



Date: Tuesday, May 14, 2024

Honorable Mayor and Council Members:

Author and title: Nicole Casey, Administrative Services Director

Title: **Acceptance of the Quarterly Financial Status Update for the Quarter Ended March 31, 2024**

Jen Callaway, Town Manager

Recommended Action: That Council accepts the quarterly financial update for the quarter ended March 31, 2024.

Discussion: Attached is the quarterly financial report for the Town of Truckee for the quarter ending March 31, 2024. 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 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.

Executive Summary from Report –

The Town's sales tax auditors have analyzed the collections for the quarter ending December 30, 2023, as of the publication of this report. The Town received \$1,756,051 for the quarter ending September 30, 2023, as compared to \$1,738,317 for the same quarter in fiscal year 2022/23, a 1.0% increase. Sales weakened in multiple sectors in response to the federal policy regarding interest rates forcing consumers to balance rising prices with financing costs associated with household needs. Decreases were offset by an increase in the Town's allocation of pool sales and an increase in collections from building and construction supplies.

Based on these results, as well as expectations for sales tax through the end of fiscal year 2023/24, the Town has revised its expectation for the year to \$6,486,622, a 0.6% decrease over fiscal year 2022/23 and 3.0% decrease from the fiscal year 2023/24 budget.

The Town has received and analyzed the TOT collections for the quarter and year ending December 31, 2023. The Town received \$1.12 million for the quarter ending December 31, 2023, compared to \$1.34 million for the same quarter in 2022, a 21.0% decrease. Collections from hotels were down 26%,

individually operated properties were down 13%, and collections from property management companies were down 22% when compared to the same quarter in 2022.

Overall, the Town has expended about 67-68% of the General Fund salaries and supplies budget for the fiscal year 2023/24, which is in-line with spending in previous fiscal years and expectations for this time in the year.

Staff analyzed the impacts of the updated property and sales tax estimates on the General Fund after expenditures data. Also included in the General Fund balance review are recent budget amendments and the future-year impacts of staffing changes. The updated projection for the Cash Available Undesignated balance for fiscal year 2023/24 is \$25,919,013, \$2,725,447 more than the balance projected in the fiscal year 2023/24 operating budget.

Priority:

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

Attachments:

Quarterly Financial Update for the Quarter Ended March 31, 2024