

CITY OF IRWINDALE

SALES TAX UPDATE

1Q 2023 (JANUARY - MARCH)



IRWINDALE

TOTAL: \$ 1,026,423

-7.3%

1Q2023



-1.6%

COUNTY



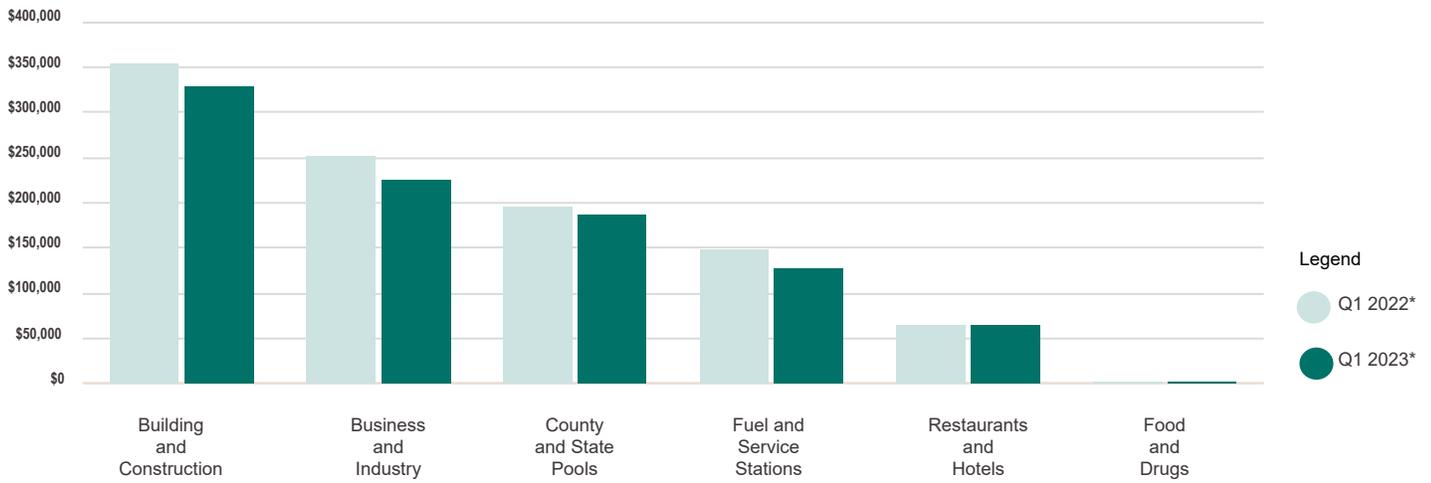
-1.1%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$738,662

↓ -8.4%



CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from January through March were 0.2% below the first sales period in 2022. Excluding reporting aberrations, actual sales were down 7.3%.

A lack of skilled labor and material shortages continue to be dominant concerns for the building-construction sector. Consumers enjoyed lower prices at the pump in 1Q23; however, revenue from fuel-service stations was negatively impacted.

The business-industry group reported a sluggish sales quarter. A negative accounting adjustment resulted in a temporary decline in receipts from auto-transportation.

General consumer goods posted positive increases when compared to the year-ago period, bucking the statewide trend. Restaurants-hotels along with food-drugs remained relatively flat.

The City's share of the countywide use tax pool decreased 3.4% 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 \$737,991 in revenue.

Net of aberrations, taxable sales for all of Los Angeles County declined 1.6% over the comparable time period; the Southern California region was down 0.9%.



TOP 25 PRODUCERS

- ACH Supply
- Arco AM PM
- Assa Abloy Residential Group
- Bartley Optical Sales
- Chem Arrow
- Crowley Company
- Decore Ative Specialties
- Food Makers Bakery Equipment
- G & I Islas Industries
- Geary Pacific Supply
- Irwindale Windows
- Johnstone Supply
- Layer 1 Communications
- McDonald's
- Patton Sales
- Pny Technologies
- Rivergrade Shell Station
- Scholastic Book Fairs
- Semihandmade
- Sigler Wholesale Distributors
- Spragues Rock & Sand
- United Refrigeration
- United Rock Products
- Vulcan Materials
- Western Emulsions



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC’s recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results from department stores, overall general consumer goods’ returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion

