



## Staff Report April 9, 2019

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**TO:** Honorable Mayor and Members of the Town Council  
**FROM:** Roger Carroll, Finance Director  
**DATE:** April 2, 2019  
**RE:** Preliminary Budget – General Fund Revenues

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### **Recommendation**

Information, only. No action required.

### **Issue Statement and Discussion**

As we began estimating the General Fund Revenues for the 2019-2020 fiscal year, we decided it would be a good time to go over the various General Fund revenues, their sources and how the estimates are derived. Staff will give a presentation during the Council Meeting, but below is an overview of the revenues.

There are two kinds of revenue; restricted and unrestricted.

Restricted revenues, as their name implies, are restricted to specific uses by their source.

For instance, Gas Tax revenues from the State must be used for transportation and street purposes.

Development impact fees must be used to reduce the impacts of development, such as an increased need for roads, drainage, parks and community facilities.

Unrestricted funds can be used for whatever the Town Council deems necessary. These funds make up the General Fund revenue budget. Here is a brief discussion on the various General Fund revenues.

Property and Sales Taxes make up most of the unrestricted funds.

Secured property tax, in the budget, is a portion of the 1% ad valorem property tax assessed on real property within the Town limits. As I said, the Town only gets a share. A property valued at \$500,000 would generate \$5,000 of ad valorem property tax. About 50% of that goes to elementary education and junior colleges in the County. About 39% goes to various County departments and special districts, and the remaining 11% goes to the Town. Of the \$5,000 in tax, the Town will get about \$550. We estimate the budgeted property tax by applying an inflation index to the current year and comparing that with the trend over the previous five years.

The current sales tax rate in Placer County is 7.25% and the Town gets one of the percentage points. Sales tax is charged on the purchase of items, but not services. Prepared food items (except coffee) are taxed, but in general food at the grocery store is not. If you buy \$100 in lumber, pizzas or car parts, \$1 in sales tax will come to the Town. The estimated \$1.2 million budgeted for sales tax results from \$120

million in taxable sales. We estimate the budget amount by comparing the trend for the past five years with a feeling for how the economy is moving: improving, receding or holding.

The quarter cent transaction tax has the same basic rules as sales tax, with some exceptions.

Transient Occupancy tax is charged on living space rentals of less than 30 days. The current rate is 8% and is mostly charged on some of the spaces at the Loomis RV park. The budget for this item is calculated based on the five-year trend.

Franchise fees are the charge we make for other agencies or companies to use our infrastructure: PG&E to put power lines along our roads and Recology to drive trucks on our streets. These fees are budgeted based on the prior year times an inflation factor.

Licenses and Permits are all the fees charged on building and planning activities. These rates were determined based on time studies from many years ago and are in the process of being updated. These revenues are projected for the budget by considering the number of building permits and planning projects in process during the budget process.

Property tax in lieu of vehicle license fees. Years ago, the Town received a portion of the DMV fees. Through State legislative action, these fees were taken away, given back, then traded for a portion of the property tax taken by the State. This revenue is estimated by calculating the current year amount by an inflation factor.

### **CEQA Requirements**

There are no CEQA issues.

### **Financial and/or Policy Implications**

There are no financial or policy implications.

### **Attachments**

- A. General Fund Revenue page from the 2019-2020 proposed budget.

