

**FINANCE DEPARTMENT
ACTIVITY REPORT, NOVEMBER 2013**

STATISTICAL SECTION

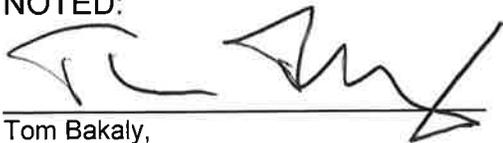
Finance Administration

	CURRENT MONTH	THIS MONTH LAST FY	FISCAL YEAR TO DATE	LAST FISCAL YR TO DATE
AVERAGE T.O.T. OCCUPANCY RATE	75.6% OCTOBER 2013	77.1% OCTOBER 2012	84.7% OCTOBER 2013	84.6% OCTOBER 2012
INVOICES/ACCOUNTS RECEIVABLE	42	37	123	435
CASH REGISTER TRANSACTIONS	6,303	3,101	28,790	17,388
CHECKS ISSUED	240	337	1,553	1,643
PURCHASE ORDERS	102	161	953	879
DISCOUNTS TAKEN	\$123.41	\$120.77	\$623.13	\$348.00
LANDSCAPE/ ST. LIGHT REBATES (2012 Tax Yr.)	4	5	34	38
UUT EXEMPTIONS TO DATE	(3) 1,950	(16) 1,916		
PAYROLL				
Full Time Employees	115	116		
Part Time Employees	46	46		
CITATION PAYMENTS	4,690	3,635	26,046	19,521
DMV PAYMENTS	515	607	2,245	2,686
DELINQUENT NOTICES SENT:				
California	2,658	1,196	19,292	10,246
Out of State	188	57	1,257	1,220
TOTAL:	2,846	1,253	20,549	11,466

Finance Cashier

	CURRENT MONTH	THIS MONTH LAST FY	FISCAL YEAR TO DATE	LAST FISCAL YR TO DATE
DISMISSALS	258	229	1,569	1,311
REVENUE - VEH. IMPOUNDS	\$8,536	\$0	\$15,798	\$14,407
PARKING PERMITS:				
Driveway	7	7	41	20
Guest Party Passes	282	135	3,343	2,586
Temp. Res. Passes	0	0	100	0
Contractor	55	33	318	252
Daily	29	10	128	105
Annual Preferential				
Transferable	31	17	325	282
Employee Vehicle Sticker	12	19	33	49
Vehicle	67	56	624	518
Energy Efficient Vehicles- <i>NEW</i>	0	0	1	4
TOTAL:	110	92	983	853
MONTHLY (DAILY) PERMITS FOR PARKING LOTS	141	151	896	914
MONTHLY (24 HR) PERMITS FOR PARKING LOTS	172	134	845	746
MTA BUS PASSES	10	17	55	74
TAXI VOUCHERS SOLD	520	400	2,420	2,150
TAXI VOUCHERS USED	429	340	1,999	1,931
CASH KEYS SOLD	4	6	34	63
CASH KEY REVENUE	\$950.25	\$1,242.50	\$4,848.00	\$9,049.00
ANIMAL LICENSES	63	69	749	764
BUSINESS LICENSES				
Licenses Issued	112	171	979	894
Revenue	\$44,216.15	\$51,575.55	\$279,158.53	\$272,889.00

NOTED:



Tom Bakaly,
City Manager

Respectfully submitted:



Viki Copeland,
Finance Director

Q2 2013



Hermosa Beach Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2013)

Hermosa Beach In Brief

Receipts for Hermosa Beach's April through June sales were 2.9% higher than the same quarter one year ago. Actual sales activity was up 2.7% when reporting aberrations were factored out.

