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A COMMUNITY OF OPPORTUNITY

## Folsom City Council Staff Report

<b>MEETING DATE:</b>	1/26/2021
<b>AGENDA SECTION:</b>	Scheduled Presentations
<b>SUBJECT:</b>	Economic and Budget Overview Presentation
<b>FROM:</b>	Finance Department

### BACKGROUND / ISSUE

The Finance Director will provide a presentation on the Economic and Budget Overview of the current and upcoming Fiscal Year

Submitted,

  
\_\_\_\_\_  
Stacey Tamagni, Finance Director / CFO

# ECONOMIC AND BUDGET OVERVIEW

PRESENTATION TO THE  
FOLSOM CITY COUNCIL  
JANUARY 26, 2021



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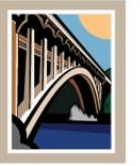
# Sales Tax Results



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Business Activity	Folsom		Sacramento Valley		California	
	Quarter	Annual	Quarter	Annual	Quarter	Annual
General Retail	-7.6%	-12.5%	-4.0%	-4.8%	-14.2%	-13.6%
Food Products	-14.7%	-12.2%	-14.8%	-11.1%	-28.1%	-18.4%
Transportation	-0.4%	-6.6%	-1.5%	-6.2%	-12.8%	-12.1%
Construction	21.7%	11.5%	-4.7%	2.3%	-12.1%	-2.8%
Business To Business	1.6%	-26.5%	1.6%	-3.3%	-13.6%	-9.2%
<b>TOTAL LOCAL BUSINESS ACTIVITY</b>	<b>-4.4%</b>	<b>-11.1%</b>	<b>-4.6%</b>	<b>-5.3%</b>	<b>-16.7%</b>	<b>-12.4%</b>
<b>COUNTYWIDE POOL ACTIVITY</b>	<b>38.0%</b>	<b>22.8%</b>	<b>44.7%</b>	<b>32.8%</b>	<b>40.5%</b>	<b>28.4%</b>

