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FINANCIAL ADVISORY COMMISSION AGENDA

CITY HALL COUNCIL CHAMBER
78495 Calle Tampico, La Quinta

WEDNESDAY, NOVEMBER 9, 2022, AT 4:00 P.M.

Members of the public wanting to listen to this meeting may do so by tuning-in live via <https://laquinta.12milesout.com/video/live>.

CALL TO ORDER

Roll Call: Commissioners: Anderson, Batavick, Dorsey, Luettjohann, Mast, Way and Chair Mills

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS – INSTRUCTIONS

Members of the public may address the Commission on any matter listed or not listed on the agenda as follows:

WRITTEN PUBLIC COMMENTS can be provided either in-person during the meeting by submitting 15 copies to the Commission Secretary, it is requested that this takes place prior to the beginning of the meeting; or can be emailed in advance to JDelgado@LaQuintaCA.gov, no later than 12:00 p.m., on the day of the meeting. Written public comments will be distributed to the Commission, made public, and will be incorporated into the public record of the meeting, but will not be read during the meeting unless, upon the request of the Chair, a brief summary of public comments is asked to be reported.

If written public comments are emailed, the email subject line must clearly state **“Written Comments” and should include: 1) full name, 2) city of residence, and 3) subject matter.**

VERBAL PUBLIC COMMENTS can be provided in-person during the meeting by completing a “Request to Speak” form and submitting it to the Commission Secretary; it is requested that this takes place prior to the beginning of the meeting. Please limit your comments to three (3) minutes (or approximately 350 words). Members of the public shall be called upon to speak by the Chair.

In accordance with City Council Resolution No. 2022-028, a one-time additional speaker time donation of three (3) minutes per individual is permitted; please note that the member of the public donating time must: 1) submit this in writing to the Commission Secretary by completing a “Request to Speak” form noting the name of the person to whom time is being donated to, and 2) be present at the time the speaker provides verbal comments.

Verbal public comments are defined as comments provided in the speakers’ own voice and may not include video or sound recordings of the speaker or of other individuals or entities, unless permitted by the Chair.

Public speakers may elect to use printed presentation materials to aid their comments; 15 copies of such printed materials shall be provided to the Commission Secretary to be disseminated to the Commission, made public, and incorporated into the public record of the meeting; it is requested that the printed materials are provided prior to the beginning of the meeting. There shall be no use of Chamber resources and technology to display visual or audible presentations during public comments, unless permitted by the Chair.

All writings or documents, including but not limited to emails and attachments to emails, submitted to the City regarding any item(s) listed or not listed on this agenda are public records. All information in such writings and documents is subject to disclosure as being in the public domain and subject to search and review by electronic means, including but not limited to the City’s Internet Web site and any other Internet Web-based platform or other Web-based form of communication. All information in such writings and documents similarly is subject to disclosure pursuant to the California Public Records Act [Government Code § 6250 et seq.].

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

At this time, members of the public may address the Commission on any matter not listed on the agenda pursuant to the “Public Comments – Instructions” listed above. The Commission values your comments; however, in accordance with State law, no action shall be taken on any item not

appearing on the agenda unless it is an emergency item authorized by the Brown Act [Government Code § 54954.2(b)].

CONFIRMATION OF AGENDA

ANNOUNCEMENTS, PRESENTATIONS AND WRITTEN COMMUNICATIONS

– None

CONSENT CALENDAR

NOTE: Consent Calendar items are routine in nature and can be approved by one motion.

1. APPROVE MEETING MINUTES DATED OCTOBER 5, 2022
2. RECEIVE AND FILE REVENUE AND EXPENDITURE REPORT DATED JULY 31, 2022
3. RECEIVE AND FILE REVENUE AND EXPENDITURE REPORT DATED AUGUST 31, 2022

BUSINESS SESSION – None

STUDY SESSION – None

DEPARTMENTAL REPORTS

1. FINANCE DEPARTMENT CURRENT AND FUTURE INITIATIVES
2. SECOND QUARTER 2022 (APRIL-JUNE) SALES TAX UPDATE FOR THE CITY OF LA QUINTA

COMMISSIONERS' ITEMS

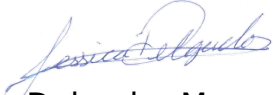
ADJOURNMENT

The next regular quarterly meeting of the La Quinta Financial Advisory Commission will be held February 8, 2022, commencing at 4:00 p.m. at the La Quinta City Hall Council Chamber, 78-495 Calle Tampico, La Quinta, CA 92253.

DECLARATION OF POSTING

I, Jessica Delgado, Secretary of the Financial Advisory Commission of the City of La Quinta, do hereby declare that the foregoing Agenda for the Commission meeting of November 9, 2022, was posted on the City's website, near the entrance to the Council Chamber at 78-495 Calle Tampico, and the bulletin boards at 78-630 Highway 111, and 51-321 Avenida Bermudas, on November 3, 2022.

DATED: November 3, 2022



Jessica Delgado, Management Assistant
City of La Quinta, California

Public Notices

- The La Quinta City Council Chamber is handicapped accessible. If special equipment is needed for the hearing impaired, please contact Commission Secretary at (760) 777-7150, 24-hours in advance of the meeting and accommodations will be made.
- If background material is to be presented to the Commission during a Commission meeting, please be advised that 15 copies of all documents, exhibits, etc., must be supplied to the Commission Secretary for distribution. It is requested that this takes place prior to the beginning of the meeting.



**FINANCIAL ADVISORY COMMISSION
SPECIAL MEETING
MINUTES
WEDNESDAY, OCTOBER 5, 2022**

CALL TO ORDER

A special meeting of the La Quinta Financial Advisory Commission (Commission) was called to order at 4:00 p.m. by Chair Mills.

PRESENT: Commissioners Anderson, Batavick, Dorsey, Luetjohann, Mast, Way and Chair Mills

ABSENT: None

STAFF PRESENT: Finance Director Martinez, Financial Services Analyst Hallick, Account Technician Batuta, Management Assistant Delgado, City Clerk Radeva, City Manager McMillen

PLEDGE OF ALLEGIANCE

Commissioner Luetjohann led the audience in the Pledge of Allegiance.

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA – None

CONFIRMATION OF AGENDA – Confirmed

ANNOUNCEMENTS, PRESENTATIONS, AND WRITTEN COMMUNICATIONS
– None

CONSENT CALENDAR ITEMS

1. APPROVE MEETING MINUTES DATED AUGUST 24, 2022

Motion – A motion was made and seconded by Commissioners Way/Mast to approve the Consent Calendar as submitted. Motion passed unanimously.

BUSINESS SESSION

1. APPOINT TWO FINANCIAL ADVISORY COMMISSIONERS TO AUDIT AND FORMULATE THE ANNUAL MEASURE G SALES TAX OVERSIGHT COMPLIANCE REPORT (Report) FOR FISCAL YEAR 2021/22

Finance Director Martinez presented the staff report, which is on file in the Finance Department.

Staff provided the timeline for completing the Report. Commissioner Batavick and Luettjohann expressed their interest to serve on the subcommittee to audit and formulate the annual Measure G sales tax oversight compliance report for fiscal year 2021/22.

Motion – A motion was made and seconded by Commissioners Way/Anderson to appoint Commissioners Batavick and Luettjohann to audit and formulate the annual measure G sales tax oversight compliance report for fiscal year 2021/22. Motion passed unanimously.

2. APPOINT TWO FINANCIAL ADVISORY COMMISSIONERS TO REVIEW THE CITY'S GENERAL FUND BALANCE AND RESERVES POLICY

Finance Director Martinez and Financial Services Analyst Hallick presented the staff report, which is on file in the Finance Department.

Commissioners Anderson, Dorsey, and Way expressed their interest to serve on the subcommittee to review the City's general fund balance and reserves policy.

Motion – A motion was made and seconded by Commissioners Mast/Dorsey to appoint Commissioners Anderson, Dorsey, and Way to serve on the subcommittee to review the City's general fund balance and reserves policy. Motion passed unanimously.

