

# CITY OF PLACERVILLE

## SALES TAX UPDATE

### 1Q 2021 (JANUARY - MARCH)



**PLACERVILLE**  
TOTAL: \$ 1,419,507

13.1%  
1Q2021



13.5%  
COUNTY

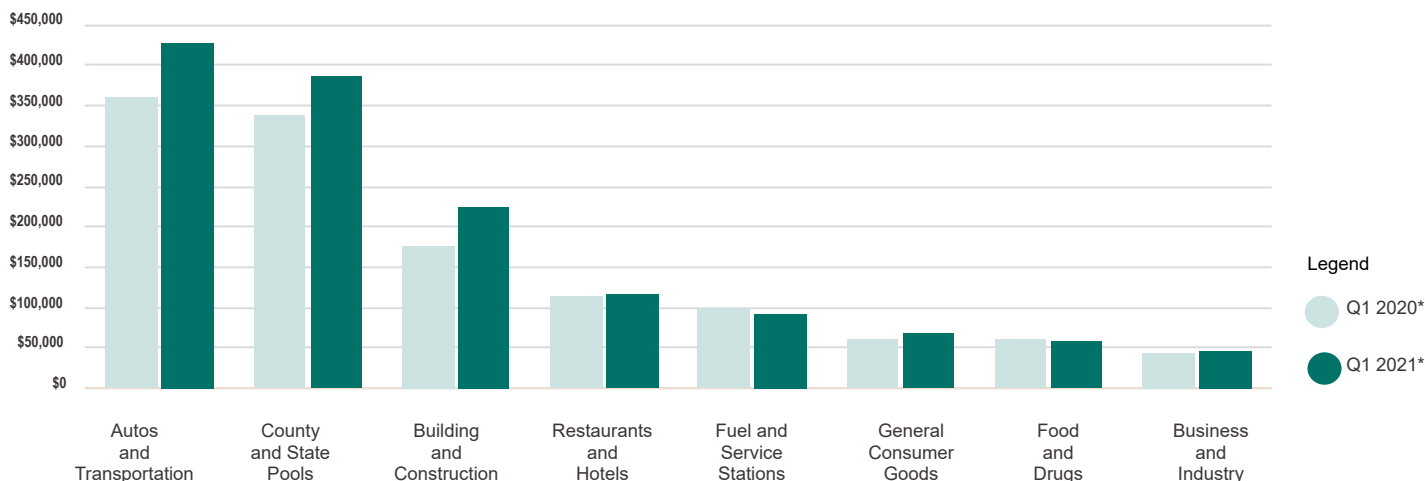


9.5%  
STATE



*\*Allocation aberrations have been adjusted to reflect sales activity*

### SALES TAX BY MAJOR BUSINESS GROUP



**Measure J**  
TOTAL: \$302,056  
↑ 18.3%

**Measure H**  
TOTAL: \$302,057  
↑ 18.3%

**Measure L**  
TOTAL: \$603,898  
↑ 18.3%



### CITY OF PLACERVILLE HIGHLIGHTS

Placerville's receipts from January through March were 22.8% above the first sales period in 2020. Adjusting for reporting aberrations, which included \$74,000 of tax payment delays at the beginning of the pandemic last year, actual sales rose higher by 13.1%.

Consumer's loosened their purse strings in early 2021; several segments within the autos-transportation and building-construction groups captured greater sales. Eating more often at quick service establishments drove restaurants-hotel's returns up modestly.

Even after accounting for an expected taxpayer change of filing that redirected

funds away from the El Dorado pool, use tax distributions climbed 14% as online purchasing stayed vigorous. Led by home furnishings favorable results, general consumer goods rebounded from year-ago tallies.

Locally approved Measures J, H and L collected more transactions taxes over first quarter 2020 figures; general retail spending and residential acquisition of new vehicles stood out as the largest contributors.

Net of aberrations, taxable sales for all of El Dorado County grew 13.5% over the comparable time period; the Sacramento region was up 14.9%.



### TOP 25 PRODUCERS

- |                           |                         |
|---------------------------|-------------------------|
| Big 5                     | Rite Aid                |
| Big Lots                  | Save Mart               |
| Bricks Restaurant         | Shell                   |
| C & H Motor Parts         | Sierra Fuel             |
| Diamond Pacific           | Thompsons Buick GMC     |
| Ferguson Enterprises      | Thompsons Chrysler      |
| Grocery Outlet            | Dodge Jeep Ram          |
| Home Depot                | Thompson's Toyota       |
| In N Out Burger           | Tractor Supply          |
| Les Schwab Tire Center    | W N Hunt & Sons         |
| McDonalds                 | Distributors            |
| Office Max                | Western Refining Retail |
| Placerville Valero        |                         |
| Raley's                   |                         |
| Rancho Convenience Center |                         |



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions.

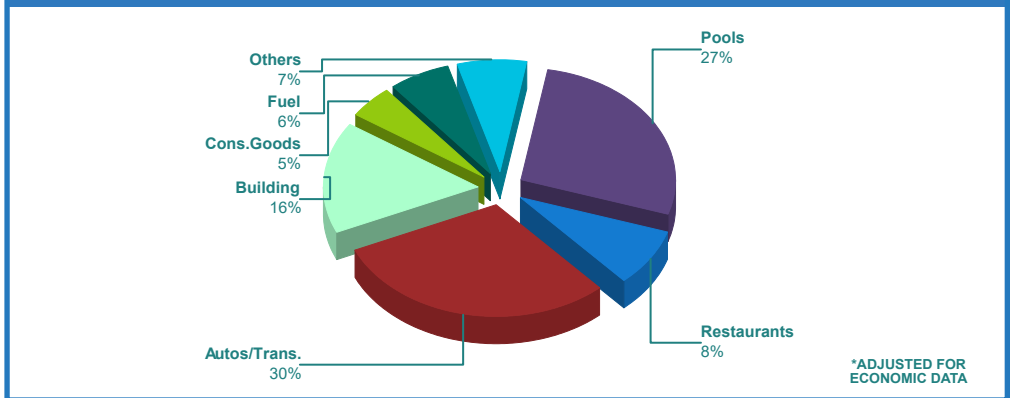
Changes in business structure required a taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in

many counties, the recovery for restaurants and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

REVENUE BY BUSINESS GROUP  
Placerville This Quarter\*



TOP NON-CONFIDENTIAL BUSINESS TYPES

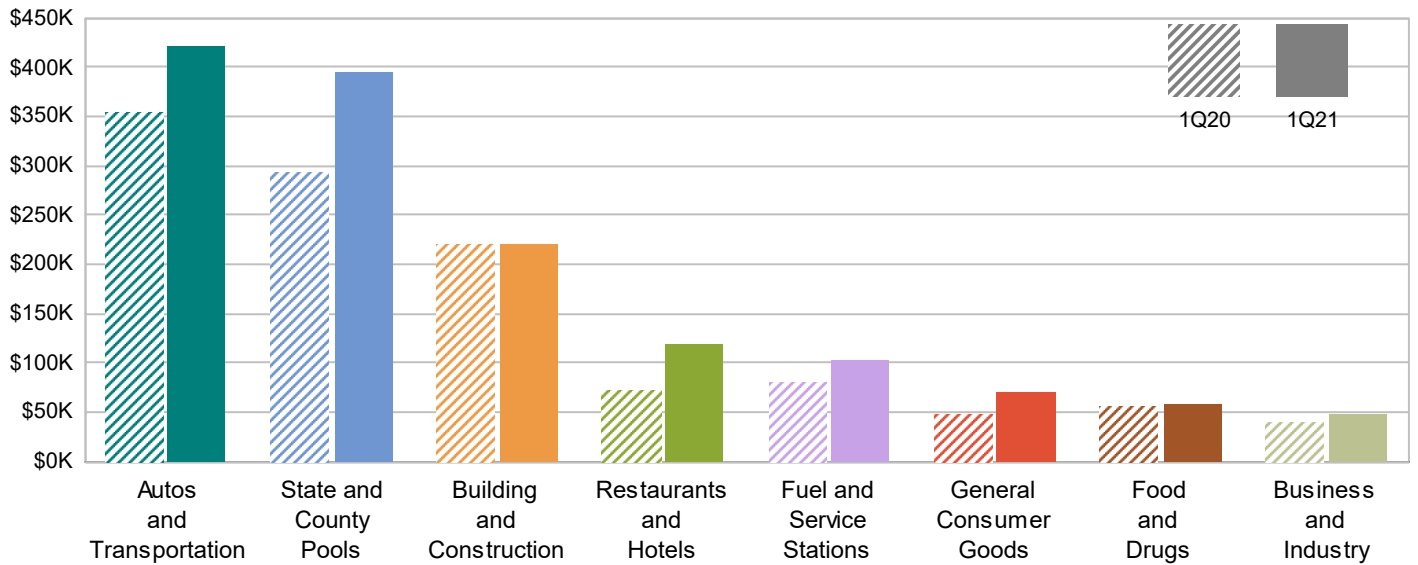
Placerville Business Type	Q1 '21*	Change	County Change	HdL State Change
Casual Dining	65.1	-0.9% ↓	5.3% ↑	-18.9% ↓
Service Stations	62.8	-13.1% ↓	0.7% ↑	-4.0% ↓
Quick-Service Restaurants	49.1	13.5% ↑	14.8% ↑	1.1% ↑
Automotive Supply Stores	48.1	3.8% ↑	12.4% ↑	13.7% ↑
Grocery Stores	35.9	-3.7% ↓	2.6% ↑	-6.2% ↓
Petroleum Prod/Equipment	24.2	-0.4% ↓	-17.4% ↓	-15.4% ↓
Auto Repair Shops	12.5	0.9% ↑	-4.9% ↓	-8.6% ↓
Home Furnishings	11.7	41.8% ↑	49.6% ↑	19.3% ↑
Sporting Goods/Bike Stores	10.4	21.7% ↑	17.3% ↑	33.3% ↑
Convenience Stores/Liquor	10.3	6.5% ↑	11.9% ↑	11.1% ↑

\*Allocation aberrations have been adjusted to reflect sales activity      \*In thousands of dollars

