

CITY OF IRWINDALE

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



IRWINDALE

TOTAL: \$ 1,081,286

11.0%
1Q2022



21.6%
COUNTY

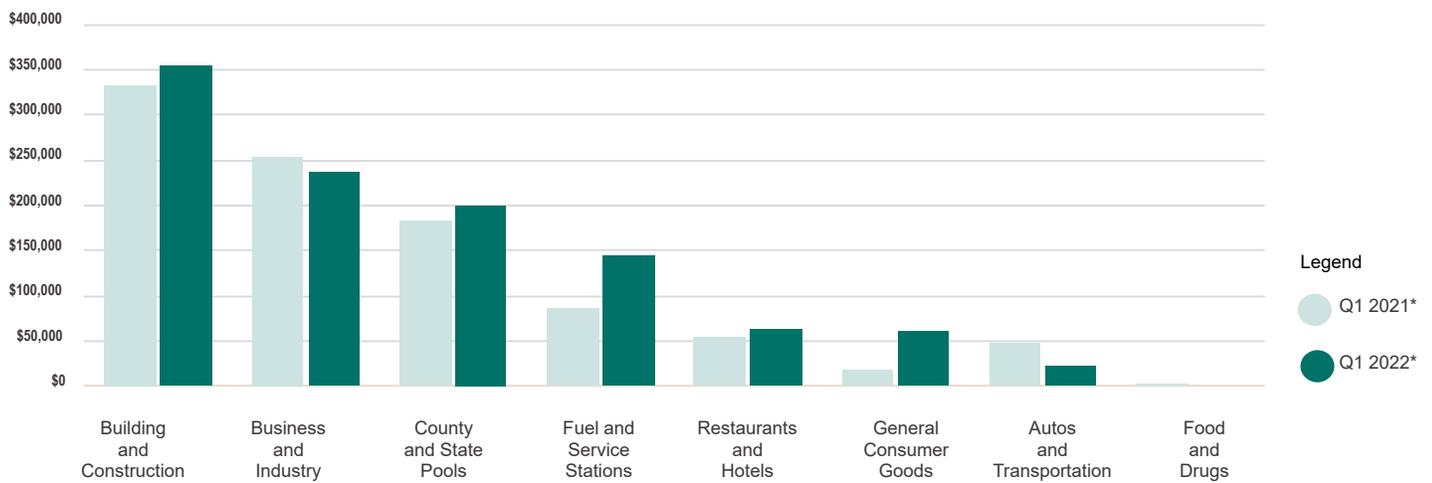


17.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$819,724

↑ 0.9%



CITY OF IRWINDALE HIGHLIGHTS

Receipts from Irwindale's January through March sales were 11.0% higher than the same quarter last year.

Because of the global cost of crude oil raising due to the Russian invasion of Ukraine, higher gas prices locally coupled with increased commuter/leisure travel buoyed service station returns 67%.

A very large general consumer goods sector sale buoyed group returns 250%. Despite mixed results from both plumbing-electrical and contractor material and supply sales, overall building-construction revenues rose 6%.

Lower sales and a negative audit

adjustment dropped business-industry receipts 6% while business closures plummeted autos-transportation results 55%.

Voter-approved Measure I returns were down slightly due to a onetime "use tax" receipt last year.

Net of aberrations, taxable sales for all of Los Angeles County grew 21.6% over the comparable time period; the Southern California region was up 19.2%.



TOP 25 PRODUCERS

- | | |
|------------------------------|--------------------------|
| Applied Industrial Tech | Miura |
| Arco | Patton Sales |
| Arco AM PM | Rivergrade Shell Station |
| Bartley Optical Sales | Scholastic Book Fairs |
| Chem Arrow | Semihandmade |
| Crowley Company | Sigler |
| Decore Ative Specialties | Spragues Rock & Sand |
| Distribution International | United Rock Products |
| Food Makers Bakery Equipment | Unitex |
| G & I Islas Industries | Vulcan Materials |
| Hanson Aggregates West | Western Emulsions |
| Irwindale Brew Yard | |
| Johnstone Supply | |
| McDonalds | |



