

Mid-Year Budget Report

City of Placerville, California

March 22, 2016

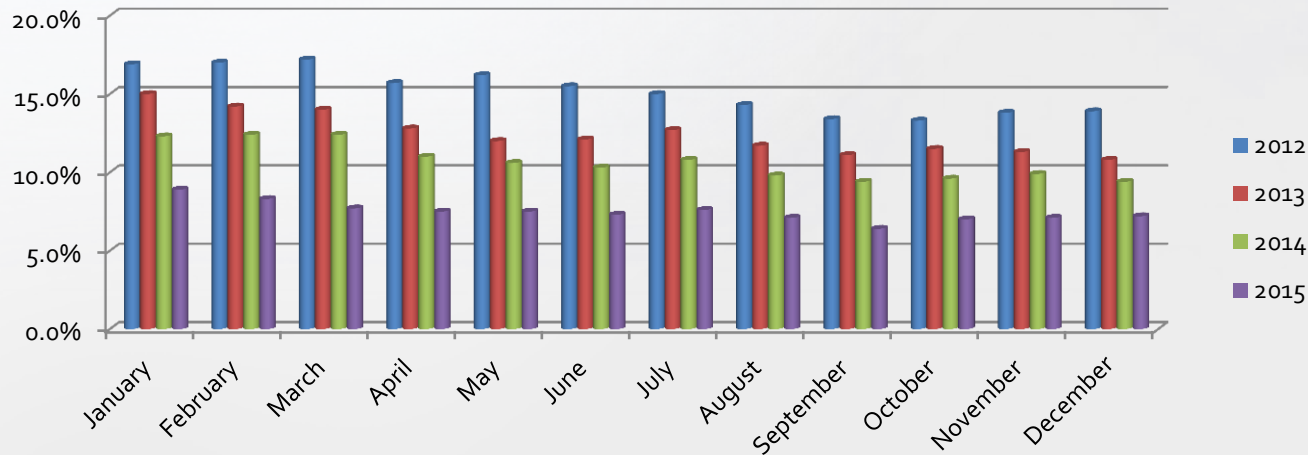
Overview

- Review local economic climate
- Focus on the General Fund
- Update on all other operating funds

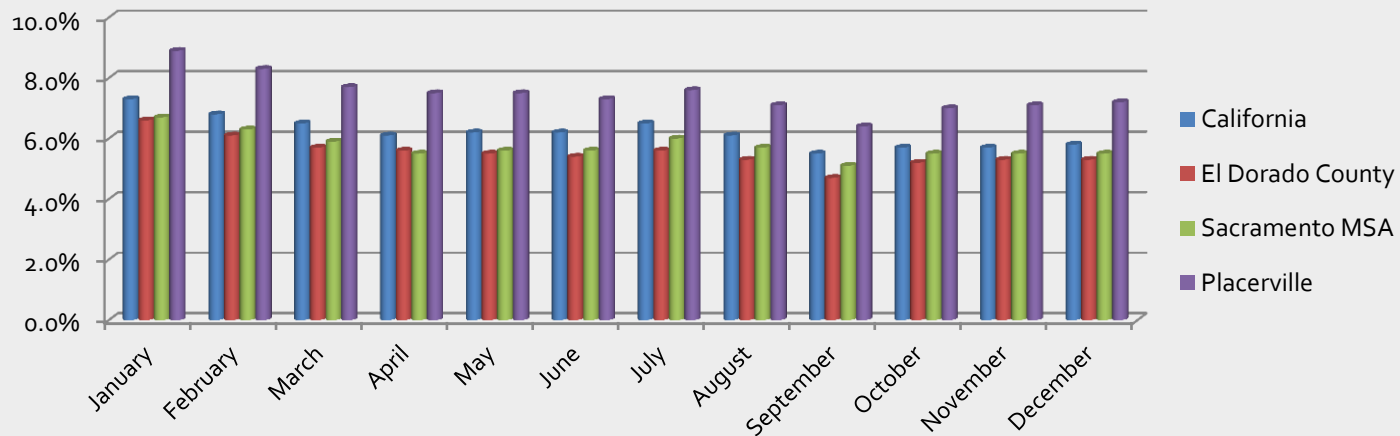
Economic Climate

- Unemployment rates

City of Placerville's Historical Unemployment Rates



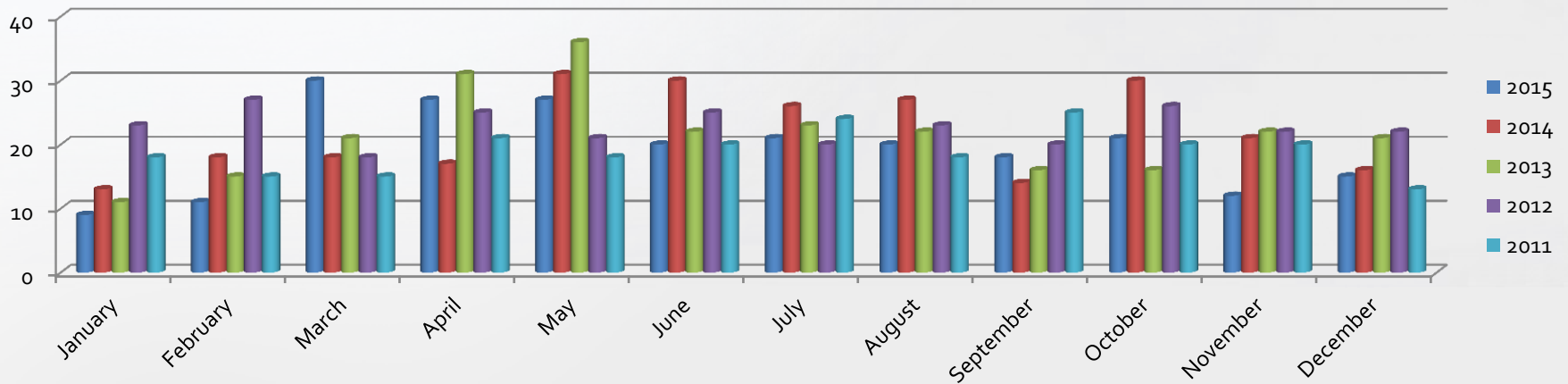
2015 Regional Unemployment Rates



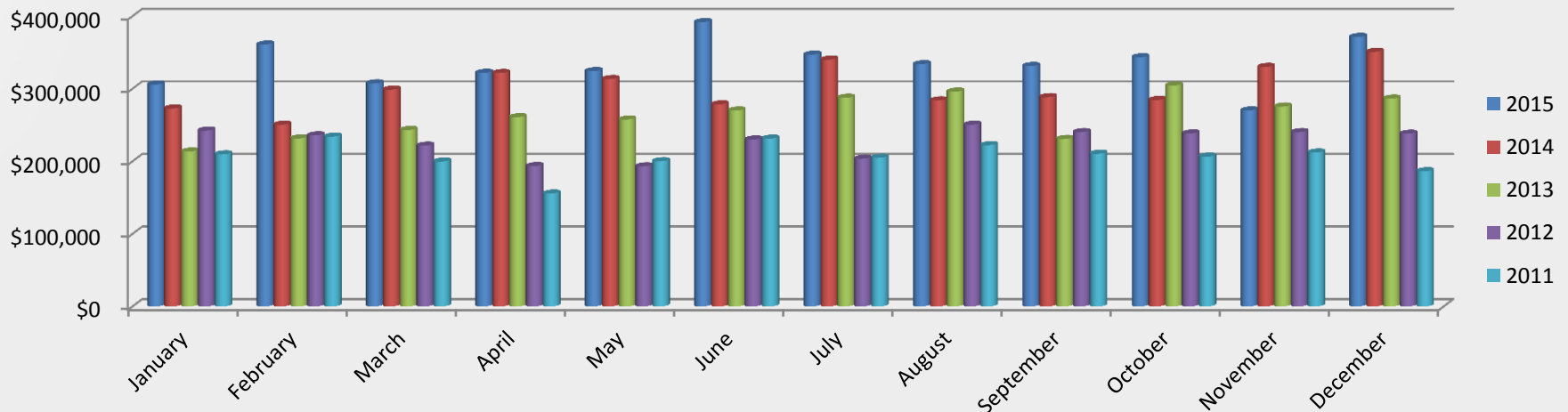
Economic Climate (Continued)

- Local real estate market

Number of Residential Sales in the Greater Placerville Area



Average Price of Residential Sales in the Greater Placerville Area



Economic Climate (Continued)

- Recreation program attendance

Program	July to Dec. 2014	July to Dec. 2015	Increase/- Decrease	% Increase/- Decrease
Gold Bug Park				
Gold Bug Daily Tours	8,669	8,229	-440	-5.08%
Gold Bug Group Tours	733	835	102	13.92%
Total	9,402	9,064	-338	-3.59%
Aquatics				
Lap Swim	648	353	-295	-45.52%
Evening Public Swim	2,040	2,124	84	4.12%
Wading Pool	1,425	912	-513	-36.00%
Public Swim	6,669	5,737	-932	-13.98%
Water Exercise	708	449	-259	-36.58%
Swim Lessons	950	867	-83	-8.74%
Jr. Lifeguard Camp	25	29	4	16.00%
Pool Rentals	14	21	7	50.00%
Total	12,479	10,492	-1,987	-15.92%
Special Interest Classes & Camps				
Youth Camps	184	205	21	11.41%
Adult Special Interest	234	355	121	51.71%
Youth Special Interest	101	70	-31	-30.69%
Total	519	630	111	21.39%
Adult Sports				
Basketball Teams (3 on 3)	22	24	2	9.09%
Basketball Teams (5 on 5)	5	8	3	60.00%
Softball Teams	162	154	-8	-4.94%
Volleyball Teams	19	12	-7	-36.84%
Total	208	198	-10	-4.81%
Youth Basketball^				
Basketball Teams	75	81	6	8.00%
Total	75	81	6	8.00%
Banner Over Main				
Banner Reservations	24	23	-1	-4.17%
Total	24	23	-1	-4.17%

^ Youth Basketball season runs from mid-January through mid-March each year.

