

MID-YEAR BUDGET REPORT



City of Placerville, California

March 25, 2025

Overview

How is the local economy doing?

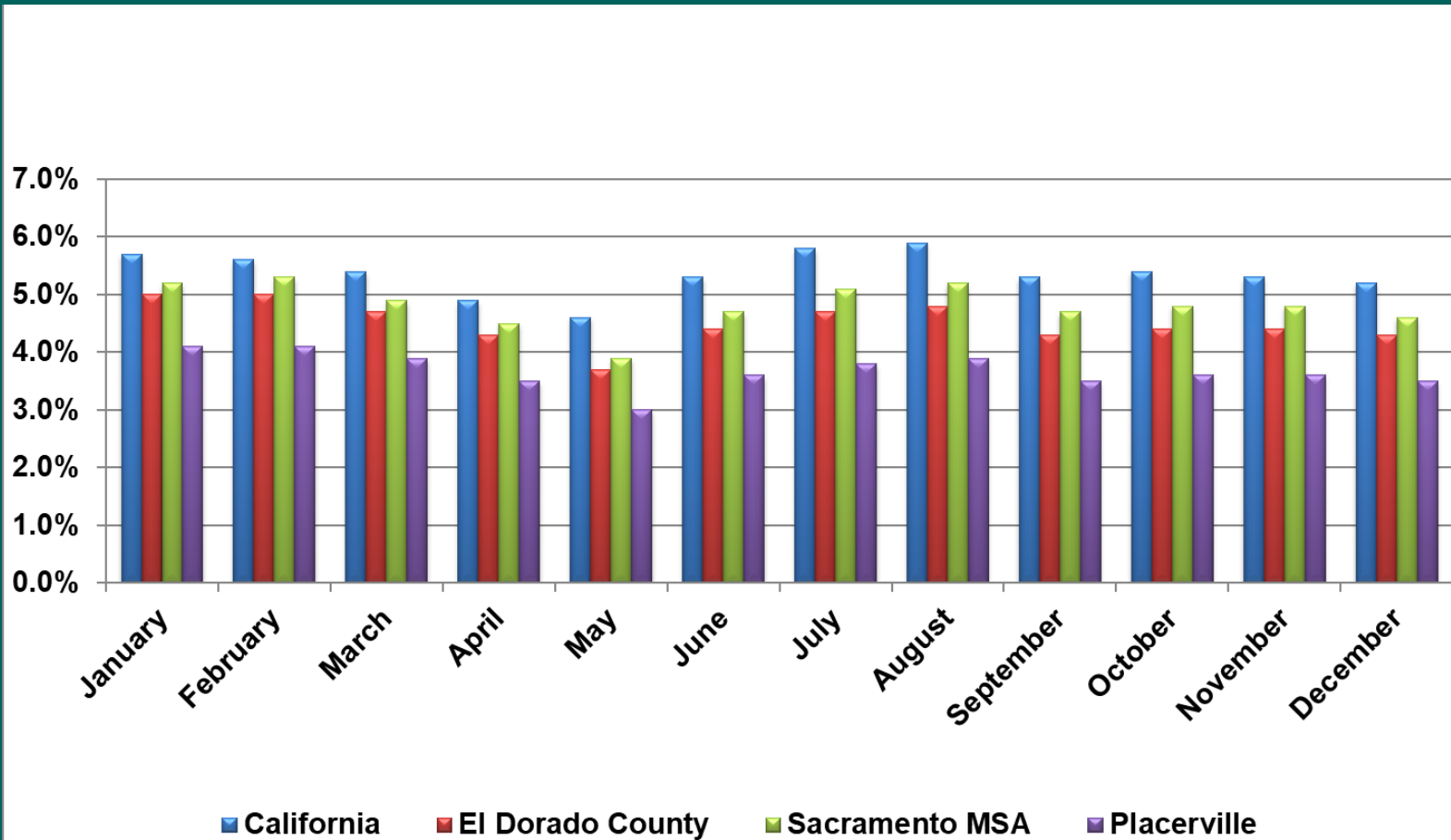
- Review local economic indicators

Is the City living within its means?

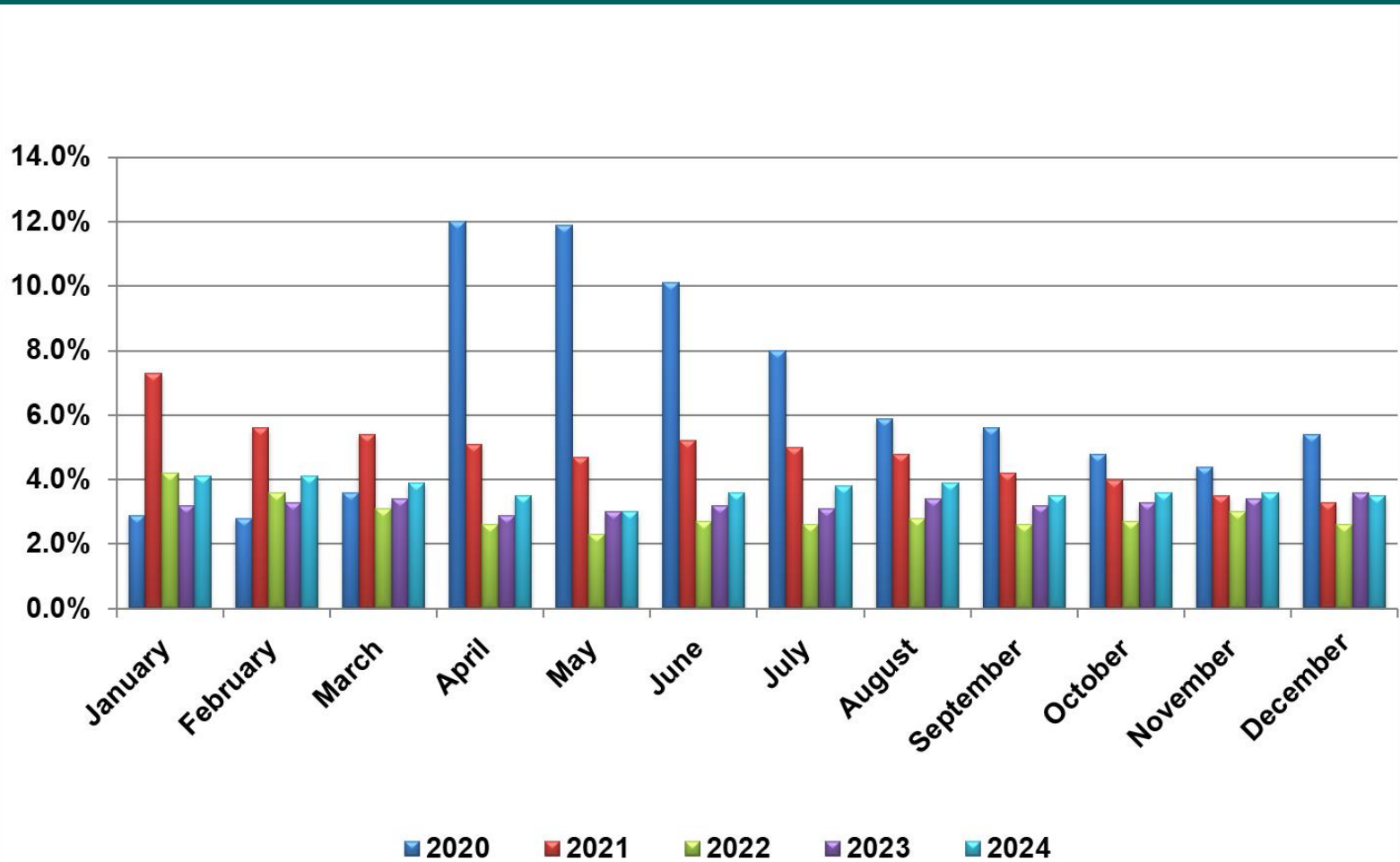
- Evaluate budgets for the General Fund and all other operating funds



