

Mid-Year Budget Report

City of Placerville, California
March 14, 2017

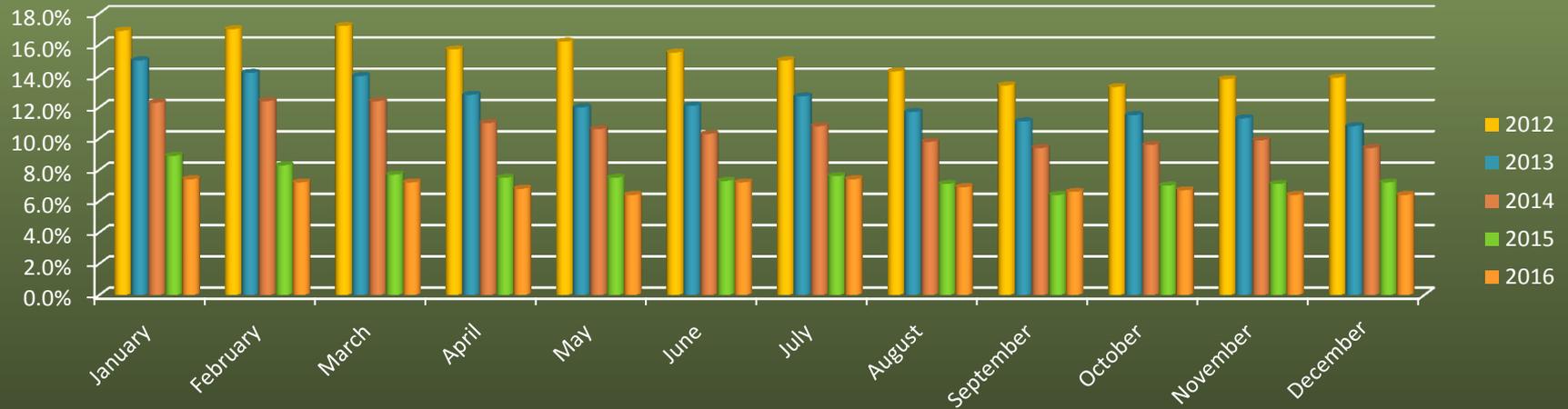
Overview

- Review local economic climate
- Update on Severe Storm Damage Mitigation
- Focus on the General Fund
- Update on all other operating funds

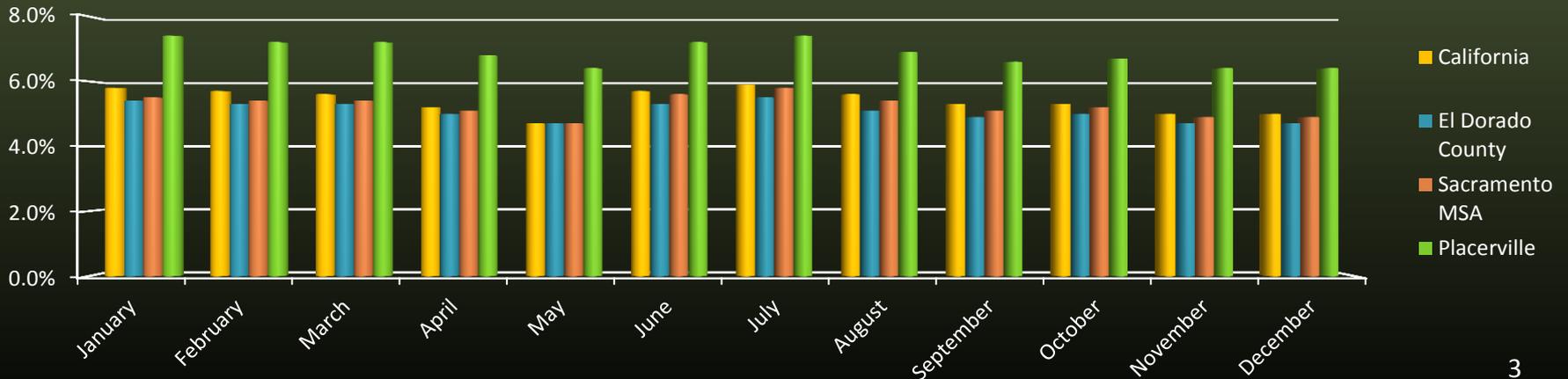
Economic Climate

● Unemployment rates

City of Placerville's Historical Unemployment Rates



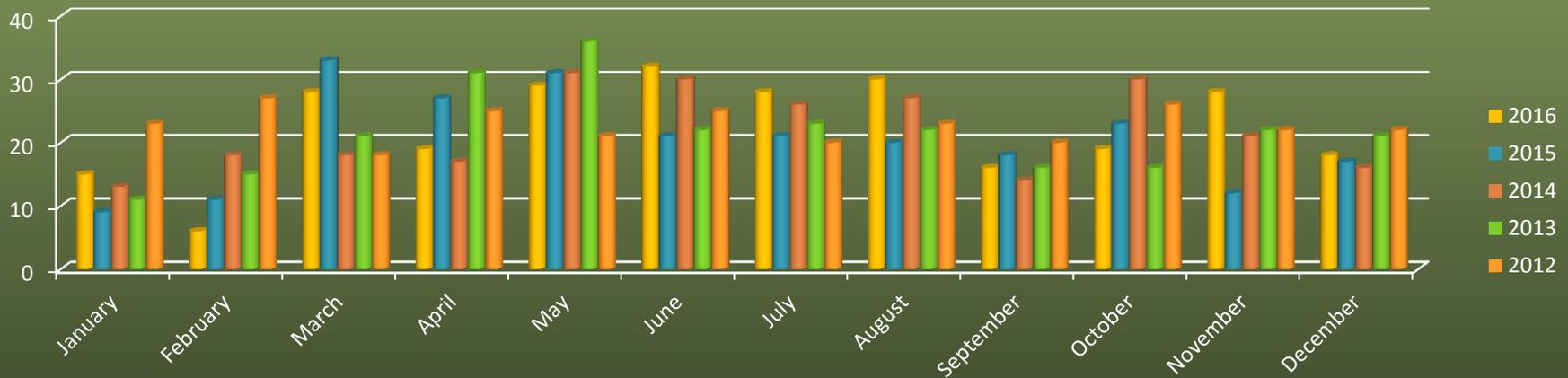
2016 Regional Unemployment Rates



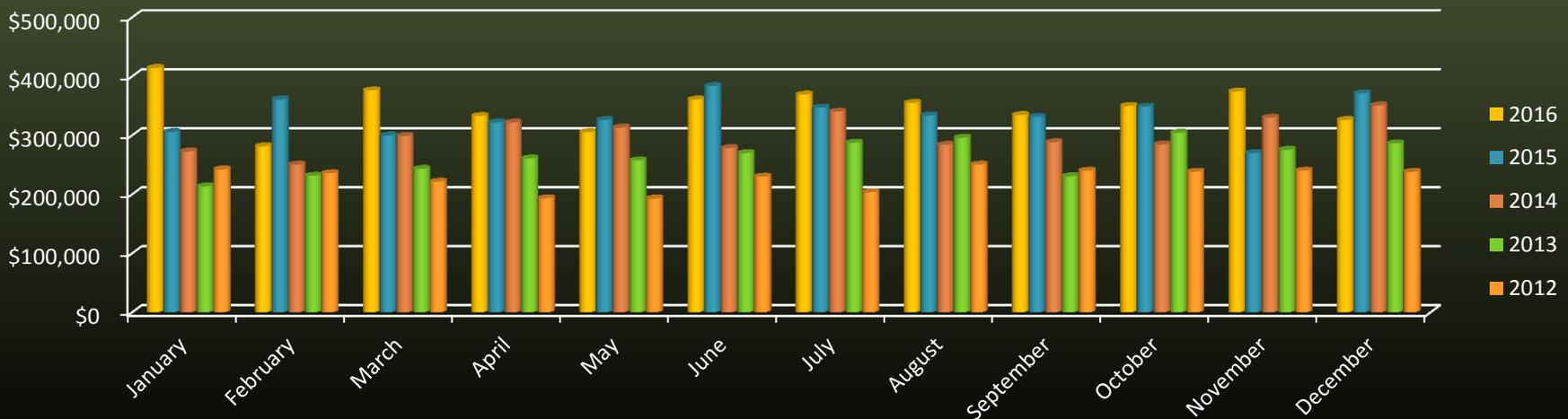
Economic Climate (Continued)

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. 2015	July to Dec. 2016	Increase/-Decrease	
<i>Gold Bug Park</i>				
Gold Bug Daily Tours	8,229	8,308	79	0.96%
Gold Bug Group Tours	835	677	-158	-18.92%
Total	9,064	8,985	-79	-0.87%
<i>Aquatics</i>				
Lap Swim	353	640	287	123.00%
Evening Public Swim	2,124	1,998	-126	-5.93%
Wading Pool	912	2,200	1,288	141.23%
Public Swim	5,737	7,878	2,141	37.32%
Water Exercise	449	619	170	37.86%
Swim Lessons	867	953	86	9.92%
Jr. Lifeguard Camp	29	23	-6	-20.69%
Pool Rentals	21	32	11	52.38%
Total	10,492	14,343	3,851	36.70%