STUDY SESSION

1. DISCUSS THE CITY'S OUTSTANDING PENSION OBLIGATIONS AND THE FINANCIAL ADVISORY COMMISSION SUBCOMMITTEE RECOMMENDATIONS

Financial Services Analyst Hallick presented the staff report, which is on file in the Finance Department.

Financial Services Analyst Hallick thanked Commissioners Anderson and Dorsey for their participation on the subcommittee and shared the scope of work and findings. Commissioner Anderson shared his reasoning for recommending funding source Option 1 from the subcommittee's options listed in the staff report.

The Commission and staff discussed changes in pension funding percentages; terminated agencies; unfunded liability payments to California Public Employees Retirement System Agency (CalPERS); fluctuations of CalPERS annualized returns over the years; other possible pension liability funding sources; and the subcommittee's recommendations included in the staff report.

Staff said the report would be updated with current discussion recommendations and brought forth for review by the Commission at the November 9, 2022, meeting before being presented to Council for discussion and direction as a study session item.

DEPARTMENTAL REPORTS

All reports are on file in the Finance Department.

1. FINANCE DEPARTMENT CURRENT AND FUTURE INITIATIVES

COMMISSIONERS' ITEMS

1. Chair Mills said he distributed a handout to the Commission, which he prepared, that listed prior Commission projects, future Commission initiatives for staff consideration, and other follow up items by the Commission.
2. Commissioner Batavick reported on a meeting he attended on Monday, October 3, 2022, with City staff, Council Member Radi, and two citizens, in regards to the City's 10-year budget projections. The Commission asked what information would be included about Measure A on the November 8, 2022, ballot (Ballot). City Clerk Radeva said that the Ballot format is driven by California's elections code. City Manager McMillen mentioned that the October 3, 2022, meeting, was held at the request of the two citizens, and it was with regards to the methodology used to prepare the 10-year budget projections, as presented to Council at the 7/19/2022 meeting, as Scenarios 1 and 2, if Measure A is approved or not approved, respectively.
3. Chair Mills and staff announced the Chamber of Commerce candidate forum was being held in the Wellness Center today, October 5, from 5:00 p.m. to 7:00 p.m.

ADJOURNMENT

There being no further business, it was moved by Commissioner Mast/Dorsey to adjourn this meeting at 5:33 p.m. Motion passed unanimously.

Respectfully submitted,

Jessica Delgado, Management Assistant
City of La Quinta, California

DRAFT

City of La Quinta

FINANCIAL ADVISORY COMMISSION MEETING: November 9, 2022

STAFF REPORT

AGENDA TITLE: RECEIVE AND FILE REVENUE AND EXPENDITURE REPORT DATED JULY 31, 2022

RECOMMENDATION

Receive and file revenue and expenditure report dated July 31, 2022.

EXECUTIVE SUMMARY

- The report summarizes the City's year-to-date (YTD) revenues and period expenditures for July 2022 (Attachment 1).
- These reports are also reviewed by the City Council.

FISCAL IMPACT – None

BACKGROUND/ANALYSIS

Below is a summary of the column headers used on the *Revenue and Expenditure Summary Reports*:

Original Total Budget – represents revenue and expenditure budgets the Council adopted in June 2022 for fiscal year 2022/23

Current Total Budget – represents original adopted budgets plus any Council approved budget amendments from throughout the year. The 2021/22 operating and Capital Improvement Project carryovers to 2022/23 will be processed after the year-end audit is completed.

Period Activity – represents actual revenues received and expenditures outlaid in the reporting month.

Fiscal Activity – represents actual revenues received and expenditures outlaid YTD.

Variance Favorable/(Unfavorable) - represents the dollar difference between YTD collections/expenditures and the current budgeted amount.

Percent Used – represents the percentage activity as compared to budget YTD.

July Revenues				Comparison to Last Year		
		YTD	Percent of Budget	YTD	Percent of Budget	
General Fund (GF)	\$	403,605	\$ 403,605	0.59%	\$ 525,729	0.89%
All Funds	\$	1,356,929	\$ 1,356,929	1.28%	\$ 1,171,291	1.31%

July Expenditures				Comparison to Last Year		
		YTD	Percent of Budget	YTD	Percent of Budget	
General Fund	\$	611,972	\$ 611,972	0.95%	\$ 664,170	1.20%
Payroll (GF)	\$	358,965	\$ 358,965	2.60%	\$ 356,098	3.14%
All Funds	\$	2,677,657	\$ 2,677,657	2.60%	\$ 1,365,677	1.58%

Top Five Revenue/Income Sources for July					
General Fund			Non-General Fund		
Building Permits	\$	74,986	Non-allocated Interest (Pension Trust)	\$	376,894
STVR Registration Fee	\$	66,000	Developer Impact Fees- Transportation	\$	129,103
Building Plan Check Fees	\$	59,739	Allocated Interest	\$	93,479
Misc. Permits	\$	32,382	SilverRock Green Fees	\$	88,836
Business Licenses	\$	24,892	Housing Authority Rent Revenue	\$	87,654

Top Five Expenditures/Outlays for July					
General Fund			Non-General Fund		
Parks Landscape Maintenance	\$	60,804	Liability Insurance	\$	418,878
Parks Landscape Materials/Supplies	\$	28,926	Software Licenses ⁽²⁾	\$	246,247
Membership Dues ⁽¹⁾	\$	23,235	Homelessness Assistance	\$	200,000
Marketing and Tourism Promotions	\$	19,695	Workers Comp Insurance	\$	185,353
Credit Card Fees	\$	17,815	Property Insurance	\$	159,738

⁽¹⁾League of California Cities, Southern California Association of Governments (SCAG), CoStar commercial real estate analytics.

⁽²⁾Annual subscription fees for Tyler (Finance/HR Depts.), Granicus (City website), Office 365 licenses, GovInvest (pension software), GoRequest, and Laserfiche.

The revenue report includes revenues and transfers into funds from other funds (income items). Revenues are not received uniformly throughout the year, resulting in peaks and valleys. For example, large property tax payments are usually received in December and May. Similarly, Redevelopment Property Tax Trust Fund payments are typically received in January and June. Any timing imbalance of revenue receipts versus expenditures is funded from the City's cash flow reserve.

The expenditure report includes expenditures and transfers out to other funds. Unlike revenues, expenditures are more likely to be consistent from month to month. However, large debt service payments or CIP expenditures can cause swings.

Prepared by: Rosemary Hallick, Financial Services Analyst
 Approved by: Claudia Martinez, Finance Director