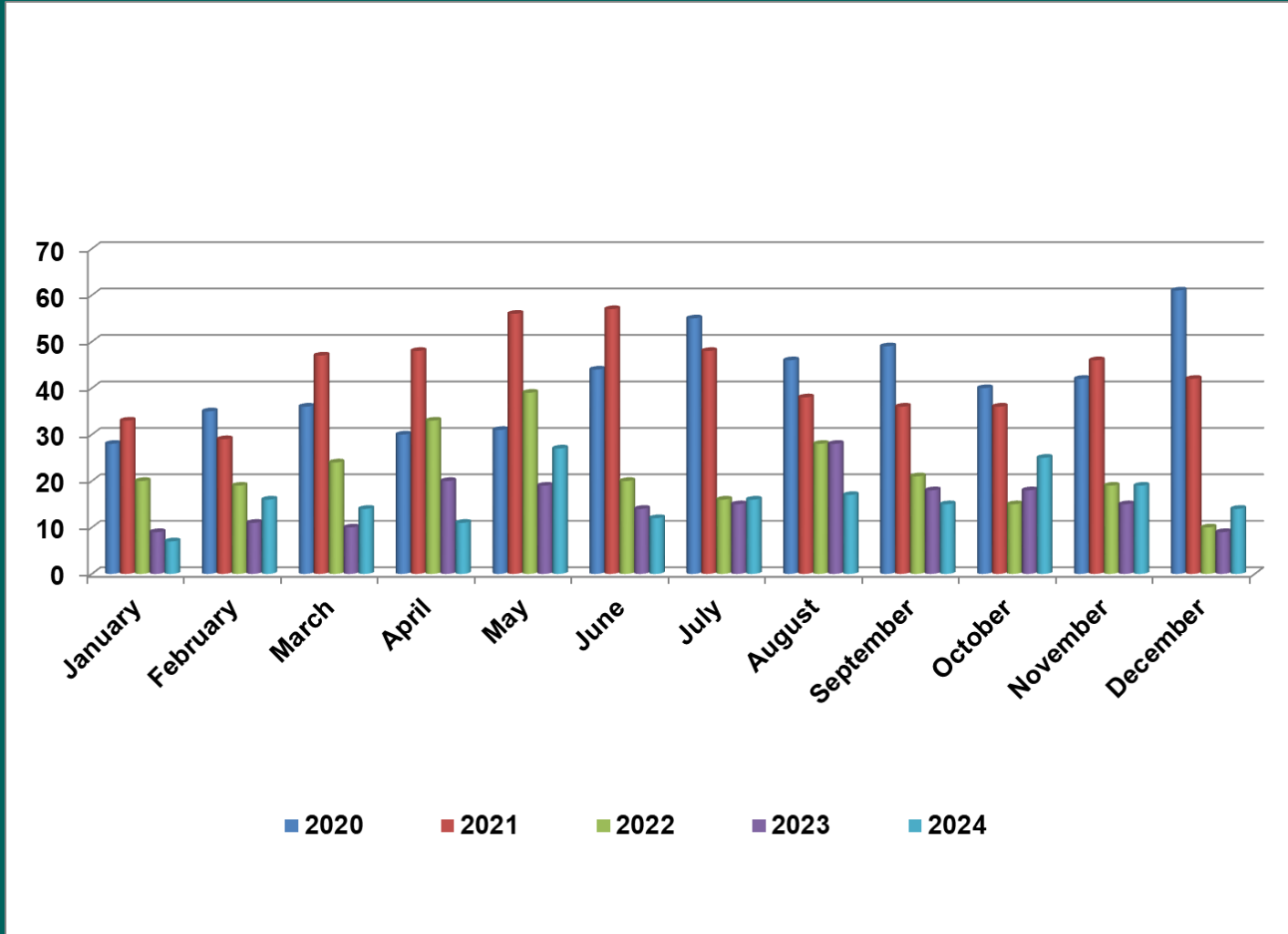
2024 Regional Unemployment Rates



Placerville's Historical Unemployment Rates



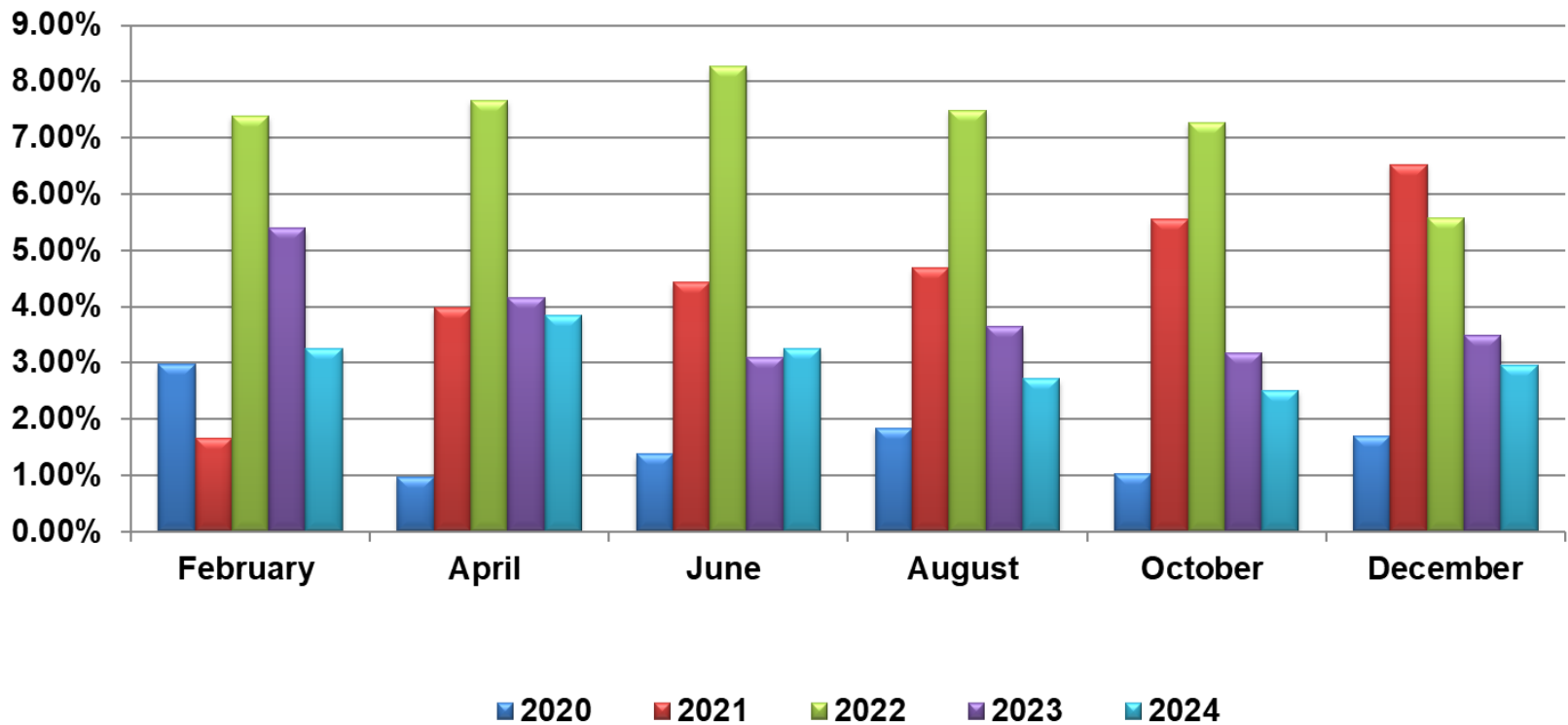
Residential Real Estate Sales in the Greater Placerville Area



Average Price of Residential Real Estate Sales in the Greater Placerville Area



California Consumer Price Index-All Urban Consumers (Inflation Trends)



Recreation Program Attendance

Program	July to Dec. 2023	July to Dec. 2024	Increase/ -Decrease	% Increase/ -Decrease
<i>Gold Bug Park</i>				
Gold Bug Daily Tours	6,961	6,426	-535	-7.69%
Gold Bug Group Tours	9	11	2	22.22%
Total	6,970	6,437	-533	-7.65%
<i>Aquatics</i>				
Lap Swim Users	144	173	29	20.14%
Wading Pool Users	135	219	84	62.22%
Public Swim Users	3,218	2,879	-339	-10.53%
Swim Lessons Participants	572	630	58	10.14%
Pool Party Rentals	16	13	-3	-18.75%
Pool Facility Rentals	7	5	-2	-28.57%
Total	4,092	3,919	-173	-4.23%
<i>Special Interest Classes & Camps</i>				
Youth Camps (Sports)	58	83	25	43.10%
Adult Special Interest	390	307	-83	-21.28%
Youth Special Interest	32	30	-2	-6.25%
Total	480	420	-60	-12.50%

Recreation Program Attendance (Cont.)