Economic Climate (Continued)

● Building Division activity

Description	7/1/10-12/31/10	7/11/11-12/31/11	7/1/12-12/31/12	7/1/13-12/31/13	7/1/14-12/31/14	7/1/15-12/31/15	Difference	Percent Difference
Building Permits Issued	183	183	220	208	204	240	36	17.6%
Building Plan Checks	67	76	94	76	54	144	90	166.67%
Building Inspections	450	533	533	600	504	457	-47	-9.3%

Fee	Actual 2013/2014	Actual 2014/2015	Actual 2015/2016 as of 12/31/15	Forecasted 2015/2016
Construction Permits	\$100,252	\$106,417	\$93,952	\$113,952 - \$161,000*
Plan Check Fees	\$54,936	\$41,023	\$39,495	\$56,995

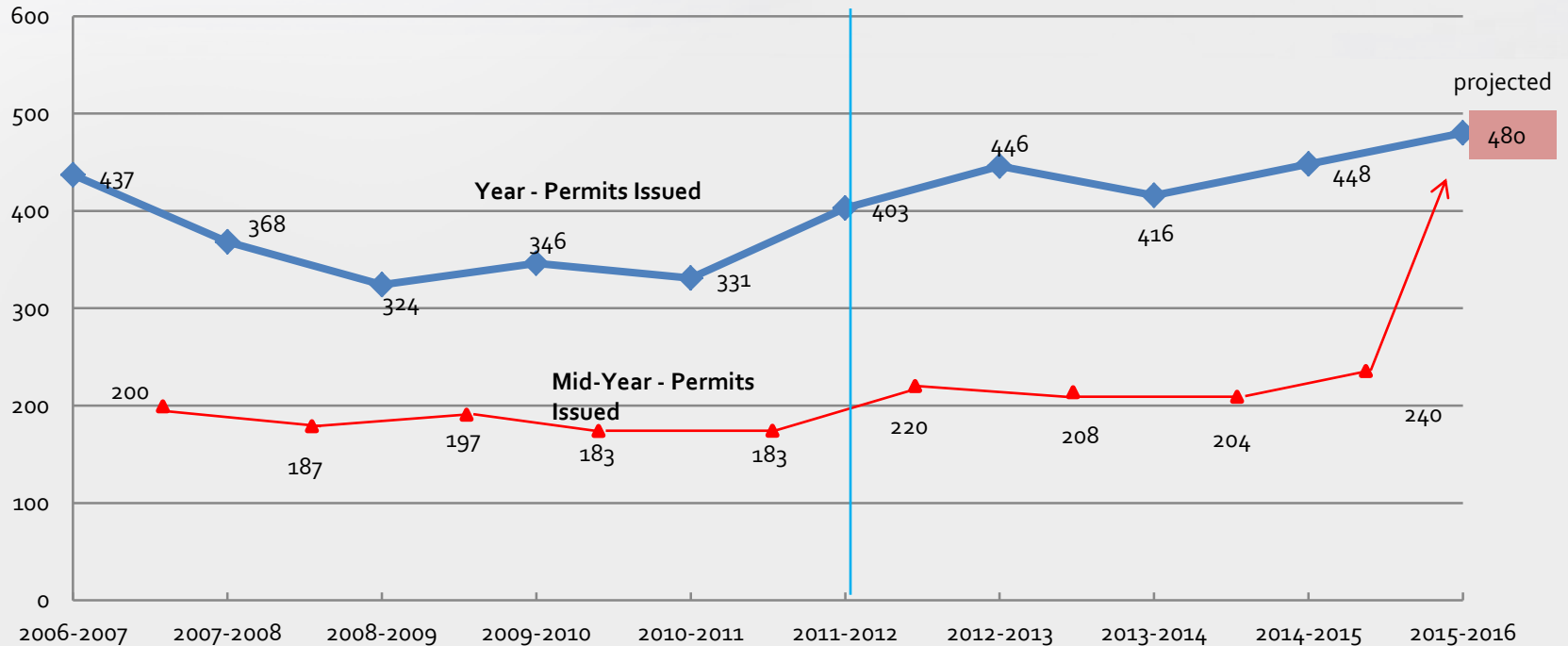
*Fee's based on Eskaton permitting approximately 15 new building permits between Jan-June 2016.

Economic Climate (Continued)

Building Permits – Issued by Fiscal Year

(projected 2015-2016 permits to be issued by June)

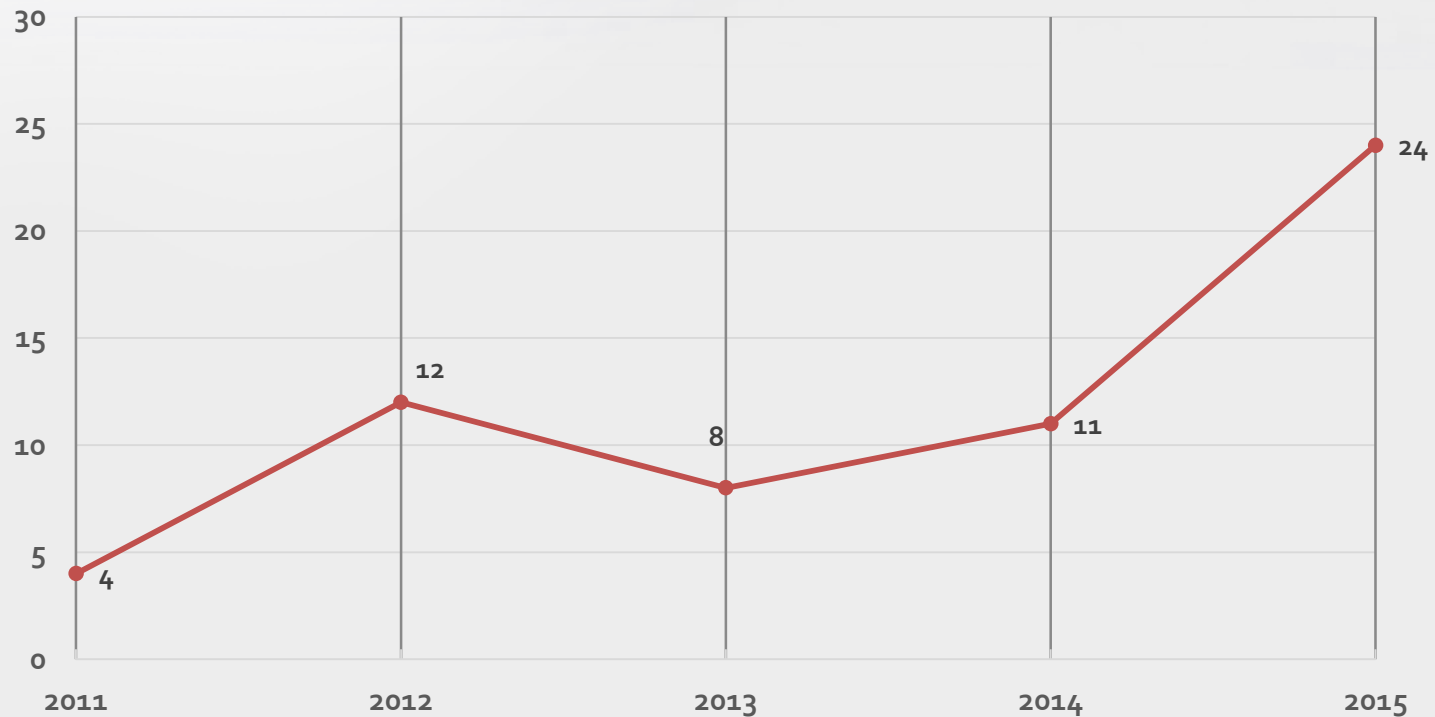
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
2011-2012	29	37	29	26	35	27	43	36	31	45	33	32	403
2012-2013	40	33	46	39	36	26	42	27	31	39	59	28	446
2013-2014	45	35	25	32	33	38	26	26	39	45	27	45	416
2014-2015	31	31	43	28	44	27	21	32	42	44	46	59	448
2015-2016	47	36	39	64	29	25							



Economic Climate (Continued)