Attachment 1: Revenue and Expenditure Report for July 31, 2022

Revenue Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	68,321,100	68,321,100	403,605	403,605	-67,917,495	0.59%
201 - GAS TAX FUND	2,691,011	2,691,011	0	0	-2,691,011	0.00%
202 - LIBRARY & MUSEUM FUND	2,867,000	2,867,000	106	106	-2,866,894	0.00%
203 - PUBLIC SAFETY FUND (MEASU	2,000	2,000	0	0	-2,000	0.00%
210 - FEDERAL ASSISTANCE FUND	156,000	156,000	0	0	-156,000	0.00%
212 - SLESA (COPS) FUND	101,000	101,000	0	0	-101,000	0.00%
215 - LIGHTING & LANDSCAPING FU	2,483,300	2,483,300	0	0	-2,483,300	0.00%
220 - QUIMBY FUND	25,000	25,000	0	0	-25,000	0.00%
221 - AB 939 - CALRECYCLE FUND	64,000	64,000	0	0	-64,000	0.00%
223 - MEASURE A FUND	1,875,000	1,875,000	0	0	-1,875,000	0.00%
226 - EMERGENCY MANAGEMENT F	12,100	12,100	0	0	-12,100	0.00%
227 - STATE HOMELAND SECURITY F	5,000	5,000	0	0	-5,000	0.00%
230 - CASp FUND, AB 1379	20,200	20,200	1,340	1,340	-18,860	6.63%
235 - SO COAST AIR QUALITY FUND	54,400	54,400	0	0	-54,400	0.00%
241 - HOUSING AUTHORITY	1,451,500	1,451,500	87,654	87,654	-1,363,846	6.04%
243 - RDA LOW-MOD HOUSING FUN	20,000	20,000	0	0	-20,000	0.00%
247 - ECONOMIC DEVELOPMENT FL	15,000	15,000	0	0	-15,000	0.00%
249 - SA 2011 LOW/MOD BOND FUI	25,000	25,000	0	0	-25,000	0.00%
250 - TRANSPORTATION DIF FUND	1,020,000	1,020,000	129,103	129,103	-890,897	12.66%
251 - PARKS & REC DIF FUND	501,000	501,000	61,074	61,074	-439,926	12.19%
252 - CIVIC CENTER DIF FUND	301,000	301,000	36,754	36,754	-264,246	12.21%
253 - LIBRARY DEVELOPMENT DIF	75,000	75,000	11,513	11,513	-63,487	15.35%
254 - COMMUNITY & CULTURAL CEI	152,000	152,000	27,724	27,724	-124,276	18.24%
255 - STREET FACILITY DIF FUND	10,000	10,000	0	0	-10,000	0.00%
257 - FIRE PROTECTION DIF	101,000	101,000	10,997	10,997	-90,003	10.89%
259 - MAINTENANCE FACILITIES DIF	75,500	75,500	9,811	9,811	-65,689	12.99%
270 - ART IN PUBLIC PLACES FUND	153,000	153,000	4,143	4,143	-148,857	2.71%
275 - LQ PUBLIC SAFETY OFFICER	2,200	2,200	0	0	-2,200	0.00%
299 - INTEREST ALLOCATION FUND	0	0	93,479	93,479	93,479	0.00%
310 - LQ FINANCE AUTHORITY DEBT	1,100	1,100	0	0	-1,100	0.00%
401 - CAPITAL IMPROVEMENT PROC	13,136,811	13,136,811	0	0	-13,136,811	0.00%
405 - SA PA 1 CAPITAL IMPRV FUND	1,000	1,000	0	0	-1,000	0.00%
501 - FACILITY & FLEET REPLACEMEI	1,685,000	1,685,000	0	0	-1,685,000	0.00%
502 - INFORMATION TECHNOLOGY	2,256,708	2,256,708	2,130	2,130	-2,254,578	0.09%
503 - PARK EQUIP & FACILITY FUND	470,000	470,000	0	0	-470,000	0.00%
504 - INSURANCE FUND	1,020,400	1,020,400	0	0	-1,020,400	0.00%
601 - SILVERROCK RESORT	4,865,453	4,865,453	100,602	100,602	-4,764,851	2.07%
602 - SILVERROCK GOLF RESERVE	79,000	79,000	0	0	-79,000	0.00%
760 - SUPPLEMENTAL PENSION PLA	5,500	5,500	0	0	-5,500	0.00%
761 - CERBT OPEB TRUST	10,000	10,000	0	0	-10,000	0.00%
762 - PARS PENSION TRUST	100,000	100,000	376,894	376,894	276,894	376.89%
Report Total:	106,210,283	106,210,283	1,356,929	1,356,929	-104,853,354	1.28%

Expenditure Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	64,651,274	64,651,274	611,972	611,972	64,039,302	0.95%
201 - GAS TAX FUND	2,687,351	2,687,351	28,950	28,950	2,658,401	1.08%
202 - LIBRARY & MUSEUM FUND	1,909,146	1,909,146	6,723	6,723	1,902,423	0.35%
210 - FEDERAL ASSISTANCE FUND	152,600	152,600	0	0	152,600	0.00%
212 - SLESA (COPS) FUND	100,000	100,000	0	0	100,000	0.00%
215 - LIGHTING & LANDSCAPING FU	2,465,376	2,465,376	89,887	89,887	2,375,489	3.65%
221 - AB 939 - CALRECYCLE FUND	150,000	150,000	0	0	150,000	0.00%
223 - MEASURE A FUND	3,882,000	3,882,000	0	0	3,882,000	0.00%
226 - EMERGENCY MANAGEMENT F	12,000	12,000	0	0	12,000	0.00%
227 - STATE HOMELAND SECURITY F	5,000	5,000	0	0	5,000	0.00%
230 - CASp FUND, AB 1379	5,500	5,500	0	0	5,500	0.00%
235 - SO COAST AIR QUALITY FUND	46,500	46,500	0	0	46,500	0.00%
237 - SUCCESSOR AGCY PA 1 ADMIN	0	0	1,600	1,600	-1,600	0.00%
241 - HOUSING AUTHORITY	1,712,670	1,712,670	69,712	69,712	1,642,958	4.07%
243 - RDA LOW-MOD HOUSING FUN	250,000	250,000	200,000	200,000	50,000	80.00%
244 - HOUSING GRANTS (Multiple)	0	0	96,157	96,157	-96,157	0.00%
247 - ECONOMIC DEVELOPMENT FL	21,500	21,500	0	0	21,500	0.00%
249 - SA 2011 LOW/MOD BOND FUI	20,000	20,000	0	0	20,000	0.00%
250 - TRANSPORTATION DIF FUND	500,000	500,000	0	0	500,000	0.00%
251 - PARKS & REC DIF FUND	500,000	500,000	0	0	500,000	0.00%
252 - CIVIC CENTER DIF FUND	250,000	250,000	0	0	250,000	0.00%
253 - LIBRARY DEVELOPMENT DIF	15,000	15,000	0	0	15,000	0.00%
270 - ART IN PUBLIC PLACES FUND	177,000	177,000	0	0	177,000	0.00%
310 - LQ FINANCE AUTHORITY DEBT	1,100	1,100	0	0	1,100	0.00%
401 - CAPITAL IMPROVEMENT PROC	13,136,811	13,136,811	35,509	35,509	13,101,302	0.27%
501 - FACILITY & FLEET REPLACEMEI	1,608,750	1,608,750	128,210	128,210	1,480,540	7.97%
502 - INFORMATION TECHNOLOGY	2,258,054	2,258,054	319,272	319,272	1,938,782	14.14%
503 - PARK EQUIP & FACILITY FUND	545,000	545,000	0	0	545,000	0.00%
504 - INSURANCE FUND	984,100	984,100	890,357	890,357	93,743	90.47%
601 - SILVERROCK RESORT	4,782,135	4,782,135	181,959	181,959	4,600,176	3.80%
760 - SUPPLEMENTAL PENSION PLA	12,850	12,850	12,833	12,833	17	99.87%
761 - CERBT OPEB TRUST	1,500	1,500	0	0	1,500	0.00%
762 - PARS PENSION TRUST	55,000	55,000	4,515	4,515	50,485	8.21%
Report Total:	102,898,217	102,898,217	2,677,657	2,677,657	100,220,560	2.60%