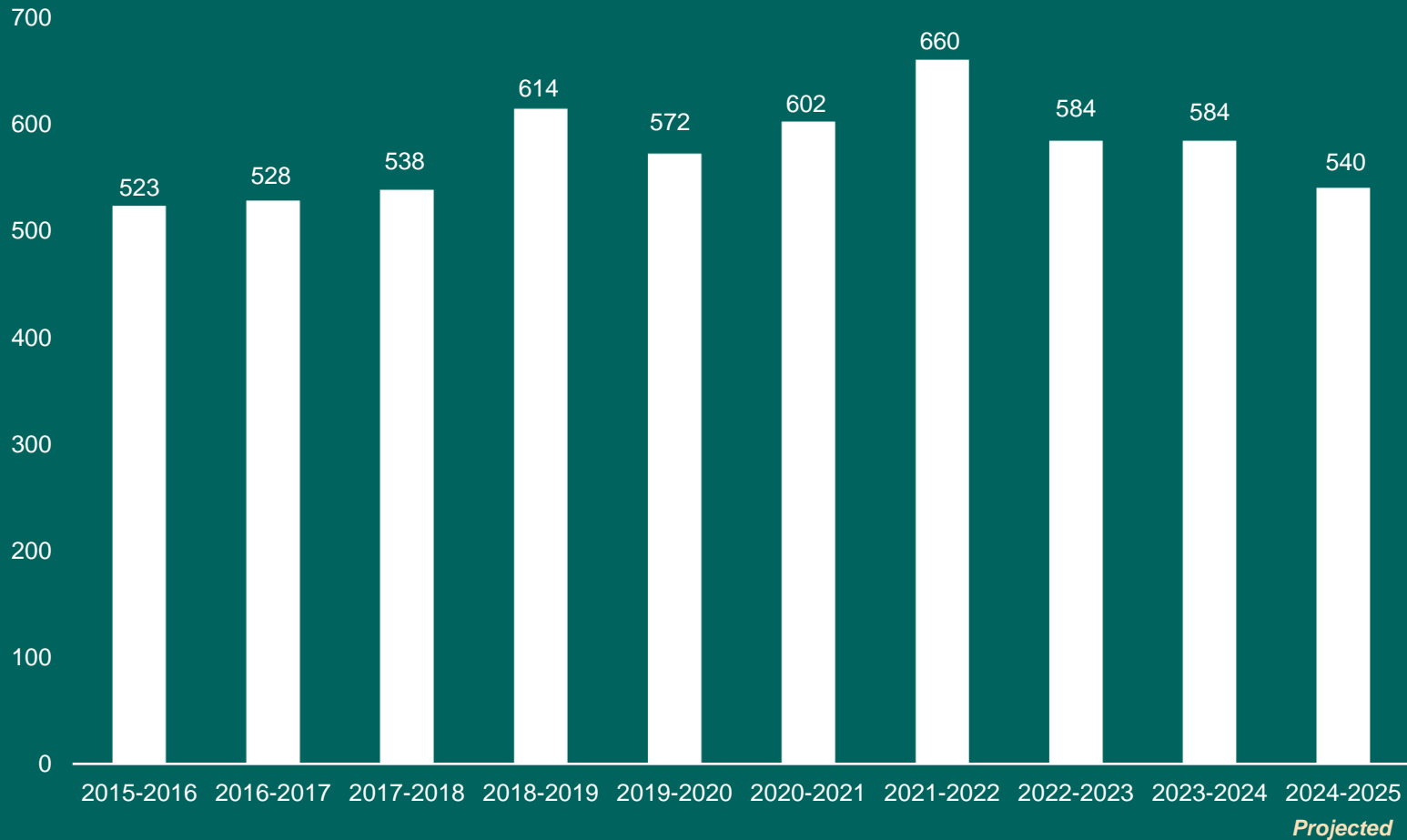
Program	July to Dec. 2023	July to Dec. 2024	Increase/ -Decrease	% Increase/- Decrease
Adult Sports				
Basketball Teams (3 on 3)	12	18	6	50.00%
Basketball Teams (5 on 5)	0	6	6	0.00%
Softball Teams	70	64	-6	-8.57%
Volleyball Teams	4	0	-4	-100.00%
Total	86	88	2	2.33%
Youth Basketball[^]				
Basketball Participants (City)	648	717	69	10.65%
Basketball Participants (Partner)	0	145	145	0.00%
Total	648	717	69	10.65%
Banner Over Main				
Banner Reservations	20	19	-1	-5.00%
Total	20	19	-1	-5.00%

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

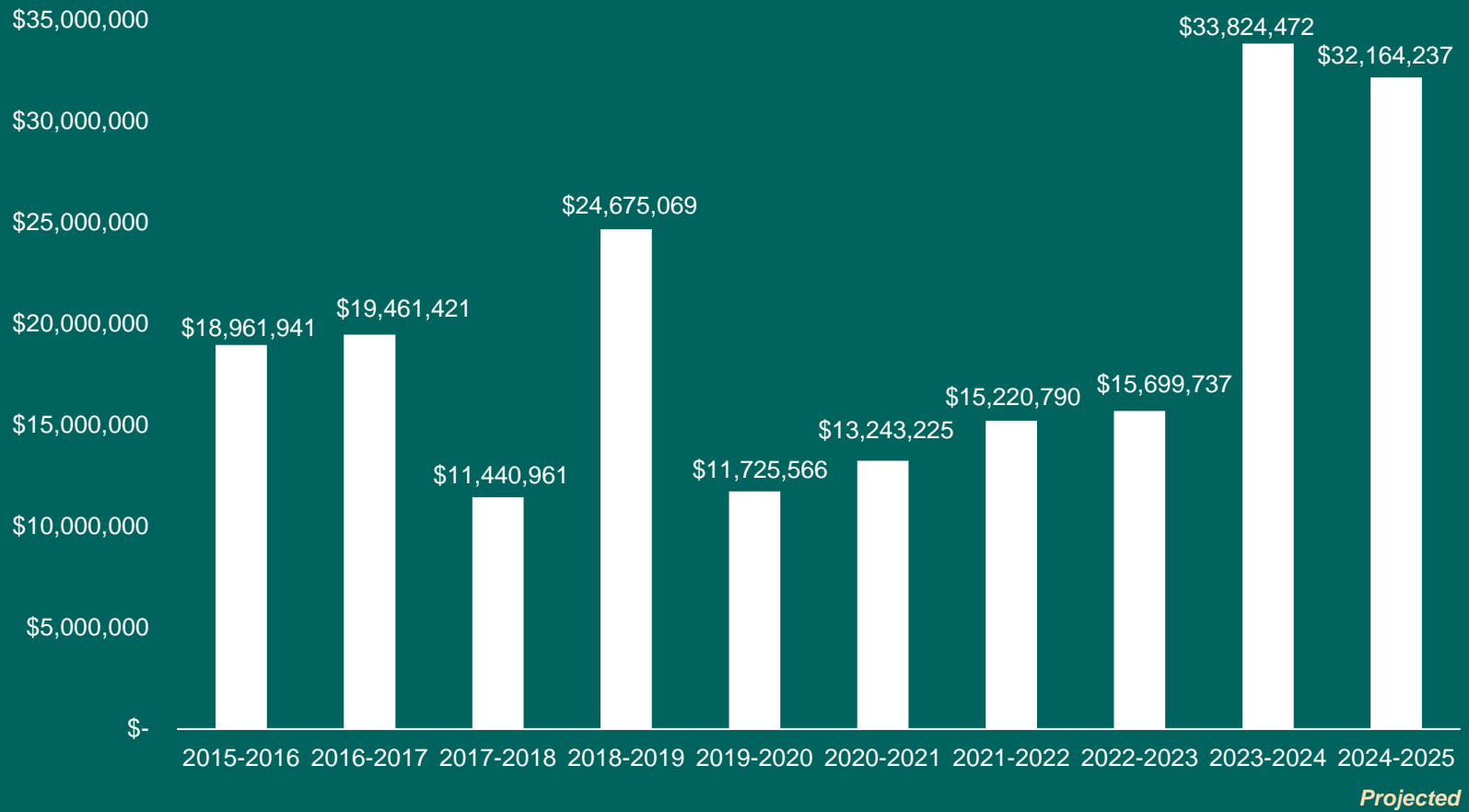
Building Division Revenues

Fee	Actual 2016/2017	Actual 2017/2018	Actual 2018/2019	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024	Mid Year 2024	*Projected 2024/2025
Construction Permits	\$204,018	\$138,726	\$237,768	\$143,411	\$175,501	\$195,435	\$172,456	\$245,884	\$152,138	\$318,138
Plan Check Fees	\$66,622	\$91,243	\$83,503	\$56,584	\$86,442	\$79,730	\$196,481	\$104,778	\$31,772	\$60,772