STATEWIDE RESULTS

California's local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

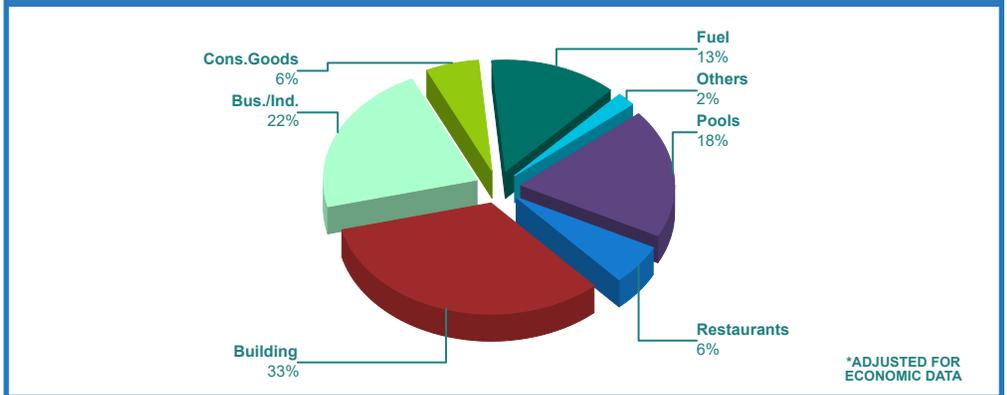
to normal and headwinds from inflation and higher cost goods haven't yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

REVENUE BY BUSINESS GROUP Irwindale This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q1 '22	Change	County Change	HdL State Change
Contractors	311,905	5.7% ↑	17.8% ↑	20.0% ↑
Service Stations	142,972	66.9% ↑	45.7% ↑	43.3% ↑
Drugs/Chemicals	48,835	12.1% ↑	8.0% ↑	9.4% ↑
Heavy Industrial	46,541	-29.4% ↓	9.4% ↑	17.4% ↑
Quick-Service Restaurants	43,045	10.3% ↑	10.0% ↑	7.8% ↑
Food Service Equip./Supplies	27,715	17.6% ↑	7.3% ↑	26.0% ↑
Plumbing/Electrical Supplies	26,249	19.2% ↑	65.4% ↑	40.2% ↑
Light Industrial/Printers	23,695	-11.1% ↓	13.0% ↑	15.0% ↑
Textiles/Furnishings	20,217	23.2% ↑	24.2% ↑	24.3% ↑
Building Materials	16,368	2.3% ↑	9.9% ↑	7.8% ↑

*Allocation aberrations have been adjusted to reflect sales activity

CITY OF IRWINDALE

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



IRWINDALE

TOTAL: \$ 1,379,862

17.0%
2Q2022



11.3%
COUNTY

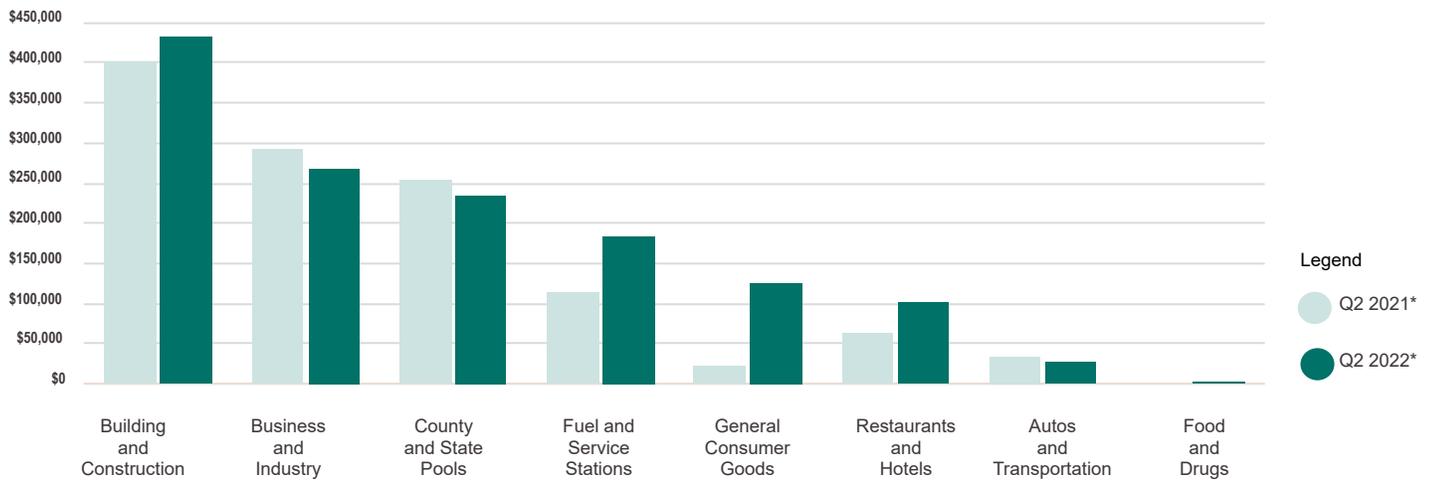


10.1%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$999,996

↑ 34.5%



CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from April through June were 8.0% below the second sales period in 2021. Excluding reporting aberrations, actual sales were up 17.0%.