Economic Climate (Continued)

● Recreation Program Attendance (Continued)

Program	July to Dec. 2015	July to Dec. 2016	Increase/-Decrease	
<i>Special Interest Classes & Camps</i>				
Youth Camps	205	139	-66	-32.20%
Adult Special Interest	355	361	6	1.69%
Youth Special Interest	70	99	29	41.43%
Total	630	599	-31	-4.92%
<i>Adult Sports</i>				
Basketball Teams (3 on 3)	24	28	4	16.67%
Basketball Teams (5 on 5)	8	9	1	12.50%
Softball Teams	154	138	-16	-10.39%
Volleyball Teams	12	11	-1	-8.33%
Total	198	186	-12	-6.06%
<i>Youth Basketball^</i>				
Basketball Teams	81	84	3	3.70%
Total	81	84	3	3.70%
<i>Banner Over Main</i>				
Banner Reservations	23	23	0	0.00%
Total	23	23	0	0.00%

^ 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	7/1/16-12/31/16	Difference	Percent Difference
Building Permits Issued	183	183	220	208	204	240	289	49	20.4%
Building Plan Checks	67	76	94	76	54	144	194	50	34.7%
Building Inspections	450	533	533	600	504	457	922	465	101.8%

Fee	Actual 2013/2014	Actual 2014/2015	Actual 2015/2016	2016/2017 7/1/16-12/31/16	Forecasted 2016/2017
Construction Permits	\$100,252	\$114,590	\$194,881	\$120,802	\$215,802*
Plan Check Fees	\$54,936	\$39,883	\$56,503	\$40,000	\$85,000*

*Anticipate Hampton Inn and Suites, Home Depot Roof Top PV Solar System, Broadway Carwash PV Solar System

* New Single Family Dwelling permits 2017 - 21 Permit applications already submitted. (1/20/17)

Economic Climate (Continued)

● Issued Building Permits



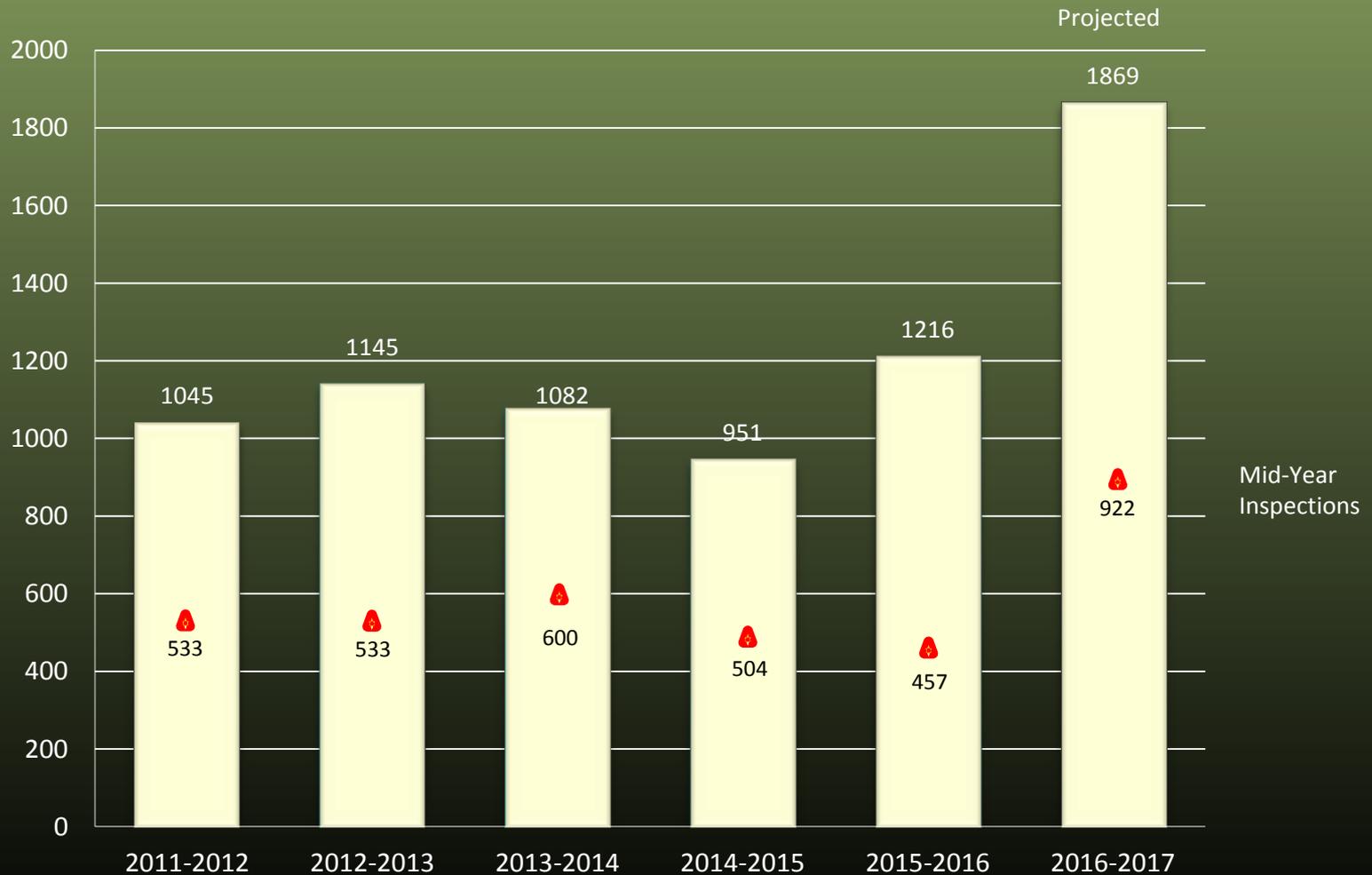
Economic Climate (Continued)

● Building Division Activity - Valuation



Economic Climate (Continued)

● Construction Inspections



Economic Climate (Continued)