Fund Descriptions

Fund #	Name	Notes
101	General Fund	The primary fund of the City used to account for all revenue and expenditures of the City; a broad range of municipal activities are provided through this fund.
201	Gas Tax Fund	Gasoline sales tax allocations received from the State which are restricted to street-related expenditures.
202	Library and Museum Fund	Revenues from property taxes and related expenditures for library and museum services.
203	Public Safety Fund	General Fund Measure G sales tax revenue set aside for public safety expenditures.
210	Federal Assistance Fund	Community Development Block Grant (CDBG) received from the federal government and the expenditures of those resources.
212	SLESF (COPS) Fund	Supplemental Law Enforcement Services Funds (SLESF) received from the State for law enforcement activities. Also known as Citizen's Option for Public Safety (COPS).
215	Lighting & Landscaping Fund	Special assessments levied on real property for city-wide lighting and landscape maintenance/improvements and the expenditures of those resources.
220	Quimby Fund	Developer fees received under the provisions of the Quimby Act for park development and improvements.
221	AB939 Fund/Cal Recycle	Franchise fees collected from the city waste hauler that are used to reduce waste sent to landfills through recycling efforts. Assembly Bill (AB) 939.
223	Measure A Fund	County sales tax allocations which are restricted to street-related expenditures.
224	TUMF Fund	Developer-paid Transportation Uniform Mitigation Fees (TUMF) utilized for traffic projects in Riverside County.
225	Infrastructure Fund	Developer fees for the acquisition, construction or improvement of the City's infrastructure as defined by Resolution
226	Emergency Mgmt. Performance Grant (EMPG)	Federal Emergency Management Agency (FEMA) grant for emergency preparedness.
227	State Homeland Security Programs (SHSP)	Federal Emergency Management Agency (FEMA) grant for emergency preparedness.
230	CASP Fund, AB1379 / SB1186	Certified Access Specialist (CASp) program fees for ADA Accessibility Improvements; derived from Business License renewals. Assembly Bill (AB) 1379 and Senate Bill (SB) 1186.
231	Successor Agency PA 1 RORF Fund	Successor Agency (SA) Project Area (PA) 1 Redevelopment Obligation Retirement Fund (RORF) for Redevelopment Property Tax Trust Fund (RPTTF) taxes received for debt service payments on recognized obligations of the former Redevelopment Agency (RDA).
235	SO Coast Air Quality Fund (AB2766, PM10)	Contributions from the South Coast Air Quality Management District. Uses are limited to the reduction and control of airborne pollutants. Assembly Bill (AB) 2766.
237	Successor Agency PA 1 Admin Fund	Successor Agency (SA) Project Area (PA) 1 for administration of the Recognized Obligation Payment Schedule (ROPS) associated with the former Redevelopment Agency (RDA).
241	Housing Authority	Activities of the Housing Authority which is to promote and provide quality affordable housing.
243	RDA Low-Moderate Housing Fund	Activities of the Housing Authority which is to promote and provide quality affordable housing. Accounts for RDA loan repayments (20% for Housing) and housing programs.
244	Housing Grants	Activities related Local Early Action Planning (LEAP) and SB2 grants for housing planning and development.
247	Economic Development Fund	Proceeds from sale of City-owned land; transferred from General Fund for future economic development.
249	SA 2011 Low/Mod Bond Fund	Successor Agency (SA) low/moderate housing fund; 2011 bonds refinanced in 2016.
250	Transportation DIF Fund	Developer impact fees collected for specific public improvements - transportation related.
251	Parks & Rec. DIF Fund	Developer impact fees collected for specific public improvements - parks and recreation.
252	Civic Center DIF Fund	Developer impact fees collected for specific public improvements - Civic Center.
253	Library Development DIF Fund	Developer impact fees collected for specific public improvements - library.
254	Community Center DIF Fund	Developer impact fees collected for specific public improvements - community center.
255	Street Facility DIF Fund	Developer impact fees collected for specific public improvements - streets.
256	Park Facility DIF Fund	Developer impact fees collected for specific public improvements - parks.
257	Fire Protection DIF Fund	Developer impact fees collected for specific public improvements - fire protection.
270	Art In Public Places Fund	Developer fees collected in lieu of art placement; utilized for acquisition, installation and maintenance of public artworks.
275	LQ Public Safety Officer Fund	Annual transfer in from General Fund; distributed to public safety officers disabled or killed in the line of duty.
299	Interest Allocation Fund	Interest earned on investments.
310	LQ Finance Authority Debt Service Fund	Accounted for the debt service the Financing Authority's outstanding debt and any related reporting requirements. This bond was fully paid in October 2018.
401	Capital Improvement Program Fund	Planning, design, and construction of various capital projects throughout the City.
405	SA PA 1 Capital Improvement Fund	Successor Agency (SA) Project Area (PA) 1 bond proceeds restricted by the bond indenture covenants. Used for SilverRock infrastructure improvements.
501	Equipment Replacement Fund	Internal Service Fund for vehicles, heavy equipment, and related facilities.
502	Information Technology Fund	Internal Service Fund for computer hardware and software and phone systems.
503	Park Equipment & Facility Fund	Internal Service Fund for park equipment and facilities.
504	Insurance Fund	Internal Service Fund for city-wide insurance coverages.
601	SilverRock Resort Fund	Enterprise Fund for activities of the city-owned golf course.
602	SilverRock Golf Reserve Fund	Enterprise Fund for golf course reserves for capital improvements.
760	Supplemental Pension Plan (PARS Account)	Supplemental pension savings plan for excess retiree benefits to general employees of the City.
761	Other Post Benefit Obligation Trust (OPEB)	For retiree medical benefits and unfunded liabilities.
762	Pension Trust Benefit (PARS Account)	For all pension-related benefits and unfunded liabilities.

FINANCIAL ADVISORY COMMISSION MEETING: November 9, 2022 STAFF REPORT

AGENDA TITLE: RECEIVE AND FILE REVENUE AND EXPENDITURE REPORT DATED AUGUST 31, 2022

RECOMMENDATION

Receive and file revenue and expenditure report dated August 31, 2022.

EXECUTIVE SUMMARY

- The report summarizes the City's year-to-date (YTD) revenues and period expenditures for August 2022 (Attachment 1).
- These reports are also reviewed by the City Council.

FISCAL IMPACT – None

BACKGROUND/ANALYSIS

Below is a summary of the column headers used on the *Revenue and Expenditure Summary Reports*:

Original Total Budget – represents revenue and expenditure budgets the Council adopted in June 2022 for fiscal year 2022/23.

Current Total Budget – represents original adopted budgets plus any Council approved budget amendments from throughout the year. The 2021/22 operating and Capital Improvement Project carryovers to 2022/23 will be processed after the year-end audit is completed.

Period Activity – represents actual revenues received and expenditures outlaid in the reporting month.

Fiscal Activity – represents actual revenues received and expenditures outlaid YTD.

Variance Favorable/(Unfavorable) - represents the dollar difference between YTD collections/expenditures and the current budgeted amount.

Percent Used – represents the percentage activity as compared to budget YTD.

August Revenues				Comparison to Last Year	
		YTD	Percent of Budget	YTD	Percent of Budget
General Fund (GF)	\$ 1,585,611	\$ 1,989,216	2.91%	\$ 2,169,783	3.69%
All Funds	\$ 2,036,529	\$ 3,381,548	3.18%	\$ 3,999,605	4.46%
August Expenditures				Comparison to Last Year	
		YTD	Percent of Budget	YTD	Percent of Budget
General Fund	\$ 2,493,925	\$ 3,105,897	4.80%	\$ 2,775,342	5.03%
Payroll (GF)	\$ 1,964,518	\$ 2,323,483	16.84%	\$ 2,079,960	18.36%
All Funds	\$ 4,107,514	\$ 6,785,170	6.59%	\$ 5,181,848	5.99%

Top Five Revenue/Income Sources for August			
General Fund		Non-General Fund	
Transient Occupancy (Hotel) Tax	\$ 495,819	Allocated Interest	\$ 209,784
Mitigation Fees	\$ 493,930	Developer Impact Fees- Transportation	\$ 140,315
Building Plan Check Fees	\$ 85,239	SilverRock Green Fees	\$ 96,934
Building Permits	\$ 82,418	Gas Tax	\$ 89,209
STVR Registration Fees	\$ 78,000	Housing Authority Rent Revenue	\$ 87,654
Top Five Expenditures/Outlays for August			
General Fund		Non-General Fund	
X-Park Programming July-Sept.	\$ 71,347	Capital Improvement Program (CIP) - Construction ⁽³⁾	\$ 590,522
Membership Dues ⁽¹⁾	\$ 62,039	SilverRock Maintenance	\$ 181,398
Sheriff - Other ⁽²⁾	\$ 41,247	Software Licenses ⁽⁴⁾	\$ 81,509
Parks Maintenance/Services	\$ 31,568	Purchased Vehicles	\$ 71,370
Water Utilities	\$ 26,300	Information Technology Management Services	\$ 54,433
⁽¹⁾ Coachella Valley Association of Governments (CVAG) ⁽²⁾ Annual fees for Cal-ID Bureau ⁽³⁾ Jefferson/Avenue 53 roundabout; parkway landscape renovation (Topaz); traffic signal equipment ⁽⁴⁾ Trak-It permitting and business license software			

The revenue report includes revenues and transfers into funds from other funds (income items). Revenues are not received uniformly throughout the year, resulting in peaks and valleys. For example, large property tax payments are usually received in December and May. Similarly, Redevelopment Property Tax Trust Fund payments are typically received in January and June. Any timing imbalance of revenue receipts versus expenditures is funded from the City's cash flow reserve.

