

CITY OF FOWLER

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



FOWLER

TOTAL: \$ 532,557

31.5%

2Q2022



4.4%

COUNTY



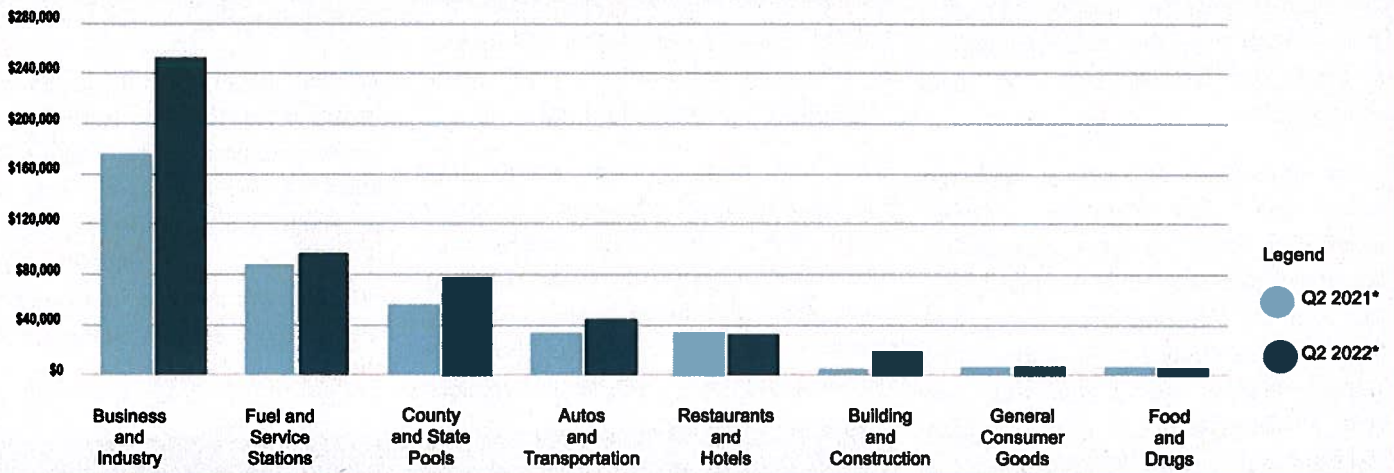
10.1%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure N

TOTAL: \$546,472

↑ 12.4%



CITY OF FOWLER HIGHLIGHTS

Fowler's receipts from April through June were 25.9% above the second sales period in 2021. Excluding reporting aberrations, actual sales were up 31.5%.

The City's largest sector, business and industry, had another strong sales quarter with several outlets reporting higher than usual receipts. Record prices for fuel at the pumps along with increased consumption boosted service station receipts, albeit not at the level experienced at the county, regional or statewide level this quarter.

Solid e-commerce sales increased the City's share in the countywide pool propelled by gains in the business-

industry group, even with the decline in general consumer goods sales. A recently added outlet contributed to the gains in the auto sector. Recent reports indicate some slowdown in restaurant visits with consumer concerns about inflation impacting their spending choices. Both quick service restaurants and casual eateries experienced declines as patrons may be "trading down" for more reasonably priced menu items.

Voter approved Measure N benefited with solid results from higher level contractor activity, some one-time gains in business/industry, particularly within heavy industrial and fuel sales



TOP 25 PRODUCERS

76	Kabab City
Amerigas Propane	McDonald's
Arco AM PM	Mid Valley Packaging & Supply
Big Tex Trailers	Packline Technologies
Bobst Group North America	Pape Machinery
Borga Steel Buildings & Components	PBM Supply & Manufacturing
Carls Jr	R & R Truck & Trailer Repair
Denny's	Shell
Dollar General	Shop N Go
Family Motors	Sierra Auto Center
Freedom Forever Procurement	Taco Bell
Jocys Mexican Restaurant	Textrail Trailer Parts
Johnny Quik	



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.

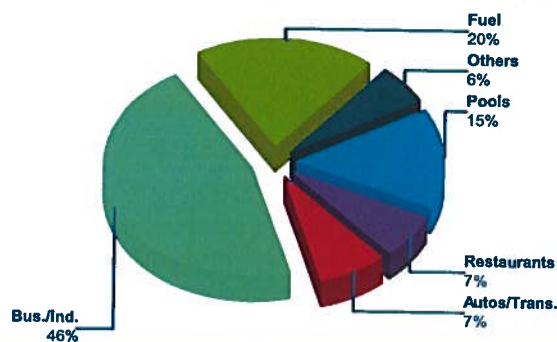
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight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



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Fowler Business Type	Q2 '22	Change	County Change	HdL. State Change
Light Industrial/Printers	145,367	179.3% ↑	21.7% ↑	11.8% ↑
Service Stations	86,320	9.1% ↑	34.5% ↑	36.4% ↑
Quick-Service Restaurants	19,614	-9.8% ↓	-0.6% ↓	5.2% ↑
Casual Dining	11,906	-3.4% ↓	7.4% ↑	17.3% ↑
Auto Repair Shops	10,840	13.3% ↑	8.3% ↑	14.1% ↑
Fuel/Ice Dealers	10,547	29.1% ↑	26.8% ↑	29.3% ↑

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