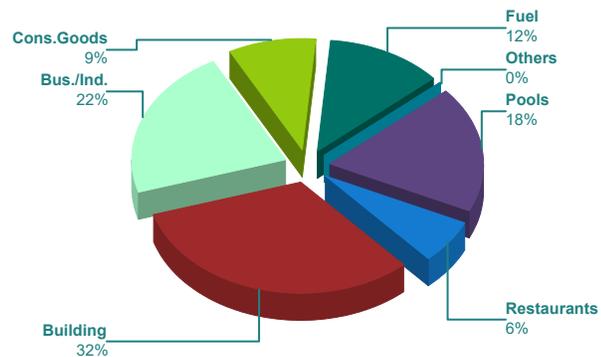
of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may

decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve’s actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.

REVENUE BY BUSINESS GROUP Irwindale This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q1 '23	Change	County Change	HdL State Change
Contractors	285,797	-8.4% ↓	-8.4% ↓	-12.7% ↓
Service Stations	126,465	-15.2% ↓	-10.0% ↓	-9.8% ↓
Heavy Industrial	53,009	-2.9% ↓	-2.3% ↓	-5.6% ↓
Quick-Service Restaurants	43,559	1.1% ↑	5.8% ↑	5.1% ↑
Plumbing/Electrical Supplies	28,669	9.2% ↑	3.1% ↑	-4.3% ↓
Light Industrial/Printers	25,812	9.0% ↑	-2.6% ↓	0.6% ↑
Drugs/Chemicals	22,675	-57.8% ↓	-2.6% ↓	-3.1% ↓
Food Service Equip./Supplies	21,652	-21.9% ↓	4.9% ↑	5.0% ↑
Textiles/Furnishings	14,725	-28.8% ↓	-5.5% ↓	-5.8% ↓
Building Materials	13,521	-17.4% ↓	-5.2% ↓	-9.8% ↓

*Allocation aberrations have been adjusted to reflect sales activity

CITY OF IRWINDALE

SALES TAX UPDATE

2Q 2023 (APRIL - JUNE)



IRWINDALE

TOTAL: \$ 1,448,684

0.8%
2Q2023



-4.2%
COUNTY

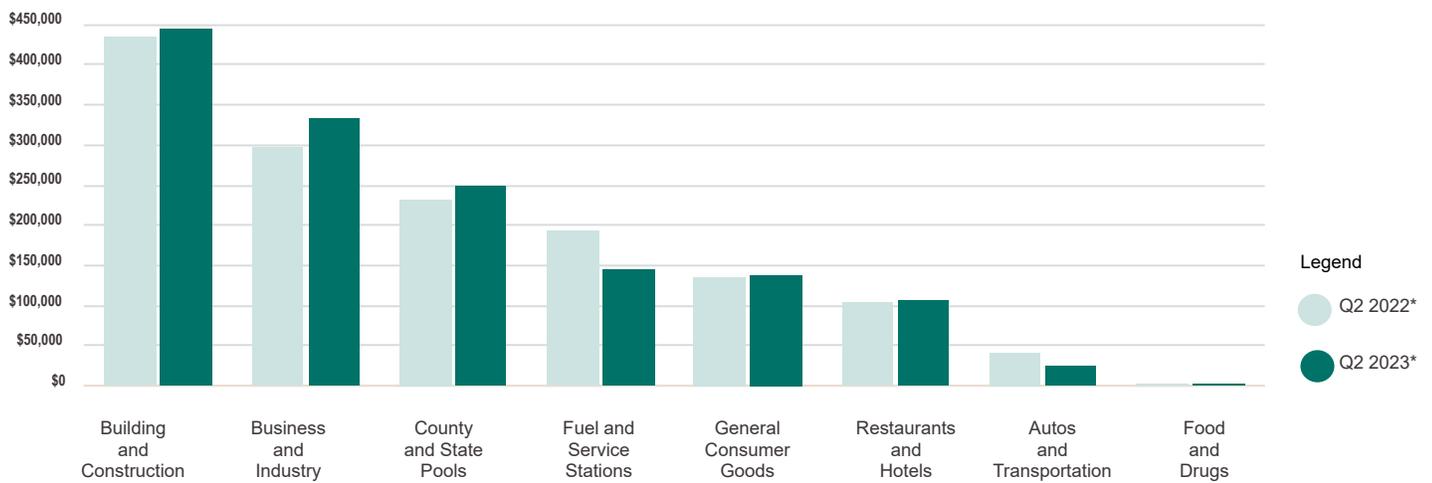


-3.0%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$858,026

-14.3%



CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from April through June were 6.2% above the second sales period in 2022. Excluding reporting aberrations, actual sales were up 0.8%.

