# June 2024 Sales & Bed Tax Revenues

**City Council Meeting**
October 8, 2024

# Comparison to Prior Year and Budget

### City Sales Tax Revenues

| Month | FY 2023 Actuals | FY 2024 Actuals | Actual Variance | FY 2024 Budget | Budget Variance |
|---|---|---|---|---|---|
| July | $ 2,149,138 | $ 2,248,015 | 5% | $ 2,198,080 | 2% |
| August | 2,197,897 | 2,088,510 | -5% | 2,172,310 | -4% |
| September | 2,492,094 | 2,775,781 | 11% | 2,440,450 | 14% |
| October | 3,021,987 | 3,077,781 | 2% | 2,578,710 | 19% |
| November | 2,631,897 | 2,747,711 | 4% | 2,484,350 | 11% |
| December | 2,361,041 | 2,595,213 | 10% | 2,325,920 | 12% |
| January | 2,205,919 | 2,378,359 | 8% | 2,073,720 | 15% |
| February | 2,490,337 | 2,540,438 | 2% | 2,246,900 | 13% |
| March | 3,190,884 | 3,710,005 | 16% | 3,035,630 | 22% |
| April | 3,473,299 | 3,297,969 | -5% | 3,160,390 | 4% |
| May | 2,854,072 | 3,146,691 | 10% | 2,941,420 | 7% |
| June | 2,703,306 | 2,835,443 | 5% | 2,726,100 | 4% |
| **Totals** | **$ 31,771,871** | **$ 33,441,914** | **5%** | **$ 30,383,980** | **10%** |

### Bed Tax Revenues

| Month | FY 2023 Actuals | FY 2024 Actuals | Actual Variance | FY 2024 Budget | Budget Variance |
|---|---|---|---|---|---|
| July | $ 499,299 | $ 522,779 | 5% | $ 478,550 | 9% |
| August | 498,556 | 492,948 | -1% | 514,590 | -4% |
| September | 633,082 | 768,445 | 21% | 604,730 | 27% |
| October | 844,792 | 963,131 | 14% | 763,750 | 26% |
| November | 724,025 | 762,630 | 5% | 661,020 | 15% |
| December | 571,961 | 647,971 | 13% | 541,360 | 20% |
| January | 633,341 | 676,045 | 7% | 486,810 | 39% |
| February | 748,220 | 717,017 | -4% | 598,580 | 20% |
| March | 959,154 | 1,198,616 | 25% | 879,630 | 36% |
| April | 982,381 | 916,570 | -7% | 966,860 | -5% |
| May | 779,126 | 944,627 | 21% | 847,140 | 12% |
| June | 714,052 | 729,598 | 2% | 681,970 | 7% |
| **Totals** | **$ 8,587,989** | **$ 9,340,377** | **9%** | **$ 8,024,990** | **16%** |

# Comparison to 5 Years Prior

| | June 2019 | June 2024 | % Change | FY2019 YTD | FY2024 YTD | % Change |
|---|---|---|---|---|---|---|
| Sales Tax | $1,862,115 | $2,835,443 | 52% | $21,381,693 | $33,441,914 | 56% |
| Bed Tax | $380,099 | $729,598 | 92% | $4,788,239 | $9,340,377 | 95% |

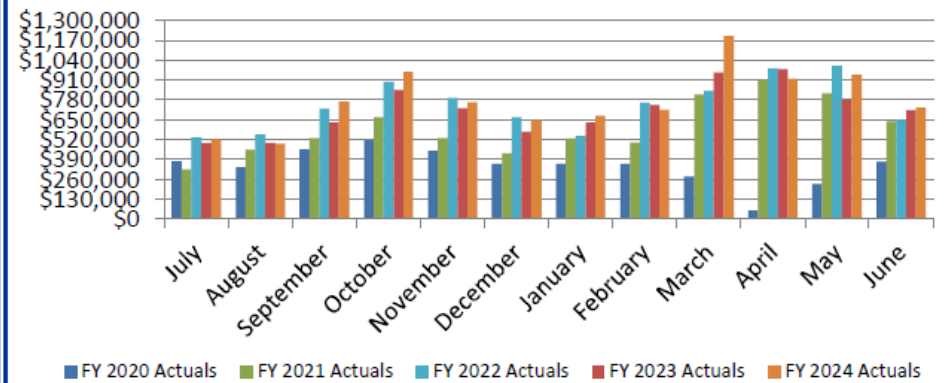NOTE:  Western Region CPI increase from June 2019 to June 2024 was 23%.

