



# City Council Budget Workshop

November 17, 2008





# Agenda

- Regional Economy
- Housing Market
- Chula Vista Property Assessed Values
- Fiscal Year 2008-09 Quarterly Report
- Fiscal Year 2009-10 General Fund Overview
- 5-Year General Fund Projections
- Development Services Fund Budget
- Redevelopment Agency Budget
- Budget Balancing Options



# Executive Summary

- Declining Sales and Property Tax revenues
- Rising labor costs
- \$5.5 million revenue shortfall in General Fund projected in current fiscal year offset by \$1.6 million in expenditures savings – projected gap totals \$3.9 million
- \$19 million General Fund gap projected for FY 2009-10
- Shortfalls also exist in DSF and RDA
- Long term solution will require permanent expenditure reductions and/or revenue enhancements



# Process & Schedule

- ✓ Labor and employee briefings
- ✓ Employee focus group
- ✓ Employee suggestions and involvement
- November 17 Workshop
  - Budget overview and balancing options
- Community and labor briefings
- December 4 Workshop
  - City Manager's Proposed Budget Reduction Plan
- December 9 and 16 Council Meetings
- January 6 Workshop
  - Council approval of Budget Reduction Plan



# 1<sup>st</sup> Quarter Fiscal Status General Fund

Fiscal Year 2008-09

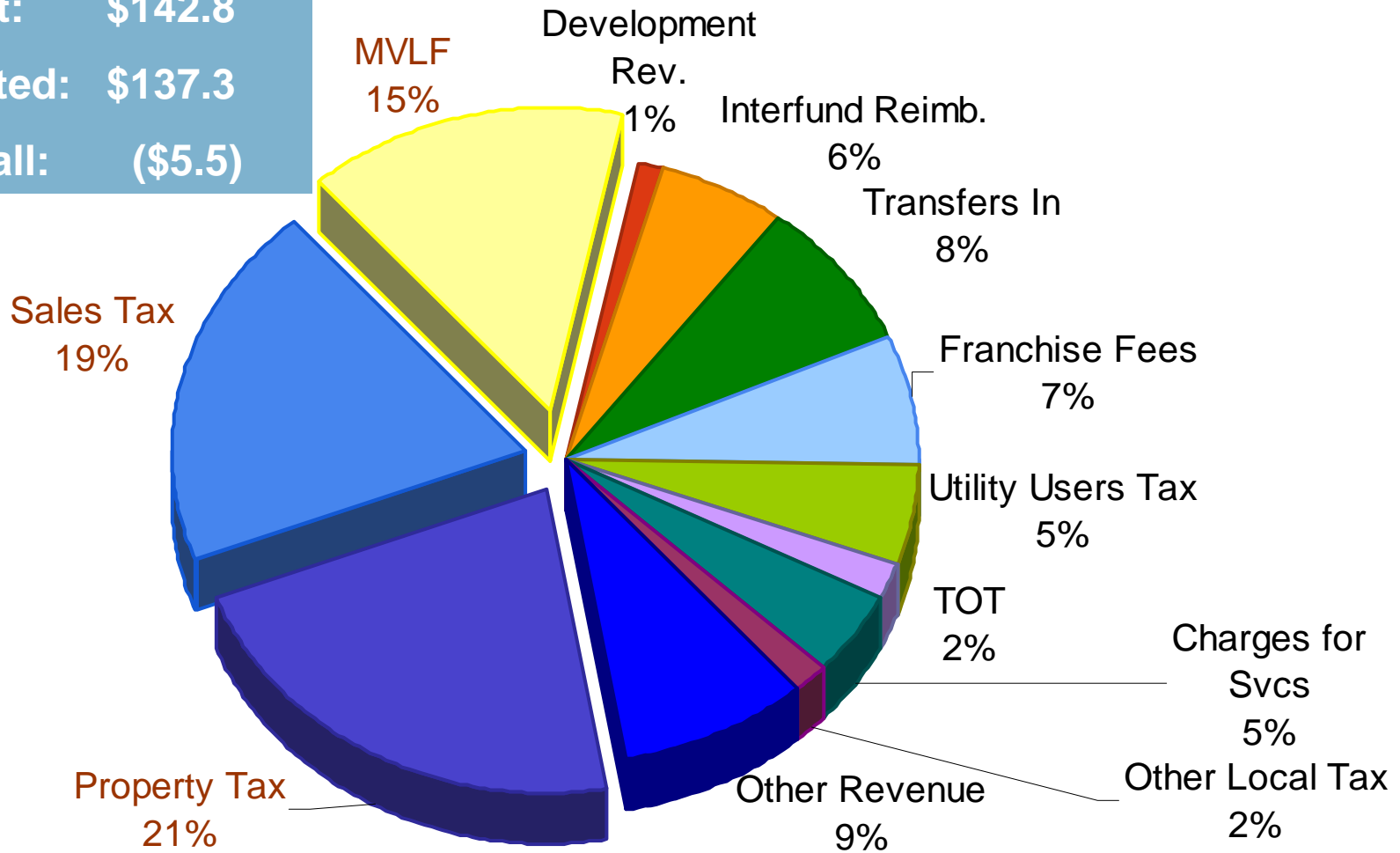




# General Fund Revenues

## By Category

Budget: \$142.8  
Projected: \$137.3  
Shortfall: (\$5.5)