● Building Plan Check Revenue

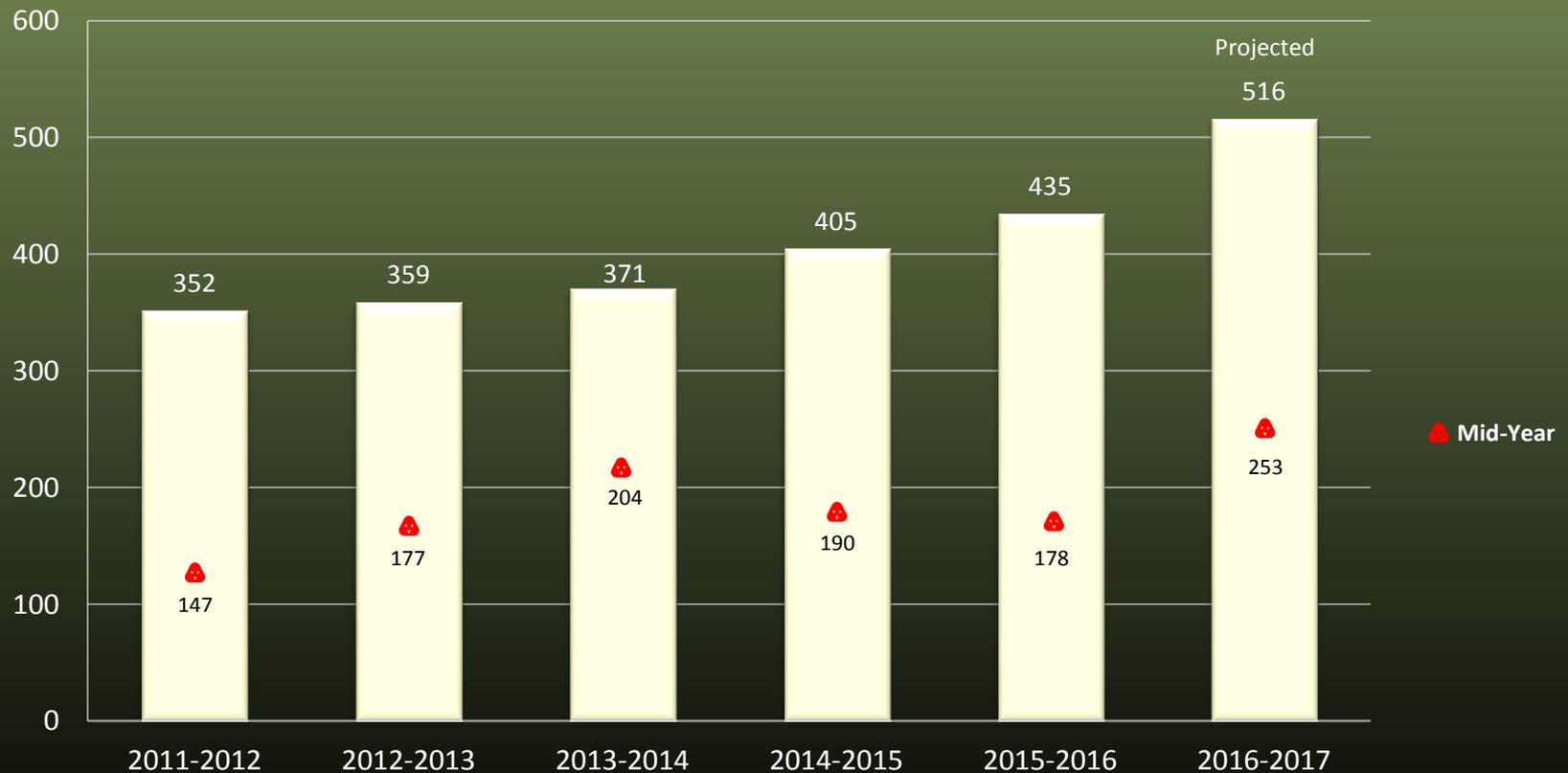


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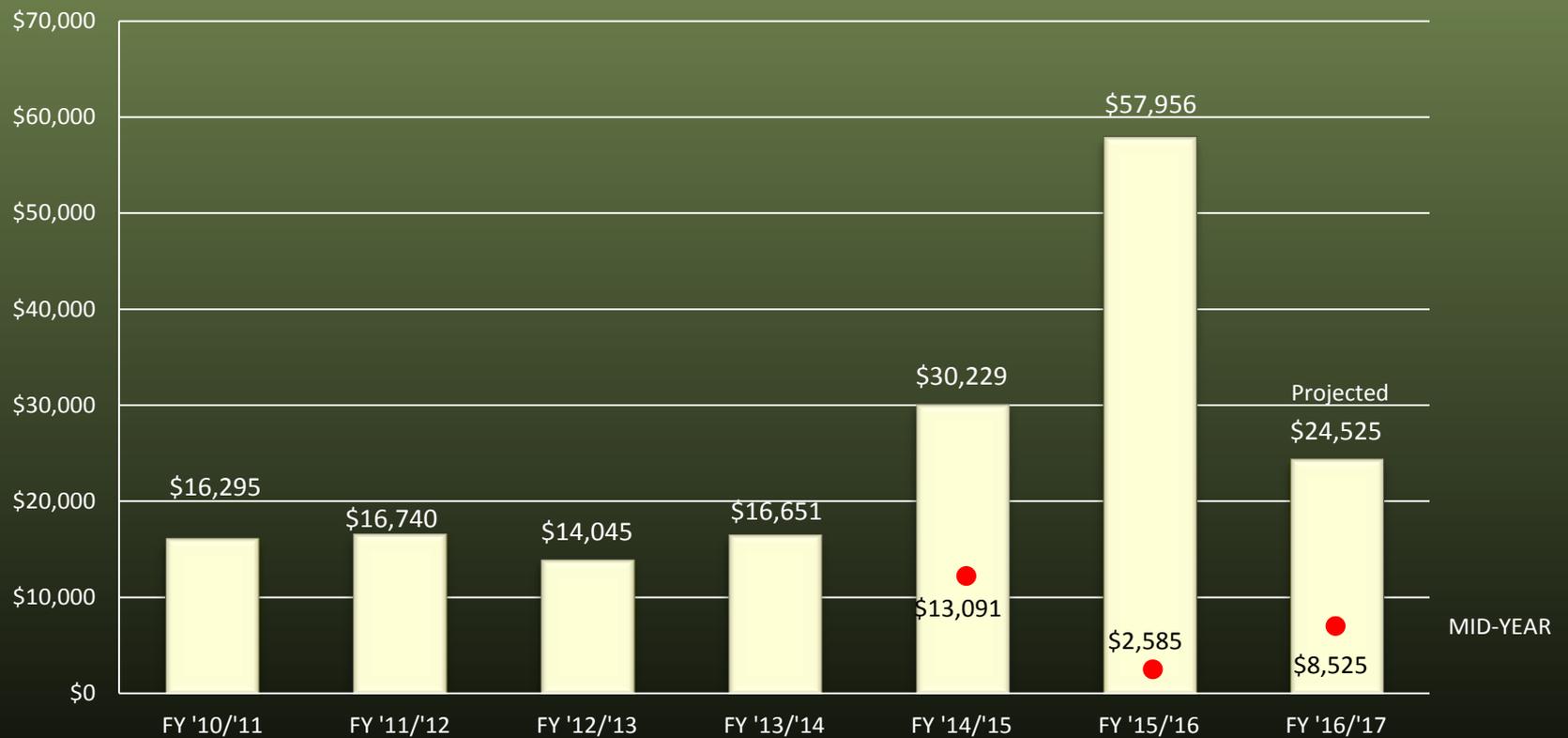
Economic Climate (Continued)

● Building Permits – Final



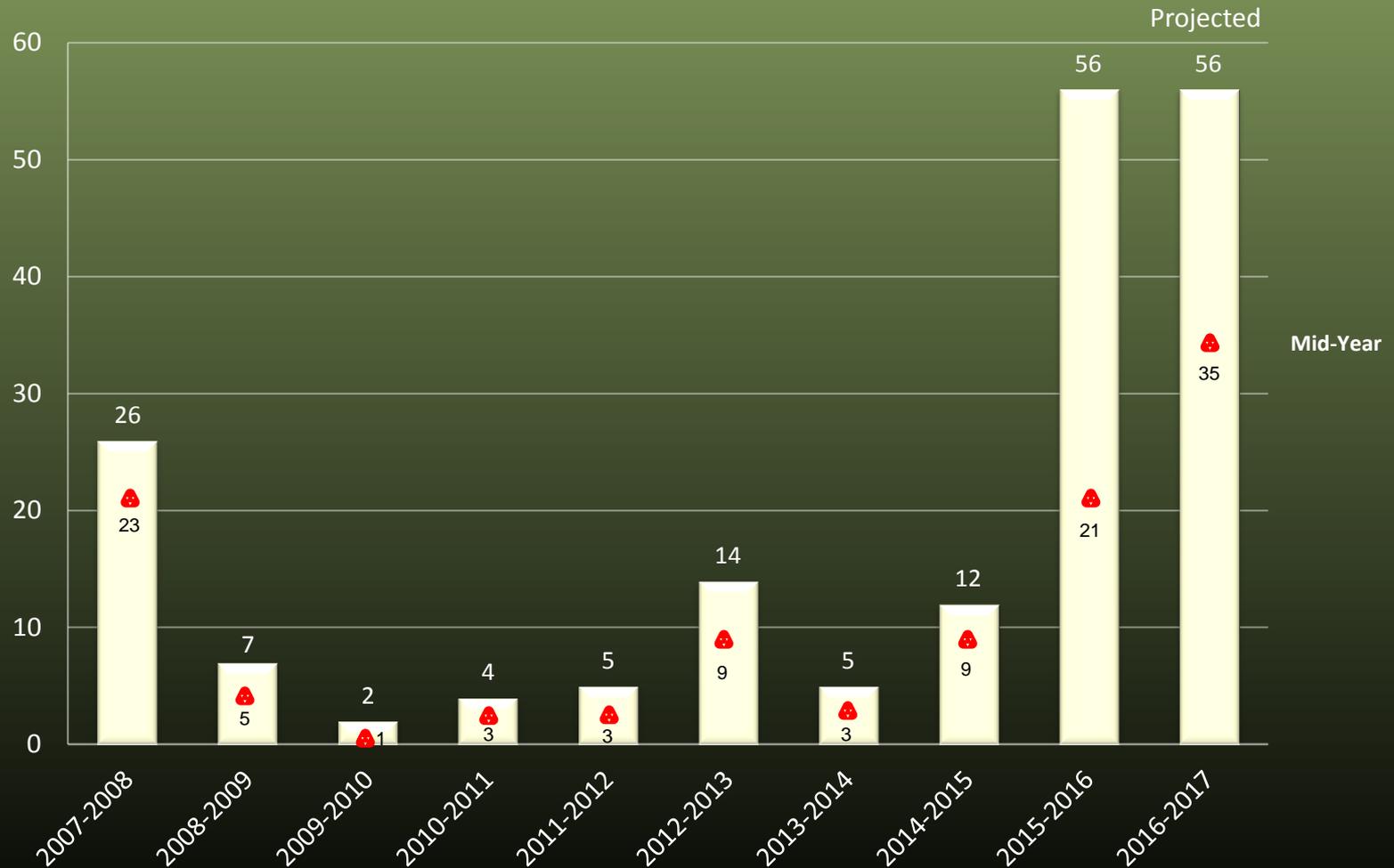
Economic Climate (Continued)

