



# **City of Salinas**

## ***City Council Workshop Overview of City Revenue***

**February 19, 2010**

## **Introduction**

**Sales tax, Measure V tax, Property tax, and building related revenues have declined 19.7% or \$18.4 million from estimates made prior to the economic downturn.**

**These revenue shortfalls were addressed:**

- **In FY 2008-09 by:**
  - 1) **reducing the CIP budget \$2.8 million**
  - 2) **implementation of spending/hiring freeze (\$3.4 million savings)**
  
- **In FY 2009-10 by:**
  - 1) **employee two-year pay cuts (7.5% to 18%), savings totaling \$5.9 million in FY 2009-10 and \$6 million in FY 2010-11**
  - 2) **\$7.3 million in variety of departmental budget cuts**

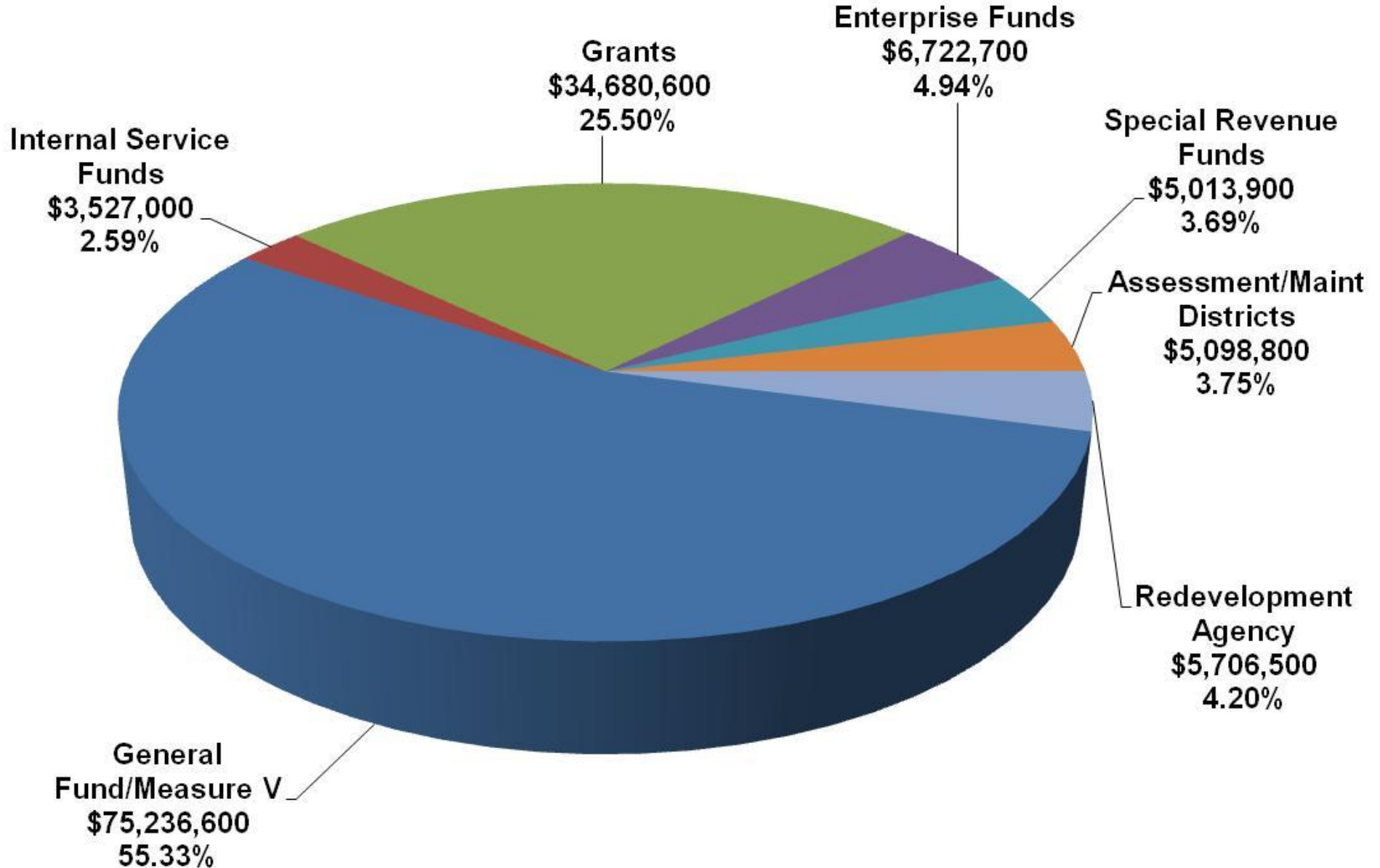
# **Introduction**

**The FY 2010-11 budget continues to be developed:**

- Requires budget reductions and/or increased revenue totaling \$10.3 million**
- Including a revised budget reduction plan totaling \$9.5 million that**
  - 1) eliminates 77 full time positions**
  - 2) reduces or eliminates many essential City services**

