



# Budget Bulletin

County of Yolo

May 2009

## 2008-09 Spring Budget Update

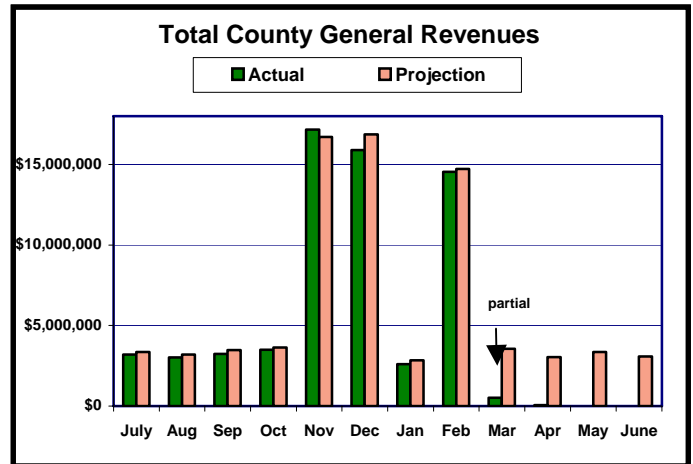
Budget staff has completed a 3<sup>rd</sup> quarter review of key revenues and expenditures and concludes general revenues are \$1.16 million (1.8%) short of the revenue estimates adopted in the fiscal year 2008-09 budget.

### General Revenues

General revenues to date total \$63.1 million, approximately \$1.16 million (1.8%) below the projected target of \$64.3 million for the 2008-09 budget. General revenues consist of the top 4 unrestricted and partially restricted revenue sources: property tax, general sales tax, public safety sales tax, and realignment revenue.

The charts and narrative on page 3 of this report compare actual and forecasted general revenues. The receipt of these revenues in the county's treasury may be delayed by up to two months from when they were initially collected. To accurately compare figures, the amounts are shown under the month that they were first collected at the state or retail site.

- Total receipts for February (the most recent month of fully distributed revenues) were \$188,254 (1.3%) greater than the projected amount of approximately \$14.45 million. The modest increase was primarily the result of an increase in property tax revenue of \$672,425. This gain was partially offset by shortfalls in Public Safety Sales Tax of -\$237,779, Realignment -\$218,709, and General Sales Tax of -\$27,682.



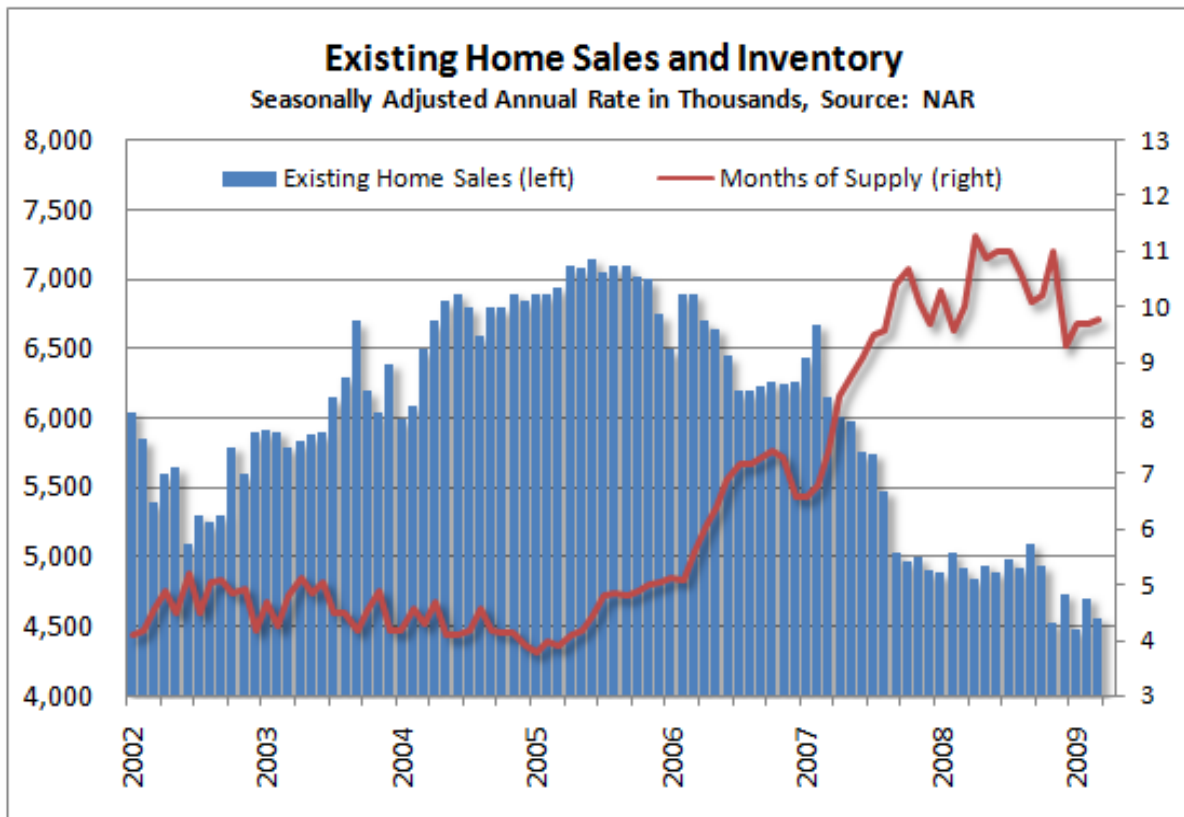
### 2008-09 Actual Versus Projected County General Revenues