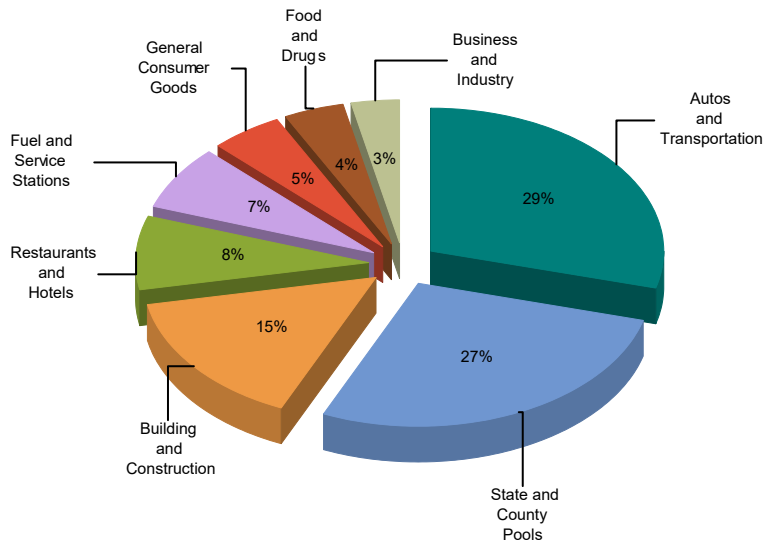


<u>Major Industry Group</u>	<u>Count</u>	<u>1Q21</u>	<u>1Q20</u>	<u>\$ Change</u>	<u>% Change</u>
Autos and Transportation	52	421,798	354,068	67,729	19.1%
State and County Pools	-	395,007	293,972	101,035	34.4%
Building and Construction	16	222,061	222,048	13	0.0%
Restaurants and Hotels	100	119,662	74,115	45,547	61.5%
Fuel and Service Stations	19	105,034	82,522	22,512	27.3%
General Consumer Goods	458	71,406	50,436	20,970	41.6%
Food and Drugs	33	59,747	57,357	2,390	4.2%
Business and Industry	195	49,462	40,873	8,589	21.0%
Transfers & Unidentified	12	2,009	1,856	153	8.3%
<b>Total</b>	<b>885</b>	<b>1,446,186</b>	<b>1,177,247</b>	<b>268,939</b>	<b>22.8%</b>

**1Q20 Compared To 1Q21**

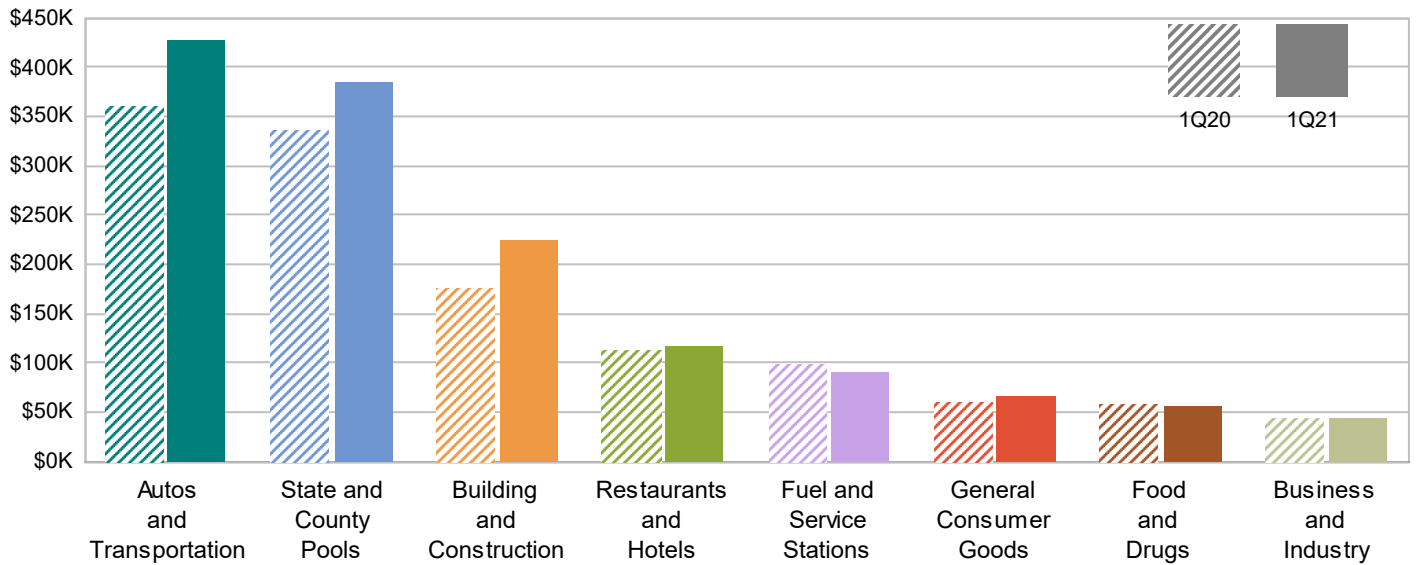


**1Q21 Percent of Total**

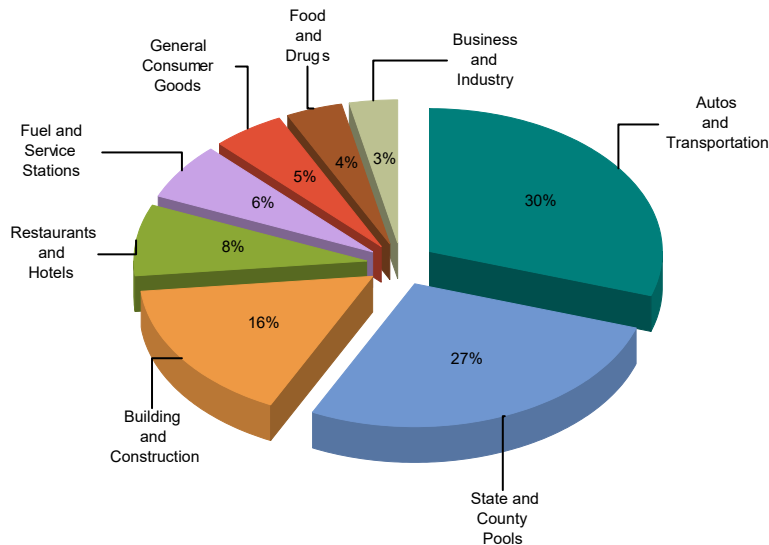


Major Industry Group	Count	1Q21	1Q20	\$ Change	% Change
Autos and Transportation	52	426,335	360,247	66,088	18.3%
State and County Pools	-	385,749	337,022	48,727	14.5%
Building and Construction	16	225,365	176,197	49,168	27.9%
Restaurants and Hotels	100	117,385	113,830	3,555	3.1%
Fuel and Service Stations	19	90,959	99,394	(8,435)	-8.5%
General Consumer Goods	458	67,729	61,170	6,560	10.7%
Food and Drugs	33	57,919	60,527	(2,608)	-4.3%
Business and Industry	195	45,796	45,081	715	1.6%
Transfers & Unidentified	12	2,269	1,689	580	34.3%
<b>Total</b>	<b>885</b>	<b>1,419,507</b>	<b>1,255,158</b>	<b>164,349</b>	<b>13.1%</b>