Service-based businesses that closed temporarily during the pandemic have begun to operate again, pushing up totals from general consumer goods. 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.

Receipts from restaurants-hotels increased as the appetite for in-person dining remained strong in Q2. New projects resulting from the Infrastructure

Investment and Jobs Act began to ramp up, expecting increased revenue from building-construction.

Record numbers of unfilled jobs are likely to limit higher productivity and growth in 2022, negatively impacting receipts from the business-industry group. Parts shortages, tight inventory and supply chain issues continue to plague the autos-transportation industry. The City's share of the countywide pool decreased 7.4% when compared to the same period in the prior year. Measure I, The City's voter-approved transactions and use tax, brought in an additional \$994,656 in revenue led by sales from the business-industry and fuel-service station sectors.



TOP 25 PRODUCERS

Ace Hardware
ACH Supply
Arco
Arco AM PM
Chem Arrow
Crowley Company
Decore Ative Specialties
G & I Islas Industries
Geary Pacific Supply
Irwindale Brew Yard
Johnstone Supply
Martin Marietta
McDonalds
Patton Sales
Renaissance Pleasure
Faire

Rivergrade Shell Station
Scholastic Book Fairs
Semihandmade
Sigler Wholesale Distributors
Spragues Rock & Sand
United Refrigeration
United Rock Products
Unitek
Vulcan Materials
Western Emulsions



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.

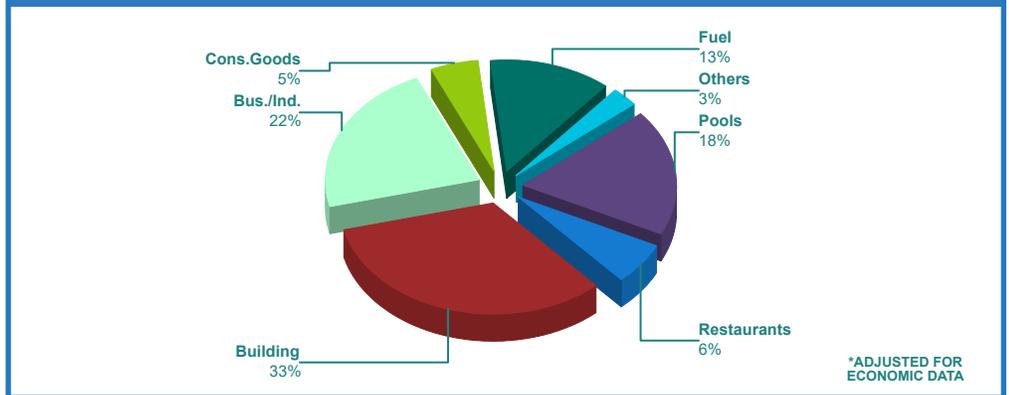
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight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



TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q2 '22*	Change	County Change	HdL State Change
Contractors	385.6	6.3% ↑	11.7% ↑	14.0% ↑
Service Stations	184.1	63.0% ↑	38.7% ↑	36.4% ↑
Drugs/Chemicals	51.8	11.2% ↑	6.7% ↑	12.4% ↑
Quick-Service Restaurants	51.5	18.6% ↑	6.2% ↑	5.2% ↑
Heavy Industrial	46.5	-18.1% ↓	17.9% ↑	10.0% ↑
Plumbing/Electrical Supplies	33.8	50.9% ↑	15.6% ↑	17.6% ↑
Light Industrial/Printers	31.4	8.7% ↑	15.0% ↑	11.7% ↑
Textiles/Furnishings	23.1	47.1% ↑	9.9% ↑	8.4% ↑
Food Service Equip./Supplies	22.9	-63.1% ↓	0.5% ↑	10.7% ↑
Garden/Agricultural Supplies	17.6	8.0% ↑	-4.7% ↓	-7.5% ↓

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

CITY OF IRWINDALE

SALES TAX UPDATE

3Q 2022 (JULY - SEPTEMBER)



