



Date: Tuesday, November 28, 2023

Honorable Mayor and Council Members

Author and title: Nicole Casey, Administrative Services Director

Title: **Acceptance of the Quarterly Financial Report for the Quarter Ended September 30, 2023.**

Approved By: \_\_\_\_\_ Jen Callaway, Town Manager

**Recommended Action:** That Council accept the quarterly financial report for the quarter ending September 30, 2023.

**Discussion:**

**Quarterly Update –**

Attached is the quarterly financial report for the Town of Truckee for the quarter ending September 30, 2023. This report presents an analysis of the General Fund's major revenue sources as well as expenditures. This report provides an update to the General Fund's five-year projections including updated projections for transient occupancy tax and sales tax.

The purpose of this quarterly public reporting is twofold. First, it ensures that the Town is consistently monitoring its revenues and expenditures, responding to unanticipated events, and preparing for emerging trends. This allows staff to keep the Council informed as to the Town's financial position. Second, and equally important, these reports increase the transparency of the Town's finances. The Town is ultimately accountable to its residents to use the revenue it brings in efficiently and effectively to provide the highest quality services, and quarterly public reporting provides taxpayers with the information they need to hold the Town to this standard.

Staff anticipate that this report will evolve over time depending on present-day issues and to ensure that the public is given access to relevant revenue and spending data.

The Town receives its first property tax installment for the fiscal year in January. As such, the Town does not have any property tax collections to analyze. However, the Town has received the assessed value letter from the County, which details that the expected collections are \$15.8 million projected to be collected represents a 13% increase over the fiscal year 2022/23 budget. It is important to note that the record high housing turnover experienced during FY 2021/22 is not considered to be the new baseline. As indicated in recent data, home price trends are declining, and sales are leveling out. For these purposes, the significant increases in property tax experienced in the last few years are to a degree viewed as one-time surges and increases should not be expected to rise so significantly going forward.

The Town's sales tax auditor provides the Town with sales tax projections. Due to the timing of sales tax filing deadlines, their analysis is typically a few months after the closing of the quarter. The auditing company recently provided the Town with an analysis of the quarter and year ended June 30, 2023. Overall, the Town collected \$6,522,508 for fiscal year 2022/23. The Town had included an estimated

actual of \$6,737,929 for fiscal year 2022/23 in the fiscal year 2023/24 operating budget, leaving a ~\$215,000 shortfall in estimated General Fund revenues.

The Town has collected and analyzed the quarter ended June 30, 2023, transient occupancy tax collections. Although the filing date for the quarter ending September 30, 2023 has passed (November 1st), staff have not finished reconciling and analyzing the data and does not have preliminary number to report. The Town collected \$6,727,409 for fiscal year 2022/23, as compared to \$6,680,645 fiscal year 2021/22, a 0.7% increase.

Overall, the Town has expended about 20-25% of the General Fund salaries and supplies budget for the fiscal year 2023/24, which is in line with spending in previous fiscal years.

Staff analyzed the impacts of the updated property tax estimates on the General Fund after expenditures data. Also included in the General Fund balance review are recent budget amendments and the future impacts of staffing changes. The updated projected cash available balance for fiscal year 2027/28 is \$9,863,292 compared to \$4,947,772 projected as part of the fiscal year 2023/24 operating budget.

All Town staff are very budget conscious, being good fiscal stewards for the community. Upcoming expenses that are currently not budgeted but staff are aware of and will bring back to Council include employee negotiations which will commence in early 2024, the Operational and Service Delivery Assessment consultant work, and potential funding needed if a biomass solution is moved forward, and future budget appropriations for the Town's THAP or Truckee Home Access Program.

The Town financial position is stable, and staff will continue with fiscally responsible budgeting and spending practices to ensure the long-term financial stability of the Town. Staff recommend that the Town Council accept the quarterly financial report for the period ending September 30, 2023.

**Priority:**

<input checked="" type="checkbox"/>	Enhanced Communication	<input checked="" type="checkbox"/>	Climate and Greenhouse Gas Reduction	<input checked="" type="checkbox"/>	Housing
<input checked="" type="checkbox"/>	Infrastructure Investment	<input type="checkbox"/>	Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/>	Core Service

**Attachments:**

Attachment 1 - Quarterly Financial Report for the Quarter Ended September 30, 2023