**1Q20 Compared To 1Q21**



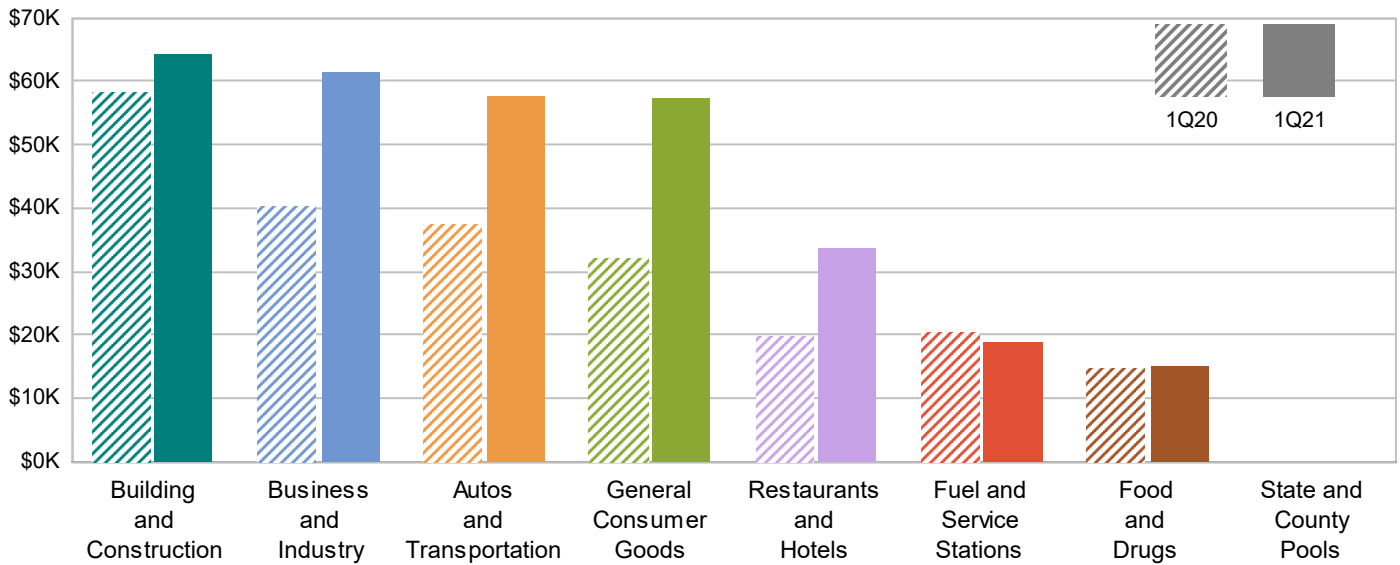
**1Q21 Percent of Total**



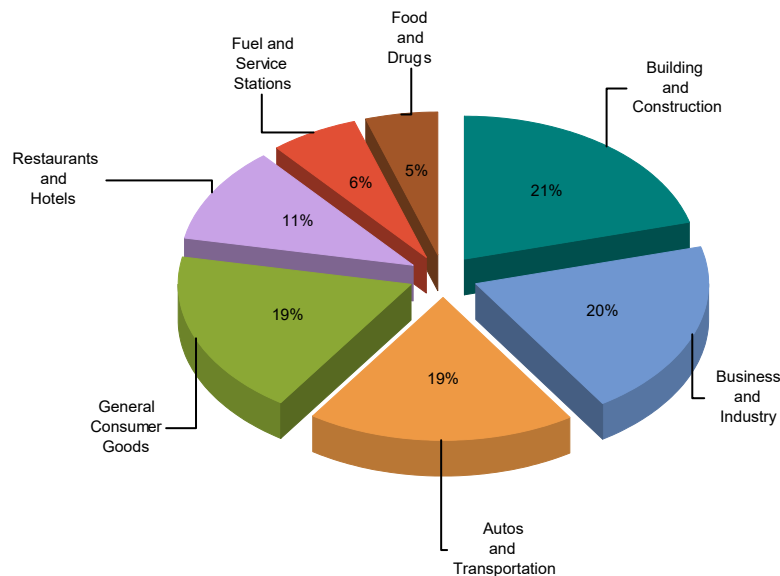


<u>Major Industry Group</u>	<u>Count</u>	<u>1Q21</u>	<u>1Q20</u>	<u>\$ Change</u>	<u>% Change</u>
Building and Construction	342	64,366	58,297	6,069	10.4%
Business and Industry	2,771	61,579	40,531	21,048	51.9%
Autos and Transportation	491	57,693	37,441	20,252	54.1%
General Consumer Goods	1,811	57,307	32,321	24,985	77.3%
Restaurants and Hotels	97	33,656	19,953	13,703	68.7%
Fuel and Service Stations	62	18,971	20,660	(1,688)	-8.2%
Food and Drugs	80	15,341	15,057	284	1.9%
Transfers & Unidentified	1,360	3,393	1,670	1,723	103.2%
State and County Pools	-	0	0	0	-N/A-
<b>Total</b>	<b>7,014</b>	<b>312,306</b>	<b>225,931</b>	<b>86,375</b>	<b>38.2%</b>

**1Q20 Compared To 1Q21**

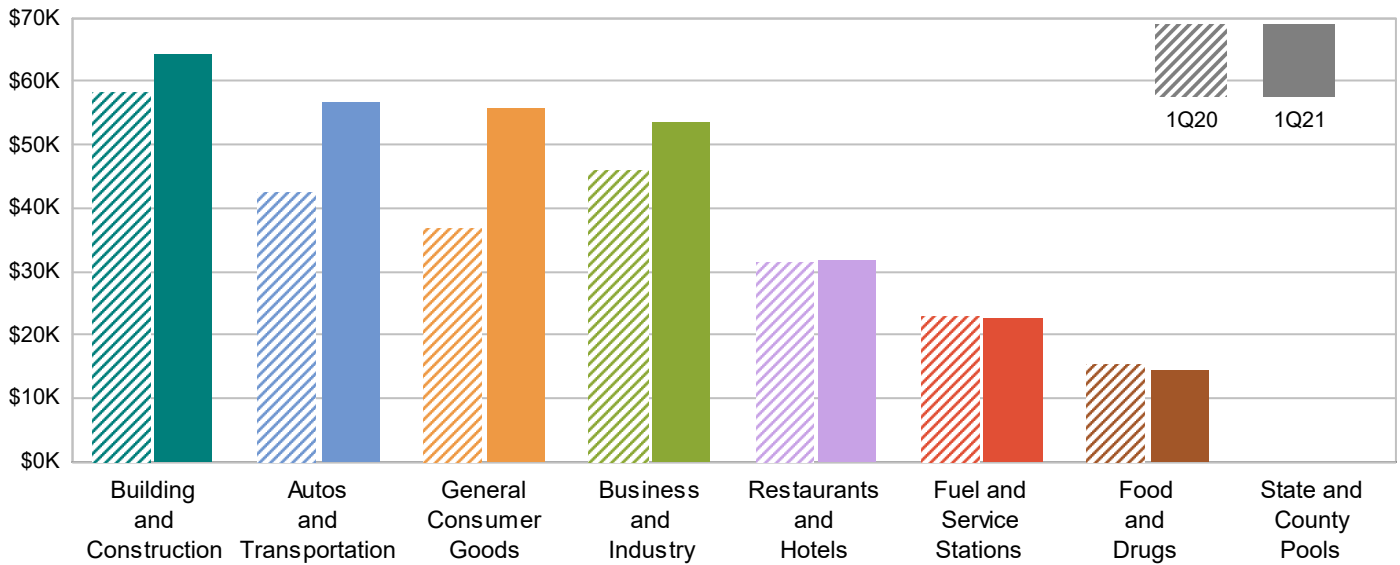


**1Q21 Percent of Total**

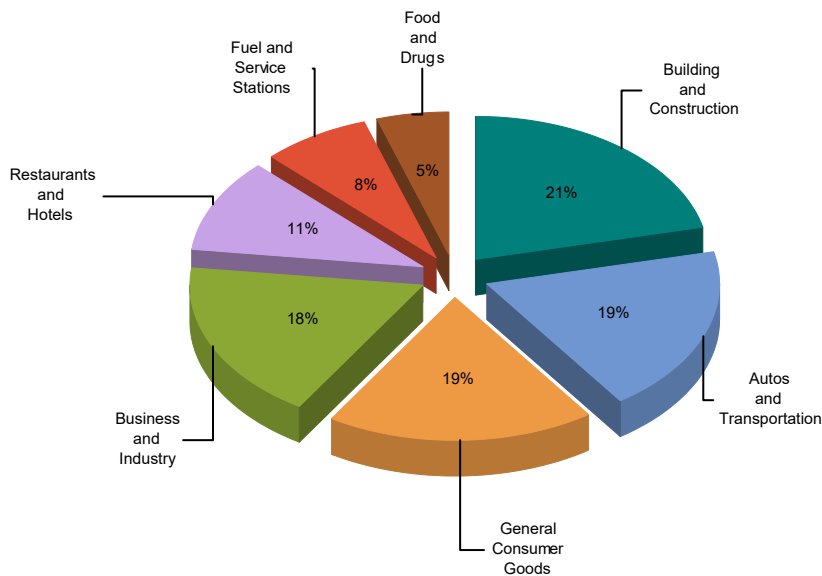


Major Industry Group	Count	1Q21	1Q20	\$ Change	% Change
Building and Construction	342	64,169	58,175	5,994	10.3%
Autos and Transportation	491	56,582	42,506	14,076	33.1%
General Consumer Goods	1,811	55,739	36,924	18,814	51.0%
Business and Industry	2,771	53,606	45,933	7,673	16.7%
Restaurants and Hotels	97	31,780	31,574	205	0.7%
Fuel and Service Stations	62	22,740	23,070	(330)	-1.4%
Food and Drugs	80	14,642	15,416	(774)	-5.0%
Transfers & Unidentified	1,360	2,799	1,664	1,135	68.2%
State and County Pools	-	0	0	0	-N/A-
<b>Total</b>	<b>7,014</b>	<b>302,057</b>	<b>255,262</b>	<b>46,795</b>	<b>18.3%</b>

**1Q20 Compared To 1Q21**



**1Q21 Percent of Total**



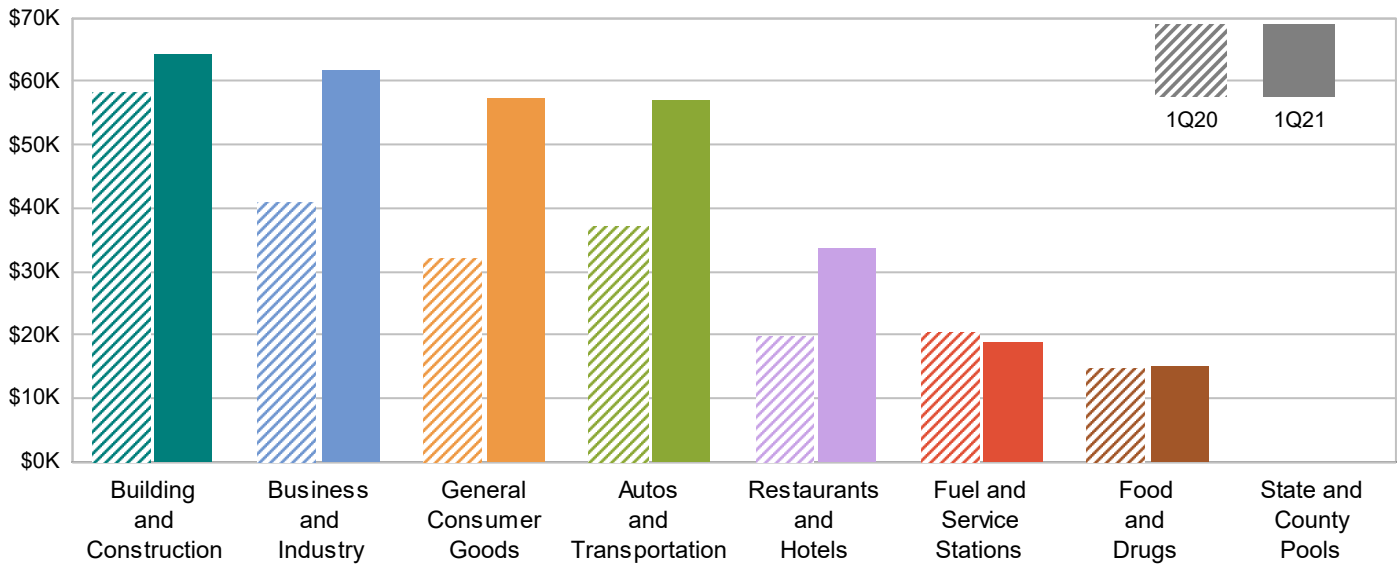


# CITY OF PLACERVILLE MEASURE J

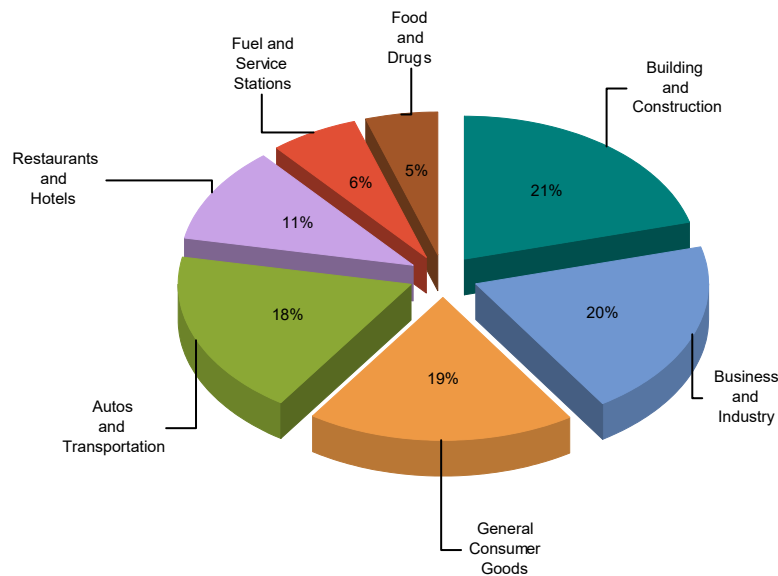
## MAJOR INDUSTRY GROUPS

Major Industry Group	Count	1Q21	1Q20	\$ Change	% Change
Building and Construction	343	64,362	58,287	6,075	10.4%
Business and Industry	2,772	61,712	40,959	20,753	50.7%
General Consumer Goods	1,820	57,318	32,309	25,008	77.4%
Autos and Transportation	497	57,065	37,173	19,892	53.5%
Restaurants and Hotels	98	33,674	19,959	13,715	68.7%
Fuel and Service Stations	63	18,971	20,709	(1,738)	-8.4%
Food and Drugs	82	15,368	15,068	300	2.0%
Transfers & Unidentified	1,360	3,393	1,736	1,657	95.4%
State and County Pools	-	0	0	0	-N/A-
<b>Total</b>	<b>7,035</b>	<b>311,863</b>	<b>226,201</b>	<b>85,662</b>	<b>37.9%</b>