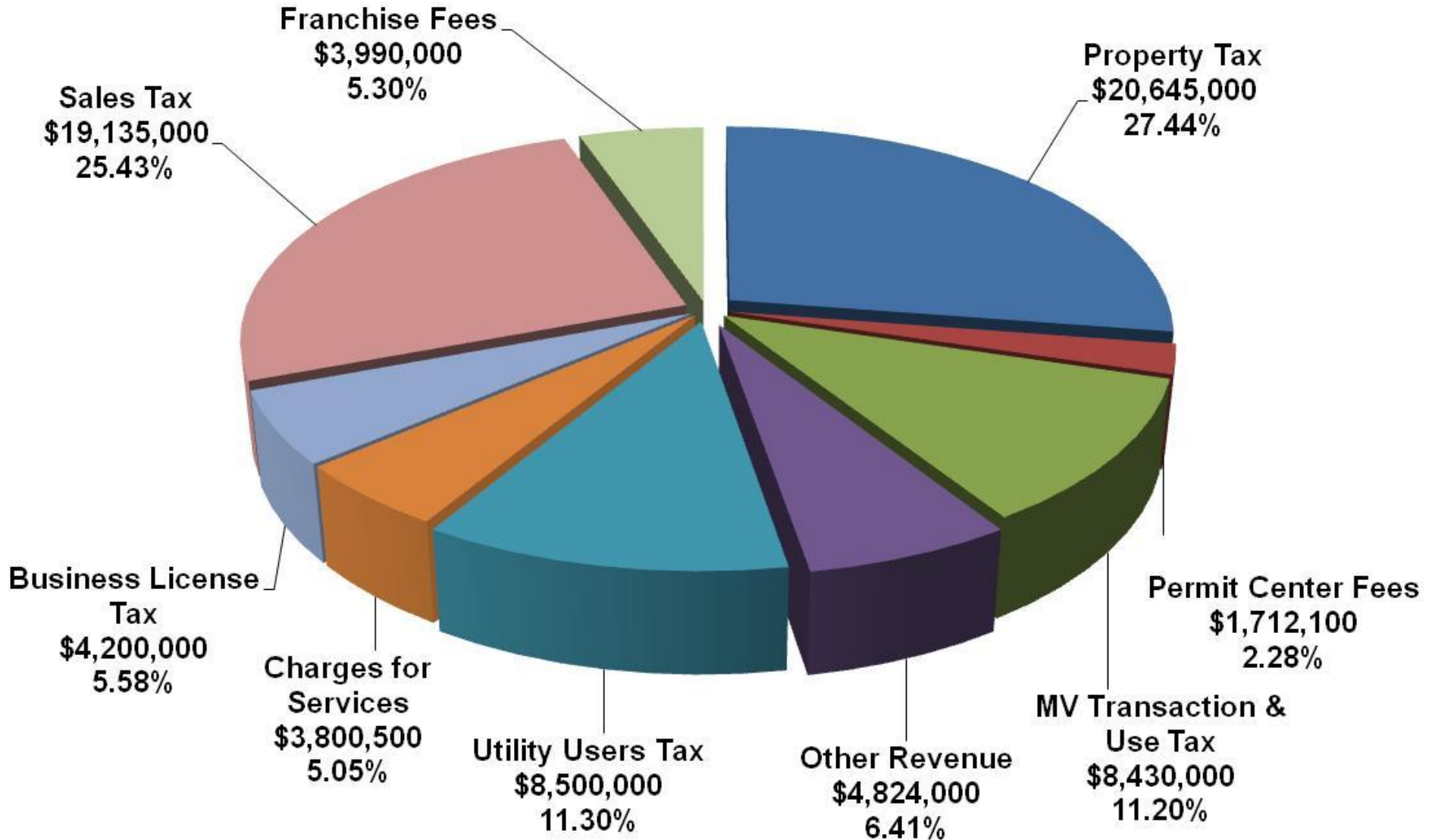
# **FY 2009-10 Total City Revenues**

## **\$135,986,100**

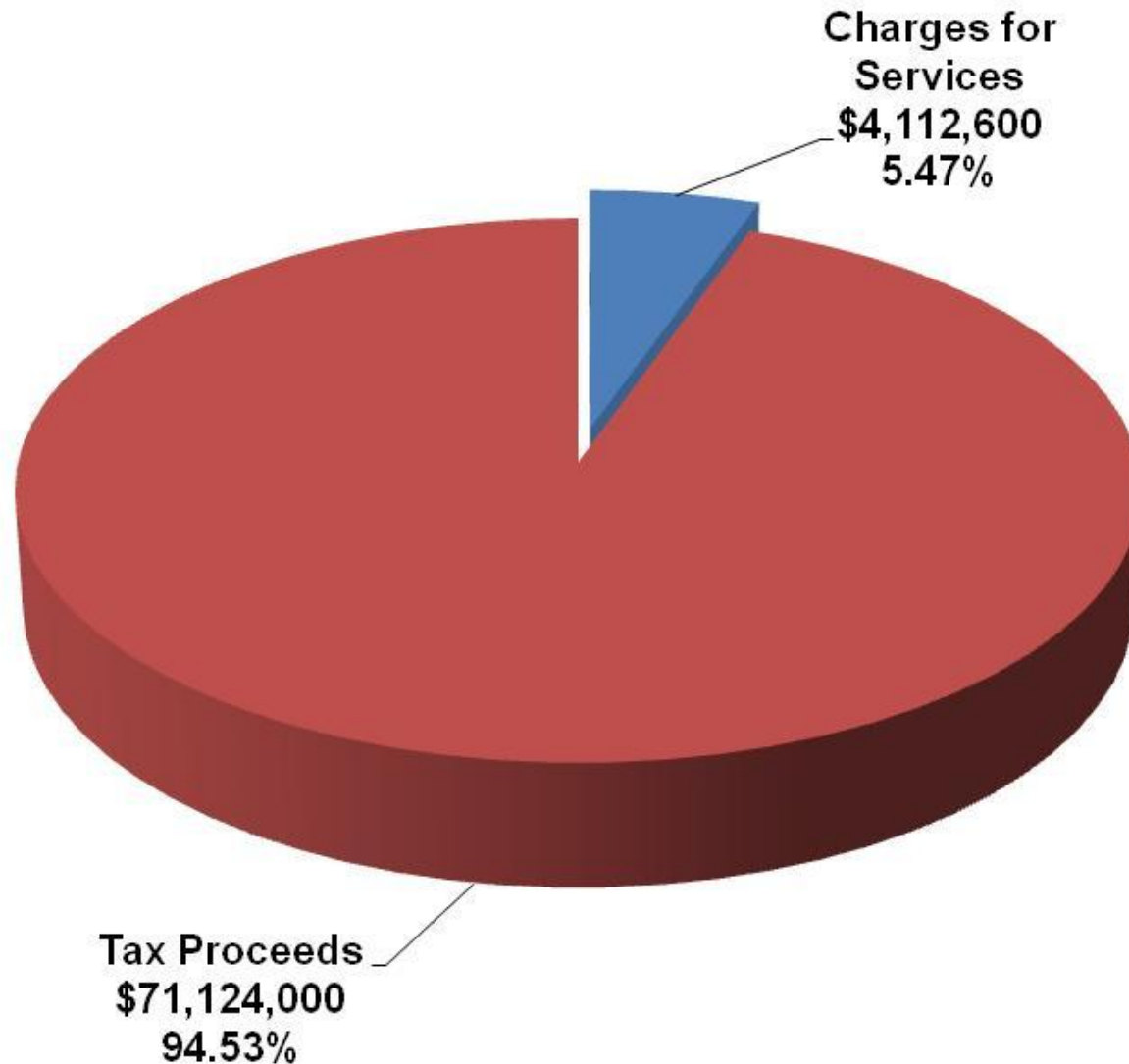


# **FY 2009-10 General Fund and Measure V**

## **Revenue \$75,236,600**



# General Fund/Measure V Revenues Controlled by City Council

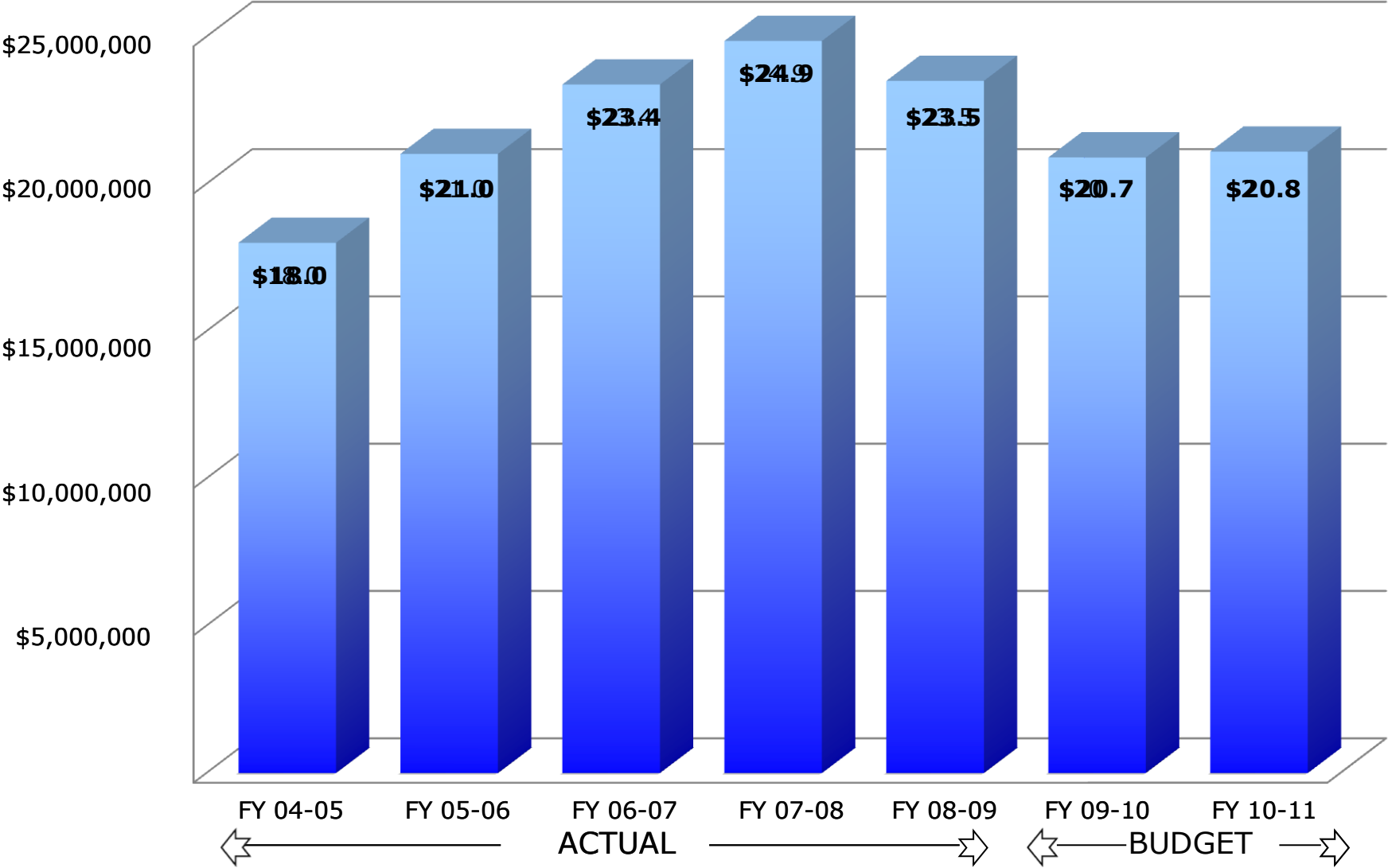


# **Revenues FY 2009-10**

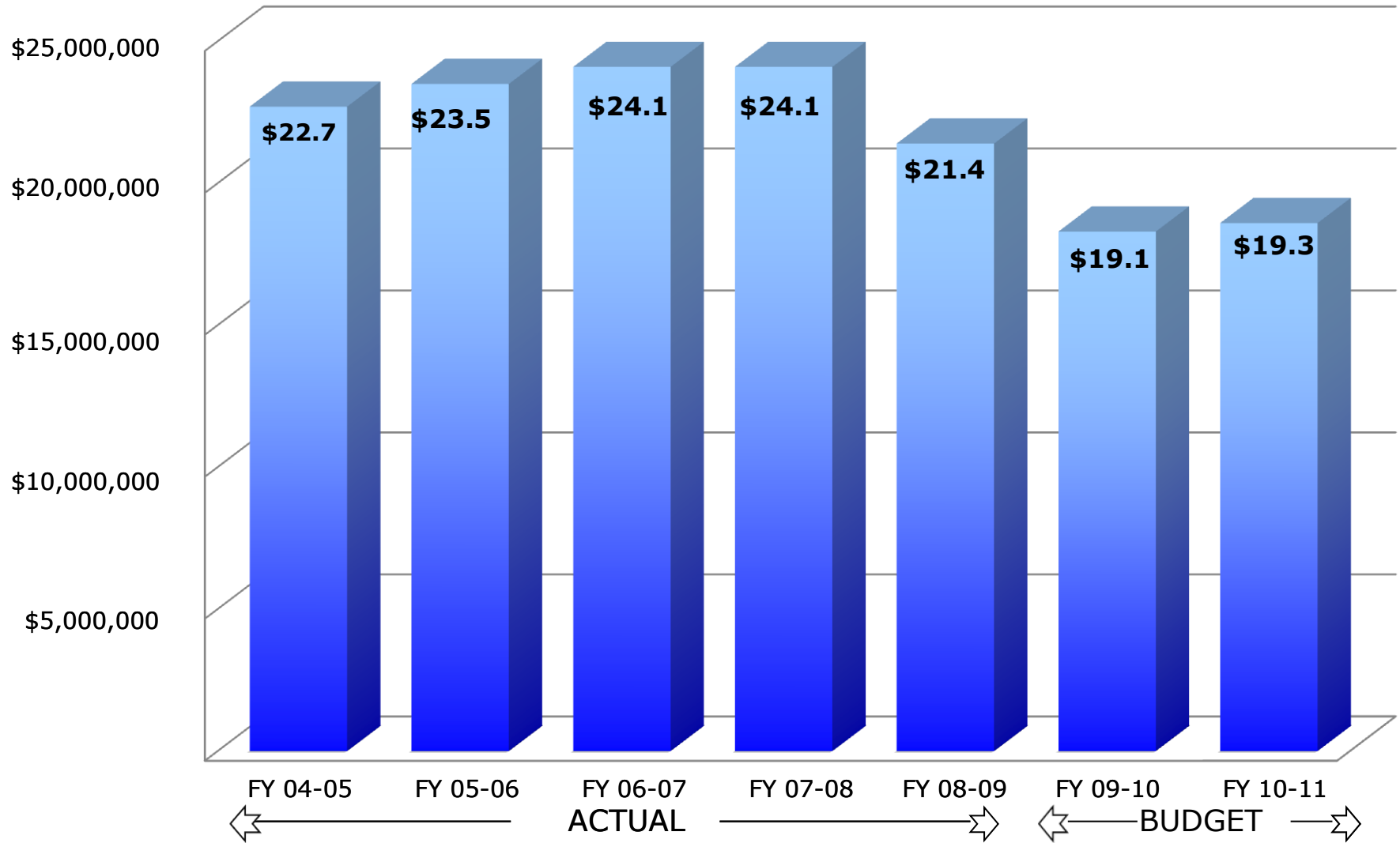
## **General Fund/Measure V**

- **Total annual revenues are down 19.7% or \$18.4 million from projections made prior to the recession/housing downturn.**
- **Sales tax estimates down \$7.7 million (-30.1%)**
- **Measure V tax estimates down \$2.2 million (-21.1%)**
- **Property tax estimates down \$7.4 million (-28.1%)**
- **Building related fees down \$500,000**
- **Vehicle license fees down \$300,000**
- **Utility Users Tax down \$300,000**

