

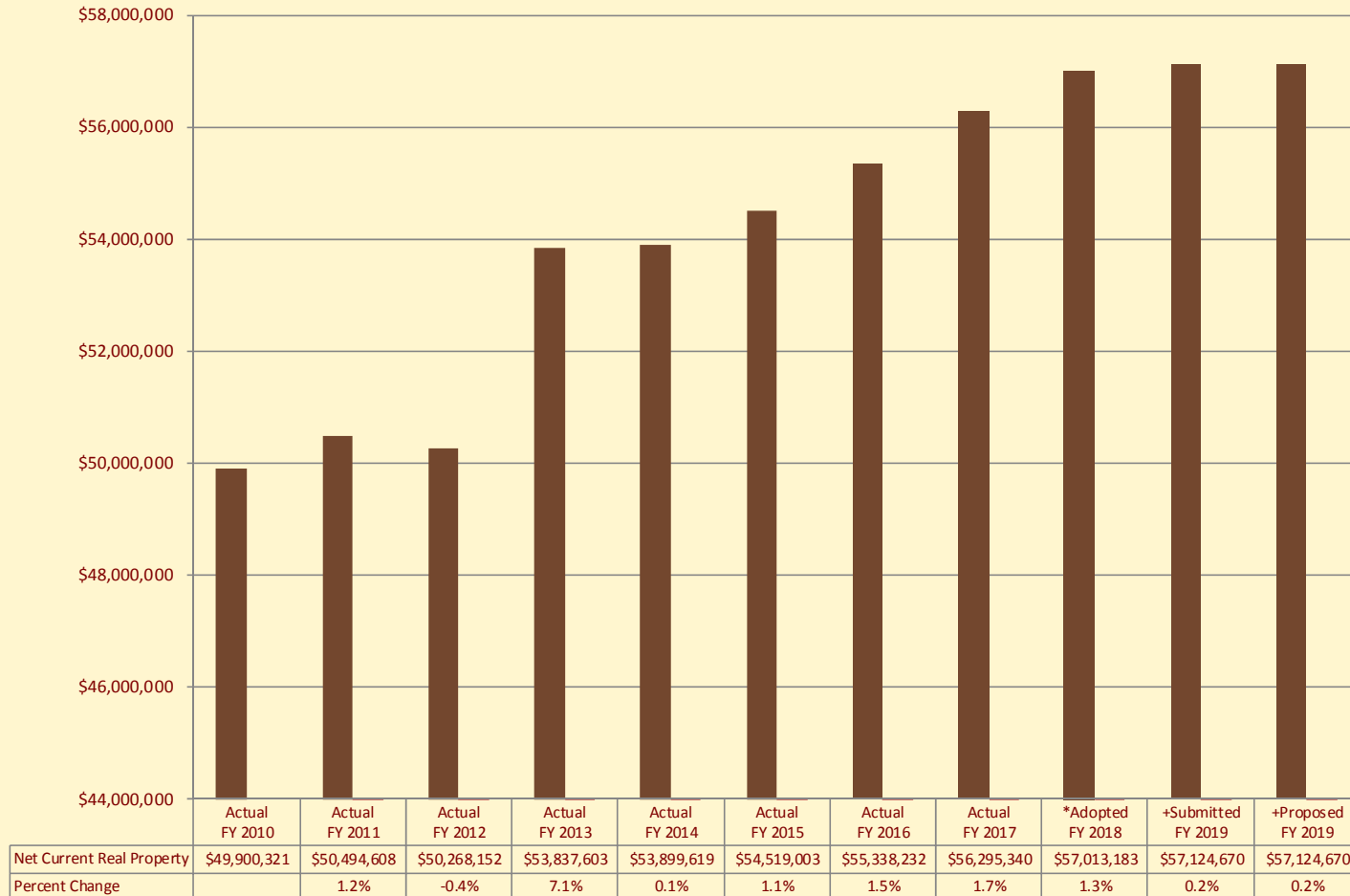


Revenue Highlights

March 13, 2018



Current Real Property Tax



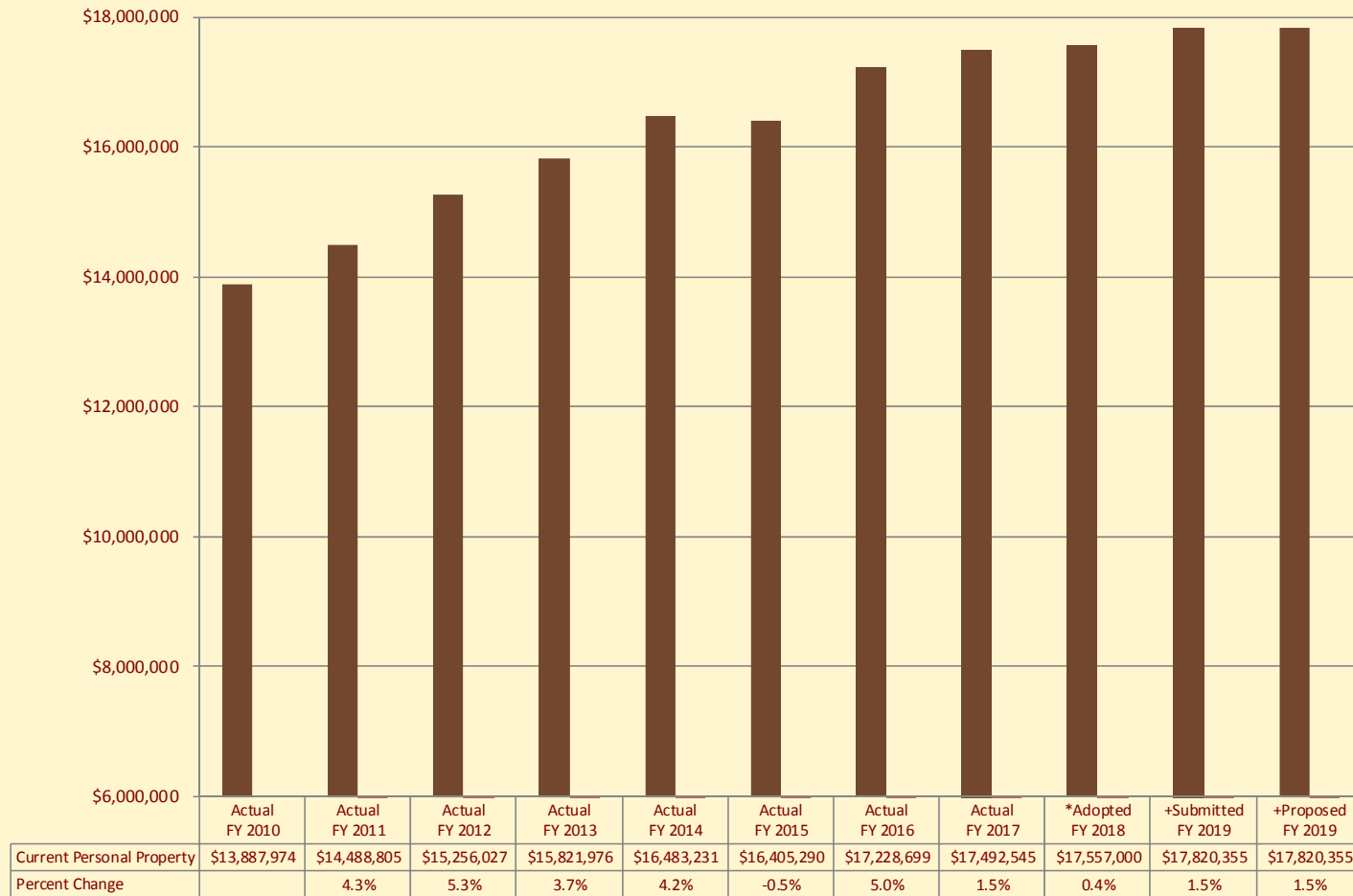
* Percent Change for Adopted FY 2018 is change from Adopted FY 2017.

+ Percent Change for Submitted and Proposed FY 2019 is change from Adopted FY 2018.

Current Real Property includes the real property tax less an allowance for an anticipated percentage of uncollectable accounts. Even fiscal years reflect re-assessment. FY 2013 includes the tax rate increase from \$1.05 to \$1.11. Actual FY 2017 reflects a 1.7% increase over Actual FY 2016. FY 2018 Adopted Budget and FY 2019 Proposed Budget reflect the continued slight growth in the real estate tax base.