Building – New Single Family Dwellings Issued by Calendar Year

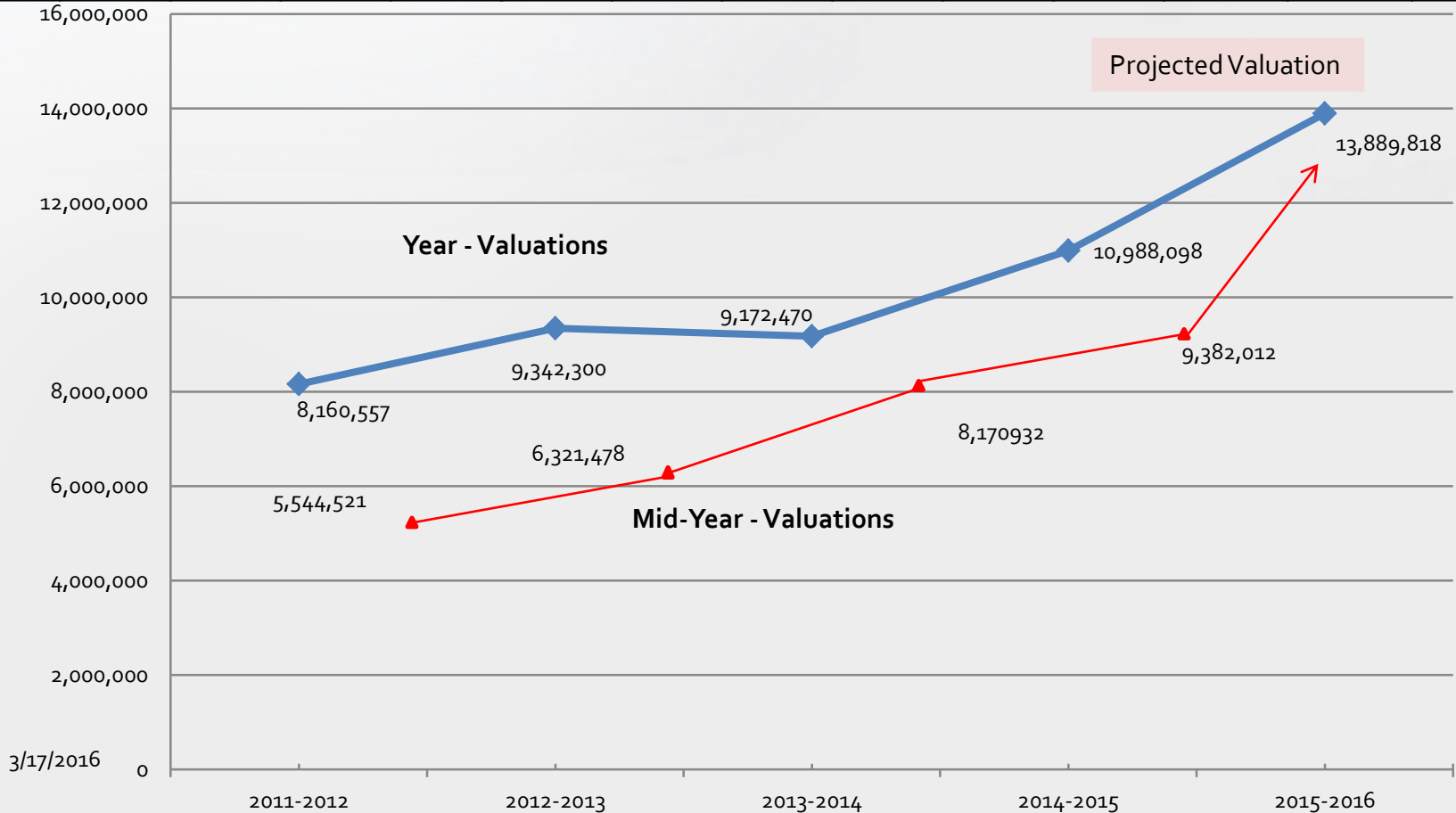
NEW HOUSING UNITS PERMITTED													
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2011	0	0	0	0	1	0	2	0	1	0	0	0	4
2012	2	0	0	0	0	1	2	0	1	6	0	0	12
2013	1	0	0	1	2	1	2	0	0	1	0	0	8
2014	0	0	0	1	1	0	0	1	0	0	8	0	11
2015	0	0	0	0	0	3	1	1	0	19	0	0	24



Economic Climate (Continued)

Building Division Activity -- Valuation

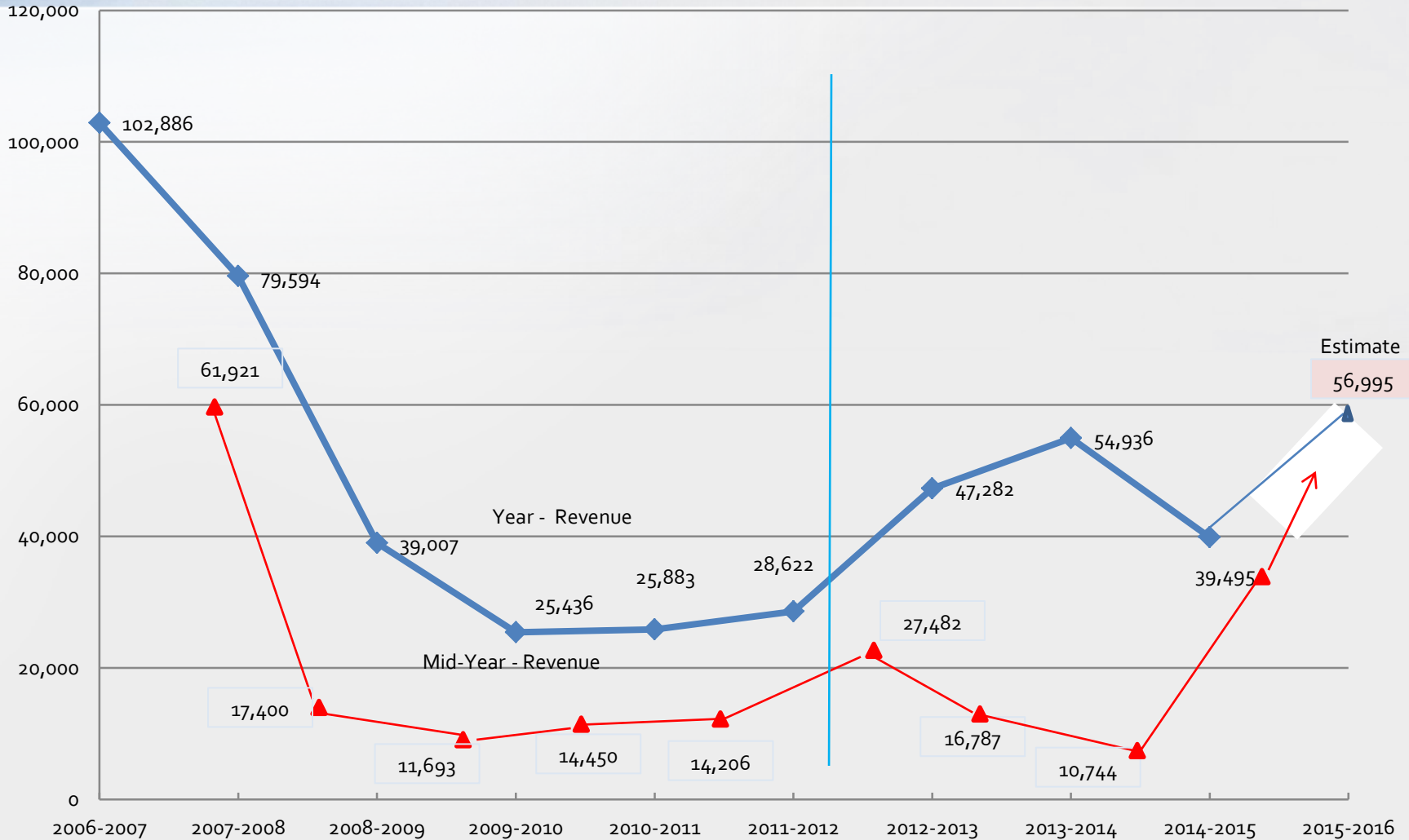
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	total
2012-13	\$975,339	\$315,548	\$542,707	\$3,226,263	\$287,428	\$197,236	\$549,903	\$570,993	\$387,048	\$710,111	\$1,278,712	\$301,012	\$9,342,300
2013-14	639,353	1,120,803	713,313	752,591	765,428	2,329,990	583,755	168,286	302,260	343,774	358,051	1,094,866	9,172,470
2014-15	406,177	1,188,002	967,771	619,427	2,938,565	2,050,990	94,538	254,301	349,563	654,450	486,204	978,109	10,988,098
2015-16	1,237,626	605,641	387,651	6,384,323	442,920	323,851							13,889,818



Economic Climate (Continued)