The expenditure report includes expenditures and transfers out to other funds. Unlike revenues, expenditures are more likely to be consistent from month to month. However, large debt service payments or CIP expenditures can cause swings.

Prepared by: Rosemary Hallick, Financial Services Analyst
Approved by: Claudia Martinez, Finance Director

Attachment 1: Revenue and Expenditure Report for August 31, 2022



FINANCE

For Fiscal: 2022/23 Period Ending: 08/31/2022

Revenue Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	68,321,100	68,321,100	1,585,611	1,989,216	-66,331,884	2.91%
201 - GAS TAX FUND	2,691,011	2,691,011	89,209	89,209	-2,601,802	3.32%
202 - LIBRARY & MUSEUM FUND	2,867,000	2,867,000	310	416	-2,866,584	0.01%
203 - PUBLIC SAFETY FUND (MEASU	2,000	2,000	0	0	-2,000	0.00%
210 - FEDERAL ASSISTANCE FUND	156,000	156,000	0	0	-156,000	0.00%
212 - SLESA (COPS) FUND	101,000	101,000	0	0	-101,000	0.00%
215 - LIGHTING & LANDSCAPING FU	2,483,300	2,483,300	0	0	-2,483,300	0.00%
220 - QUIMBY FUND	25,000	25,000	0	0	-25,000	0.00%
221 - AB 939 - CALRECYCLE FUND	64,000	64,000	3,204	3,204	-60,796	5.01%
223 - MEASURE A FUND	1,875,000	1,875,000	0	0	-1,875,000	0.00%
226 - EMERGENCY MANAGEMENT F	12,100	12,100	0	0	-12,100	0.00%
227 - STATE HOMELAND SECURITY F	5,000	5,000	0	0	-5,000	0.00%
230 - CASp FUND, AB 1379	20,200	20,200	1,472	2,812	-17,388	13.92%
231 - SUCCESSOR AGCY PA 1 RORF	0	0	0	0	0	0.00%
235 - SO COAST AIR QUALITY FUND	54,400	54,400	0	0	-54,400	0.00%
241 - HOUSING AUTHORITY	1,451,500	1,451,500	0	87,654	-1,363,846	6.04%
243 - RDA LOW-MOD HOUSING FUN	20,000	20,000	0	0	-20,000	0.00%
247 - ECONOMIC DEVELOPMENT FL	15,000	15,000	0	0	-15,000	0.00%
249 - SA 2011 LOW/MOD BOND FUI	25,000	25,000	0	0	-25,000	0.00%
250 - TRANSPORTATION DIF FUND	1,020,000	1,020,000	140,315	269,418	-750,582	26.41%
251 - PARKS & REC DIF FUND	501,000	501,000	73,710	134,784	-366,216	26.90%
252 - CIVIC CENTER DIF FUND	301,000	301,000	43,050	79,804	-221,196	26.51%
253 - LIBRARY DEVELOPMENT DIF	75,000	75,000	13,895	25,408	-49,592	33.88%
254 - COMMUNITY & CULTURAL CEI	152,000	152,000	33,460	61,184	-90,816	40.25%
255 - STREET FACILITY DIF FUND	10,000	10,000	0	0	-10,000	0.00%
257 - FIRE PROTECTION DIF	101,000	101,000	12,915	23,912	-77,088	23.68%
259 - MAINTENANCE FACILITIES DIF	75,500	75,500	10,955	20,766	-54,734	27.50%
270 - ART IN PUBLIC PLACES FUND	153,000	153,000	5,500	9,644	-143,356	6.30%
275 - LQ PUBLIC SAFETY OFFICER	2,200	2,200	0	0	-2,200	0.00%
299 - INTEREST ALLOCATION FUND	0	0	209,784	291,353	291,353	0.00%
310 - LQ FINANCE AUTHORITY DEBT	1,100	1,100	0	0	-1,100	0.00%
401 - CAPITAL IMPROVEMENT PROC	13,136,811	13,136,811	0	0	-13,136,811	0.00%
405 - SA PA 1 CAPITAL IMPRV FUND	1,000	1,000	0	0	-1,000	0.00%
501 - FACILITY & FLEET REPLACEMEI	1,685,000	1,685,000	0	0	-1,685,000	0.00%
502 - INFORMATION TECHNOLOGY	2,256,708	2,256,708	2,295	4,425	-2,252,283	0.20%
503 - PARK EQUIP & FACILITY FUND	470,000	470,000	0	0	-470,000	0.00%
504 - INSURANCE FUND	1,020,400	1,020,400	0	0	-1,020,400	0.00%
601 - SILVERROCK RESORT	4,865,453	4,865,453	108,724	209,327	-4,656,126	4.30%
602 - SILVERROCK GOLF RESERVE	79,000	79,000	0	0	-79,000	0.00%
760 - SUPPLEMENTAL PENSION PLA	5,500	5,500	0	0	-5,500	0.00%
761 - CERBT OPEB TRUST	10,000	10,000	0	0	-10,000	0.00%
762 - PARS PENSION TRUST	100,000	100,000	-297,880	79,014	-20,986	79.01%
Report Total:	106,210,283	106,210,283	2,036,529	3,381,548	-102,828,735	3.18%

Accounts are subject to adjusting entries and audit. The City's Annual Comprehensive Financial Report published annually in December, is the best resource for all final audited numbers.

Expenditure Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	64,651,274	64,651,274	2,493,925	3,105,897	61,545,377	4.80%
201 - GAS TAX FUND	2,687,351	2,687,351	56,201	85,150	2,602,201	3.17%
202 - LIBRARY & MUSEUM FUND	1,909,146	1,909,146	38,255	44,978	1,864,168	2.36%
210 - FEDERAL ASSISTANCE FUND	152,600	152,600	0	0	152,600	0.00%
212 - SLESA (COPS) FUND	100,000	100,000	0	0	100,000	0.00%
215 - LIGHTING & LANDSCAPING FU	2,465,376	2,465,376	75,690	165,577	2,299,799	6.72%
221 - AB 939 - CALRECYCLE FUND	150,000	150,000	22,297	22,297	127,703	14.86%
223 - MEASURE A FUND	3,882,000	3,882,000	33,703	33,703	3,848,297	0.87%
226 - EMERGENCY MANAGEMENT F	12,000	12,000	9,750	9,750	2,250	81.25%
227 - STATE HOMELAND SECURITY F	5,000	5,000	0	0	5,000	0.00%
230 - CASp FUND, AB 1379	5,500	5,500	0	0	5,500	0.00%
235 - SO COAST AIR QUALITY FUND	46,500	46,500	766	766	45,734	1.65%
237 - SUCCESSOR AGCY PA 1 ADMIN	0	0	0	1,600	-1,600	0.00%
241 - HOUSING AUTHORITY	1,712,670	1,712,670	31,416	101,128	1,611,542	5.90%
243 - RDA LOW-MOD HOUSING FUN	250,000	250,000	50,000	250,000	0	100.00%
244 - HOUSING GRANTS (Multiple)	0	0	0	96,157	-96,157	0.00%
247 - ECONOMIC DEVELOPMENT FL	21,500	21,500	0	0	21,500	0.00%
249 - SA 2011 LOW/MOD BOND FUI	20,000	20,000	0	0	20,000	0.00%
250 - TRANSPORTATION DIF FUND	500,000	500,000	0	0	500,000	0.00%
251 - PARKS & REC DIF FUND	500,000	500,000	0	0	500,000	0.00%
252 - CIVIC CENTER DIF FUND	250,000	250,000	0	0	250,000	0.00%
253 - LIBRARY DEVELOPMENT DIF	15,000	15,000	0	0	15,000	0.00%
270 - ART IN PUBLIC PLACES FUND	177,000	177,000	12,666	12,666	164,334	7.16%
310 - LQ FINANCE AUTHORITY DEBT	1,100	1,100	0	0	1,100	0.00%
401 - CAPITAL IMPROVEMENT PROC	13,136,811	13,136,811	628,039	663,548	12,473,263	5.05%
501 - FACILITY & FLEET REPLACEMEI	1,608,750	1,608,750	134,588	262,799	1,345,951	16.34%
502 - INFORMATION TECHNOLOGY	2,258,054	2,258,054	157,552	476,824	1,781,230	21.12%
503 - PARK EQUIP & FACILITY FUND	545,000	545,000	275	275	544,725	0.05%
504 - INSURANCE FUND	984,100	984,100	254	890,612	93,488	90.50%
601 - SILVERROCK RESORT	4,782,135	4,782,135	357,478	539,438	4,242,697	11.28%
760 - SUPPLEMENTAL PENSION PLA	12,850	12,850	0	12,833	17	99.87%
761 - CERBT OPEB TRUST	1,500	1,500	0	0	1,500	0.00%
762 - PARS PENSION TRUST	55,000	55,000	4,658	9,173	45,827	16.68%
Report Total:	102,898,217	102,898,217	4,107,514	6,785,170	96,113,047	6.59%