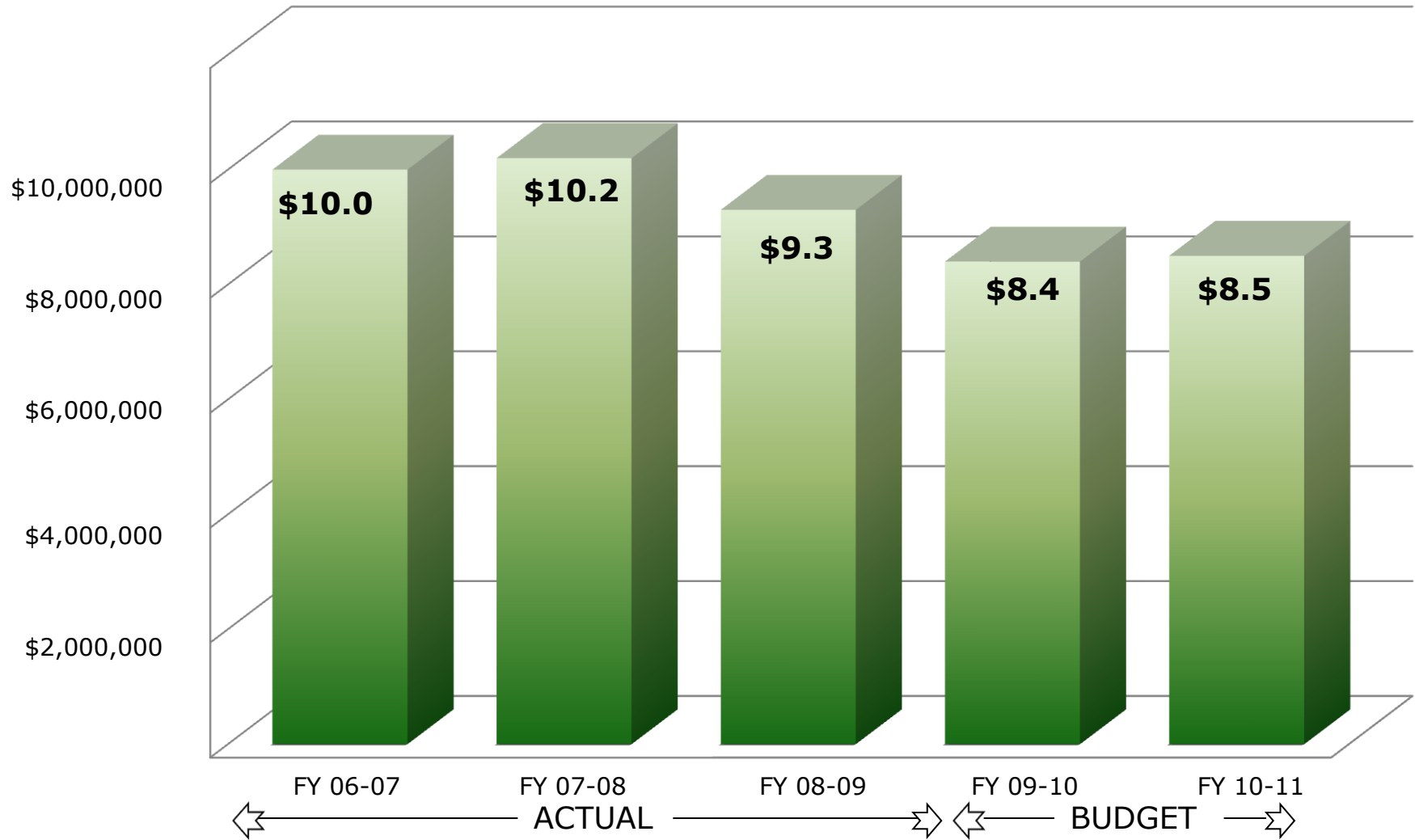
# Property Tax Revenue



# Sales Tax Revenue

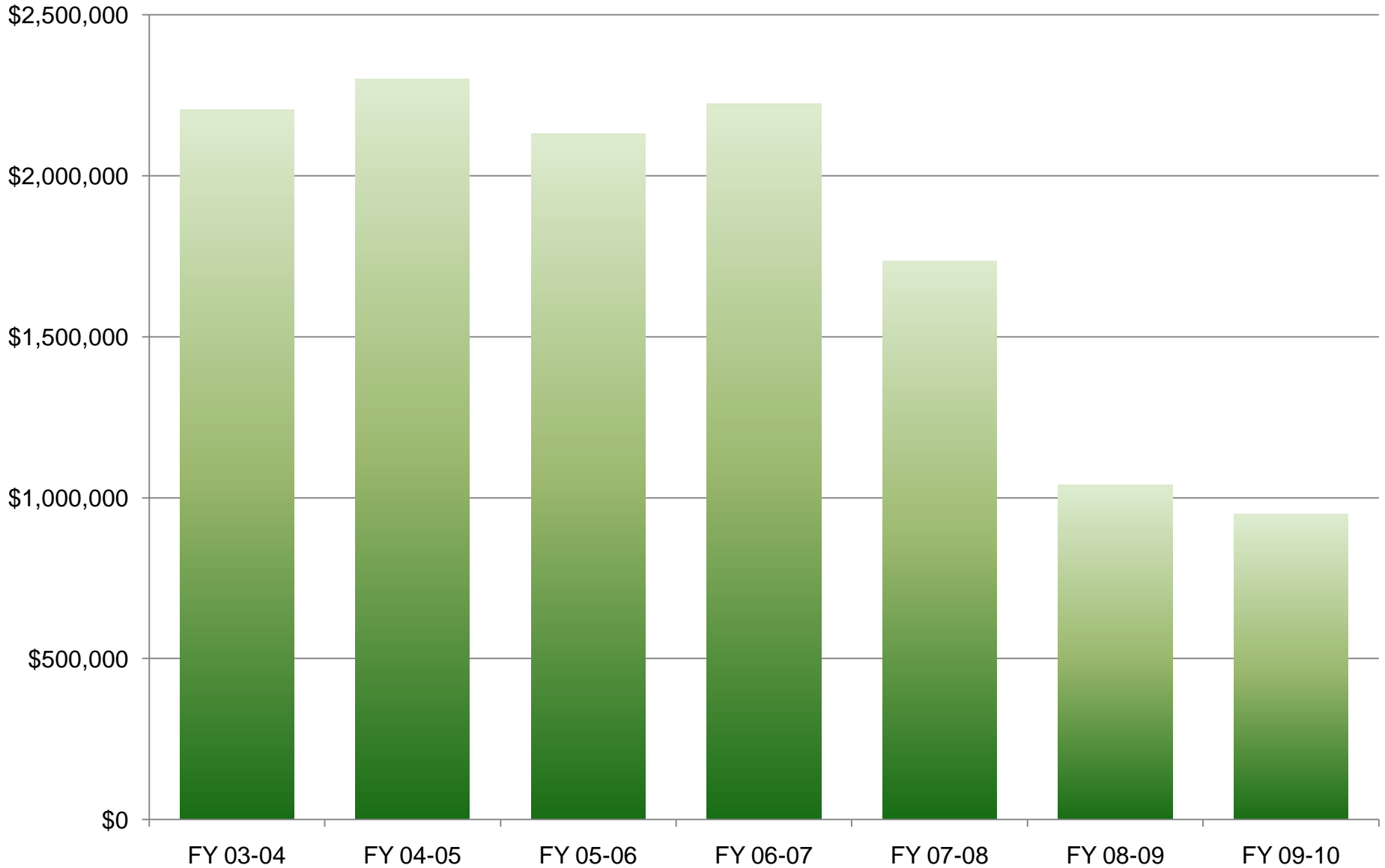


# Measure V Tax Revenue



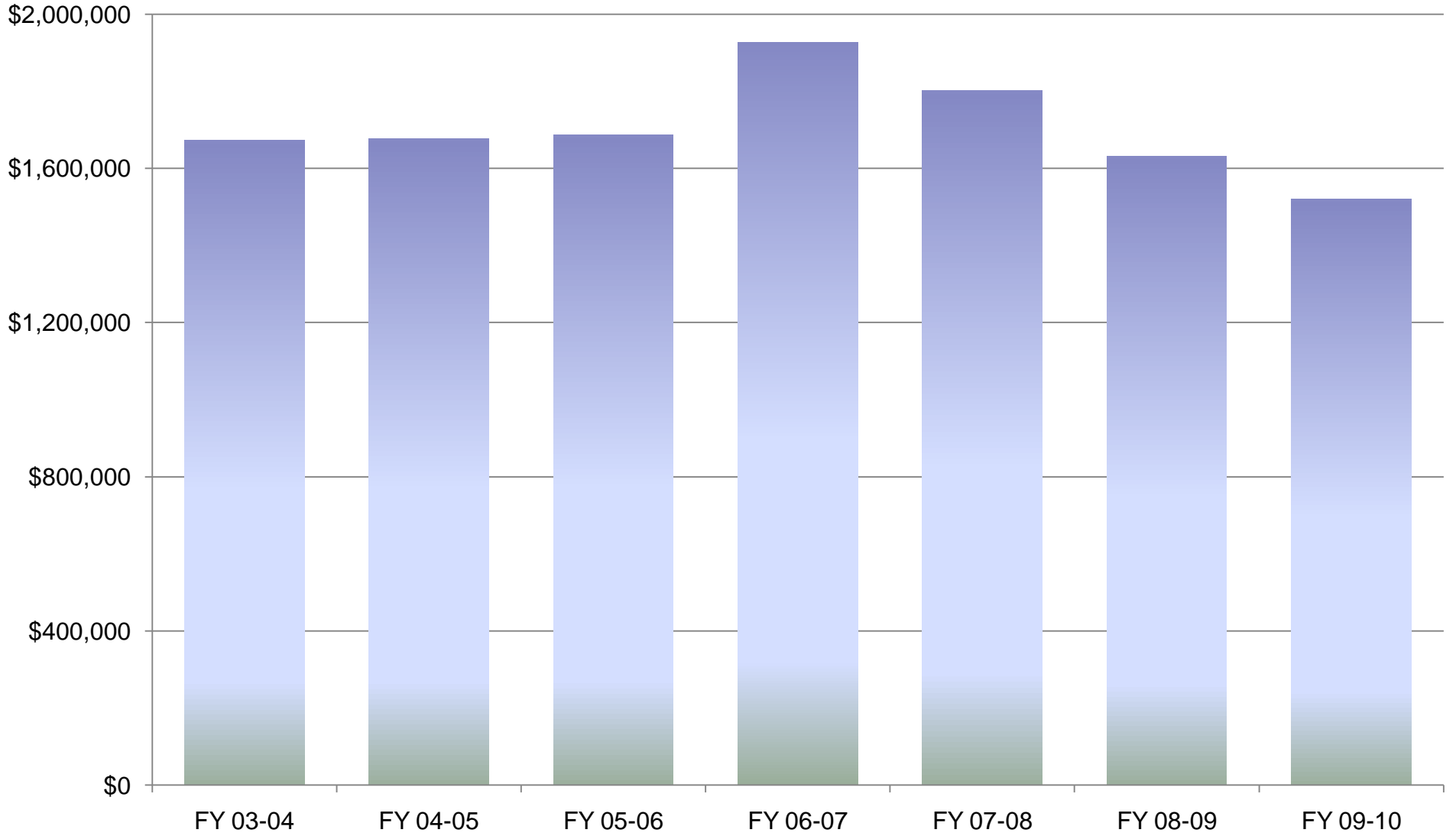
# **AUTO MALL SALES TAX**

## **7 YEAR HISTORY**



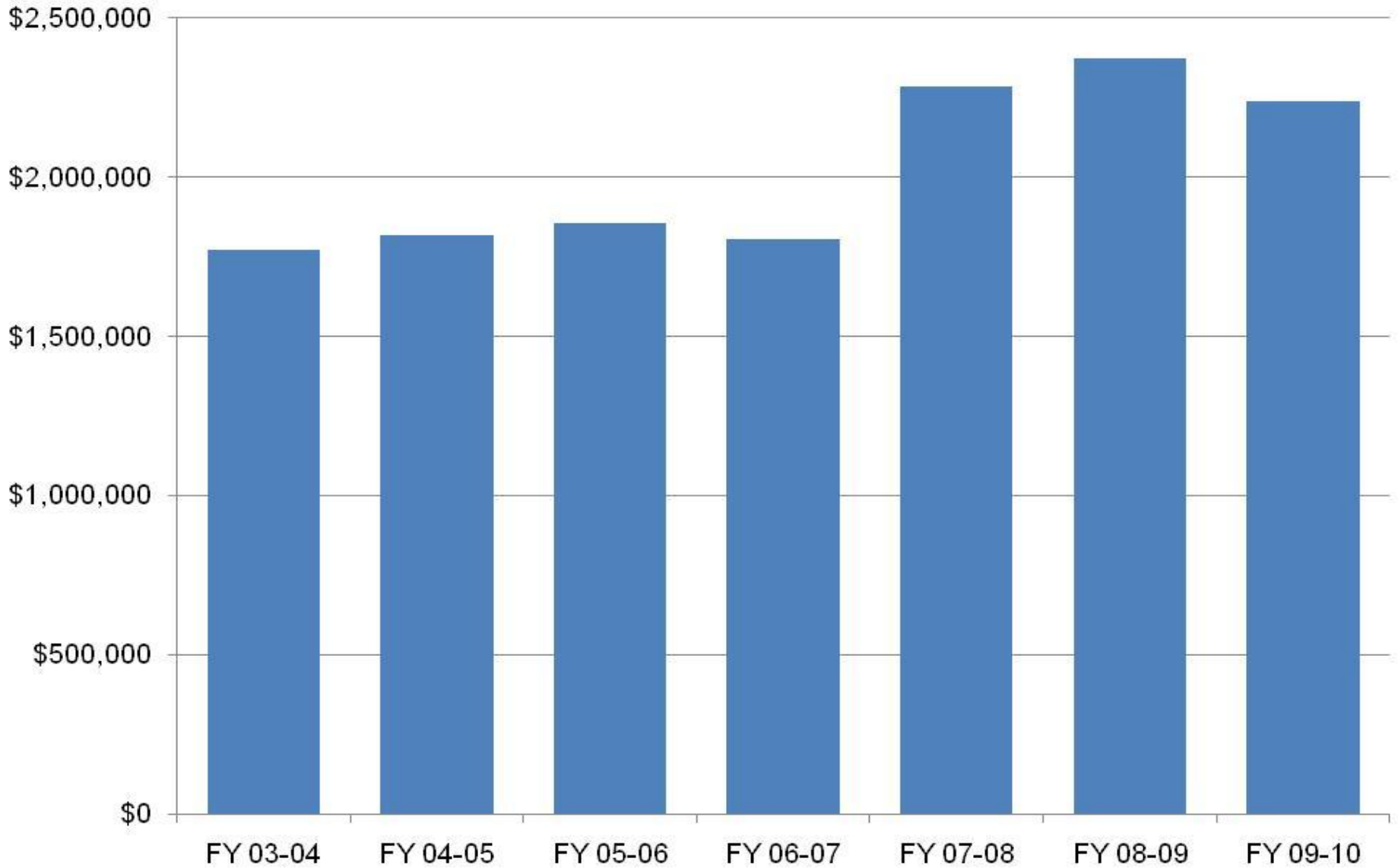
