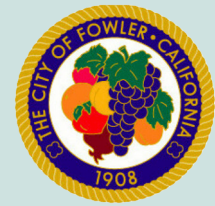


CITY OF FOWLER

SALES TAX UPDATE

2Q 2024 (APRIL - JUNE)



FOWLER

TOTAL: \$ 555,204

-13.7%

2Q2024



-4.6%

COUNTY



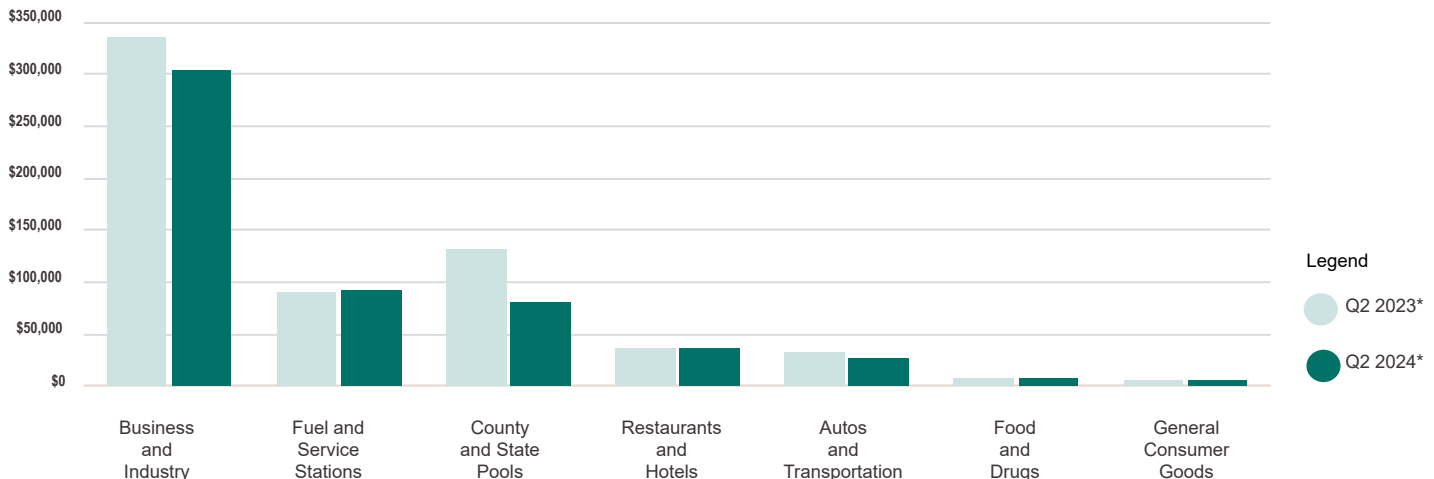
-0.7%

STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



Measure N

TOTAL: \$482,624

↓ -13.0%



CITY OF FOWLER HIGHLIGHTS

Fowler's receipts from April - June were 36.0% below the second sales period in 2023. Excluding reporting aberrations, actual sales were down 13.7%.

Consumers and businesses continued to deal with tight credit conditions in a higher interest rate environment. The countywide pool sales could not match last year's stellar returns from limited term business-industry investments and accounts for the largest dollar decline during this reporting period.

Warehouse/farm/construction equipment purchases are slumping as demand for large equipment replacement has slowed. With a drop in other B2B sales, this led to another quarter of sagging business-

industry results.

The automotive group saw sales suffer as consumers focused on essential needs. Price-weary patrons visited restaurants less as diners became more selective with their choices. The new minimum wage law meant additional menu pricing increases.

Voter approved Measure N posted lower returns as high financing costs may have residents putting new-used vehicle purchases on hold. Similar to the City results, business investment also faltered.

Net of aberrations, taxable sales for all of Fresno County declined 4.6% over the comparable time period; the San Joaquin Valley was down 0.4%.