The City experienced the largest increase in its top sector, building-construction, which included a boost from contractors. Also, business-industry, general consumer goods plus the state and county pools were also up.

The fuel and service stations group realized record prices for regular pump, diesel, jet fuel, and oil barrels one year ago; consequently, associated sales tax in this quarter dropped significantly

in comparison. Moreover, receipts from the autos-transportation group combined with the reduction from gas stations to offset the quarterly gain.

The City's Transaction and Use Tax, Measure I, generated 59.4% of the Bradley Burns amount, led by solid performance from autos-transportation.

Net of aberrations, taxable sales for all of Los Angeles County declined 4.2% over the comparable time period; the Southern California region was down 3.0%.



TOP 25 PRODUCERS

- | | |
|--------------------------------|----------------------------|
| ACH Supply | McDonald's |
| Alpha Printing & Graphics Inc. | Patton Sales |
| Arco AM PM | Renaissance Pleasure Faire |
| Assa Abloy Residential Group | Rivergrade Shell Station |
| Chem Arrow | Scholastic Book Fairs |
| Crowley Company | Spragues Rock & Sand |
| Davis Wire | Sunburst Decorative Rock |
| Decore Ative Specialties | United Rock Products |
| Food Makers Bakery Equipment | Vulcan Materials |
| G & I Islas Industries | Walters Wholesale Electric |
| Geary Pacific Supply | Western Emulsions |
| Home Depot | |
| Irwindale Brew Yard | |
| Johnstone Supply | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of April through June were 2.8% lower than the same quarter one year ago after adjusting for accounting anomalies. The second quarter of the calendar year was impacted by continued wet weather and a difficult comparison with the prior year, which experienced dramatic growth.

The fuel-service stations sector contributed the most to this decline as year-over-year (YOY) falling fuel prices at the pump reduced receipts from gas stations and petroleum providers. Russia’s invasion of Ukraine and other world events during this period last year, pushed the global cost of crude oil to record highs. This dynamic also carried into general consumer goods as retailers selling fuel experienced a similar drop. Recently, OPEC and Russia have maintained production cuts having upward pressure on pricing again leading to future comparative growth.

Sustained wet conditions further delayed projects, especially those from the prior quarter, hindering building-construction returns. YOY lumber price declines added to the pull back from building materials providers. Higher interest rates represent a significant headwind for the industry with potential impacts of limited commercial development activity, slowing public infrastructure projects and homeowners left unable to access equity for renovations.

Despite a significant increase in new car registrations, revenue from autos-transportation fell by 1.4%. The improved activity can largely be attributed to rental car agencies restocking their fleets. However, these are wholesale transactions with sales tax charged upon rental of these vehicles. Weak demand for recreational vehicles, boats and motorcycles coupled

with elevated overall financing costs remain challenges going forward.

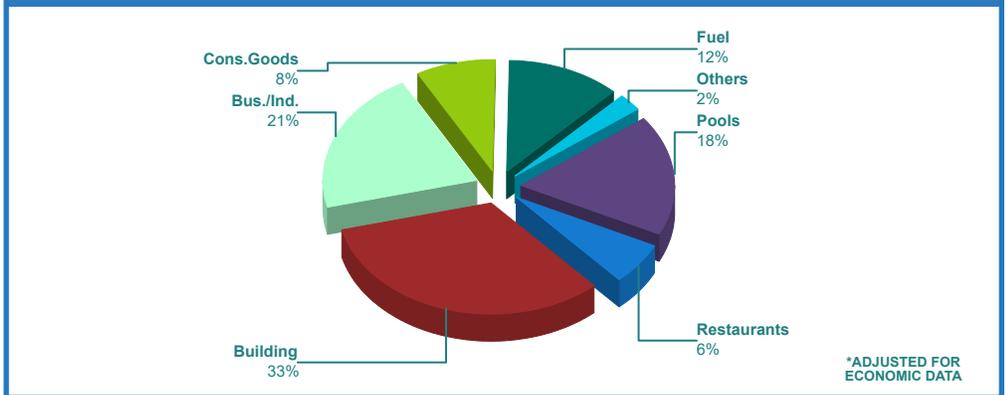
Use taxes remitted via the countywide pools decreased 0.75%, marking the third consecutive quarter of decline. While overall online sales continue to rise, pool collections dropped with the offsetting effect of more in-state fulfillment generated at large warehouses and through existing retail outlets allocated directly to local agencies.