# **Northridge Mall Area Sales Tax**

## **7 Year History**



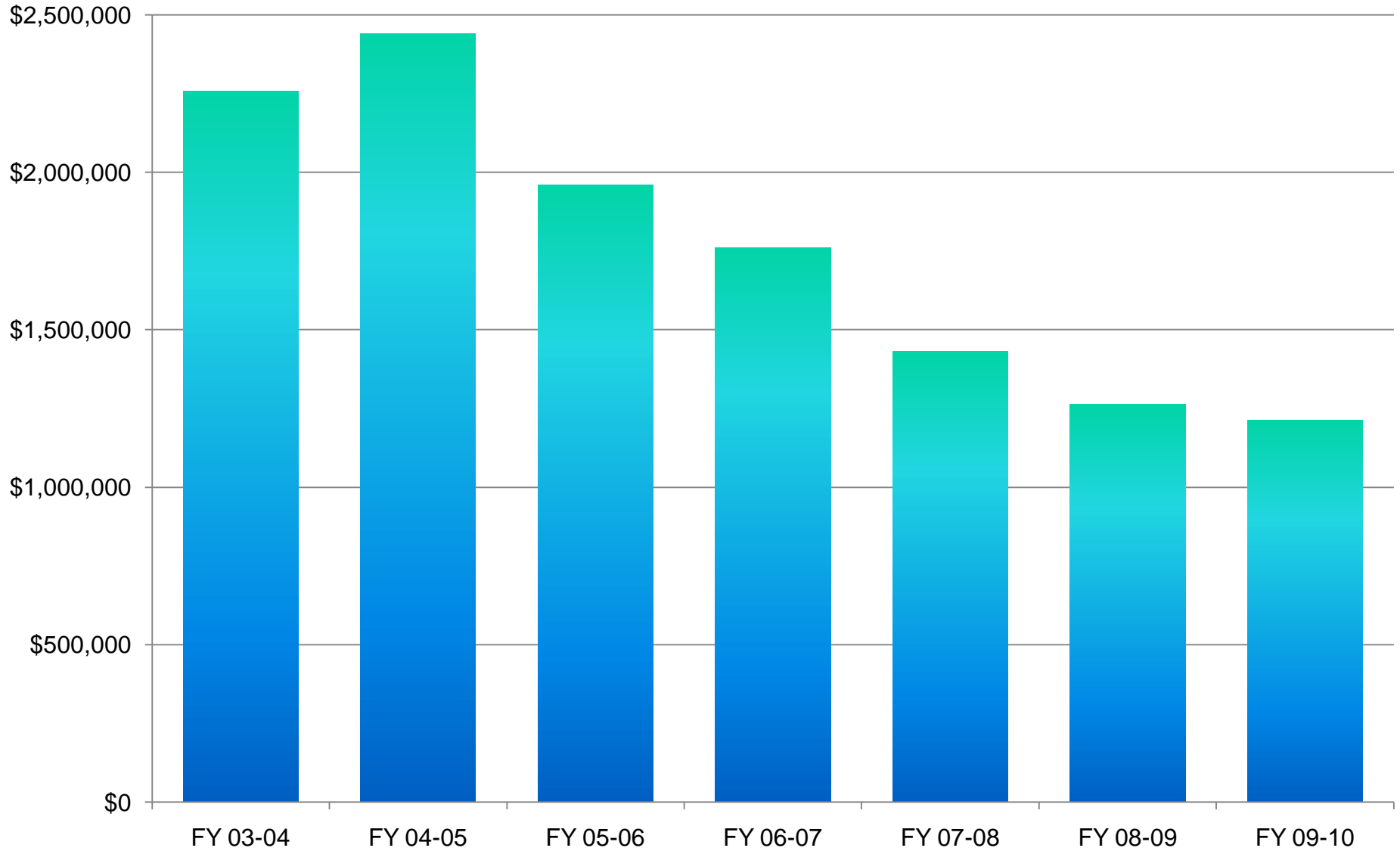
# Westridge Area Sales Tax

## 7 Year History



# **Harden Ranch Mall Area Sales Tax**

## **7 Year History**

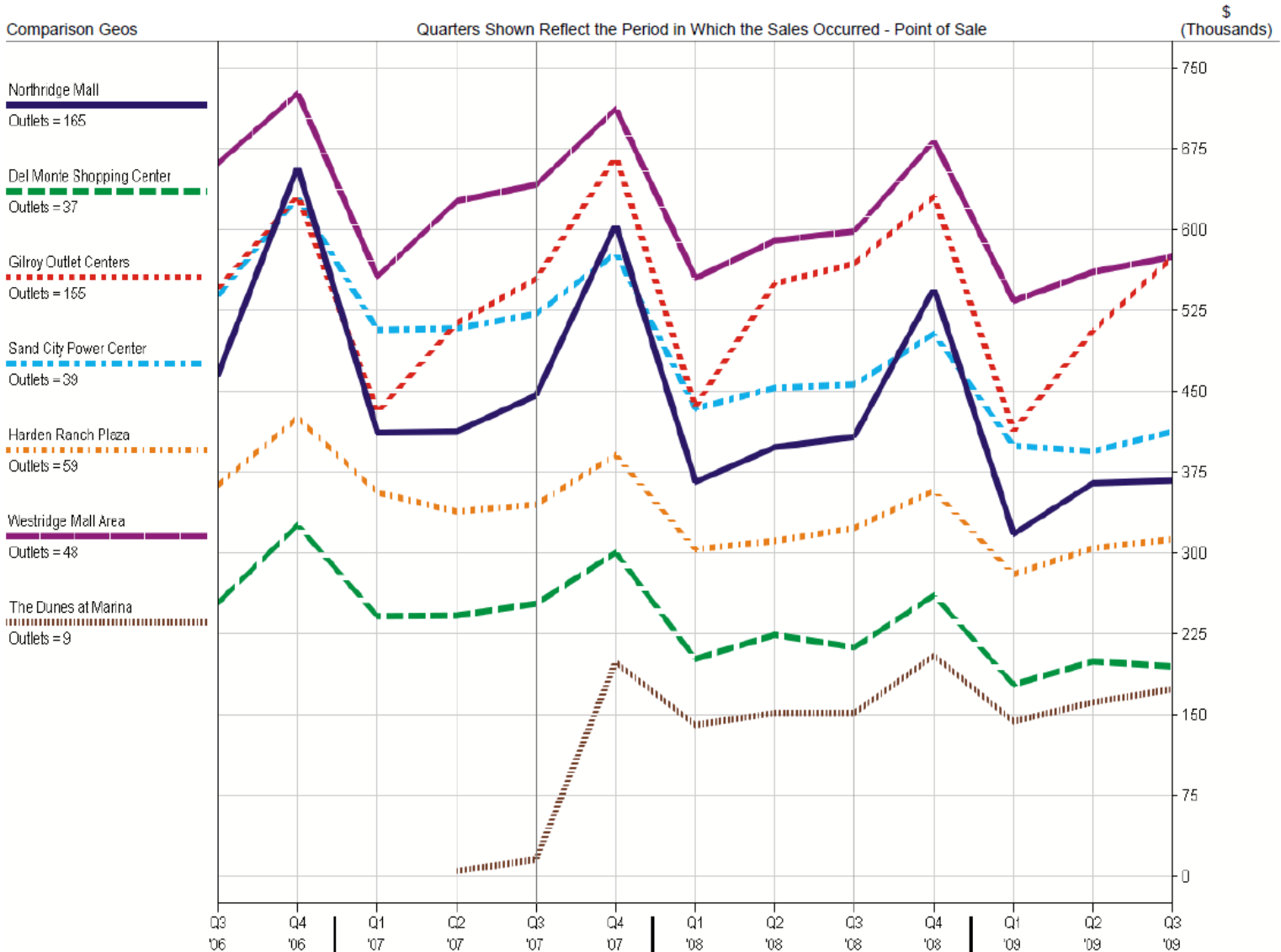




# CITY OF SALINAS SHOPPING MALLS - 13 QUARTER HISTORY

Adjusted by moving retroactive payments with an absolute value of \$5,000 or more into the quarter the sale was generated

*Chart Description:* This chart compares sales tax revenues within a specified Geographic area to similar Geo areas in other jurisdictions. The prior 12 quarters are shown for historical reference purposes. **Allocations have been adjusted to reflect economic data.**