● Planning & Zoning Revenue



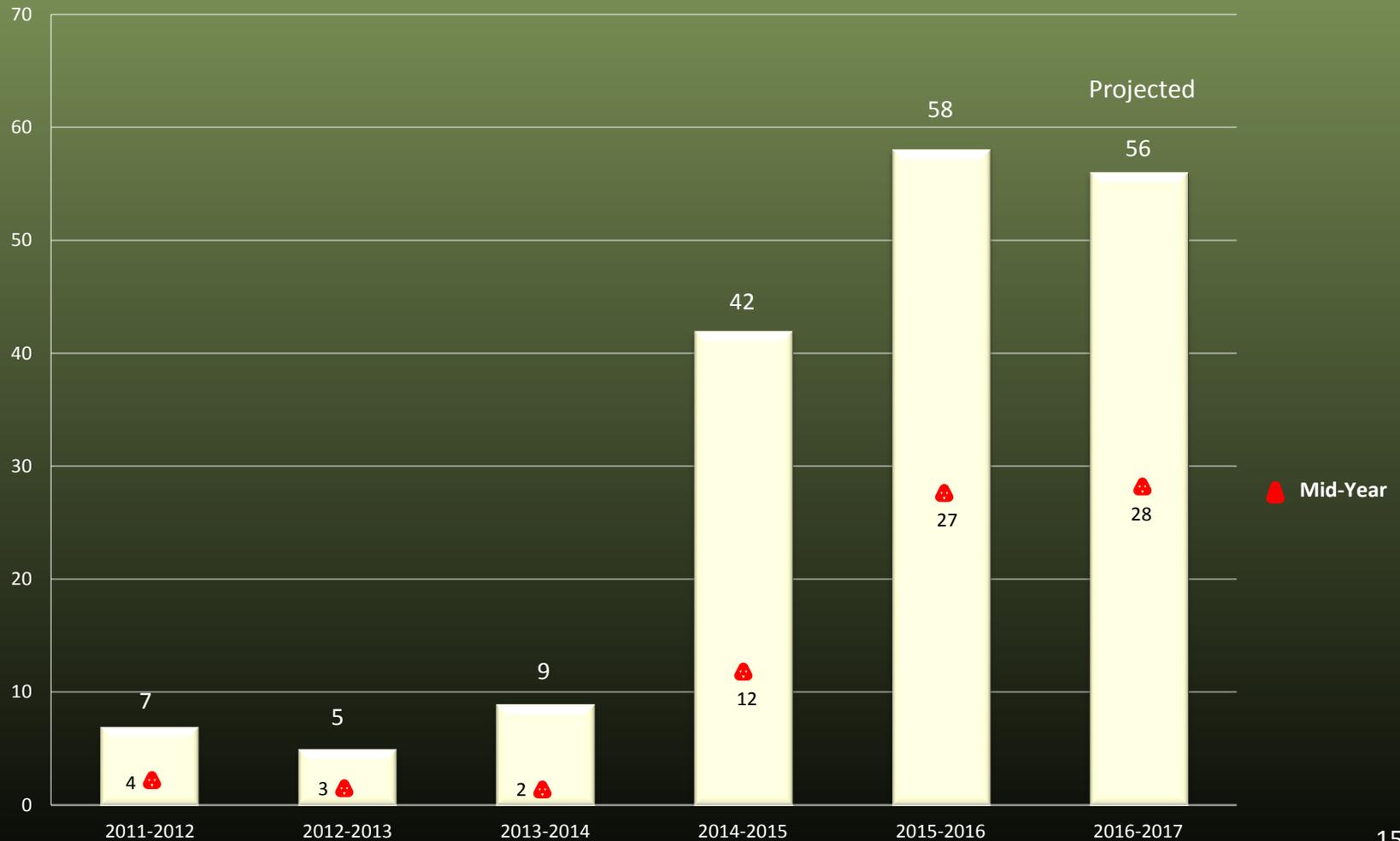
Economic Climate (Continued)

● Single Family Dwellings



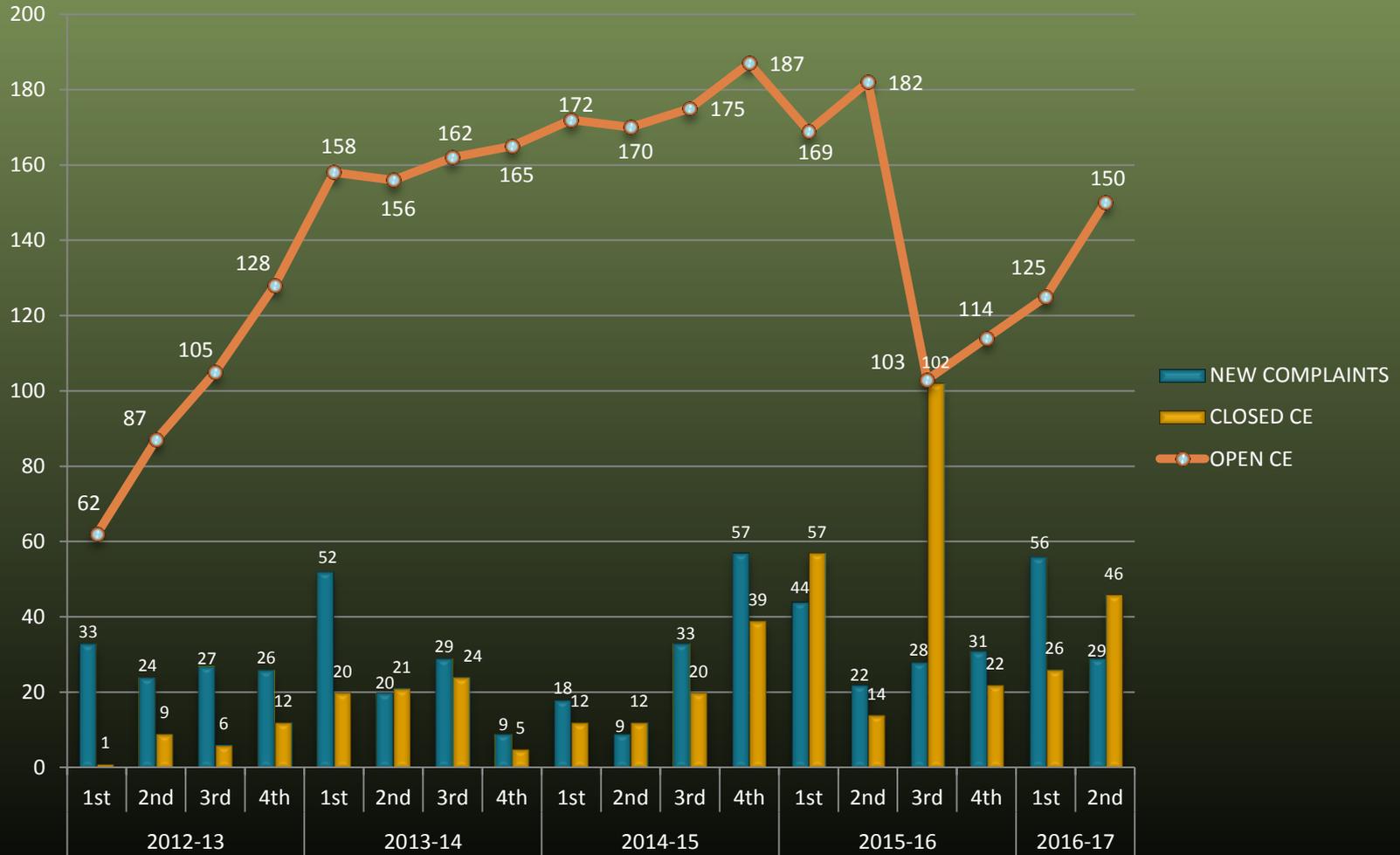
Economic Climate (Continued)

● PV Solar Permits



Economic Climate (Continued)

Code Enforcement



Economic Climate (Continued)

- Code Enforcement

Personnel Hours: 252 hrs 257 hrs 299 hrs 200 hrs 212 hrs 202 hrs



NEW COMPLAINTS CLOSED CE OPEN CE

2015-2016



NEW COMPLAINTS CLOSED CE OPEN CE

2016-17

Economic Climate (Continued)

● IMPACT FEES (Paid and Outstanding Deferred Fees)

July – Dec 2016



	PAID FEES	
	DEFERRED FEES	
PARK (PK)	\$34,320	\$46,200
TRAFFIC (TM)	\$371,914	\$501,476
SEWER (SI)	\$165,560	\$233,570
WATER (WI)	\$335,603	\$449,820
Total	\$907,397	\$1,231,066

Economic Climate (Continued)