Building Plan Check Revenue

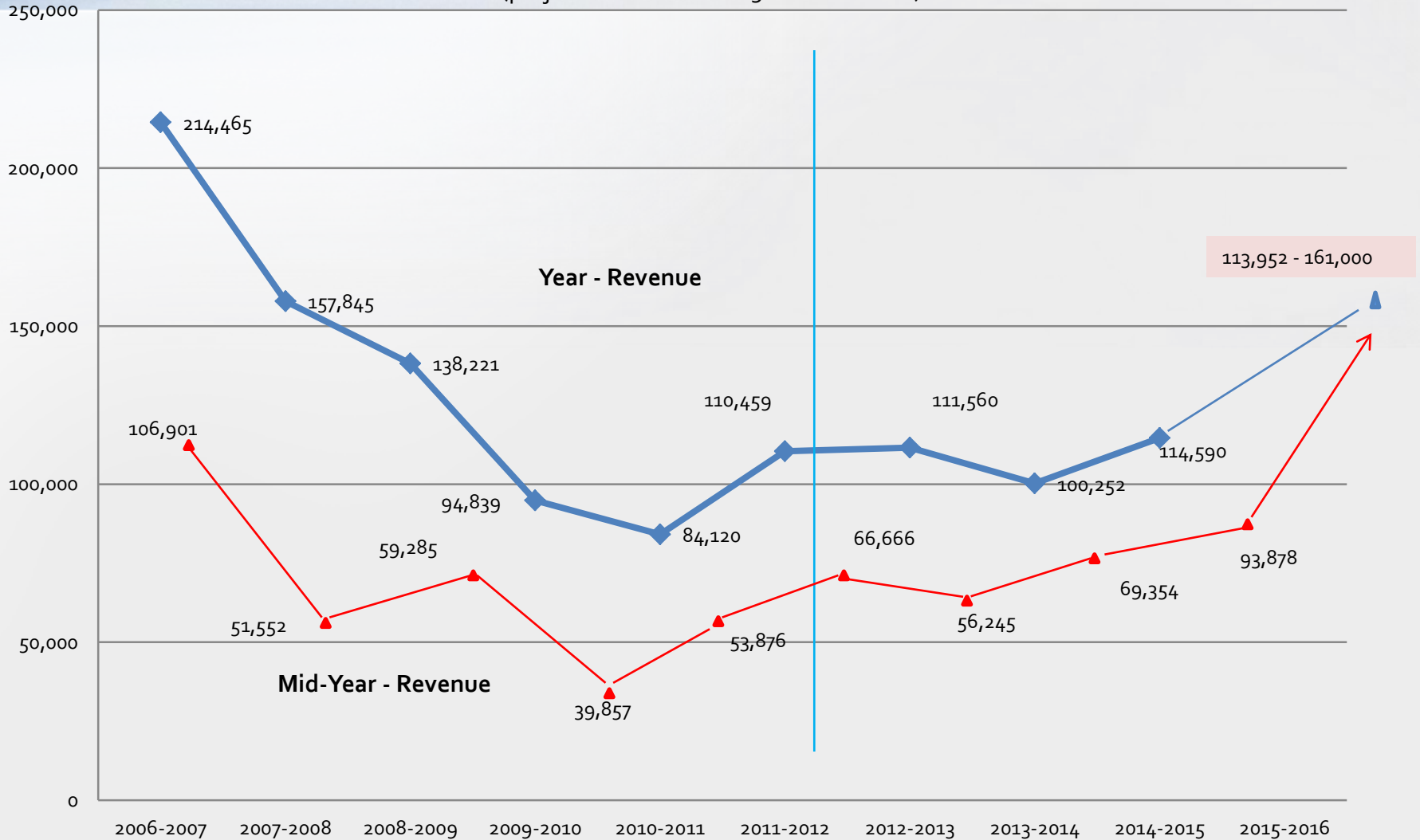
(estimated 2015-16)



Economic Climate (Continued)

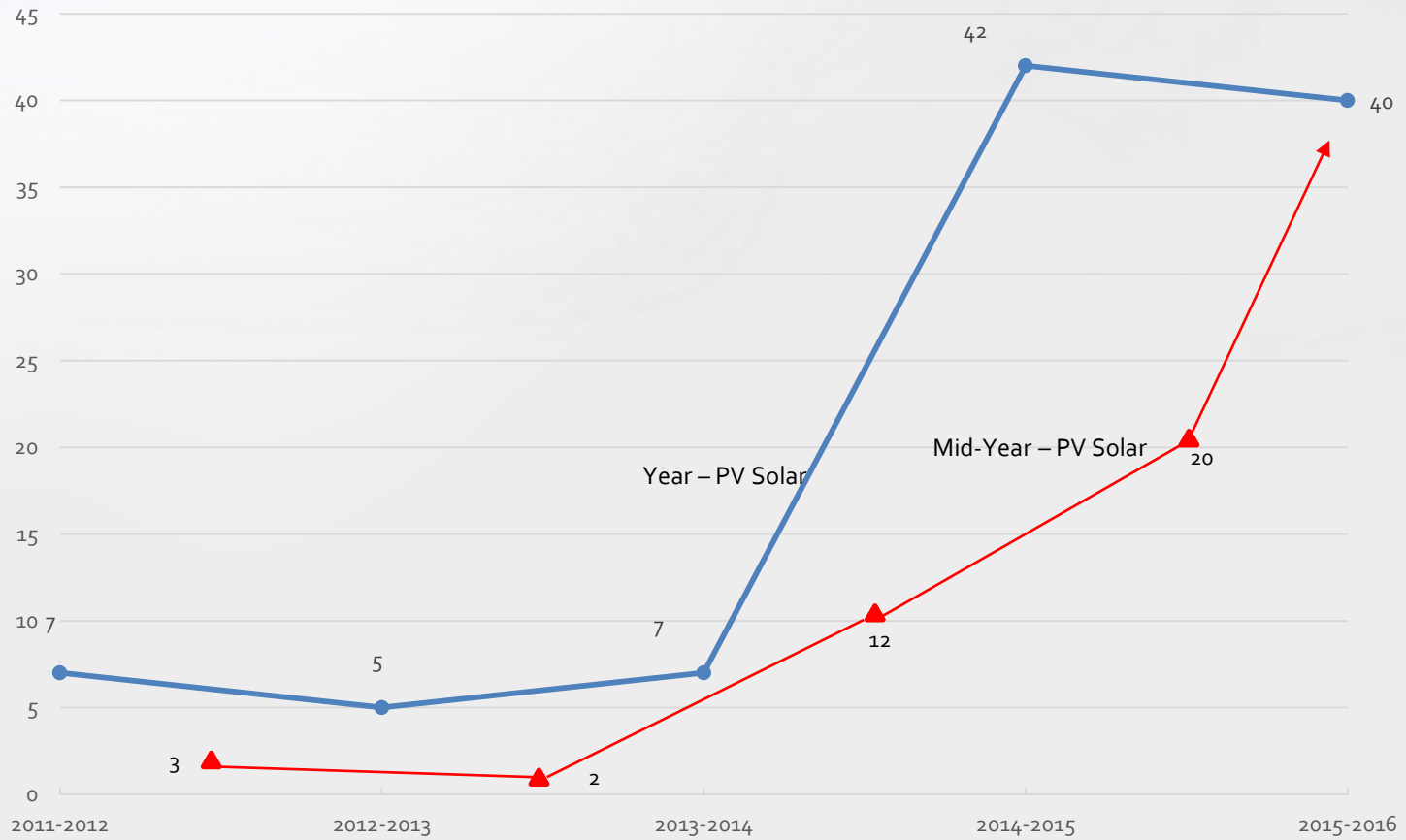
Building Revenue – by Fiscal Year

(projected to end of 2015-16 Fiscal Year)



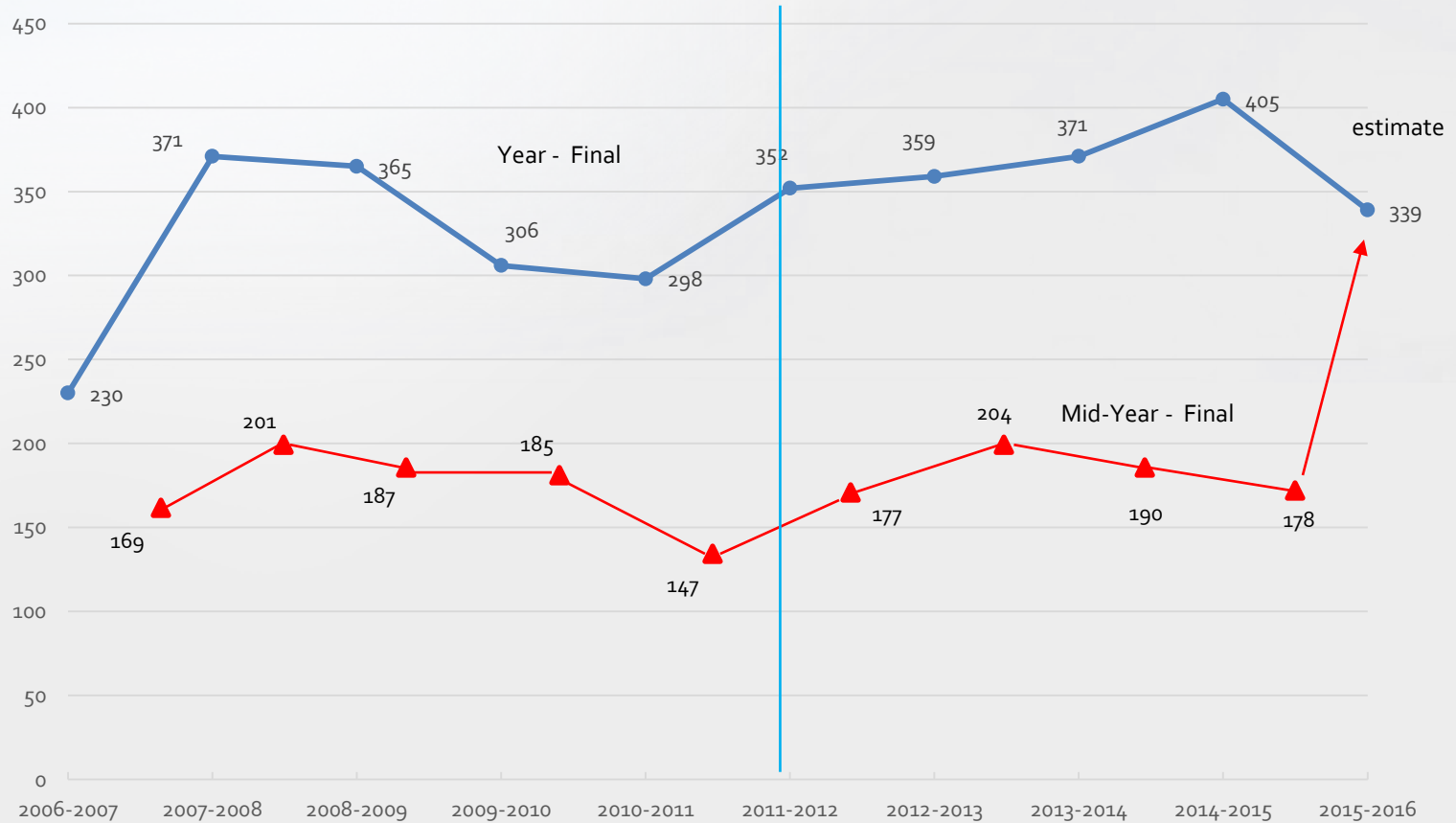
Economic Climate (Continued)