Current Personal Property Tax – Local Portion



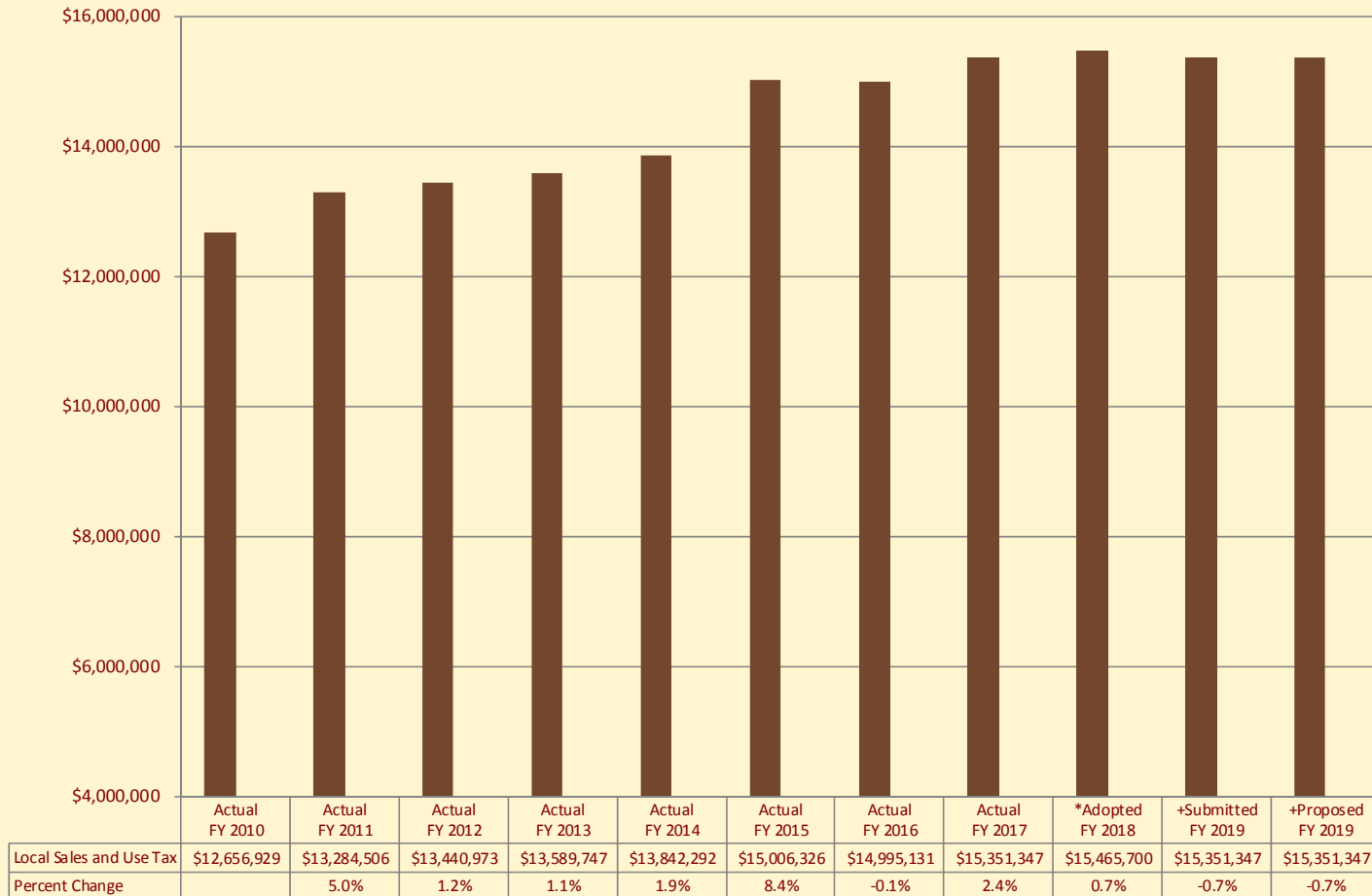
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Current Personal Property Tax revenue is based on National Automobile Dealers Association (NADA) values. Actual FY 2017 revenues reflect a 1.5% increase over Actual FY 2016. FY 2016 saw record car sales due to the drop in gas prices, unemployment rates, and dealer incentives. FY 2017 Actual and assessments for FY 2018 and FY 2019 are reflecting slight growth based on more actively registered vehicles in the City, in the range of 1% a year.



