



**FISCAL YEAR 2009 – 2010**

**BUDGET  
DEVELOPMENT  
WORKSHOP**

**Part 1 -Revenues**

# County of Santa Barbara Budget Development Workshop PART I - REVENUES

Presented February 3, 2009  
to the  
Board of Supervisors

Salud Carbajal

First District

Janet Wolf, Vice Chair

Second District

Doreen Farr

Third District

Joni Gray

Fourth District

Joseph Centeno  
Chair

Fifth District

Report of the County Executive Office  
Auditor Controller, Clerk Recorder Assessor, and  
Treasurer Tax Collector

County Executive Office  
Budget & Research Division



## EXECUTIVE SUMMARY

### STATEMENT OF PURPOSE

Given the multifaceted financial challenges affecting the development of the Fiscal Year 2009-2010 budget, the Board requested staff conduct a Budget Development Workshop. Due to the breadth and complexity of the information, the workshop is divided into four parts with one part being conducted on each of the four Tuesdays in February 2009.

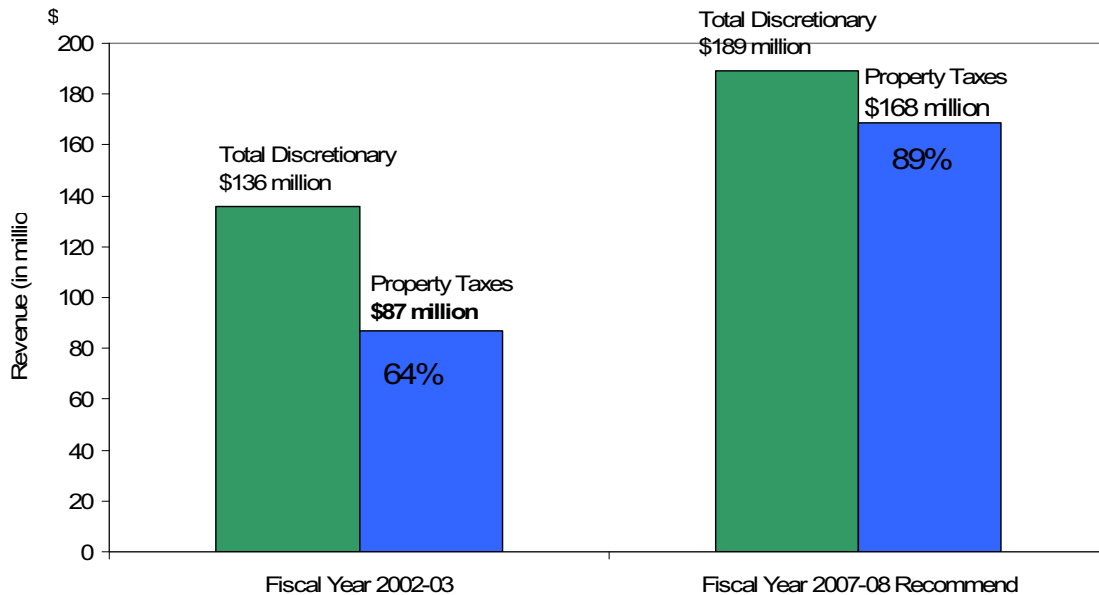
This first part of the Budget Development Workshop is designed to highlight the major trends in revenues received by the County. The latter three segments of the workshop will 1) outline the challenges of funding future retirement costs, 2) present five-year financial forecasts for several of the County’s key service funds, and 3) present fiscal year 2009-2010 service level impacts developed by department staff based on the Board’s adopted budget principles.

### PRIMARY REVENUES

This workshop focuses on the County’s primary revenues with an emphasis on discretionary revenues. The report examines a number of revenues that are either significant in magnitude or are indicative of overall economic trends omitting legislatively controlled Federal and State funds and various fees and charges for services. In summary, the major categories of revenues examined are: property taxes, sales taxes, motor vehicle in lieu, transient occupancy tax, and interest income.

Property Taxes, including Secured, Unsecured, Supplemental and Documentary Transfer Taxes, constitute approximately 89% of all General Fund discretionary funds available to the County.

**General Fund  
Property Tax Revenues -vs- Discretionary Revenue**





The general operations sales tax is the second largest source of General Fund discretionary revenue behind property taxes but only constitutes approximately 8% of the total. However, various specific sales tax allocations such as the Public Safety Proposition 172, Measure D, Realignment, Bradley Burns, and the Local Transportation Fund, make up a much more significant portion of the overall County revenues. This volatile tax is an important revenue to the County as a whole.

<b>County Sales Tax Revenue FY 2007-08</b>		<b>County Property Tax Revenue FY 2007-08</b>	
	Revenue (in millions)		Revenue (in millions)
Public Safety - Prop 172	\$ 30.0	General Fund	\$ 162.6
Health & Welfare Realignment	21.1	Special Revenue Funds	42.0
General Operations	7.9	Total	\$ 204.6
County Roads - Measure D	7.3		
Transportation - LTF	1.3		
Total	\$ 67.6		

Motor Vehicle in Lieu as part of Realignment revenue is based on vehicle license fees collected by the State and redistributed to local governments and is dependent on new car sales and depreciation schedules. Realignment Motor Vehicle in Lieu revenue is earmarked for various health, mental health, and social services programs.

Transient Occupancy Tax is discretionary General Fund revenue and constitutes only approximately 3.5% of the total. Examining Transient Occupancy Revenue is valuable as an indicator of the overall economic trends.

Interest Income is yielded on funds held in the County Treasury and generates revenue for all County functions. Interest Income is another variable highly dependent on the overall economic conditions, market fluctuations, and federal policy.

**KEY FINDINGS**

As the “housing bubble” developed and real estate inventory grew while credit defaults increased and sales subsided, economists debated a recession. The County Fiscal Year 2008-2009 budget was developed on a bleak outlook, yet, the market conditions worsened as the year developed and a recession was no longer a debate. A smooth downturn in retail sales, construction, real estate sales and tourism was underway prior to September 2009 at which point there was a sharp decline. The magnitude of the financial markets turmoil of September 2009 is just now becoming fully apparent with much greater downward trends in those major revenue streams susceptible to economic conditions.

Given the most recent data available, the following projections for the upcoming eighteen months have been developed. The chart below shows projections for the selected revenues.



	2007-2008	2008-2009	2008-2009	2008-2009	2009-2010
	Actual	Budget	Year To Date Actual	Estimated	Preliminary Budget
<b>Secured Property Tax</b>					
Shown for General Fund Discretionary	\$ 106,777,989	\$ 110,400,000	\$ 59,667,893	\$ 110,812,000	\$ 112,000,000
<b>Documentary Transfer Tax</b>					
	\$ 3,194,481	\$ 2,700,000	\$ 1,050,420	\$ 2,900,000	\$ 2,100,000
<b>Supplemental Property Tax</b>					
	\$ 5,437,834	\$ 4,520,000	\$ 1,195,566	\$ 4,000,000	\$ 3,100,000
<b>Transient Occupancy Tax</b>					
	\$ 7,154,951	\$ 6,426,000	\$ 3,706,144	\$ 6,797,203	\$ 6,457,343
<b>Realignment</b>					
	\$ 13,734,456	\$ 13,707,030	\$ 6,586,110	\$ 12,361,010	\$ 11,619,350
<b>Prop 172</b>					
	\$ 30,766,986	\$ 30,463,776	\$ 11,521,655	\$ 28,305,627	\$ 26,890,346
<b>Realignment</b>					
	\$ 20,291,583	\$ 23,019,632	\$ 7,953,032	\$ 18,668,256	\$ 17,734,844
<b>Measure D</b>					
	\$ 7,417,504	\$ 7,750,000	\$ 3,089,274	\$ 6,824,104	\$ 6,482,898
<b>Local Transportation Fund</b>					
	\$ 1,343,205	\$ 1,466,500	\$ 585,668	\$ 1,235,749	\$ 1,173,961
<b>Bradley Burns</b>					
	\$ 7,846,873	\$ 8,300,000	\$ 3,406,134	\$ 7,219,123	\$ 6,858,167
<b>Interest Income</b>					
Shown for General Fund Discretionary	\$ 261,987	\$ 1,500,000	\$ 333,746	\$ 1,100,000	\$ 400,000
<b>TOTAL</b>	<b>\$ 204,227,849</b>	<b>\$ 210,252,938</b>	<b>\$ 99,095,642</b>	<b>\$ 200,223,073</b>	<b>\$ 194,816,909</b>

Budgetarily, if levels of service do not match revenues, reserves will be impacted. In a situation such as this recession, if services are not quickly reduced, service levels will be funded by reserves. Once behind the curve of matching revenues to expenditures (where the County now find itself), future reductions in services will need to be more significant and future reserve balances will be lower.