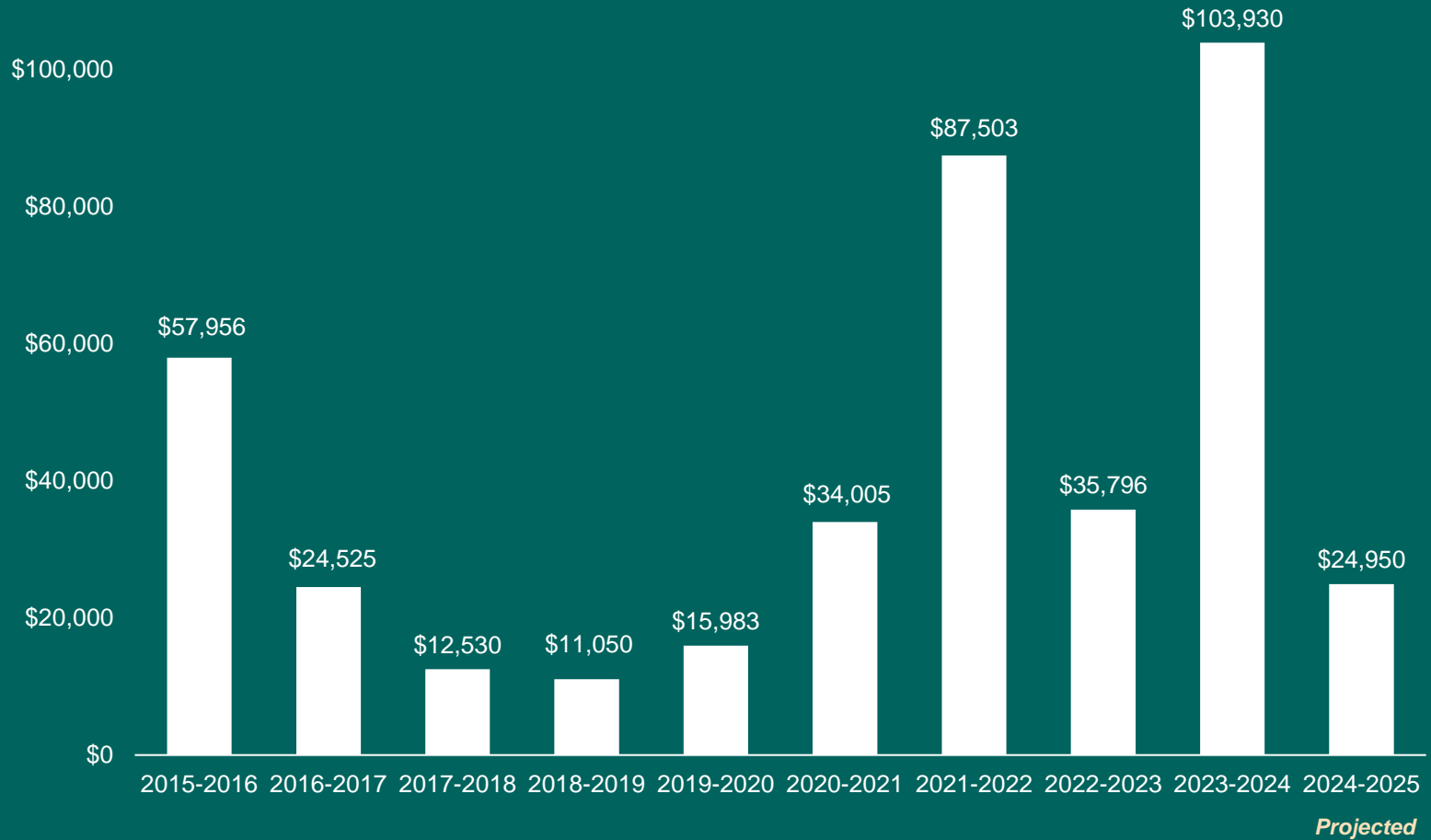
Issued Building Permits



Building Valuations



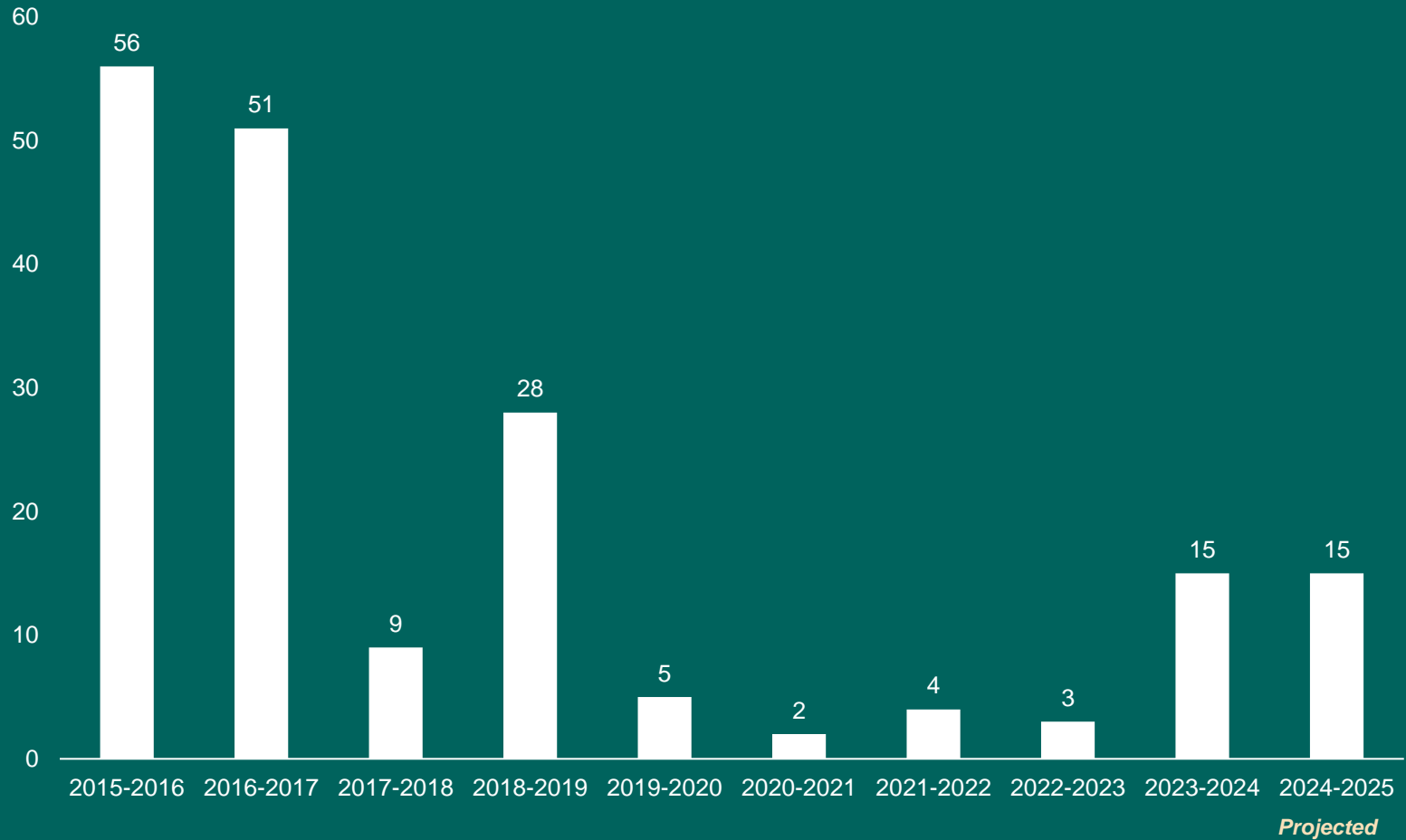
Planning & Zoning Revenue



**2021-2022 – The hotel accounted for \$75,838 of total fees collected that year.*

**2023-2024 – Includes Ridge Orchard Hill and Oborn TSMs; The Pines Apartments and Apple Farm Place SPRs.*

Single Family Dwellings



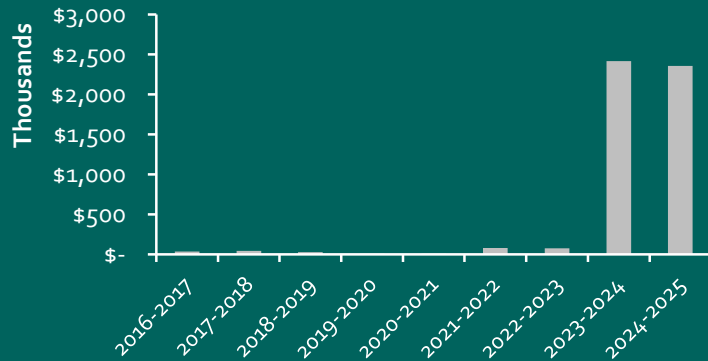