Local Sales and Use Tax



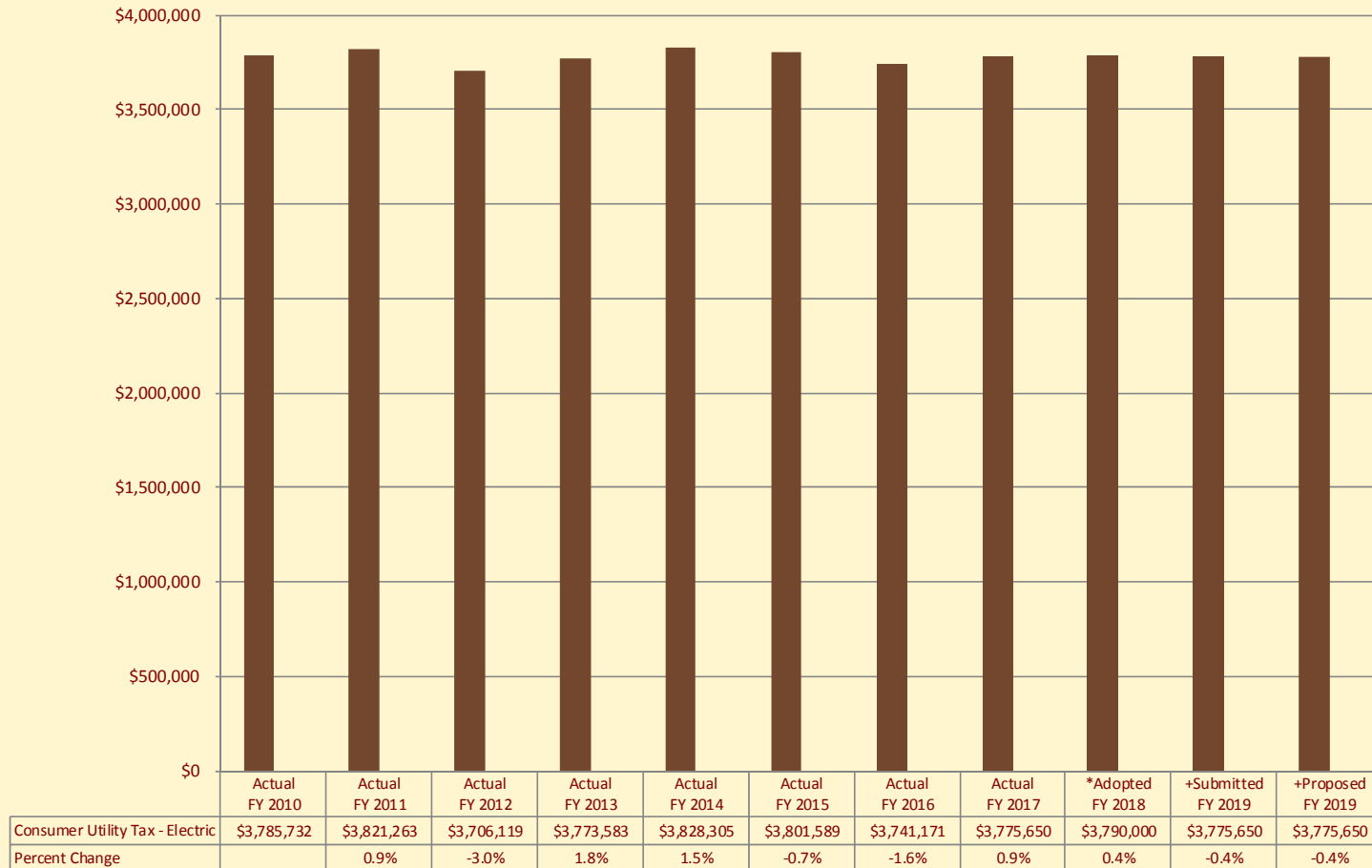
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Actual FY 2017 revenues reflect a 2.4% increase over Actual FY 2016. FY 2018 collections, compared to the FY 2018 Adopted Budget, have not met expectations. Therefore, the FY 2019 Proposed Budget is anticipated to be in line with FY 2017 Actual. Use Tax collections are inconsistent and very difficult to predict year to year.