IRWINDALE

TOTAL: \$ 1,369,077

15.3%
3Q2022



7.3%
COUNTY

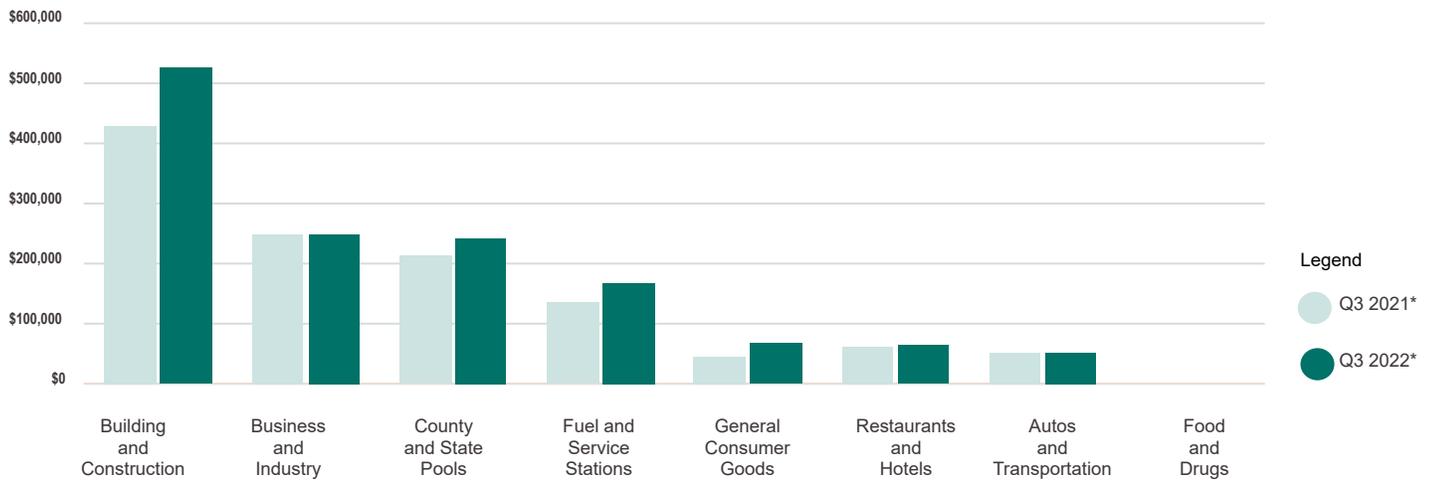


8.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$859,785

↑ 10.8%



CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from July through September were 19.6% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 15.3%.

The largest boost came from the biggest sector, building and construction, which includes contractors and plumbing/electrical suppliers.

The restaurants and hotels industry once again performed better than one year ago mainly due to high menu prices making up for traffic that is beginning to slow. People continued to eat out in spite of the cost of admission going up. As a result, quick service restaurants realized gains.

Other areas that grew this quarter include

service stations, medical/biotech, electrical equipment, textiles/furnishings, used automotive dealers plus the state and county pools.

Returns from specialty stores, automotive supplies, and repair shops declined which partially offset the overall gain.

The City's Transaction and Use Tax Measure I generated 62.5% of the Bradley Burns amount, led by solid growth from business and industry.

Net of aberrations, taxable sales for all of Los Angeles County grew 7.3% over the comparable time period; the Southern California region was up 8.1%.



TOP 25 PRODUCERS

ACH Supply
Arco AM PM
Carbeeco
Charter Furniture
Chem Arrow
Crowley Company
Decore Ative Specialties
Food Makers Bakery Equipment
Geary Pacific Supply
Irwindale Brew Yard
Johnstone Supply
Martin Marietta
McDonald's
Patton Sales
RE Michel Company

Rivergrade Shell Station
Scholastic Book Fairs
Semihandmade
Sigler Wholesale Distributors
Spragues Rock & Sand
United Refrigeration
United Rock Products
Unitek
Vulcan Materials
Western Emulsions