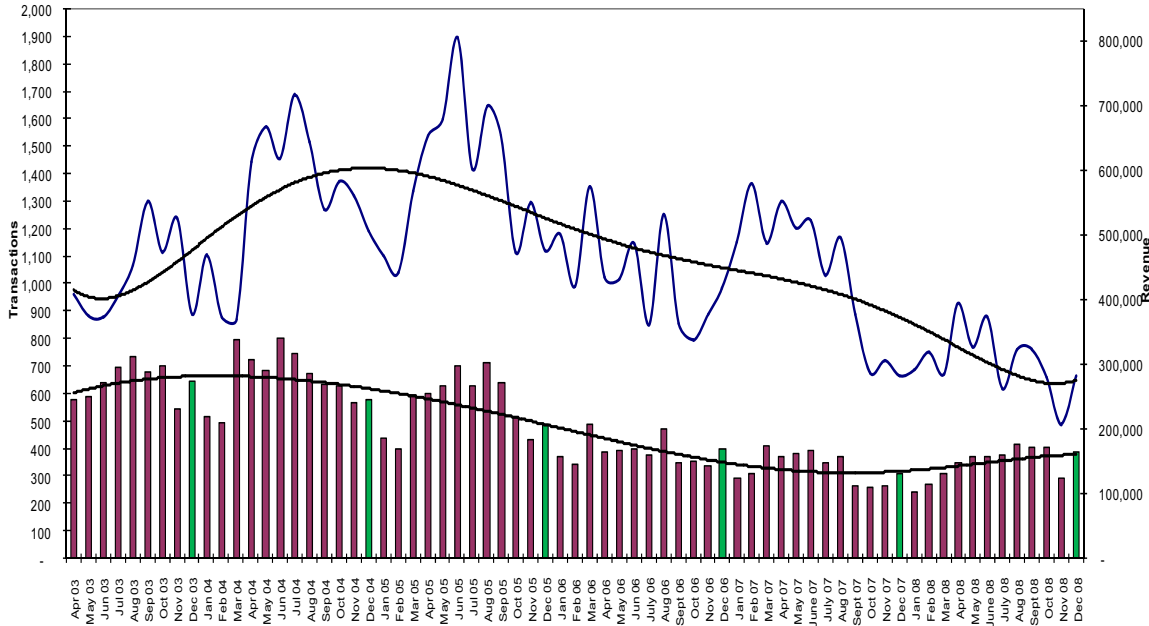
### PROPERTY TAX REVENUES SUMMARY

Property taxes make up approximately 89% of County discretionary revenue. Documentary Transfer Taxes constitute approximately 1.6% of the total but is one of the most important leading indicators to review when examining the real estate market.

As shown in the graph, the countywide documentary transfer tax has declined significantly since the peak of sales in 2004 and 2005. The blue line shows the rate of growth in the document transfer tax and the black line averages out the change. The rate of growth in the transfer tax shows a steep decline that continued through October 2008. November and December of 2008 numbers show a slight increase; however, it is too early to determine if this change is a trend or if it is caused by dropping prices resulting from a continuing increase in the number of foreclosures.

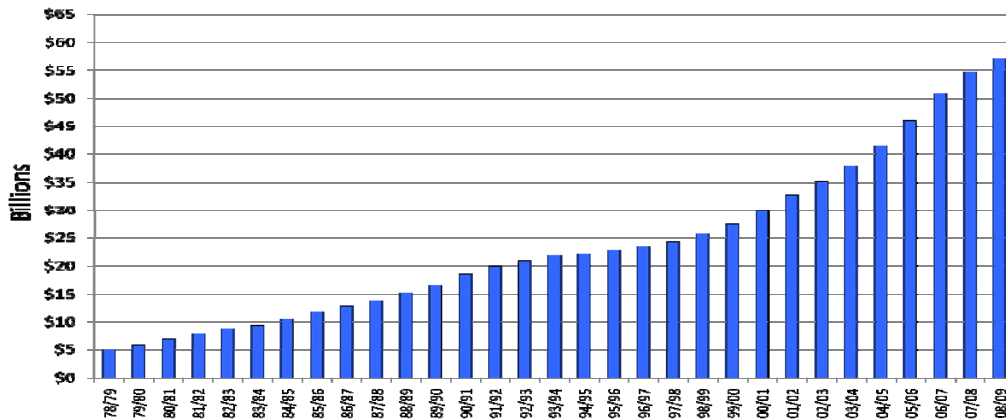


### Countywide Documentary Transfer Tax



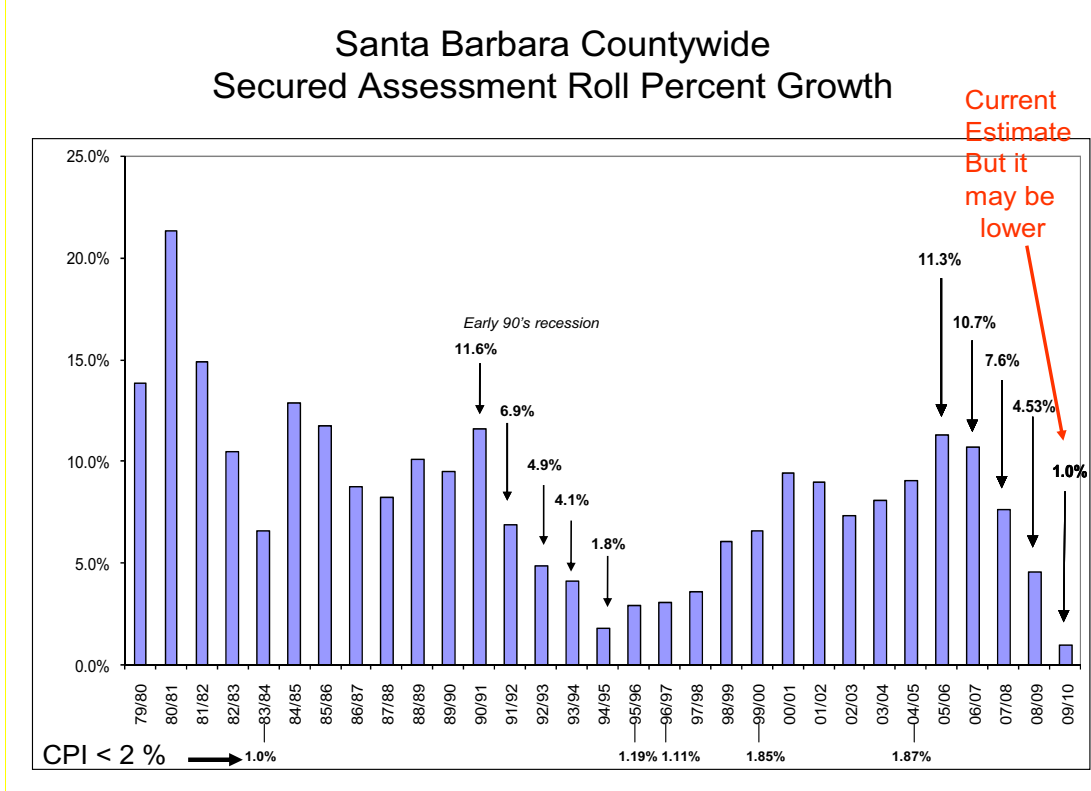
The following two graphs show the absolute value of the Santa Barbara Countywide Secured Assessment history and the growth in the secured roll value. Even though the absolute secured roll value shows a steady increase into Fiscal Year 2008-09, the rate of growth provides far more insight into the real estate market conditions.

**Santa Barbara Countywide Secured Assessment History (net of exemptions)**





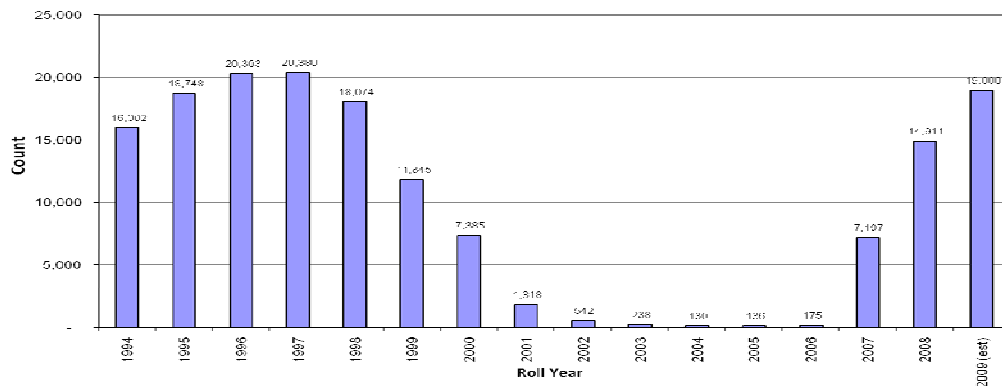
As shown in the next graph, the percent of growth in the total assessed secured value peaked in the Fiscal Year 2005-06, yet, has significantly declined since with lower market prices, increasing Section 51 downward valuations, and foreclosures. Most concerning, is the growth rate expected in Fiscal Year 2009-10, which is currently estimated at a positive 1% but may drop lower as downward valuations and appeals are being processed.



The trend of Section 51 valuations, which are re-assessments of properties below factored based value, is shown in the following graph.