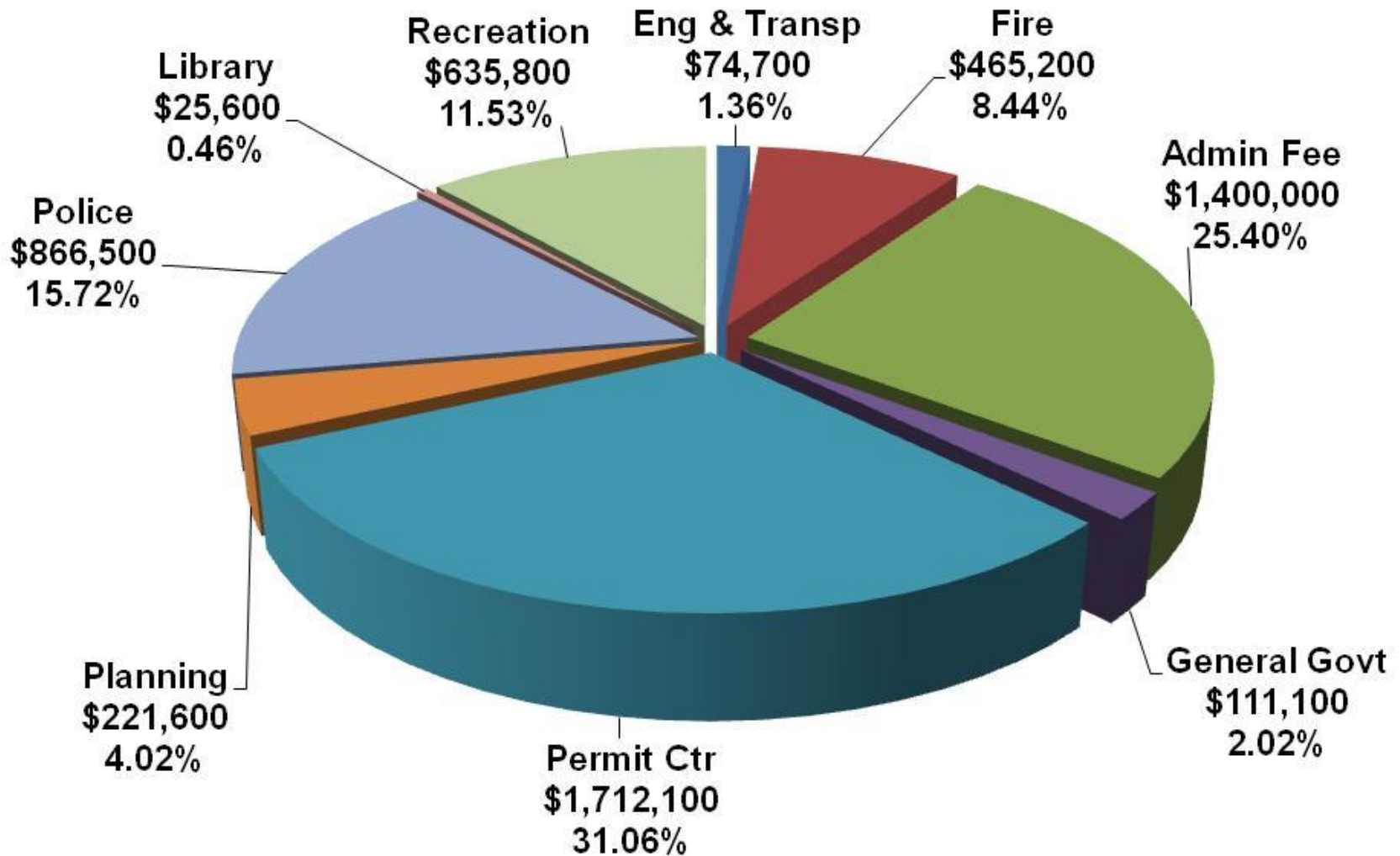


# **City Service Charges**

- **Fees for governmental services may be charged to recover cost reasonably borne in providing services.**
- **June 1987 - Management Services Institute concluded a fee and cost of service study. A variety of fees and service charges were established and increased based on this study.**
- **Since June 1987, fees and service charges have been increased for inflation (CPI).**
- **January/April 2009 - Staff completed a survey of fees and service charges levied by other cities comparable to Salinas.**
- **Salinas fees and service charges were found to be less than amounts charged by comparable cities for a variety of services.**
- **April 2009 - City Council approved that Salinas fees and service charges be aligned with amounts charged by comparable cities in a phased approach, with FY 2009-10 increase not exceeding CPI plus 25%.**