Consumer Utility Tax Electric



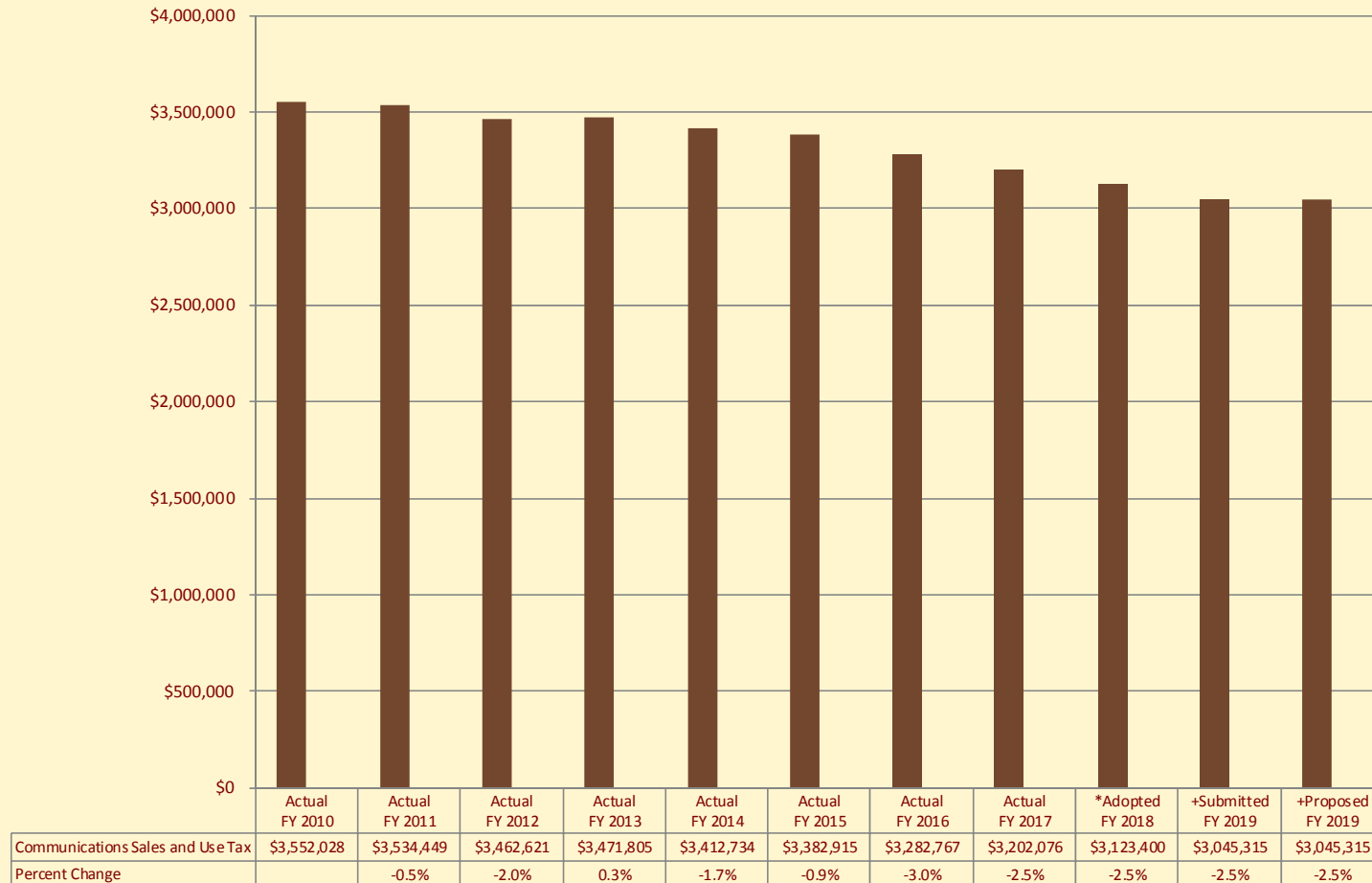
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Electric Consumer Utility tax revenue aligns with weather patterns. With rate fluctuations and consumer savings programs, this revenue remains constant at about \$3.8 million.