REVENUE SOURCE	FEBRUARY				YEAR-TO-DATE			
	Projection	Actual	Change	Percent Change	Projection	Actual	Change	Percent Change
Property Taxes	\$ 11,753,438	\$ 12,425,863	\$ 672,425	5.7%	\$ 38,421,539	\$ 39,374,057	\$ 952,518	2.5%
General Sales Tax	\$ 153,382	\$ 125,700	\$ (27,682)	-18.0%	\$ 1,733,822	\$ 1,717,912	\$ (15,910)	-0.9%
Public Safety Sales Tax	\$ 1,095,128	\$ 857,348	\$ (237,779)	-21.7%	\$ 10,334,584	\$ 9,148,373	\$ (1,186,210)	-11.5%
Realignment Revenues	\$ 1,449,872	\$ 1,231,163	\$ (218,709)	-15.1%	\$ 13,775,057	\$ 12,863,003	\$ (912,054)	-6.6%
<b>Total</b>	<b>\$ 14,451,820</b>	<b>\$ 14,640,074</b>	<b>\$ 188,254</b>	<b>1.3%</b>	<b>\$ 64,265,001</b>	<b>\$ 63,103,345</b>	<b>\$ (1,161,656)</b>	<b>-1.8%</b>

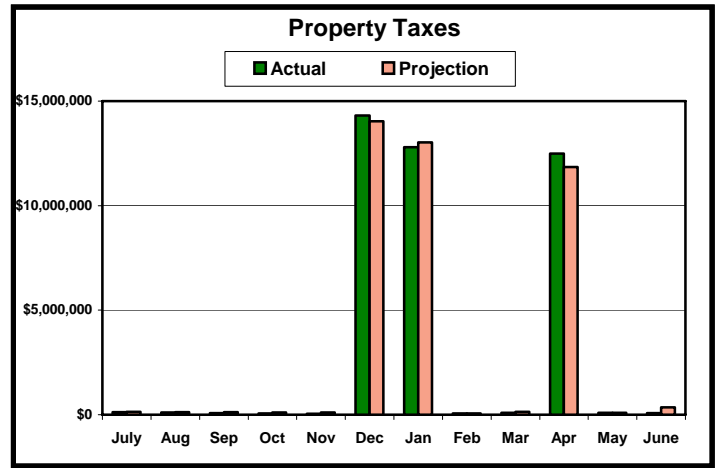
## Economic Update

As noted in the most recent financial report from the State Department of Finance, “the economic downturn appears firmly entrenched”. The labor markets continue to have widespread job losses that have dramatically increased California’s jobless rate to 10.5%, the highest rate since 1983. The real estate market home sales and supply indicators are showing mixed results, and the median-home price continues to decline. The Sacramento region’s median-home price plummeted almost 35% during the last 12 months, primarily due to the abundance of foreclosures and short sales.