Fund Descriptions

Fund #	Name	Notes
101	General Fund	The primary fund of the City used to account for all revenue and expenditures of the City; a broad range of municipal activities are provided through this fund.
201	Gas Tax Fund	Gasoline sales tax allocations received from the State which are restricted to street-related expenditures.
202	Library and Museum Fund	Revenues from property taxes and related expenditures for library and museum services.
203	Public Safety Fund	General Fund Measure G sales tax revenue set aside for public safety expenditures.
210	Federal Assistance Fund	Community Development Block Grant (CDBG) received from the federal government and the expenditures of those resources.
212	SLESF (COPS) Fund	Supplemental Law Enforcement Services Funds (SLESF) received from the State for law enforcement activities. Also known as Citizen's Option for Public Safety (COPS).
215	Lighting & Landscaping Fund	Special assessments levied on real property for city-wide lighting and landscape maintenance/improvements and the expenditures of those resources.
220	Quimby Fund	Developer fees received under the provisions of the Quimby Act for park development and improvements.
221	AB939 Fund/Cal Recycle	Franchise fees collected from the city waste hauler that are used to reduce waste sent to landfills through recycling efforts. Assembly Bill (AB) 939.
223	Measure A Fund	County sales tax allocations which are restricted to street-related expenditures.
224	TUMF Fund	Developer-paid Transportation Uniform Mitigation Fees (TUMF) utilized for traffic projects in Riverside County.
225	Infrastructure Fund	Developer fees for the acquisition, construction or improvement of the City's infrastructure as defined by Resolution
226	Emergency Mgmt. Performance Grant (EMPG)	Federal Emergency Management Agency (FEMA) grant for emergency preparedness.
227	State Homeland Security Programs (SHSP)	Federal Emergency Management Agency (FEMA) grant for emergency preparedness.
230	CASP Fund, AB1379 / SB1186	Certified Access Specialist (CASp) program fees for ADA Accessibility Improvements; derived from Business License renewals. Assembly Bill (AB) 1379 and Senate Bill (SB) 1186.
231	Successor Agency PA 1 RORF Fund	Successor Agency (SA) Project Area (PA) 1 Redevelopment Obligation Retirement Fund (RORF) for Redevelopment Property Tax Trust Fund (RPTTF) taxes received for debt service payments on recognized obligations of the former Redevelopment Agency (RDA).
235	SO Coast Air Quality Fund (AB2766, PM10)	Contributions from the South Coast Air Quality Management District. Uses are limited to the reduction and control of airborne pollutants. Assembly Bill (AB) 2766.
237	Successor Agency PA 1 Admin Fund	Successor Agency (SA) Project Area (PA) 1 for administration of the Recognized Obligation Payment Schedule (ROPS) associated with the former Redevelopment Agency (RDA).
241	Housing Authority	Activities of the Housing Authority which is to promote and provide quality affordable housing.
243	RDA Low-Moderate Housing Fund	Activities of the Housing Authority which is to promote and provide quality affordable housing. Accounts for RDA loan repayments (20% for Housing) and housing programs.
244	Housing Grants	Activities related Local Early Action Planning (LEAP) and SB2 grants for housing planning and development.
247	Economic Development Fund	Proceeds from sale of City-owned land; transferred from General Fund for future economic development.
249	SA 2011 Low/Mod Bond Fund	Successor Agency (SA) low/moderate housing fund; 2011 bonds refinanced in 2016.
250	Transportation DIF Fund	Developer impact fees collected for specific public improvements - transportation related.
251	Parks & Rec. DIF Fund	Developer impact fees collected for specific public improvements - parks and recreation.
252	Civic Center DIF Fund	Developer impact fees collected for specific public improvements - Civic Center.
253	Library Development DIF Fund	Developer impact fees collected for specific public improvements - library.
254	Community Center DIF Fund	Developer impact fees collected for specific public improvements - community center.
255	Street Facility DIF Fund	Developer impact fees collected for specific public improvements - streets.
256	Park Facility DIF Fund	Developer impact fees collected for specific public improvements - parks.
257	Fire Protection DIF Fund	Developer impact fees collected for specific public improvements - fire protection.
270	Art In Public Places Fund	Developer fees collected in lieu of art placement; utilized for acquisition, installation and maintenance of public artworks.
275	LQ Public Safety Officer Fund	Annual transfer in from General Fund; distributed to public safety officers disabled or killed in the line of duty.
299	Interest Allocation Fund	Interest earned on investments.
310	LQ Finance Authority Debt Service Fund	Accounted for the debt service the Financing Authority's outstanding debt and any related reporting requirements. This bond was fully paid in October 2018.
401	Capital Improvement Program Fund	Planning, design, and construction of various capital projects throughout the City.
405	SA PA 1 Capital Improvement Fund	Successor Agency (SA) Project Area (PA) 1 bond proceeds restricted by the bond indenture covenants. Used for SilverRock infrastructure improvements.
501	Equipment Replacement Fund	Internal Service Fund for vehicles, heavy equipment, and related facilities.
502	Information Technology Fund	Internal Service Fund for computer hardware and software and phone systems.
503	Park Equipment & Facility Fund	Internal Service Fund for park equipment and facilities.
504	Insurance Fund	Internal Service Fund for city-wide insurance coverages.
601	SilverRock Resort Fund	Enterprise Fund for activities of the city-owned golf course.
602	SilverRock Golf Reserve Fund	Enterprise Fund for golf course reserves for capital improvements.
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761	Other Post Benefit Obligation Trust (OPEB)	For retiree medical benefits and unfunded liabilities.
762	Pension Trust Benefit (PARS Account)	For all pension-related benefits and unfunded liabilities.

City of La Quinta

FINANCIAL ADVISORY COMMISSION MEETING DEPARTMENT REPORT

TO: Members of the Financial Advisory Commission

FROM: Claudia Martinez, Finance Director

DATE: November 9, 2022

SUBJECT: FINANCE DEPARTMENT CURRENT AND FUTURE INITIATIVES

In addition to items presented as staff reports, the Finance Department would like to provide updates on the following matters.

AUDIT & FINANCIAL REPORTING

- Citywide Comprehensive fiscal year 2021/22 audit will take place from November 7th through November 18th
- Annual Street and Road Improvement Audit, to be filed with the State Controller's Office- In process
- Annual Measure A Local Streets and Roads Audit, to be filed with the Riverside County Transportation Commission- In process

COMMITTEE UPDATES

- Annual Measure G Sales Tax Oversight Compliance Report for FY 2021/22
- Reserve Policy Update
- Pension Obligation Study
- Future Committee Projects may include: City policies review, financial statement supplemental report, and auditing RFP

QUAIL MAIL 2.0

- "Quail Mail" is the City's email notification system and has been upgraded to allow text message notifications and gives new topic options.
- Current subscribers will have to re-subscribe to continue to receive notifications as the old system will phase out soon.
- Get started by taking a picture of the QR Code and setting up your subscription choices.



It is important to note the items mentioned in this update are in addition to the daily functions of the Finance Department, which include, but are not limited to, staff report writing/review, payroll, accounts payable, accounts receivable, revenue processing, journal entries, capital accounting, project accounting, purchasing, investing, cash/treasury management, bank reconciliations, budgeting, research and analysis, staff training and development, and general financial support for all City departments.