● Engineering Division activity

Fee Type	July 1 to December 31, 2015		Fee Type	July 1 to December 31, 2016	
Tentative Parcel Maps	-	-	Tentative Parcel Maps	-	-
Tentative Subdivision Maps	-	-	Tentative Subdivision Maps	-	-
Misc. Engineering Fees*	-	-	Misc. Engineering Fees*	10	\$300
Encroachment Permits	31	\$4,525	Encroachment Permits	32	\$4,275
Transportation Permits	7	\$260	Transportation Permits	18	\$526
Engineering Plan Check	5	\$19,679	Engineering Plan Check	17	\$4,128
Development Permit	4	\$22,944	Development Permit	1	\$150
Grading Plan Check	7	\$4,853	Grading Plan Check	-	-
Grading Permit	7	\$1,675	Grading Permit	-	-
TOTAL		\$53,936	TOTAL		\$9,379
Water CIC Fees	4	\$50,495	Water CIC Fees	22	\$335,603
Water Applications		\$1,500	Water Applications	30	\$2,250
Water Meters		\$10,000	Water Meters	31	\$23,098
Sewer CIC Fees	4	\$50,540	Sewer CIC Fees	27	\$165,560
Sewer Applications		\$1,575	Sewer Applications	34	\$2,550
TOTAL		\$114,110	TOTAL		\$529,061
TIM Fees	4	\$57,024	TIM Fees	26	\$371,914
Parks	5	\$6,600	Parks	26	\$34,320
TOTAL		\$63,624	TOTAL		\$406,234

Economic Climate (Continued)

- Sales Tax-Bradley Burns (1.00 of 7.75%)
 - Most significant local economic indicator
 - 54.89% of total General Fund revenue
 - Strong per capita sales tax (\$403 in 2015)
 - Placerville ranked #40 out of 539 agencies (2015)
 - Quarter ended September 2016-Receipts reported up by 7.46% or \$81,717 in Placerville
 - Statewide, 3rd quarter receipts up by 0.40%

Economic Climate (Continued)

● Sacramento Region Sales Tax Growth for the Quarter Ended September 30, 2016

Amador County

Amador City	14.66%
Ione	53.27%
Jackson	8.59%
Plymouth	610.75%
Sutter Creek	7.09%
Amador County-Unincorporated Area	-1.11%
Amador County-All Agencies	2.40%

El Dorado County

Placerville	7.46%
South Lake Tahoe	11.85%
El Dorado County-Unincorporated Area	6.02%
El Dorado County-All Agencies	7.80%

Placer County

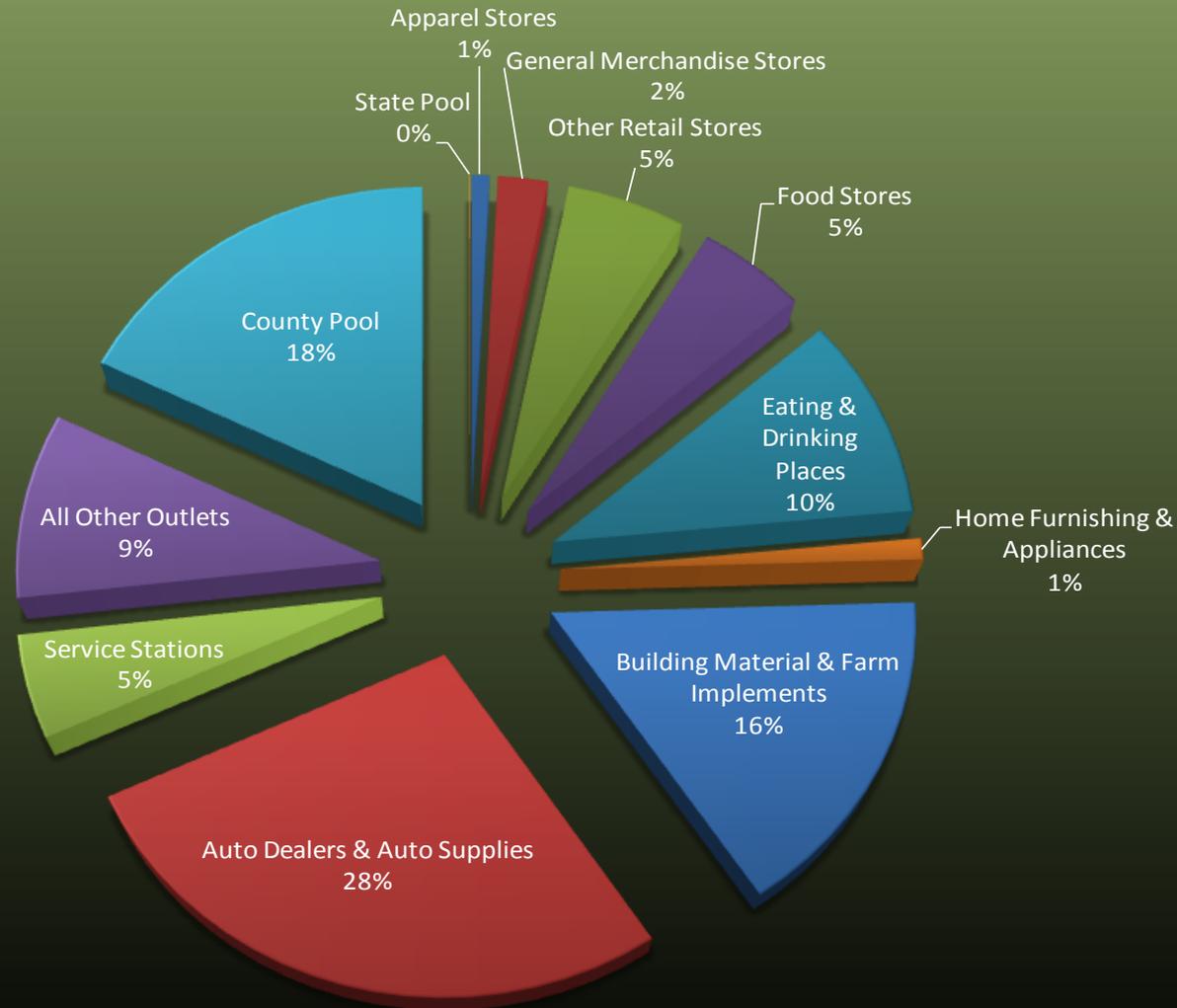
Auburn	-11.25%
Colfax	7.65%
Lincoln	11.47%
Loomis	27.58%
Rocklin	14.42%
Roseville	0.84%
Placer County-Unincorporated Area	4.94%
Placer County All agencies Area	3.05%

Sacramento County

Citrus Heights	0.46%
Elk Grove	6.12%
Folsom	43.70%
Galt	9.12%
Isleton	-30.99%
Rancho Cordova	-33.38%
Sacramento	3.58%
Sacramento County-Unincorporated Area	7.07%
Sacramento County-All Agencies	5.26%

Economic Climate (Continued)

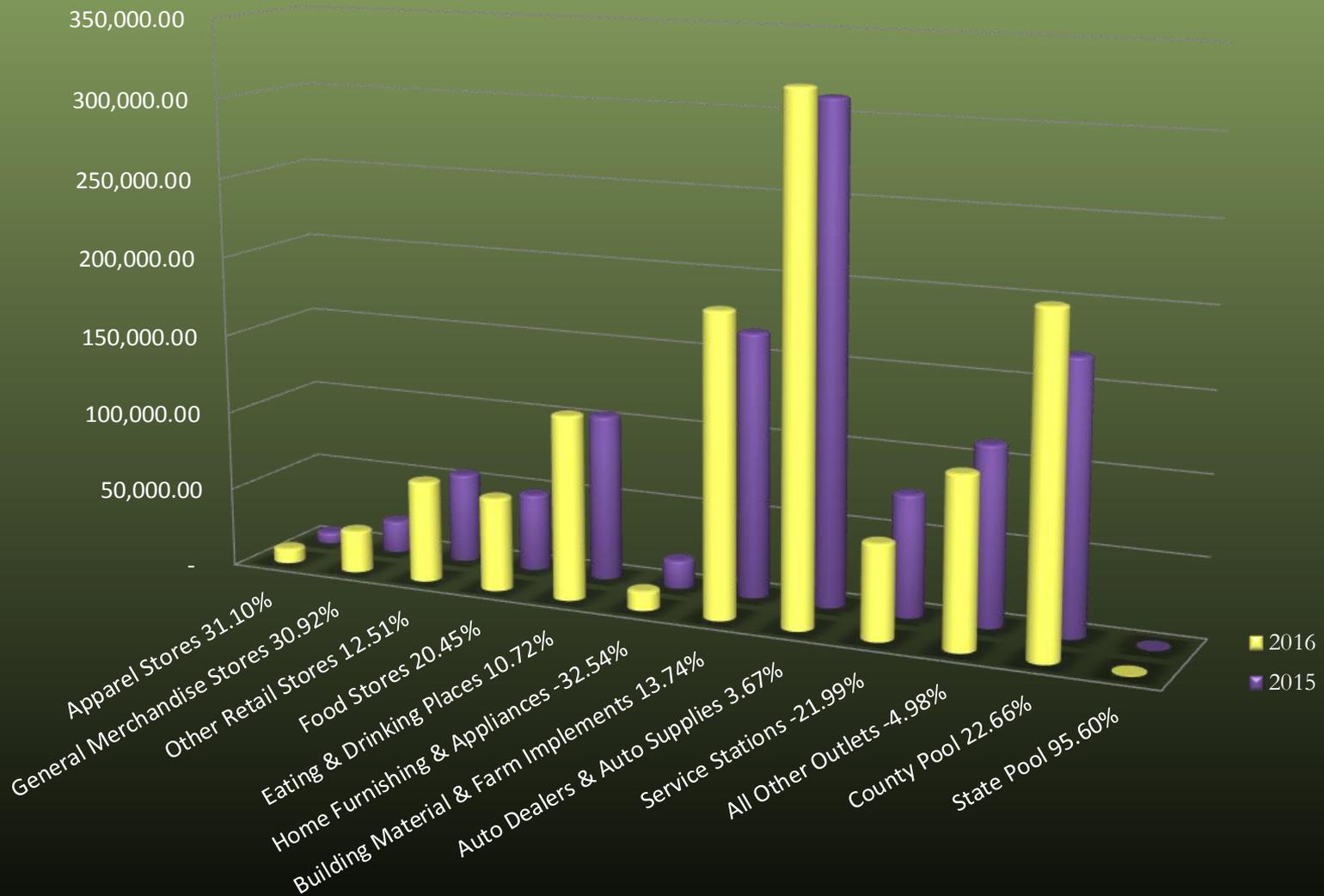
Bradley Burns Sales Tax Sources Quarter Ended September 30, 2016