# Sales Tax Results



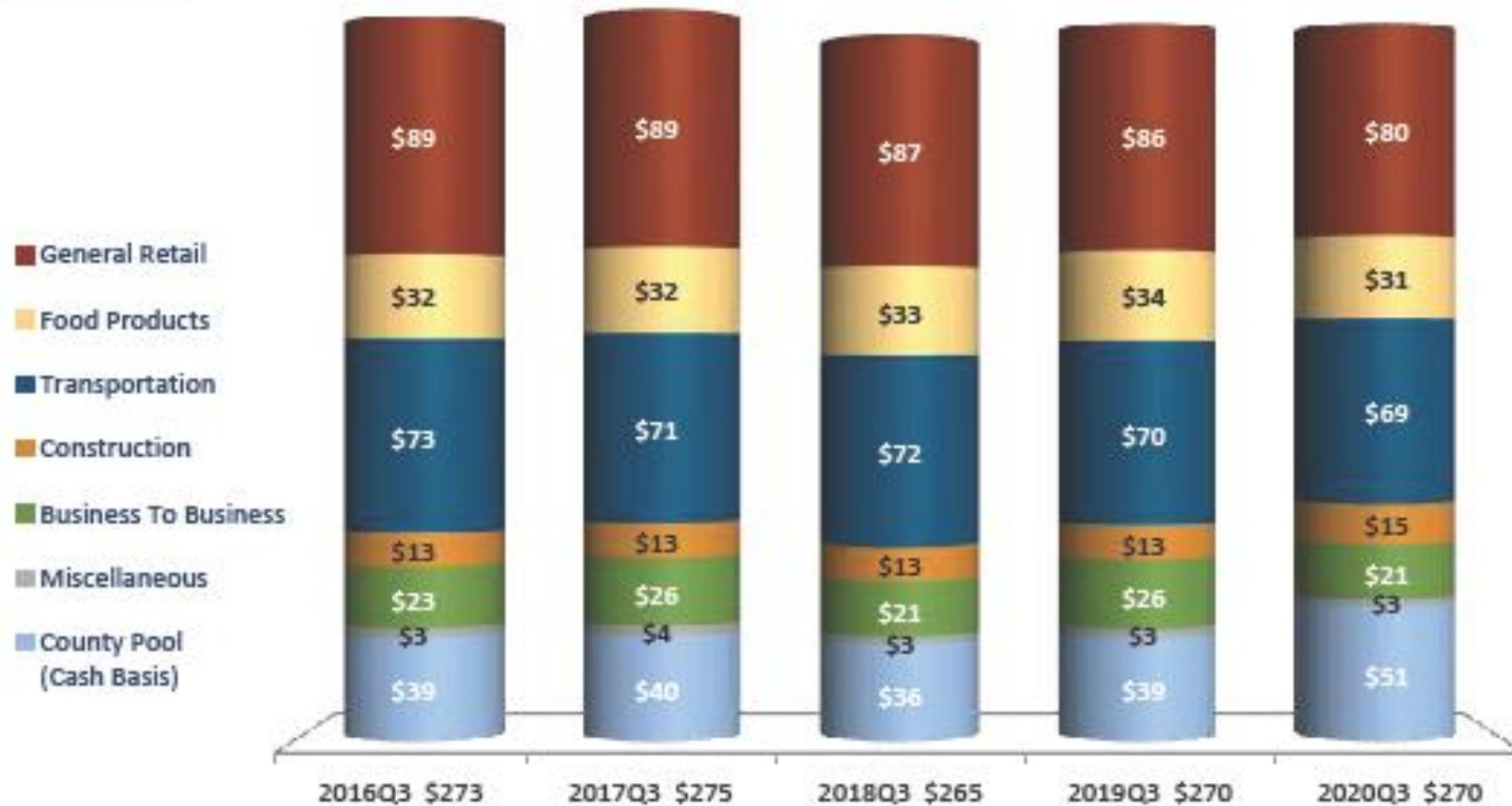
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## Folsom