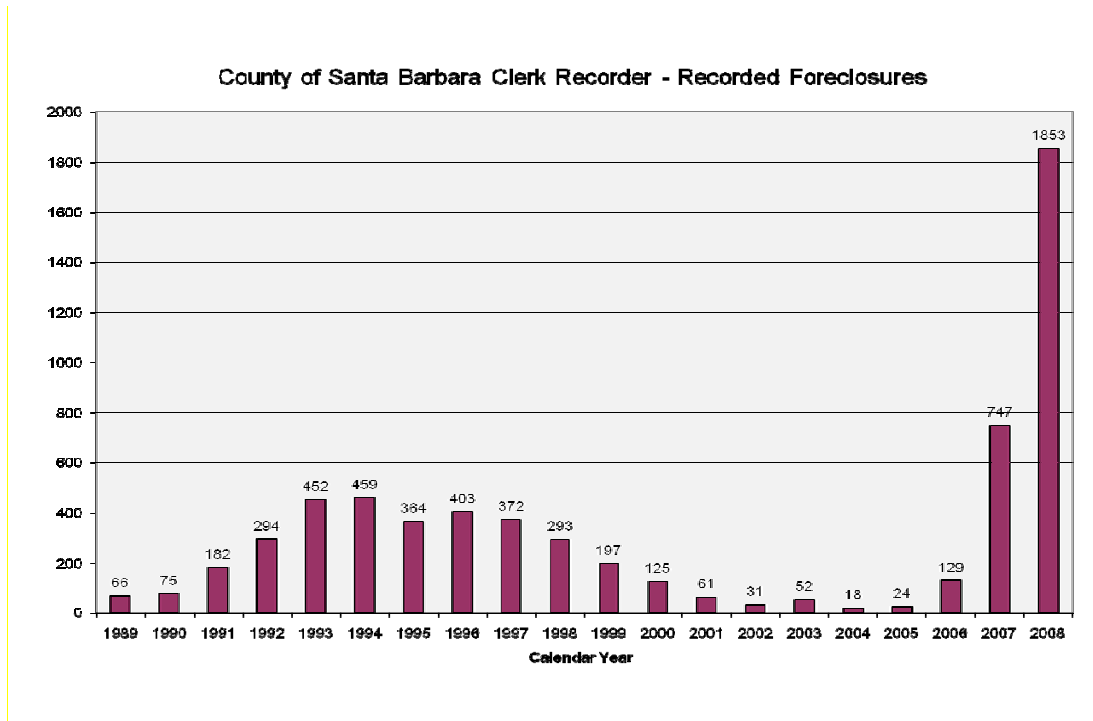
### Assessor Workload Section 51 Reductions

(Properties re-assessed to below factored base value)

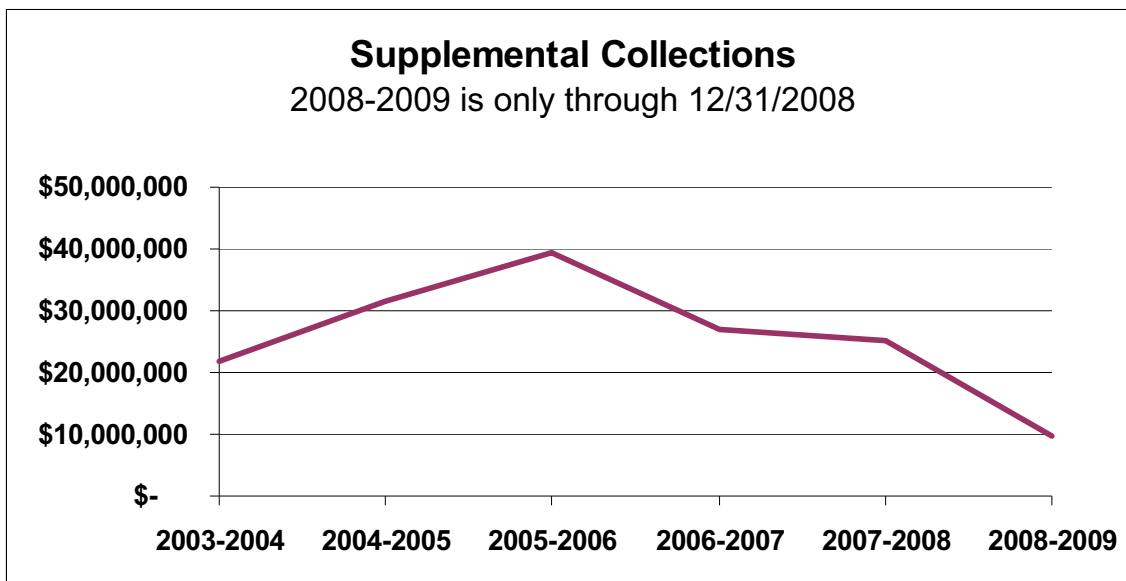




The next graph provides a remarkable picture of the number of foreclosures seen in Santa Barbara County, which shoots up in 2008.



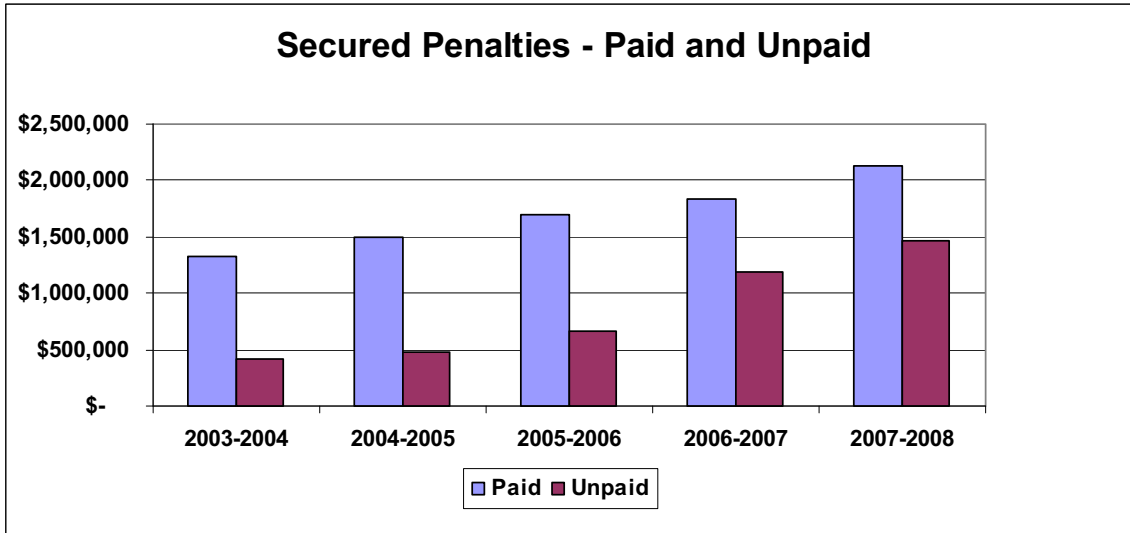
The next series of graphs show the trends in supplemental and secured property tax collections. The supplemental collections depend on both the collection rate of outstanding supplemental tax due and the value of supplemental tax billed. As Section 51 reassessments increase, the value of positive supplemental tax billed is offset by supplemental tax refunds. With the increase of Section 51 valuations, the supplemental tax collections have begun to decline since 2006.



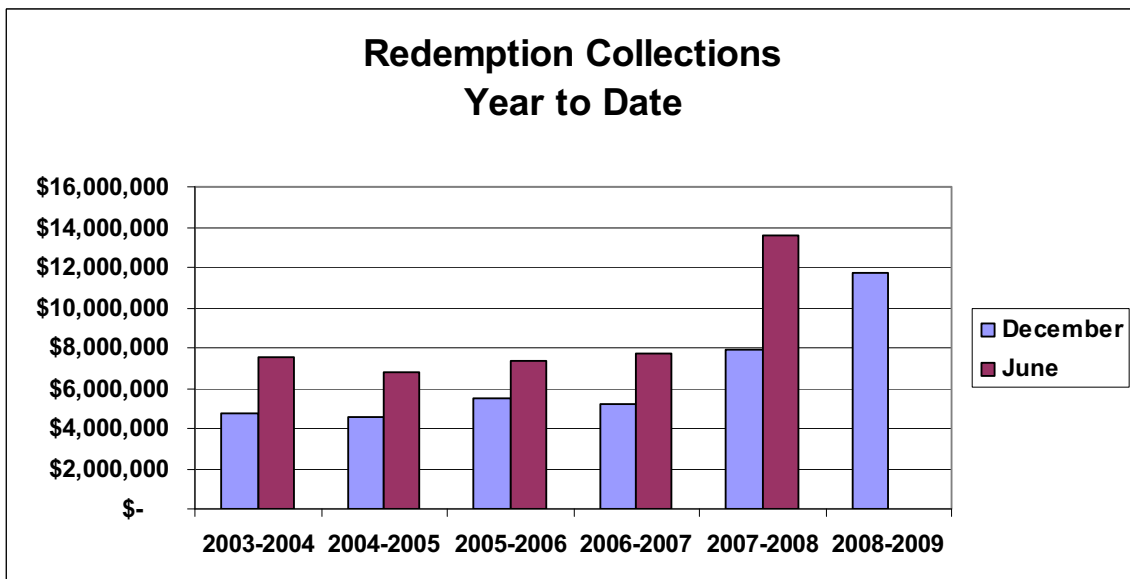




The next two graphs show the percent of secured taxes collected and the penalties due and paid on the delinquencies.



Finally, the last graph shows the redemption collections for delinquent secured property taxes.





### SALES DERIVED REVENUES SUMMARY

This section provides a summary forecast of sales tax and motor vehicle license tax over the next six quarters with five months of data for the current fiscal year. The current economic situation makes these tax projections volatile. However, the loss of taxes will be a significant factor across all departments in the current fiscal year and for next fiscal year's budget.