Economic Climate (Continued)

Year Over Year Bradley Burns Sales Tax Comparison

Quarter Ended September 30th



Economic Climate (Continued)

Top 10 Sales Tax Generating Businesses In the City of Placerville Quarter Ended September 30, 2016

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

Economic Climate (Continued)

- Sales Tax-Bradley Burns (Continued)
 - Historic and Forecasted Sales tax growth:



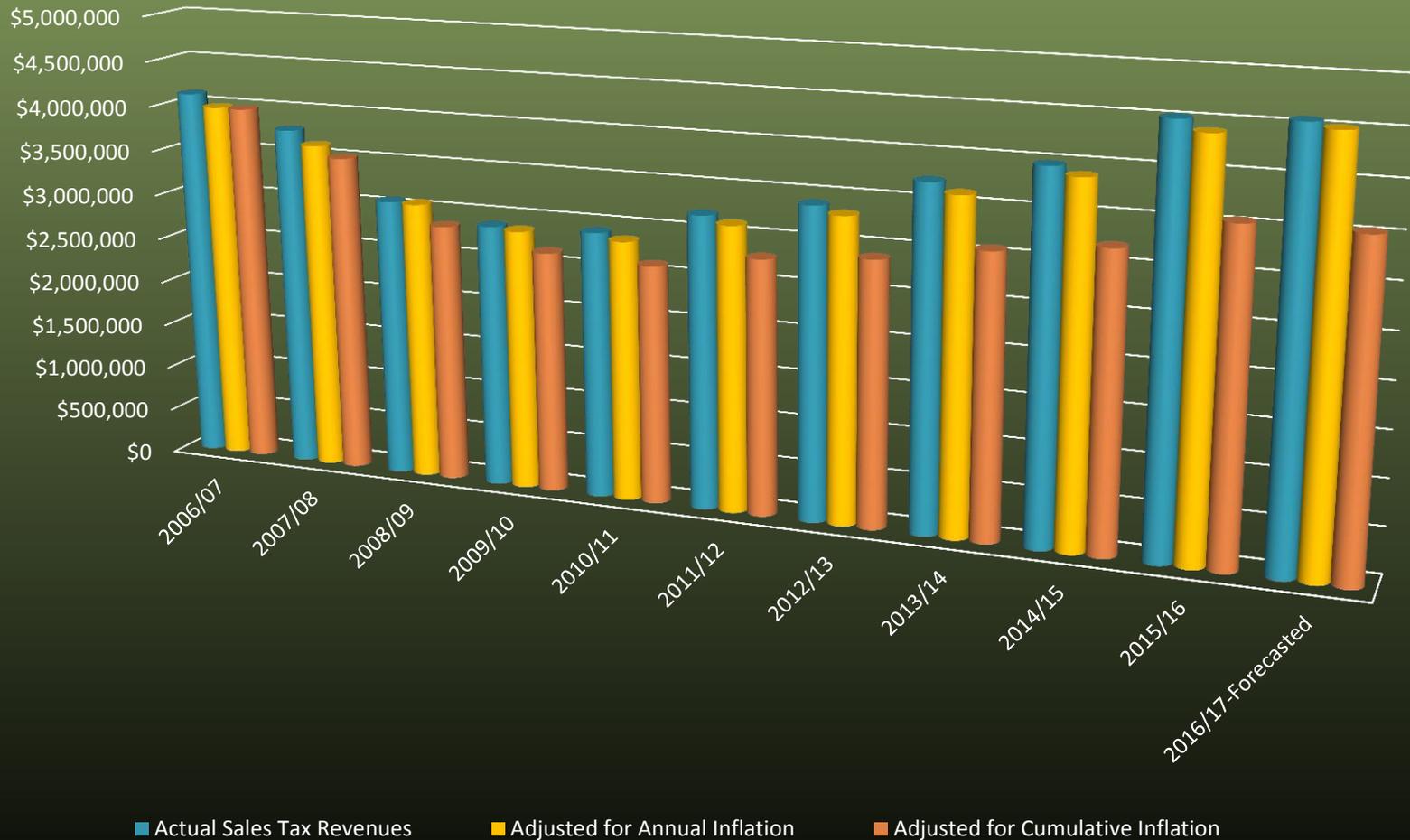
- Actual Fiscal Year 2015/2016 sales tax \$4,530,605~
- Forecast Fiscal Year 2016/2017 sales tax \$4,577,961
- Forecast \$47,356 or 1.05% in year over year growth

^Forecasts for the quarters ended/ending December 31, 2016, March 31, 2017, and June 30, 2017, assume the State Board of Equalization's forecast for Statewide sales tax and a discount for the loss of Wells Auto.

~Fiscal Year 2015/2016 actual sales tax receipts includes \$ 247,379 one-time triple flip true up.

Economic Climate (Continued)

● Bradley Burns Sales Tax Trend



Adopted Operating Budget

- Adopted in June 2016
- Totaled \$18,296,614
- General Fund budget
 - \$8,239,707
 - \$75,000 Contingency for unforeseen expenditures
 - \$7,146 in budget revisions since adoption

Severe Winter Storm Damage Mitigation

Description	Expended to Date	Future Expenditures	Total	General Fund	Sewer Enterprise Fund
Damage to Private Property (Claims)	\$ 35,346	\$ -	\$ 35,346	\$ -	\$ 35,346
<i>Damage to City Property</i>					
Roads and Bridges	5,000	150,000	155,000	155,000	-
Storm Drains	25,000	-	25,000	25,000	-
Debris Clean Up & Slope Repair	52,000	20,000	72,000	72,000	-
Parks and Trail Clean Up	7,700	3,000	10,700	10,700	-
Water Reclamation facility	48,238	377,000	425,238	-	425,238
City Personnel Overtime	27,505	-	27,505	11,067	16,438
Subtotal	165,443	550,000	715,443	273,767	441,676
Total	\$ 200,789	\$ 550,000	\$ 750,789	\$ 273,767	\$ 477,022

- FEMA/OES reimbursement anticipated but dollar amount is unknown at this time

Focus on the General Fund

	Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$8,239,707	\$8,341,401	\$ (101,694)	-1.23%
Expenditures	8,434,129	8,422,895	11,234	0.13%
Net Transfers In	187,276	35,915	151,361	80.82%
Revenues (under)/over expenditures before adjustments	(7,146)	(45,579)		
Add: Storm Damage Mitigation	-	273,767		
Add: Net Bark Beetle Tree Mitigation	-	13,295		
Revenues (under)/over expenditures after adjustments	\$ (7,146)	\$ (332,641)		
From Fund Balance	\$ 7,146	\$ 332,641		

Focus on the General Fund (cont.)

Revenue Type	Revised Budget	Forecast	Under/(Over)	
Sales Tax	\$ 4,554,766	\$ 4,577,961	\$ (23,195)	-0.51%
All Other Taxes	877,621	949,068	(71,447)	-8.14%
Construction Permits	110,000	215,802	(105,802)	-96.18%
Intergovernmental Revenues	885,634	878,503	7,131	0.81%
Charges for Service	841,960	825,228	16,732	1.99%
Fines & Forfeitures	111,903	86,529	25,374	22.67%
Use of Money & Property	48,969	65,062	(16,093)	-32.86%
Other Financing Sources	808,854	743,248	65,606	8.11%
Total revenues	\$ 8,239,707	\$ 8,341,401	\$ (101,694)	-1.23%

Focus on the General Fund (cont.)

