



CITY OF ORLAND STAFF REPORT
MEETING DATE: October 8, 2024

TO: Economic Development Commission

FROM: Pete Carr, City Manager

SUBJECT: Sales Tax Quarterly Results

BACKGROUND:

Statewide, sales tax is a generally declining source of revenue for local public agencies. For Orland, sales tax is the primary General Fund revenue source and has shown remarkable growth over the past ten years. The -1.3% decline in sales tax statewide for fiscal year 23-24 is consistent regionally and, to some extent, locally. Orland's sales tax revenue is unusually dependent on the transportation sector.

The City engages HdL, a consultant specializing in municipal tax management, to analyze tax revenues and assist with revenue forecasting. HdL provides a quarterly report with extensive detail which is mostly confidential, but some aggregated data may be shared.

ANALYSIS:

Second quarter (April-May-June) sales tax results indicate a soft uptick for Orland, beginning what we hope is a reversal of a two-quarter slide. Local revenues were affected by both macro and micro considerations. City Manager will explain some of the outstanding factors in the equation for Orland.

RECOMMENDATION:

No specific recommendation at this time.

FISCAL IMPACT OF RECOMMENDATION:

N/A