#### TAXABLE SALES REVENUE

Taxes generated from retail sales represent the second largest tax revenue source for the County. During Fiscal Year 2007-08 sales tax generated \$67.6 million. The budgeted amount for Fiscal Year 2008-09 is \$70.9 million. With a significant decline in taxes for the first two quarters of the current fiscal year, an 8% decrease is projected which lowers the estimated actual receipts to \$62.3 million. This is a substantial decrease of \$8.6 million. An additional decrease of 5% is projected in Fiscal Year 2009-10, reducing the sales tax revenues to only \$59.1 million. This is a decrease of \$11.8 million from the prior budget estimate. Thus, the total loss of revenues over six quarters is estimated at \$20.4 million.

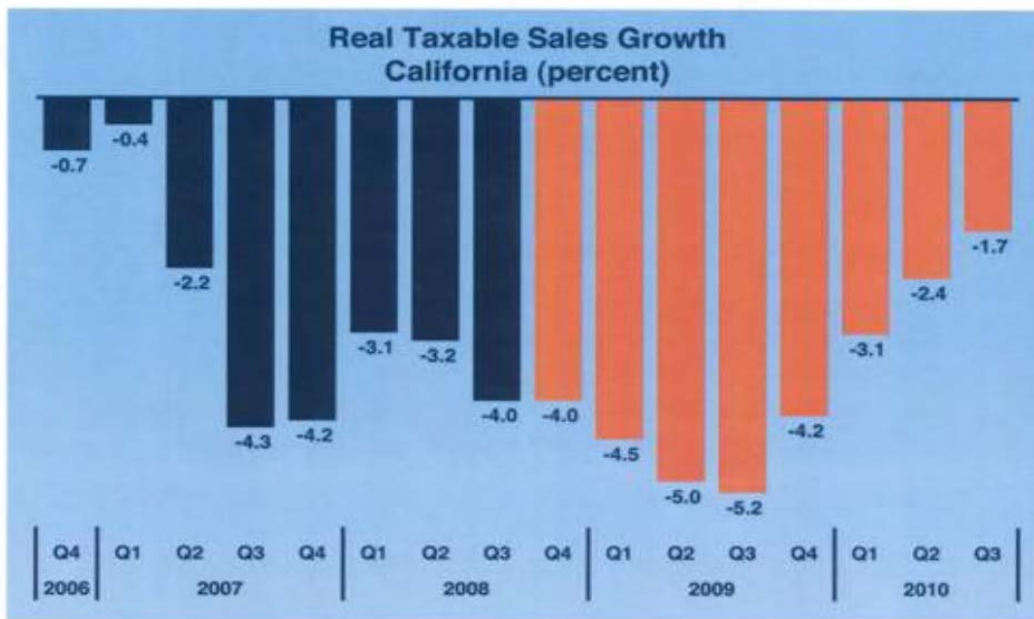
The sales tax had a moderate decline in the first few months of the current fiscal year; however, given the financial markets turmoil that unraveled in September 2008, the conditions began to change. The October and November sales tax receipts statewide drop 10.9% and 17.2% respectively.

<b>SCO - Schedule of Cash Receipts - Retail Sales and Use Tax</b>				
	<u>2008</u>	<u>2007</u>	<u>\$ Change</u>	<u>% Change</u>
December	\$2,093,458	\$2,060,178	\$33,280	1.6154%
November	\$3,012,670	\$3,641,108	(\$628,438)	-17.2595%
October	876,098	983,596	(107,498)	-10.9291%
September	2,110,098	2,038,416	71,682	3.5166%
August	3,248,340	3,572,937	(324,597)	-9.0849%
July	888,314	894,975	(6,661)	-0.7443%
June	2,781,384	2,670,439	110,945	4.1546%
May	3,409,977	4,082,372	(672,395)	-16.4707%
April	888,314	564,250	324,064	57.4327%
March	2,026,348	2,192,936	(166,588)	-7.5966%
February	3,548,121	3,606,621	(58,500)	-1.6220%
January	991,439	1,097,669	(106,230)	-9.6778%
	\$25,874,561	\$27,405,497	(\$1,530,936)	-5.5862%
July - Dec State	12,228,978	13,191,210	-7.29%	
Oct - Dec State	5,982,226	6,684,882	-10.51%	



The State Department of Finance estimates a more moderate decline of approximately 7% for Fiscal Year 2008-09 and a 1% decline for Fiscal Year 2009-10, with a recovery in the second half of the Fiscal Year 2009-10.

However, economists are not optimistic on a recovery and project further economic decline throughout Fiscal Year 2009-10. The USCB economic forecast project estimates that real taxable sales growth in California will continue to decline through the mid-2009 calendar year and will slowly begin to rise throughout 2010. Some inflationary factors may impact an earlier recovery for this particular revenue depending on commodity price behaviors, the oil market stability and consumer confidence.



Source: UCSB Economic Forecast

Santa Barbara County sales tax receipt by business group, from Fiscal Year 2006-07 to Fiscal Year 2007-08, showed substantial declines in business and industry, building and construction, autos and transportation, and general consumer goods. This was partially offset by an increase in the fuel and service stations group. However, after the inflationary pressures in the oil market subsided, sales tax receipts began to drop even lower and the UCSB economic forecast project indicates that all sectors are showing declines for Fiscal Year 08-09.



Countywide Business Groups Comparison				Countywide Business Groups Comparison			
Business Group	2005-06	2006-07	Growth	Business Group	2006-07	2007-08	Growth
General Consumer Goods	\$ 11,109,402	\$ 11,592,887	4.4%	General Consumer Goods	\$11,592,887	\$ 11,197,874	-3.4%
Business and Industry	8,399,271	9,547,103	13.7%	Business and Industry	9,547,103	8,403,642	-12.0%
Autos and Transportation	6,576,205	6,641,199	1.0%	Autos and Transportation	6,641,199	6,064,800	-8.7%
Restaurants and Hotels	5,431,357	5,505,377	1.4%	Restaurants and Hotels	5,505,377	5,707,595	3.7%
Building and Construction	5,354,720	5,445,494	1.7%	Building and Construction	5,445,494	5,145,002	-5.5%
Fuel and Service Stations	3,843,064	4,349,291	13.2%	Fuel and Service Stations	4,349,291	4,967,559	14.2%
Food and Drugs	3,206,209	3,210,133	0.1%	Food and Drugs	3,210,133	3,376,247	5.2%
Other Allocations	987,950	1,168,183	18.2%	Other Allocations	1,168,183	835,143	-28.5%
<b>TOTALS</b>	<b>44,908,178</b>	<b>47,459,667</b>	<b>5.7%</b>	<b>TOTALS</b>	<b>\$47,459,667</b>	<b>\$45,697,862</b>	<b>-3.7%</b>

Given the aforementioned trends, the following variances in sales tax revenues, as applied to the County budget and estimated actual receipts have been projected.

	07-08 Actual	08-09 Budget	08-09 YTD* Actual	08-09 Estimated	09-10 Budget
<b>Prop 172</b>	-0.36%	-0.99%	-7.96%	-8.00%	-5.00%
	\$ 30,766,986	\$ 30,463,776	\$ 11,521,655	\$ 28,305,627	\$ 26,890,346
<b>Realignment</b>	-0.78%	13.44%	-6.60%	-8.00%	-5.00%
	\$ 20,291,583	\$ 23,019,632	\$ 7,953,032	\$ 18,668,256	\$ 17,734,844
<b>Measure D</b>	-0.04%	4.48%	-4.72%	-8.00%	-5.00%
	\$ 7,417,504	\$ 7,750,000	\$ 3,089,274	\$ 6,824,104	\$ 6,482,898
<b>LTF</b>	-1.00%	9.18%	-27.11%	-8.00%	-5.00%
	\$ 1,343,205	\$ 1,466,500	\$ 585,668	\$ 1,235,749	\$ 1,173,961
<b>Bradley Burns</b>	0.02%	5.77%	-9.77%	-8.00%	-5.00%
	\$ 7,846,873	\$ 8,300,000	\$ 3,406,134	\$ 7,219,123	\$ 6,858,167
<b>TOTAL</b>	<b>\$ 67,666,151</b>	<b>\$ 70,999,908</b>	<b>\$ 26,555,763</b>	<b>\$ 62,252,859</b>	<b>\$ 59,140,216</b>

In the 1990s, revenue increases were used by the State to balance the budget and the legislature made a number of structural changes. Among the most significant was the shift of responsibility from the State to counties for various health, mental health and social services programs accompanied by a dedicated revenue stream of sales tax and motor vehicle taxes. The change is known as realignment.

Motor Vehicle taxes are generated based on license fees on motor vehicles. The tax changes are based on new car sales and a depreciation schedule for all vehicles. With a significant drop in automobile sales, this tax source has significantly declined. During Fiscal Year 2007-08 MVIL tax generated \$13.7 million. For Fiscal Year 2008-09 \$13.7 million has been budgeted. With a significant decline in taxes for the first two quarters of this fiscal year, 10% decrease to \$12.3 million is projected. This is a substantial decrease of \$1.4 million that is budgeted but will not be received. For Fiscal Year 2009-10 an additional 6% decline is projected, lowering this source of revenue to \$12.0 million. This is a decrease from the prior budget estimate of \$1.7 million.