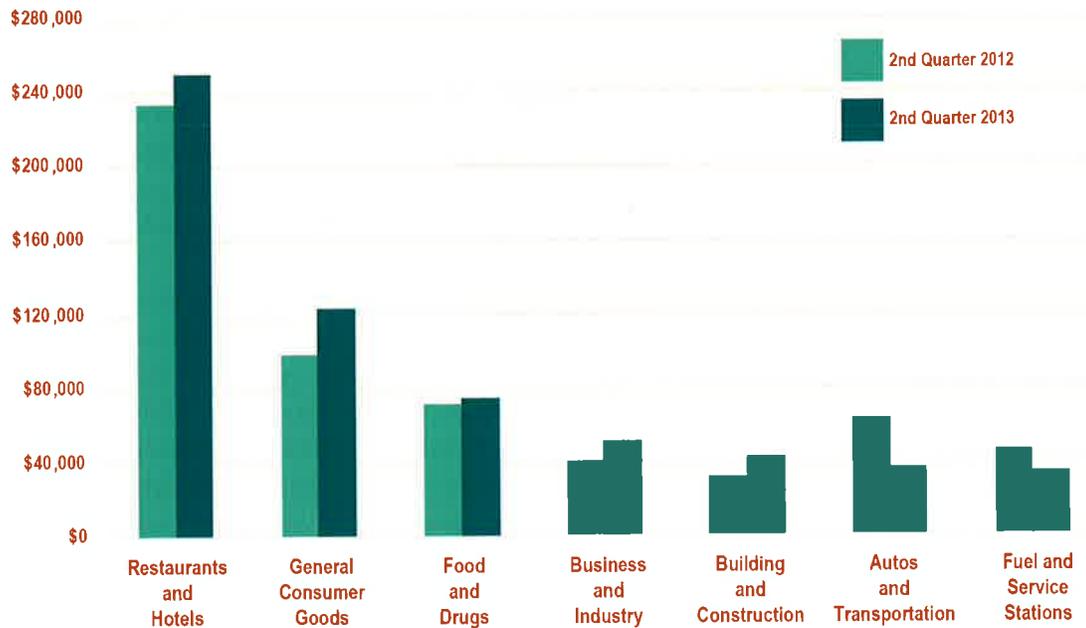
Strong sales and a onetime accounting adjustment increased receipts from the general consumer goods sector. The city also experienced a strong sales quarter for business and industry.

A recent addition helped boost revenues from restaurants with beer/wine. Receipts from restaurants with no alcohol were inflated by a onetime reporting aberration.

The gains were partially offset by a business closeout in the autos and transportation group.

Adjusted for aberrations, taxable sales for all of Los Angeles County increased 3.7% over the comparable time period, while the Southern California region as a whole was up 5.2%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

Baja Sharkeez	Jacks Surfboards
C A W Cowie	Jama Auto House
Caseys Cars	Learned Lumber
Classic Tile & Design	May's Gas Station & Minimart
CVS Pharmacy	Mediterraneo
Dragon Bar	P1 Technologies
Efram's Mobil	Patrick Molloy's
Enterprise Vision Technologies	Ralphs
ET Surf Shop	Sangria
Hennessey's Tavern	Spyderboards
Hots Kitchen	Union Cattle Co
Il Boccaccio	Vans
	Vons

REVENUE COMPARISON

One Quarter - Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$583,912	\$608,242
County Pool	68,771	63,602
State Pool	585	418
Gross Receipts	\$653,268	\$672,262
Less Triple Flip*	\$(163,317)	\$(168,066)

*Reimbursed from county compensation fund

NOTES

State Overall

Adjusted for accounting anomalies, receipts from local governments' one cent sales and use tax were up 5.4% over the second quarter of 2012.

More than half of the increase was driven by a strong quarter for auto sales plus new revenues flowing to the countywide use tax allocation pools largely as result of the previous passage of AB 155's expanded definition of nexus for out-of-state companies required to collect California sales and use taxes.

Receipts from the building and construction categories exhibited significant gains reflecting the beginning of a recovery in new housing construction and considerable remodeling activity. Restaurant sales were also strong but limited to low priced quick service chains and higher priced fine dining restaurants with full liquor licenses.

Gains from general consumer goods were modest overall and tended to be retailer and community specific. Tax revenues from fuel were down from last year's comparable quarter while receipts from business and industrial purchases were flat with the few increases in that group primarily tied to agriculture and food processing.