Building – PV Solar by Fiscal Year



Economic Climate (Continued)

Building Permits – Final by Fiscal Year



Economic Climate (Continued)

- Engineering Division activity

Fee Type	July 1 to December 31, 2014		July 1 to December 31, 2015	
	Count	Revenue	Count	Revenue
Development Plan Review	13	\$11,350.00	1	\$250.00
Tentative Parcel Maps	-	-	-	-
Tentative Subdivision Maps	-	-	-	-
Misc. Engineering Fees*	-	-	-	-
Encroachment Permits	25	\$3,325.00	31	4,525
Transportation Permits	13	\$890.00	7	\$260.00
Water CIC Fees	-	-	4	\$50,495.00
Sewer CIC Fees	10	\$62,800.00	4	\$50,540.00
TIM Fees	10	\$142,560.00	4	\$57,024.00
Parks	-	\$0.00	5	\$6,600.00
Development Plan Check	-	\$0.00	4	\$19,429.00
Development Permit	-	\$0.00	4	\$22,944.00
Grading Plan Check	-	\$0.00	7	\$4,852.50
Grading Permit	-	\$0.00	7	\$1,675.00
TOTALS		\$220,925		\$218,595

*COC, BLA, PPR, SPR, PDO, Water & Sewer Apps & Meters

Economic Climate (Continued)

- Sales Tax-Bradley Burns (1.00 of 7.50%)
 - Most significant local economic indicator
 - 53.63% of total General Fund revenue
 - Strong per capita sales tax (\$359 in 2014)
 - Placerville ranked #45 out of 539 cities (2014)
 - Quarter ended September 2015-Receipts reported up by 5.66% or \$58,672 in Placerville
 - With adjustments, receipts were actually up by 7.29% or \$74,452 in Placerville
 - Statewide, 3rd quarter receipts up by 5.7%

Economic Climate (Continued)

- Sacramento Region Sales Tax Growth for the Quarter Ended September 30, 2015

Amador County

Amador City	-33.27%
Ione	132.18%
Jackson	11.60%
Plymouth	-121.26%
Sutter Creek	26.08%
Amador County-Unincorporated Area	2.45%
Amador County-All Agencies	4.88%

El Dorado County

Placerville^	5.66%
South Lake Tahoe	-0.17%
El Dorado County-Unincorporated Area	1.93%
El Dorado County-All Agencies	2.10%

Placer County

Auburn	5.07%
Colfax	-0.86%
Lincoln	-3.56%
Loomis	-3.50%
Rocklin	30.53%
Roseville	3.23%
Placer County-Unincorporated Area	3.21%
Placer County All agencies Area	5.68%

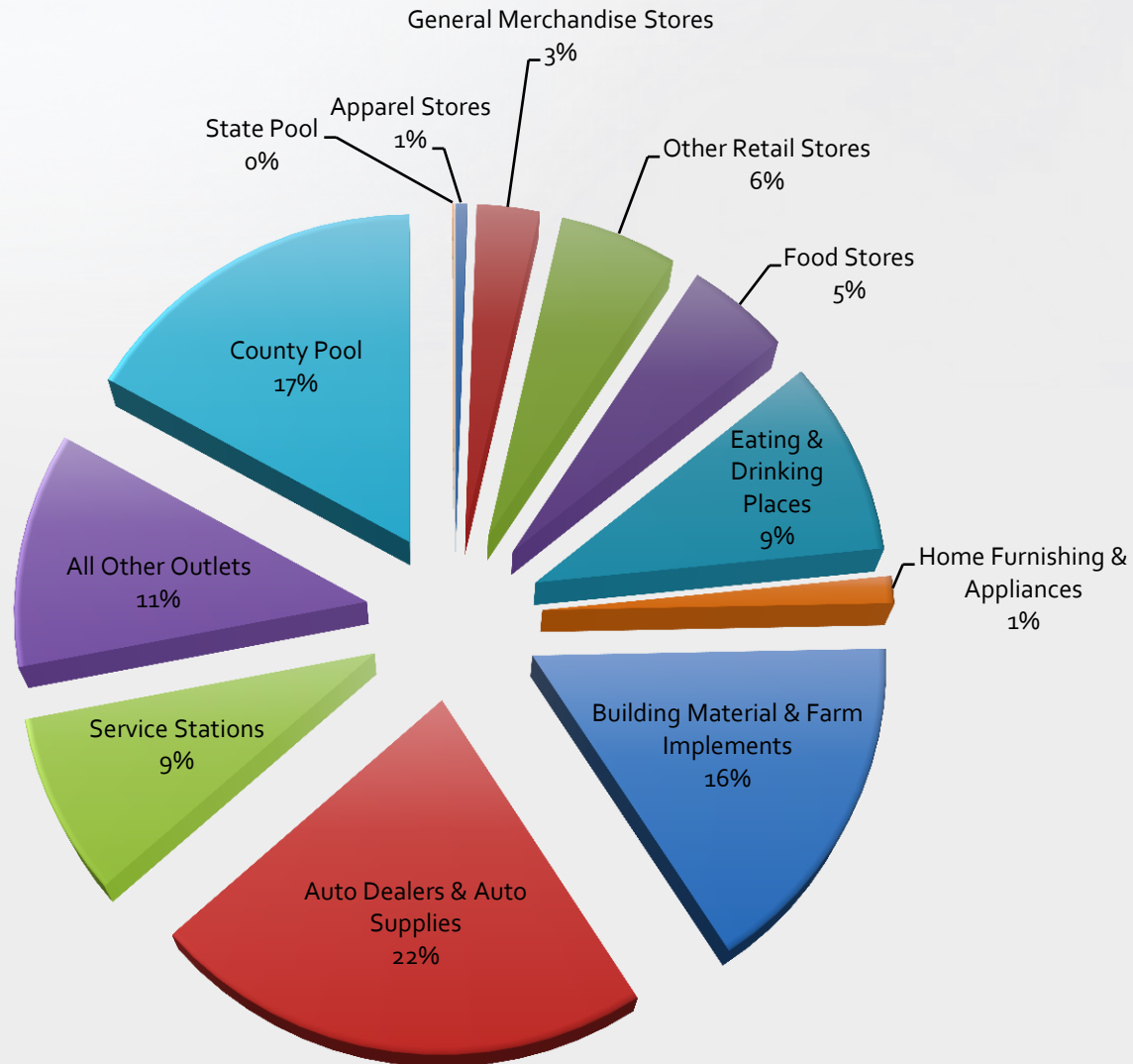
Sacramento County

Citrus Heights	0.72%
Elk Grove	7.57%
Folsom	-0.18%
Galt	14.39%
Isleton	-7.61%
Rancho Cordova	14.61%
Sacramento	6.38%
Sacramento County-Unincorporated Area	0.42%
Sacramento County-All Agencies	4.15%

^Placerville's actual growth was 7.29% when adjusted by \$15,780 correction in 2014.

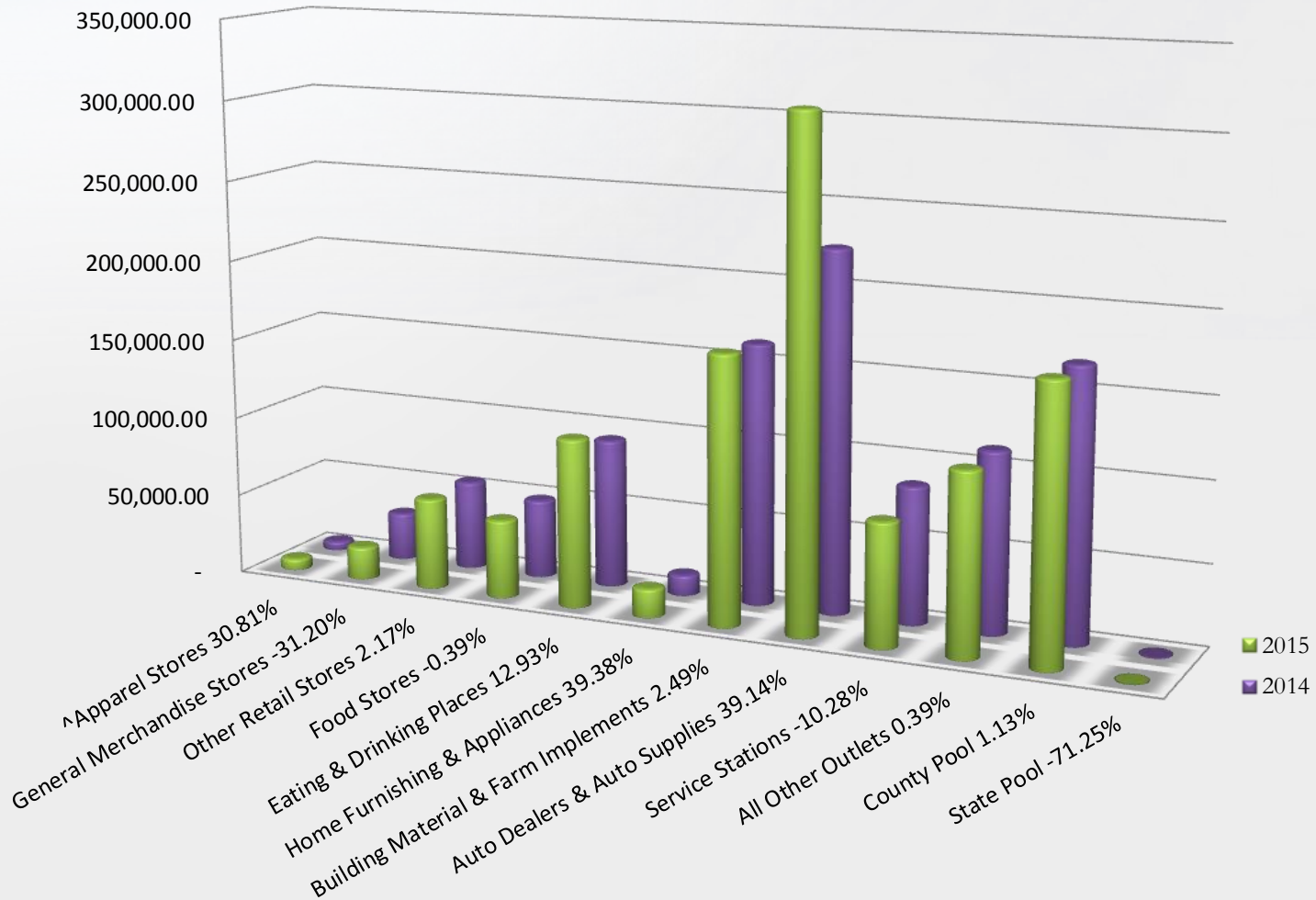
Economic Climate (Continued)