The following variances in budget and estimated actual receipts are projected.

	07-08 Actual	08-09 Budget	08-09 YTD* Actual	08-09 Estimated	09-10 Budget
Realignment		-0.20%	-9.60%	-10.00%	-6.00%
	\$ 13,734,456	\$ 13,707,030	\$ 6,586,110	\$ 12,361,010	\$ 11,619,350

**TRANSIENT OCCUPANCY TAX (TOT) REVENUE**

Taxes generated from transient occupancy taxes represent a significant source of discretionary financing for the County General Fund. During Fiscal Year 2007-08 TOT tax generated \$7.2 million. For Fiscal Year 2008-09 \$6.4 million has been budgeted. There is a slight decline in TOT comparing year to year actual for the first five months of prior and current fiscal years. A decrease of 5% to \$6.8 million in actual receipts in the current fiscal year is projected. A further decline of 5% is projected for Fiscal Year 2009-10. This is an increase from the prior Fiscal Year 2008-09 budget estimate by \$.1 million. The actual decline in TOT started with an 8% decline in October and November cash receipts.

TOT Revenue Projection (includes Budget)					
	07-08 Actual	08-09 Budget	08-09 YTD* Actual	08-09 Estimated	09-10 Budget
TOT		-10.19%	0.46%	-5.00%	-5.00%
	\$ 7,154,951	\$ 6,426,000	\$ 3,706,144	\$ 6,797,203	\$ 6,457,343

**TREASURY STABILITY AND INVESTMENT INCOME SUMMARY**

The Santa Barbara County Treasurer’s pool holds cash balances as needed to meet daily needs. By law, balances available for investment in the pool may not be invested in stocks and are only invested in fixed income securities. Currently, pool assets are invested in the United States government agency bonds and discount notes, corporate medium term notes, negotiable certificates of deposit, commercial paper, and the California Local Agency Investment Fund (LAIF).

The Treasurer has a mandated responsibility to manage and invest public funds with the primary objective of safeguarding principal, the secondary objective of meeting the liquidity needs of pool participants, and finally, the objective of attaining a market average rate of return, consistent with the primary objectives of safety and liquidity per Government Code Section 53600.5.

The Santa Barbara County Treasurer conforms to all applicable State statutes and County resolutions that govern the investment of public funds. All investments purchased are in compliance, meeting or exceeding state and local policy requirements. Upon purchase, assets of the pool are monitored on an ongoing basis for compliance and credit quality.



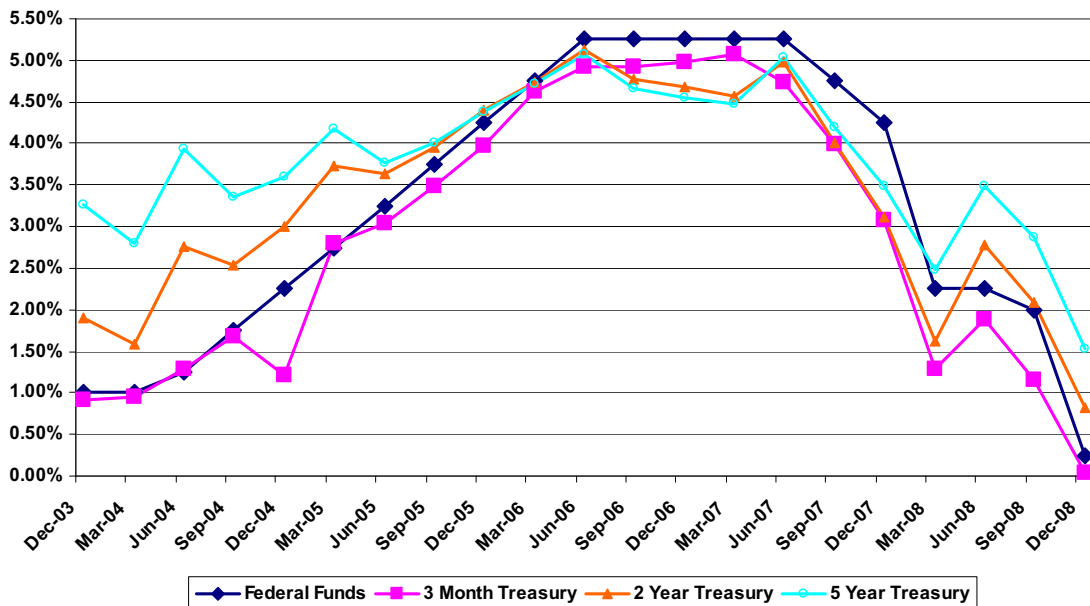
Generally, the policy of the Treasurer’s Investment Pool is to hold investments to maturity. However, due to the events and turmoil in the financial markets at this time, purchased securities may be reviewed on occasion and it may be determined beneficial to sell a security prior to maturity.

Given the economic downturn and the financial markets instability in the recent months, the Federal Open Market Committee (FOMC) released a statement at its December meeting stating “... the Committee anticipates that weak economic conditions are likely to warrant exceptionally low levels of the federal funds rate for some time.” It is hoped that the low target rate will stimulate economic growth. The federal funds rate is a target interest rate set by the FOMC. Banking institutions lend funds to other banking institutions overnight with interest charged at this rate. This rate is currently set to a target range of 0 to 1/4% and is expected to remain at a low level for some time.

The Federal Reserve and the Treasury have implemented various policies and initiatives to provide liquidity and stability to the volatile market and to inflationary pressures. These include interest rate reductions, coordinated interest rate cuts with the central banks of other countries, providing FDIC guarantees to certain commercial paper and corporate note issuances through the Temporary Liquidity Guaranty Program (TLGP), and the Troubled Asset Relief Program (TARP) which purchases assets and equity from financial institutions in an attempt to strengthen and stabilize the financial sector. Despite these programs, investor sentiment continued to be weighted down by weaker than expected economic data and strains in the financial markets.

The following graph shows the historical trend of selected treasury rates and the federal funds target rate.

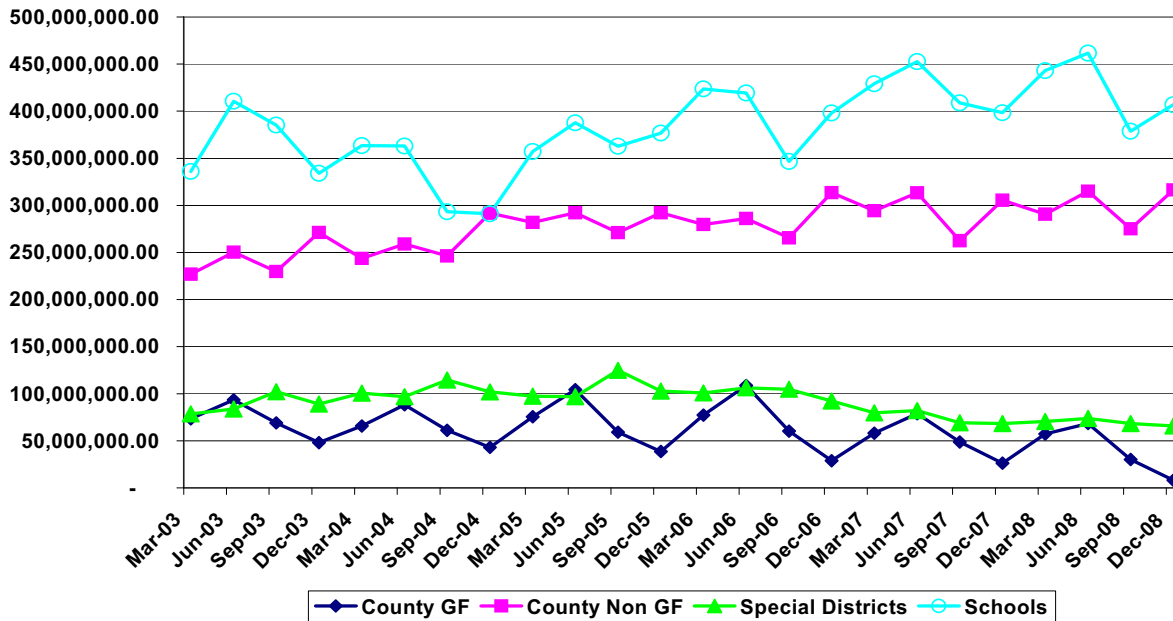
Treasury Rates and Federal Funds Target Rate at Quarter End





For the Fiscal Year 2008-09 the Adopted Budget was based on interest earnings of a net annualized yield of 3% for estimated average daily cash balances of funds in the pool. The pool earned 3.401% and 2.981% for the quarters ended September 30, 2008 and December 31, 2008, respectively. Estimates for the March 31, 2009 and June 30, 2009 quarters are lower due to the pervasive low interest rates of securities offered. Actual dollar earnings will be lower than budgeted if expected reimbursements and apportionments from the State are deferred or reduced, as occurred early in the fiscal year.