# Historical Trends



City Sales Tax Revenues Historical Trends
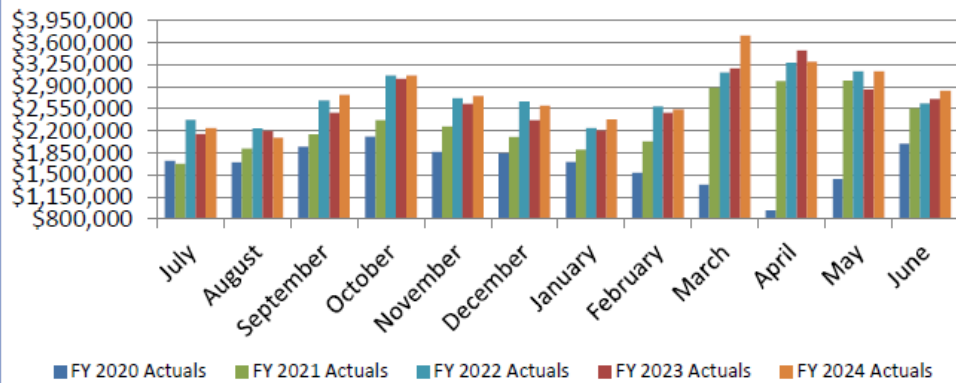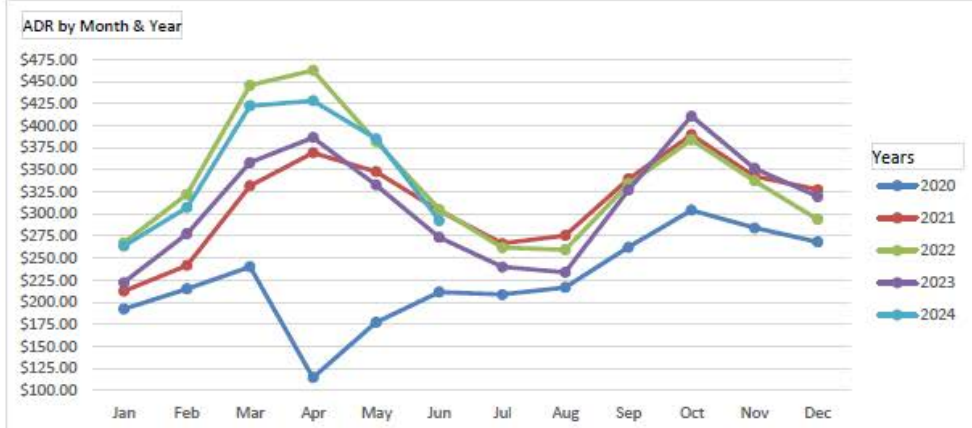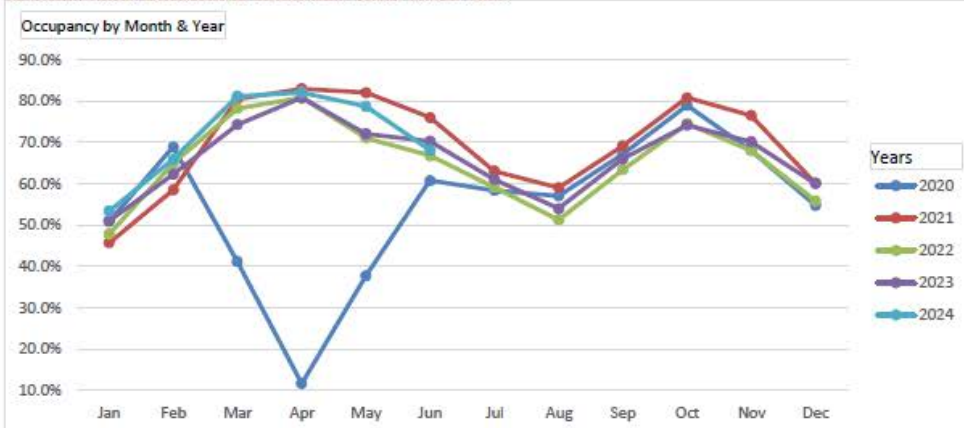


Bed Tax Revenues Historical Trends

Based on the overall average of Sales & Bed Tax collections since 2014, June ranks as the 5th highest month of collections.
In FY24 June followed this trend ranking 5th for Sales & Bed tax combined.

# Traditional Hotel Occupancy & ADR



Monthly Hotel Occupancy & Average Daily Room Rate

**SCTC Section 8-100. General Definitions.**

"Hotel" means any public or private hotel, inn, hostelry, tourist home, house, motel, rooming house, apartment house, trailer, or other lodging place within the City offering lodging, wherein the owner thereof, for compensation, furnishes lodging to any transient, except foster homes, rest homes, sheltered care homes, nursing homes, or primary health care facilities.

"Lodging (Lodging Space)" means any room or apartment in a hotel or any other provider of rooms, trailer spaces, or other residential dwelling spaces; or the furnishings or services and accommodations accompanying the use and possession of said dwelling space, including storage or parking space for the property of said tenant.

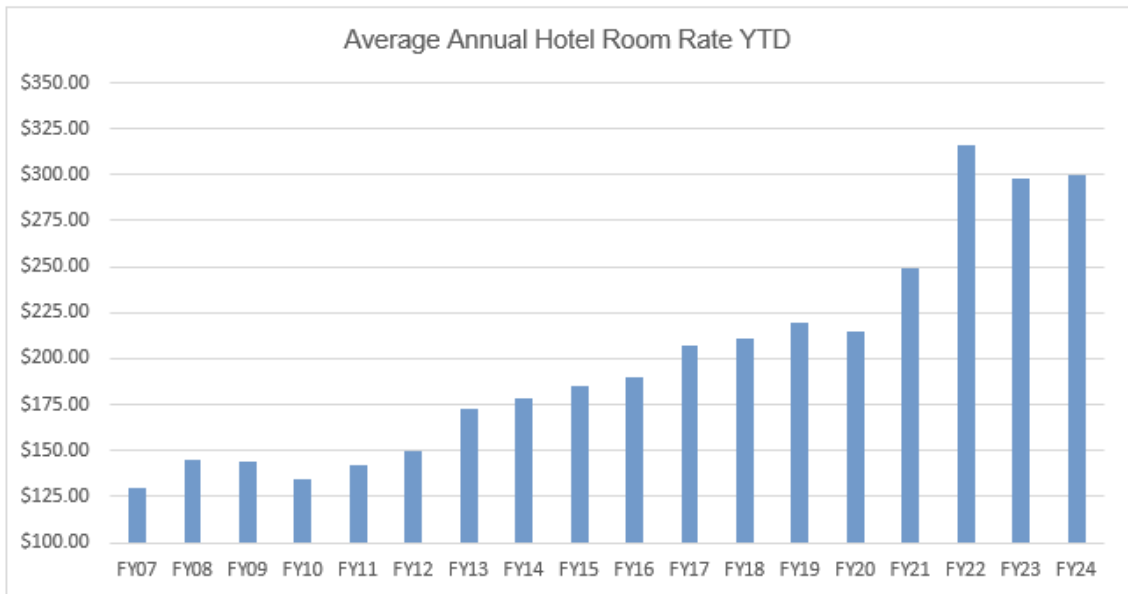# Average Annual Traditional Hotel Occupancy