Bradley Burns Sales Tax Sources Quarter Ended September 30, 2015



Economic Climate (Continued)

Year Over Year Bradley Burns Sales Tax Comparison Quarter Ended September 30th



^Apparel Stores includes a \$(15,780) adjustment in 2014.

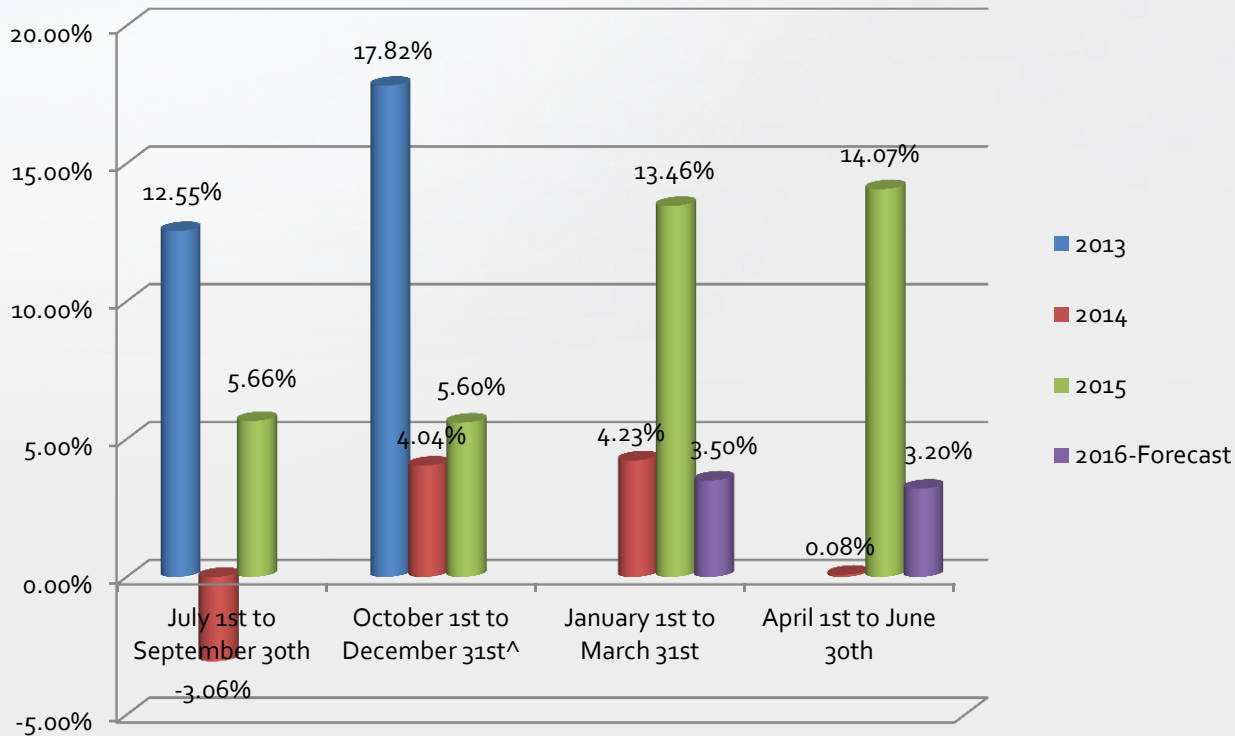
Economic Climate (Continued)

Top 10 Sales Tax Generating Businesses In the City of Placerville Quarter Ended September 30, 2015

- 1 - The Home Depot
- 2 - Thompsons Toyota
- 3 - Thompsons Auto & Truck Center
- 4 - Thompsons Chrysler
- 5 - Rancho Convenience Center (ARCO AM/PM)
- 6 - Pacific Coast Supply
- 7 - Hunt & Sons, Inc.
- 8 - Raley's
- 9 - Wells Auto Sales
- 10 - Nella Oil Company, LLC

Economic Climate (Continued)

- Sales Tax-Bradley Burns (Continued)
 - Latest BOE forecasted Statewide sales tax growth:

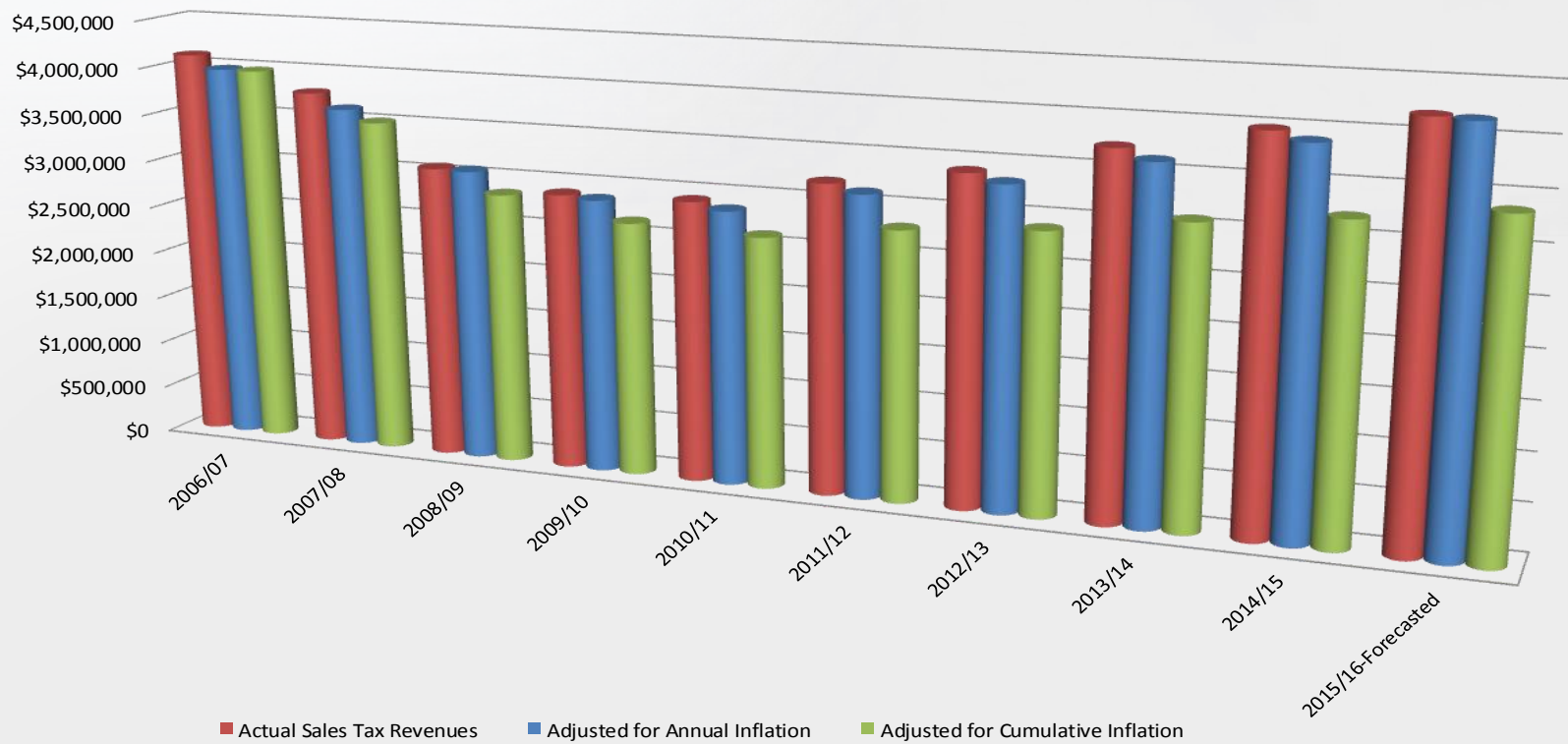


- Actual Fiscal Year 2014/2015 sales tax \$3,988,576
- Forecast Fiscal Year 2015/2016 sales tax \$4,198,577
- Forecast \$210,001 or 5.27% in year over year growth

[^]5.60% growth for the quarter ended December 2015 is forecasted.