**TOWN OF LOOMIS  
PROPOSED BUDGET  
FOR THE YEAR ENDING JUNE 30, 2020**

**GENERAL FUND  
REVENUE DETAIL**

DESCRIPTION	PROPOSED	ADOPTED	PROJECTED	PRIOR YEARS		
	BUDGET 2019-20	BUDGET 2018-19	ACTUAL 2018-19	ACTUAL 2017-18	ACTUAL 2016-17	ACTUAL 2015-16
<b>PROPERTY AND SALES TAXES</b>						
30010 Property Taxes - Secured	1,220,000	1,140,000	1,162,940	1,085,654	1,009,660	948,110
30020 Property Taxes - Unsecured	24,500	21,000	24,300	23,760	25,622	21,749
30025 Property Taxes - Supplemental	17,000	17,000	28,186	25,370	24,462	23,972
30035 Property Tax in lieu of Sales Taxes	-	-	-	-	-	154,097
30030 Sales and Use Taxes	1,345,000	1,250,000	1,281,664	1,207,126	1,129,825	840,689
30031 1/4 cent Transaction tax	714,500	450,000	678,244	504,427	14,087	
30040 Real Property Transfer Tax	40,000	40,000	38,946	51,633	45,456	39,917
30050 Transient Occupancy Tax	12,000	12,000	17,003	16,889	11,445	12,166
<b>TOTAL TAXES</b>	<b>3,373,000</b>	<b>2,930,000</b>	<b>3,231,282</b>	<b>2,914,859</b>	<b>2,260,557</b>	<b>2,040,700</b>
<b>FRANCHISES</b>						
32010 PG&E Electric	88,500	87,000	86,003	83,563	79,967	76,174
32020 PG&E Gas	19,500	17,000	18,588	17,703	14,836	13,424
32030 Cable Television	44,500	37,500	42,765	39,316	36,948	36,465
32040 Refuse Disposal	144,000	138,000	140,503	136,421	131,249	130,559
<b>TOTAL FRANCHISES</b>	<b>296,500</b>	<b>279,500</b>	<b>287,859</b>	<b>277,003</b>	<b>262,999</b>	<b>256,622</b>
<b>LICENSES AND PERMITS</b>						
33010 Business Licenses	16,500	16,500	16,100	16,959	16,178	16,858
33012 Business License Application fee	8,000	8,000	9,233	8,954	9,114	10,881
33020 Grading Permits	15,000	15,000	18,376	26,927	16,151	49,105
33030 Encroachment Permits	6,500	6,500	1,390	10,758	6,082	6,948
33040 Building Permits	50,000	50,000	71,580	99,308	76,769	93,140
33050 Plan Checks	30,000	30,000	34,611	45,478	41,706	82,219
33060 Electrical	6,000	6,000	4,213	12,547	10,311	12,592
33070 Plumbing	6,000	6,000	4,456	12,127	9,530	12,499
33080 Mechanical	6,000	6,000	4,269	11,838	9,081	11,218
33090 Energy	3,000	3,000	1,232	4,467	2,838	5,294
33110 Gen. Plan Amendments/Rezoning	-	-	-	-	493	
33130 Conditional Use Permits	4,000	4,000	10,715	2,766	10,372	16,697
33140 Design Reviews	5,000	5,000	1,009	16,518	6,015	3,525
33160 Variance Fees	1,500	1,500	-		1,470	2,977
33170 Minor Boundary Adjustments	4,000	4,000	11,527	7,425	14,288	
33180 Certificate of Compliance	-	-	-	1,700		
33200 Sign Permits	500	500	500	279		651
33220 Subdivisions	-	-	6,718			11,240
33230 Transportation Permits	4,000	4,000	1,528	1,378	1,920	2,778
33990 Misc. Planning Fees	5,000	5,000	4,648	6,712	6,933	272
35020 Code Enforcement Citations			1,200	-	300	
<b>TOTAL LICENSES AND PERMITS</b>	<b>171,000</b>	<b>171,000</b>	<b>203,305</b>	<b>286,142</b>	<b>239,550</b>	<b>338,894</b>
<b>REVENUE FROM OTHER AGENCIES</b>						
36010 PY Excess Motor Vehicle In-Lieu	2,800	2,800	3,276	3,566	2,998	2,672
36060 Homeowner Property Tax Relief	8,500	8,500	8,606	8,527	8,335	8,245
36035 Property tax in Lieu of Vehicle License Fees	<b>735,000</b>	680,000	700,728	656,330	612,412	577,614
<b>TOTAL REVENUE FROM OTHER AGENCIES</b>	<b>746,300</b>	<b>691,300</b>	<b>712,610</b>	<b>668,423</b>	<b>623,745</b>	<b>588,531</b>
<b>INVESTMENT EARNINGS</b>						
37010 Portfolio income	100,000	100,000	83,391	96,646	85,193	67,169
<b>OTHER SOURCES OF FUNDS</b>						
35010 Traffic fines	3,000	3,000	3,069	4,796	2,898	6,821
39020 Rents	18,000	28,000	24,111	30,730	32,549	41,085
39090 Miscellaneous	5,000	5,000	11,524	12,340	6,615	15,110
Dedicated General Fund reserves	-	4,459	4,459		228,313	
<b>TOTAL OTHER SOURCES OF FUNDS</b>	<b>26,000</b>	<b>40,459</b>	<b>43,163</b>	<b>47,865</b>	<b>270,375</b>	<b>63,015</b>
<b>TOTAL GENERAL FUND REVENUE</b>	<b>4,712,800</b>	<b>4,212,259</b>	<b>4,561,609</b>	<b>4,290,938</b>	<b>3,742,419</b>	<b>3,354,932</b>