**2015-2017 – Eskaton development.*

**2018-2019 – Winesap development.*

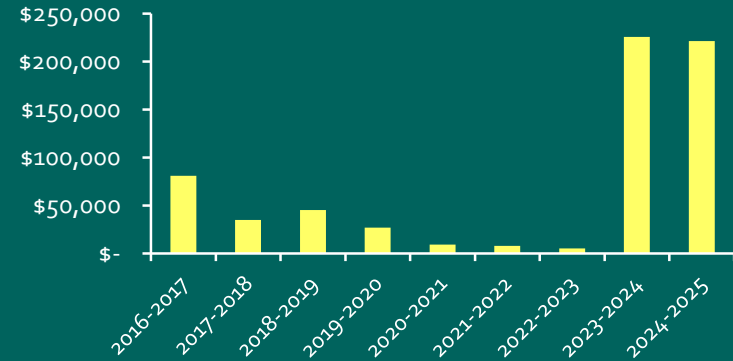
**2023-2025 – Cottonwood development.*

Impact Fees

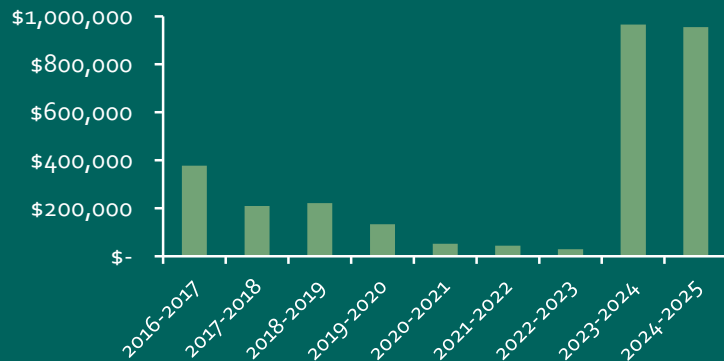
TRAFFIC



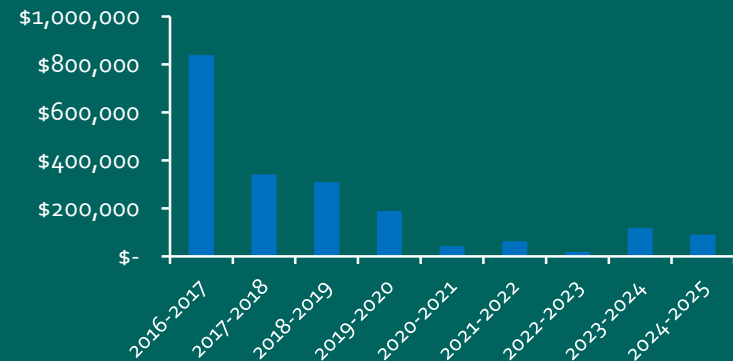
PARK



SEWER CIC

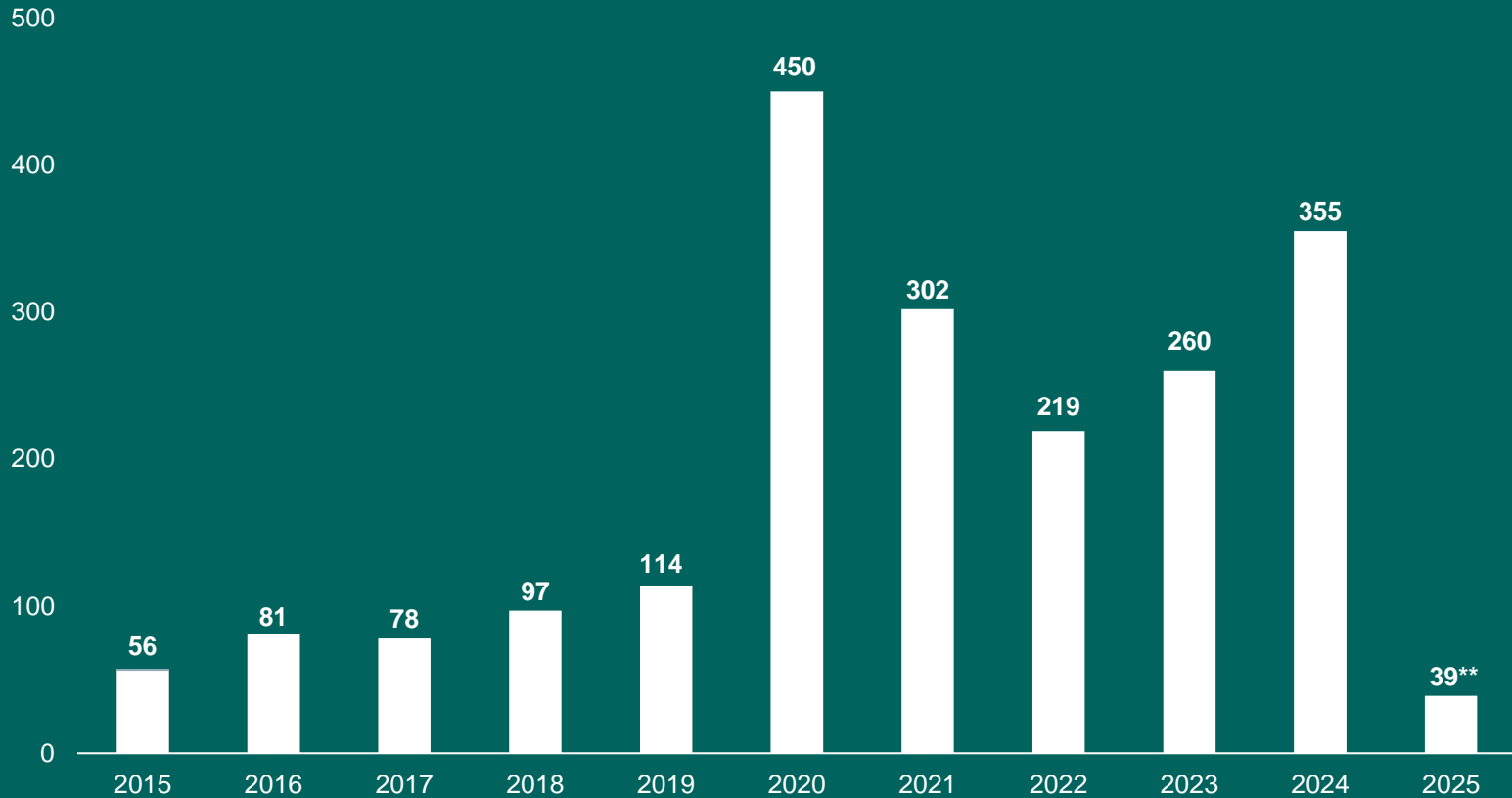


WATER CIC



*2024-2025 Projections include Middletown apartments.