Restaurant sales were a bright spot as the summer season began. Although menu prices have flattened after a year of sharp gains, patrons are making more restaurant trips and are favoring spending their disposable income on experiences. Better sales by office

material suppliers and enhanced investments of warehouse-farm-construction equipment contributed to improved returns for the business-industry category.

Sales tax for the remainder of 2023 appears likely to follow the recent trend of moderate declines before leveling off in early 2024. Cooling consumer confidence and greater pressure on household budgets may lead to a lackluster upcoming holiday shopping period. Furthermore, the possibility of a longer and more pronounced slowdown in economic activity exists as the Federal Reserve considers additional interest rate increases to combat high prices that are already stretching consumer wallets.

REVENUE BY BUSINESS GROUP Irwindale This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q2 '23*	Change	County Change	HdL State Change
Contractors	399.2	3.5% ↑	-3.1% ↓	-2.9% ↓
Service Stations	145.5	-24.2% ↓	-21.7% ↓	-19.9% ↓
Heavy Industrial	71.5	-24.5% ↓	-13.3% ↓	-5.9% ↓
Quick-Service Restaurants	53.7	4.3% ↑	2.7% ↑	3.2% ↑
Light Industrial/Printers	32.9	-0.1% ↓	-6.7% ↓	-5.7% ↓
Food Service Equip./Supplies	32.1	36.8% ↑	11.9% ↑	4.0% ↑
Plumbing/Electrical Supplies	30.9	-8.7% ↓	-4.5% ↓	-4.5% ↓
Drugs/Chemicals	22.8	-60.1% ↓	7.3% ↑	2.3% ↑
Casual Dining	16.4	18.3% ↑	5.7% ↑	4.5% ↑
Textiles/Furnishings	15.5	-34.8% ↓	-5.6% ↓	-6.4% ↓

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

CITY OF IRWINDALE

SALES TAX UPDATE

3Q 2023 (JULY - SEPTEMBER)



IRWINDALE

TOTAL: \$ 1,382,438

-0.5%

3Q2023



-2.4%

COUNTY



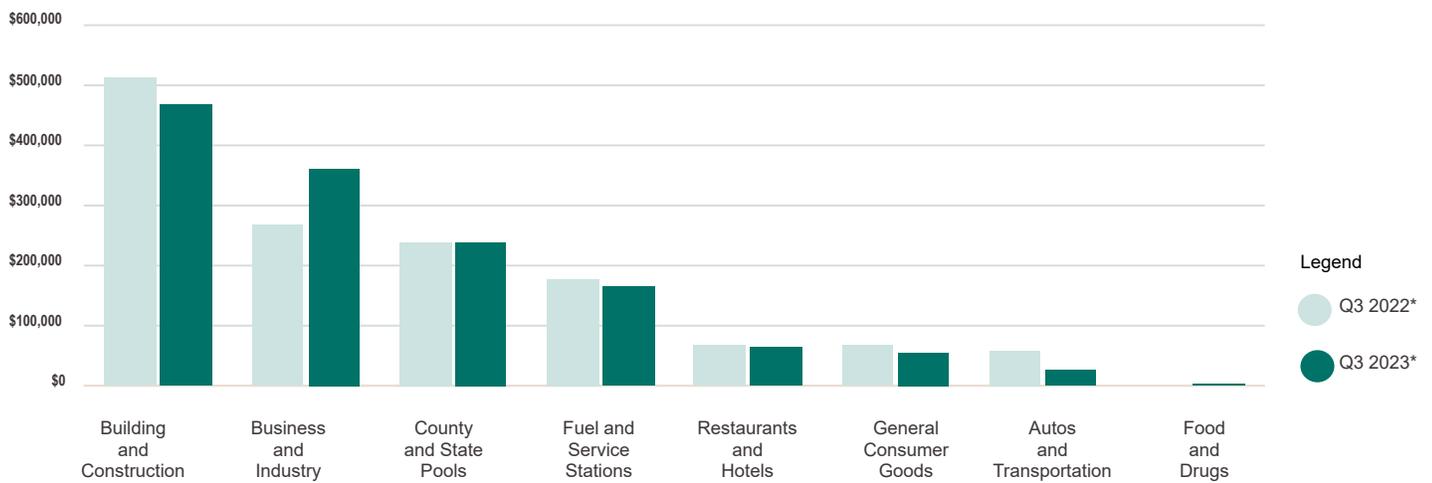
-1.7%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$914,170

↑ 7.0%



CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from July through September were 3.1% below the third sales period in 2022. Excluding reporting aberrations, actual sales were down 0.5%.