Santa Barbara County Treasurer's Pool  
Average Daily Cash Balance  
per Quarter



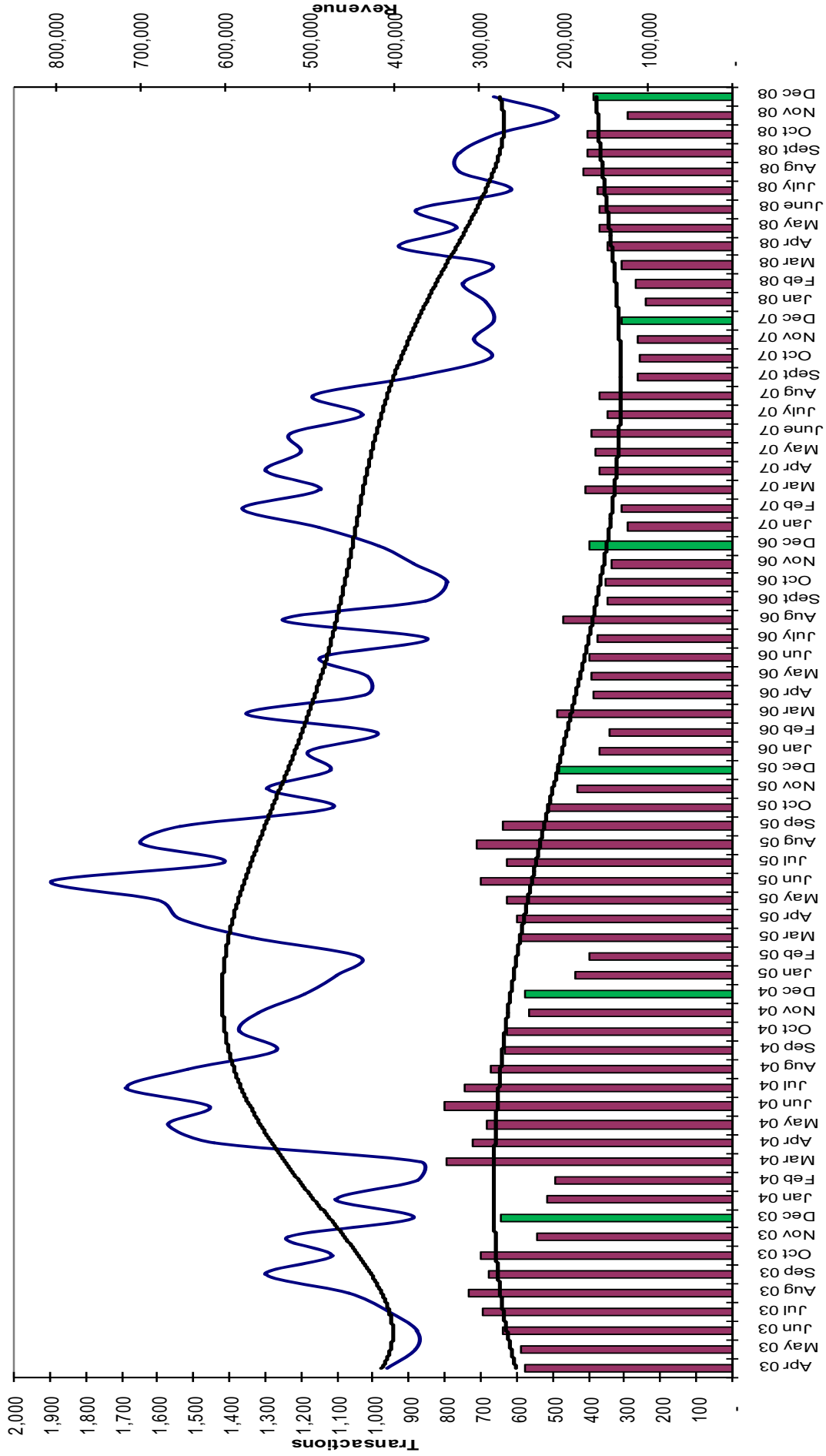
Fixed income securities in the pool are typically priced based on the 90 day Treasury bill, or the two year and five year treasury notes. Investor demand for Treasuries are at record highs due to market fears resulting in a “flight to quality.” Accordingly, offered securities are at lower yields than those maturing.

Earnings from investments of the pool are distributed and used for the benefit of programs provided by the County, schools, and special districts. Net investment earnings achieved by the pool for the September 30, 2008 quarter were \$6.4 million, with County entities receiving 42%, Schools 50%, and Special Districts the balance of 8%. For the quarter ended December 31, 2008 \$5.97 was earned from investments of the pool with County entities receiving 41%, Schools 51%, and Special Districts the balance of 8%.

