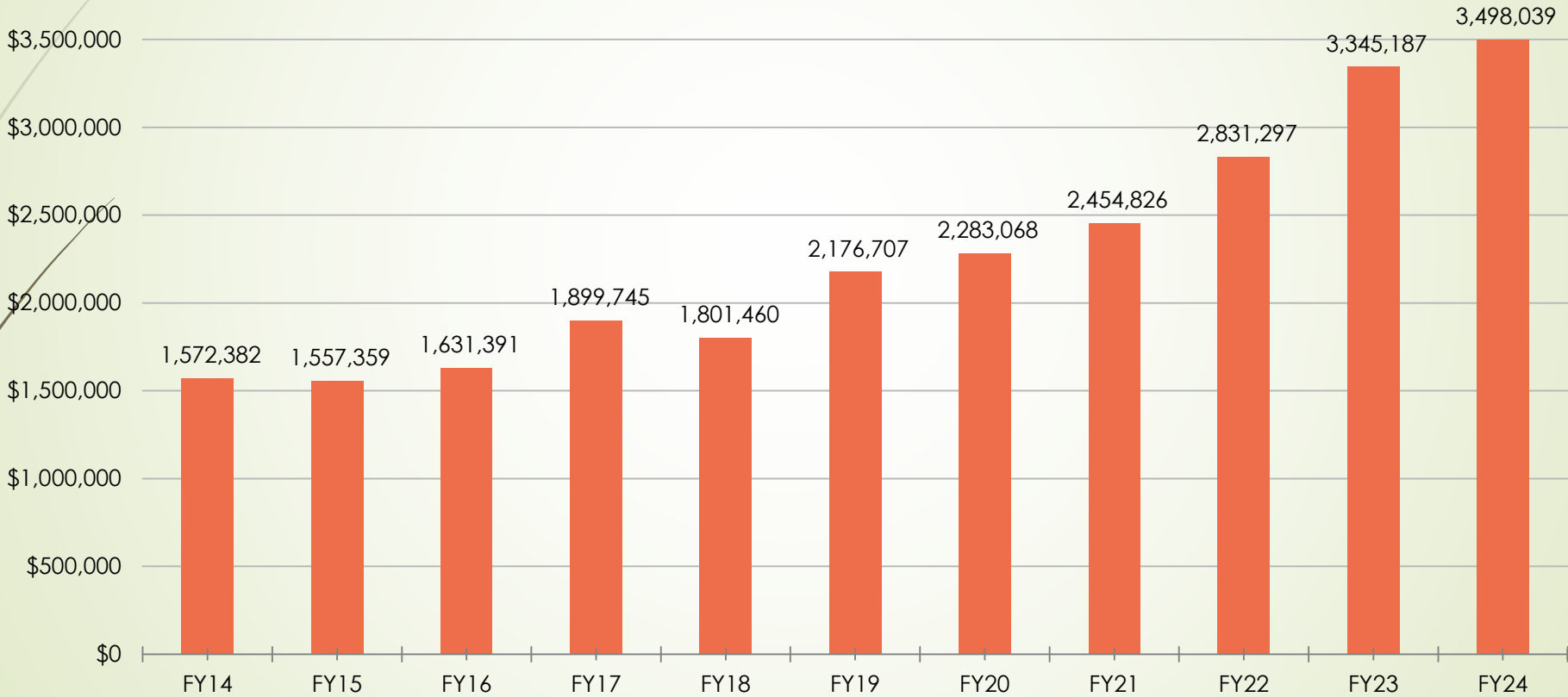




# Ambulance

- Ambulance revenues have been increasing yearly.
- Receipts were at \$2.5M at the end of the 3<sup>rd</sup> quarter – an additional \$63,000 was later booked to that quarter.
- For FY2024, the estimated budget was set at \$2.8M based on the three to five year averages of \$2.8M and \$2.6M respectively.
- Total receipts came in at \$3,498,039, which is 25%, or \$698,039, over the budget estimate.
- 27%, or \$951,823 of the total receipts came in during quarter 4.
- For FY2025, the estimated budget was set at \$3.1M based on the three and five year averages of \$2.8M and \$3.2M respectively.

# Ambulance Revenue FY2014 to FY2024



# Ambulance % Change Over Prior Year





# Interest

- Interest is a source of general fund revenue that supports the budget.
- The balances that generate interest include everything that is not specifically required to be placed in a separate account which earns its own interest. To name a few examples: the undesignated fund balance, capital project funds, American Rescue Plan Act (ARPA) funds, grants, CDBG funds, and all revenues that are taken in over the year.
- This interest is not from the stabilization accounts, trust accounts, or enterprise funds. Interest earned in those funds must remain in those accounts.
- Interest is an unpredictable revenue source as it is dependent on variable factors such as the amount of money in the account and the current interest rates.
- Interest rates are affected by the state of the economy and inflation. As we have all heard, there is a great possibility, especially taking into account the latest jobs numbers, that the Fed will reduce interest rates in September.
- In FY2023, in an effort to take advantage of the increased rates, the Treasurer identified a higher-interest banking vehicle for municipal and commercial entities.
- It provides 90% of the Secured Overnight Financial Rate (SOFR), which has resulted in an average rate between 4.8% to 4.9%. In order to take advantage of that rate, the Treasurer has also made changes to manage the funds differently, resulting in more money going into this account and staying there longer.
- The Treasurer invests and places city funds in accounts based on safety, liquidity and yield.



# Interest