Business-industry was pushed forward by new companies in the sector, as it posted an increase of 34.8% for the quarter. Food-drugs ended the quarter flat even as inflationary factors pushed up prices of taxable groceries.

Homeowners along with businesses pulled back on construction projects as economic concerns continue to be persistent, pulling the sector down 9.5% for the quarter. Autos-transportation followed the current downward trend

as increased prices and financing costs have caused consumers to pause on larger purchases.

General consumer goods and restaurants felt the increased downward economic pressures as shoppers had to decide on what are essential purchases.

The City's Transaction and Use Tax, Measure I, generated 66.5% of the Bradley-Burns amount, led by solid performance from business-industry.

Net of aberrations, taxable sales for all of Los Angeles County declined 2.4% over the comparable period; the Southern California region was down 1.4%.



TOP 25 PRODUCERS

3M Oral Care
 ACH Supply
 Arco AM PM
 Assa Abloy Residential Group
 Chem Arrow
 Crowley Company
 Davis Wire
 Decore Active Specialties
 Food Makers Bakery Equipment
 G & I Islas Industries
 Geary Pacific Supply
 Home Depot USA
 Johnstone Supply
 McDonald's

Patton Sales
 Rivergrade Shell Station
 Scholastic Book Fairs
 Sigler Wholesale Distributors
 Scholastic Book Fairs
 Spragues Rock & Sand
 United Refrigeration
 United Rock Products
 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 July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

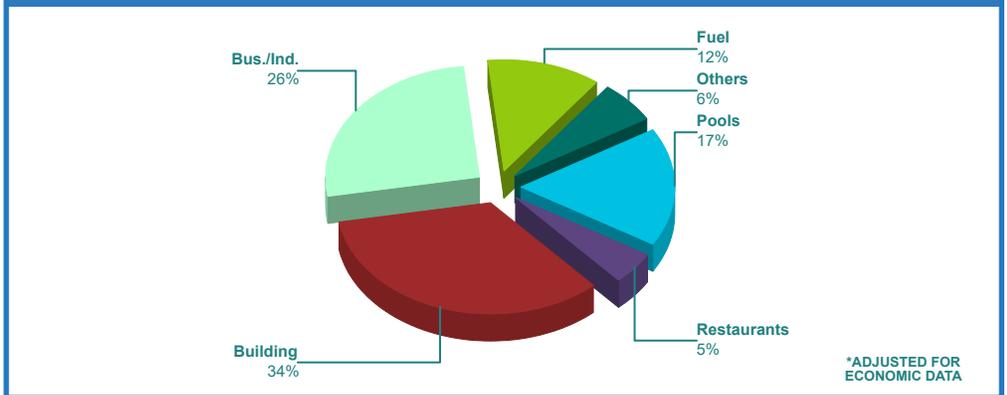
Despite continued increases of new car registrations, revenue from the auto-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for 'fast food restaurants'.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

REVENUE BY BUSINESS GROUP Irwindale This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q3 '23*	Change	County Change	HdL State Change
Contractors	409.8	-10.5% ↓	-4.4% ↓	-1.1% ↓
Service Stations	165.1	-6.6% ↓	-8.2% ↓	-7.4% ↓
Heavy Industrial	59.1	6.0% ↑	-8.8% ↓	-6.2% ↓
Quick-Service Restaurants	45.0	-3.0% ↓	1.6% ↑	2.7% ↑
Plumbing/Electrical Supplies	39.8	6.3% ↑	-4.1% ↓	-3.8% ↓
Light Industrial/Printers	36.6	17.8% ↑	-10.0% ↓	-8.8% ↓
Food Service Equip./Supplies	22.9	-23.4% ↓	1.0% ↑	0.9% ↑
Drugs/Chemicals	19.9	2.6% ↑	18.8% ↑	2.0% ↑
Building Materials	17.9	13.8% ↑	-2.2% ↓	-2.7% ↓
Textiles/Furnishings	17.3	-33.7% ↓	-7.8% ↓	-6.2% ↓

