

TOWN OF LOOMIS



TO: Honorable Mayor and Council Members
FROM: Wes Heathcock, Town Manager
DATE: September 10, 2024
SUBJECT: Town Manager Report for September 2024 Council Meeting

Mayor and Council Members,

The following report supplies an update on some of the activities related to the Town of Loomis.

Finance Director Recruitment

The finance director recruitment closed September 2, 2024. The Town of Loomis received 14 applications. The recruiter has narrowed down the selection to the top three candidates. Interviews are scheduled for September 16th. The goal is to onboard the new director in November 2024.

California Sales Tax Trends and Economic Drivers Forecasting June 2024

The following sales tax trends represent the anticipated revenue for jurisdictions:



Overview: From a macro perspective, economic variables are contributing in the short term to households paying close attention to essential needs while limiting discretionary purchases. Stubborn interest rate levels (for mortgages, financed purchases, credits cards) are a key component. Inflation remains a factor, elevating the price of many necessary items. Surges in insurance and utility expenses also contribute to limited discretionary spending, resulting in a soft outlook when closing out fiscal year 2023-24. Next year should see modest improvement across most tax generating groups. The Fed's approach to the funds rate along with consumer confidence trends will influence future spending patterns.



Autos/Transportation

2023/24 | 2024/25

-5.6% | -0.2%

While the number of auto units sold is still inching upwards, many consumers are delaying purchases, hoping for lower interest rates and better deals by year-end. Those buying now are selecting smaller, cheaper cars instead of the fully loaded models that were recently popular. Opting to find the best deal on a lease is becoming more attractive as manufacturers boost lease incentives for affordable monthly payments. This shift, however, defers sales tax revenue to the future, receipts coming monthly over the lease term. Overall, the auto market is normalizing, balancing out the previous years' revenue spikes but leading to moderate declines in tax revenue over the next three quarters.



Fuel/Service Stations

2023/24 | 2024/25

-2.7% | 1.0%

Many of the factors within this group, including gasoline, diesel fuel, and oil barrel prices are experiencing downward pressure compared to a year ago. Statewide consumption of motor vehicle fuel decreased in calendar years 2022 - 2023 and the first two months of 2024. The supply of fuel in California is up, helping to lower prices; however, recent legislation SBX1-2 established lower corporate margin standards thereby restricting the local refineries profits and reducing the incentive to produce fuel in California. This offsetting factor could elevate prices at the pump. Overall, our short-term forecast projects a bump in the second quarter of 2024, followed by overall slow growth in fiscal year 2024-2025.



Building/Construction

-1.3% | 2.7%

As roofing contractors worked through a backlog of repair orders, lumberyards that sell little else benefited from the demand for roof sheathing material and some fledgling subdivision starts. Infrastructure projects maintained steady demand for asphalt and concrete, boosting sales for some outlets by double-digits. Paint sales were flat as the market absorbed the loss of all Kelly Moore outlets. High interest rates continue to curb new development, and changes in net metering prices implemented a year ago are now slowing rooftop solar installations. Significant declines in all sales at home improvement centers also lowered results. Small initial rate cuts by the Feds may be enough to energize the construction market when those take place.



General Consumer Goods

-1.3% | 1.4%

The start of 2024 proved consumer resilience, bouncing back after a soft holiday quarter from direct sales tax allocations. Spending increased within the two largest segments: discount department stores and family apparel, guiding results up 0.5% to beat expectations. Increased foot traffic and customer transactions propelled off-price or value apparel chains to strong gains. Discount department stores rebounded, receiving a small boost from "pulled forward" demand and an extra shopping weekend in the January through March sales quarter. Overshadowing factors like high credit card rates, rising insurance premiums, and a softer labor market linger, putting pressure on household spending. In contrast, consumers have demonstrated over this past year the capacity to shop. The outlook for fiscal year 2024-25 remains modest, recapturing a portion of lost revenues in the current year.