Average Annual Hotel Occupancy & Average Annual Room Rate as of June
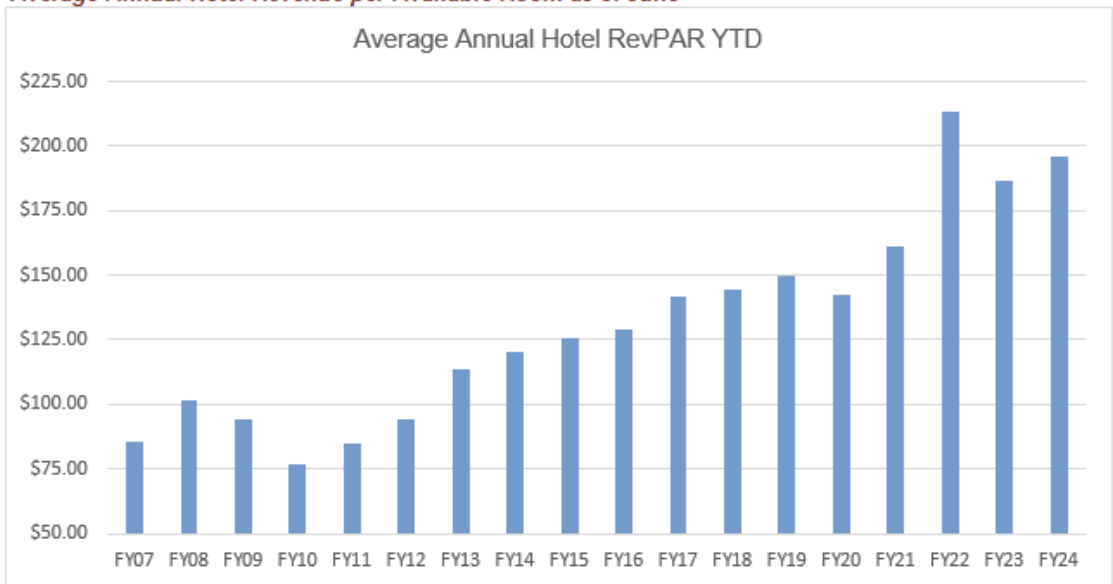
Average Annual Hotel Occupancy YTD
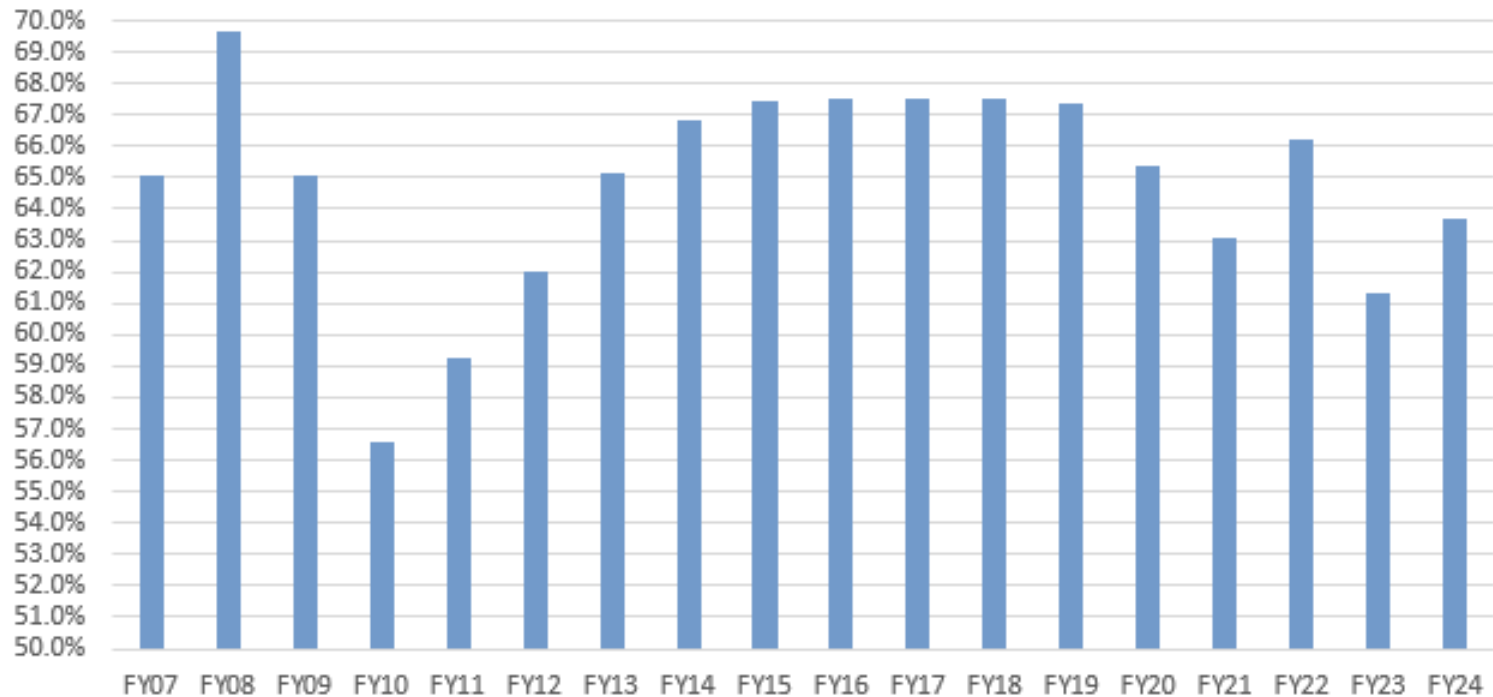
# Average Annual Traditional Hotel ADR & RevPAR

**Average Annual Hotel Room Rate YTD**



**Average Annual Hotel Revenue per Available Room as of June**

**Average Annual Hotel RevPAR YTD**

# June 2024 Revenues by Period End Date

| Period End Date | Amount |
|---|---|
| 1991 | $ 1.90 |
| 2002 | $ 0.92 |
| 2007 | $ 39.67 |
| 2008 | $ (1.55) |
| 2010 | $ 28.98 |
| 2016 | $ 4,754.45 |
| 2017 | $ 1,553.93 |
| 2018 | $ 387.84 |
| 2019 | $ 422.55 |
| 2020 | $ (3,914.84) |
| 2021 | $ (3,656.58) |
| 2022 | $ (10,439.70) |
| 2023 | $ 10,119.67 |

| Period End Date | Amount |
|---|---|
| 2024: | $ 3,565,743.38 |
| Jan | $ 4,728.57 |
| Feb | $ 4,374.65 |
| Mar | $ 8,733.02 |
| Apr | $ 25,405.09 |
| May | $ 445,155.58 |
| Jun | $ 3,064,212.96 |
| Jul | $ 4,764.34 |
| Aug | $ 2.29 |
| Sep | $ 2.00 |
| Oct | $ 4.00 |
| Dec | $ 8,360.88 |
| **Grand Total** | **$ 3,565,040.62** |