Communications Sales and Use Tax



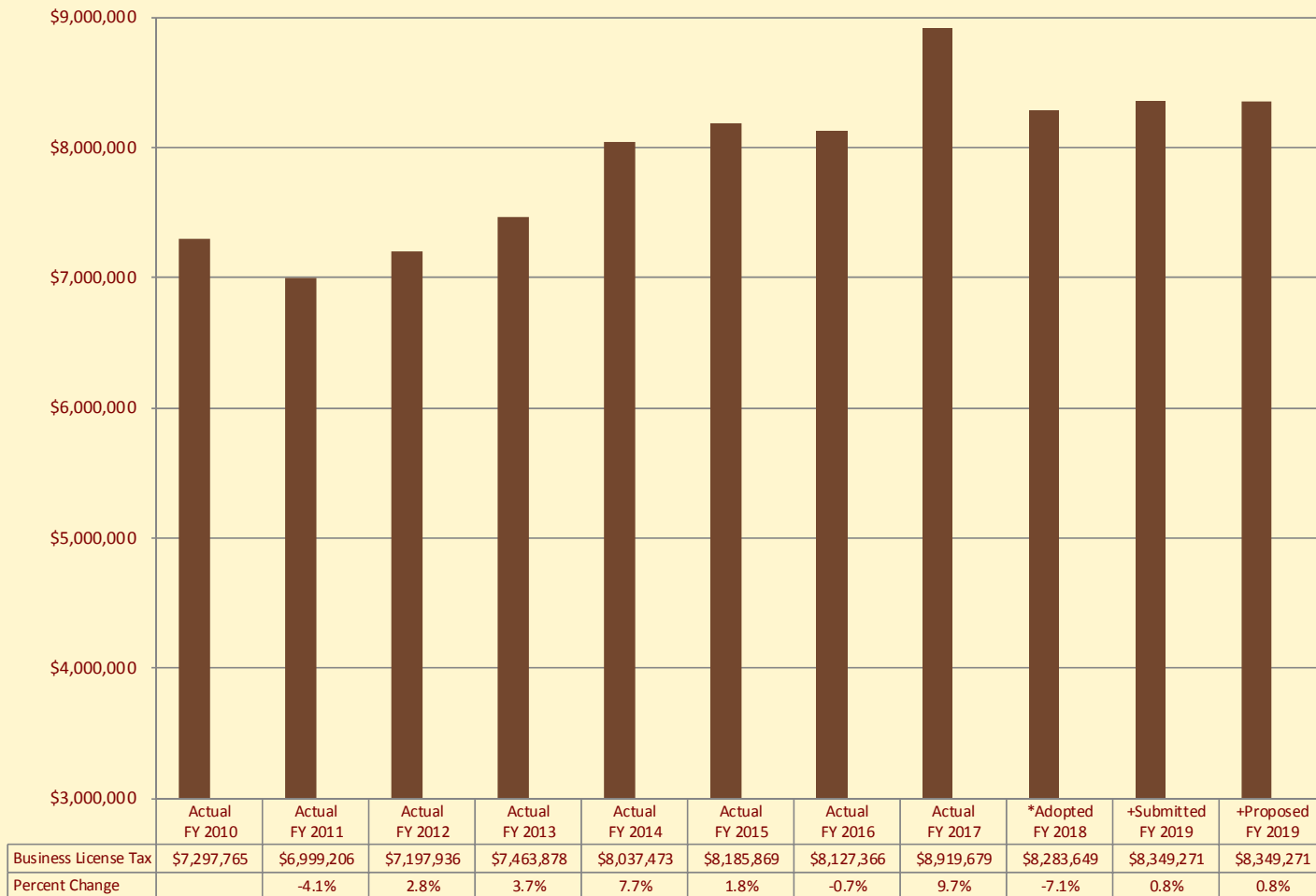
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Communication Sales and Use Tax continues to decline; the reduction in land line use and the lower cost for telecommunication services has affected the revenue generated through this stream. The Proposed FY 2019 figure reflects the continued reduction in revenue.