Business/Industry

2.2% | 2.7%

Ecommerce flexed its muscles with a 5.3% increase in "local" online orders filled from CA-based fulfillment centers (places of sale) – comprising about 30% of total revenues. Large solar/energy, and AI technology projects spiked 1Q24 results, as did a bump in medical supply and biotech equipment sales. The industrial segments struggled as inventory, pricing, and demand challenges persisted. Farm/construction equipment sales also slumped in the face of interest rates staying above acceptable acquisition levels. Given the diversity of this tax group, growth reflects slow expansion. With its unique composition, predictions for B&I vary based on the size and character of local businesses and industry for each jurisdiction.



Restaurants/Hotels

2.1% | 3.3%

In response to rising prices, restaurant foot traffic has decelerated. Customers have become more discerning, opting to dine out less frequently. The surge in ingredient costs, labor expenses, and operational overheads has compressed profit margins for restaurants. Unfortunately, more restaurant chains are closing underperforming locations due to these challenges. Diners now prioritize value for their money, gravitating toward fast-casual establishments that offer affordable yet satisfying meals. Meanwhile, fine dining venues and leisure activities may experience a decrease in demand as tighter budgets prompt people to choose options that are more economical.



Food/Drugs

-1.8% | 0.8%

Grocery store revenues grew 2.8% as companies utilized more technology to service customers, and consumers turned to eGrocery to obtain products instead of walking into stores. Convenience-liquor stores experienced soft gains but face challenges from patrons seeking better prices at discount stores. Cannabis retail sales continue to slump with a -4.6% return this quarter as the sector pulled back on marketing. In addition, the closure of a major drug store chain has led to increased competition and affected pricing. As this category goes through a stabilization period, the current year anticipates a decline. Only a modest increase expected in fiscal year 2024-25.



State and County Pools

-0.8% | 2.0%

In the recent quarter, online sales rebounded 1.6%, reversing a five-quarter trend of negative comparisons. Economic data demonstrated consumers increasingly favor ecommerce due to convenience and product variety. Over the past year, Chinese based online marketplace operators and fashion retailers broadened this group's tax base while competing directly with more seasoned merchants. Beyond shopper preferences, strategic technology investments and buyer profile refinement should enhance ecommerce outcomes. Despite challenges, only modest pool shrinkage is anticipated this fiscal year followed by a return to limited expansion in 2025.

Horseshoe Bar Road / I-80 Interchange Project

The following is the timeline for the Project Study Report (PSR) process.

- *Proposal review and evaluation: August 12, 2024 - August 16, 2024*

- *Oral interviews: September 6, 2024*
- *Cost Negotiation with first ranked consultant: September 2024*
- *Contract Award and Notice to Proceed: October 2024*

The combined costs to execute the PSR is estimated at \$600,000.

The blue area in the image below represents the PSR area for consideration.

The project complies with Council Goals Initiative #3, #4, and #7.



The project complies with Council Goals Initiative #4 and #5.

Downtown Loomis Civic Space and Connectivity Study

Staff is pursuing a SACOG \$280,000 Engage Empower Implement Program (EEl) grant to conduct a study focused on downtown area town civic space and right of way connectivity opportunities. If awarded the grant, the scope of the work will include the best and highest civic use of town properties downtown and connectivity enhancements within the project area.

The project will include an extensive outreach process that will include the Chamber of Commerce as the Community Based Organization (CBO) partnership with goals to encourage, non-profit organizations, businesses, and citizens to participate in the process. Images below represent a couple areas that will be part of the project.

The grant application was due August 9, 2024. The project complies with 2024 Council Goals Initiative #2, #3 and #7.



Municipal Service Review

The Local Agency Formation Commissions (LAFCO) is tasked with performing Municipal Service Reviews (MSR) for districts and local government agencies. Loomis has never undergone the MSR process. LAFCO workplan has Loomis scheduled to start the first MSR in fiscal year 2024-25.

The process will identify the community's ability to meet the current build-out and potential Sphere of Influence areas service needs including our partnerships with the district services – fire, sanitary sewer, and water. Other neighboring agencies to be aware of that are going through similar process is in the image below.

Current/Upcoming Projects Related to Loomis and Neighboring Agencies

- South Placer Fire Protection District Service Review – Draft in August.
- South Placer Municipal Utility District – Contract for study issued in June.
- Rocklin, Gold Hill, Newcastle Cemetery District Service Review and Sphere of Influence – Contract for study issued in June.
- Loomis Service Review and SOI study – Planned for fiscal year 2024-25.