Encroachment Permits

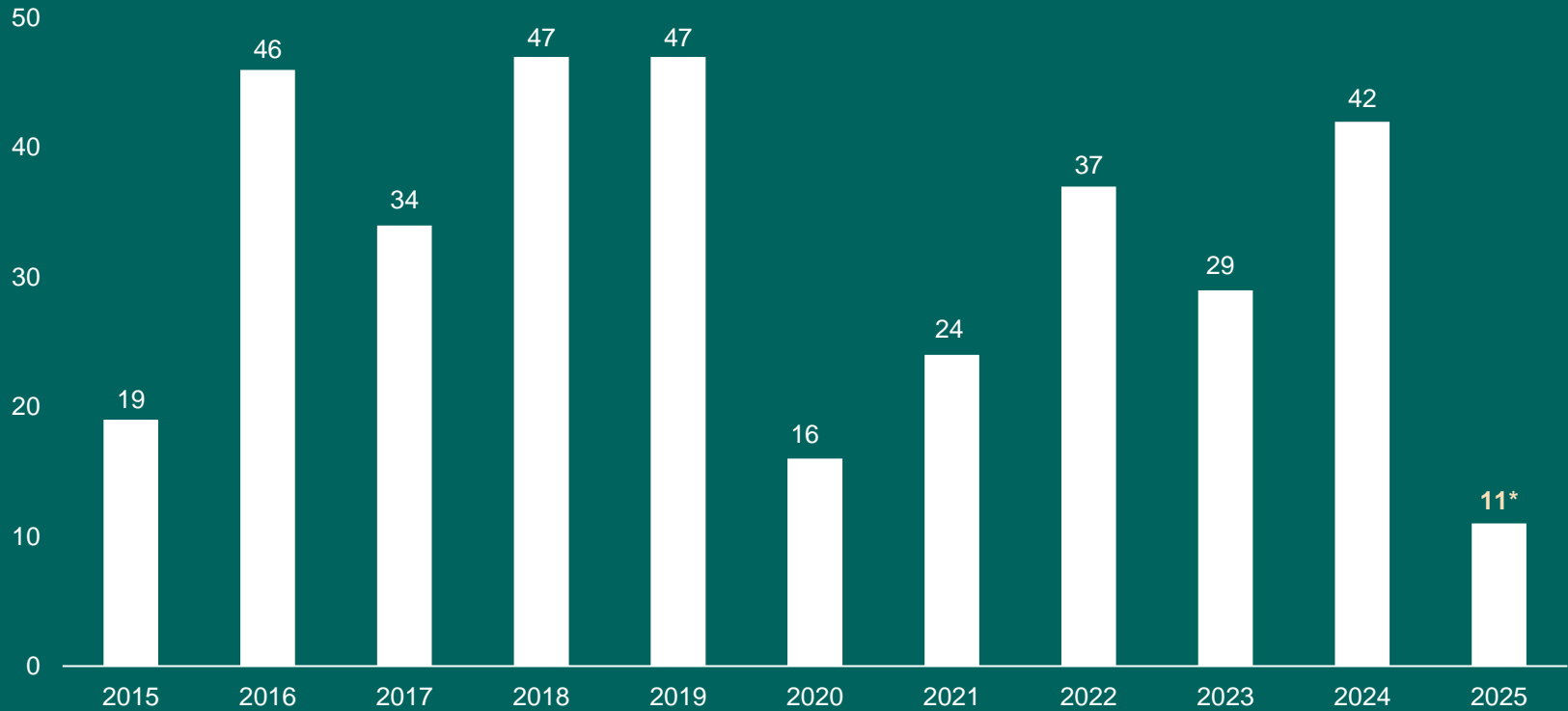


**As of 03/06/25

* 2020 Permits Included On-Street Dining Permits

Mid-Year Encroachment Permit Fees Collected (As of 12/31/24): \$36,225

Transportation Permits



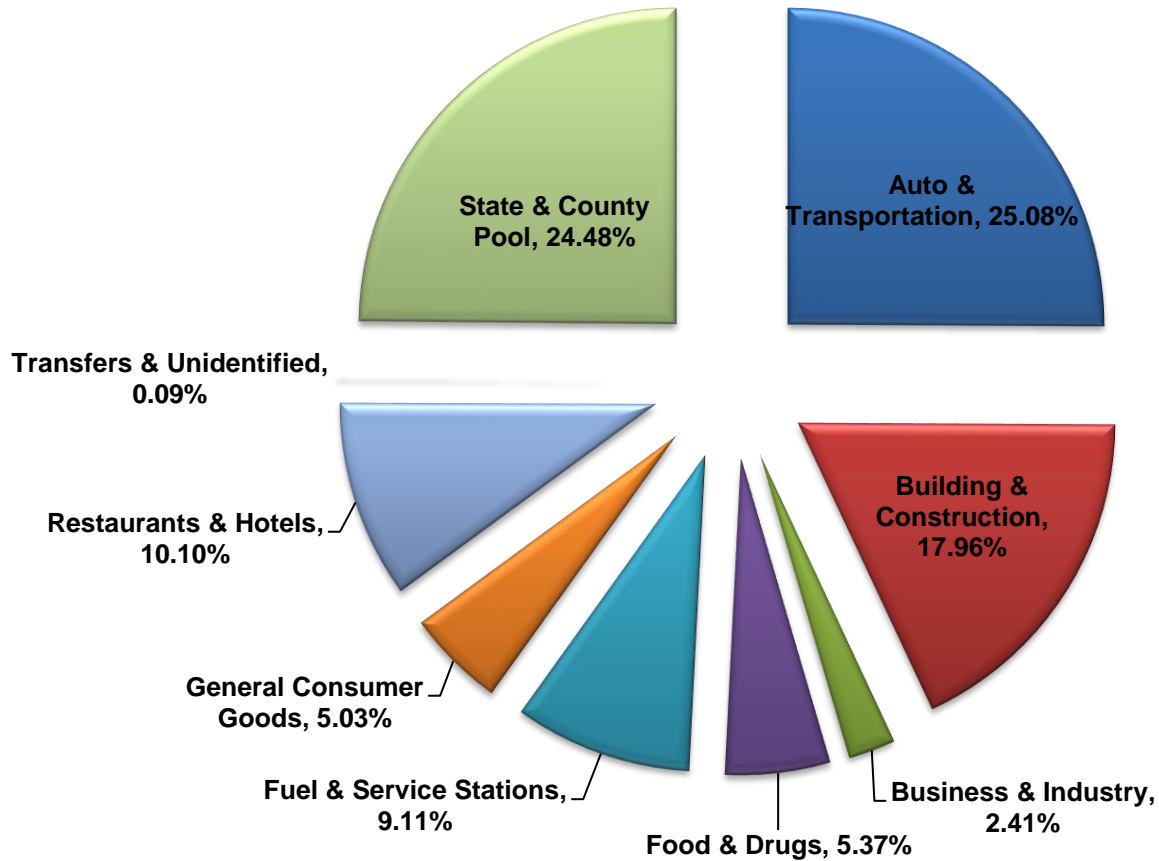
*As of 03/06/25

Mid-Year Transportation Permit Fees Collected (As of 12/31/24): \$1,546

Bradley Burns Sales Tax

- 1.00 of 8.25%
- Most significant local economic indicator
- 57.29% of total General Fund revenue
- Strong per capita sales tax (\$604 in 2023)
- Placerville ranked #37 out of 539 agencies (2023)
- Quarter ended September 2024 decreased by \$146,651 or 8.8% in Placerville (Cash)
- \$42,656 or 2.6% decrease excluding adjustments
- County 3rd quarter receipts down by 3.7%
- Statewide 3rd quarter receipts down by 2.3%

Bradley Burns Sales Tax Sources Quarter Ended September 30, 2024



Allocation aberrations have been adjusted to reflect sales activity.