- Expenditures

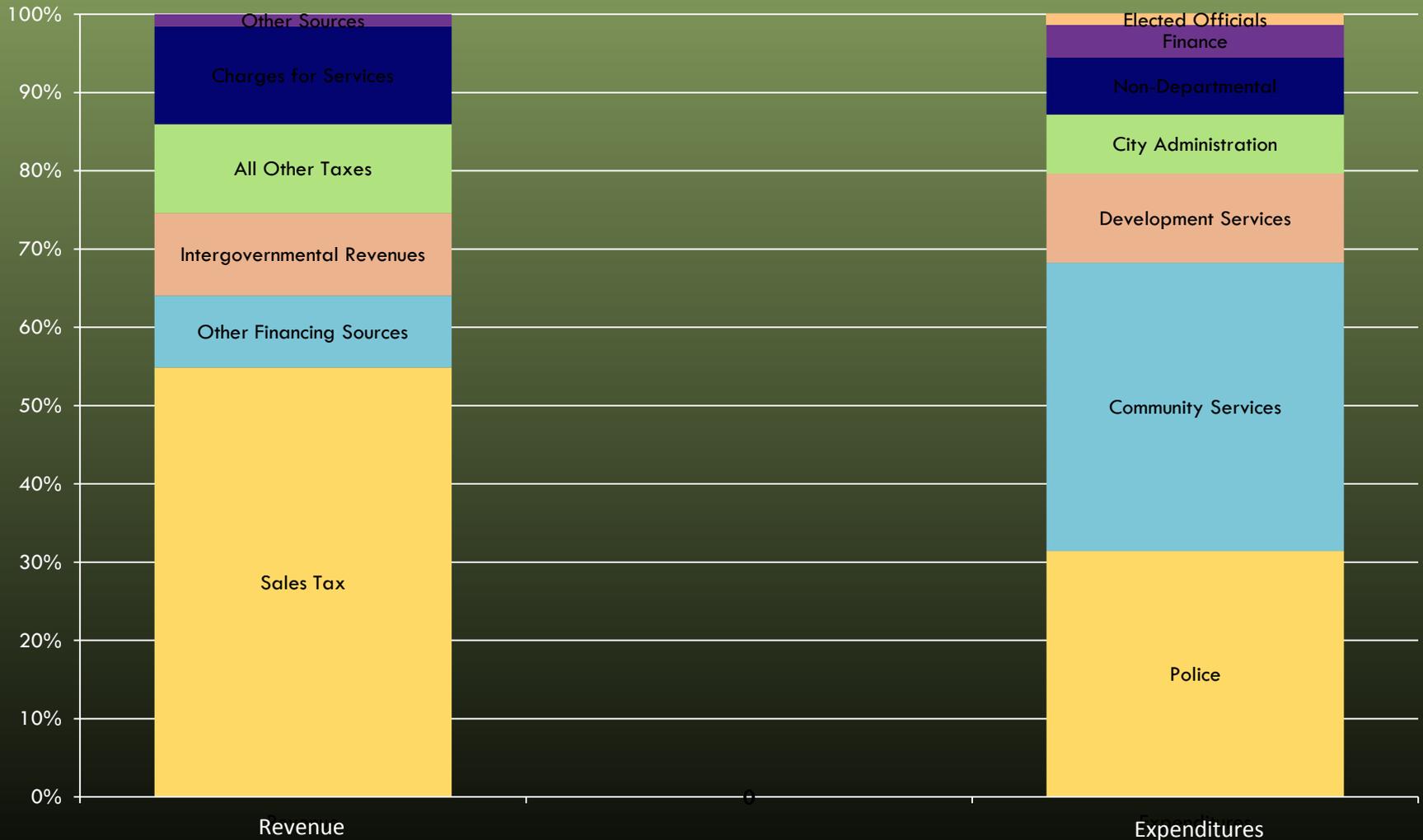
Department	Revised Budget	Forecast	Under/(Over) Budget	
Police	\$2,665,992	\$ 2,725,241	\$ (59,249)	-2.22%
Development Services	1,024,078	988,621	35,457	3.46%
Community Services	2,918,181	3,195,555	(277,374)	-9.51%
Elected Officials	123,489	118,339	5,150	4.17%
City Administration	663,263	652,626	10,637	1.60%
Finance	357,015	360,565	(3,550)	-0.99%
Non-Departmental	494,835	633,095	(138,260)	-27.94%
Total expenditures	\$8,246,853	\$ 8,674,042	\$ (427,189)	-5.18%

Focus on the General Fund (cont.)

Fund Transfers	Budget	Forecast	Over/(Under)	
Gas Tax Fund to General Fund	\$224,739	\$224,739	\$ -	0.00%
Reserve for Economic Uncertainties to General Fund	75,000	75,000	-	0.00%
General Fund to General CIP Fund	(4,200)	(4,200)	-	0.00%
General Fund to General Liability Fund	(95,763)	(248,085)	(152,322)	159.06%
General Fund to Parking District Fund	(12,500)	(11,539)	961	-7.69%
Net transfers in	\$187,276	\$ 35,915	\$(151,361)	-80.82%

Focus on the General Fund (cont.)

Forecasted General Fund Revenues and Expenditures and Net Transfers In Fiscal Year 2016/2017



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
- Deficit primarily due to \$152,322 in general liability claims, \$273,767 in storm damage mitigation, & \$13,295 in net bark beetle tree mitigation

Focus on the General Fund (cont.)

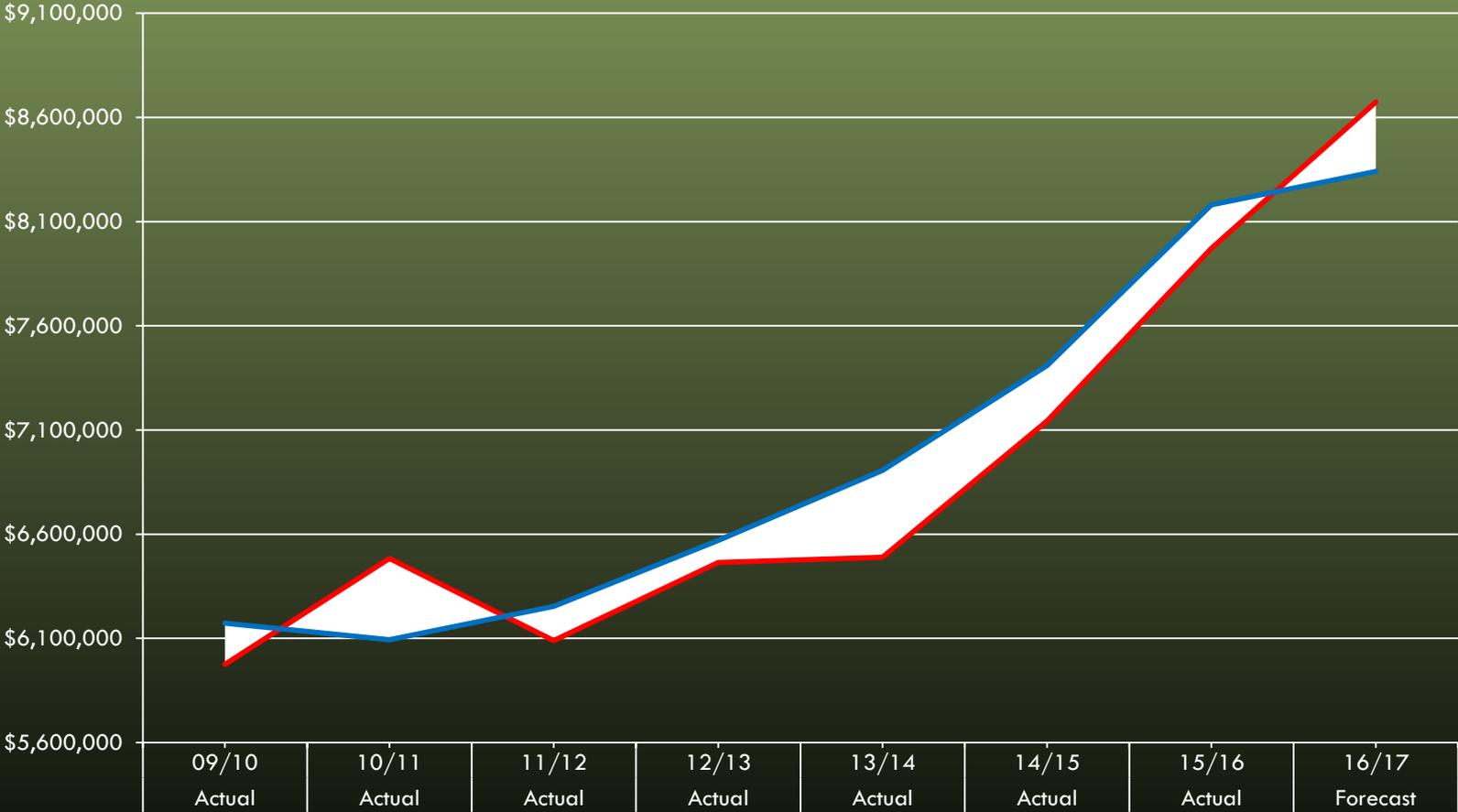
The City continues to operate near the 2006/2007 level due to the demands of the "new economy."