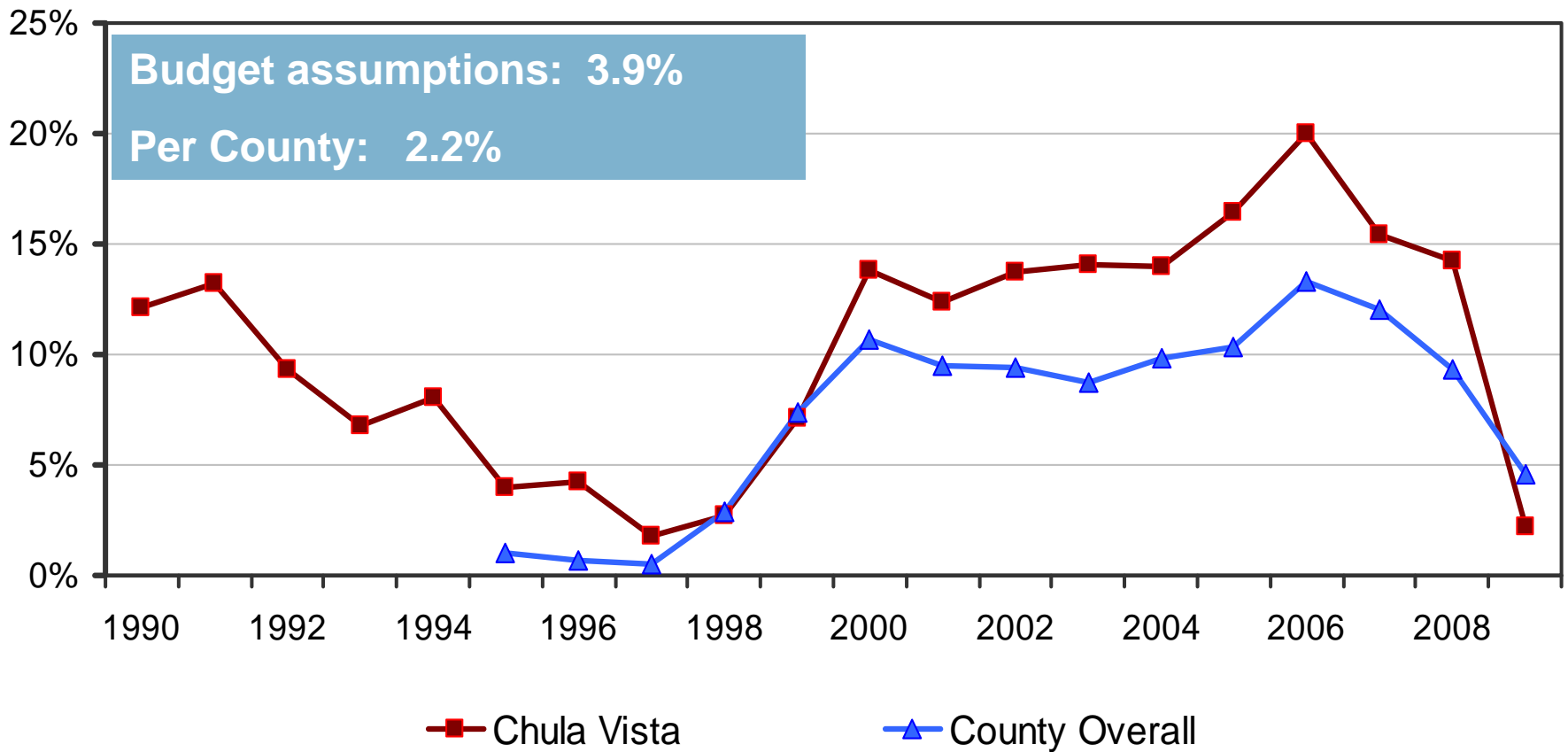


FY2009



# Historical Assessed Value Annual Percentage Change

## City versus County Overall

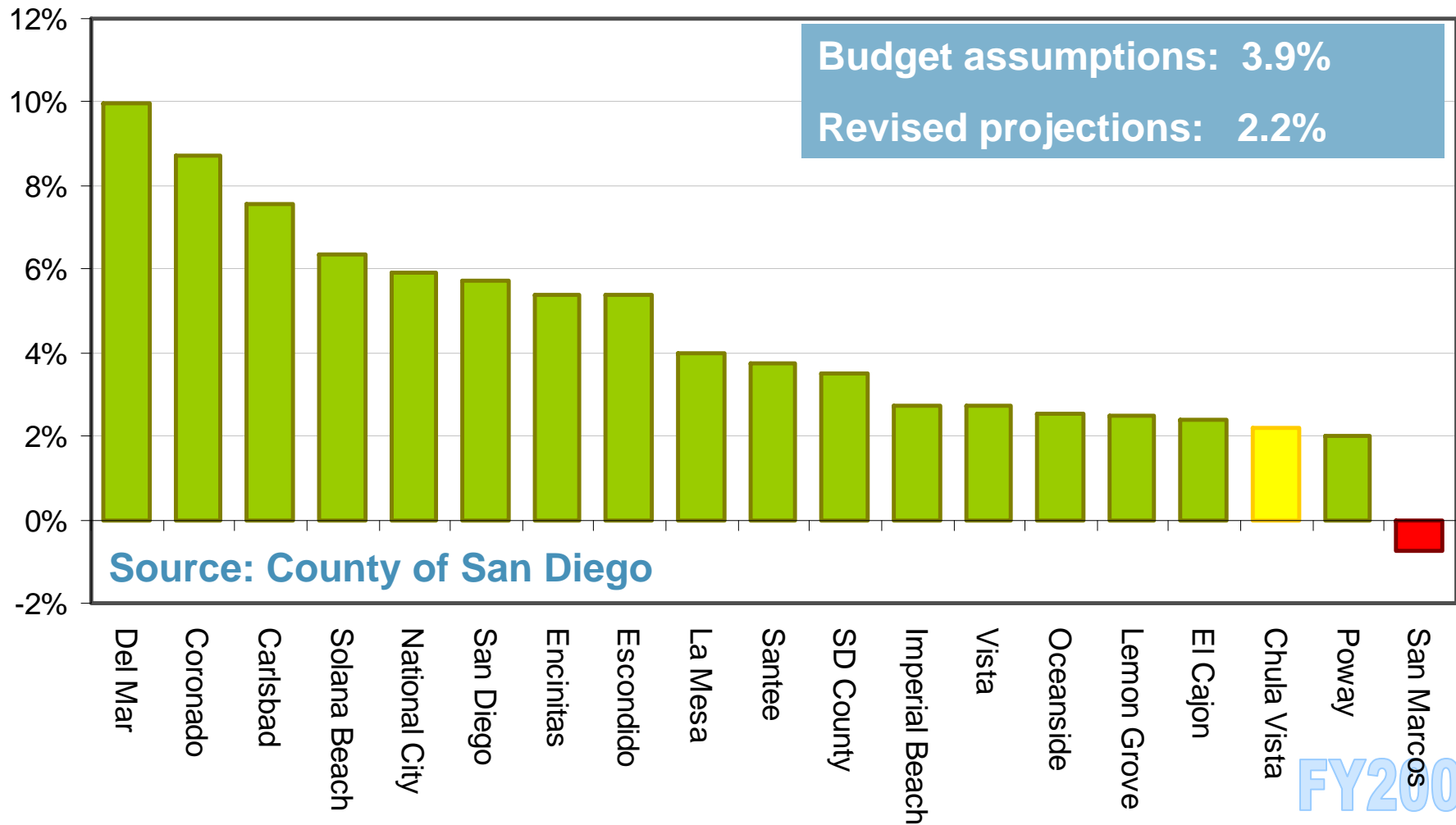


FY2009



# Assessed Value Comparison

## FY 2007-08 vs. FY 2008-09



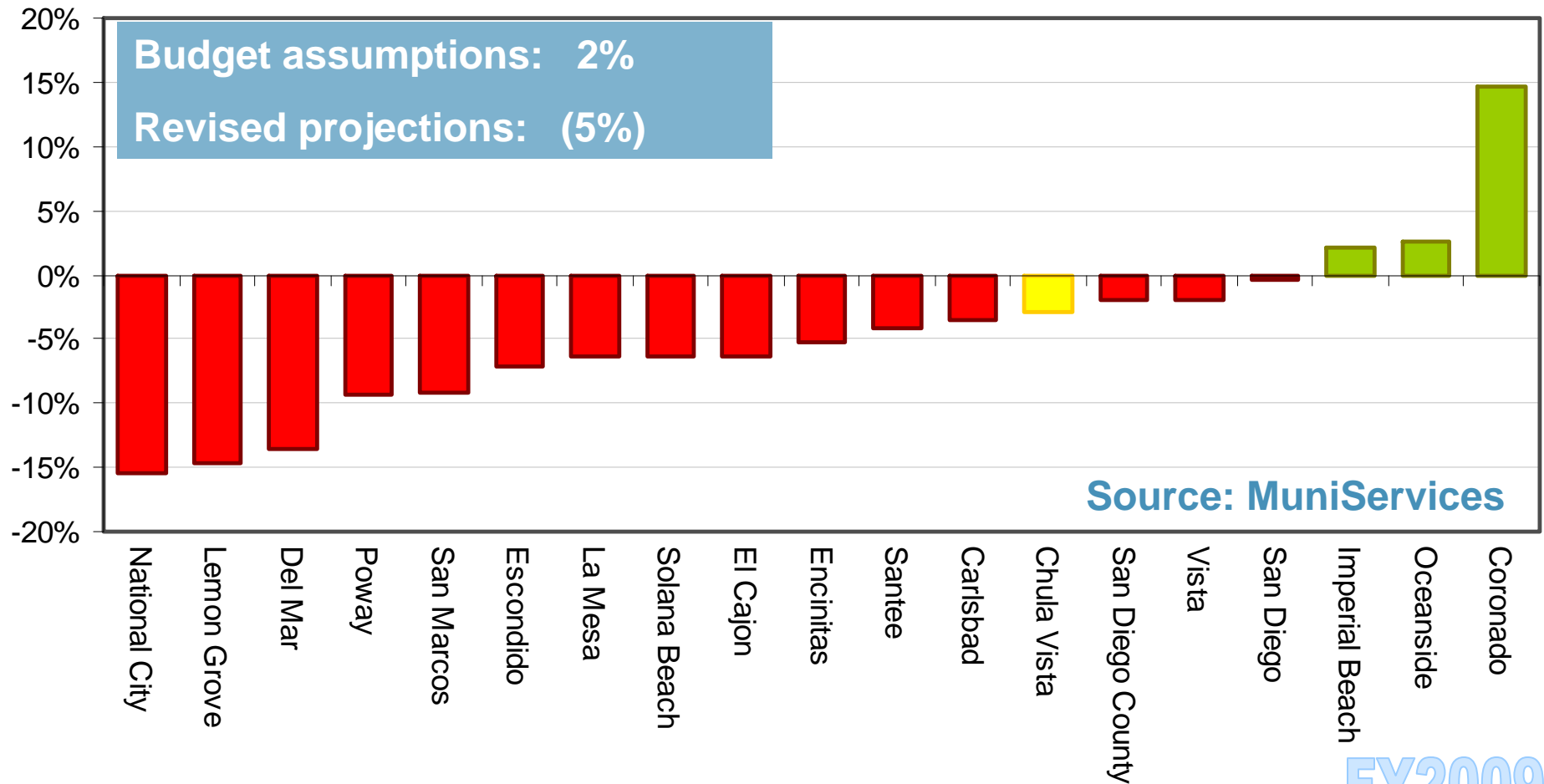
FY2009



# Sales Tax Comparison

## #2 Major Revenue

2<sup>nd</sup> Qtr Calendar Year (April – June)

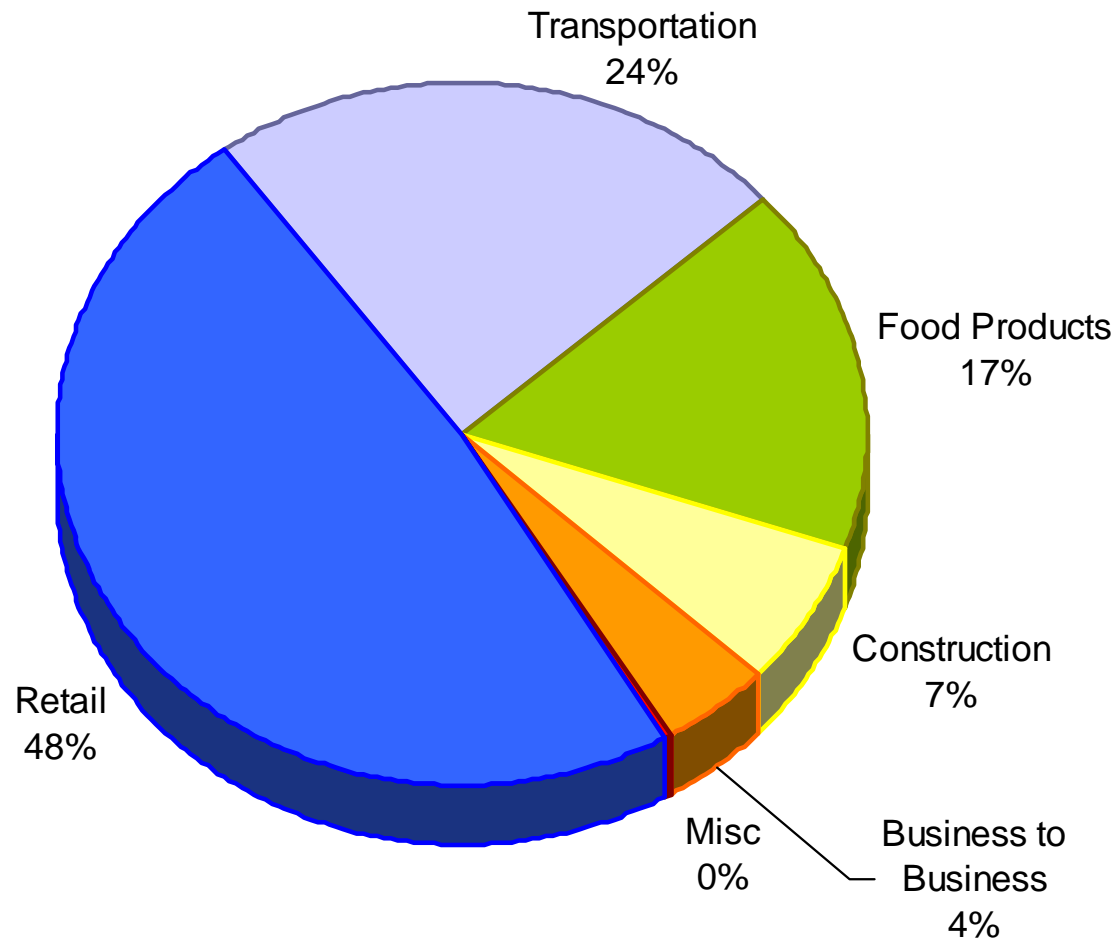


FY2009



# Sales Tax by Sector

2<sup>nd</sup> Qtr Calendar Year (April – June)



FY2009



# Local Sales Tax Rate

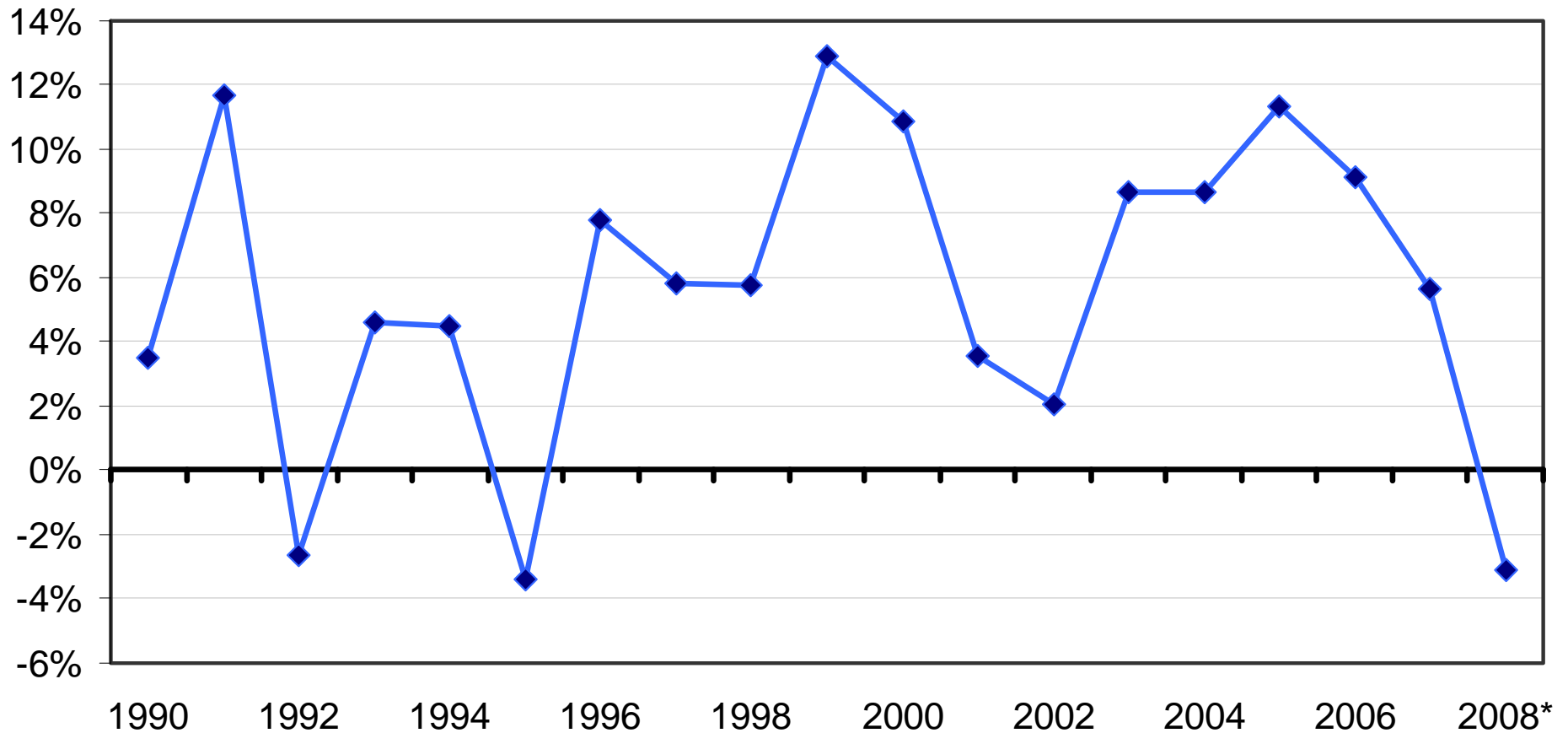
State	6.00%
State Fiscal Recovery Fund	0.25%
*City/Local Government	0.75%
Local Transportation Fund	0.25%
Local TransNet Funding	0.50%
<b>TOTAL CHULA VISTA TAX RATE</b>	<b>7.75%</b>

\*The remaining 0.25% is allocated to Local Govt. by the County.