**1Q20 Compared To 1Q21**

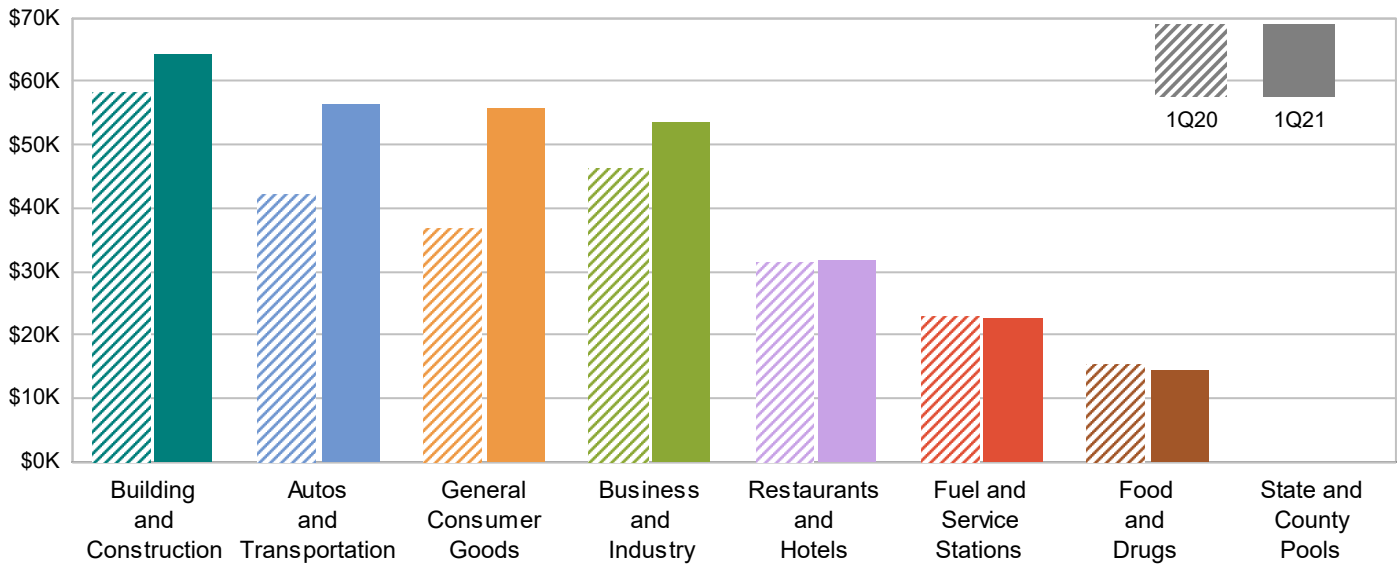


**1Q21 Percent of Total**

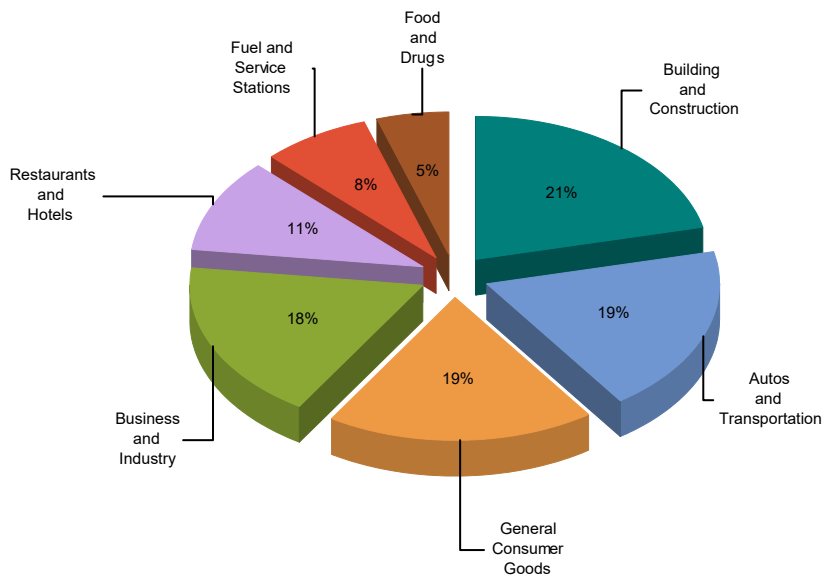


Major Industry Group	Count	1Q21	1Q20	\$ Change	% Change
Building and Construction	343	64,166	58,165	6,001	10.3%
Autos and Transportation	497	56,502	42,233	14,270	33.8%
General Consumer Goods	1,820	55,746	36,935	18,811	50.9%
Business and Industry	2,772	53,663	46,219	7,444	16.1%
Restaurants and Hotels	98	31,780	31,574	205	0.7%
Fuel and Service Stations	63	22,740	23,065	(324)	-1.4%
Food and Drugs	82	14,660	15,427	(767)	-5.0%
Transfers & Unidentified	1,360	2,799	1,664	1,135	68.2%
State and County Pools	-	0	0	0	-N/A-
<b>Total</b>	<b>7,035</b>	<b>302,056</b>	<b>255,282</b>	<b>46,774</b>	<b>18.3%</b>

**1Q20 Compared To 1Q21**



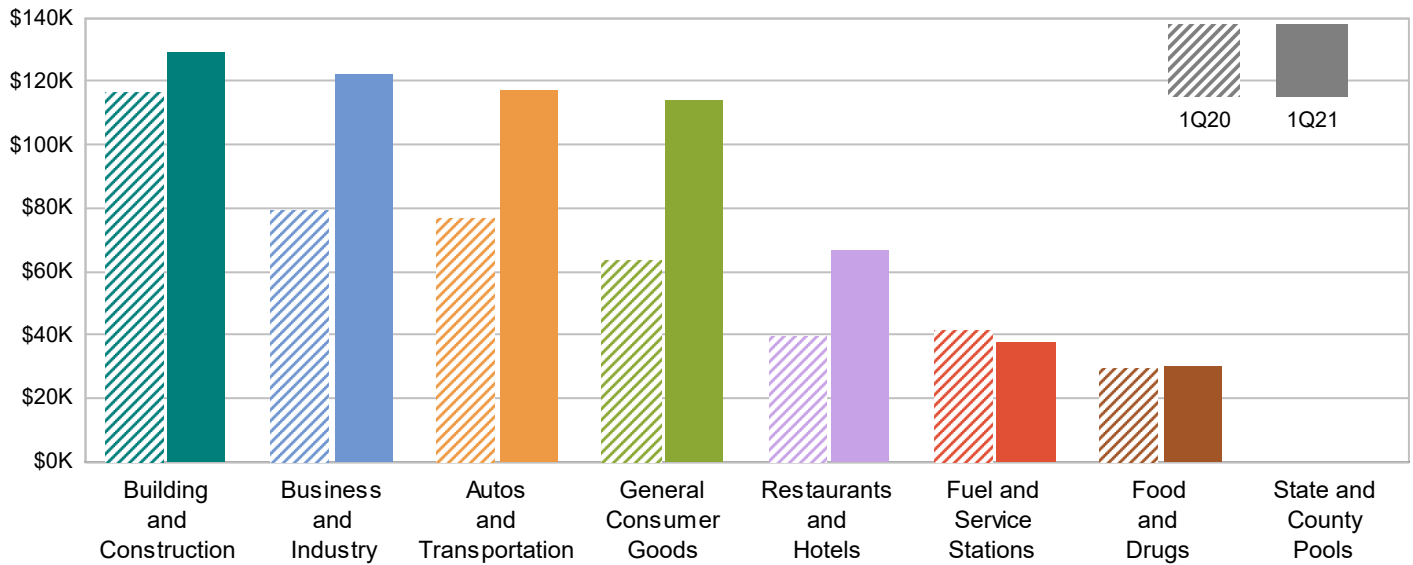
**1Q21 Percent of Total**



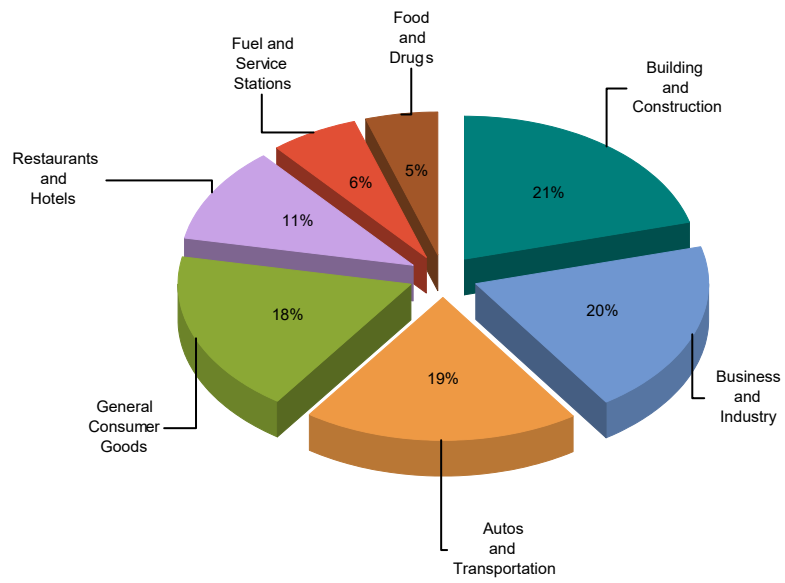


Major Industry Group	Count	1Q21	1Q20	\$ Change	% Change
Building and Construction	343	129,216	116,871	12,345	10.6%
Business and Industry	2,770	122,174	79,791	42,383	53.1%
Autos and Transportation	482	116,934	76,736	40,198	52.4%
General Consumer Goods	1,786	114,061	63,632	50,429	79.3%
Restaurants and Hotels	98	66,898	39,907	26,991	67.6%
Fuel and Service Stations	62	38,010	41,727	(3,717)	-8.9%
Food and Drugs	77	30,661	30,113	548	1.8%
Transfers & Unidentified	1,358	6,777	3,319	3,459	104.2%
State and County Pools	-	0	0	0	-N/A-
<b>Total</b>	<b>6,976</b>	<b>624,732</b>	<b>452,095</b>	<b>172,637</b>	<b>38.2%</b>