	2006/2007 Actual	2015/2016 Forecast	Under (Over)	
Revenues	\$ 8,386,136	\$ 8,341,401	\$ 44,735	0.53%
Expenditures	8,173,119	8,422,895	(249,776)	-3.06%
Net Transfers	(111,821)	35,915	(147,736)	132.12%
Revenues over (under) expenditures before adjustments	\$ 101,196	\$ (45,579)		
Add: Storm Damage Mitigation	-	273,767		
Add: Net Bark Beetle Tree Mitigation	-	13,295		
Revenues (under)/over expenditures after adjustments	\$ 101,196	\$ (332,641)		

- Staffing remains 20.99% 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 2016/2017



Police
\$0.31

Development
Services
\$0.11

Community
Services
\$0.37

Elected
Officials
\$0.01

Administration
\$0.08

Non-Departmental
\$0.07

Finance
\$0.04

Measure J Fund Update

	Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$ 974,912	\$ 989,492	\$ (14,580)	-1.50%
Expenditures	1,043,465	1,032,839	10,626	1.02%
Net Transfers Out	(42,187)	(42,187)	-	0.00%
Revenues over (under) Expenditures	<u>\$ (110,740)</u>	<u>\$ (85,534)</u>		
From Operating Reserve	<u>\$ 110,740</u>	<u>\$ 85,534</u>		

- Sales tax experienced a \$43,516 or 19.38% year over year increase in the quarter ended September 30, 2016
- Assumes final \$42,187 payment towards \$119,318 inter-fund loan balance

Sewer Enterprise Fund Update

	Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$ 5,754,546	\$ 5,350,101	\$ 404,445	7.03%
Expenditures	6,222,088	6,121,519	100,569	1.62%
Net Transfers In	400,734	354,965	45,769	11.42%
Revenues over (under) expenditures before adjustments	\$ (66,808)	\$ (416,453)		
Add: Storm Damage Mitigation	-	441,676		
Revenues over (under) expenditures after adjustments	(66,808)	(858,129)		
From Rate Stabilization Reserve	\$ 66,808	\$ 858,129		

- Assumes \$79,252 transfer out to the General Liability Fund for sewer related claims

Water Enterprise Fund Update

	<u>Revised Budget</u>	<u>Forecast</u>	<u>Under/(Over) Budget</u>	
Revenues	\$ 1,914,900	\$ 2,029,967	\$ (115,067)	-6.01%
Expenditures	1,819,136	1,734,560	84,576	4.65%
Net Transfers Out	<u>(95,764)</u>	<u>(99,415)</u>	3,651	-3.81%
 Revenues over (under) Expenditures	 <u>\$ -</u>	 <u>\$ 195,992</u>		
 Set Aside for Capital Projects	 <u>\$ -</u>	 <u>\$ 195,992</u>		

Measure H Fund Update

	Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$ 976,812	\$ 991,392	\$ (14,580)	-1.49%
Expenditures	-	-	-	0.00%
Net Transfers Out	(496,498)	(494,636)	(1,862)	0.38%
Revenues over (under) Expenditures	<u>\$ 480,314</u>	<u>\$ 496,756</u>		
Set Aside for Capital Projects	<u>\$ 480,314</u>	<u>\$ 496,756</u>		

- Sales tax experienced a \$44,282 or 20.12% year over year increase for the quarter ended September 30, 2016
- Provides \$494,636 in sewer charge discounts
- \$496,756 to partially fund sewer lift station improvements

Measure L Fund Update

	Revised Budget	Forecast	Under/(Over) Budget	
	-	-	-	%
Revenues	\$ -	\$ 496,786	\$ (496,786)	0.00%
Expenditures	-	-	-	0.00%
Net Transfers Out	-	-	-	0.00%
Revenues over (under) Expenditures	\$ -	\$ 496,786		
Set Aside for Capital Projects	\$ -	\$ 496,786		

- Sales tax becomes effective April 1, 2017
- New Measure H/L Sales Tax Committee will make budget recommendations this spring

Non-Major Funds

	Gas Tax Fund				Parking District Fund				ABC GAP Grant Fund			
	Revised		Under/(Over)		Revised		Under/(Over)		Revised		Under/(Over)	
	Budget	Forecast	Budget		Budget	Forecast	Budget		Budget	Forecast	Budget	
Revenues	\$ 225,039	\$ 215,746	\$ 9,293	4.13%	\$ 137,731	\$ 153,974	\$ (16,243)	-11.79%	\$ 60,108	\$ 60,108	\$ -	0.00%
Expenditures	30,000	30,000	-	0.00%	150,231	164,760	(14,529)	-9.67%	60,108	60,108	-	0.00%
Net Transfers	(224,739)	(224,739)	-	0.00%	12,500	11,539	961	7.69%	-	-	-	0.00%
Revenues over (under)												
Expenditures	\$ (29,700)	\$ (38,993)			\$ -	\$ 753			\$ -	\$ -		
	SRO Grant Fund				AB 3229 COPS Grant				OTS Grant Fund			
	Revised		Under/(Over)		Revised		Under/(Over)		Revised		Under/(Over)	
	Budget	Forecast	Budget		Budget	Forecast	Budget		Budget	Forecast	Budget	
Revenues	\$ 77,972	\$ 57,415	\$ 20,557	26.36%	\$ 100,000	\$ 100,000	\$ -	0.00%	\$ 37,873	\$ 3,581	\$ 34,292	90.54%
Expenditures	77,972	57,415	20,557	26.36%	98,264	115,206	(16,942)	-17.24%	37,873	783	37,090	97.93%
Net Transfers	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%
Revenues over (under)												
Expenditures	\$ -	\$ -			\$ 1,736	\$ (15,206)			\$ -	\$ 2,798		
	OJP BVP Grant Fund				2012 CHP Grant Fund				General CIP Fund			
	Revised		Under/(Over)		Revised		Under/(Over)		Revised		Under/(Over)	
	Budget	Forecast	Budget		Budget	Forecast	Budget		Budget	Forecast	Budget	
Revenues	\$1,823	\$1,823	\$ -	0.00%	\$ 6,000	\$ -	\$ 6,000	100.00%	\$ -	\$ -	\$ -	0.00%
Expenditures	1,823	1,823	-	0.00%	6,000	-	6,000	100.00%	-	-	-	0.00%
Net Transfers	-	-	-	0.00%	-	-	-	0.00%	4,200	4,200	-	0.00%
Revenues over (under)												
Expenditures	\$ -	\$ -			\$ -	\$ -			\$ 4,200	\$ 4,200		

Non-Major Funds (Continued)

	Orchard Hill LLMD Fund				Cottonwood LLMD Fund				Ridge at Orchard Hill BAD-Zone 1			
	Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$ 20,464	\$ 20,464	\$ -	0.00%	\$ 14,455	\$ 14,455	\$ -	0.00%	\$ 22,176	\$ 20,004	\$ 2,172	9.79%
Expenditures	20,464	21,169	(705)	-3.45%	14,455	19,334	(4,879)	-33.75%	22,176	17,207	4,969	22.41%
Net Transfers	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%
Revenues over (under)												
Expenditures	\$ -	\$ (705)			\$ -	\$ (4,879)			\$ -	\$ 2,797		

	Ridge at Orchard Hill BAD-Zone 1A				General Liability Fund				Equipment Replacement Fund			
	Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget		Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$ 12,644	\$ 11,399	\$ 1,245	0.00%	\$ 3,615	\$ 4,399	\$ (784)	-21.69%	\$ 20,000	\$ 142,442	\$ (122,442)	-612.21%
Expenditures	12,644	10,670	1,974	15.61%	3,615	3,615	-	0.00%	66,330	51,900	14,430	21.75%
Net Transfers	-	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%
Revenues over (under)												
Expenditures	\$ -	\$ 729			\$ -	\$ 784			\$ (46,330)	\$ 90,542		

	Reserve for Economic Uncertainties			
	Revised Budget	Forecast	Under/(Over) Budget	
Revenues	\$ 2,000	\$ 2,000	\$ -	0.00%
Expenditures	32,813	32,813	-	0.00%
Net Transfers	-	-	-	0.00%
Revenues over (under)				
Expenditures	\$ (30,813)	\$ (30,813)		

Total Operating Budget

	<u>Revised Budget</u>	<u>Forecast</u>	<u>Under/(Over) Budget</u>	
Revenues	\$18,602,777	\$19,006,949	\$ (404,172)	-2.17%
Expenditures	18,408,064	19,081,712	(673,648)	-3.66%
Net Transfers Out	-	-	-	0.00%
Revenues over (under) Expenditures	<u><u>\$ 194,713</u></u>	<u><u>\$ (74,763)</u></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 revenues to exceed operating expenditures for most funds
- Staff will provide another update to the City Council at its May 3rd Budget Workshop

Conclusion

- Questions?
- Comments?
- Thank you!



A good budget is worth fighting for.