Neighboring Agencies -

- Rocklin Service Review and SOI Study – Draft in August/September.
- Roseville Service Review and SOI – Draft Study in October.

The project complies with 2024 Council Goals Initiative #4.

Master Gardeners Food Donation

The Master Gardeners in conjunction with the Loomis Library are offering their garden fruits and vegetables to the community for free. The items can be retrieved from the Library building during normal business hours.



Measure C Frequently Asked Questions (FAQ)

P.O. Box 1327, Loomis, CA 95650
Phone: 916-652-1840 Fax: 916-652-1847

Staff has created a frequently asked question based on feedback from community members for the Measure C item on the November ballot. The ¼ cent sales tax measure is a continuation of the current tax that is scheduled to sunset during the upcoming 2-year budget planning period.

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Measure C, Frequently Asked Questions (FAQ)

Why was a General Sales Tax passed in the town of Loomis in 2016?

The Loomis Library was part of the Placer County library system, but the County closed it in early 2016 due to budget cuts. In November 2016, Loomis voters approved a ten-year ¼ cent general sales tax to fund the Loomis Library and the town took over operations. Under local control, the Loomis Library & Community Learning Center has thrived and is better than before.

What is Measure C?

Measure C simply continues the existing ¼ cent general sales tax which Loomis voters approved in 2016.

Will Measure C increase my taxes?

No, this is a continuation of an existing general sales and use transaction tax.

How much revenue is the current ¼ cent sales tax generating annually?

The annual revenue collected since the 1/4 cent tax was approved has ranged from \$504,000 to \$755,833. Of that, the library has used approximately \$600,000 and the remainder has gone into the general fund. With the addition of Costco and other sales tax projections, the anticipated revenue is expected to be \$927,000.

What happens if the continuation tax measure is not continued?

The town will lose approximately \$927,000 in revenue, (14% of the general fund budget). Losing this significant revenue source could result in reduction or elimination of services provided to the community, potentially putting the Library budget at risk.

What fiscal accountability measures will be maintained if this tax measure continues?

When Loomis town residents passed this tax measure, the Loomis Library Board of Trustees (advisory board) was established. The Town Council appoints volunteer citizens to sit on the advisory board. Their duties include monitoring library budget/expenses and identifying program needs and costs.

How long will the continuation measure funding last?

If approved, the ¼ cent tax measure will continue until Loomis voters decide to end it.

What is needed for the continuation measure to pass?

It is a general sales tax continuation measure and requires 50% + 1 vote, or a simple majority of Loomis voter support to pass.

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How much does the continuation measure cost residents?

For every \$100 of taxable goods sold in the Town of Loomis, it will cost the consumer a quarter (\$0.25). These purchases include customers who reside in and outside of the Town of Loomis. This means out of town shoppers help contribute towards this revenue source, as opposed to town residents bearing the burden solely on their own.

The project complies with Council Goals Initiative #2 and #3.

Council Goals 2024

TOWN OF LOOMIS STRATEGIC PLAN INITIATIVES, GOALS AND OBJECTIVES

INITIATIVE #1: SAFE & HEALTHY COMMUNITY

Loomis is a safe community and is prepared to prevent and respond to emergencies through strategic partnerships with local public safety agencies, risk management practices and public education.

GOAL: PUBLIC SAFETY & EMERGENCY PREPAREDNESS ARE PROMOTED AND ACHIEVED WITHIN THE TOWN

Objective 1: Satisfactory levels of public health and safety, emergency response, fire hazard reduction and crime prevention are achieved through communication and advocacy with the Placer County Sheriff's Department, the South Placer Fire District and other public safety agencies.

Objective 2: Safe and operable conditions of the Town's infrastructure, facilities, roadway and sidewalks are ensured through construction standards, maintenance activities, operational practices and inspection.

Objective 3: Town of Loomis staff are trained in accident prevention, emergency action plans and activities and are supervised and operated in a manner consistent with best practices in safety and risk management.

Objective 4: Residents and businesses are educated about fire and public safety regulations and practices affecting the Town of Loomis through newsletters and outreach efforts in partnership with local public safety agencies.