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

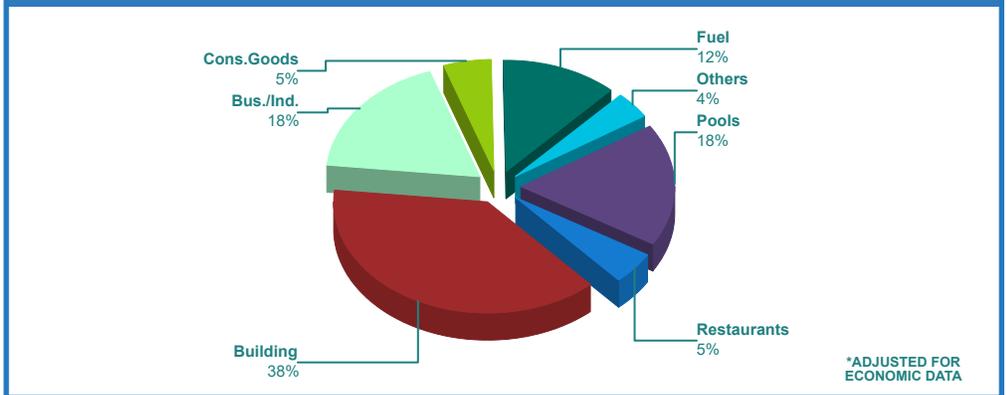
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

REVENUE BY BUSINESS GROUP Irwindale This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q3 '22*	Change	County Change	HdL State Change
Contractors	470.7	22.1% ↑	16.8% ↑	15.5% ↑
Service Stations	168.5	23.7% ↑	19.1% ↑	18.4% ↑
Heavy Industrial	48.4	6.0% ↑	13.2% ↑	15.9% ↑
Drugs/Chemicals	47.7	-4.5% ↓	14.7% ↑	9.0% ↑
Quick-Service Restaurants	46.4	6.5% ↑	5.4% ↑	4.0% ↑
Plumbing/Electrical Supplies	37.4	24.3% ↑	27.2% ↑	12.8% ↑
Light Industrial/Printers	29.8	13.3% ↑	10.4% ↑	10.2% ↑
Used Automotive Dealers	28.0	11.4% ↑	-7.6% ↓	-7.6% ↓
Textiles/Furnishings	25.6	-5.5% ↓	0.8% ↑	4.0% ↑
Food Service Equip./Supplies	23.2	-14.2% ↓	1.9% ↑	10.0% ↑

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

CITY OF IRWINDALE

SALES TAX UPDATE

4Q 2022 (OCTOBER - DECEMBER)



IRWINDALE

TOTAL: \$ 1,243,497

7.5%
4Q2022



4.0%
COUNTY

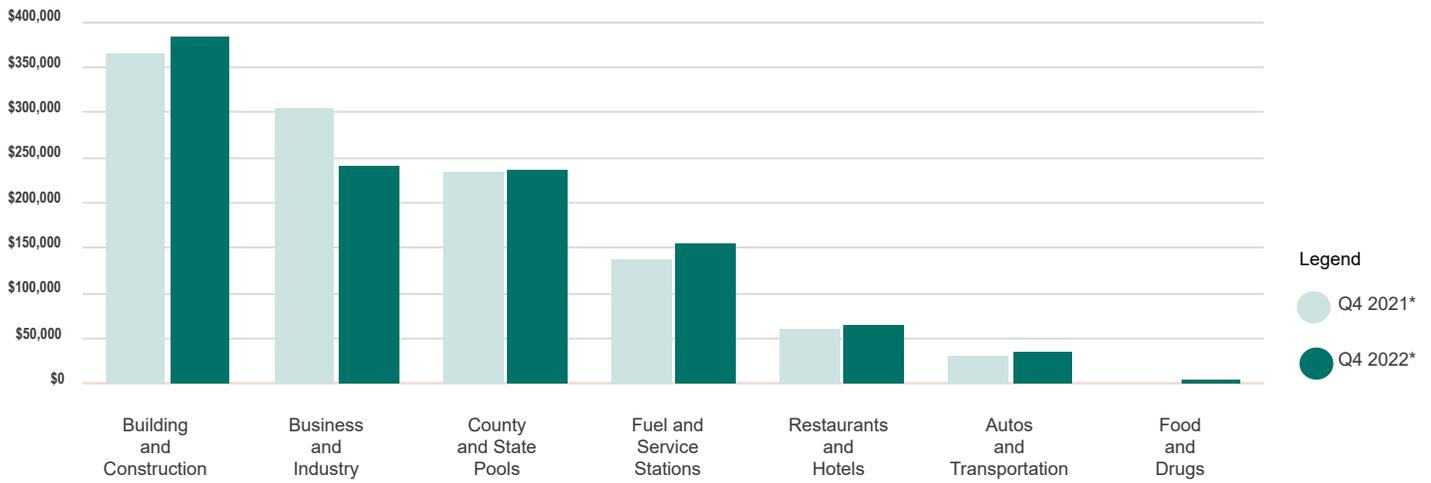


4.7%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$843,702

↓ -1.0%



CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from October through December were 3.5% above the fourth sales period in 2021. Excluding reporting aberrations, actual sales were up 7.5%.