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

CITY OF IRWINDALE

SALES TAX UPDATE

4Q 2023 (OCTOBER - DECEMBER)



IRWINDALE

TOTAL: \$ 1,421,012

15.3%
4Q2023



-2.6%
COUNTY

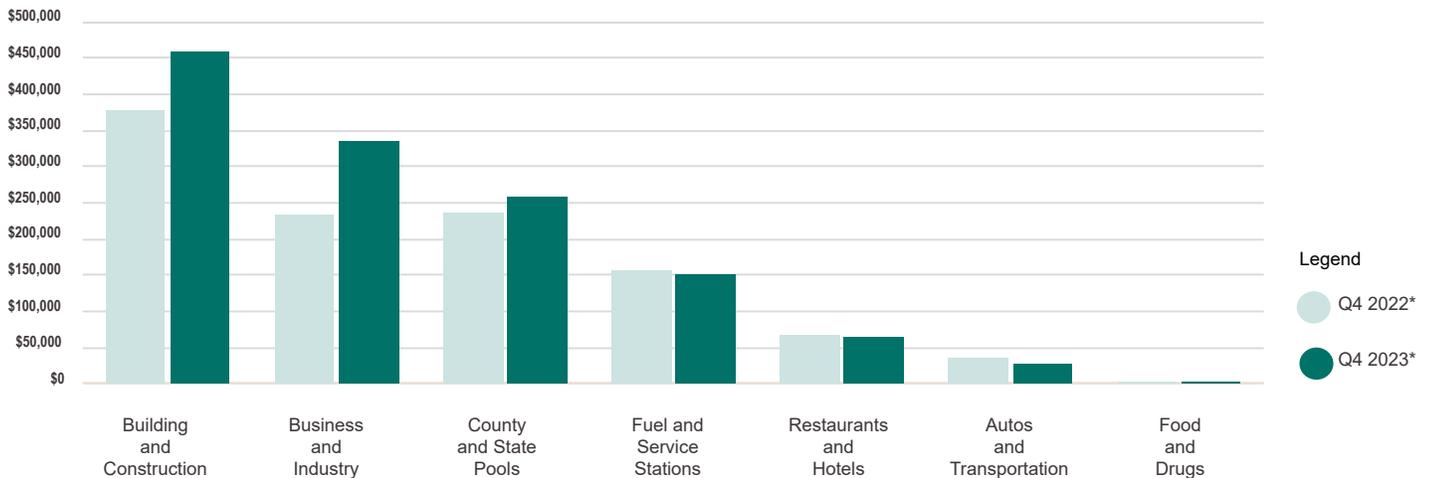


-2.5%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$884,046

↑ 4.9%



CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from October through December were 3.9% above the fourth sales period in 2022. Excluding reporting aberrations, actual sales were up 15.3%.

A new business addition helped to boost revenue from the business-industry sector.

The building-construction group reported a 21.2% increase when compared to the year ago period.

Fuel prices in the fourth quarter of 2023 were, on average, eighteen cents a gallon lower than in 4Q22 reducing totals from fuel-service stations.

Revenue from auto-transportation dipped as consumers struggled with elevated

interest rates and higher prices for auto parts and repairs.

Revenue from both restaurants-hotels and food-drugs remained flat.

The City's share of the countywide use tax pool increased 10.0% when compared to the same period in the prior year.

Measure I, the City's voter-approved transactions and use tax measure, brought in an additional \$879,526 in revenue.

Net of aberrations, taxable sales for all of Los Angeles County declined 2.6% over the comparable time period; the Southern California region was down 2.0%.



TOP 25 PRODUCERS

- | | |
|------------------------------|--------------------------------|
| 3M Oral Care | McDonald's |
| Arco | Patton Sales |
| Assa Abloy Residential Group | Rivergrade Shell Station |
| Charter Furniture | Scholastic Book Fairs |
| Chem Arrow | Shell Spot-Not Auto Wash & Gas |
| Crowley Company | Sigler Wholesale Distributors |
| Decore Ative Specialties | Spragues Rock & Sand |
| Food Makers Bakery Equipment | Sully Miller |
| G & I Islas Industries | Vulcan Materials |
| Gem Buildings | Walters Wholesale Electric |
| Home Depot U S A | Western Emulsions |
| Irwindale Windows | |
| Johnstone Supply | |
| L & L Building Material | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of October through December were 2.5% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating quarter of the year and exhibited diminished year-over-year returns as consumers balanced higher prices and financing costs with essential household needs.