Economic Climate (Continued)

- Bradley Burns Sales Tax Trend



Adopted Operating Budget

- Adopted in June 2015
- Totaled \$17,833,537
- Assumed anticipated economic impacts
- General Fund budget
 - \$7,902,934
 - \$75,000 Contingency for unforeseen expenditures
 - \$90,711 Planned use of fund balance for equipment purchases

Focus on the General Fund

	<u>Revised Budget</u>	<u>Forecast</u>	<u>Under/(Over) Budget</u>	
Revenues	\$7,829,623	\$7,823,093	\$ 6,530	0.08%
Expenditures	8,126,239	8,110,406	15,833	0.19%
Net Transfers In	<u>206,693</u>	<u>132,567</u>	74,126	35.86%
Revenues over (under) Expenditures	<u><u>\$ (89,923)</u></u>	<u><u>\$ (154,746)</u></u>		
From Unassigned Fund Balance	<u><u>\$ 89,923</u></u>	<u><u>\$ 154,746</u></u>		

Focus on the General Fund (cont.)

Revenue Type	Revised Budget	Forecast	Over/(Under)	
Sales Tax	\$ 4,199,241	\$ 4,198,577	\$ (664)	-0.02%
All Other Taxes	839,326	874,656	35,330	4.21%
Construction Permits	110,000	113,952	3,952	3.59%
Intergovernmental Revenues	829,603	851,087	21,484	2.59%
Charges for Service	792,645	845,956	53,311	6.73%
Fines & Forfeitures	115,500	142,858	27,358	23.69%
Use of Money & Property	50,120	39,377	(10,743)	-21.43%
Other Financing Sources	893,188	756,630	(136,558)	-15.29%
Total revenues	\$ 7,829,623	\$ 7,823,093	\$ (6,530)	-0.08%

Focus on the General Fund (cont.)

- Expenditures

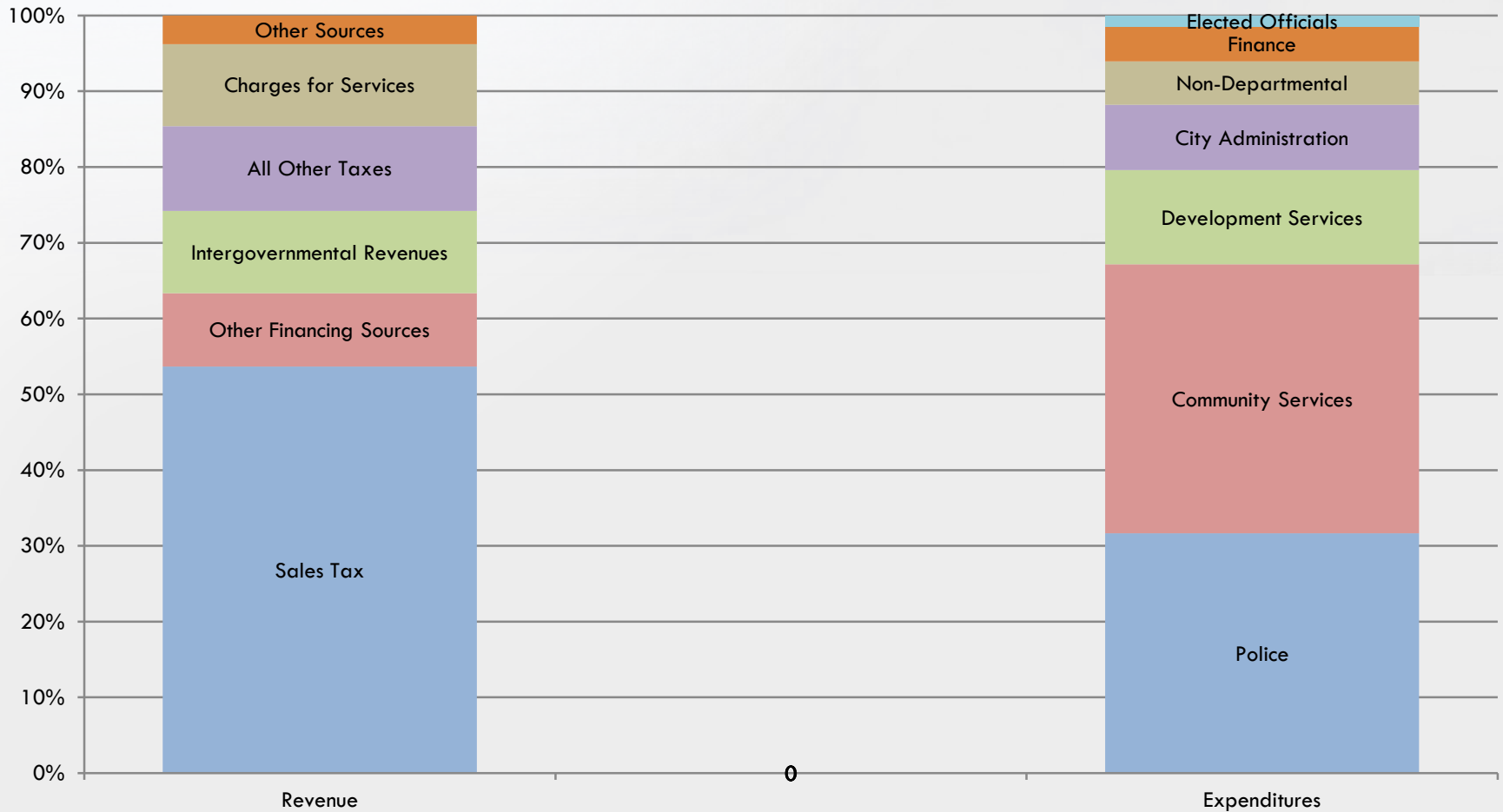
Department	Revised Budget	Forecast	Over/(Under) Budget	
Police	\$2,706,052	\$ 2,526,057	\$ (179,995)	-6.65%
Development Services	975,006	990,402	15,396	1.58%
Community Services	2,709,555	2,832,799	123,244	4.55%
Elected Officials	129,373	116,654	(12,719)	-9.83%
City Administration	683,083	690,033	6,950	1.02%
Finance	348,461	367,048	18,587	5.33%
Non-Departmental	368,016	454,846	86,830	23.59%
Total expenditures	\$7,919,546	\$ 7,977,839	\$ 58,293	0.74%

Focus on the General Fund (cont.)

Fund Transfers	Revised Budget	Forecast	Over/(Under)	
Gas Tax Fund to General Fund	\$233,817	\$233,817	\$ -	0.00%
Reserve for Economic Uncertainties to General Fund	75,000	75,000	-	0.00%
General Fund to General Liability Fund	(77,124)	(151,250)	(74,126)	96.11%
General Fund to Parking District Fund	(25,000)	(25,000)	-	0.00%
Net transfers in	\$206,693	\$132,567	\$ (74,126)	-35.86%

Focus on the General Fund (cont.)

Forecasted General Fund Revenues and Expenditures and Net Transfers In Fiscal Year 2015/2016



Focus on the General Fund (cont.)

- Assumes pay-as-you go costs for GASB 45 Other Post Employment Benefits (OPEB) Annual Required Contribution (ARC)
 - No contribution for future retiree medical insurance costs
- Assumes expending entire \$75,000 contingency
- Projected surplus based on current revenue and expenditure trends
- Deficit primarily due to \$90,711 equipment purchases and \$64,035 in general liability claims
- No funding for facility or street capital improvements

Focus on the General Fund (cont.)

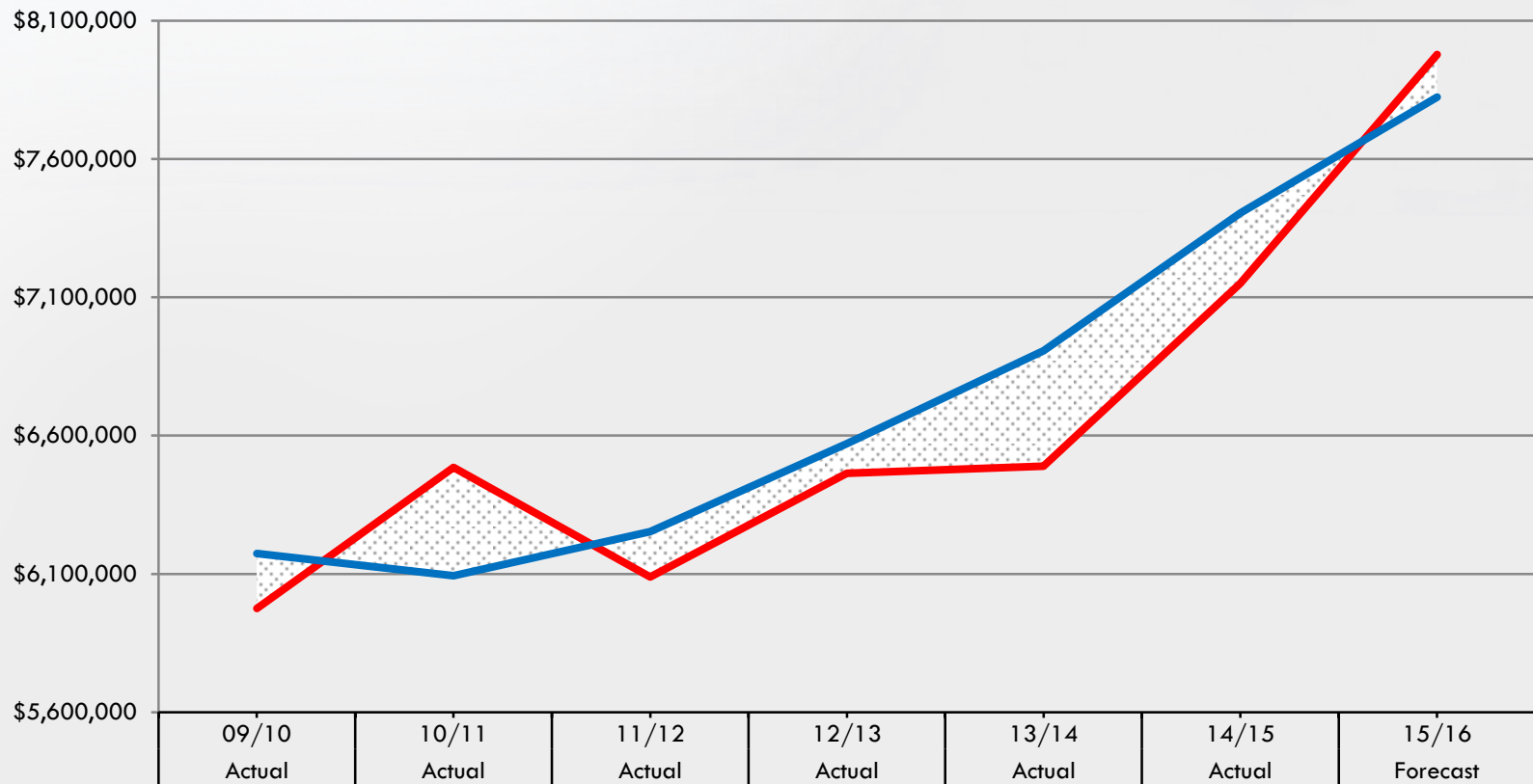
The City continues to operate well below the 2006/2007 level due to the demands of the “new economy.”