The City experienced extraordinary growth in the general consumer goods sector but this may be a misallocation from a taxpayer. An audit will be performed to ensure that the tax revenue was correctly allocated.

Building-construction continued its growth pattern with contractors as businesses and consumers maintain upgrades and home improvement projects.

Due to business closures and misallocations, the business-industry sector experienced a

21% decline for the quarter, when compared to the same quarter in the prior year.

The City's share of the countywide use tax pool increased by 1.1% when compared to the same time frame last year. The City's voter-approved Measure I generated 68% of the Bradley-Burns amount led by growth in the building-construction group.

Net of aberrations, taxable sales for all of Los Angeles County grew 4.0% over the comparable time period; the Southern California region was up 5.1%.



TOP 25 PRODUCERS

- ACH Supply
- Arco AM PM
- Bartley Optical Sales
- Charter Furniture
- Chem Arrow
- Crowley Company
- Decore Ative Specialties
- Food Makers Bakery Equipment
- G & I Islas Industries
- Geary Pacific Supply
- Johnstone Supply
- L & L Building Materials
- McDonald's
- Miura
- Patton Sales
- Rivergrade Shell Station
- Scholastic Book Fairs
- Semihandmade
- Sigler Wholesale Distributors
- Spragues Rock & Sand
- United Rock Products
- Unitek
- Vulcan Materials
- Walters Wholesale Electric
- Western Emulsions



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above \$5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it’s greatest amount of post-pandemic rebound.

Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-

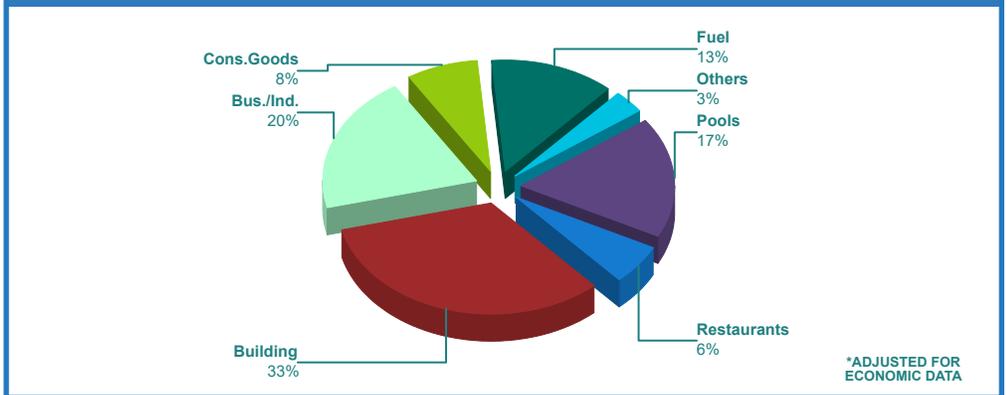
construction sector. With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfillment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency’s coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondly, all-time peak global crude oil costs had fuel seller’s payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California’s taxable sales in the months ahead.

REVENUE BY BUSINESS GROUP Irwindale This Calendar Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q4 '22*	Change	County Change	HdL State Change
Contractors	342.8	5.2% ↑	9.8% ↑	11.8% ↑
Service Stations	154.8	13.0% ↑	10.0% ↑	7.6% ↑
Heavy Industrial	54.4	-26.6% ↓	6.2% ↑	9.7% ↑
Drugs/Chemicals	51.2	2.3% ↑	-1.1% ↓	2.2% ↑
Quick-Service Restaurants	45.4	7.7% ↑	6.3% ↑	5.7% ↑
Plumbing/Electrical Supplies	26.6	-1.4% ↓	10.7% ↑	7.2% ↑
Light Industrial/Printers	26.1	4.4% ↑	1.2% ↑	3.9% ↑
Food Service Equip./Supplies	25.6	-37.5% ↓	2.0% ↑	2.5% ↑
Textiles/Furnishings	24.9	-15.6% ↓	-4.2% ↓	-1.1% ↓
Building Materials	13.7	13.9% ↑	6.2% ↑	2.1% ↑

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