

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Tina Dierschke, Finance Director, Finance, 325-657-4268

Meeting Date: June 20, 2017

Item type: Regular Item

Caption:

Update on Sales Tax revenue performance - (Presentation by Finance Director Tina Dierschke)

Summary/History:

The Finance Department has been closely monitoring the performance of Sales Tax revenue this year given the challenging year the City had in fiscal year 2016.

Sales Tax Revenue has performed as follows this fiscal year:

October - increase of 0.39%
November - decrease of 10.04%
December - decrease of 18.72%
January - increase of 4.3%
February - decrease of 2.3%
March - decrease of 4.4%
April - increase of 2.37%
May - decrease of 3.45%
June - increase of 10.91%

Year to date, revenue is approximately \$574,000 short of the target. Because of this trend, the Finance Department has been in regular discussions with all departments to develop a plan that protects the General Fund's fund balance and solvency moving forward.

The City Manager and the Finance Department have met with the General Fund and other department directors weekly to suggest and discuss ways to mitigate risk while still providing the core services that our citizens deserve and expect as well as meeting the goals of our City Council. To date, the City has implemented a hiring freeze for non-essential personnel and a decrease to per diem travel and mileage rates effective until September 30, 2017. We have also implemented a food policy and a hold on non-essential travel. We continue to work toward implementing other cost saving measures on an ongoing basis.

Financial Impact:

Sales Tax revenue for fiscal year 2017 was under budget by 4.45% and \$573,827 after June 2017 receipts.

Other Information/Recommendation:

Attachments:

1. Chart Monthly Revenue Trends 2017 - June.pdf
2. Slides FIN 170620 Strategic Planning - Sales Tax - Council.pptx

Presentation:

Tina Dierschke

Approvals/Reviews:

Tina Dierschke
Becky Dunn
Bryan Kendrick

Created/Initiated
Approved
Final Approval