Business Licenses



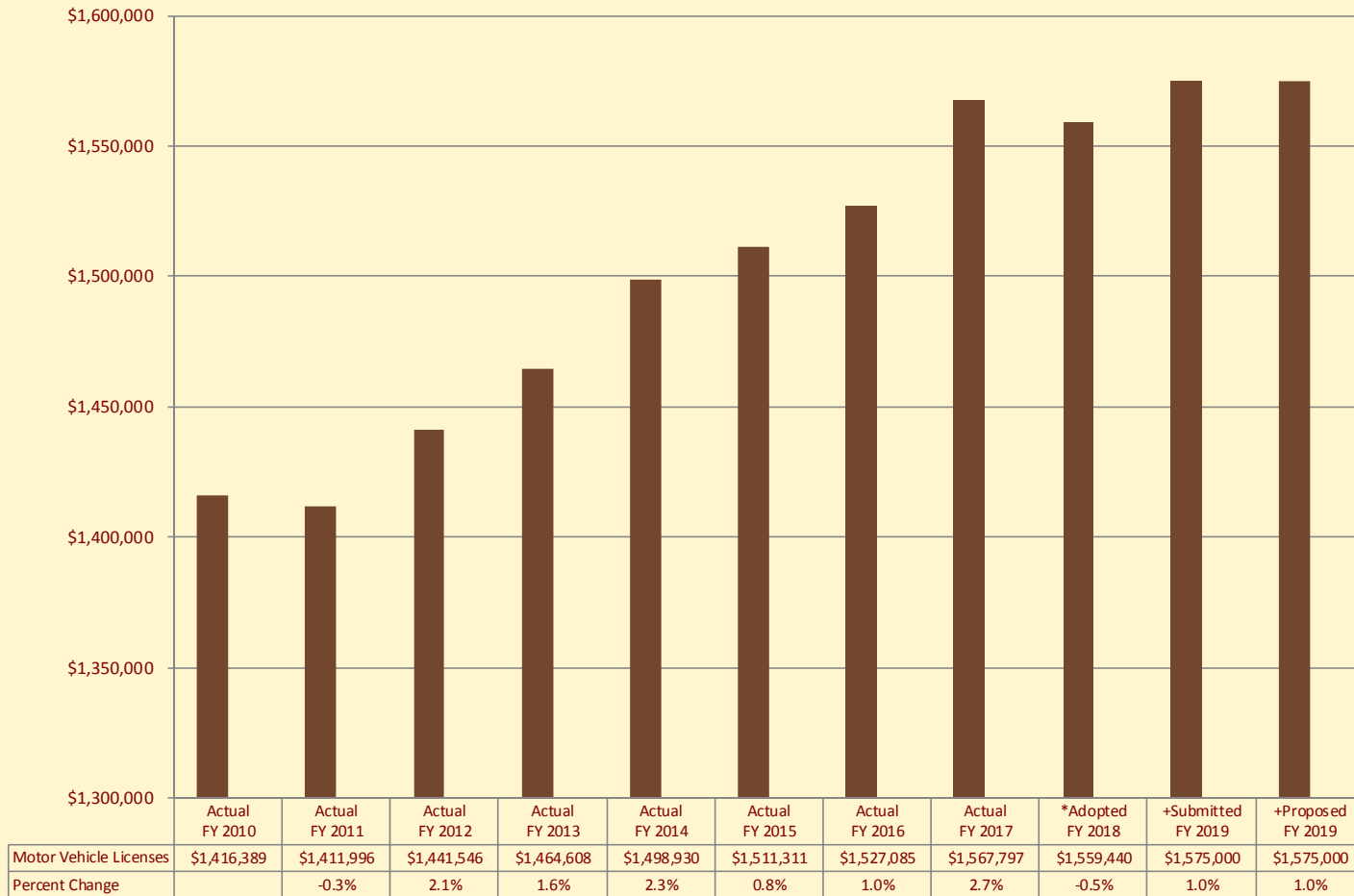
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Actual FY 2017 reflects a 9.7% increase over Actual FY 2016. This includes a large one-time catch-up payment of \$290,000 from a local company. FY 2018 collections are anticipated to reflect a slight increase over Actual FY 2016; however, may come in higher if FY 2017 assessments hold at \$8.6 million. With Sales Tax lagging projections, only slight growth is anticipated for FY 2019.



Motor Vehicle Licenses



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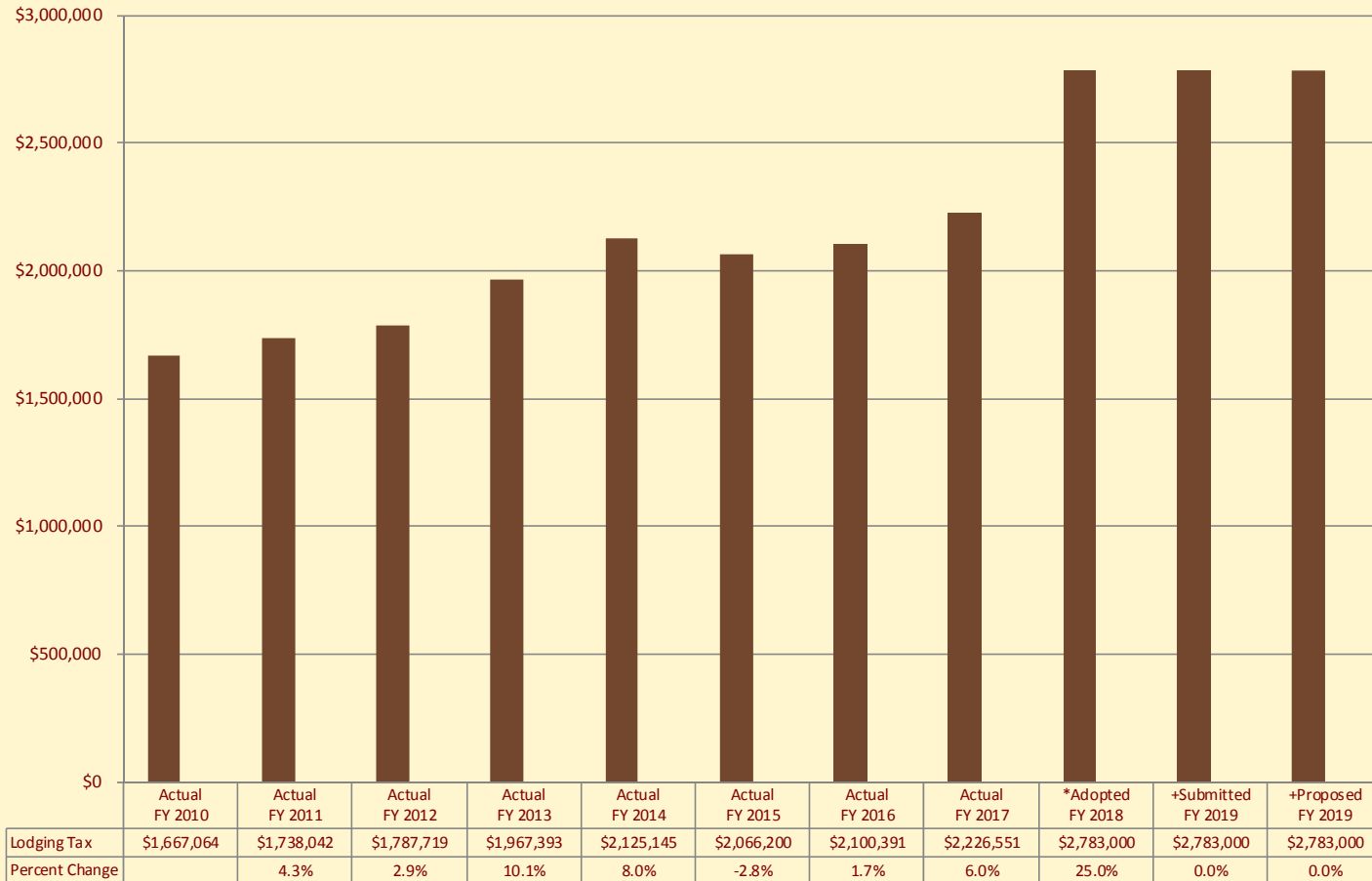
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Proposed FY 2019 Motor Vehicle Licenses reflects very slight continued growth based on an increase in actively registered vehicles in the City.