The Remaining Fiscal Year

The general consensus is that the state's economy will continue to recover in 2013-14 but sales tax growth may be more modest in the second half of the fiscal year than the first half.

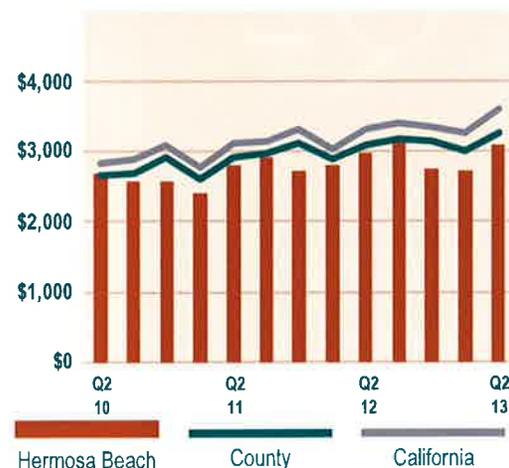
Auto sales which have been up by double digits from years of pent-up demand are expected to plateau in another quarter or two with the pace of growth returning to more normal levels. With consumers taking on more debt to purchase new cars and homes, discretion-

ary spending on other items is expected to slow. Low inflation, price competition and a job recovery tilted toward low paying or part-time work will also keep the cost of taxable goods in check.

The six year boom in the state's technology sector appears to be slowing with companies shifting from buying their own hardware and software to renting computer power through cloud based services. Gas prices will continue to be impacted by refinery shutdowns, Middle East crises and oil speculators. However with today's new cars almost 20% more fuel efficient than those sold only six years ago, further tax gains from this segment are not anticipated.

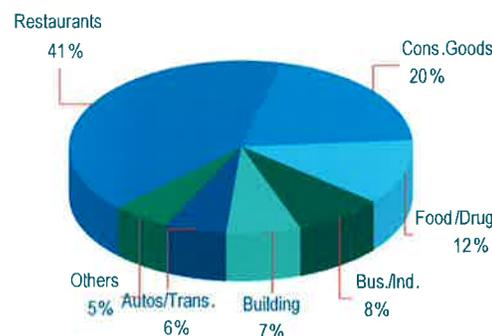
Continued recovery in construction activity is expected to generate a major share of sales tax growth in the second half of the fiscal year. With rising home and stock market values benefiting higher income families, luxury goods in all categories are also projected to show solid gains.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Hermsosa Beach This Quarter



HERMOSA BEACH TOP 15 BUSINESS TYPES

Business Type	Hermsosa Beach		County	HdL State
	Q2 '13	Change	Change	Change
Art/Gift/Novelty Stores	11,542	54.3%	3.2%	2.4%
Drug Stores	— CONFIDENTIAL —	—	0.6%	0.7%
Grocery Stores Liquor	— CONFIDENTIAL —	—	4.1%	2.6%
Home Furnishings	18,926	14.5%	4.3%	6.8%
Light Industrial/Printers	11,170	344.6%	2.8%	9.2%
Lumber/Building Materials	— CONFIDENTIAL —	—	-7.2%	-4.4%
Office Equipment	30,002	3.5%	-10.3%	16.7%
Restaurants Beer And Wine	80,625	13.0%	1.5%	0.3%
Restaurants Liquor	137,936	0.3%	9.9%	9.3%
Restaurants No Alcohol	30,361	24.6%	5.7%	5.9%
Service Stations	— CONFIDENTIAL —	—	-5.8%	-5.7%
Shoe Stores	13,275	252.1%	40.4%	39.9%
Specialty Stores	13,570	9.9%	3.0%	5.1%
Sporting Goods/Bike Stores	39,927	8.5%	-6.5%	4.1%
Used Automotive Dealers	18,831	-2.6%	4.0%	9.4%
Total All Accounts	\$608,242	4.2%	6.4%	7.0%
County & State Pool Allocation	64,020	-7.7%		
Gross Receipts	\$672,262	2.9%		