Taxes due by 20th of following month

ADOR closes month by early to middle of following month

Data based on how taxpayer reported

## Sales Tax Revenues by Category

| Month | Retail | Restaurant & Bar | Hotel/Motel | Construction | Leasing | Communications & Utilities | Amusements & Other | Totals |
|---|---|---|---|---|---|---|---|---|
| *City Sales Tax Revenues by Category and by Month* | | | | | | | | |
| July 2022 | 759,167 | $ 406,269 | $ 517,128 | $ 139,987 | $ 155,542 | $ 48,705 | $ 122,342 | $ 2,149,140 |
| August 2022 | 797,223 | 369,186 | 502,766 | 195,095 | 156,688 | 96,617 | 80,318 | 2,197,893 |
| September 2022 | 874,790 | 486,767 | 650,976 | 131,089 | 173,564 | 69,253 | 105,658 | 2,492,097 |
| October 2022 | 1,053,822 | 582,764 | 868,383 | 161,238 | 177,348 | 39,266 | 139,165 | 3,021,986 |
| November 2022 | 914,839 | 492,347 | 744,020 | 138,314 | 152,930 | 83,081 | 106,366 | 2,631,897 |
| December 2022 | 896,682 | 424,843 | 586,451 | 134,064 | 168,411 | 67,347 | 83,243 | 2,361,041 |
| January 2023 | 764,648 | 378,813 | 644,950 | 124,431 | 149,910 | 70,888 | 72,280 | 2,205,920 |
| February 2023 | 792,929 | 463,351 | 765,546 | 138,808 | 163,484 | 68,826 | 97,392 | 2,490,336 |
| March 2023 | 990,262 | 595,699 | 984,599 | 200,709 | 175,427 | 75,155 | 169,033 | 3,190,884 |
| April 2023 | 1,113,347 | 691,082 | 1,011,113 | 216,734 | 174,942 | 58,701 | 207,381 | 3,473,300 |
| May 2023 | 966,539 | 592,166 | 803,577 | 130,357 | 172,080 | 61,165 | 128,187 | 2,854,071 |
| June 2023 | 881,068 | 534,000 | 730,408 | 183,666 | 166,143 | 76,532 | 131,490 | 2,703,307 |
| **Total FY 2023** | **$ 10,805,316** | **$ 6,017,287** | **$ 8,809,917** | **$ 1,894,492** | **$ 1,986,469** | **$ 815,536** | **$ 1,442,855** | **$ 31,771,872** |
| July 2023 | $ 778,962 | $ 461,212 | $ 540,153 | $ 134,293 | $ 151,190 | $ 79,464 | $ 102,741 | $ 2,248,015 |
| August 2023 | 752,174 | 374,561 | 504,575 | 141,699 | 150,880 | 78,798 | 85,823 | 2,088,510 |
| September 2023 | 901,032 | 526,505 | 784,683 | 171,326 | 205,232 | 76,586 | 110,416 | 2,775,780 |
| October 2023 | 942,031 | 620,926 | 990,233 | 144,570 | 186,966 | 66,800 | 126,256 | 3,077,782 |
| November 2023 | 897,812 | 540,928 | 782,416 | 154,516 | 182,257 | 64,037 | 125,745 | 2,747,711 |
| December 2023 | 929,241 | 473,635 | 666,630 | 186,078 | 183,248 | 55,747 | 100,634 | 2,595,213 |
| January 2024 | 772,100 | 398,805 | 689,451 | 180,144 | 176,437 | 70,217 | 91,205 | 2,378,359 |
| February 2024 | 802,888 | 478,664 | 738,064 | 191,262 | 154,968 | 68,021 | 106,571 | 2,540,438 |
| March 2024 | 1,095,361 | 731,974 | 1,232,111 | 198,595 | 199,169 | 66,899 | 185,896 | 3,710,005 |
| April 2024 | 1,082,978 | 626,232 | 947,330 | 192,388 | 206,658 | 61,171 | 181,213 | 3,297,970 |
| May 2024 | 975,070 | 607,864 | 967,149 | 201,751 | 177,784 | 62,886 | 154,188 | 3,146,692 |
| June 2024 | 942,945 | 530,786 | 747,658 | 216,932 | 193,001 | 74,393 | 129,728 | 2,835,443 |
| **Total Year-to-Date FY 2024** | **$ 10,872,594** | **$ 6,372,092** | **$ 9,590,453** | **$ 2,113,554** | **$ 2,167,790** | **$ 825,019** | **$ 1,500,416** | **$ 33,441,918** |

*Current Month Comparison to Same Month Last Year*

| | Retail | Restaurant & Bar | Hotel/Motel | Construction | Leasing | Communications & Utilities | Amusements & Other | Totals |
|---|---|---|---|---|---|---|---|---|
| June 2023 vs. June 2024 | $ 61,877 | $ (3,214) | $ 17,250 | $ 33,266 | $ 26,858 | $ (2,139) | $ (1,762) | $ 132,136 |
| Change from June to June | 7% | -1% | 2% | 18% | 16% | -3% | -1% | 5% |

*Year-to-Date Comparison to Year-to-Date Last Year*

| | Retail | Restaurant & Bar | Hotel/Motel | Construction | Leasing | Communications & Utilities | Amusements & Other | Totals |
|---|---|---|---|---|---|---|---|---|
| Difference in YTD | $ 67,278 | $ 354,805 | $ 780,536 | $ 219,062 | $ 181,321 | $ 9,483 | $ 57,561 | $ 1,670,046 |
| % Change from Prior YTD | 1% | 6% | 9% | 12% | 9% | 1% | 4% | 5% |