TOP 25 PRODUCERS

- | | |
|-------------------------------------|-------------------------------|
| Amerigas Propane | Mid Valley Packaging & Supply |
| Arco AM PM | Packline Technologies |
| Big Tex Trailers | Pape Machinery |
| Borga Steel Buildings & Components | PBM Supply & Manufacturing |
| Central States Industrial Equipment | PHX Recycling |
| Chevron Shop N Go | R&R Truck & Trailer Repair |
| D & M Manufacturing Company | RDO Equipment |
| Denny's | Shell |
| Dollar General | Sierra Auto Center |
| Fastpass Trailers | Taco Bell |
| Freedom Forever | Textrail Trailer Parts |
| Jack in the Box | |
| Johnny Quik | |
| McDonald's | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of April through June were 0.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year second quarter is traditionally the beginning of the summer spending season; however, returns were relatively flat when compared to a year ago. For many California agencies, this also marks the end of the 2023-24 fiscal year, where statewide sales tax revenues were down 1.3% from the 2022-23 fiscal year.

Consistent with recent trends, auto-transportation receipts fell 6.2% - the largest sector decline this quarter. Sustained high interest rates, tightened credit standards, and increased cost of insurance all converged to impact returns. While inventory-levels for many dealerships have rebounded, it’s only proving to create downward pressure on prices, further constraining receipts.

Summer weather usually marks fruitful periods for building-construction, however as property owners struggle to access equity for improvements, year-over-year receipts declined. The price of lumber and other materials are now more affordable, but new projects have been sidelined by developers until financing and mortgage costs drop further.

Similarly, as the price of consumer goods has cooled with moderate inflation rates, returns from multiple merchants have curtailed. Men’s and women’s apparel, home furnishings, electronic-appliance and specialty stores could not escape the change in shopper’s preferences for lower priced items from large brick-and-mortar retailers like discount department stores.

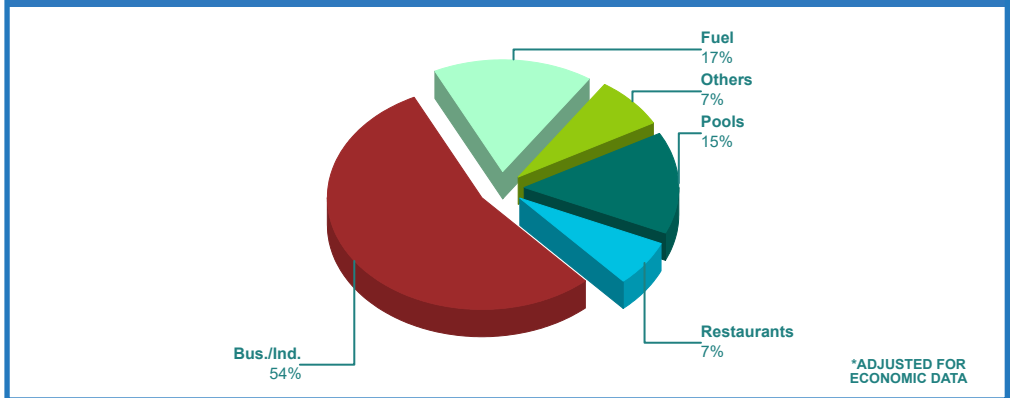
Restaurants experienced only a modest

gain of 0.7%. As AB 1228 is enacted – state law increasing California’s minimum wage at designated eateries – third party data reports that foot traffic to all such establishments decreased during this same time period. Not only are diners selecting less expensive places to eat, but many may have been pushed to limit their frequency to dine out.

Multiple of sectors experienced mild growth including allocations from the countywide use tax pool and the business-industrial group, both benefiting from online shopping, and fuel-service stations as drivers continue to hit the road even as gas prices remain elevated.

Halfway through the current calendar year, revenue trends remain slightly lower than a year ago overall. Although the Federal Reserve recently reduced the Fed Funds Rate helping temper the cost of financing, personal consumption forecasts remain insipid through the remainder of 2024. Consumers are more likely to wait for greater improvement of household economic conditions before extending themselves again, inspiring the next sales tax growth cycle.

REVENUE BY BUSINESS GROUP Fowler This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Fowler Business Type	Q2 '24	Change	County Change	HdL State Change
Service Stations	79,951	0.4% ↑	3.6% ↑	2.3% ↑
Light Industrial/Printers	77,389	-6.8% ↓	-11.7% ↓	-2.3% ↓
Heavy Industrial	56,851	1.2% ↑	-11.9% ↓	-0.9% ↓
Quick-Service Restaurants	25,565	3.3% ↑	1.8% ↑	1.1% ↑
Auto Repair Shops	11,314	10.3% ↑	2.8% ↑	-4.2% ↓
Casual Dining	10,375	-13.9% ↓	1.1% ↑	0.7% ↑

*Allocation aberrations have been adjusted to reflect sales activity