FY2009



# Historical Sales Tax Annual Percentage Change

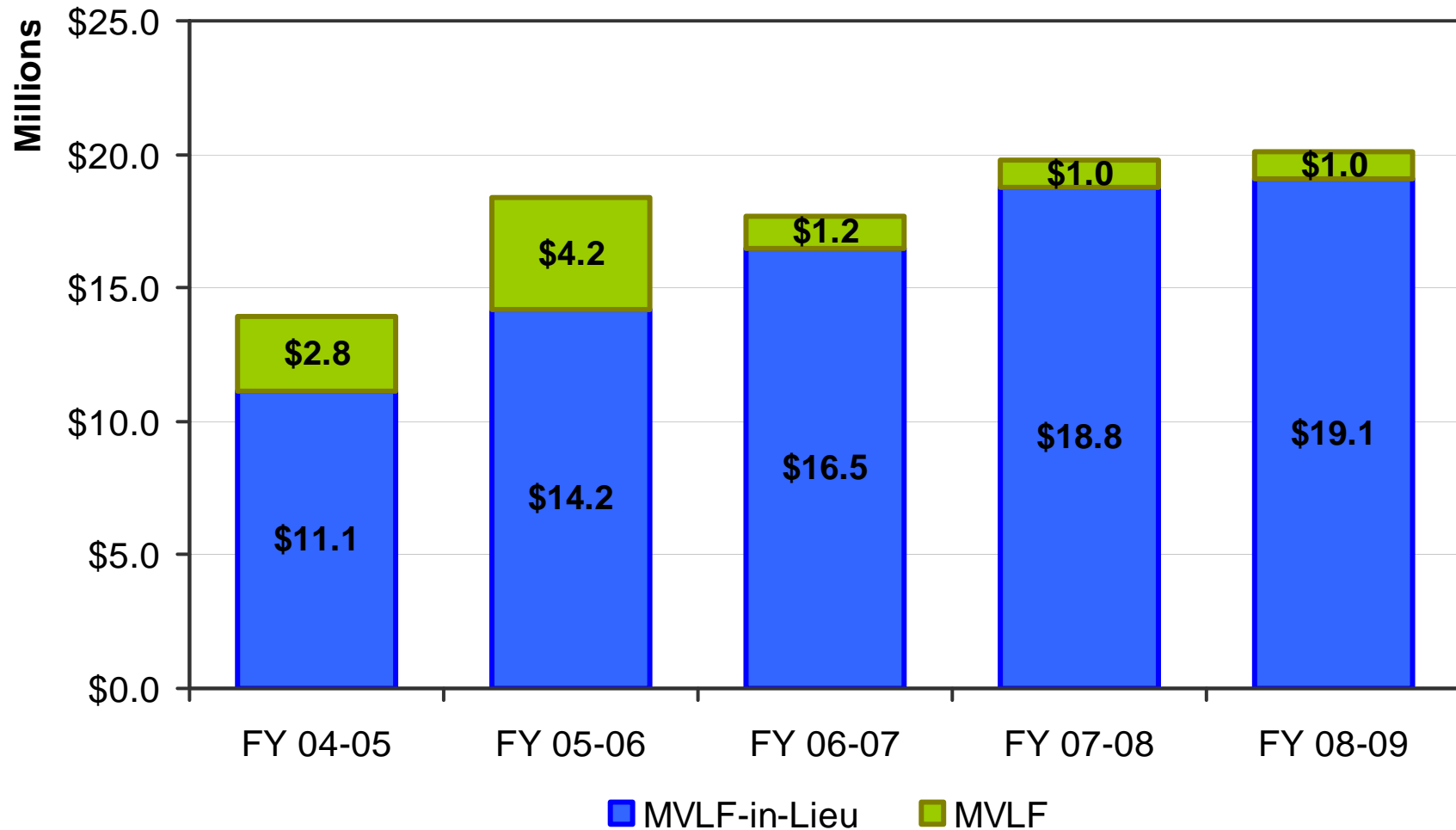


\* The last two sales quarters for 2008 have been estimated

FY2009



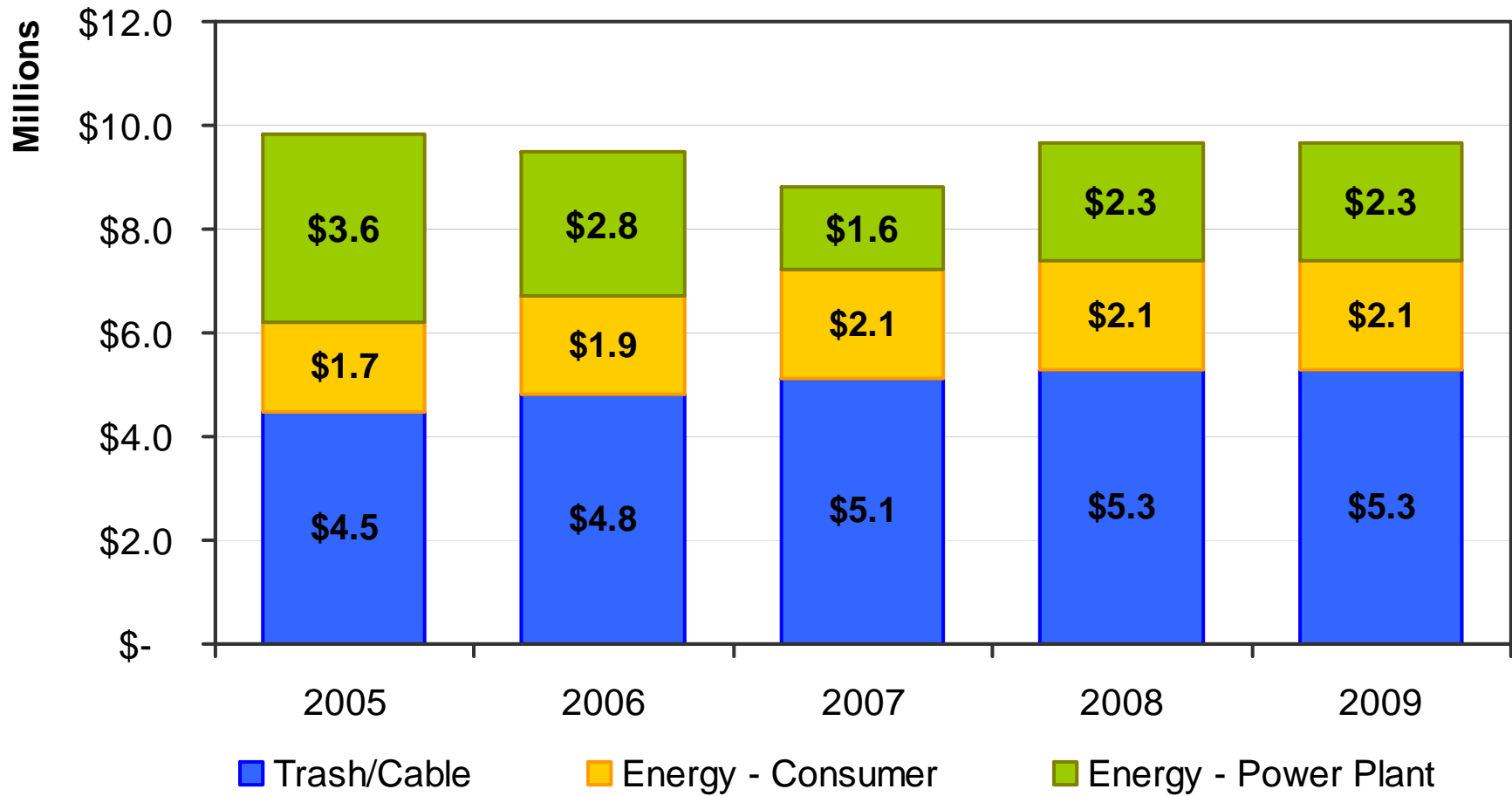
# Motor Vehicle License Fees (MVLFF)



FY2009



# Franchise Fees



FY2009



# Current Year Deficit

## Fiscal Year 2008-09

Revenue	Description	Impact
Sales Tax	From +2% to -5%	\$ (2,788,000)
Property Tax	From +3.9% to 2.2%	\$ (300,000)
Motor Vehicle License	From +2.9% to 2.2%	\$ (82,000)
Franchise Fees	Based on FY 08 actuals	\$ 931,000
Public Safety Sales Tx	Public Safety STx.	\$ (148,000)
Interest Earnings	Reduced cash flow assumptions & interest rates	\$ (368,000)
Development Related Rev	Zoning Fees, Permits	\$ (701,000)
Staff Time Reimbursements	PFDIF and Sewer Fund	\$ (2,078,000)
<b>Revenue Adjustments</b>		<b>\$ (5,534,000)</b>
Departmental Exp Savings	Administrative Freeze	\$ 2,800,000
Public Liability Expenses	Higher than normal expenses	\$ (1,200,000)
<b>Expenditure Savings</b>		<b>\$ 1,600,000</b>
<b>Estimated Deficit FY 2008-09</b>		<b>\$ (3,934,000)</b>

FY2009



# Current Year Deficit

## Fiscal Year 2008-09

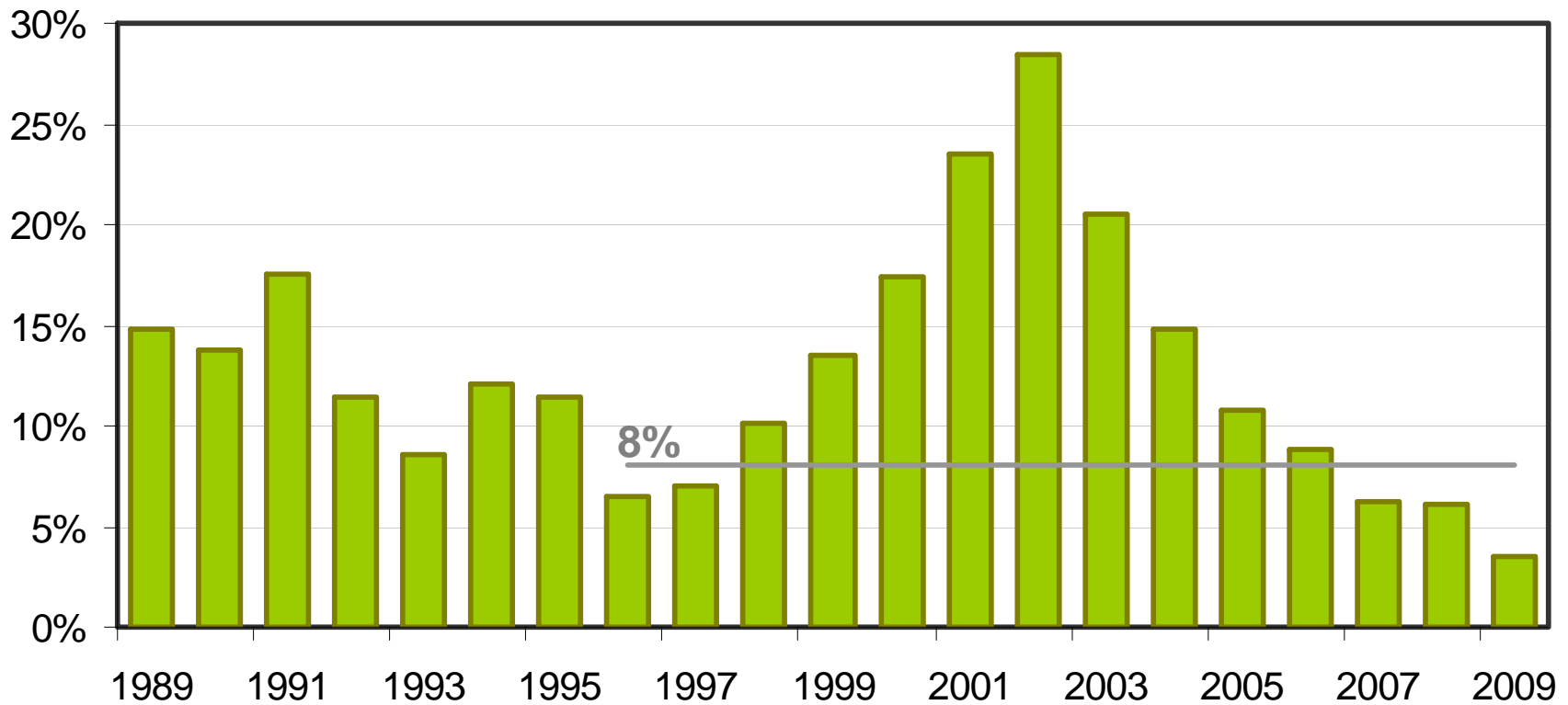
<b>General Fund Reserve</b>	<b>Projected (millions)</b>
Reserves - July 1, 2008	\$ 9.3
Projected Revenues & Transfers In	137.3
Expenditures & Transfers Out	(141.3)
Projected Deficit <sup>1</sup>	\$ (4.0)
Projected Fund Balance as of June 30, 2009	<b>\$ 5.3</b>
Percentage of Operating Budget	<b>3.5%</b>

<sup>1</sup>General Fund impact assumes no mid year corrections.

FY2009



# General Fund Reserves



**Council 8% Reserve Policy approved in 1996**

**FY2009**



# Measures to Address Current Year Deficit

- Hiring freeze
- Freeze budgets for training, travel, membership dues, and miscellaneous supplies and services accounts
- Scale back vehicle replacement
- Early implementation of FY 2009/10 budget reduction plan

FY2009



# Fiscal Year 2009-10 Budget Overview

Fiscal Year 2009-10





# Projected Deficit Fiscal Year 2009-10

	Projected Deficit
Revenues	\$ 135.25
Expenditures	\$ 154.22
Deficit	<u>\$ (18.97)</u>

FY2010



# General Fund Fiscal Years 2008-09 & 2009-10

## General Fund Revenue Summary

In Thousands (000)

Revenue Source	FY 09 Budget	FY 09 Projected	FY 10 Projected	Change
Property*	30,232	29,932	29,395	-1.8%
Sales	29,678	26,890	26,352	-2.0%
MVLF	20,216	20,134	19,772	-1.8%
Franchise Fee	8,732	9,663	9,759	1.0%
Other Local Taxes	12,039	12,023	12,048	0.2%
Charges for Services	7,963	7,280	7,585	4.0%
Transfer In	12,272	11,048	11,272	2.0%
Other Revenue	11,617	10,809	10,063	-7.4%
Use of Money & Prop	2,421	2,053	1,876	-9.5%
Fines, Forfeitures & Penalties	1,494	1,722	1,693	-1.7%
Rev from Other Agencies	5,376	5,015	4,541	-10.4%
Licenses & Permits	801	740	893	17.1%
<b>Total General Fund</b>	<b>142,842</b>	<b>137,308</b>	<b>135,249</b>	<b>-1.5%</b>

\*Property Tax revenues include delinquent taxes, projection basis for Property Taxes is -2%

**FY2010**



# General Fund Expenditures FY09 - FY10

## General Fund Expenditure Summary by Category

In Thousands (000)

Category	FY 2008-09 Budget	FY 2009-10 Budget	Difference	% Change
Personnel Services	\$ 113,663	\$ 121,812	\$ 8,149	7%
Supplies and Services	\$ 15,539	\$ 16,983	\$ 1,444	9%
Other Expenses	\$ 1,523	\$ 948	\$ (576)	-38%
Operating Capital	\$ 388	\$ 388	\$ -	0%
Debt Service/Transfers Out	\$ 6,654	\$ 8,745	\$ 2,092	31%
Utilities	\$ 5,084	\$ 5,341	\$ 257	5%
<b>Total Operating Budget</b>	<b>\$ 142,851</b>	<b>\$ 154,217</b>	<b>\$ 11,366</b>	<b>8%</b>

FY2010



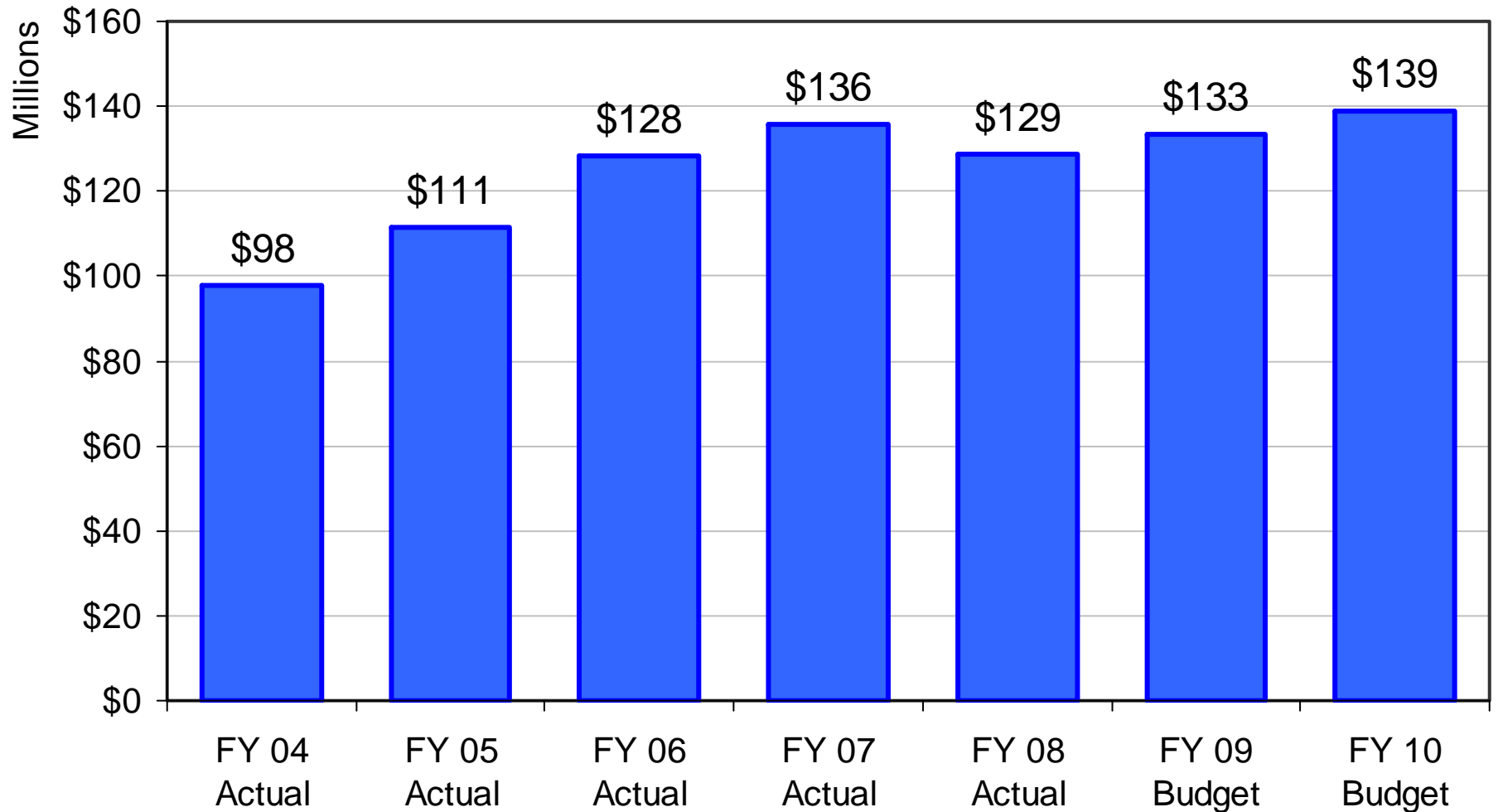
# General Fund Fiscal Year 2009-10

- Personnel Services +\$8.1 M
  - Includes funding for all Council approved positions
  - \$3.0 M increase related to scheduled salary adjustments
  - \$3.4 M increase to reflect the elimination of salary savings
  - \$0.9 M increase to reflect higher flex/insurance costs
  - \$0.8 M increase due to the transfer of Planning & Building Administration from the Development Services Fund (net impact to General Fund totals \$550 k)