# Comparison to 5 Years Prior by Category

| | June 2024 | June 2019 | % Change |
|---|---|---|---|
| Retail | $942,945 | $590,382 | 60% |
| Restaurant & Bar | $530,786 | $377,501 | 41% |
| Hotel/Motel | $747,658 | $390,862 | 91% |
| Construction | $216,932 | $151,109 | 44% |
| Leasing | $193,001 | $159,996 | 21% |
| Communications & Utilities | $74,393 | $58,414 | 27% |
| Amusements & Other | $129,728 | $133,851 | -3% |

# Increase/(Decrease) in Revenues

| | FYTD Jun 2024 Over (Under) Prior Year | FYTD June 2024 Over (Under) Budget[1] |
|---|---|---|
| Sales Tax | $1,670,043 | $3,057,934 |
| Bed Tax | $752,388 | $1,315,387 |
| **Total** | **$2,422,431** | **$4,373,321** |

[1] FY2024 sales and bed tax projections were based on conservative estimates in case of a recession occurring during the fiscal year. While the occurrence of a potential recession remains to be seen, current estimated General Fund surplus for FY2024 is $10M.

# Questions?

# Proposed City Code Amendments

Title 13 (Public Service & Utilities)
Division 1 Wastewater

- Changes the definition of sewer availability for parcels zoned single-family residence limiting availability to those with 300-feet of a sewer line
    - 25 parcels will no longer be required to connect to sewer upon development but will still have the option to connect at owner's expense
    - Subdivisions, multi-family, commercial, and industrial zoned parcels excluded
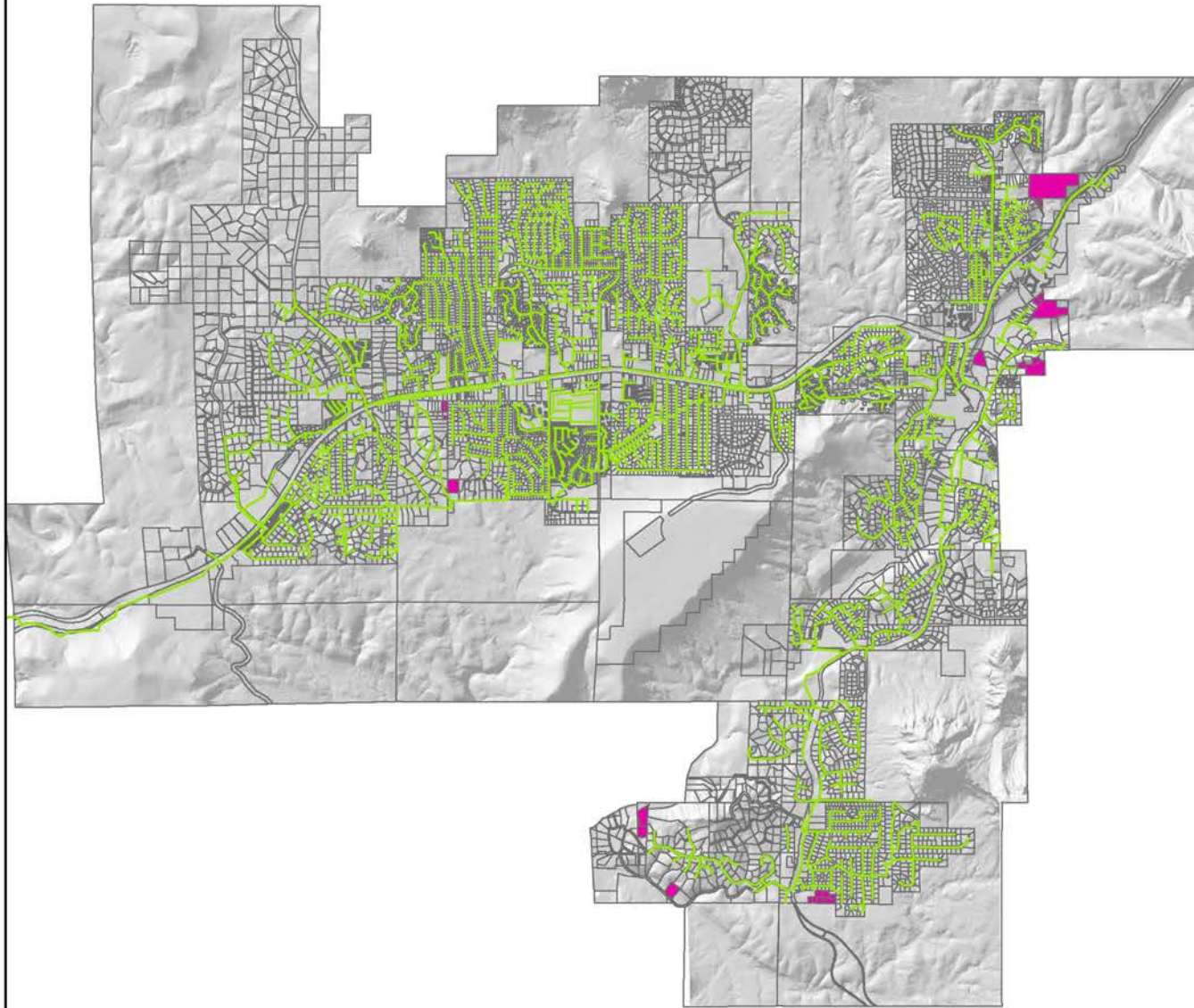
**Sewer Availability Proposal**

Parcels no longer available for sewer

Sewerlines

Sewer No Longer Available

1 in = 1 miles

This map is designed to provide information about Sedona, and has been prepared for general planning and informational purposes only. It is not necessarily accurate to engineering or surveying standards. Every effort has been made to make this map as complete and as accurate as possible, however, no warranty or fitness is implied.

The information provided is on an "as-is" basis. The City of Sedona shall have neither liability nor responsibility to any person or entitiy with respect to any loss or damages in connection with or rising from the information contained on this map.