Higher interest rates impacted the auto-transportation sector, especially luxury vehicles, as the group dropped 6.2%. Inventories for many dealers returned, creating downward pressure on prices, further constraining receipts. Lenders have tightened credit standards, making loan financing challenging. Improved leasing activity was the lone bright spot. With slow movement expected by the Federal Treasury setting interest rate policy, future revenue growth may stagnate.

Fuel and service stations contributed a similar downturn, as lower fuel prices reduced receipts from gas stations and petroleum providers. While this has been the trend throughout 2023, recently global crude oil prices have been on the rise and should see growth in the coming year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop.

During this holiday shopping period, general consumer goods experienced lackluster sales as results pulled back 3.4%. Most sectors saw reductions with home furnishings, women’s apparel, shoe and electronic-appliance stores being the most significant. Returns also marked the fourth consecutive quarter showing comparable declines. Similar to the anticipated trend of new vehicles, consumer spending may be sluggish in the near term.

Even though revenue from most major sectors slowed, restaurant sales remained steady with a modest gain of 1.0%. Results from casual dining establishments grew during the early winter period as patrons enjoyed indoor dining. However, following the greater trend of consumers looking for value, fine dining eateries experienced lower receipts. The industry is still bracing for implementation of AB 1228, a new law increasing minimum wages for ‘fast food restaurants’, on April 1, 2024.

Use taxes remitted via the countywide pools grew 1.0%, marking the first positive rebound after four consecutive quarters of decline. While overall online sales volume is steady,

pool collections contracted more taxes allocated directly to local agencies via in-state fulfillment and through existing retail outlets.

Statewide, calendar year 2023 ended with a 2.3% decline from 2022. Elevated inflation and interest rates led to higher cost of goods resulting in consumers not spending as much as they had prior. Following multiple years of post-pandemic tax growth assisted by federal tax policy and temporary workplace accommodations, consumers reassessed their economic conditions and limited purchases. As the Federal Reserve considers delaying softening rates, consumer spending could likely stagnate delaying a return to the normal historical growth trend in 2024.

SALES TAX RATE BREAKDOWN		10.25%
State General Fund	3.9375%	
City/County General Fund (Bradley-Burns)	1.0000%	
Irwindale Measure I (IRDL)	0.7500%	
County Public Safety (Prop 172)	0.5000%	
County Realignment (Mental Health/Welfare/Public Safety)	1.5625%	
Countywide Transportation Fund	0.2500%	
Los Angeles County Measure R (LAMT)	0.5000%	
Los Angeles County Measure A (LACT)	0.5000%	
Los Angeles County Measure C (LATC)	0.5000%	
Los Angeles County Measure M (LAMA)	0.5000%	
Los Angeles County Measure H (LACH)	0.2500%	
Tax Rate Effective April 01, 2020	10.2500%	

TOP NON-CONFIDENTIAL BUSINESS TYPES					
Irwindale Business Type	Q4 '23*	Change	County Change	HdL State Change	
Contractors	417.6	23.7% ↑	3.6% ↑	1.2% ↑	
Service Stations	149.9	-3.2% ↓	-6.4% ↓	-4.9% ↓	
Heavy Industrial	50.2	-5.6% ↓	-9.2% ↓	-8.9% ↓	
Quick-Service Restaurants	45.0	-0.9% ↓	-0.4% ↓	0.3% ↑	
Food Service Equip./Supplies	29.2	15.4% ↑	-4.2% ↓	-6.5% ↓	
Light Industrial/Printers	27.8	8.6% ↑	-6.5% ↓	-6.5% ↓	
Plumbing/Electrical Supplies	23.8	-10.5% ↓	-3.8% ↓	-4.3% ↓	
Drugs/Chemicals	20.6	11.4% ↑	14.4% ↑	-0.2% ↓	
Building Materials	17.3	21.3% ↑	-2.1% ↓	-2.0% ↓	
Textiles/Furnishings	14.9	-11.7% ↓	-2.0% ↓	-1.6% ↓	

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