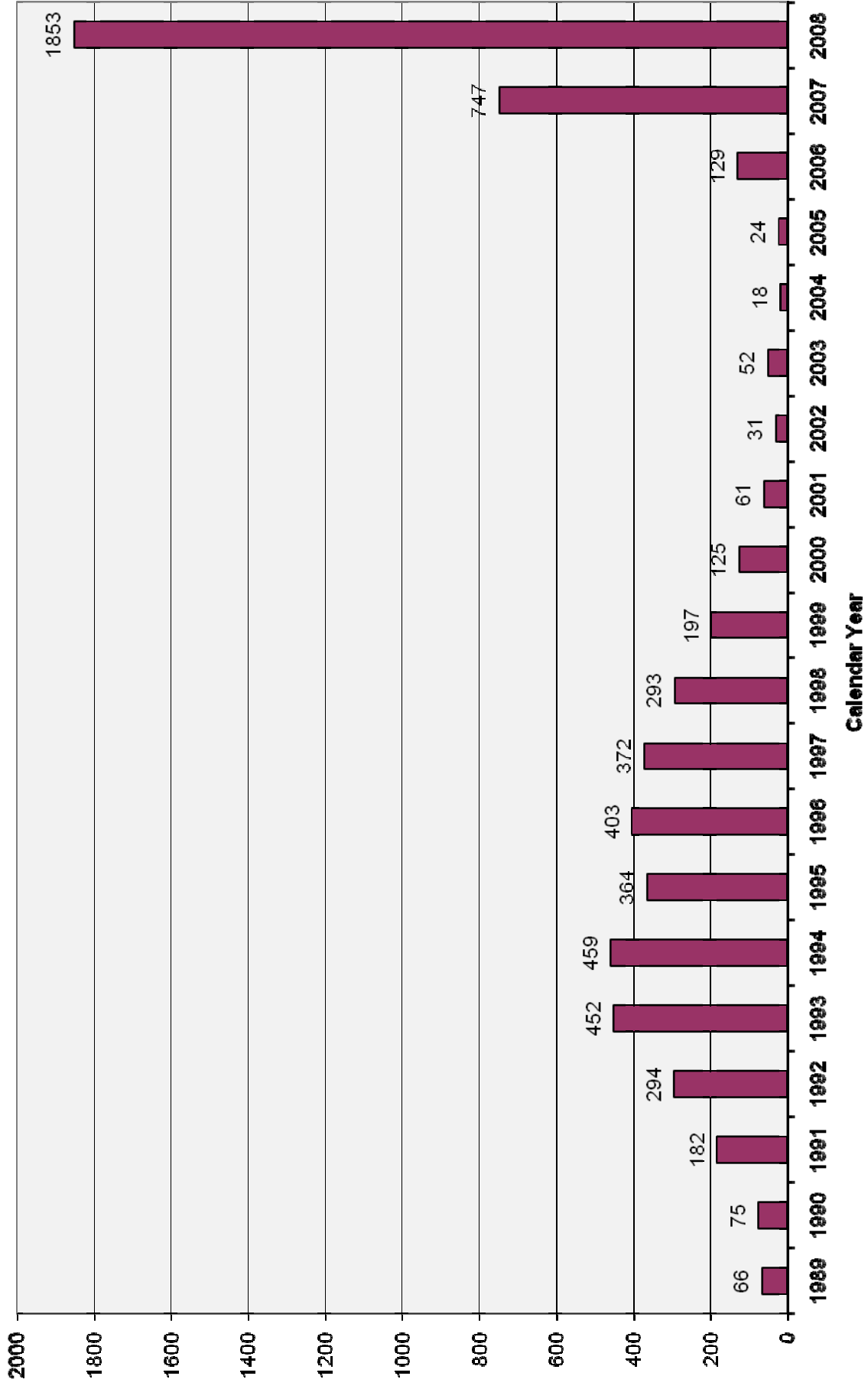
# **PROPERTY TAXES**



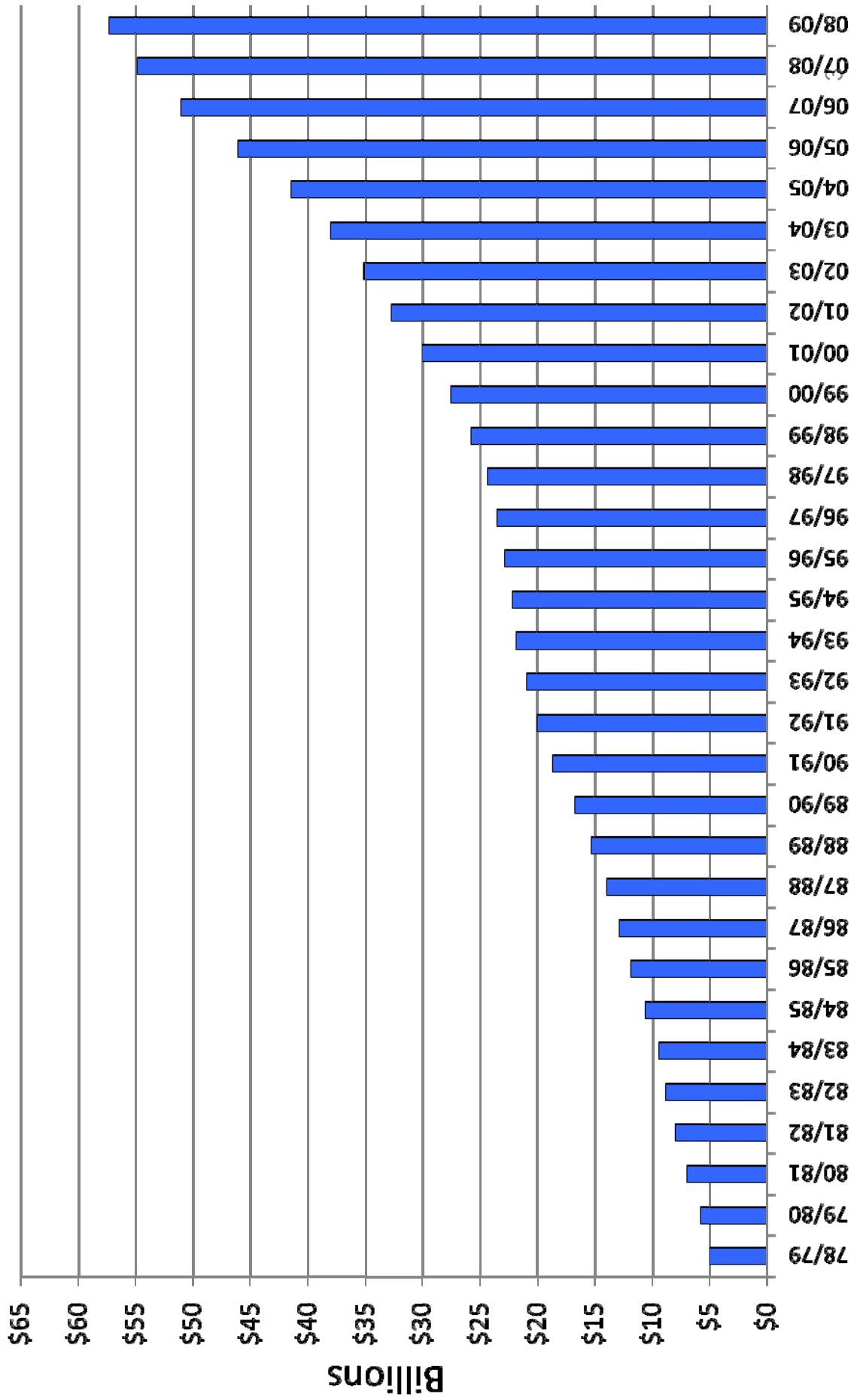
# Countywide Documentary Transfer Tax



# County of Santa Barbara Clerk Recorder - Recorded Foreclosures

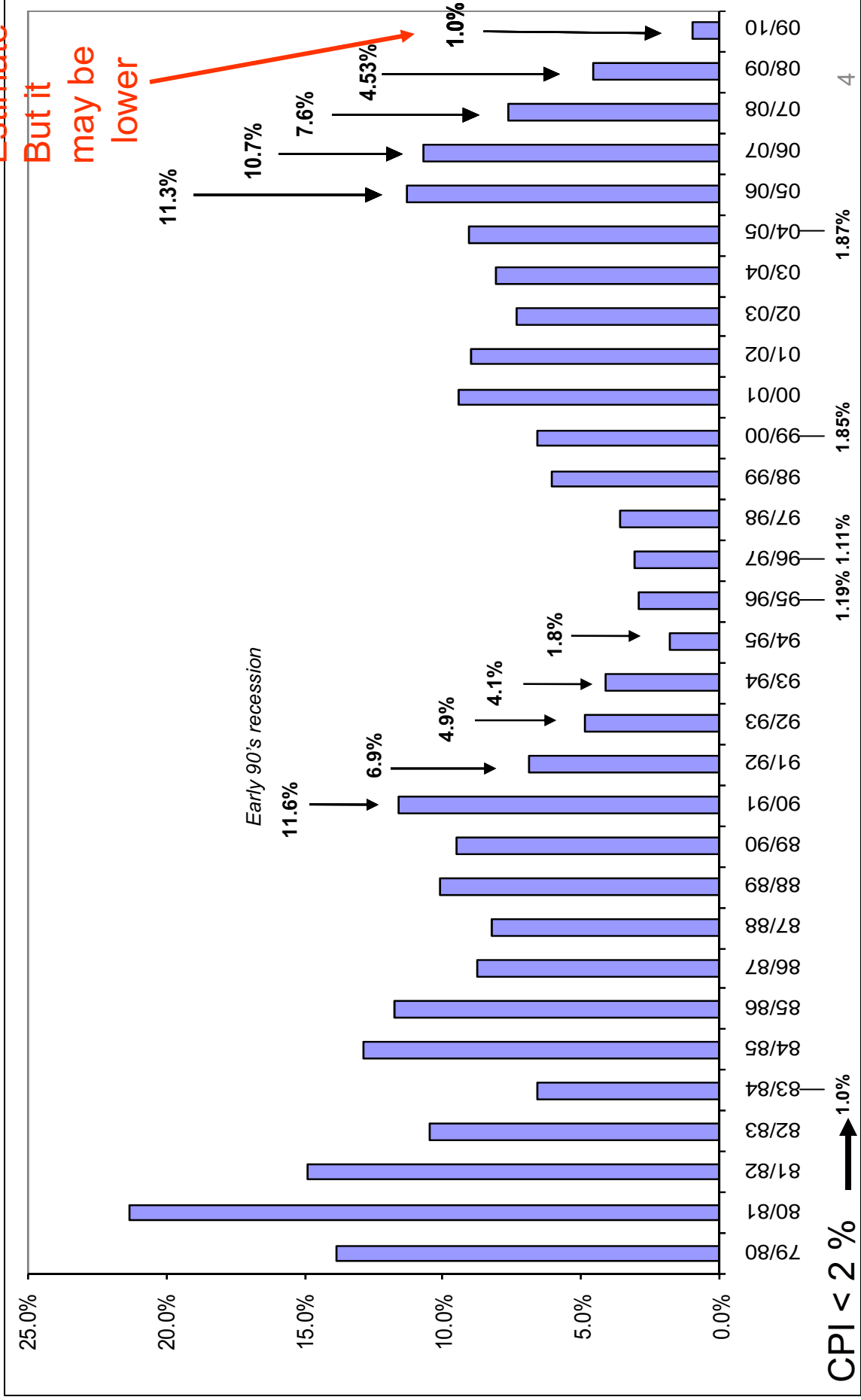


# Santa Barbara Countywide Secured Assessment History (net of exemptions)



# Santa Barbara Countywide Secured