**1Q20 Compared To 1Q21**

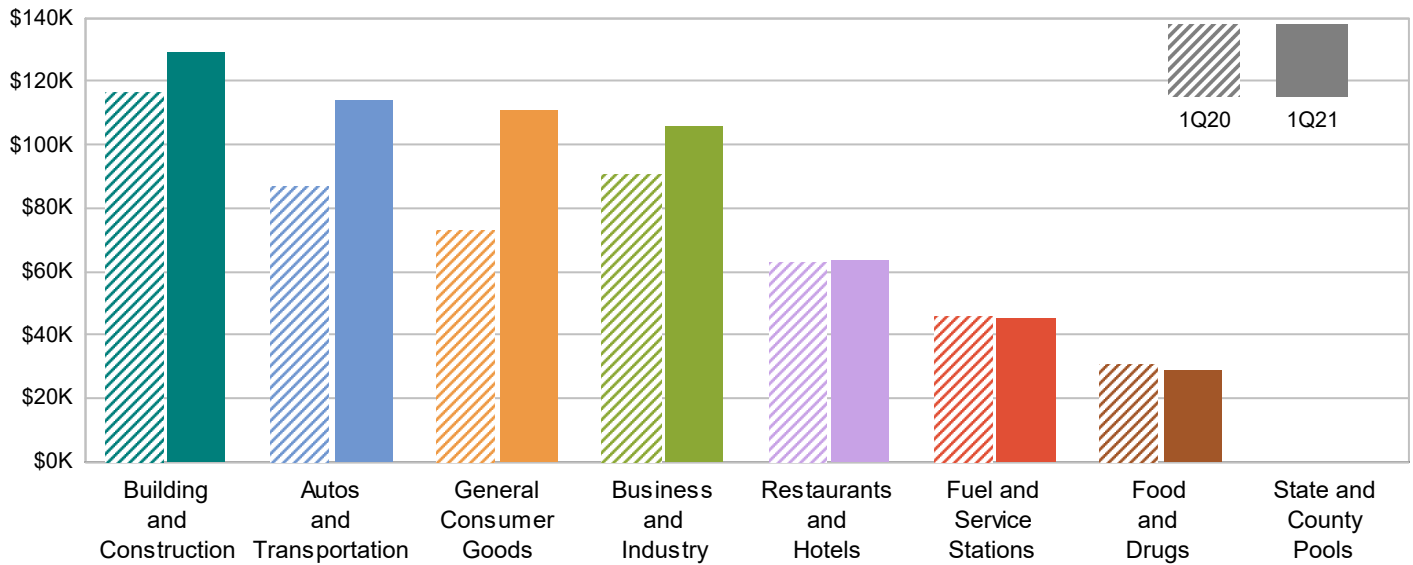


**1Q21 Percent of Total**

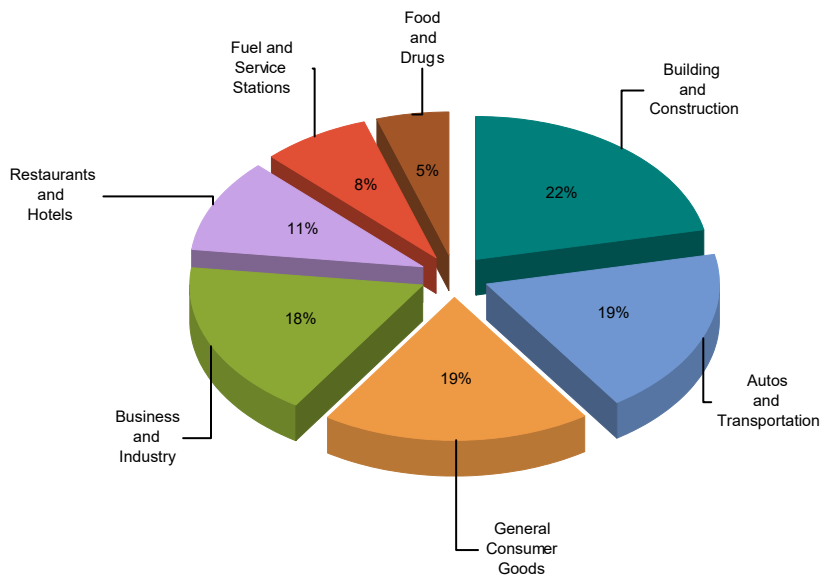


Major Industry Group	Count	1Q21	1Q20	\$ Change	% Change
Building and Construction	343	129,048	116,573	12,476	10.7%
Autos and Transportation	482	113,965	86,749	27,215	31.4%
General Consumer Goods	1,786	111,066	73,222	37,845	51.7%
Business and Industry	2,770	105,904	90,521	15,383	17.0%
Restaurants and Hotels	98	63,574	63,149	425	0.7%
Fuel and Service Stations	62	45,481	46,141	(660)	-1.4%
Food and Drugs	77	29,264	30,814	(1,550)	-5.0%
Transfers & Unidentified	1,358	5,597	3,328	2,270	68.2%
State and County Pools	-	0	0	0	-N/A-
<b>Total</b>	<b>6,976</b>	<b>603,898</b>	<b>510,496</b>	<b>93,403</b>	<b>18.3%</b>

**1Q20 Compared To 1Q21**

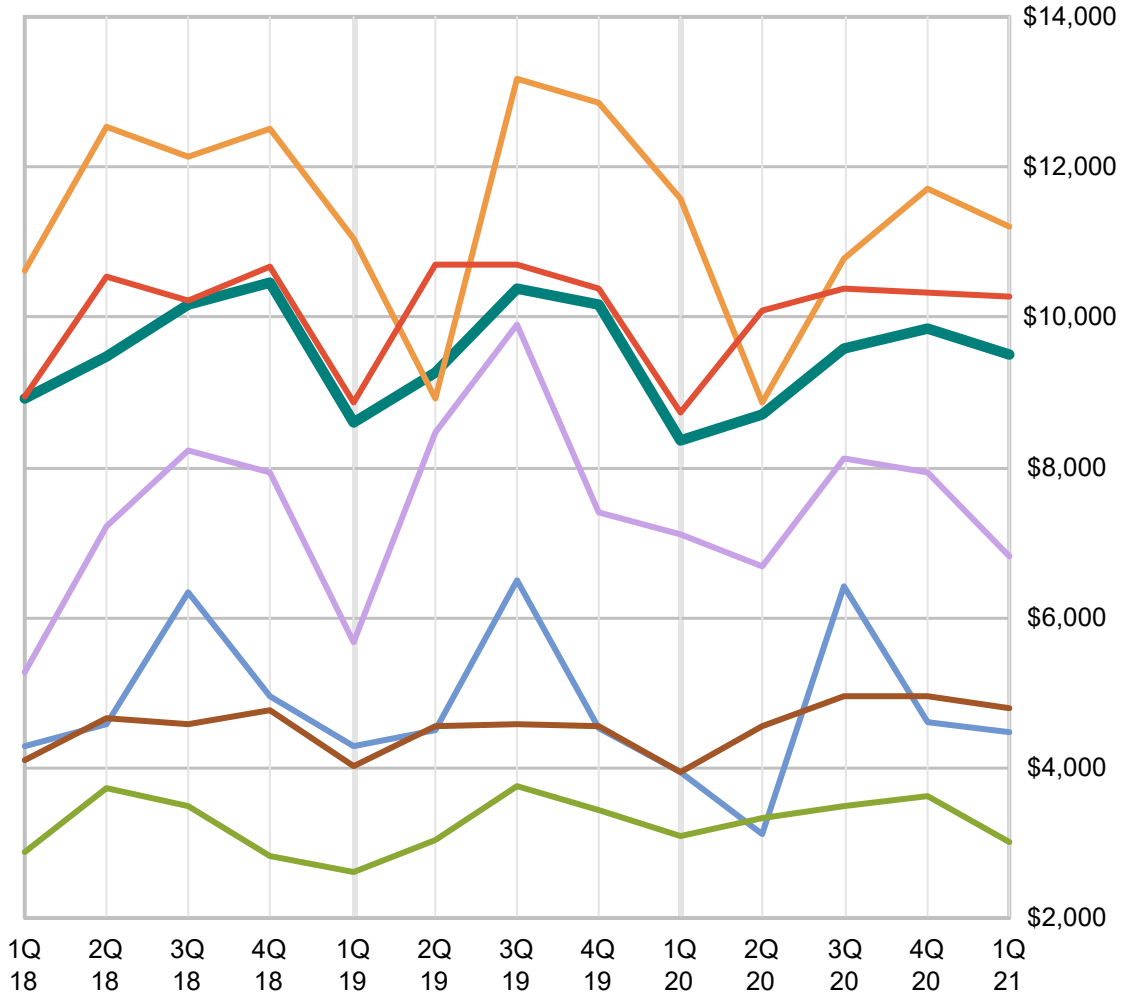


**1Q21 Percent of Total**



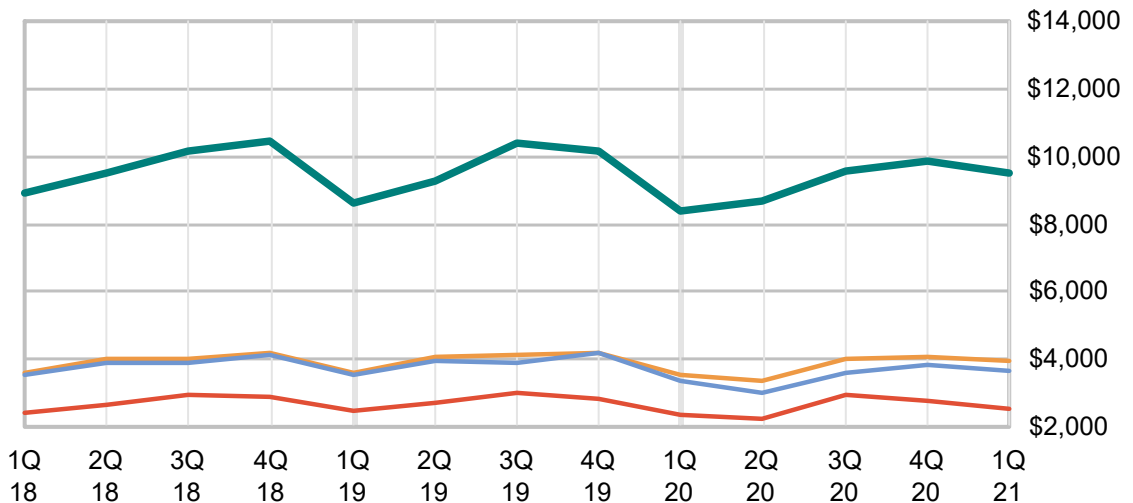
Per Capita Sales

- Placerville**  
Count: 885
- South Lake Tahoe**  
Count: 1,090
- Auburn**  
Count: 1,137
- Marysville**  
Count: 418
- Nevada City**  
Count: 518
- Grass Valley**  
Count: 1,092
- Yuba City**  
Count: 1,913