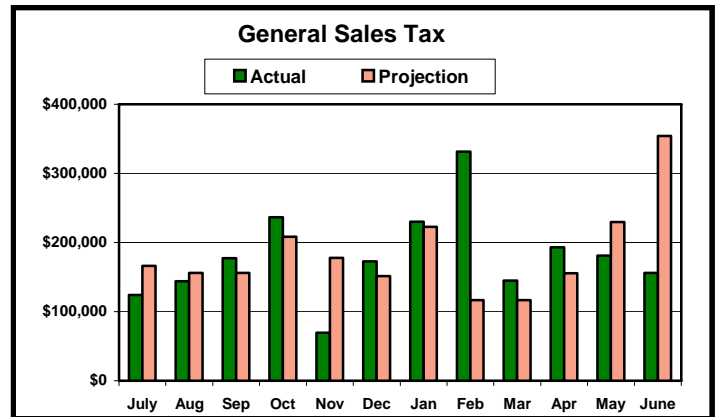
The following table, produced by the National Association of Realtors, illustrates the national change in home sales and monthly supply of homes.



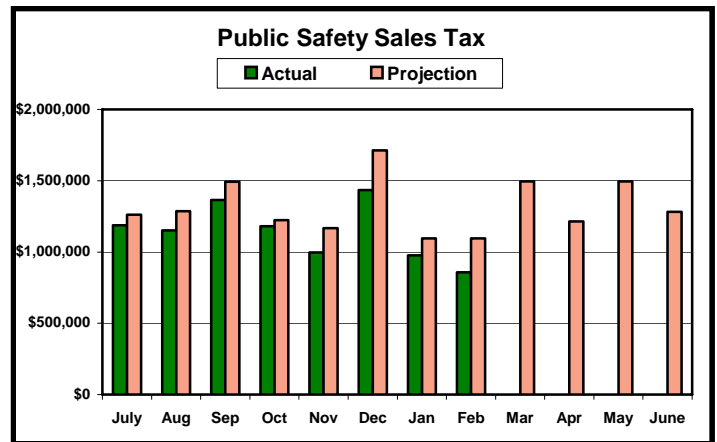
Approximately \$39.4 million, 99% of the year's \$38.7 million in property tax revenue has been received through February. Property tax is on track to exceed the year's estimated revenue by approximately \$750,000. This is consistent the September change in the growth rate assumption for this revenue, which increased the growth rate to 3.3% from the adopted budget forecast of zero percent growth.



- General sales tax revenue is projected to equal the amount estimated in the budget. The year-to-date shortfall of -\$15,910 essentially puts us right on target to attaining the amount estimated in the budgeted. This source of sales tax is based on retail sales in the unincorporated area and is doing relatively well compared to sales tax proceeds in other areas of the state. Total budgeted revenue for 2008-09 is \$2.3 million.



- Public safety sales tax for the year-to-date is \$1.18 (11.5%) million below budget. The shortfall is the result of a dramatic statewide slowdown in consumer spending and an associated decline in sales tax revenue. This revenue is allocated to each jurisdiction from a statewide pool of sales tax revenues. Therefore, sales tax proceeds from all regions of the state impact the amount of sales tax allocated to Yolo County. Total budgeted revenue for 2008-09 is \$15.8 million.



- For the year-to-date, realignment revenue is \$912,054 (6.6%) short of the amount estimated in the adopted budget. This source of funds is generated from a statewide pool of vehicle license fee and sales tax revenue. Vehicle license fee revenue is only slightly below the estimated amount, which has helped moderate the impact of a substantial decrease in sales tax revenue. Total budgeted revenue is \$19.9 million.