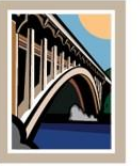
### Annual Per Capita Sales Tax

Adjusted for Inflation

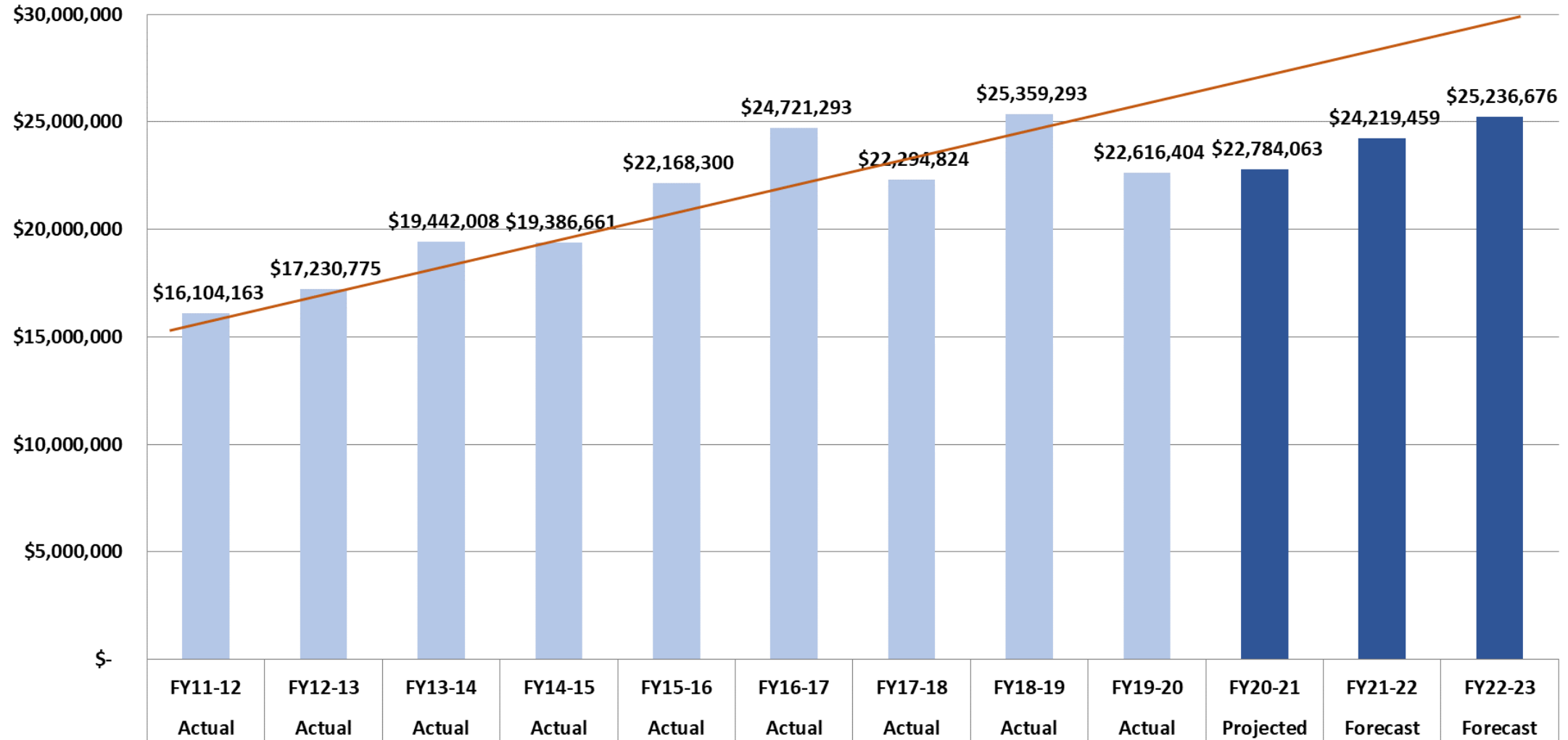
(Constant 2016 \$)



# Sales Tax Totals



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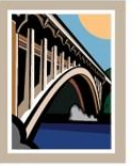
# Major Revenue Categories Impacted by COVID-19 – Budgeted vs. Projected



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	<b>FY 20-21 Budgeted</b>	<b>FY 20-21 Projected</b>	<b>Over/(Under) Budget</b>	<b>% of Budget</b>
Sales Tax	22,784,063	22,784,063	-	100.00%
TOT	1,255,000	1,255,000	-	100.00%
Parks & Recreation	2,697,445	1,228,896	(1,468,549)	45.56%
Ambulance Fees	4,450,000	4,025,000	(425,000)	90.45%

# Looking Ahead...

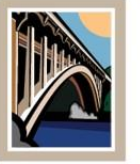


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Sales tax projected to recover to FY 18/19 levels within three years, resulting in two to three years of lost growth potential.

Ongoing pressure on the ability to reverse deep cuts made to balance the FY 20/21 budget.

Reaching budget projections in some categories means estimated losses were accurate, not that revenue sources are at “normal” levels.

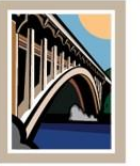


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# Budget Principles



# The budget should:



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- Maintain the functional balance of services that provide the unique Folsom experience.
- Allocate financial resources based on functional priorities and programmatic goals.
- Ensure that the financial stability of the City is sustainable beyond the next fiscal year.
- Maintain effectiveness of our primary services and functions.
- Maintain or grow the general fund balance.
- Consider alternative service delivery models in order to preserve services to the community.
- Be transparent to the public.
- Be accountable for results.
- Be responsive to the community.



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# **QUESTIONS / COMMENTS**