Top 25 Sales Tax Producers Quarter Ended September 30, 2024

C&H Motor Parts

Chuck's Cannabis Collective

Diamond Pacific

Ferguson Enterprises

Fuel 4 Less

Grocery Outlet

Harbor Freight Tools

Home Depot

In N Out Burger

Kwik Serv

Les Schwab Tire Center

Main Street Tap House

Marathon

McDonald's

Mobil

Placerville Valero

Raley's

Rancho Convenience Center

Sacred Roots

Shell

Sierra Nevada Tire & Wheel

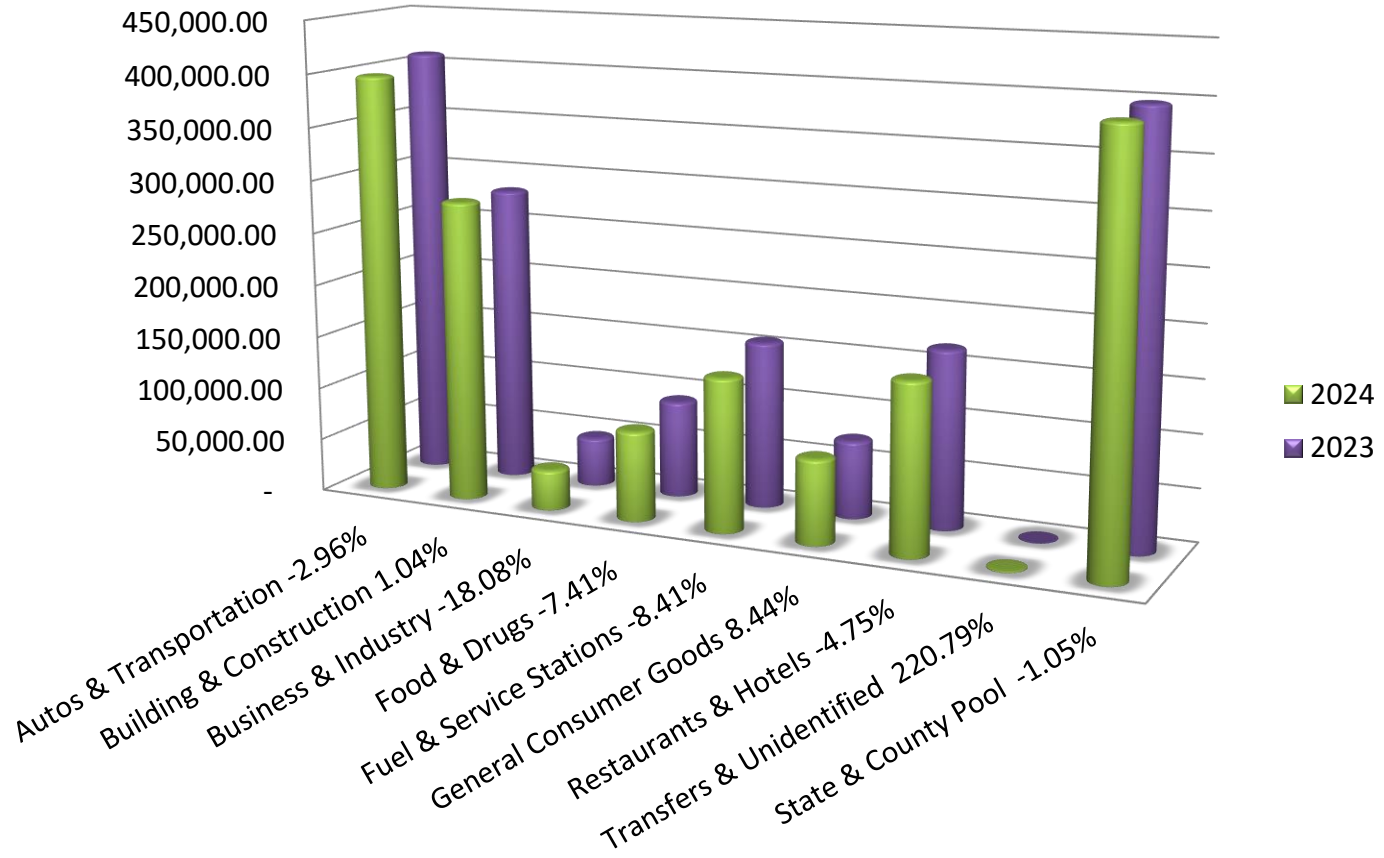
Thompson's Buick & GMC

Thompson's Chrysler, Dodge, Jeep, Ram

Thompson's Toyota

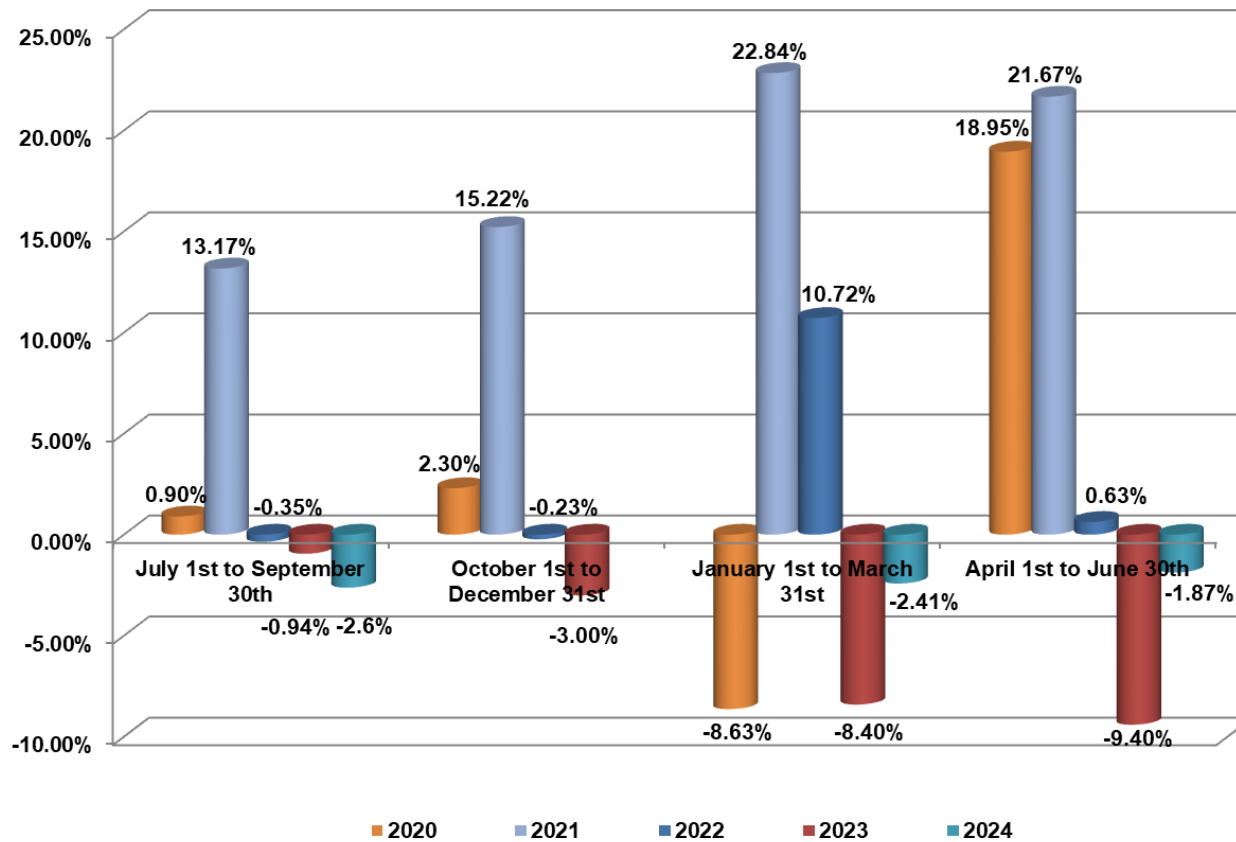
Tractor Supply

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



Allocation aberrations have been adjusted to reflect sales activity.

Bradley Burns Sales Tax Growth



Bradley Burns Sales Tax Growth (Cont.)

- Actual Fiscal Year 2023/2024 sales tax \$6,267,811
- Forecasted Fiscal Year 2024/2025 sales tax \$6,033,632
- Forecast \$234,179 or 3.74% year over year decrease

Adopted Operating Budget

- Adopted budget in June 2024
- Totaled \$24,682,058
- General Fund budget
 - \$11,302,762
 - Assumed (5) frozen positions
 - No Contingency
 - No contributions to Capital Outlay (equipment) or Capital Improvement Program (CIP) projects



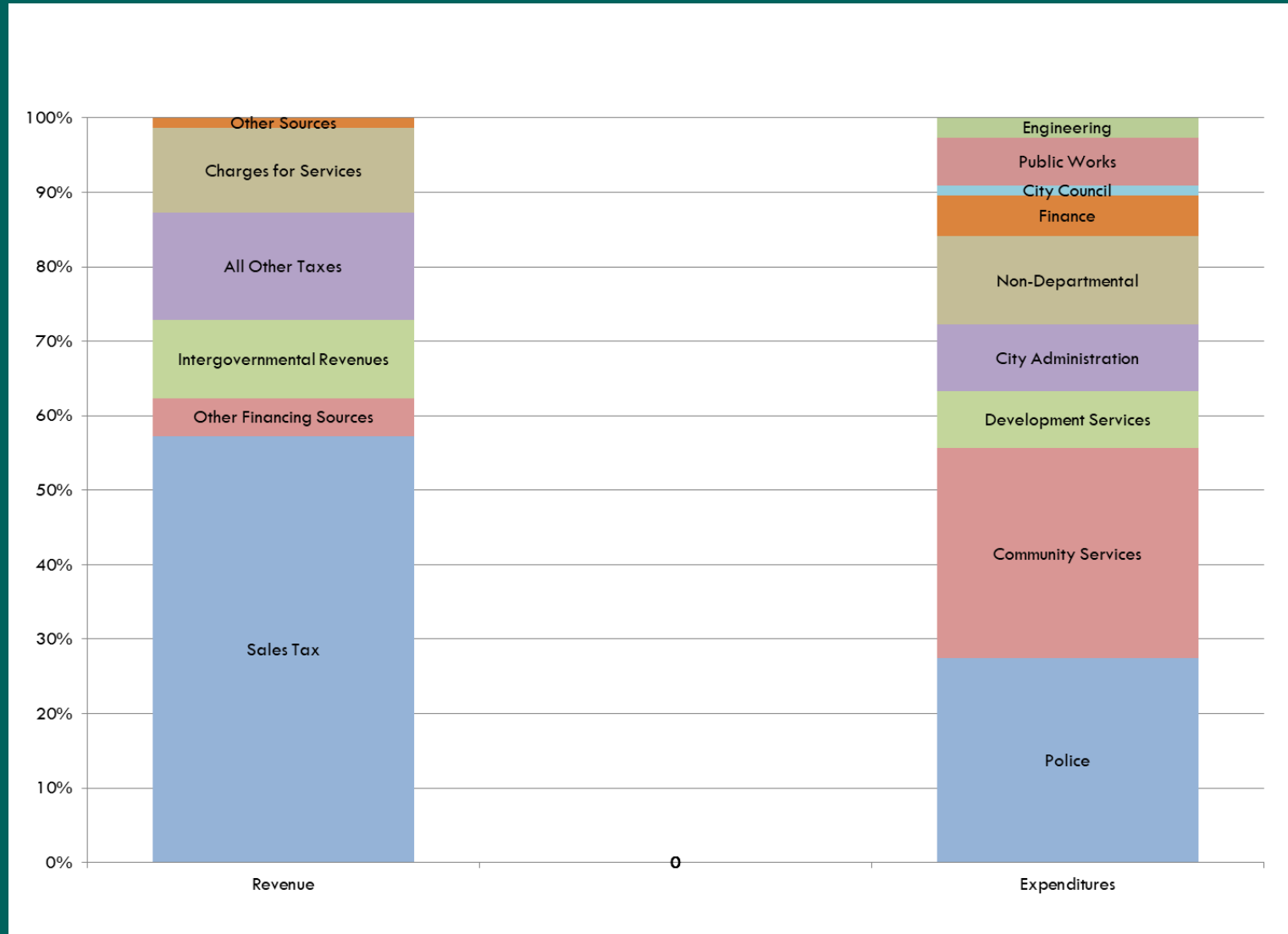
General Fund Budget Revisions

- \$770,420 Remained in the American Rescue Plan Act (ARPA) Fund that needed to be encumbered by December 31, 2024 or would have to be returned to the Federal Government
- City Council approved \$770,420 in budget liquidations/re-appropriations from the ARPA Fund to the General Fund for Police Patrol Division Personnel Costs
- This freed up \$770,420 in General Fund net revenue for previous ARPA Fund commitments and set asides:
 - \$600,000 for Corporation Yard improvements
 - \$81,491 for various CIP projects and Equipment
 - \$88,929 Contingency for Unforeseen Expenditures
- \$49,181 for Historic City Hall Stabilization project (CIP #42423)