FY2010



# All Funds Personnel Services

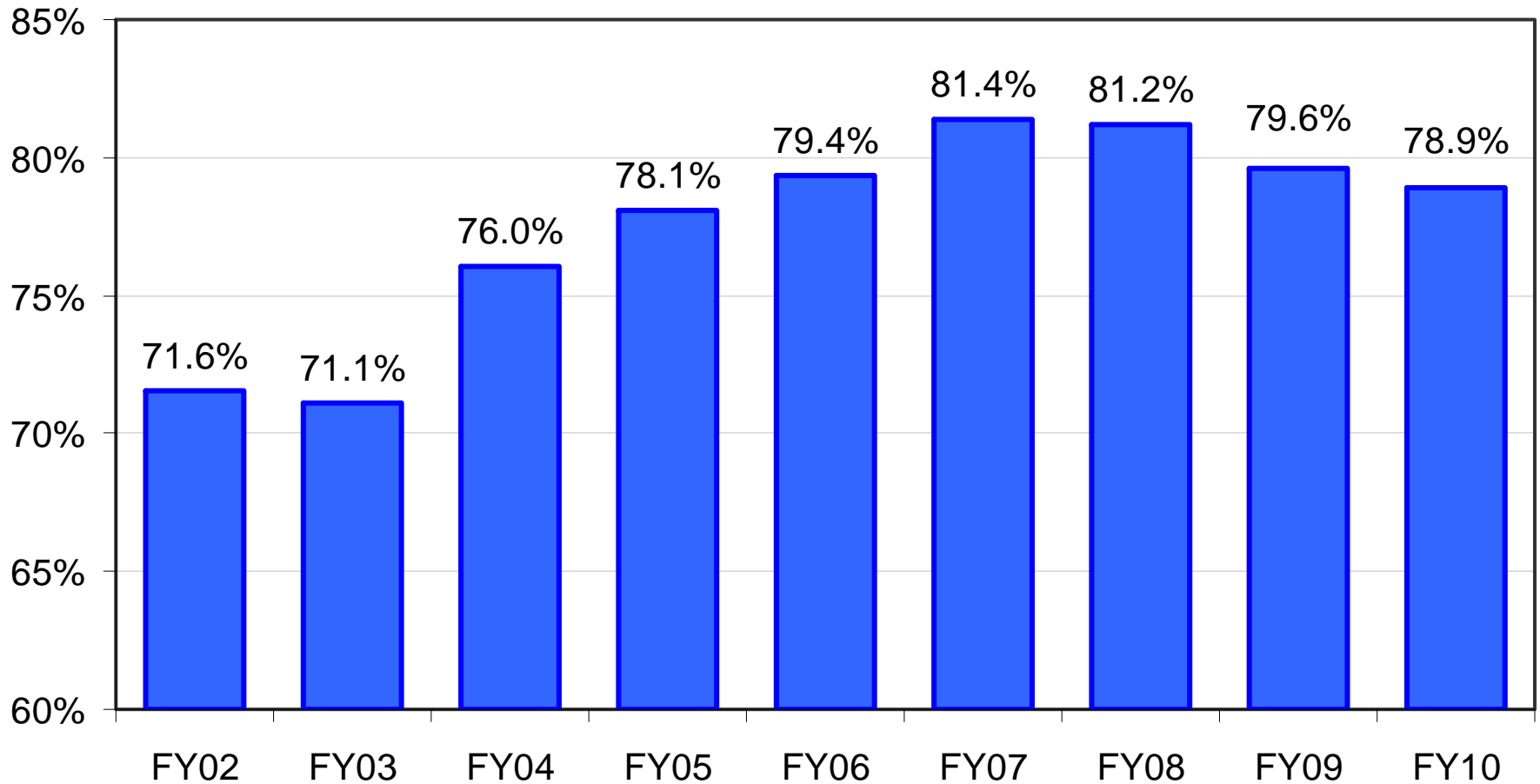


**FY2010**



# Personnel Services

## As a % of Total Adopted Budget



FY2010



# Salary Increases by Bargaining Group

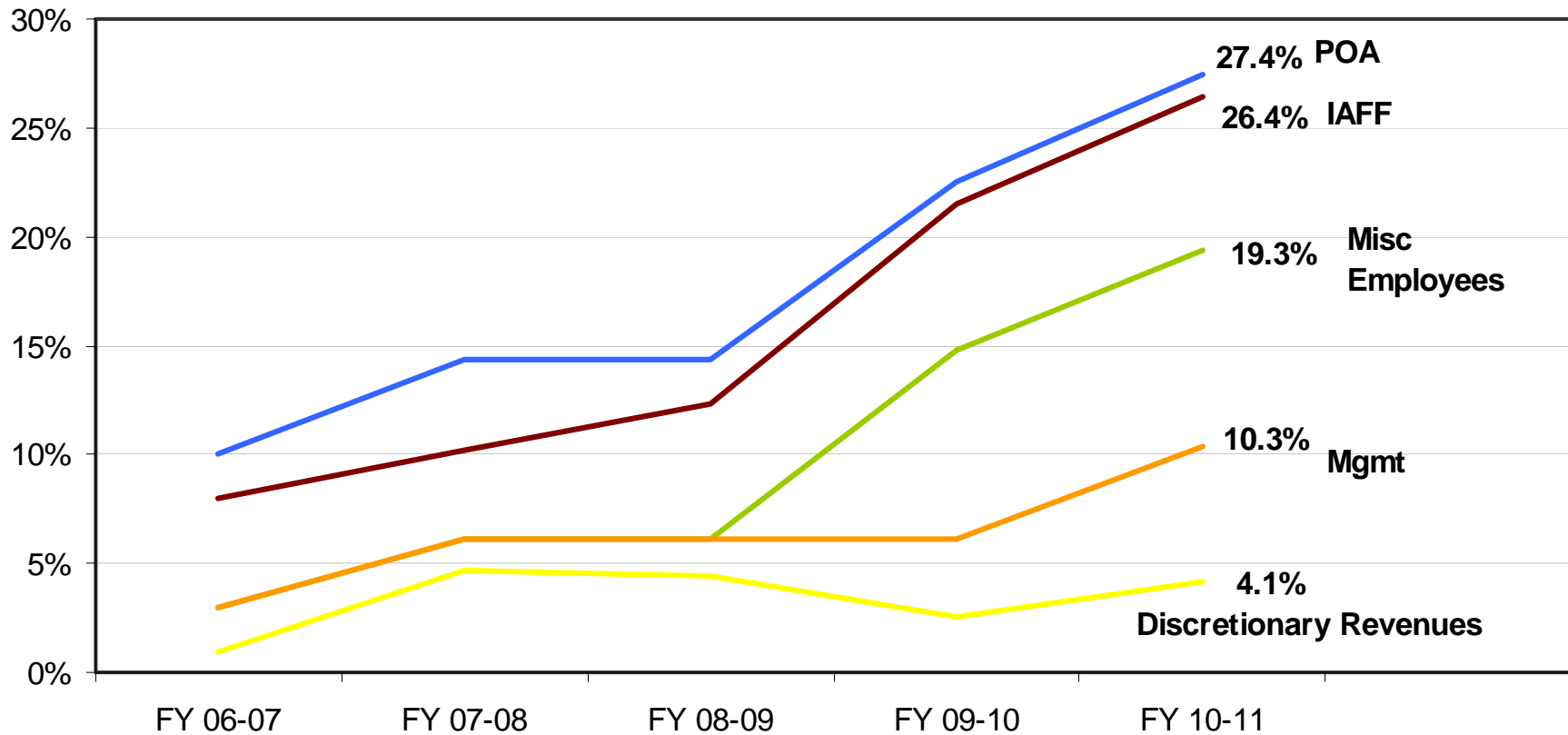
Date of Salary Increase	POA	IAFF	CVEA, WCE, & CONF	Mgmt
January 2006	10%	8%	3%	3%
January 2007	4%	2%	3%	3%
July 2007	-	2%	-	-
July 2008	4%	4%	4%	-
January 2009	3%	4%	4%	-
January 2010	4%	4%	4%	4%
<b>Compounded Salary Increase</b>	<b>27.4%</b>	<b>26.4%</b>	<b>19.3%</b>	<b>10.3%</b>

**FY2010**



# COLAs & Discretionary Revenues

Compounded Percent Increase



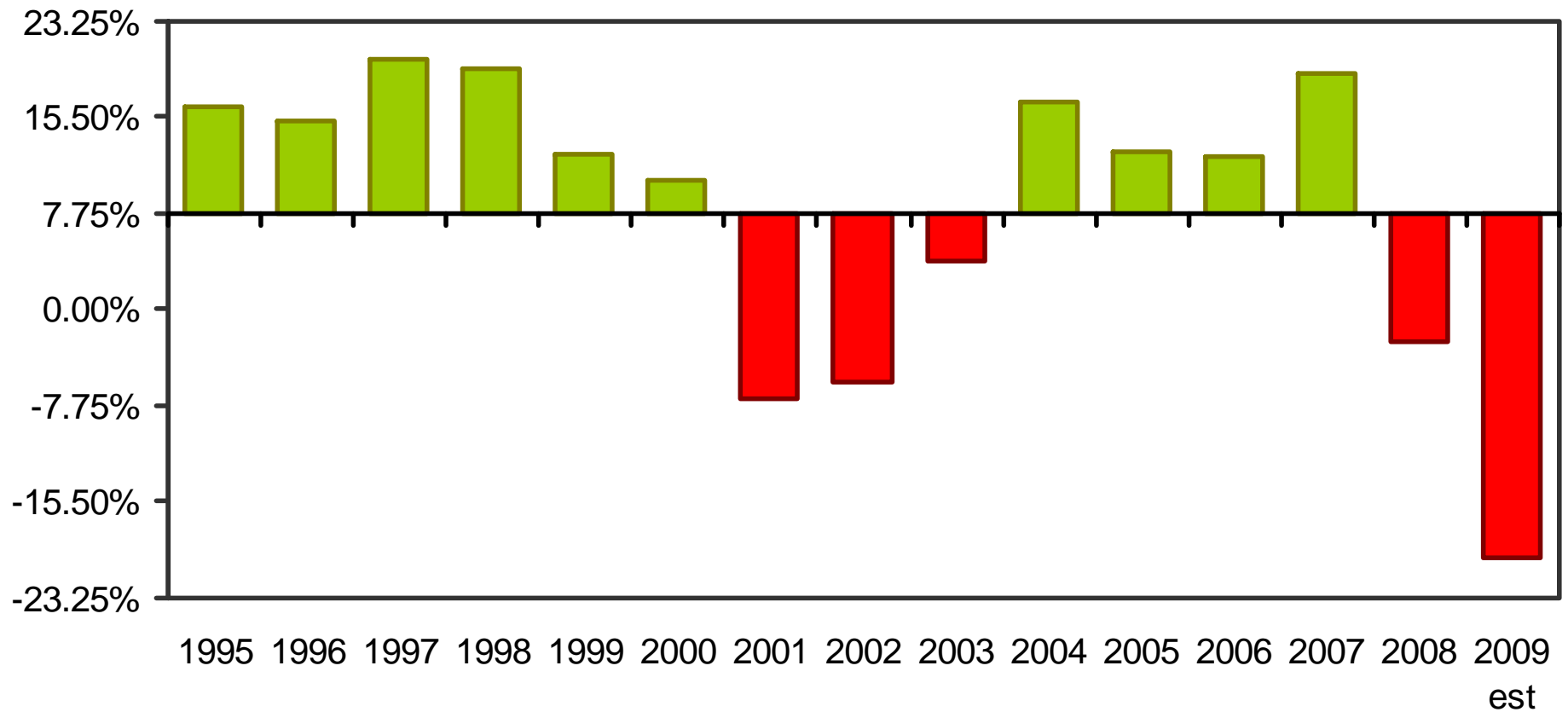
— Discretionary Revenue   
 — POA   
 — IAFF   
 — CVEA, WCE, Conf   
 — Mgmt

FY2010



# CalPERS Rates of Return

Relative to Assumed Investment Return of 7.75%

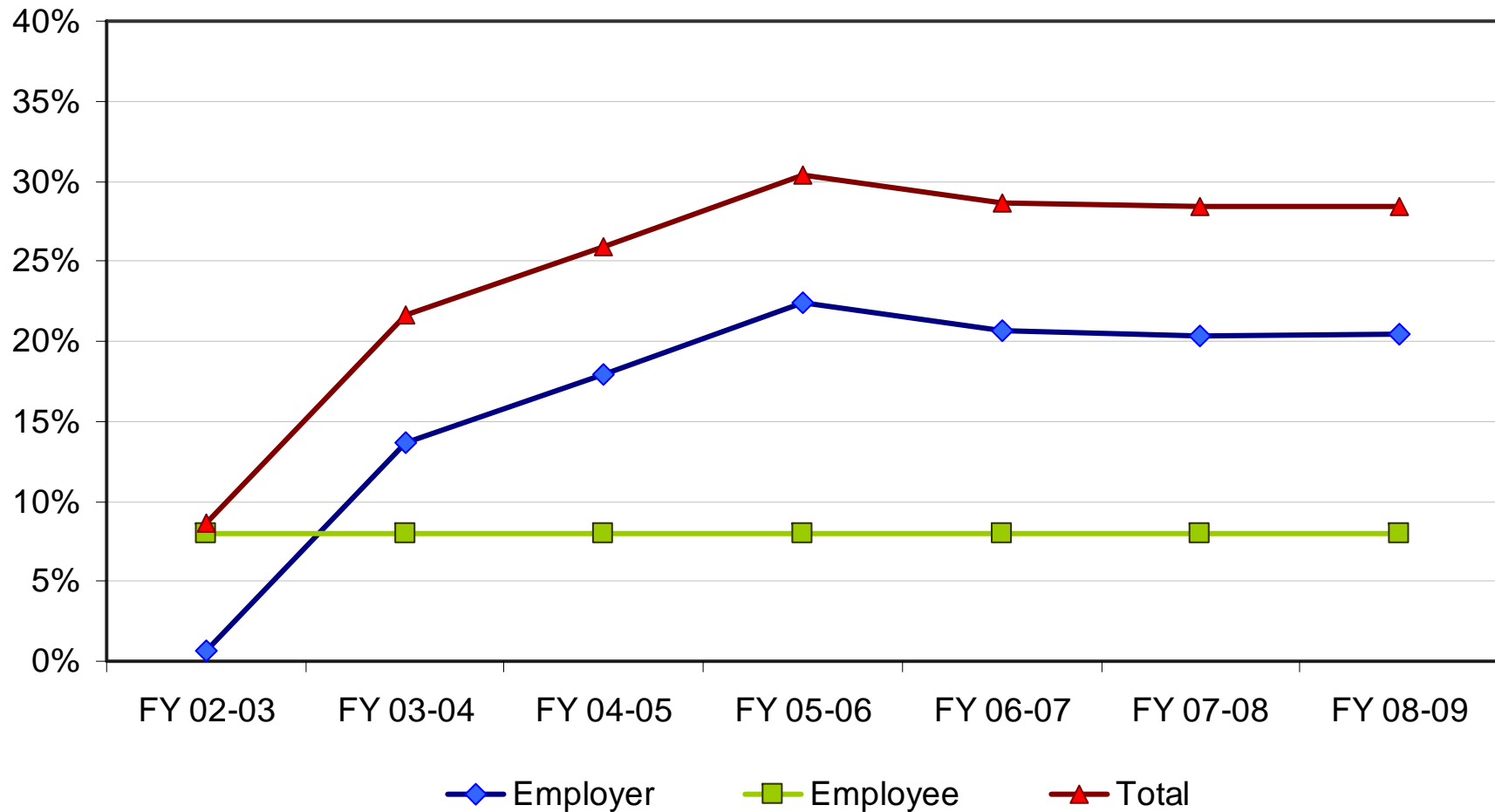


FY2010



# CalPERS Historical Rates

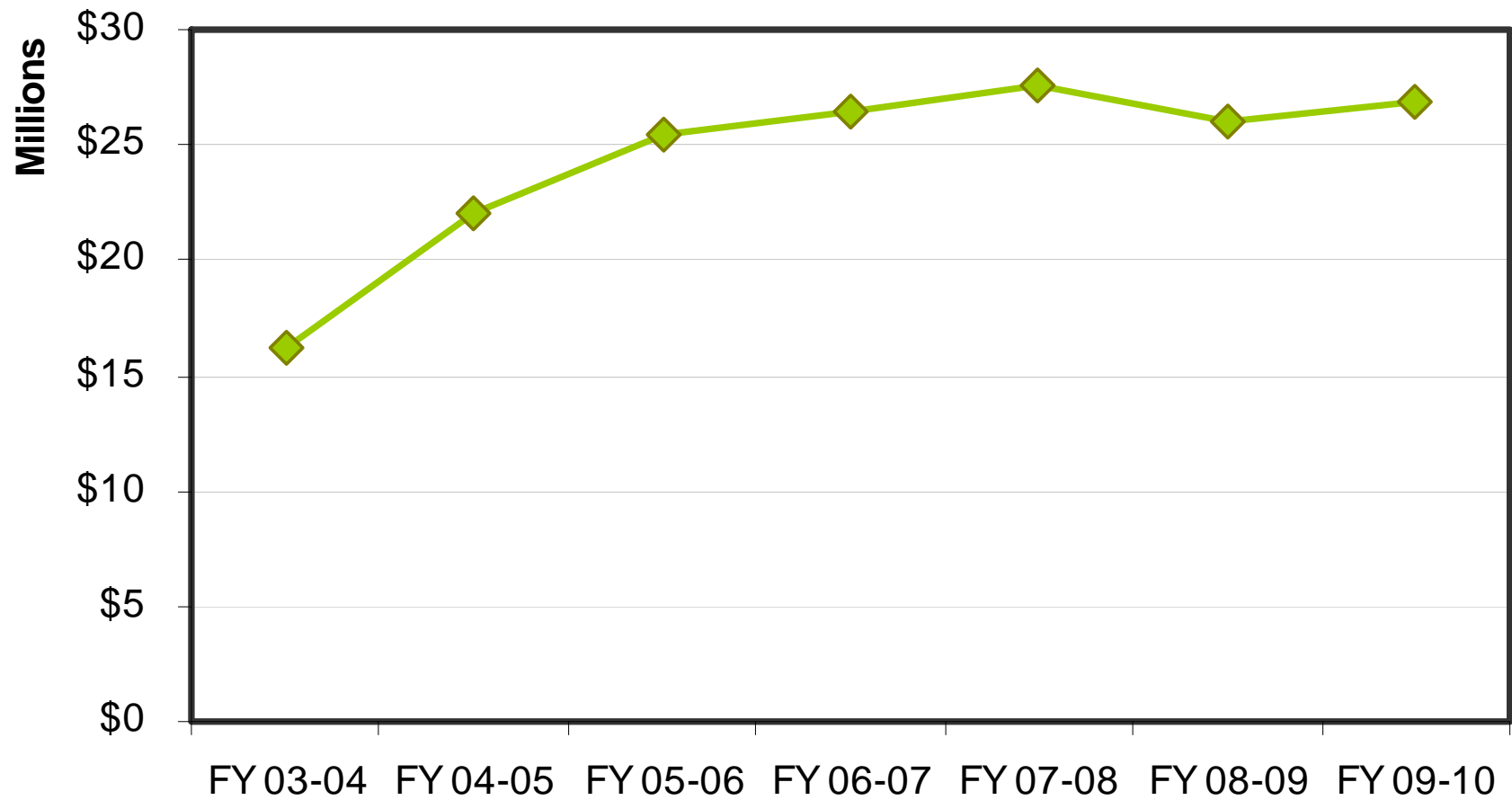
## Miscellaneous Employees



FY2010



# Citywide budgeted PERS costs



FY2010



# Health Premium Increases

Date of Premium Increase	Kaiser	PacifiCare/Aetna	AVG
January 2002	6.4%	15.9%	11.2%
January 2003	15.4%	11.0%	13.2%
January 2004	0.1%	10.9%	5.5%
January 2005	19.9%	8.4%	14.2%
January 2006	6.9%	10.0%	8.5%
January 2007	8.5%	16.4%	12.5%
January 2008	5.0%	-2.8%	1.1%
January 2009	8.9%	0.5%	4.7%
<b>2002 – 2009 Avg Increase</b>	<b>8.9%</b>	<b>8.8%</b>	<b>8.9%</b>
January 2010 (Estimate)	10.0%	10.0%	10.0%

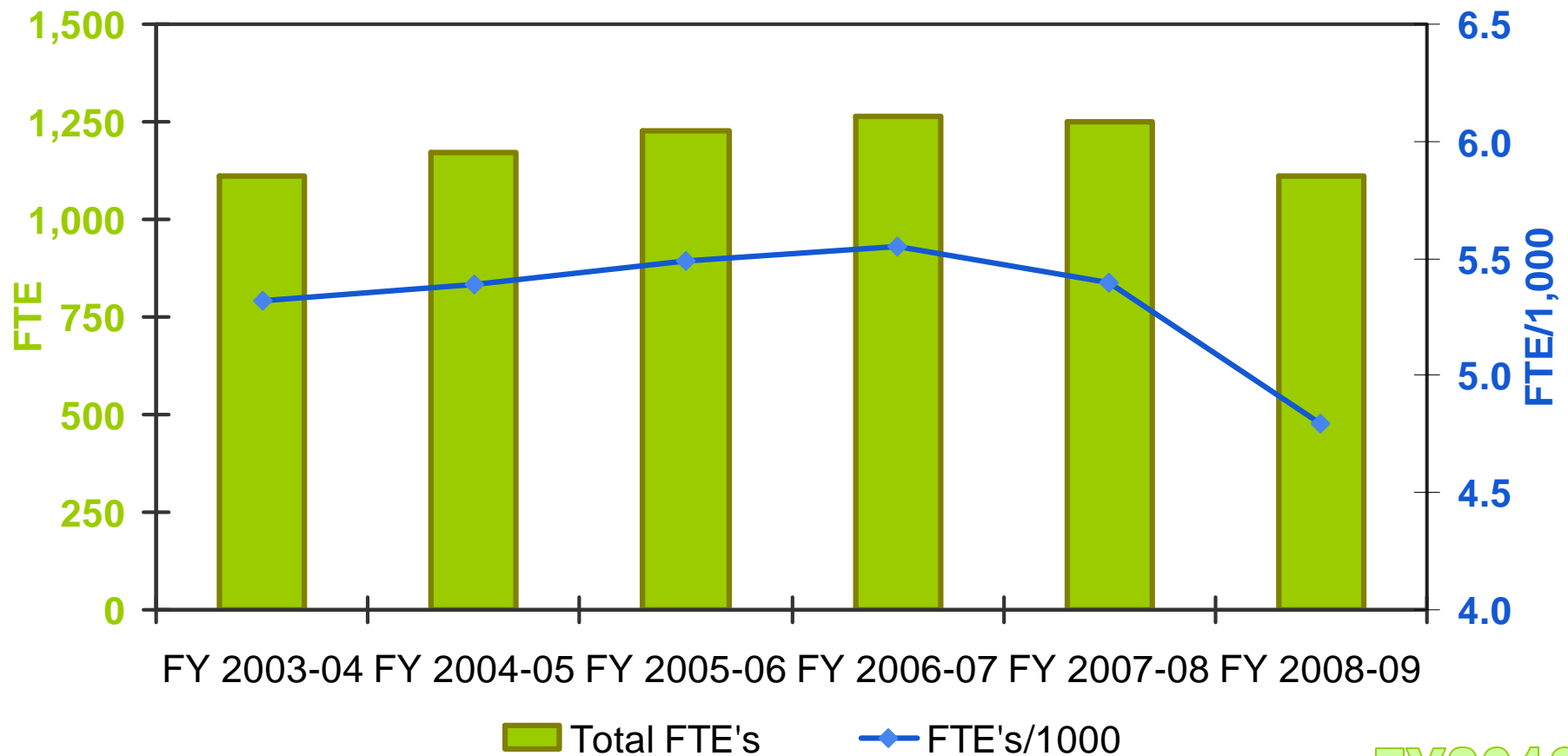
Note: Aetna replaces PacifiCare in January 2009.

**FY2010**



# Staffing per Thousand

City of Chula Vista Staffing (FTEs)  
Compared to FTE's per Thousand Residents



FY2010



# Public Works/Engineering

## Workload Measures FY 2003/04 - FY 2008-09

	<b>FY 2003/04</b>	<b>FY 2008/09</b>	<b>% Change</b>
FTE Employees *	306.50	294.00	-4.1%
Storm Drain Miles	196	256	30.6%
Sewer Miles	428	481	12.4%
Street Lane Miles	959	1,181	23.1%
Park Acres	412	492	19.4%

\* FTE = Full Time Equivalent

**FY2010**



# Staffing History by Bargaining Unit

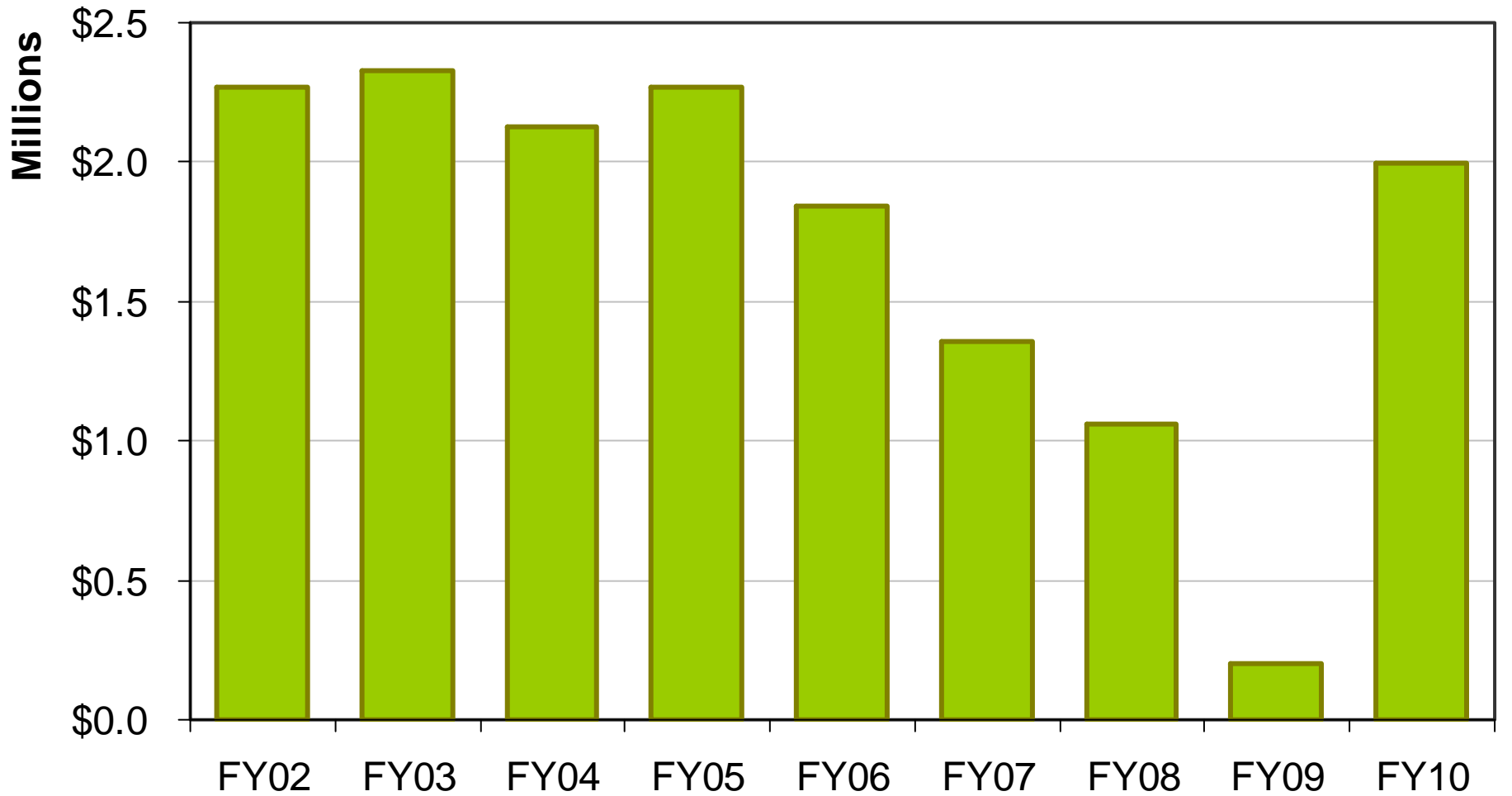
BARG UNIT	FY 2004	FY 2007	FY 2010	FY 2004-2010 CHANGE
CVEA	528.37	609.25	510.50	(17.87)
POA	224.00	247.00	240.00	16.00
IAFF	82.00	112.00	111.00	29.00
WCE	41.00	37.00	30.00	(11.00)
CONFIDENTIAL	35.00	31.00	26.00	(9.00)
PROFESSIONAL	67.5	81.50	70.50	3.00
MANAGEMENT*	129.75	146.00	114.00	(15.75)
<b>TOTAL</b>	<b>1,107.62</b>	<b>1,263.75</b>	<b>1,102.00</b>	<b>(5.62)</b>
<b>MANAGEMENT RATIO</b>	<b>1:8</b>	<b>1:8</b>	<b>1:9</b>	

\*Management includes: Executives, Senior Managers and Mid Managers

**FY2010**



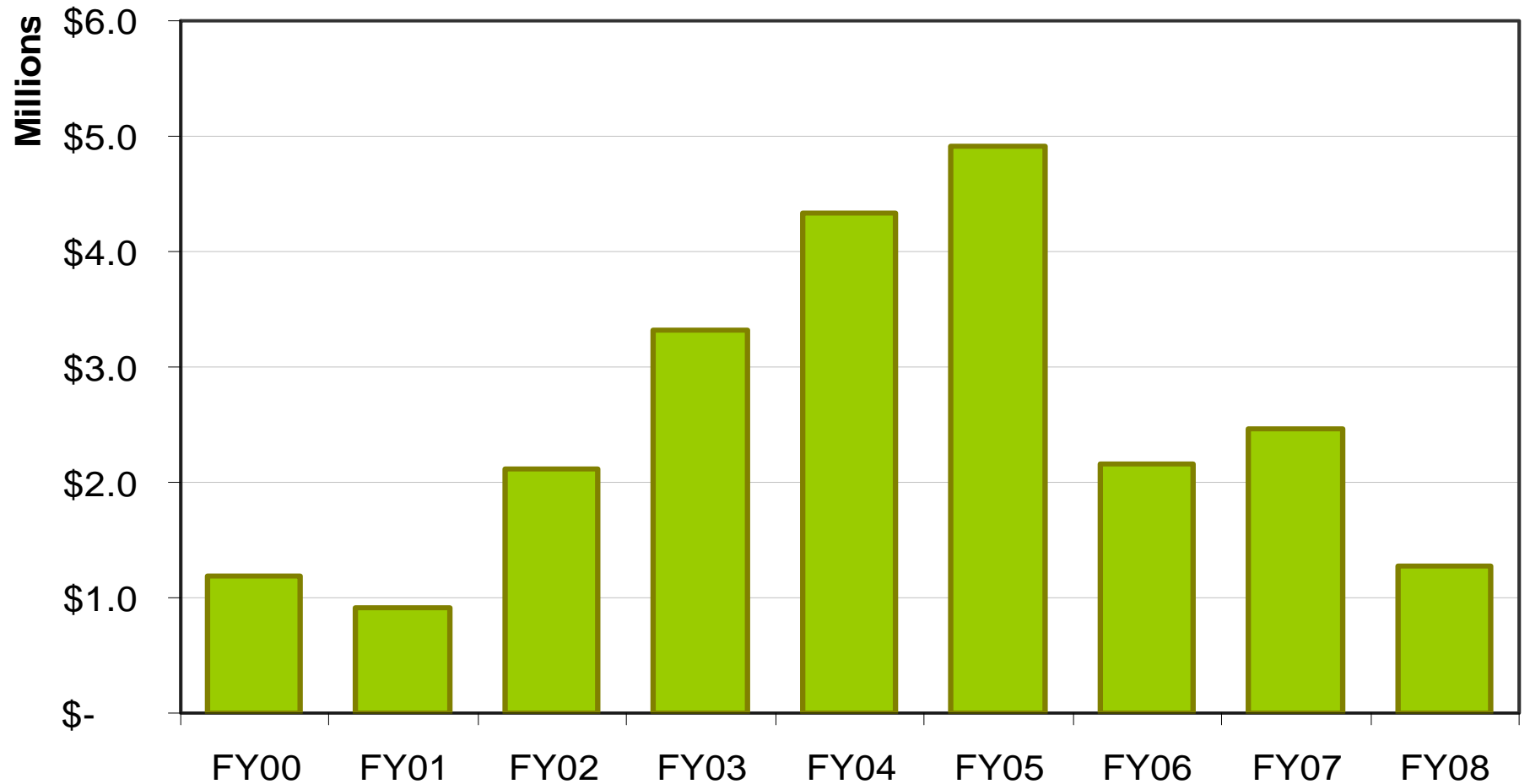
# Vehicle Replacement Charges



FY2010



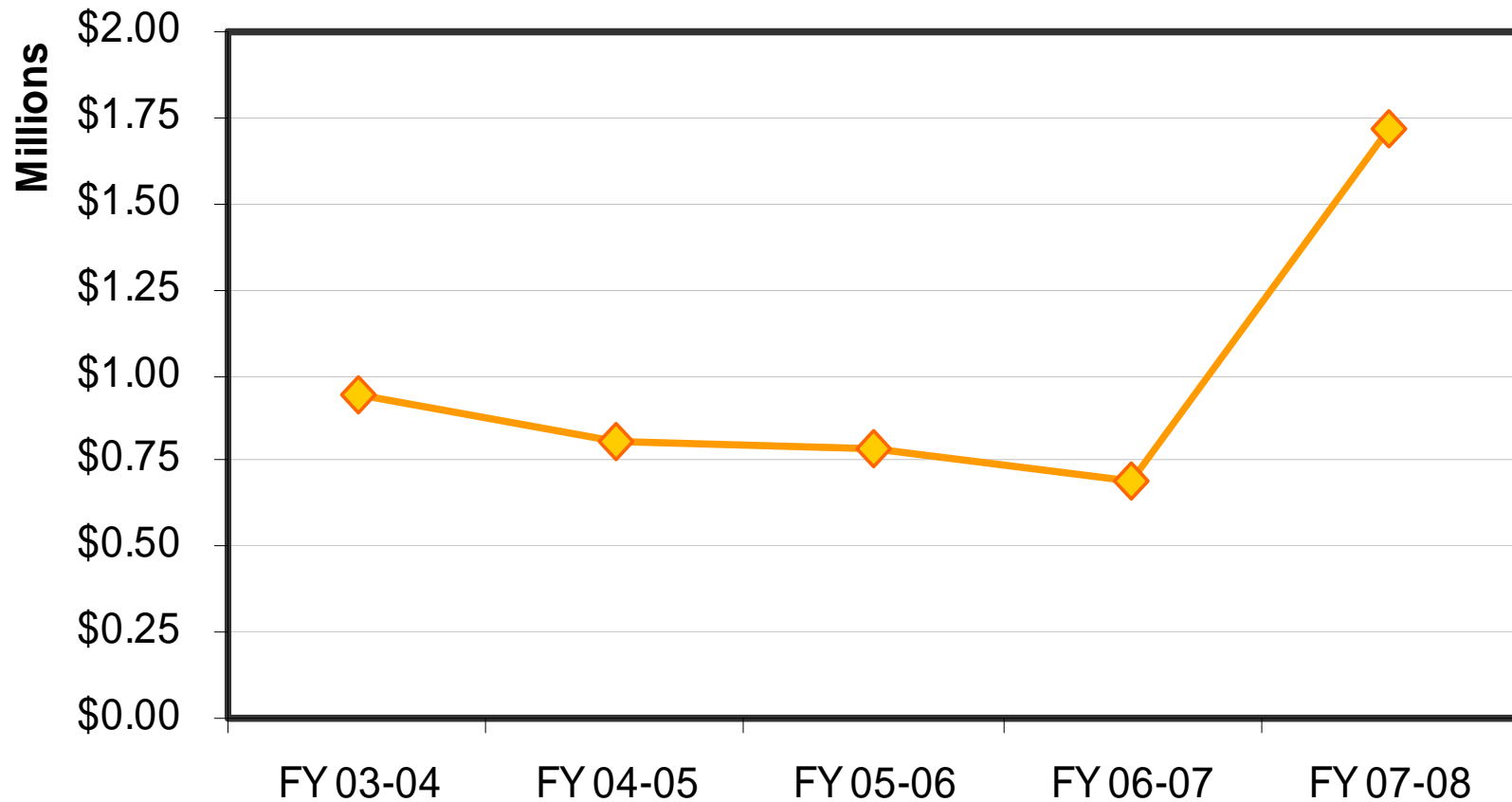
# Vehicle Replacement Fund Balance History



FY2010



# Public Liability Expenses



FY2010



# Five Year Forecast General Fund

Fiscal Year 2009-10 to 2013-14





# 5 Year Outlook

## Base Assumptions – Major Revenues

Revenue Category	Actual 2007-08	Projected 2008-09	Forecast 2009-10	Forecast 2010-11	Forecast 2011-12	Forecast 2012-13	Forecast 2013-14
Sales Tax	-1.8%	-5.0%	-2.0%	2.0%	2.0%	2.0%	2.0%
Property Tax	9.9%	2.1%	-2.0%	1.8%	2.0%	2.1%	2.1%
Franchise Fees	9.6%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%
MVLF	12.0%	1.7%	-2.0%	2.0%	2.0%	2.0%	2.0%
Utility Users Tax	5.7%	-3.5%	0.0%	1.0%	1.0%	1.0%	1.0%
TOT	5.7%	2.0%	0.0%	2.0%	2.0%	2.0%	3.0%
Average	6.9%	-0.5%	-0.8%	1.6%	1.7%	1.7%	1.9%



# 5 Year Outlook

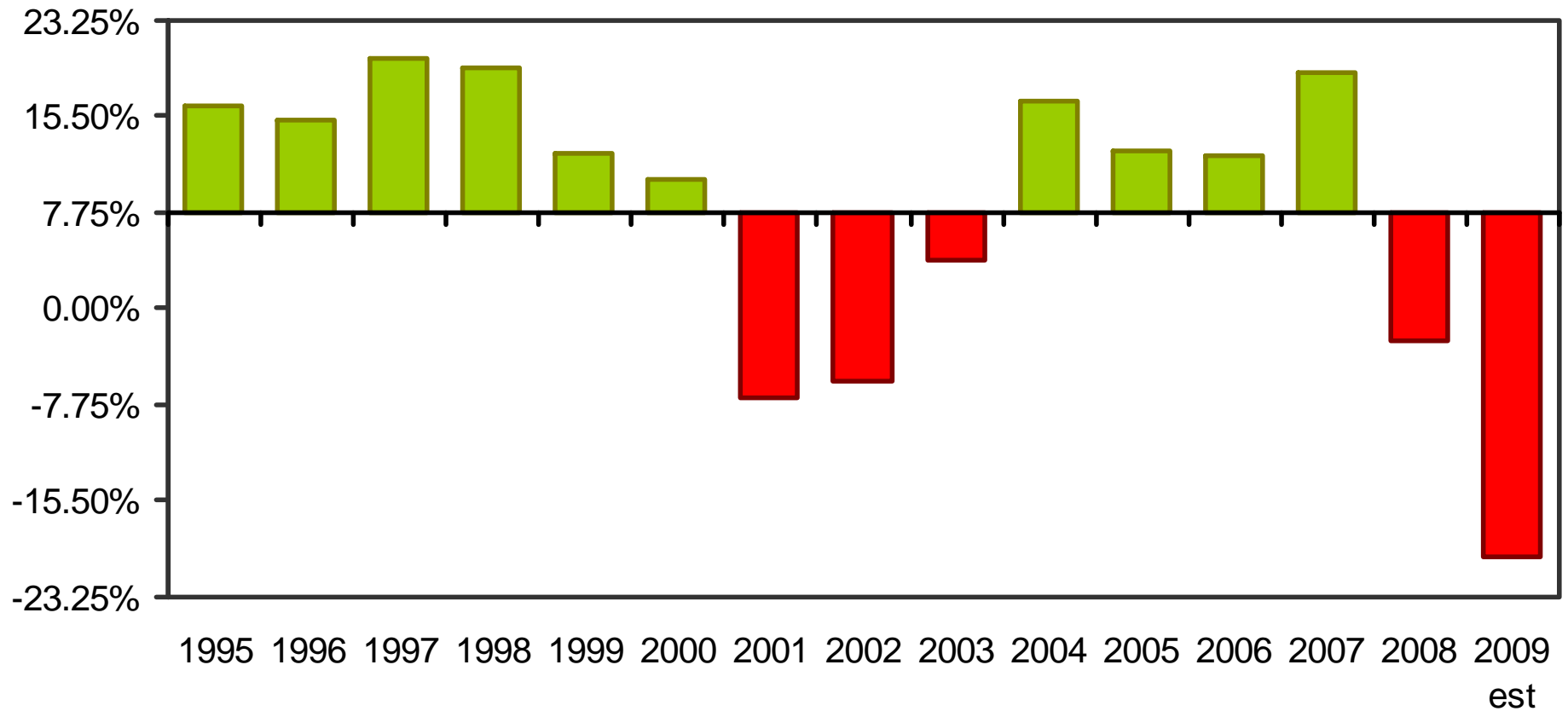
## Base Assumptions - Expenditures

- PFDIF debt restructured or interfund loan approved
- All scheduled MOU increases are included for all bargaining groups and management employees
- Assumes no raises after FY 2009-10 (Step increases are budgeted)
- No salary savings assumed (100% staffing levels are fully funded)
- Health care cost increases of 10%
- CalPERS rate increase of 3% in FY 2011-12 due to anticipated investment losses and early retirement incentive program



# CalPERS Rates of Return

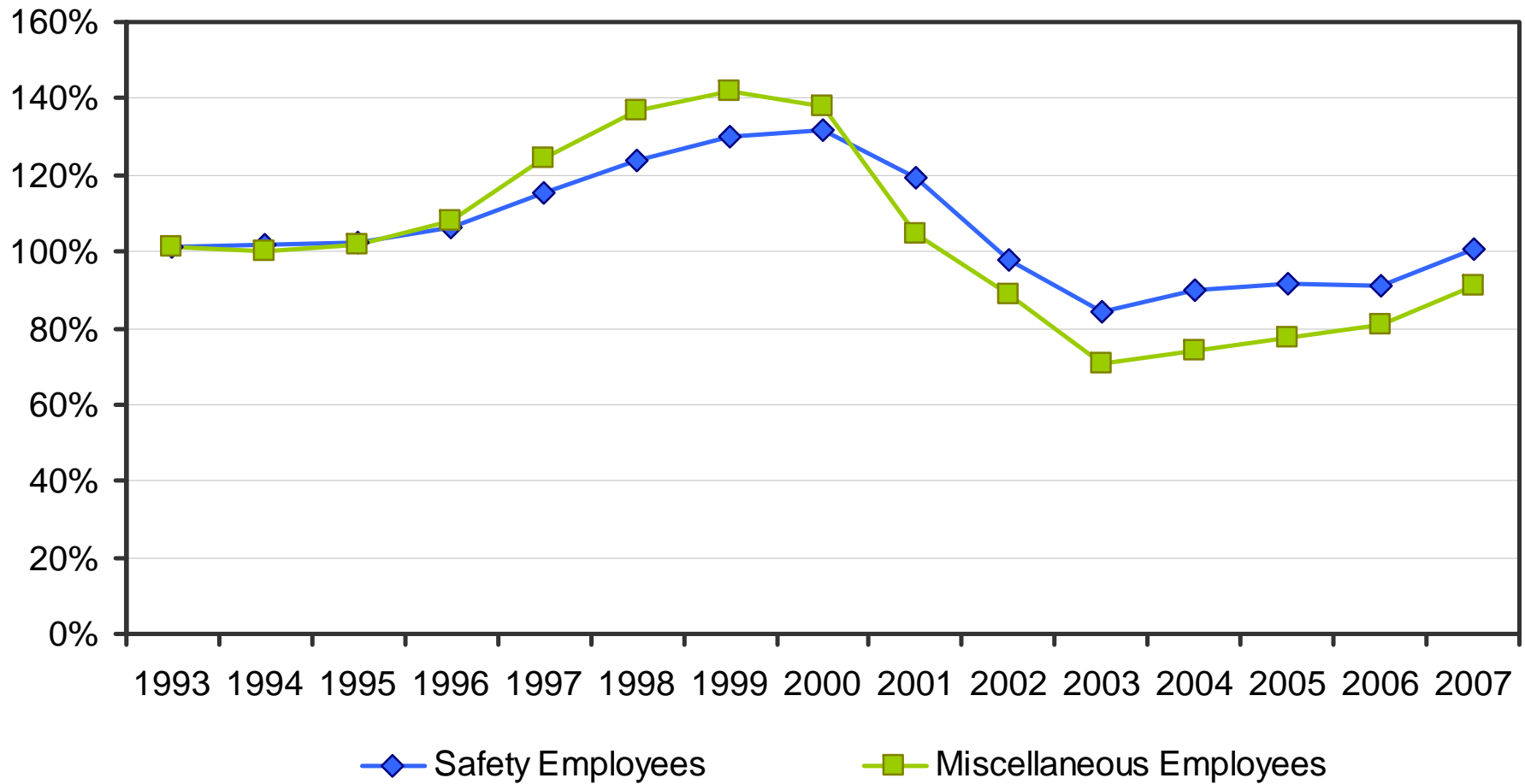
Relative to Assumed Investment Return of 7.75%





# CalPERS – Funded Status

## CalPERS % Funded





# 5 Year Outlook

## Fiscal Year 2009-10 to FY 2013-14

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Revenues	\$ 137.30	\$ 135.25	\$ 136.04	\$ 138.55	\$ 141.21	\$ 143.88
Expenditures	\$ 141.30	\$ 154.22	\$ 157.90	\$ 161.31	\$ 160.18	\$ 163.63
Deficit	\$ (4.00)	\$ (18.97)	\$ (21.86)	\$ (22.76)	\$ (18.97)	\$ (19.76)

Note: Correcting structural deficit will not add to reserves.



# Other Challenges

- Economy continues to slide beyond current assumptions
- Continued housing market decline and foreclosures
- Continued risk to UUT
- State budget crisis



# General Fund State Takeaways

- ERAF I & II Cumulative Loss \$46.9M since 1992.
- ERAF III \$3.6M in return for Supporting Prop 1A.
- MVLF Gap FY 2003/04 \$3.5M
  - Represents June-Oct 2003 Payments.
  - Repaid in August 2006.
- State MVLF Revenue Shortfall
  - Estimated November Receipts (\$100k)
- Booking Fees \$40k
- Library Grant \$40k



# Other Funds State Takeaways

- FY 2008/09 RDA ERAF shift \$859,852.
  - FY 2004/05 \$743,358.
  - FY 2005/06 \$900,367.
- \$1.8M Gas Tax payments delayed.
  - For months April to August 2008.
  - Paid in September 2008.
  - Loss of Investment Earnings to Fund.



# Development Services Fund





# Development Services Fund Slowdown in Activity

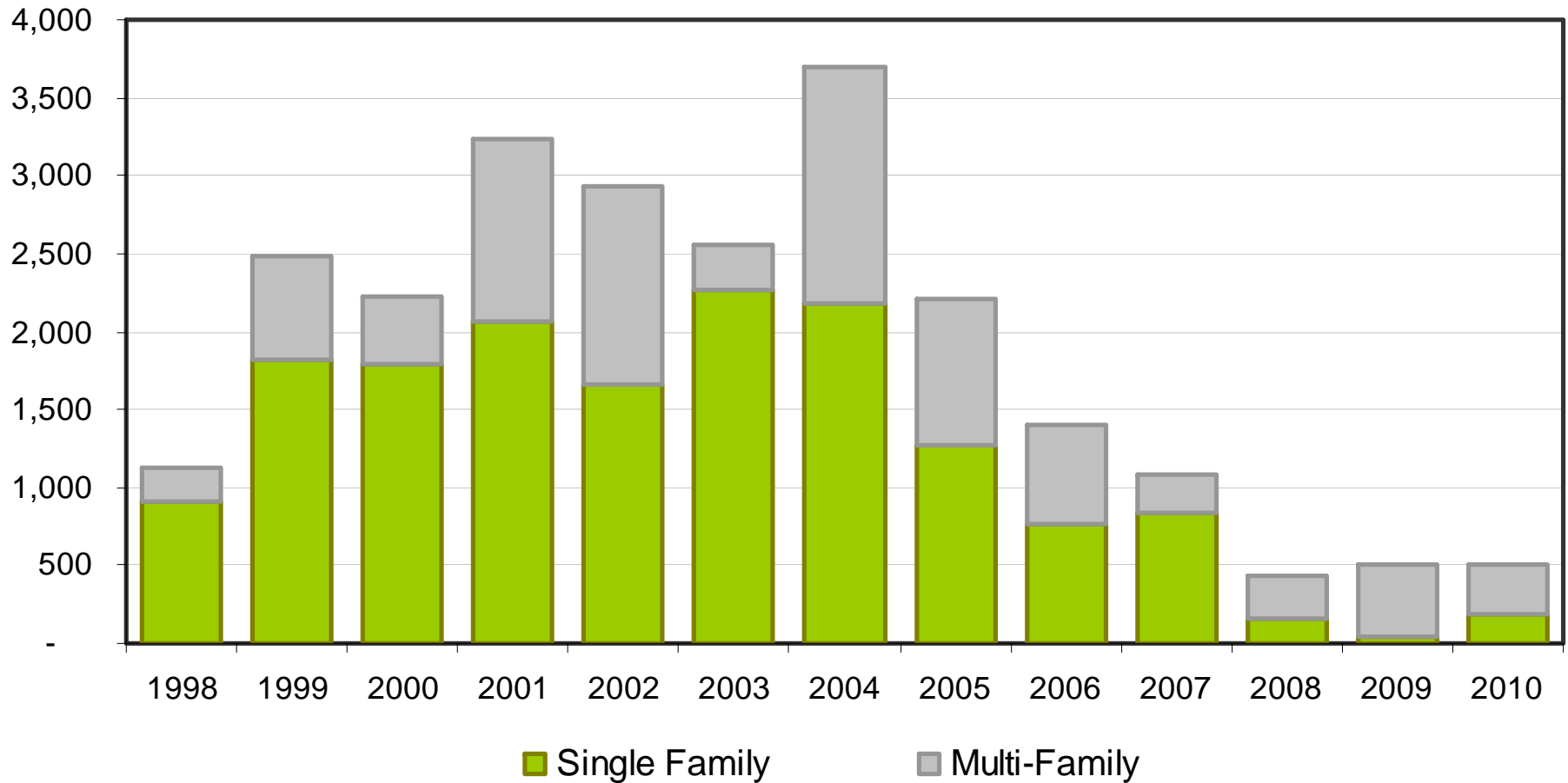
## In the last 5 years:

- Residential permits annually **-88%**
- Total permits annually **-59%**
- Total inspections annually **-63%**
- Annual billable hours **-40%**
- Development related staffing\* **-40%**

\*reflects FY2008-09 midyear staffing reductions.



# Development Services Fund Residential Permits Issued





# Development Services Fund

## FY2008-09 Midyear Reductions

DESCRIPTION	EXPENDITURE REDUCTION	FTE REDUCTION
Reclassifications	\$ (73,000)	
Service and Supply savings	\$ (65,000)	
Associate Planner	\$ (83,000)	(1.00)
Building Inspector II	\$ (161,000)	(2.00)
Development Services Technician II	\$ (204,000)	(3.50)
Development Services Counter Manager	\$ (79,000)	(1.00)
Plans Examiner	\$ (104,000)	(1.00)
Assistant Director of Planning	\$ (130,000)	(1.00)
Associate Planner	\$ (82,000)	(1.00)
Citywide Overhead (Estimated)	\$ (142,000)	
<b>TOTAL REDUCTIONS</b>	<b>\$ (1,123,000)</b>	<b>(10.50)</b>



# Development Services Fee Study

- Additional budget shortfall of \$1.3 million projected in current fiscal year
- Fee update:
  - Include Planning, Building, Engineering, Public Works, and Fire services
  - Balance development related workload with staffing levels
  - Adjust fees to offset cost of services
  - Shift General Fund portion of Admin costs out of Development Services Fund (approx \$550K)
  - Anticipate February 2009 presentation to Council



# Chula Vista Redevelopment Agency

## Fiscal Year 2008-09 Financial Snapshot





# Mid-Year Budget Issues

## **AB 1389**

- ERAF Shift (\$859,852)  
*Due by May 1, 2009*

**Mid-Year Deductions** **(\$859,852)**



# Proposed FY 09 Cuts

<b>State ERAF Shift (Due by 5/1/09)</b>	<b>(\$859,852)</b>
<b>CIP Funding Postponed</b>	<b>\$270,386</b>
Storefront Renovation Program	\$ 65,000
SW Specific Plan Consultant	\$ 50,000
Balance from Completed Projects	\$155,386
<b>Projects Postponed</b>	<b>\$222,500</b>
Scripps OPA (\$ 15,000) Small Business Promotion(\$ 6,000)	
Developer Broker Forum(\$ 9,000) Appraisals (\$ 20,000)	
H St. Corridor (\$120,000)Project Area Expansion (\$ 25,000)	
As-needed Financial Consultation(\$ 27,500)	
<b>Cut 3 RDA vacant positions</b>	<b>\$249,378</b>
Project Coordinator I/II	
Senior Secretary	
6 mos. of Principal Project Coordinator	
<b>Subtotal 08-09 Savings</b>	<b>\$742,264</b>
<b>Remaining Gap</b>	<b>(\$117,588)</b>
Interfund Loan from Low/Mod	\$117,588



# Budget Balancing Options





# Budget Balancing Options Summary

- Renegotiate MOUs
- Continue hiring freeze
- Early retirement incentive (layoff avoidance)
- Further program and staffing reductions
- Tax and fee increases



# Budget Balancing Options MOUs

- Scheduled salary increases:

Date of Salary Increase	POA	IAFF	CVEA, WCE, & CONF	Mgmt
January 2009	3%	4%	4%	-
January 2010	4%	4%	4%	4%

- Cost of scheduled salary increases:

Fiscal Year	Potential General Fund Savings
Fiscal Year 2008-09	\$1.4 million
Fiscal Year 2009-10	\$4.6 million
Fiscal Year 2010-11	\$6.4 million



# Budget Balancing Options

## MOUs - Employee Pickup of CalPERS

Employee Group	1% Employee Pickup
Miscellaneous	\$670,900
Safety	\$431,800
Combined	\$1,102,700



# Budget Balancing Options

## MOUs - CalPERS % Employee Pays

### San Diego Region

Agency	Miscellaneous Employee Paid	Safety Employee Paid
Vista	8%	8%
Del Mar	8%	5%
Imperial Beach	6%	0%
Encinitas	5%	0%
Solana Beach	2%	2%
Oceanside	2%	0%
Carlsbad	1%	1%
Escondido	1%	0%
Lemon Grove	1%	0%
National City	1%	0%
Chula Vista	0%	0%



# Budget Balancing Options

## Salary Savings

Bargaining Unit	Total Membership	Vacant Positions	% Vacant
CVEA	510.5	33.0	6.5%
POA	240.0	4.0	1.7%
Management	114.0	13.0	11.4%
IAFF	111.0	0.0	0.0%
Professional	70.5	5.0	7.1%
WCE	30.0	1.0	3.3%
Confidential	26.0	2.0	7.7%
Total Citywide	1102.0	58.0	5.3%



# Budget Balancing Options

## Salary Savings

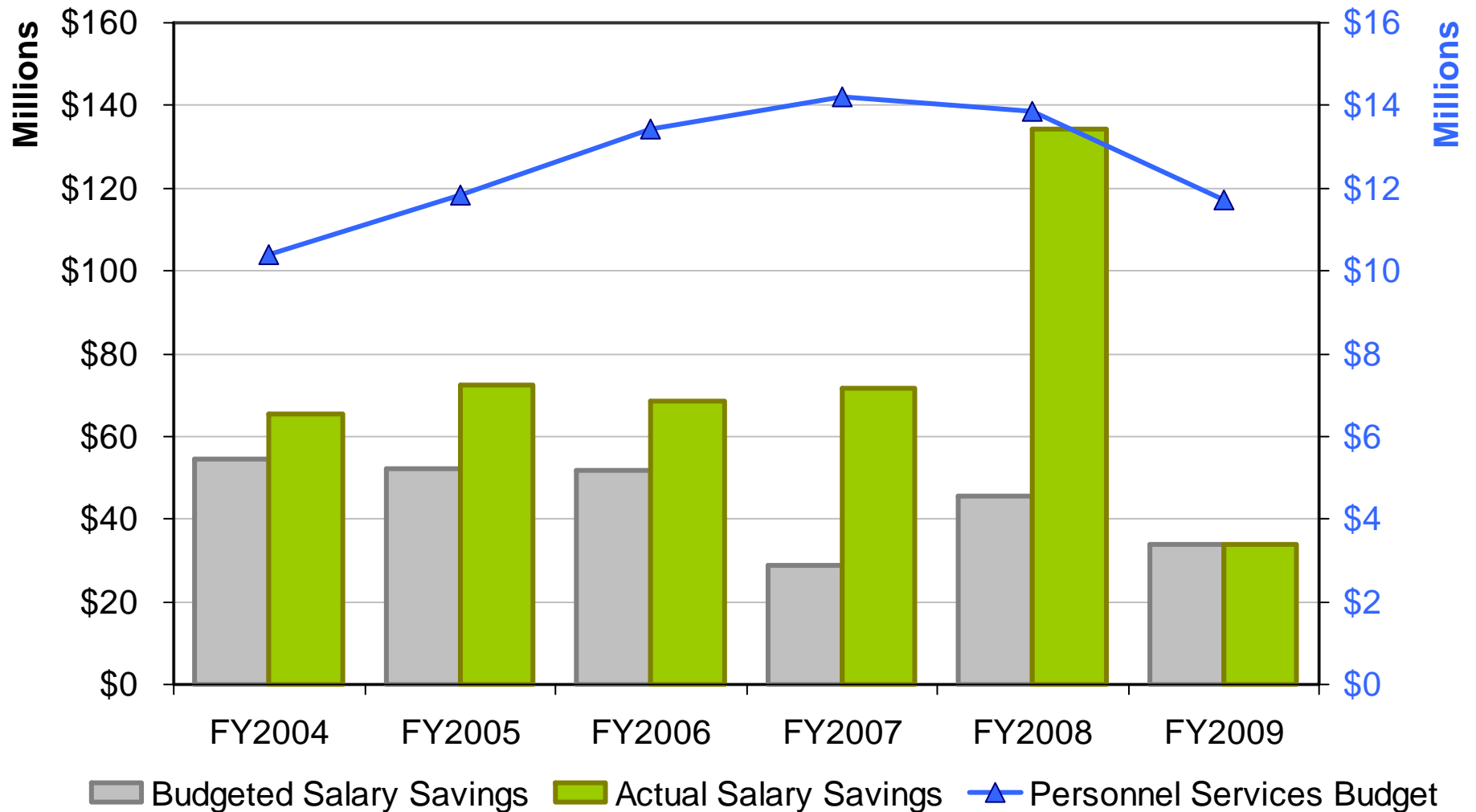
Department	Vacancies
Mayor & Council	1.0
City Clerk	1.0
City Attorney	3.0
Administration	2.0
Human Resources	2.5
Finance	2.0
Engineering	2.0
Police	11.0
Public Works	15.5
Recreation	2.0
Library	6.0
<b>Total General Fund</b>	<b>48.0</b>

Fund	Vacancies
Police Grants(CBAG)	3.0
Transit	1.0
Wastewater	2.0
Redevelopment Agency	4.0
<b>Total Other Funds</b>	<b>10.0</b>

**Total Vacancies: 58.0 FTE**



# Historical Salary Savings





# Budget Balancing Options Early Retirement Incentive

Two Previous Retirement Incentive Programs:

- 80 employees retired
- 55 positions eliminated
- 25 positions filled
- Estimated on going savings of \$6.2 million



# Budget Balancing Options

## Early Retirement Incentive

### Recent Survey :

- 280 employees are eligible
- 19% would consider early retirement with a medical incentive
- Approximately 55 employees
- Estimated annual savings – \$4 to \$5 million



# Budget Balancing Options Program & Staff Reductions

- Significant reductions to date due to the downturn in the economy and slowdown in development
  - As part of development of fiscal year 2007-08 budget 34.25 vacant positions were eliminated
  - As part of FY 2008-09 budget development eliminated 145.00 positions
  - During FY 2008-09 eliminated 10.5 positions in Development Services Fund



# Budget Balancing Options Program & Staff Reductions

DEPARTMENT/FUND	TOTAL REDUCTIONS	PERCENT REDUCTION	TOTAL FTE REDUCTION
<b>General Fund</b>			
Planning & Building (includes DSF)	\$ (2,377,757)	-30%	(16.50)
Finance	\$ (795,582)	-22%	(6.00)
Administration	\$ (1,135,394)	-22%	(1.00)
City Clerk	\$ (249,429)	-20%	(1.00)
City Attorney	\$ (558,712)	-20%	(2.00)
Human Resources	\$ (1,085,652)	-19%	(4.50)
ITS	\$ (868,401)	-18%	(5.00)
Library	\$ (1,810,367)	-18%	(12.50)
Recreation	\$ (1,051,800)	-16%	(4.00)
Eng & Gen Svcs (includes DSF and Fleet)	\$ (3,165,481)	-16%	(22.00)
Nature Center	\$ (192,454)	-15%	(1.00)
City Council	\$ (216,861)	-14%	-
Fire	\$ (3,392,917)	-14%	(18.00)
Public Works (includes DSF)	\$ (2,340,699)	-11%	(20.50)
Police	\$ (4,508,903)	-9%	(30.00)
Redevelopment Agency (Fund 651)	\$ (394,311)	-8%	(1.00)
Other Reductions	\$ (1,944,348)		-
<b>TOTAL REDUCTIONS CITYWIDE</b>	<b>\$ (26,089,068)</b>		<b>(145.00)</b>



# Budget Balancing Options Program & Staff Reductions

BARG UNIT	FY 2007-08 FTE AUTH	FTE REDUCTION	% FTE REDUCTION
CVEA	601.50	(89.50)	-14.9%
POA	248.00	(11.00)	-4.4%
IAFF	112.00	(1.00)	-0.9%
WCE	32.00	(4.00)	-12.5%
CONFIDENTIAL	31.00	(3.00)	-9.7%
MANAGEMENT/ PROFESSIONAL	224.00	(36.50)	-16.7%
<b>TOTAL</b>	<b>1,248.5</b>	<b>(145.00)</b>	<b>-11.6%</b>

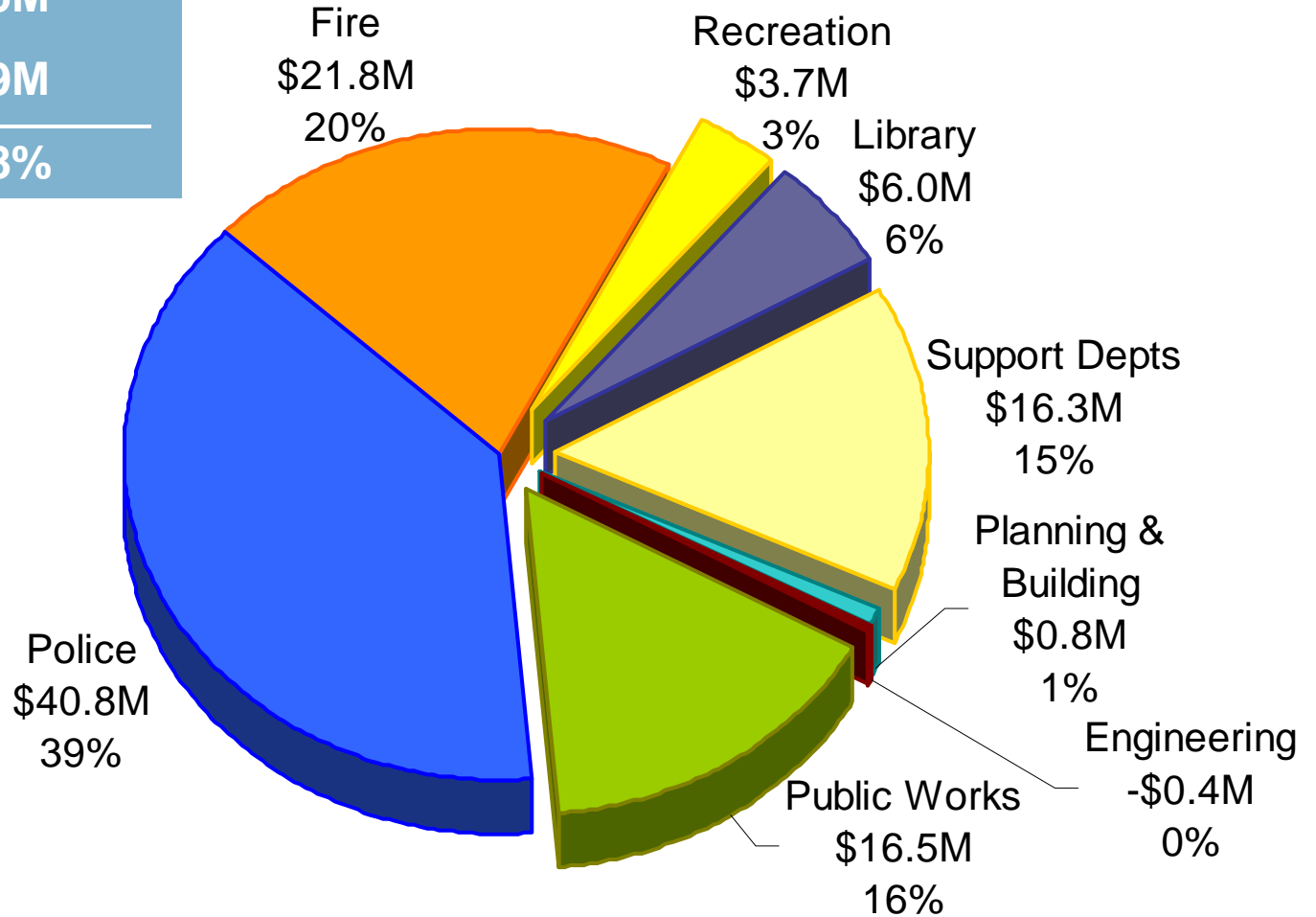
\*Management includes: Executives, Senior Managers and Mid Managers



# Net Cost by Department

Net Cost: \$105M  
Projected Gap: \$ 19M  
% of Total: 18%

PD + FD = 59%  
MISC = 41%





# Revenue Enhancements

- **General Purpose or Special Purpose**
  - **General Purpose Tax**
    - 2/3<sup>rd</sup> City Council approval and
    - Simple majority electorate approval (50% + 1)
  - **Special Purpose Tax**
    - 2/3<sup>rd</sup> City Council approval and
    - 2/3<sup>rd</sup> electorate approval



# Revenue Enhancements

## Nov 4, 2008 Election Results - Statewide

LOCAL REVENUE MEASURE TYPE	PASS	FAIL	PASS %
General Sales Tax (50% + 1)	14	5	74%
Special Purpose Sales Tax (2/3 vote)	4	7	36%
UUT - Expand what is taxed & reduce rate	8	0	100%
UUT - Expand what is taxed & maintain rate	6	0	100%
UUT - New or increase	3	6	33%
TOT	8	2	80%
<b>TOTAL</b>	<b>43</b>	<b>20</b>	<b>68%</b>



# Sales Tax

## San Diego County Increased Rates

JURISDICTION	RATE (%)	EFFECTIVE DATE	DURATION	GENERAL / SPECIAL PURPOSE	% APPROVAL
El Cajon	0.50%	04/01/2005	10 Years	Special Purpose	68.92%
National City	1.00%	10/01/2006	10 Years	General	59.01%
Vista	0.50%	04/01/2007	30 Years	General	53.97%
<b>NOVEMBER 4, 2008 ELECTION</b>					
El Cajon	0.50%	04/01/2009	20 Years	General	51.10%
La Mesa	0.75%	04/01/2009	20 Years	General	55.30%



# Sales Tax

Current Rate: 7.75%

- Increments of 0.25% up to maximum of 9.25%
- Each additional 0.25% = approx \$6.4M

## 0.5% INCREASE SCENARIO (MILLIONS)

FY2009 Estimated Revenue	\$26.9
Estimated Additional Revenue*	\$12.8
<b>TOTAL ESTIMATED REVENUE</b>	<b>\$39.7</b>

\*Additional revenue estimate applies increase to 50% of vehicle sales sector.



# Transient Occupancy Tax

## Current Rate: 10%

### 2.0% INCREASE SCENARIO (MILLIONS)

FY2009 Estimated Revenue	\$	2.8
Estimated Additional Revenue	\$	0.6
<b>TOTAL ESTIMATED REVENUE</b>	<b>\$</b>	<b>3.3</b>

### NOVEMBER 4, 2008 ELECTION RESULTS – SAN DIEGO COUNTY

JURISDICTION	DESCRIPTION	% APPROVAL
Encinitas	+2% on vacation rentals –beach maintenance funding	51.10%
Del Mar	Council authority to increase from 10.5% up to 13% - general purpose	55.30%



# Transient Occupancy Tax Local Rates

JURISDICTION	RATE (%)	GENERAL / DEDICATED	FY06 REVENUES	FY07 REVENUES
San Diego - City	10.50%	6.5% General + 4% Dedicated	\$135,891,366	\$150,417,640
Carlsbad	10.00%	General	\$ 11,510,097	\$ 10,504,353
Coronado	8.00%	General	\$ 8,624,351	\$ 8,910,953
San Diego - County	8.00%	General	\$ 3,180,427	\$ 3,387,032
<b>Chula Vista</b>	<b>10.00%</b>	<b>General</b>	<b>\$ 2,336,204</b>	<b>\$ 2,551,570</b>
Oceanside	10.00%	General	\$ 2,185,114	\$ 2,351,759
Del Mar	10.50%	General	\$ 1,564,617	\$ 1,679,854
Escondido	10.00%	General	\$ 1,221,365	\$ 1,318,644
El Cajon	10.00%	General	\$ 1,098,769	\$ 1,105,546
Encinitas	10.00%	8% General + 2% Dedicated	\$ 1,100,000	\$ 1,102,623
Solana Beach	12.00%	10% General + 2% Dedicated	\$ 919,638	\$ 987,246
La Mesa	10.00%	General	\$ 872,341	\$ 914,629
National City	10.00%	General	\$ 829,869	\$ 837,944
Vista	10.00%	General	\$ 404,545	\$ 400,670
San Marcos	10.00%	General	\$ 327,632	\$ 363,885
Imperial Beach	10.00%	General	\$ 240,000	\$ 292,411
Poway	10.00%	General	\$ 190,097	\$ 202,767
Santee	6.00%	General	\$ 118,669	\$ 128,811
Lemon Grove	6.00%	General	\$ 31,810	\$ 31,525



# Process & Schedule

- ✓ Labor and employee briefings
- ✓ Employee focus group
- ✓ Employee suggestions and involvement
- ✓ November 17 Workshop
  - Budget overview and balancing options
- Community and labor briefings
- December 4 Workshop
  - City Manager's Proposed Budget Reduction Plan
- December 9 and 16 Council Meetings
- January 6 Workshop
  - Council approval of Budget Reduction Plan