



Fiscal Year 2022/23 Quarterly Financial Report For the Quarter Ended September 30, 2022

The quarterly financial report provides an overview of the City of Rocklin's (City) current financial position. The City departments and the Administrative Services - Finance Division evaluate budget-to-actual performance for fiscal soundness or potential issues requiring immediate action, any necessary mitigating plans, or operational changes required.

On June 28, 2022, the City Council adopted Resolution 2022-145 approving the FY 2022/23 Budget, which totals \$102 million for operations and capital improvements for all funds, and \$61.6 million in the General Fund. Year-to-date expenditure budget through September 30, 2022 is \$63.7 million. This reflects the City Council approved budget amendments and carryforward funds from fiscal year (FY) 2021/22 to support projects, grants, and equipment purchases continued from the prior year.

Economic Development Update

Labor Market Data

The City of Rocklin's unemployment rate was at 2.4% in September 2022, with a labor force of 35,100 and employment at 34,200. The unemployment rate in the Sacramento--Roseville--Arden-Arcade MSA was 3.3% in September 2022, down from a revised 3.6% in August 2022, and below the prior year estimate of 5.4%. This compares with an unadjusted unemployment rate of 3.7% for California and 3.3% for the nation during the same period. The unemployment rate was 2.8% in El Dorado County, 2.4% in Placer County, 3.5% in Sacramento County, and 3.1% in Yolo County.

Between September 2021 and September 2022, total jobs in the region increased by 35,200 or 3.4%.

- Education and health services picked up 9,200 jobs and led year-over-year job growth for the region. Healthcare and social assistance picked up 8,800 jobs and was responsible for 96% of the gain while educational services picked up 400 jobs.

- Leisure and hospitality advanced by 7,500 jobs since the previous September. Accommodation and food services rose by 5,300 jobs, while arts, entertainment, and recreation added 2,200 jobs.
- Government payrolls expanded by 5,100 jobs since last September. Trade, transportation, and utilities increased by 4,000 jobs, professional and business services picked up 3,000 jobs, construction rose by 2,600 jobs, other services went up by 2,400 jobs, finance activities improved by 800 jobs, manufacturing added 500 jobs, and information picked up an additional 200 jobs.
- The farm sector was the only industry to experience year-over-year decline with a loss of 100 jobs.

Between August 2022 and September 2022, combined employment in the counties of El Dorado, Placer, Sacramento, and Yolo increased by 1,800 to total 1,060,900 jobs.

- Government continued to lead the region with job gains of 4,500 jobs in September.
- Education and health services payrolls expanded by 1,900 from August to September with growth in healthcare and social assistance picking up 1,500 jobs and 400 jobs added to educational services.
- On the downside, leisure and hospitality employment fell by 1,800 jobs. Over the month, accommodation and food services and arts, entertainment, and recreation each lost 900 jobs.
- Employment in trade, transportation, and utilities decreased by 1,400 jobs from August to September. Within the industry sector, retail trade declines of 1,400 jobs in retail trade and 500 jobs in wholesale trade were partially offset by a gain of 500 jobs in transportation, warehousing, and utilities.

While employers continued to add jobs, supply challenges continue. In addition, Freddie Mac reported in late October that 30-year mortgage rates rose to a 20-year high of 7.08%.

Residential Real Estate

Between October 2021 and October 2022, the median listing home prices in Rocklin increased by 6.1% with the median home sold price of \$636,000. On average, homes in Rocklin sell after 51 days on the market. The median days on market in Rocklin increased from the previous October but down since previous month.

General Fund Revenues

The following chart reflects the current fiscal year's budget to actual revenue received through September 30, 2022, and the comparative budget to actual revenues from the prior year for the same period.

**General Fund Revenue Summary
For the Quarter Ended September 30, 2022**

Revenue Category	Revenues			Revenues		
	Budget FY 2021/22	through 9/30/2021	% Received FY 2021/22	Budget FY 2022/23	through 9/30/2022	% Received FY 2022/23
Property Tax	20,681,200	5,034	0.0%	22,191,300	6,743	0.0%
Sales and Use Tax	17,650,800	1,214,949	6.9%	20,209,000	1,826,552	9.0%
Building Permits	2,998,000	1,067,045	35.6%	3,161,300	839,641	26.6%
Franchise	2,369,400	-	0.0%	2,416,800	-	0.0%
Other Revenues	11,367,100	2,229,856	19.6%	12,370,700	2,721,875	22.0%
Total	\$55,066,500	\$ 4,516,884	8.2%	\$60,349,100	\$ 5,394,811	8.9%

General Fund operating revenues are within budgetary expectations as of September 30, 2022. Year-to-date through September 30, the City's General Fund revenue is \$5.4 million, which is 8.9% of General Fund total resources expected to be received for FY 2022/23. It is consistent with prior years as the first property tax revenue will be received in January 2023.