- Proposed change allows a deferred connection when sewer becomes available
  - For existing developed properties only
  - Defer up to 4 years
  - Septic must be inspected regularly and to ensure it is functioning properly
  - Required to connect upon expiration of deferment period or failed inspection report

- Proposed change requires backwater valve to be installed if an elevation difference of less than 12 inches exists between lowest drain and upstream manhole
  - Existing code is a 4-inch elevation difference
  - Provides greater protection for owner

- Proposed change requires installation of sewer clean-out and/or backwater valve (when meeting elevation difference requirement) upon remodel or addition, if one does not already exist.

# Miscellaneous Amendments

- City may, but is not obligated to, accept septage for disposal and treatment at the WWRP
- Allowance of director to change frequency of grease-trap maintenance based on observations and/or testing
- Removal of per-seat based billing for restaurants – square footage or water usage-based billing available
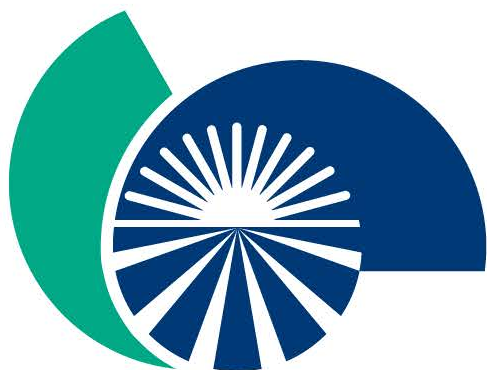
# Sedona City Council

**October 8, 2024**

# NAH "About Us"

- Northern Arizona Healthcare (NAH) was formed in 1995 as a result of a merger between Verde Valley Medical Center (VVMC) and Flagstaff Medical Center (FMC)

**NAH Fast Facts:**

- 3,400+ Doctors, Nurses, and Staff caring for the communities we serve
- Inpatient and outpatient services across a large geography including Flagstaff, Cottonwood, Sedona, the Village of Oak Creek, and Camp Verde
- Guardian Air Transport base located in Cottonwood

**Verde Valley Key Stats:**

4,700+ Inpatient Discharges
~16,500 Inpatient Patient Days
22,600+ ED Visits at Cottonwood
8,100+ ED Visits at Sedona
2,700+ Operating Room Procedures
~110,000 Imaging Procedures

100,000+ Clinic and PT Visits
5% Annual Growth in Primary Care Visits

Northern Arizona Healthcare

# Recent Developments

# Provider Adds to the Verde Valley

| Specialty | Provider Name | Arrival Date |
|---|---|---|
| **Cardiology** | Dr. Sanjiv Faldu (Medical Cardiology)<br>Candace Schuierer, PA (Electrophysiology)<br>*Continuing to recruit 1 additional Cardiologist* | December 2023<br>August 2024 |
| **Interventional Cardiology** | Dr. Mark Bocchicchio<br>Dr. Mark Gavlick | August 2024<br>Early 2025 |
| **Primary Care** | Dr. Margaret Kozak (VOC)<br>Dr. Sireesha Nallu (Cottonwood)<br>Dr. Anjaneyulu Kosaraju (Camp Verde)<br>*Continuing to recruit 1 additional Primary Care* | August 2024<br>November 2024<br>November 2024 |
| **Immediate Care (Camp Verde)** | Courtney Umphress, PA<br>Brett Brawley, NP | March 2024<br>July 2024 |
| **Oncology** | Dr. Matthew Greer (Radiation Oncology, Sedona)<br>Yoonha Kim, PA (Breast Clinic, Sedona)<br>• *Actively recruiting 1 Medical Oncologist* | May 2024<br>July 2024 |
| **Urology** | Dr. Mike MacDonald<br>• *Continuing to recruit 1 additional Urologist* | October 2024 |

Northern Arizona Healthcare

# Provider Adds to the Verde Valley

| Specialty | Provider Name | Arrival Date |
|---|---|---|
| **Sleep Medicine** | Dr. Blirhon Baxhija | September 2024 |
| **Pulmonary (ICU Coverage & Pulmonary Clinic)** | Dr. Michael Hansen<br>Dr. James Rasmussen | December 2023<br>May 2024 |
| **Orthopedics** | Dr. Adam Schneider (Cottonwood) | February 2024 |
| **Endocrinology** | Dr. Sami Nasrallah (Cottonwood) | March 2024 |
| **Neurology** | Dr. Josh Gibbons (Cottonwood)<br>*Continuing to recruit 1 additional Neurologist* | March 2024 |
| **OB/GYN** | Katie Moore, MSN CMN (Nurse Midwife)<br>• *Actively Recruiting 1 Additional Physician* | August 2024 |
| **Otolaryngology (ENT)** | Dr. Jake Feldman | January 2025 |
| **Behavioral Health** | Dr. Miranda Anderson (Addiction Medicine/Recovery Clinic)<br>• *Adding Addiction Therapist to this practice*<br>• *Recruiting for Behavioral Health Therapists within Primary Care in Cottonwood, Camp Verde, and Sedona* | July 2024 |

Northern Arizona Healthcare

# NAH & City of Hope

**Northern Arizona Healthcare**

**City of Hope®**

**NAH Goals for the COH Care Coordination Alliance:**

- Enhancement/growth of local service offerings
- Local access to consultation with subspecialists for complex cancers
- Development of coordinated pathways that advance diagnosis and treatment protocols for NAH patients
- Access to advanced cancer treatments (when necessary) at COH's Phoenix campus
- COH participation in NAH Tumor Conferences
- Evolving relationship into having NAH patients access clinical trials / research with COH

**Why City of Hope?**

- 3rd Largest Cancer Provider in the US
- Largest Bone Marrow Transplant program in the country
- NCI-designated comprehensive cancer center
- COH-Phoenix offers NAH access to unique subspecialists for leukemia, myeloma and other rare cancers

NAH announces new cancer care coordination alliance with City of Hope

**Northern Arizona Healthcare**

# VVMC Infrastructure Upgrades

**Project Description:**

- Initial phase of a multi-year "Master Facility Plan"

- Installation of new boiler system to replace rented temporary unit

- Installation of new generator and corresponding fuel cell / automatic transfer switches