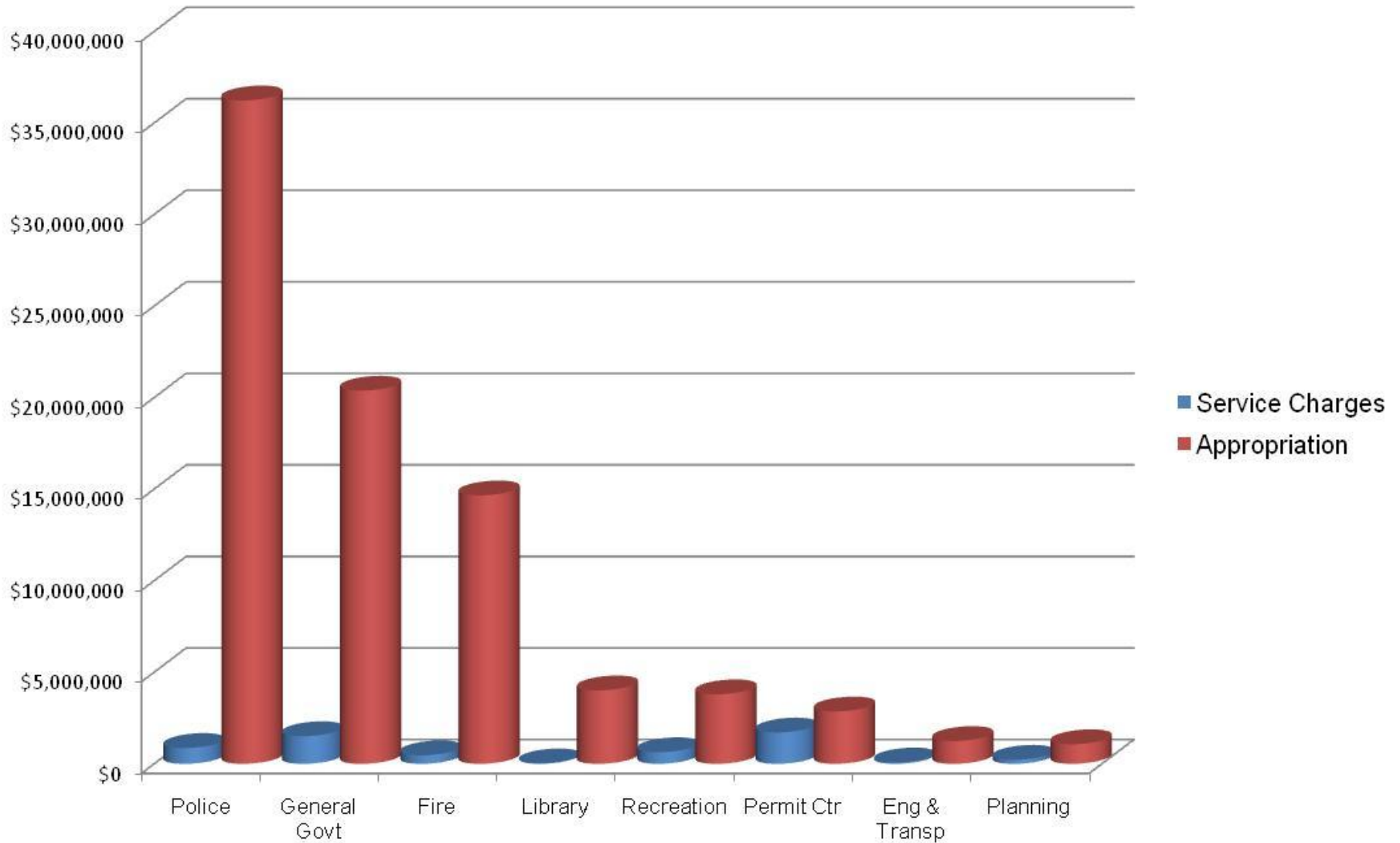
# FY 2009-10 General Fund

## Service Charges by Department \$5,512,600



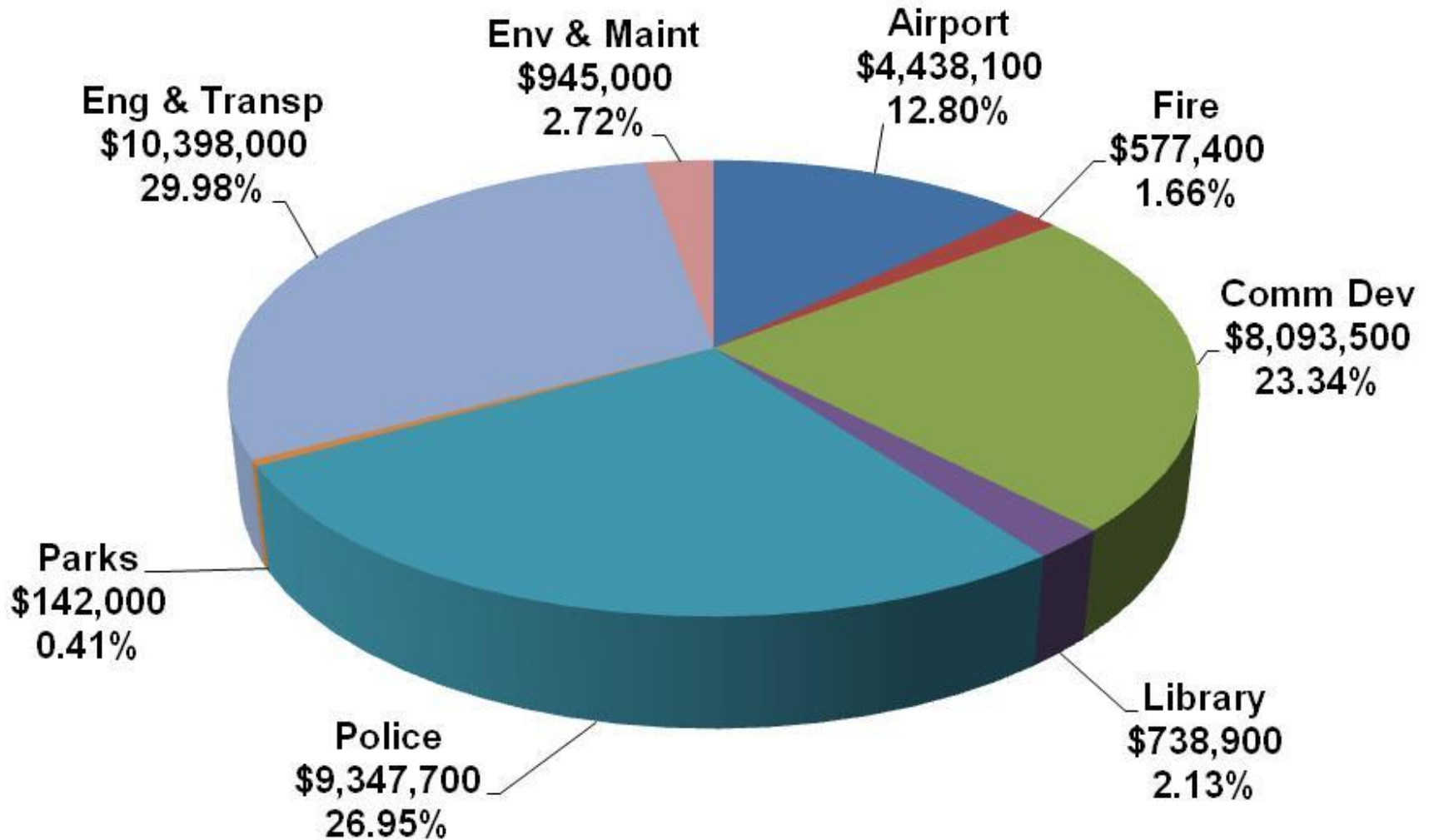
# **FY 2009-10 General Fund and Measure V**

## **Service Charges Compared to Departmental Budgets**



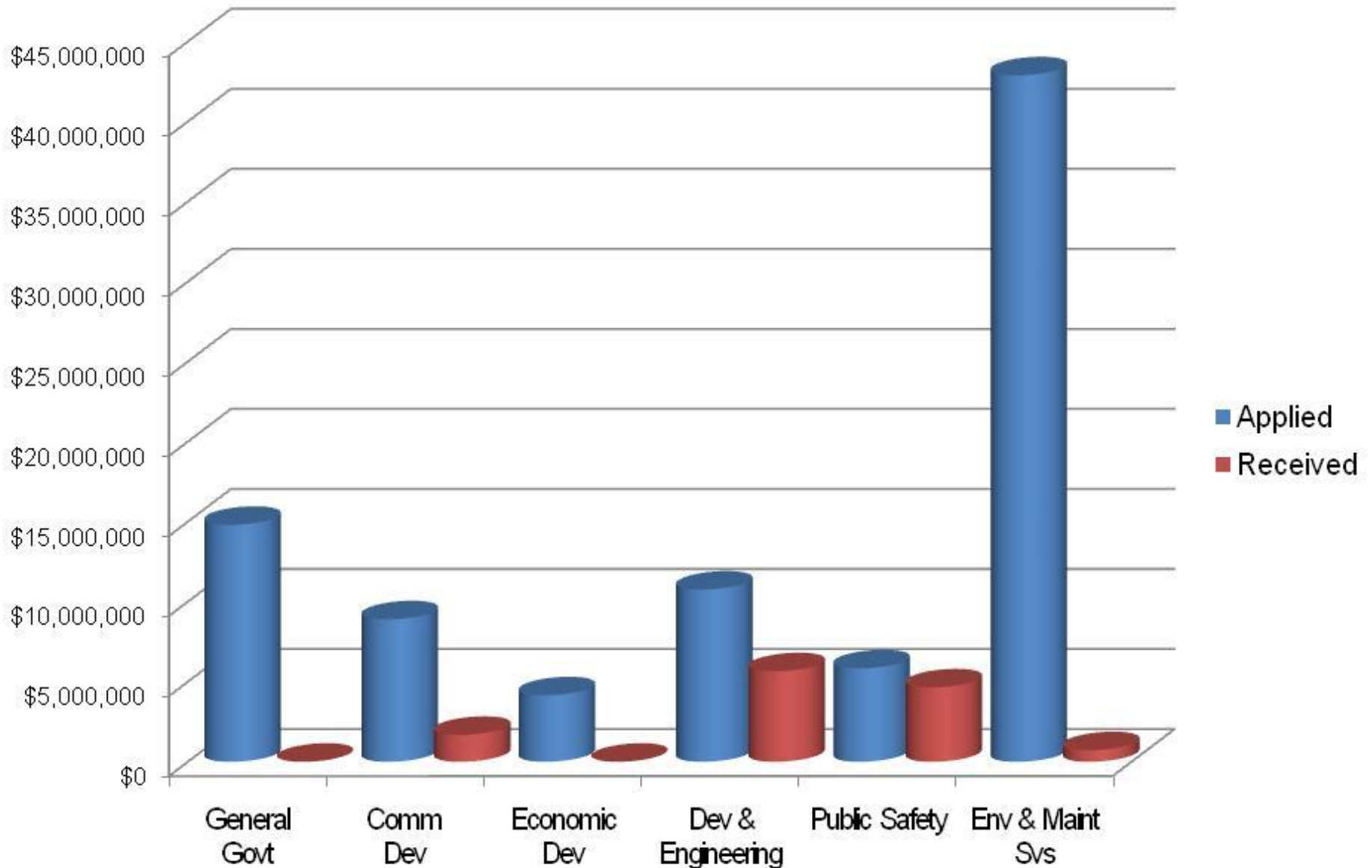
# FY 2009-10 All Grants

\$34,680,600



# **Economic Stimulus Grants**

**Applied \$87,273,358; Received \$12,696,056**



# **Conclusion**

- **About 95% of all General Fund/Measure V services are paid from tax proceeds.**
- **Charges for Services (Fees) represent about 5% of of General Fund revenues and can not be increased beyond the cost of providing services.**
- **The purpose of government is to provide essential services that are generally not profitable, and can not be provided by the private sector.**