General Fund Budget

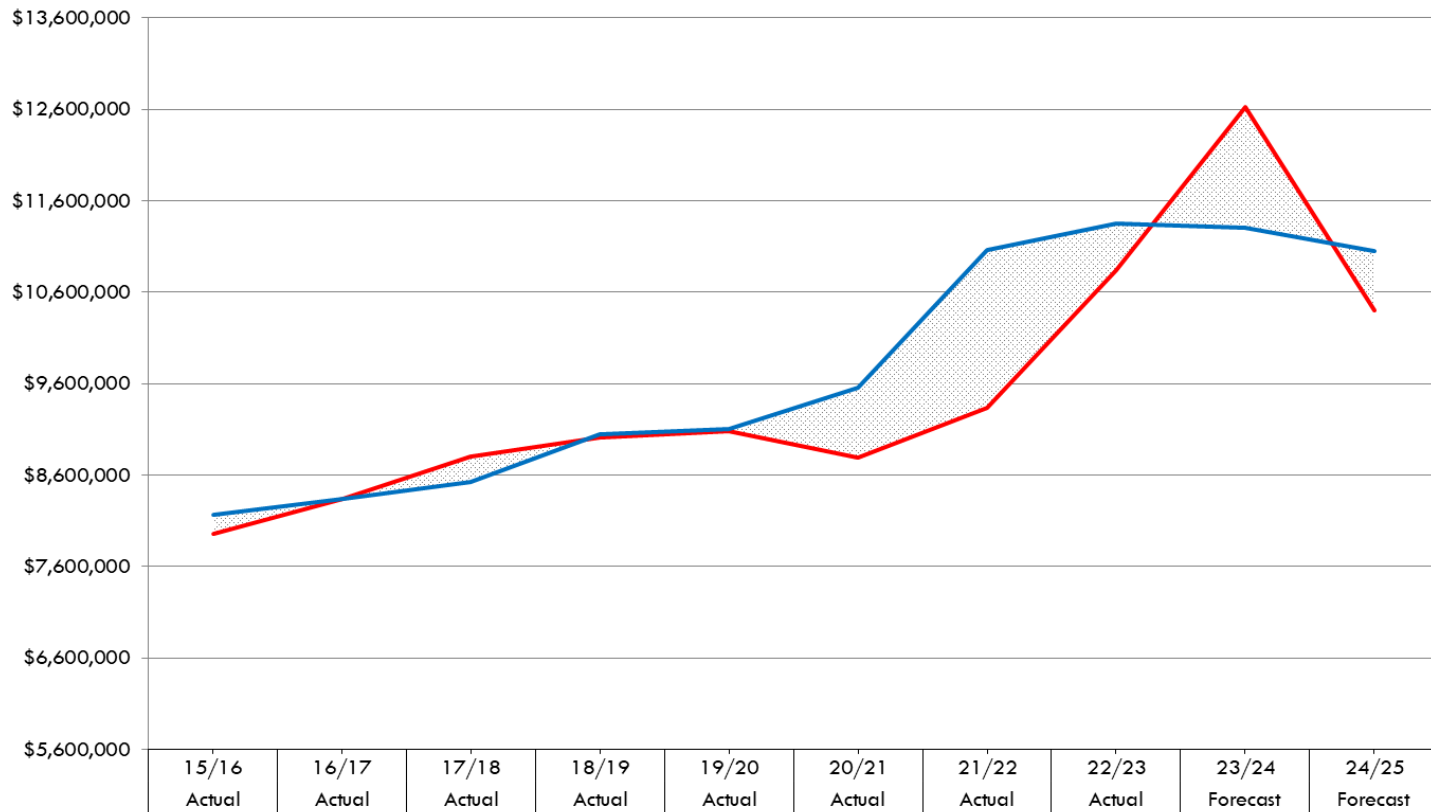


General Fund Budget (Cont.)



General Fund Budget (Cont.)

Revenues vs. Expenditures



General Fund Budget

	Revised Budget	Forecast	Under/Over Budget	
Revenues	\$ 11,302,762	\$ 11,048,036	\$ (254,726)	-2.25%
Expenditures	10,059,845	9,760,083	299,762	2.98%
Net Transfers In/(out)	(521,678)	(642,625)	(120,947)	-23.18%
Revenues under/(over) expenditures before adjustments	721,239	645,328		
Less: Previous ARPA Fund Set Asides	770,420	770,420		
From/(to) Fund Balance	\$ (49,181)	\$ (125,092)		

General Fund Revenues

Revenue Type	Revised Budget	Forecast	(Under)/Over Budget
Sales Tax	\$ 6,475,817	\$ 6,033,632	\$ (442,185) -6.83%
All Other Taxes	1,635,401	1,582,830	(52,571) -3.21%
Construction Permits	180,000	318,138	138,138 76.74%
Intergovernmental Revenues	1,189,308	1,205,975	16,667 1.40%
Charges for Service	1,096,835	1,120,708	23,873 2.18%
Fines & Forfeitures	82,050	109,111	27,061 32.98%
Use of Money & Property	75,860	110,151	34,291 45.20%
Other Financing Sources	567,491	567,491	- 0.00%
Total revenues	\$ 11,302,762	\$ 11,048,036	\$ (254,726) -2.25%

General Fund Expenditures

Department	Revised Budget	Forecast	Under/Over Budget
Police	\$ 2,898,179	\$ 2,892,432	\$ 5,747 0.20%
Development Services	809,374	739,918	69,456 8.58%
Engineering	279,585	317,499	(37,914) -13.56%
Community Services	2,988,136	2,715,042	273,094 9.14%
Public Works	683,613	709,452	(25,839) -3.78%
City Council	143,321	134,378	8,943 6.24%
City Administration	949,890	901,153	48,737 5.13%
Finance	579,093	561,876	17,217 2.97%
Non-Departmental	1,250,332	1,430,958	(180,626) -14.45%
Total expenditures	\$ 10,581,523	\$ 10,402,708	\$ 178,815 1.69%

General Fund Budget

- Assumes pay-as-you go costs for GASB 75 Other Post Employment Benefits (OPEB)
 - No contribution for future retiree medical insurance costs
- Assumes expending entire \$88,929 Contingency
- Assumes personnel salary and benefit commitments
- \$75,911 increase in forecasted deficit primarily due to \$442,185 shortfall in sales tax revenue

Water Enterprise Fund

	<u>Revised Budget</u>	<u>Forecast</u>	<u>Under/Over Budget</u>	
Revenues	\$ 2,644,262	\$ 2,665,880	\$ 21,618	0.82%
Expenditures	2,366,913	2,334,057	32,856	1.39%
Net Transfers Out	(251,783)	(307,042)	55,259	-21.95%
Revenues over (under) Expenditures	\$ 25,566	\$ 24,781		
 Water project set aside/(from fund balance)	 \$ 25,566	 \$ 24,781		

Sewer Enterprise Fund

	Revised Budget	Forecast	Under/Over Budget	
Revenues	\$ 7,353,612	\$ 8,209,023	\$ 855,411	11.63%
Expenditures	7,646,075	7,085,994	560,081	7.33%
Net Transfers In	1,154,252	1,105,623	48,629	4.21%
Revenues over (under) expenditures before adjustments	\$ 861,789	\$ 2,228,652		
Sewer project set aside	\$ 861,789	\$ 2,228,652		

Non-Major Funds

Fund	Fiscal Year	Revenues	Expenditures	Under/(Over) Budget
Measure L Fund	Budget	\$ 2,912,069	\$ -	\$ 2,912,069
	Forecast	3,023,546	-	3,023,546
Measure H Fund	Budget	1,450,035	1,406,035	44,000
	Forecast	1,475,190	1,406,035	69,155
Measure J Fund	Budget	1,407,035	1,407,035	-
	Forecast	1,383,294	1,383,294	-
American Rescue Plan Act Fund	Budget	-	976,770	(976,770)
	Forecast	45,955	976,770	(930,815)
Gas Tax Fund	Budget	614,542	614,542	-
	Forecast	638,170	625,285	12,885
Downtown Parking District Fund	Budget	234,110	228,336	5,774
	Forecast	236,921	231,941	4,980
SLESF COPS Fund	Budget	129,684	125,908	3,776
	Forecast	130,219	119,740	10,479
Cottonwood Park CFD Fund	Budget	102,630	46,471	56,159
	Forecast	102,630	45,805	56,825
Community Benefit Fund	Budget	86,145	20,466	65,679
	Forecast	80,480	20,466	60,014
General CIP Fund	Budget	80,022	29,341	50,681
	Forecast	78,522	29,341	49,181

Non-Major Funds (Continued)

Fund	Fiscal Year	Revenues	Expenditures	Under/(Over) Budget
SB 1383 Local Assistance Grant Program Fund	Budget	75,000	75,000	-
	Forecast	75,000	75,000	-
SRO Fund	Budget	63,020	63,020	-
	Forecast	58,800	58,800	-
Homeland Security Grant Fund	Budget	20,300	20,300	-
	Forecast	20,300	20,300	-
Ridge at Orchard Hill BAD Funds	Budget	52,678	46,099	6,579
	Forecast	61,022	9,889	51,133
Orchard Hill LLMD Fund	Budget	20,215	20,208	7
	Forecast	20,016	20,013	3
Cottonwood Park LLMD Fund	Budget	14,802	14,646	156
	Forecast	15,344	15,110	234
General Liability Fund	Budget	-	-	-
	Forecast	92,324	-	92,324
Reserve for Economic Uncertainties Fund	Budget	300	(8,395)	8,695
	Forecast	564	(8,395)	8,959

Total Operating Budget

	<u>Revised Budget</u>	<u>Forecast</u>	<u>Under/Over Budget</u>	
Revenues	\$ 28,563,223	\$ 29,461,236	\$ 898,013	3.14%
Expenditures	24,777,824	24,053,572	724,252	2.92%
Net Transfers Out	-	-	-	0.00%
Revenues over (under)				
Expenditures	<u>\$ 3,785,399</u>	<u>\$ 5,407,664</u>		

Before commitments to Capital Improvement Program projects and reserves.

Closing Comments

- Although the local economy shows signs of cooling, new businesses, active development, and CIP projects will help stimulate commerce over the next year
- City Council and management continue to operate the City in a prudent and responsible manner
- Anticipate year-end operating revenue to exceed operating expenditures for most funds
- Staff will provide additional updates to the City Council at its Budget Workshops scheduled for April 24th and May 8th

Conclusion

- Questions?
- Comments?
- Thank you!



A balanced budget is worth fighting for.