	2006/2007	2015/2016	Increase	
	Actual	Forecast	(Decrease)	
	<hr/>	<hr/>	<hr/>	
Revenues	\$ 8,386,136	\$ 7,823,093	\$ (563,043)	-6.71%
Expenditures	8,173,119	8,110,406	(62,713)	-0.77%
Net Transfers	(111,821)	132,567	(244,388)	218.55%
	<hr/>	<hr/>		
Revenues over				
(under) Expenditures	<u><u>\$ 101,196</u></u>	<u><u>\$ (154,746)</u></u>		

- Staffing remains 19.90% below the 2006/2007 level

Focus on the General Fund (cont.)

General Fund Revenues vs. Expenditures



Focus on the General Fund (cont.)

City of Placerville Forecasted General Fund Expenditures Fiscal Year 2015/2016



Police	\$0.32
Development Services	\$0.12
Community Services	\$0.36
Elected Officials	\$0.01
Administration	\$0.09
Finance	\$0.05
Non-Departmental	\$0.06

Measure J Fund Update

	<u>Revised Budget</u>	<u>Forecast</u>	<u>Under/(Over) Budget</u>	
Revenues	\$ 1,020,022	\$ 941,751	\$ 78,271	7.67%
Expenditures	952,160	979,189	(27,029)	-2.84%
Net Transfers Out	<u>(77,131)</u>	<u>(77,131)</u>	-	0.00%
Revenues over (under) Expenditures	<u>\$ (9,269)</u>	<u>\$ (114,569)</u>		
From Operating Reserve	<u>\$ 9,269</u>	<u>\$ 114,569</u>		

- Sales tax experienced a \$38,562 or 15.00% year over year decrease in the quarter ended September 30, 2015
- Assumes \$77,131 payment towards \$119,318 inter-fund loan balance

Sewer Enterprise Fund Update

	<u>Revised Budget</u>	<u>Forecast</u>	<u>Under/(Over) Budget</u>	
Revenues	\$ 5,250,366	\$ 5,593,205	\$ (342,839)	-6.53%
Expenditures	6,113,224	6,114,476	(1,252)	-0.02%
Net Transfers In	415,711	305,060	110,651	26.62%

Revenues over (under) Expenditures	<u>\$ (447,147)</u>	<u>\$ (216,211)</u>
From Rate Stabilization Reserve	<u>\$ 447,147</u>	<u>\$ 216,211</u>

- Assumes \$110,651 transfer out to the General Liability Fund for sewer related claims
- No ongoing funding for capital replacement

Water Enterprise Fund Update

	<u>Revised Budget</u>	<u>Forecast</u>	<u>Under/(Over) Budget</u>	
Revenues	\$ 1,776,337	\$ 1,726,932	\$ 49,405	2.78%
Expenditures	1,834,624	1,781,737	52,887	2.88%
Net Transfers Out	<u>(77,124)</u>	<u>(77,666)</u>	542	-0.70%
Revenues over (under) Expenditures	<u>\$ (135,411)</u>	<u>\$ (132,471)</u>		
From Operating Reserve	<u>\$ 135,411</u>	<u>\$ 132,471</u>		

- No ongoing funding for capital replacement

Measure H Fund Update

	<u>Revised Budget</u>	<u>Forecast</u>	<u>Under/(Over) Budget</u>	
Revenues	\$ 1,021,502	\$ 942,961	\$ 78,541	7.69%
Expenditures	-	-	-	0.00%
Net Transfers Out	<u>(492,835)</u>	<u>(491,618)</u>	(1,217)	0.25%

Revenues over (under) Expenditures	<u>\$ 528,667</u>	<u>\$ 451,343</u>
Set Aside for Capital Projects	<u>\$ 528,667</u>	<u>\$ 451,343</u>

- Sales tax experienced a \$34,718 or 13.63% year over year decrease for the quarter ended September 30, 2015
- Provides \$491,618 in sewer charge discounts
- \$1,243,026 in funded sewer and water infrastructure projects by June 30, 2016

Non-Major Funds

	Gas Tax Fund				Parking District Fund				SRO Grant Fund			
	Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$ 234,077	\$ 243,696	\$ (9,619)	-4.11%	\$ 127,842	\$ 138,080	\$(10,238)	-8.01%	\$ 130,894	\$ 105,357	\$ 25,537	19.51%
Expenditures	30,000	30,000	-	0.00%	152,842	151,098	1,744	1.14%	130,894	105,357	25,537	19.51%
Net Transfers	(233,817)	(233,817)	-	0.00%	25,000	25,000	-	0.00%	-	-	-	0.00%
Revenues over (under)												
Expenditures	\$ (29,740)	\$ (20,121)			\$ -	\$ 11,982			\$ -	\$ -		

	AB 3229 COPS Grant Fund				OTS Grant				OJP Grant Fund			
	Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$ 100,000	\$ 100,000	\$ -	0.00%	\$ 32,597	\$ 32,597	\$ -	0.00%	\$ 2,551	\$ 2,551	\$ -	0.00%
Expenditures	93,967	105,731	(11,764)	-12.52%	32,597	11,405	21,192	65.01%	2,551	2,551	-	0.00%
Net Transfers	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%
Revenues over (under)												
Expenditures	\$ 6,033	\$ (5,731)			\$ -	\$ 21,192			\$ -	\$ -		

Non-Major Funds (Continued)

	2012 CHP Grant Fund				2014 CHP Grant Fund				Orchard Hill LLMD Fund			
	Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$ 80,134	\$ 101,354	\$ (21,220)	-26.48%	\$ 50,000	\$ -	\$ 50,000	100.00%	\$ 20,464	\$ 20,464	\$ -	0.00%
Expenditures	80,134	101,354	(21,220)	-26.48%	50,000	-	50,000	100.00%	20,464	23,016	(2,552)	-12.47%
Net Transfers	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%
Revenues over (under)												
Expenditures	\$ -	\$ -			\$ -	\$ -			\$ -	\$ (2,552)		

	Cottonwood LLMD Fund				Ridge at Orchard Hill BAD-Zone 1 Fund				Ridge at Orchard Hill BAD-Zone 1A			
	Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$ 14,411	\$ 14,411	\$ -	0.00%	\$ 22,076	\$ 22,076	\$ -	0.00%	\$ 12,594	\$ 12,594	\$ -	0.00%
Expenditures	14,411	15,596	(1,185)	-8.22%	22,076	16,454	5,622	25.47%	12,594	10,301	2,293	18.21%
Net Transfers	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%
Revenues over (under)												
Expenditures	\$ -	\$ (1,185)			\$ -	\$ 5,622			\$ -	\$ 2,293		

	General Liability Fund				Equipment Replacement Fund				Reserve for Economic Uncertainties			
	Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$ -	\$ 3,257	\$ (3,257)	0.00%	\$ -	\$ -	\$ -	0.00%	\$ 1,682	\$ 1,682	\$ -	0.00%
Expenditures	231,372	419,948	(188,576)	-81.50%	7,494	19,403	(11,909)	-158.91%	-	-	-	0.00%
Net Transfers	231,372	416,691	(185,319)	-80.10%	-	-	-	0.00%	2,131	2,131	-	0.00%
Revenues over (under)												
Expenditures	\$ -	\$ -			\$ (7,494)	\$ (19,403)			\$ 3,813	\$ 3,813		

Total Operating Budget

	Revised Budget	Forecast	Under/(Over) Budget	
	<hr/>	<hr/>	<hr/>	
Revenues	\$17,727,172	\$17,826,061	\$ (98,889)	-0.56%
Expenditures	17,907,643	17,996,805	(89,162)	-0.50%
Net Transfers Out	-	-	-	0.00%
	<hr/>	<hr/>	<hr/>	
Revenues over (under) Expenditures	<u>\$ (180,471)</u>	<u>\$ (170,744)</u>		

Closing Comments

- Local economy has continued to improve
- City Council and management continue to operate the City in a prudent and responsible manner
- Anticipate year-end operating expenditures to be within the existing operating budget for most funds
- City needs to identify new funding source for facility and infrastructure improvements
- Staff will provide another update to the City Council at its May 17th Budget Workshop

Conclusion

- Questions?
- Comments?
- Thank you!