City of La Quinta

FINANCIAL ADVISORY COMMISSION MEETING DEPARTMENT REPORT

TO: Members of the Financial Advisory Commission

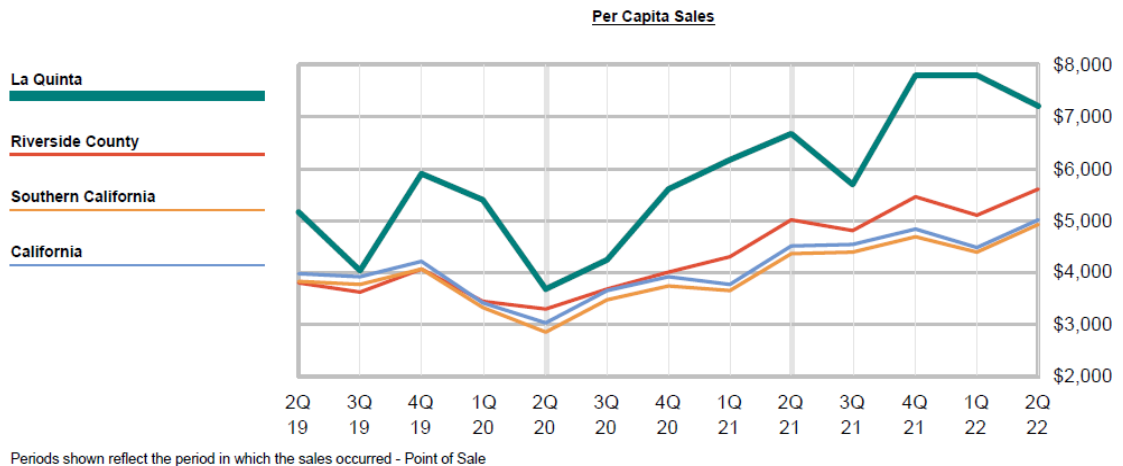
FROM: Rosemary Hallick, Financial Services Analyst

DATE: November 9, 2022

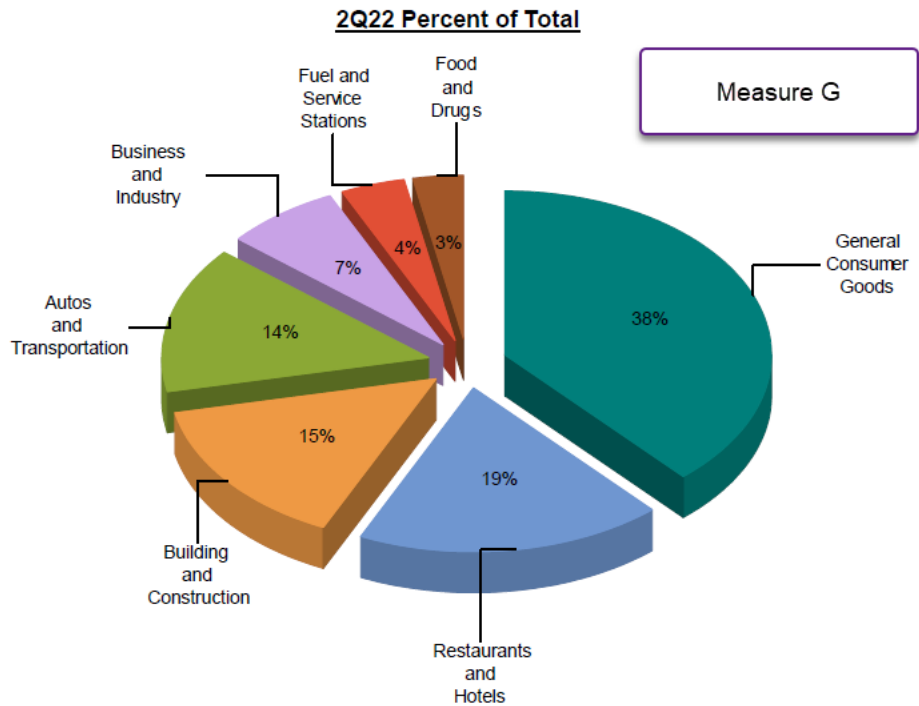
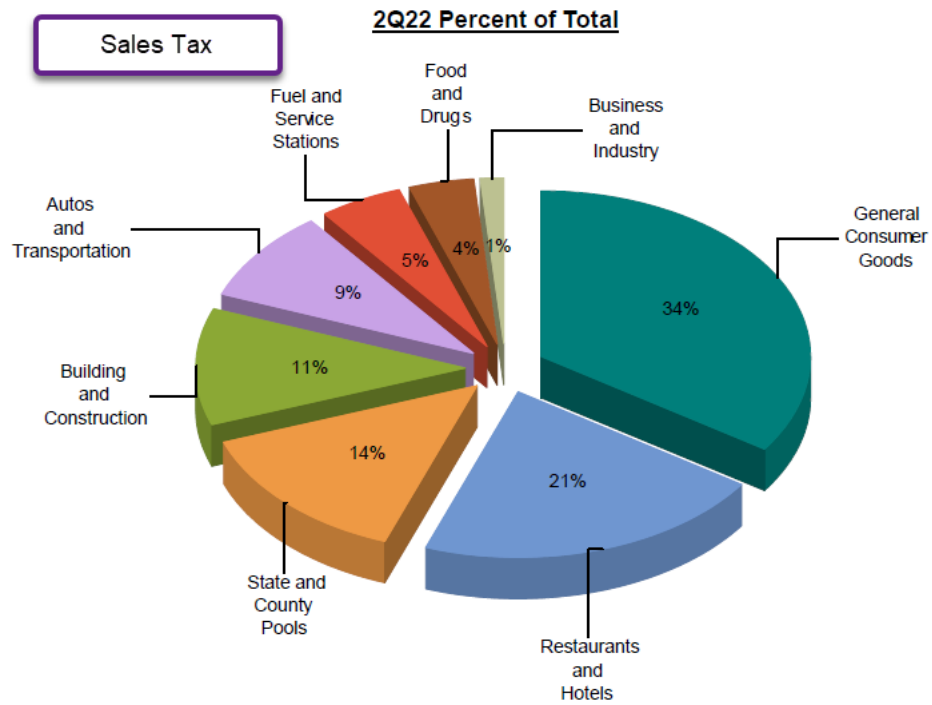
SUBJECT: SECOND QUARTER 2022 (APRIL-JUNE) SALES TAX UPDATE FOR THE CITY OF LA QUINTA

The attached report was prepared by consultants HdL Companies as an update of sales tax receipts for second quarter sales from April to June 2022.

- La Quinta’s overall adjusted sales tax receipts for major industry groups increased 6.3%, which compares to Riverside County at 12.3% and the state at 10.1%. The large increases are in part driven by tourism-related spending, continued strength in the e-commerce sector, rising gas prices, demand in the automotive sector, and inflation overall. Details may be found in the attached Sales Tax Update prepared by HdL.
- The City’s sales-per-capita remains higher than both the county and state averages.



- General consumer goods (such as department stores) made up 34% of sales tax revenue and 38% of Measure G revenue.
- Autos and transportation made up 9% of sales tax revenue and 14% of Measure G revenue.
- The City continues to benefit from online purchasing in the form of an increase in the County pool share, which was 14% of our sales tax revenue.



The City continuously monitors local development, economic conditions, impacts on travel and trade, and legislative and judicial news for any potential changes to sales tax collections. The City's fiscal year 2022/23 budget was conservatively forecast based on known information as of Spring 2022.

Fiscal year 2021/22 budget and fiscal year-to-date sales tax collections are shown in the chart below.