Note: Unlike the Personal Property tax, State code authorizes cities to levy a Motor Vehicle License tax on all motor vehicles, trailers, and semi-trailers without exemption.



Lodging Tax



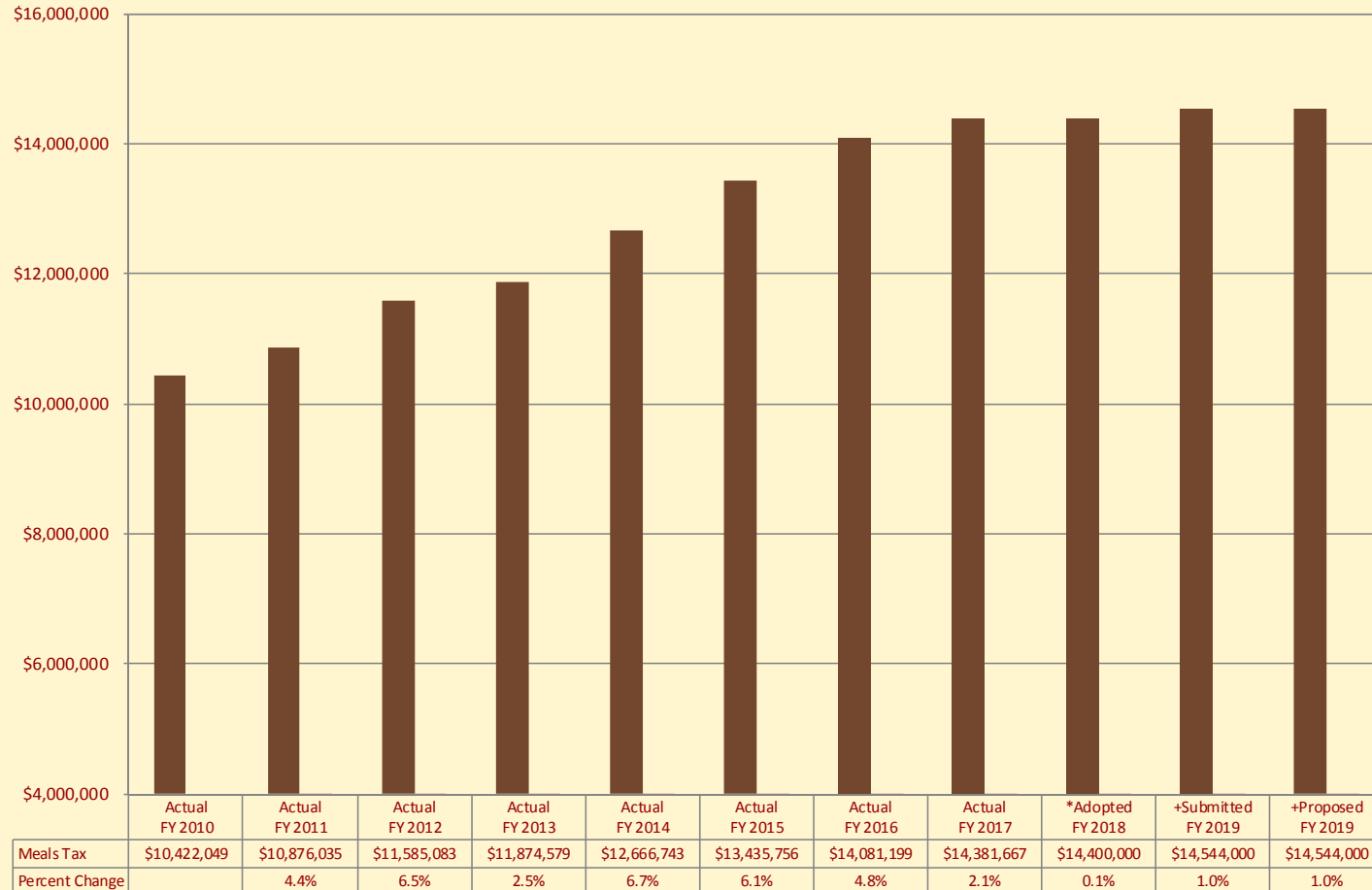
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FY 2017 Lodging Tax Collections realized a 6% increase over FY 2016 which exceeded budget projections. With 3 new hotels slated to open in FY 2018 and the increase in the rate from 5.5% to 6.5% in the FY 2018 Adopted Budget, Lodging Tax revenue is expected to see continued growth. With 2 of the new hotels opening much later than anticipated and one not opening in FY 2018, collections year to date have not met expectations. Therefore, the FY 2019 Proposed Budget is not projected to increase above FY 2018 Adopted until the new hotels open.