TOWN COUNCIL GOALS & PRIORITIES FY 2024-25. (RED=ESSENTIAL, BLUE=IMPORTANT, GREEN=VALUE ADDED)

- Maintain strong and cooperative working relationships with the Placer County Sheriff's Office and South Placer Fire District.
- Evaluate the need for and impact of a speed limit study for Town.

INITIATIVE #2: QUALITY OF LIFE & LIVABILITY

Residents, businesses & visitors enjoy a unique small-town community with amenities, programs and services that foster livability and make Loomis a great place to live, work and play.

GOAL: FOSTER SUPPORT & INVOLVEMENT WITH TOWN LIBRARY, COMMUNITY SERVICES & RECREATION PARKS & AMENITIES

Objective 1: Expand and enhance resident use of Town parks and the Loomis Library through capital improvements, programs, and events.

Objective 2: Partner and collaborate with the Placer County Parks Department, the Placer County Master Gardeners and youth sports organizations to provide residents with expanded recreation and leisure opportunities.

Objective 3: Solicit resident feedback on satisfaction, needs and priorities for parks, open space, library services and other public facilities.

Objective 4: Identify the fiscal impact of Library tax measure being renewed or defeated in relation to Library and Town services.

TOWN COUNCIL GOALS & PRIORITIES FY 2024-25. (RED=ESSENTIAL, BLUE=IMPORTANT, GREEN=VALUE ADDED)

- Celebrate successes and accomplishments (i.e., new playground)

PUBLIC COMMENT ESSENTIAL GOAL

- Expand and enhance communication and public information efforts to keep Town residents informed.

INITIATIVE #3: HIGH PERFORMING & FISCALLY RESPONSIBLE GOVERNMENT

Loomis is fiscally responsible and prudent, and an efficient & effective organization that works collaboratively and in partnership with other public agencies that serve the Loomis community

GOAL: CULTIVATE AN EFFECTIVE AND EFFICIENT ORGANIZATION

Objective 1: A capable and diverse workforce to manage, maintain and operate the Town of Loomis is attracted and retained.

Objective 2: The Town's organizational structure, compensation and staffing plan are evaluated relative to capability, efficiency and effectiveness.

Objective 3: Technology tools and system software are expanded, enhanced and implemented to support the user experience with the Town of Loomis's municipal services to improve efficiency and effectiveness.

Objective 4: The Town's annual budget is aligned with the adopted Strategic Plan and with annual work program goals and action plans as necessary and appropriate.

Objective 5: The Town of Loomis maintains effective interagency relationships with the various utility districts for water, waste-water, sewer, telephone/internet, electricity and natural gas.

TOWN COUNCIL GOALS & PRIORITIES FY 2024-25. (RED=ESSENTIAL, BLUE=IMPORTANT, GREEN=VALUE ADDED)

- Evaluate financial impact to the Town and Library with and without sales tax measure renewal.
- Continue to research and apply for Federal and State funding grants as needed and appropriate.
- Conduct space analysis and research opportunities to expand the Loomis Town Hall.
- Increase and strengthen communication and working relationship with the local school districts.

PUBLIC COMMENT ESSENTIAL GOAL

- Research and develop a budget and financial plan for Town with and without the ¼ cent sales tax being renewed, and communicate that information to community residents prior to sales tax renewal ballot.

INITIATIVE #4: PLANNING & COMMUNITY DEVELOPMENT

Loomis plans and guides land use and development in a way that is prudent, responsible and in alignment with community needs, goals and values.

GOAL: FOSTER SUSTAINABLE AND THOUGHTFUL LAND USE PLANNING AND COMMUNITY DEVELOPMENT

Objective 1: Complete the Town's General Plan update and comprehensive review and update of the town's zoning ordinances and land use policies to ensure alignment with current community needs, goals, and values.

Objective 2: Engage with residents, stakeholders, and experts to develop a long-term vision for land use and community development that integrates principles of sustainability, resilience, and inclusivity.

Objective 3: Implement proactive measures to preserve and enhance the town's natural resources, open spaces, and cultural heritage while accommodating responsible growth and development.