Quarter	Payment	Bradley Burns 33060	Measure G 520	MG % of BB	% change from LY
	3 July 2021 Advance	\$ 855,803	\$ 996,605	116.45%	24.39%
	3 August 2021 advance	\$ 1,054,672	\$ 1,288,136	122.14%	17.72%
	3 September 2021 3rd Qtr payment	\$ 613,938	\$ 914,607	148.97%	31.20%
3 Total	2021	\$ 2,524,413	\$ 3,199,348	126.74%	23.24%
	4 October 2021 advance	\$ 983,637	\$ 1,216,772	123.70%	12.16%
	4 November 2021 advance	\$ 930,977	\$ 1,160,715	124.68%	-7.82%
	4 December 2021 4th Qtr payment	\$ 1,531,305	\$ 1,817,959	118.72%	82.96%
4 Total	2021	\$ 3,445,920	\$ 4,195,447	121.75%	26.06%
	1 January 2022 advance	\$ 1,002,774	\$ 1,192,335	118.90%	15.55%
	1 February 2022 advance	\$ 959,345	\$ 1,177,728	122.76%	-16.17%
	1 March 2022 1st Qtr payment	\$ 1,532,619	\$ 1,784,000	116.40%	108.27%
1 Total	2022	\$ 3,494,738	\$ 4,154,062	118.87%	26.60%
	2 April 2022 advance	\$ 1,074,866	\$ 1,239,383	115.31%	32.22%
	2 May 2022 advance	\$ 1,413,945	\$ 1,615,436	114.25%	10.18%
	2 June 2022 2nd Qtr payment	\$ 635,221	\$ 1,211,734	190.76%	-11.04%
2 Total	2022	\$ 3,124,033	\$ 4,066,553	130.17%	9.35%
	FY 2021/22 Total YTD	\$ 12,589,104	\$ 15,615,410	124.04%	32.74%
	FY 2021/22 Budget	\$ 11,500,000	\$ 13,500,000		

Attachment 1: HdL Q2 2022 Sales Tax Update

CITY OF LA QUINTA

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



LA QUINTA

TOTAL: \$ 3,160,112

6.3%
2Q2022



12.3%
COUNTY

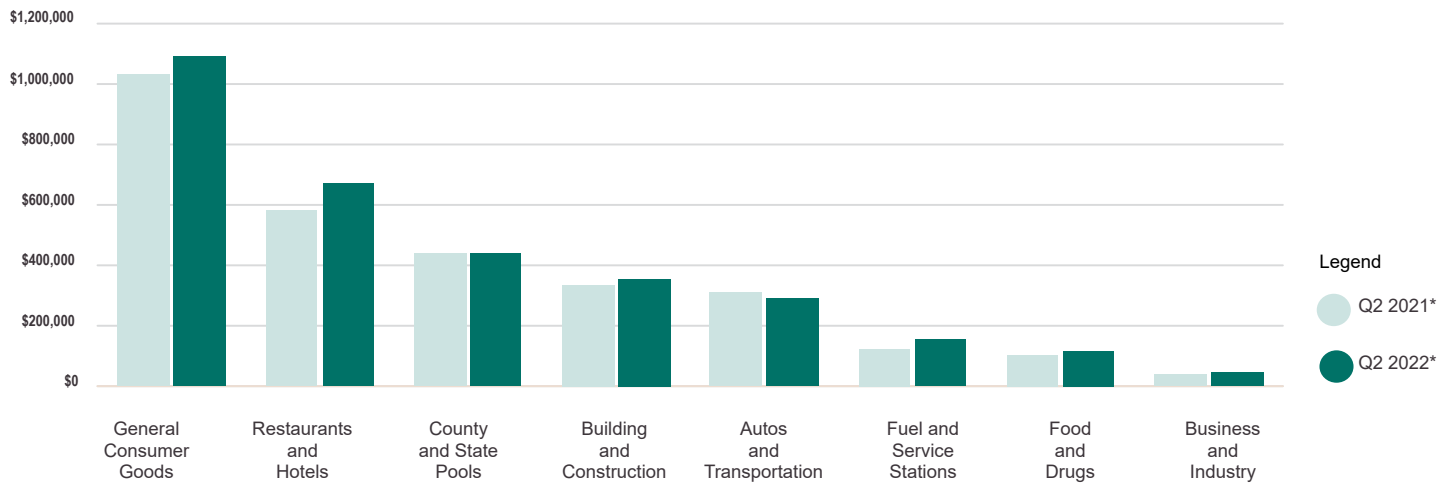


10.1%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure G

TOTAL: \$4,008,321

17.0%



CITY OF LA QUINTA HIGHLIGHTS

La Quinta's receipts from April through June were flat compared to the second sales period in 2021. Excluding reporting aberrations, actual sales were up 6.3%.

Receipts from restaurants-hotels increased as the appetite for in-person dining remained strong in Q2. Consumer spending held up during 2Q22's inflation surge, with retail sales rising slightly more than expected for the quarter amid rising prices across most categories.

In 2Q22, gas prices were, on average, up \$1.89 a gallon when compared to the year-ago period, driving up revenue from fuel-service stations. New projects resulting from the Infrastructure

Investment and Jobs Act began to ramp up, expecting increased revenue from building-construction. The manufacturing industry is building back fast, undeterred by significant labor and supply chain challenges.

The City's share of the countywide use tax pool increased 0.6% when compared to the same period in the prior year. The City's voter-approved transactions and use tax, Measure G, generated \$4,006,711 in revenue led by sales from general consumer goods and restaurants-hotels. Net of aberrations, taxable sales for the Southern California region grew 11.1% over the comparable time period.



TOP 25 PRODUCERS

- Arco AM PM
- Best Buy
- Circle K
- Costco
- Floor & Decor
- G & M Oil
- Genesis/Hyundai of La Quinta
- Home Depot
- In N Out Burger
- Kohls
- La Quinta Chevrolet & Cadillac
- La Quinta Resort & Club
- La Quinta Shell
- Lowe's
- Marshalls
- McDonald's
- PGA West Private Clubhouse & Golf Courses
- Ross
- Target
- TJ Maxx
- Torre Nissan
- Tower Mart
- Ulta Beauty
- Vons
- Walmart Supercenter



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer’s desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

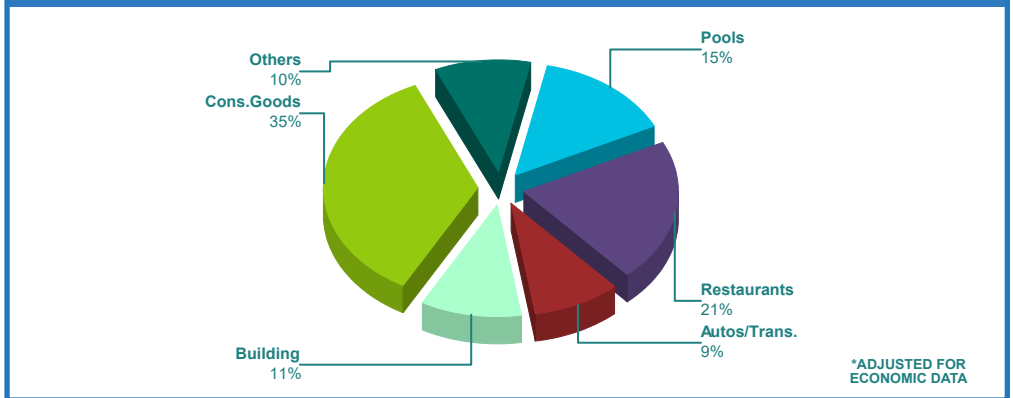
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy suppliers

boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board’s recent actions to curb inflation are anticipated to put downward pressure on sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP
La Quinta This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

La Quinta Business Type	Q2 '22*	Change	County Change	HdL State Change
Casual Dining	236.6	5.5% ↑	12.1% ↑	17.3% ↑
Service Stations	158.2	28.9% ↑	33.4% ↑	36.4% ↑
Leisure/Entertainment	121.0	10.9% ↑	45.7% ↑	70.4% ↑
Electronics/Appliance Stores	109.8	-2.7% ↓	-3.1% ↓	-0.8% ↓
Quick-Service Restaurants	90.1	8.0% ↑	1.4% ↑	5.2% ↑
Family Apparel	78.4	-2.4% ↓	-3.5% ↓	0.6% ↑
Grocery Stores	77.6	8.1% ↑	8.2% ↑	5.3% ↑
Specialty Stores	69.5	2.8% ↑	-0.9% ↓	4.2% ↑
Fine Dining	61.8	-1.8% ↓	-6.1% ↓	17.9% ↑
Home Furnishings	50.0	-23.5% ↓	0.1% ↑	-4.6% ↓

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars