



City of San Diego

FY 2011 Major General Fund Revenue Update

December 1, 2010



FY 2011 Revenue Update Variance Summary

General Fund Revenue (\$ in millions)	Fiscal Year 2011 Adopted Budget	Fiscal Year 2011 Revised Projection	\$ Variance	% Variance
Property Tax	\$ 390.1	\$ 384.7	\$ (5.4)	-1.4%
Sales Tax	187.5	200.6	13.1	7.0%
Transient Occupancy Tax	66.1	67.6	1.5	2.2%
Franchise Fees	67.2	67.3	0.1	0.1%
Safety Sales Tax	6.3	6.4	0.1	1.4%
Property Transfer Tax	4.7	4.7	0.0	0.5%
Motor Vehicle License Fees	3.1	2.5	(0.7)	-21.9%
Subtotal	\$ 724.9	\$ 733.6	\$ 8.6	1.2%
Personnel Expenditure Adjustment			\$ (2.0)	
NET			\$ 6.6	



Economic Summary

- **Indicators mixed**
 - **Positive**: Median home prices, consumer spending
 - **Negative**: Unemployment, foreclosures, construction
- **Cautiously optimistic, but still early**



FY 2011 Revenue Update

Property Tax Summary

REVENUE (\$ in millions)	FY 2011 ADOPTED BUDGET	FY 2011 NOVEMBER PROJECTION	VARIANCE
Property Tax	\$390.1	\$384.7	(\$5.4)

- **City assessed valuation declined 1.47%**
- **Slight increase in collection rate**
- **Slight reduction in appeal refunds**



FY 2011 Revenue Update

Sales Tax Summary

REVENUE (\$ in millions)	FY 2011 ADOPTED BUDGET	FY 2011 NOVEMBER PROJECTION	VARIANCE
Sales Tax	\$187.5	\$200.6	\$13.1

- **Based on receipts through November 2010**
- **Results by sector per MuniServices, LLC**
- **No growth projected for the remainder of FY 2011**

Economic Category (% of total)	2Q 2010 vs. 2Q 2009	2Q 2010 vs. 2Q 2008
General Retail (31%)	4.60%	(10.20)%
Food Products (24%)	0.80%	(8.40)%
Transportation (20%)	14.90%	(20.60)%
Business to Business (17%)	2.30%	(21.30)%
Construction (7%)	(5.00)%	(24.60)%
Miscellaneous (2%)	(13.26)%	18.10%

Source: MuniServices, LLC



FY 2011 Revenue Update

Transient Occupancy Tax Summary

REVENUE (\$ in millions)	FY 2011 ADOPTED BUDGET	FY 2011 NOVEMBER PROJECTION	VARIANCE
Transient Occupancy Tax	\$66.1	\$67.6	\$1.5

San Diego Convention & Visitors Bureau's Projections (September 2010)	CY 2009	CY 2010 (projected)	CY 2011 (projected)
Average Daily Rate (ADR)	\$124.21	\$121.72	\$127.62
ADR Growth Rate	-12.5%	-2.0%	4.9%
Room Demand (\$ in millions)	\$13.2	\$14.0	\$14.3
Demand Growth	-5.7%	6.1%	2.1%

Source: San Diego Convention and Visitors Bureau Quarterly Travel Forecast, September 2010

- **CONVIS: moderate growth in tourism**
- **No growth projected for the remainder of FY 2011**



FY 2011 Revenue Update

(Other Major Revenues)

- **Franchise Fees, Safety Sales Tax, Property Transfer Tax, and Motor Vehicle License Fees (MVLF)**
- **Combined (\$0.5) million**
- **MVLF: uncertainty, administrative costs**



FY 2011 Revenue Update Personnel Expenditure Adjustment

- **Budgeted vacancy savings appear to be too high in some cases**
- **Known issues in Library, Park and Recreation**
- **Estimated \$2.0 million impact at this time**
- **Full evaluation in Mid-Year Budget Monitoring Report**



FY 2011 Revenue Update

QUESTIONS ?