TOWN COUNCIL GOALS & PRIORITIES FY 2024-25. (RED=ESSENTIAL, BLUE=IMPORTANT, GREEN=VALUE ADDED)

- Improve traffic flow, mitigate traffic impacts and enhance parking availability in Downtown Loomis
- Conduct and analyze traffic Studies for the Sierra College/Delmar/Bankhead corridor; and the Downtown Business District to include Horseshoe Bar Interstate interchange.
- Evaluate GP Circulation Element during development – highlight the study and plans for the Doc Barnes/Boyington extension.
- Follow Town of Loomis Circulation Plan in planning and development decisions.
- Research and conduct Fee Study for In-lieu fees in regards to inclusionary housing (Housing element)
- Monitor impacts of Placer County rezone project to Town Council & community.

- Monitor impacts of State legislation on land use, housing & environmental laws to the Town Council and community.
- Remain focused on planning and development goals of smart & responsible slow growth.
- Continue Sphere of Influence research.

INITIATIVE #5: COMMUNITY ENGAGEMENT & INVOLVEMENT

Loomis encourages and facilitates community involvement and citizen engagement in the governance of the Town by being transparent, informative and accessible.

GOAL: ENHANCE COMMUNITY CONNECTIVITY AND CIVIC ENGAGEMENT

Objective 1: Increase participation in Town Council & Planning Commission meetings through targeted outreach on key issues. Objective 2: Establish a community feedback mechanism to regularly assess resident satisfaction, as well as needs, desires and priorities with Town services & amenities.

Objective 3: Develop partnerships with local businesses and organizations to sponsor and support community-building activities, fostering a sense of community, belonging and pride among residents.

TOWN COUNCIL GOALS & PRIORITIES FY 2024-25. (RED=ESSENTIAL, BLUE=IMPORTANT, GREEN=VALUE ADDED)

- Expand & enhance communication tools and public information to educate and engage the community. Proactively inform the community through a variety of media including Town website, social media, email notices, a printed newsletter, target mailers, and surveys such as "Flash Vote"
- Improve Town Council teamwork, cohesion, and communication. Consider annual Council retreat.
- Increase the stipend for the Planning Commission members.
- Agency Partner education to council and community (i.e., County, SPMUD, school districts, other cities)

PUBLIC COMMENT ESSENTIAL GOAL

- Increase the Planning Commission stipend.

INITIATIVE #6: ECONOMIC HEALTH & PROSPERITY

A healthy, vibrant and sustainable economy is fostered in the Town of Loomis through economic development policies & practices that assist and help residents and businesses thrive.

GOAL: STRENGTHEN ECONOMIC VITALITY AND SUPPORT LOCAL BUSINESSES

Objective 1: Partner with the Loomis Chamber to support local businesses by implementing initiatives to promote shopping and dining within Loomis and business networking events.

Objective 2: Facilitate the growth of new businesses and expansion of existing businesses within the Town of Loomis through the general plan and an economic development strategy.

Objective 3: Enhance the vibrancy of Downtown Loomis through placemaking initiatives, such as beautification projects, lighting, signage and pedestrian-friendly infrastructure improvements.

INITIATIVE #7: ATTRACTIVE & WELL- MAINTAINED PUBLIC FACILITIES

Loomis develops, maintains & operates public facilities and infrastructure in an attractive and functional condition that enhances the appearance and quality of life of Loomis.

Goal: Enhance the Aesthetic Appeal and Functionality of Public Facilities in Loomis

Objective 1: Implement a comprehensive maintenance program for Loomis public facilities, including parks, streetscapes, the Library and Town-owned buildings and grounds, to ensure they are kept in excellent condition and are functional and visually appealing.

Objective 2: Enhance accessibility and safety features across all public facilities by conducting regular assessments and implementing necessary upgrades and improvements.

Objective 3: Develop sustainable infrastructure practices for the maintenance and operation of public facilities, integrating energy-efficient technologies and environmentally friendly practices to reduce long-term operational costs and minimize environmental impact.

TOWN COUNCIL GOALS & PRIORITIES FY 2024-25. (RED=ESSENTIAL, BLUE=IMPORTANT, GREEN=VALUE ADDED)

- Study and investigate opportunities for alternative transportation – bike trails, bike lanes, etc.