Per Capita Sales

- Placerville**
- El Dorado County**
- Sacramento Region**
- California**



Periods shown reflect the period in which the sales occurred - Point of Sale

Sales Tax by Major Industry Group

**Autos And Transportation**

Count: 52

**State & County Pools**

**Building And Construction**

Count: 16

**Restaurants And Hotels**

Count: 100

**Fuel And Service Stations**

Count: 19

**General Consumer Goods**

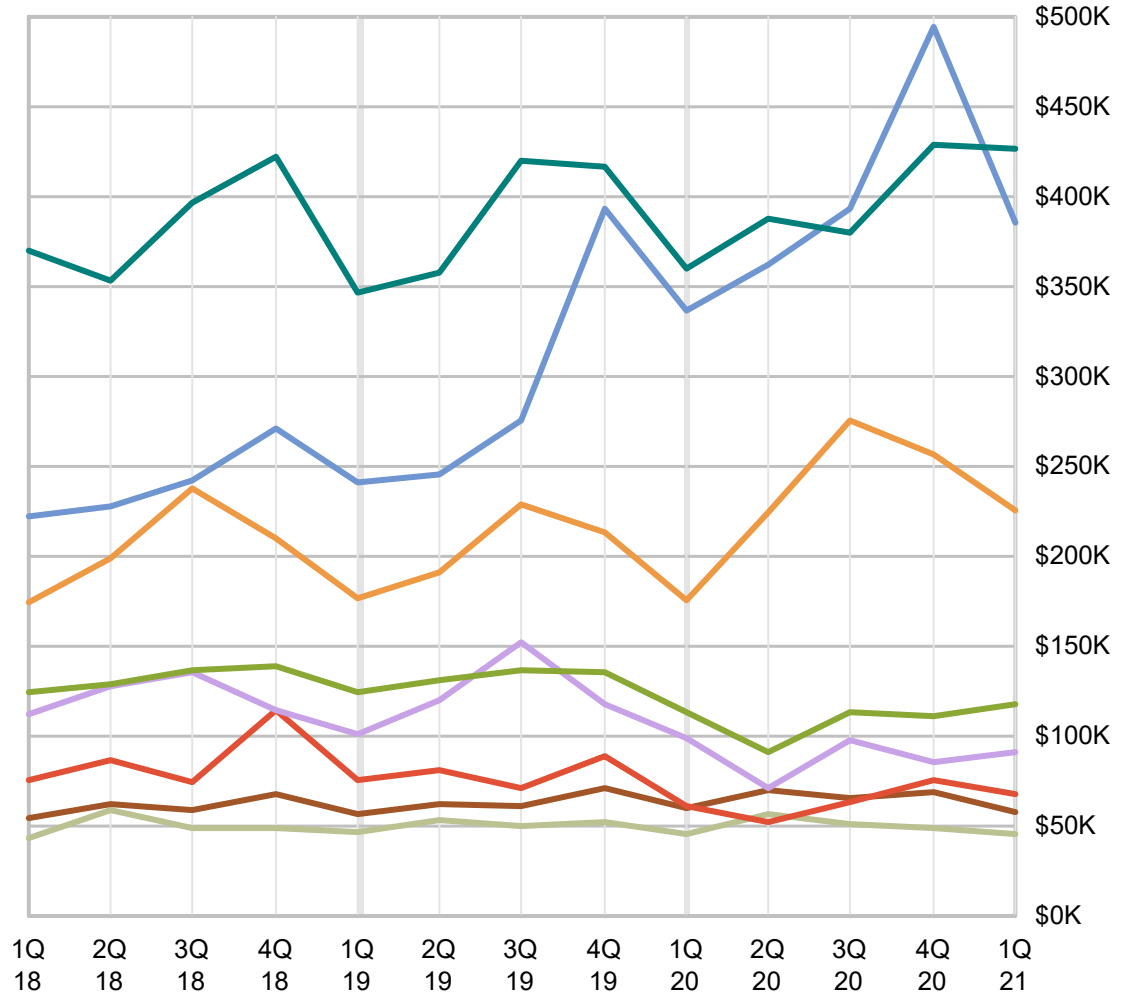
Count: 458

**Food And Drugs**

Count: 33

**Business And Industry**

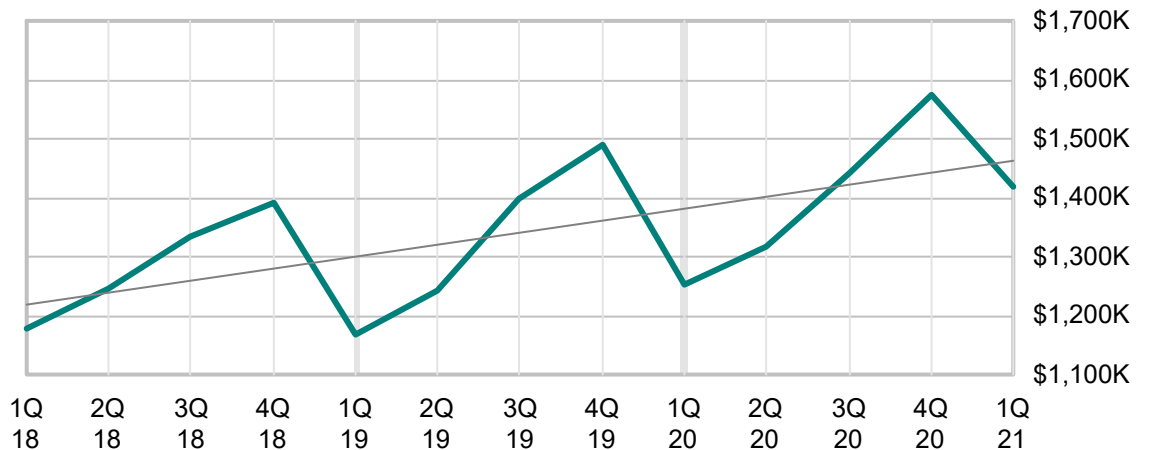
Count: 195



Agency Trend

**Placerville**

13 Quarter Trend: +20.0%



Periods shown reflect the period in which the sales occurred - Point of Sale

# HdL<sup>®</sup> Companies

## CALIFORNIA FORECAST

### SALES TAX TRENDS

### AND ECONOMIC DRIVERS

JUNE 2021



*Santa Barbara County, CA*

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# HDL CONSENSUS FORECAST - JUNE 2021

## STATEWIDE SALES TAX TRENDS

2020/21 | 2021/22  
 **TOTAL** 8.5% | 9.5%

### **Autos/Transportation** 2020/21 | 2021/22 14.5% | 2.9%

This major industry group experienced a classical V-shaped recovery in the aftermath of the COVID-19 recession. New car sales dropped 68% or more at many dealers around the State in the initial weeks after the State's pandemic shutdown order in March 2020. Sales have since steadily rebounded and are now 13% higher than the same period in 2019, a year before the crisis began. Limited supply has been overwhelmed by strong demand. Consumers are treating themselves to more expensive models, with new cars reported to be 8% more costly this year. The California New Car Dealer's Association reports that Porsche, Mercedes and Tesla have been the most sought-after brands in 2021. S&P Global and other research firms are forecasting continued growth in the 15% range for the remainder of the year before sales begin to flatten out in 2022.

### **Building/Construction** 2020/21 | 2021/22 10.4% | 5.4%

Home construction, while very robust in many parts of the state, severely lags demand; the combination of impatient buyers and low interest rates are sending new and existing property prices to indefensible levels. Savvy homeowners are refusing to cash out and then pay a premium to the seller of the next house. Instead, people are taking current equity and creating their dream home. This demand for improvements has contractors booking orders well into next year with smaller scale projects coming to an end this summer. Lumber and steel prices continue to rise even though mill output has expanded significantly. Several large mill operators are planning expansions that should further increase output next year. Common lumber prices are adding as much as \$50,000 to a new home cost. The run-up in material costs, expected to rise into late 2022 before stabilizing, has some commercial developers reworking plans to incorporate cheaper materials. Permit levels for all types of projects are at their second highest level in two years. Office activity, while less active right now, should see an uptick once the post-COVID workplace trends are determined.

### **Business/Industry** 2020/21 | 2021/22 12.8% | 11.9%

Many of the business types captured in this segment are rallying including agriculture and farm equipment and energy/utilities. As the segment's largest business type, fulfillment center's taxes boomed from increased online sales. Additionally, a large taxpayer altered its business structure effective 1Q21, which resulted in a sizeable portion of revenues from the statewide pools shifting to agencies with fulfillment centers. Medical/Biotech also surged, with acquisition of medical equipment, pharmaceuticals and the return of elective and non-emergency medical procedures. Conversely, business closures plagued areas such as food service equipment, office supplies/furniture, business services, government/social organizations and entertainment. California industry lags compared to prior periods as it faces challenges such as raw materials and qualified worker shortages. Overall, this group should perform beyond pre-pandemic levels, however, given its unique mix, each jurisdiction's experience will differ according to the size and character of its specific business/industrial base.