Property Tax. Property taxes are the largest General Fund revenue source, accounting for approximately 37% of all General Fund revenues. Most of the City's secured property tax revenues are received in January and May.

Sales and Use Tax. Sales and use taxes make up approximately 33% of General Fund revenues. Sales tax is imposed on the total retail price of any tangible personal property and the use or storage of such property. Year-to-date through September 30, sales tax revenues are \$1.8 million, up 50.3% from the prior year. More information regarding causes and implications for the full year will be available after the full quarter's tax revenues and detailed analysis are received from our tax consultant. Sales tax is volatile and can change quickly, therefore staff constantly monitors sales tax revenues for signs of above or below budget performance.

Building Permits. Year-to-date building permit revenue through September 30, 2022 is \$0.8 million (26.6% of budget) compared to \$1.1 million (35.6% of budget) one year ago. At this time, permits appear to be on track to meet budget.

Franchise Tax. Franchise tax includes fees from gas, electric, garbage, and telecommunication services. No franchise tax revenue has been received year-to-date. The City will begin receiving revenue in the October to December quarter.

Other Revenues. Other General Fund Revenues through September 30, 2022 are \$2.7 million. Through the reporting period, other revenues are on track to meet budget. Staff will continue to monitor all revenue sources and provide an update as part of these quarterly reports.

Department Revenues and Expenditures

The following charts reflect comparative budget to actual information for the General Fund departments.

General Fund Department Revenue Summary For the Quarter Ended September 30, 2022

Department	Revenues			Revenues		
	Budget FY 2021/22	through 9/30/2021	% Received FY 2021/22	Budget FY 2022/23	through 9/30/2022	% Received FY 2022/23
Community Development	4,089,500	1,378,501	33.7%	4,341,700	1,079,947	24.9%
Fire	514,500	53,190	10.3%	515,400	186,043	36.1%
Parks & Recreation	1,723,800	348,374	20.2%	1,862,800	392,671	21.1%
Police	1,436,900	187,712	13.1%	1,413,100	114,304	8.1%
Public Services	145,700	55,337	38.0%	278,800	54,185	19.4%
Total	\$ 7,910,400	\$ 2,023,114	25.6%	\$ 8,411,800	\$ 1,827,151	21.7%

Year-to-date General Fund department revenues through September 30, 2022 is \$1.8 million (21.7% of budget) compared to \$2 million (25.6% of budget) one year ago. At this time, department revenues appear to be on track to meet budget.

General Fund Department Expenditure Summary For the Quarter Ended September 30, 2022

Department	Expended			Expended		
	Budget FY 2021/22	through 9/30/2022	% Expended FY 2021/22	Budget FY 2022/23	through 9/30/2022	% Expended FY 2022/23
City Council	97,800	11,564	11.8%	97,800	11,105	11.4%
City Manager	1,208,800	236,718	19.6%	1,154,900	242,612	21.0%
City Attorney	1,068,300	151,520	14.2%	1,118,400	191,434	17.1%
City Clerk	346,700	60,672	17.5%	398,000	59,496	14.9%
Administrative Services	2,954,500	415,183	14.1%	3,046,100	600,171	19.7%
Community Development	5,064,600	716,120	14.1%	5,553,300	1,054,735	19.0%
Fire	12,038,900	2,540,429	21.1%	12,417,800	2,775,542	22.4%
Information Technology	2,393,800	552,201	23.1%	2,652,500	644,792	24.3%
Parks & Recreation	4,621,400	957,379	20.7%	6,432,800	965,395	15.0%
Police	20,325,900	3,843,000	18.9%	21,684,300	4,729,323	21.8%
Public Services	3,479,300	661,027	19.0%	5,763,600	989,709	17.2%
Non Departmental	1,182,400	1,163	0.1%	3,399,900	1,098,875	32.3%
Total	\$ 54,782,400	\$ 10,146,975	18.5%	\$ 63,719,400	\$ 13,363,188	21.0%

Departments have expended approximately 21% of their total budget in the General Fund for FY 2022/23. Expenditures are generally incurred as needs arise and not equally throughout the year.

Revenues and expenditures are within budgetary expectations as of September 30, 2022. Staff will continue to monitor and return to the City Council with the FY 2022/23 Second Quarter Financial Report in the Winter of 2023.