Meals Tax

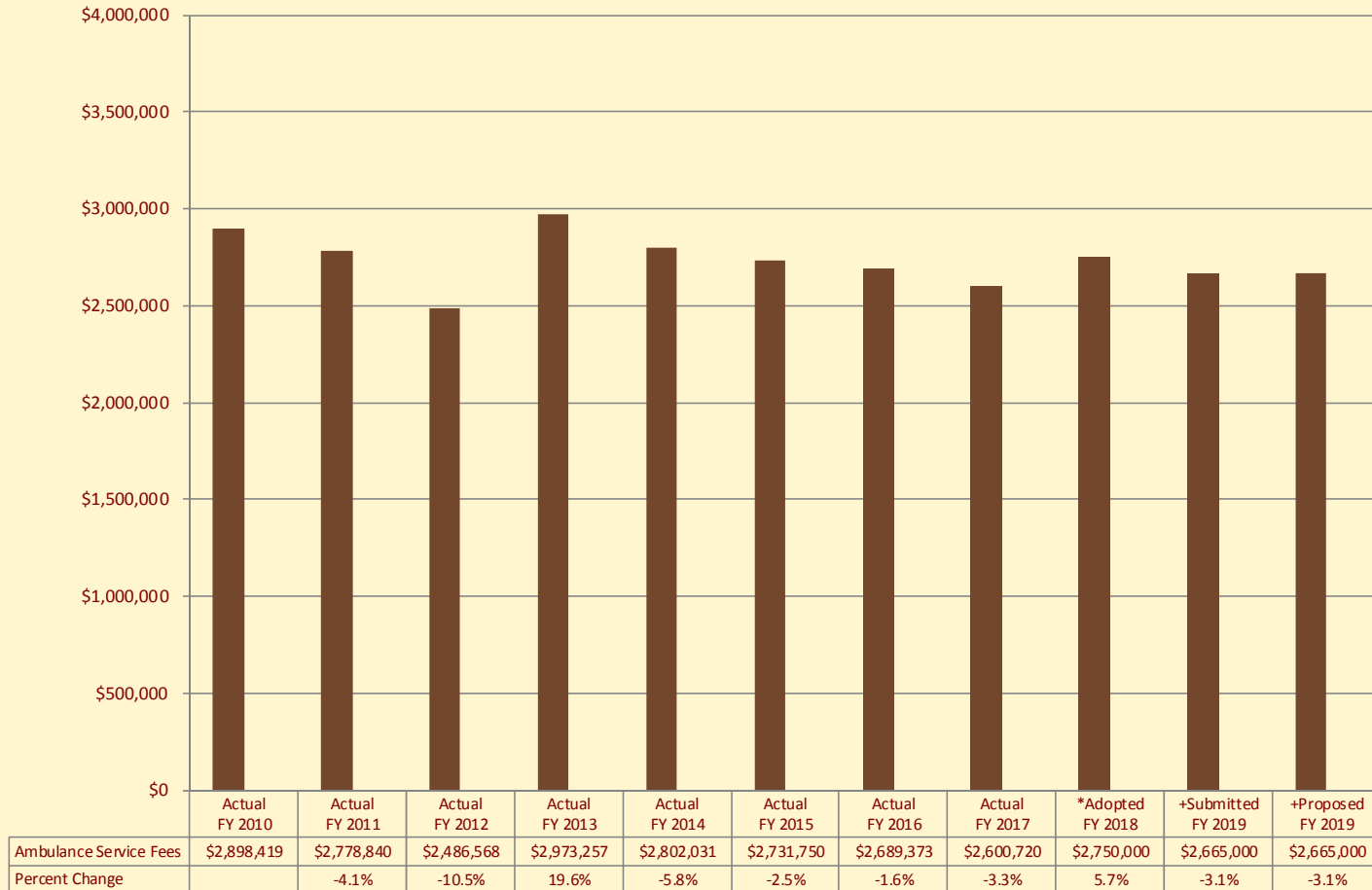


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FY 2017 Meals Tax collections exceed FY 2016 collections by 2.1%. This is the lowest year over year growth since the 2008 recession. FY 2018 collections through November are consistent with budget, but no growth over FY 2017 is anticipated in the FY 2018 Adopted Budget. The FY 2019 Proposed Budget reflects this slight growth.



Ambulance Service Fees



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Ambulance Service Fees are collected for the City by a third party administrator (EMS-MC). The City's Billings and Collections staff is responsible for delinquent collections. Rates were updated to an overall average of 149 percent of the 2017 Medicare urban rate effective January 1, 2018. However, the FY 2019 Proposed Budget is less than the FY 2018 Adopted Budget based on declining collections over the last few years.