- Placement of new propane tank

- Tie-in of all new systems infrastructure to VVMC building management system
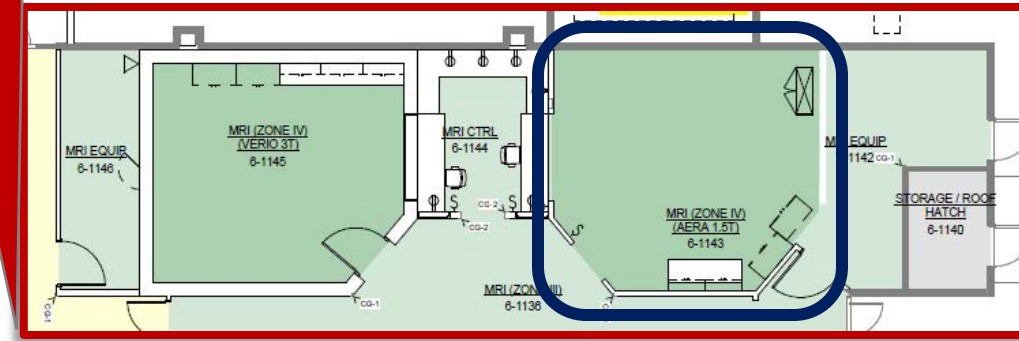
$10.7M of in-flight infrastructure upgrades that began in 2022 and will be completed in 2025.

Northern Arizona Healthcare

# VVMC MIC MRI #2
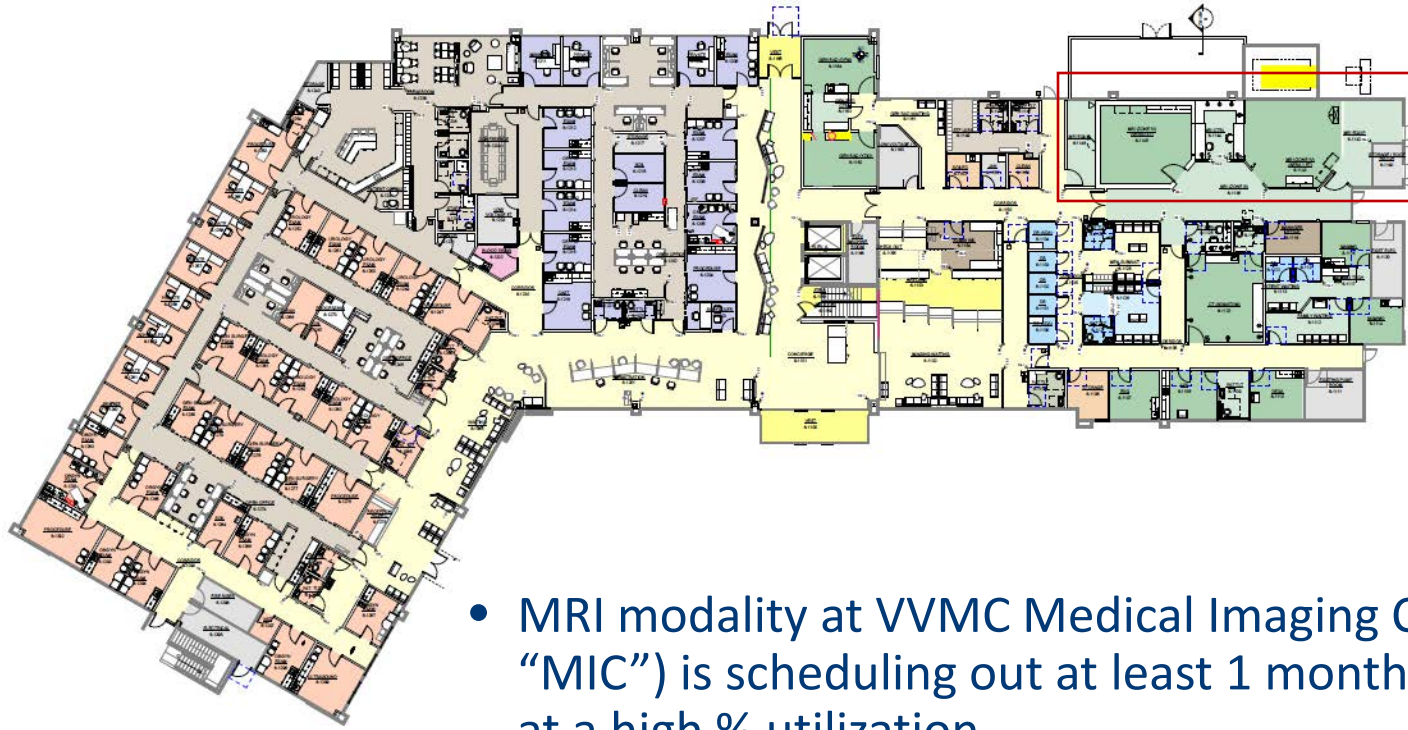


= Shelled room for MRI #2

- MRI modality at VVMC Medical Imaging Center (aka "MIC") is scheduling out at least 1 month for MRIs and is at a high % utilization

- Outpatient MRI overflow from MIC happening at VVMC and can impact Inpatient and ED throughput

- Existing MRI shell space exists within the department for this purpose

Northern Arizona Healthcare

# VVMC Emergency Department

**Drivers of Emergency Department Remodel / Expansion:**

- Racetrack configuration supports improved patient visibility, cohort assignment, and wayfinding

- Design supports a fast track model

- Individual triage rooms

- Standardized exam rooms

- Behavioral Health improvements support safety and holding



| | Exam Rooms | Exam Bays | Fast Track Positions | BH Rooms | BH Group Area |
|---|---|---|---|---|---|
| Existing Emergency Dept. | 20 (including 2 trauma bays) | 4 | 0 | 3 | 0 |
| Future Emergency Dept. | 27 (including 2 trauma bays) | 0 | 4 | 3 | 1 (3 chairs) |