### **Food/Drugs** 2020/21 | 2021/22 5.1% | 1.7%

The first three months of 2021 captured mixed outcomes. While convenience stores and cannabis merchants reported considerable upturns, grocer's sales dipped. Drug store's declines pulled overall returns lower and included a reduction of outlets in some regions. However, offering vaccinations has improved foot traffic in recent months. Customers expectations for safer methods of shopping for groceries amid the pandemic prompted company modifications such as online ordering and in-store pickup. Delivery competitors have also chipped away at sales as their revenues are reflected in autos/transportation. Independent supermarket operators have consumed more market share over the past decade, a positive trend that puts pressure on large, national chains. Cannabis openings secured fiscal year 20/21 gains. Even with inflationary impacts baked in, modest increases in this category are expected next year.

# HDL CONSENSUS FORECAST - JUNE 2021

## STATEWIDE SALES TAX TRENDS

HdL Companies

2020/21 | 2021/22  
 **TOTAL** 8.5% | 9.5%

2020/21 | 2021/22



### Fuel/Service Stations -7.5% | 18.7%

As the State begins to emerge past the negative impacts from COVID-19, all indicators are now pointing toward upward pressure on pricing in this classification. The average price of a gallon of gasoline in California is now higher than the pre-pandemic peak levels experienced in the fourth quarter of 2019 as demand for fuel is picking up significantly across Europe, the U.S. and California. Oil barrel prices are projected to rise to the mid-\$70 range in late summer 2021. Travel spending is up and the price of jet fuel is at the highest level since the end of January 2020. Given consumption improvement and price expectations, a significant recovery-based growth is expected starting in the second quarter and through the end of calendar year 2021.



### General Consumer Goods 6.0% | 8.3%

Core retail sales in the first quarter of 2021 demonstrated California consumers are willing to spend. Tax receipts rebounded with more than a 10% increase from the same period in 2020 when COVID-19 tangibly impacted physical stores along with consumer's ability to purchase goods. For perspective, while the rebound exceeded expectations, revenues remained 2% below pre-pandemic levels (1Q19). The third round of fiscal stimulus lifted spending on taxable goods in the last month of the first quarter, but impacts are expected throughout 2021. A large concentration of spending remains at discount department stores and other well-known chains, but scars remain from the volume of struggling and closed small businesses which is still visible in many sectors and communities. Anchored to an 'open for business' economy, robust consumer spending along with recent fiscal stimulus drives our forecast for general consumer goods spending beyond pre-pandemic levels by fiscal year 2021/22. As the service sectors also rally, growth should stabilize as consumers shift spending back towards experiences after more than a year of above average durable goods consumption.

2020/21 | 2021/22



### Restaurants/Hotels -12.1% | 26.1%


Regions of the State that saw the biggest declines are due to see the hospitality industry come roaring back as soon as operational restrictions are lifted. In some counties, restaurants are already back to pre-pandemic levels of sales activity. Hotel vacancy rates are nearing 2019 levels and domestic travel is the vacation of choice this summer. Pockets of recovery vary, especially for locals who heavily rely on international tourists. Rising menu prices are furthering the gains while the labor shortage is a looming concern. Entertainment venues are opening up with varying capacity limitations. In-person conferences are expected to return later in 2021. Still lagging behind the surge are business travelers, universities and office campuses which will likely have a new reality in the post-pandemic world.



### State and County Pools 23.5% | 7.3%

Again, consumer behavior was anchored to online shopping as the preferred alternative to making multiple trips to various retail establishments. Since early 2020, companies accelerated efforts to make e-commerce shopping easier, especially as they offered flexible payment and delivery options. Recent studies show customers value convenience more now than prior to the pandemic. Many experts note e-commerce behaviors which accelerated over the past year are here to stay; thus, the forecast shows steady improvement through the next fiscal year. Projections are lessened to some extent as HdL monitored changes in a taxpayer's business structure that required portions of what were use tax pool revenues being remitted to local agencies with in-state fulfillment centers beginning in the first quarter of 2021. This change is reflected in the growth percentages noted herein.

**Proposition 172 projections vary from statewide Bradley-Burns calculations due to the state's utilization of differing collection periods in its allocation to counties. HdL forecasts a statewide increase of 8.2% for Fiscal Year 20/21 and 10% for 2021/2022.**



## U.S. Real GDP Growth

2020/21 | 2021/22  
12.9% | 6.0%

With many states doing away with the last vestiges of the pandemic lockdown, the U.S. economy is now near the top of the “V” shape recovery that we predicted last year. The transition from online back to the real world has led to pockets of supply and demand misalignment leading to shortages and sharp price increases in certain markets such as lumber and used auto sales. These distortions should moderate in 2022 as the labor market recovers. Rebounding consumer spending and government stimulus measures will continue to filter through the economy powering a strong recovery, albeit with higher levels of inflation, through 2022.



## U.S. Unemployment Rate

6.9% | 4.4%


Similar to the overall economy, segments of the labor market, particularly in the service sector, remain volatile as firms face difficulties to re-staff in order to meet pent up consumer demand this summer. These market pressures should moderate as wage hikes induce more workers to return to full-time, part-time or side jobs in the post-pandemic world. This will help drive down the unemployment rate to 3.9%, a far lower mark than the years after the 2008 financial crisis. Last year’s labor market devastation will be close to fully healed in the first half of 2021 as total employment returns to pre-pandemic levels.



## CA Total Nonfarm Employment Growth

-5.5% | 6.0%

California’s labor market continues to bounce back in 2021 as households unleash pent up savings from the pandemic. The state has added more than 100,000 jobs, but the return to pre-pandemic employment levels (roughly 17.5 million jobs) is still far off and will not likely be reached until the beginning of 2023.



## CA Unemployment Rate

2020/21 | 2021/22  
7.8% | 5.7%

California’s unemployment rate will remain higher than the national average even as the economy recovers rapidly next year. The good news is that the unemployment rate has already dropped precipitously from a pandemic peak of 16% to around 7.9%. This confirms Beacon’s view that the current labor market recovery will be far more rapid this time around compared to the years after the Great Recession. As in other states, a return to extremely low unemployment levels of the pre-pandemic era will extend into 2023.



## CA Median Existing Home Price

\$591,026 | \$657,404

California is once again near the front of the pack of a nationwide housing boom. Home sales have surged as homeowners look to cash in on their new-found wealth. In some markets, such as Southern California, single family home prices have risen by 20% from April of last year. This trend should continue into next year but concerns remain over the sustainability of these stratospheric price rises especially as an increasingly hawkish U.S. Federal Reserve considers drawing down monetary stimulus in late 2022 or early 2023.



## CA Residential Building Permits

119,036 | 123,546

The lack of housing supply remains one of the largest long-term factors that are increasing home prices across the state. While we expect more permits to be issued next year (123,546), the number of new housing units will fall short of meeting demand in the post-pandemic landscape. Public policy in Sacramento, Washington D.C. and local governments will be key in determining how many building permits are issued rather than the current high demand.



## HdL Companies

120 S. State College Blvd., Suite 200  
Brea, CA 92821

Telephone: 714.879.5000 • 888.861.0220

California's allocation data trails actual sales activity by three to six months. HdL compensates for the lack of current information by reviewing the latest reports, statistics and perspectives from fifty or more economists, analysts and trade associations to reach a consensus on probable trends for coming quarters. The forecast is used to help project revenues based on statewide formulas and for reference in tailoring sales tax estimates appropriate to each client's specific demographics, tax base and regional trends.

## Beacon Economics LLC

5777 West Century Boulevard, Suite 895  
Los Angeles, CA 90045

Telephone: 310.571.3399

Beacon Economics has proven to be one of the most thorough and accurate economic research/analytical forecasting firms in the country. Their evaluation of the key drivers impacting local economies and tax revenues provides additional perspective to HdL's quarterly consensus updates. The collaboration and sharing of information between Beacon and HdL helps both companies enhance the accuracy of the work that they perform for their respective clients.



**HdL** Companies

714.879.5000 | [hdlcompanies.com](http://hdlcompanies.com)

# HdL<sup>®</sup> Companies

June 16, 2021

Thank you for your continued trust in HdL. For almost 40 years we have had the pleasure of providing local government leaders the revenue solutions they require to build and sustain thriving communities. We remain passionate about this mission and are thankful for the opportunity to partner with the City of Placerville through our services.

Attached is our annual summary of the cumulative sales and use tax revenues we've recovered for City of Placerville through calendar year 2020. The recoveries represent a return of 1,424% on all fees paid to HdL since the beginning of its contract with the City of Placerville. An additional \$9,471 was recovered from ongoing audits of your transaction tax.

In addition to our revenue recovery services, our municipal finance experts remain on call during this challenging time to support your team. We are committed to providing clients with the information and analytics needed to support your economic and financial planning needs.

To better serve our clients we have expanded our service portfolio. Our Local Tax and Fee Administration services now encompass cannabis tax, rental unit registration/rent control, and utility user's tax, in addition to fully supporting business licensing, transient occupancy tax, and short-term rental programs. Establishing a rental registration program? HdL can identify rental units, notify owners of the registration requirement, and build and manage the rental unit registry for you.

We can assist with modernizing your municipal tax code, evaluate alternative tax structures, audit hotel tax returns, manage short-term rental compliance, and other specialized services. If there are areas where we can provide support, please contact us at [solutions@hdlcompanies.com](mailto:solutions@hdlcompanies.com), 714.879.5000, or just talk with your Clients Services Representative after your next sales tax meeting.

We look forward to our continued partnership with the City of Placerville and welcome your ideas and suggestions on ways to improve our services. Please call me directly at 714.879.5000 or email suggestions to [feedback@hdlcompanies.com](mailto:feedback@hdlcompanies.com).