# VVMC Robotic Surgery



**First 3 Cases Occurred on June 10th and 33 Total Completed Through August 2024**
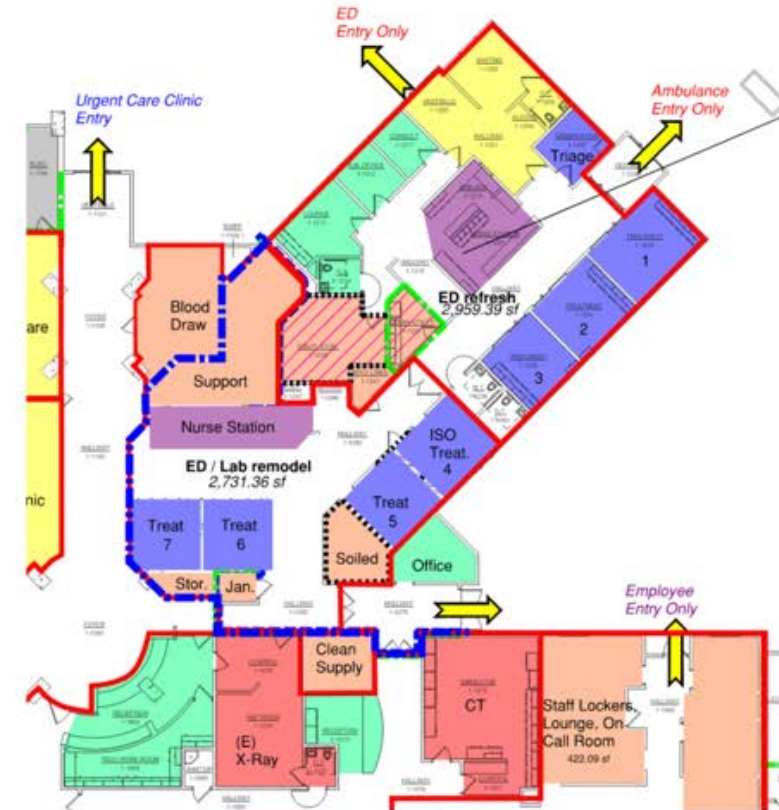
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# SMC Emergency Department


Emergency Department Recommendations
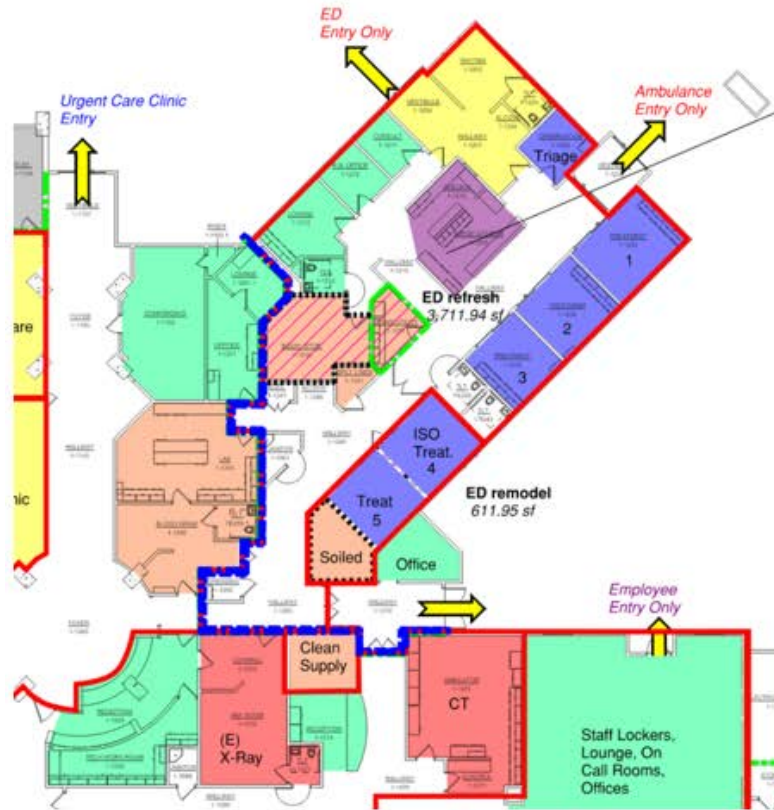
Phase 1
- 5 dedicated exam rooms
- Resuscitation and Isolation Rooms
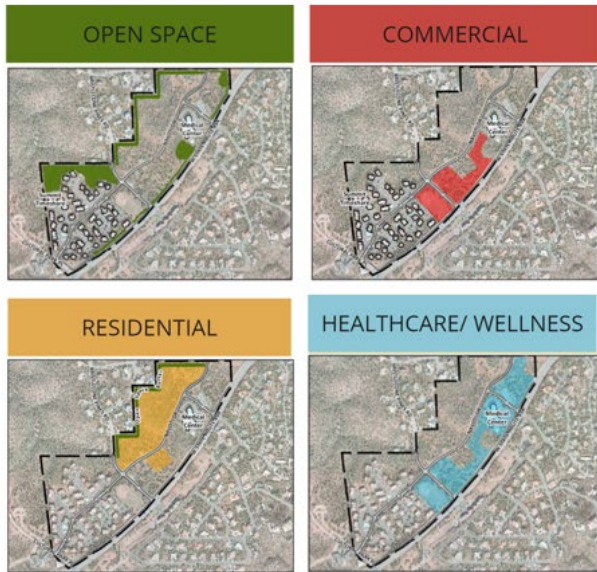- Move staff support from ED proper

Phase 2
- 7 dedicated exam rooms
- Expanded Lab
- Relocate 2-hour barrier separating occupancies

Northern Arizona Healthcare

# SMC Campus Master Planning

- NAH owns approximately 34 acres around the existing facility

- Western Gateway Community Focus Area includes residential, commercial, and healthcare/wellness



OPEN SPACE

COMMERCIAL

RESIDENTIAL

HEALTHCARE/ WELLNESS

Lease From    Hospital    Land    Lease To    Own (VVMC Programs)

WELLNESS

MEDIUM DENSITY 2-3 STORIES

EXISTING NAH CAMPUS

COMMERCIAL / MIXED USE

**LEGEND**
- 55+ Oriented Facility
- General Programming
- Community Center / Hub
- Open Space / Buffer
- Stormwater Management Area
- Pedestrian Connection / Trail

Scale: 1" = 100'

*Concept A*

Northern Arizona Healthcare

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Northern Arizona Healthcare