Kindest regards,

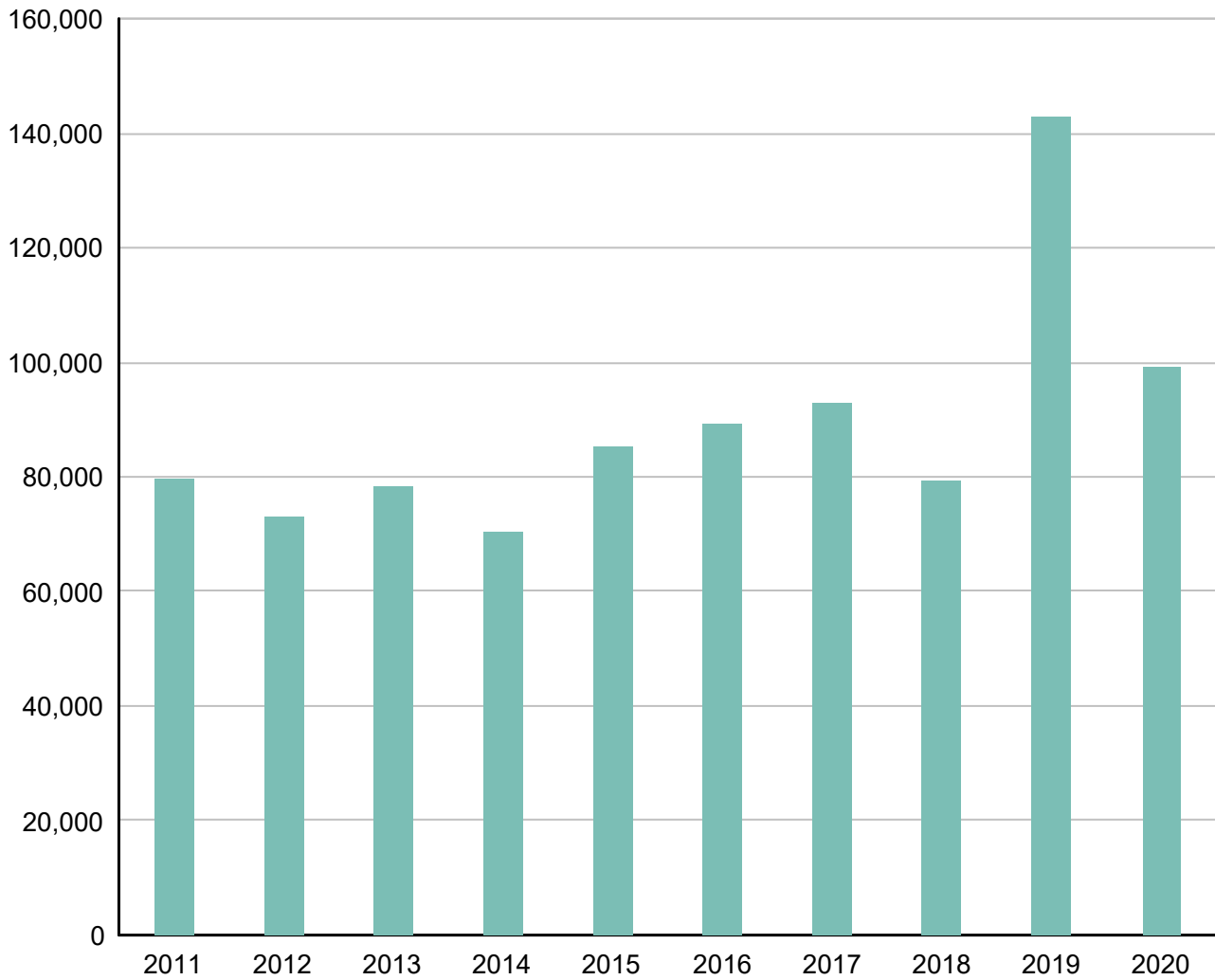


Andy Nickerson  
President/CEO



# CITY OF PLACERVILLE

## ANNUAL SALES TAX RECOVERY



<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$79,725	\$72,972	\$78,342	\$70,558	\$85,202
<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020*</b>
\$89,203	\$92,865	\$79,204	\$142,887	\$99,301

**Cumulative Recovery Since 1991:**

**\$1,518,691\***

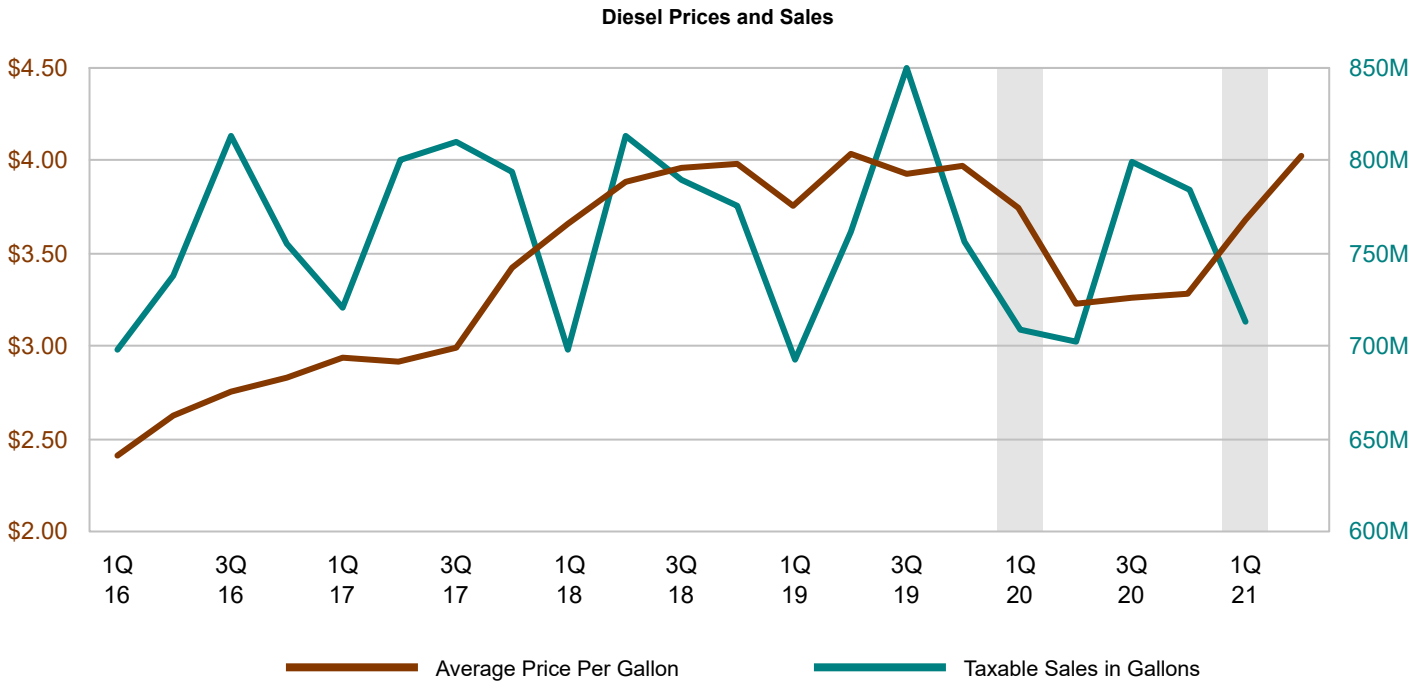
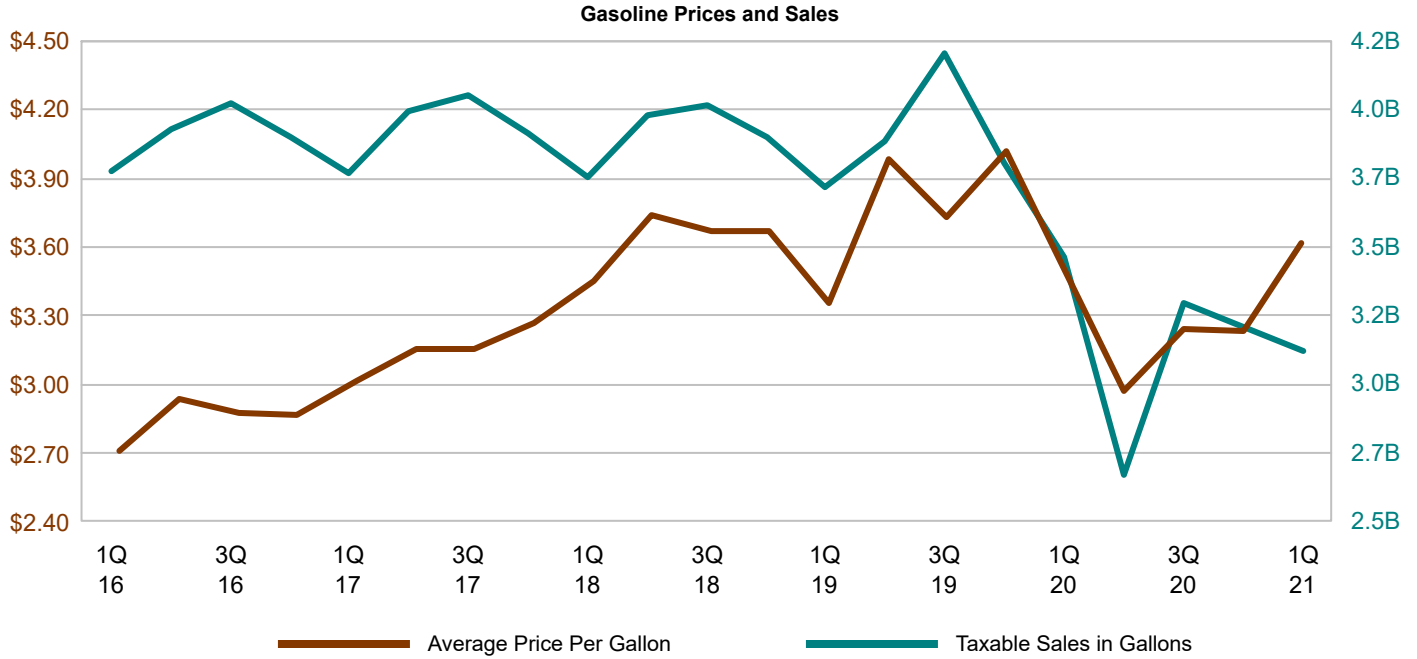
\* 2020 dollars are estimated



# STATE OF CALIFORNIA

## GASOLINE AND DIESEL TRENDS

Gasoline Data	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Average Price Per Gallon	\$3.36	\$3.99	\$3.74	\$4.02	\$3.49	\$2.97	\$3.25	\$3.24	\$3.62
% Change from Prior Quarter	-8.48%	18.60%	-6.31%	7.70%	-13.30%	-14.81%	9.23%	-0.25%	11.85%
% Change from Same Qtr Prior Year	-2.59%	6.70%	1.65%	9.53%	3.76%	-25.47%	-13.10%	-19.52%	3.83%



Sources: Board of Equalization, California Department of Tax and Fee Administration, Energy Information Administration, The HdL Companies