Assessment Roll Percent Growth

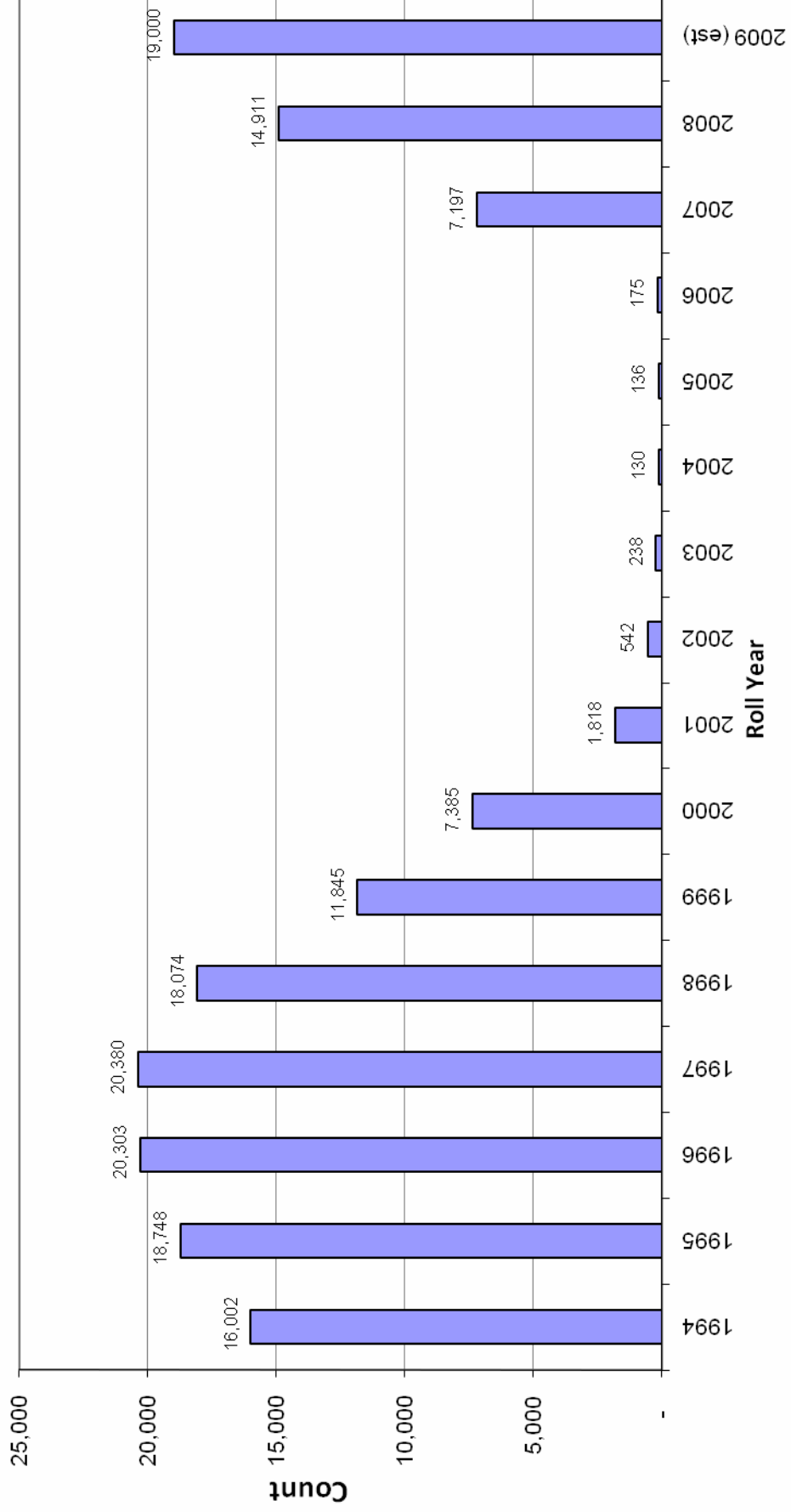
Current Estimate  
But it may be lower



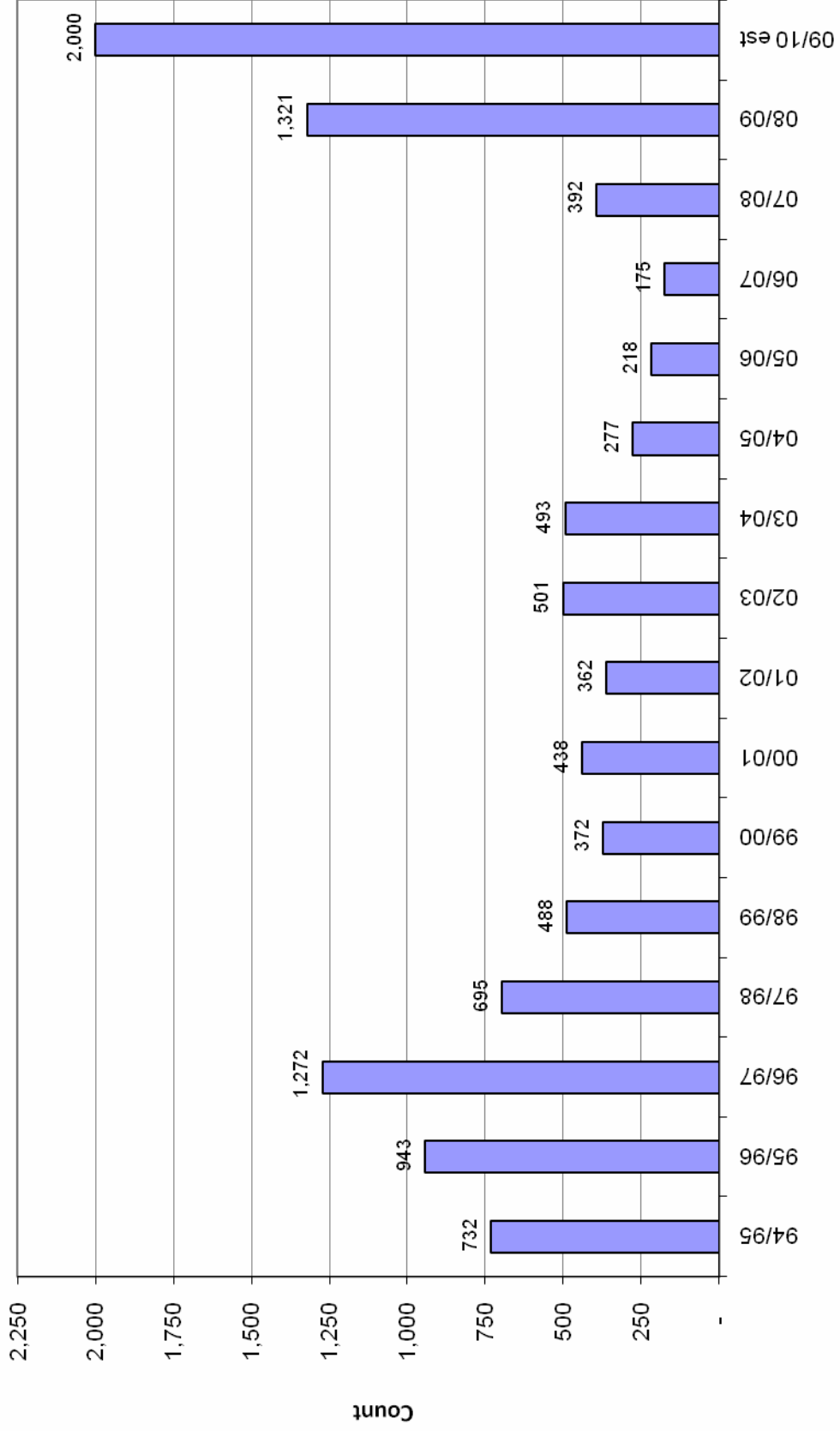
# Assessor Workload

## Section 51 Reductions

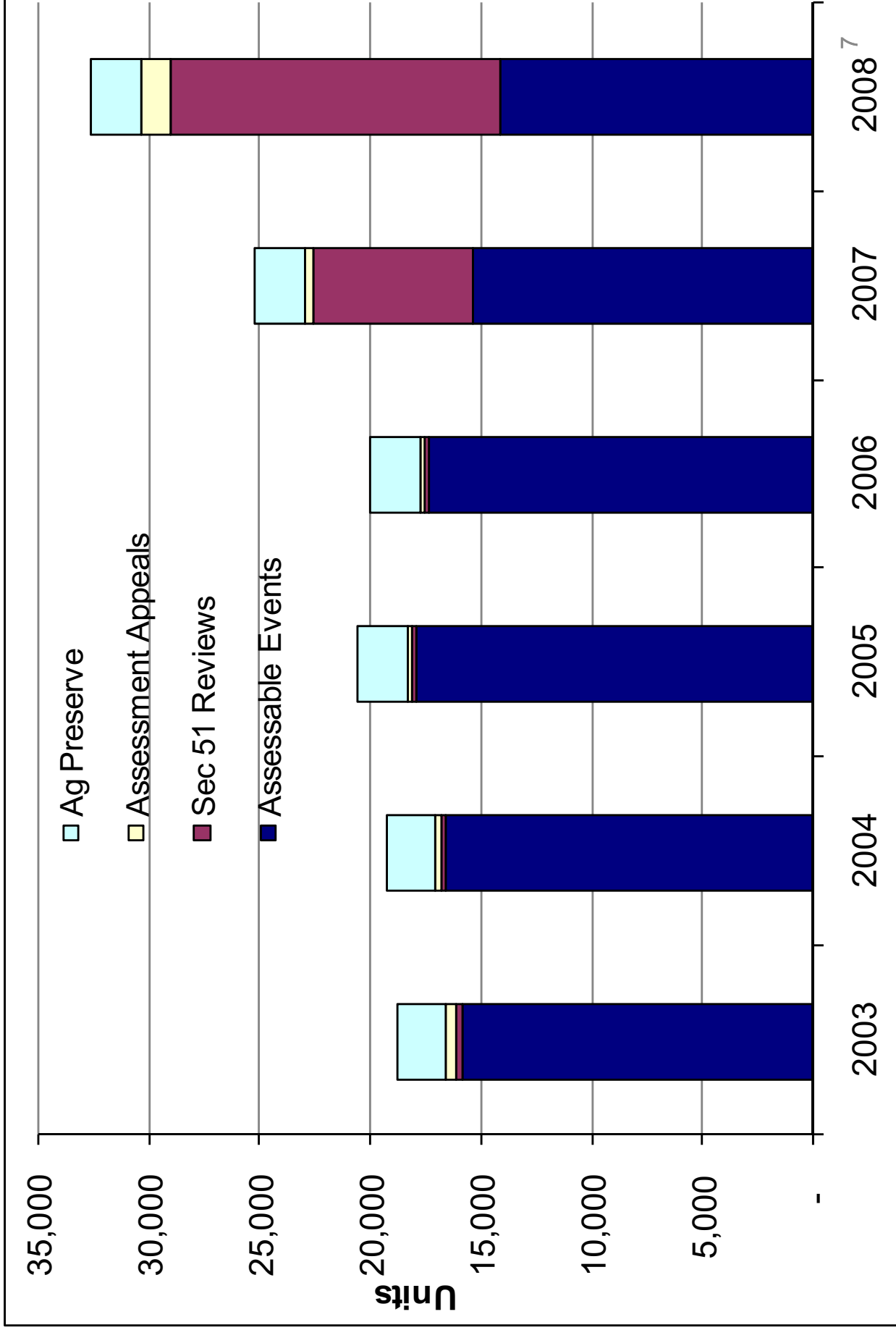
(Properties re-assessed to below factored base value)



# Assessor Workload Assessment Appeals



# Assessor Composite Workload

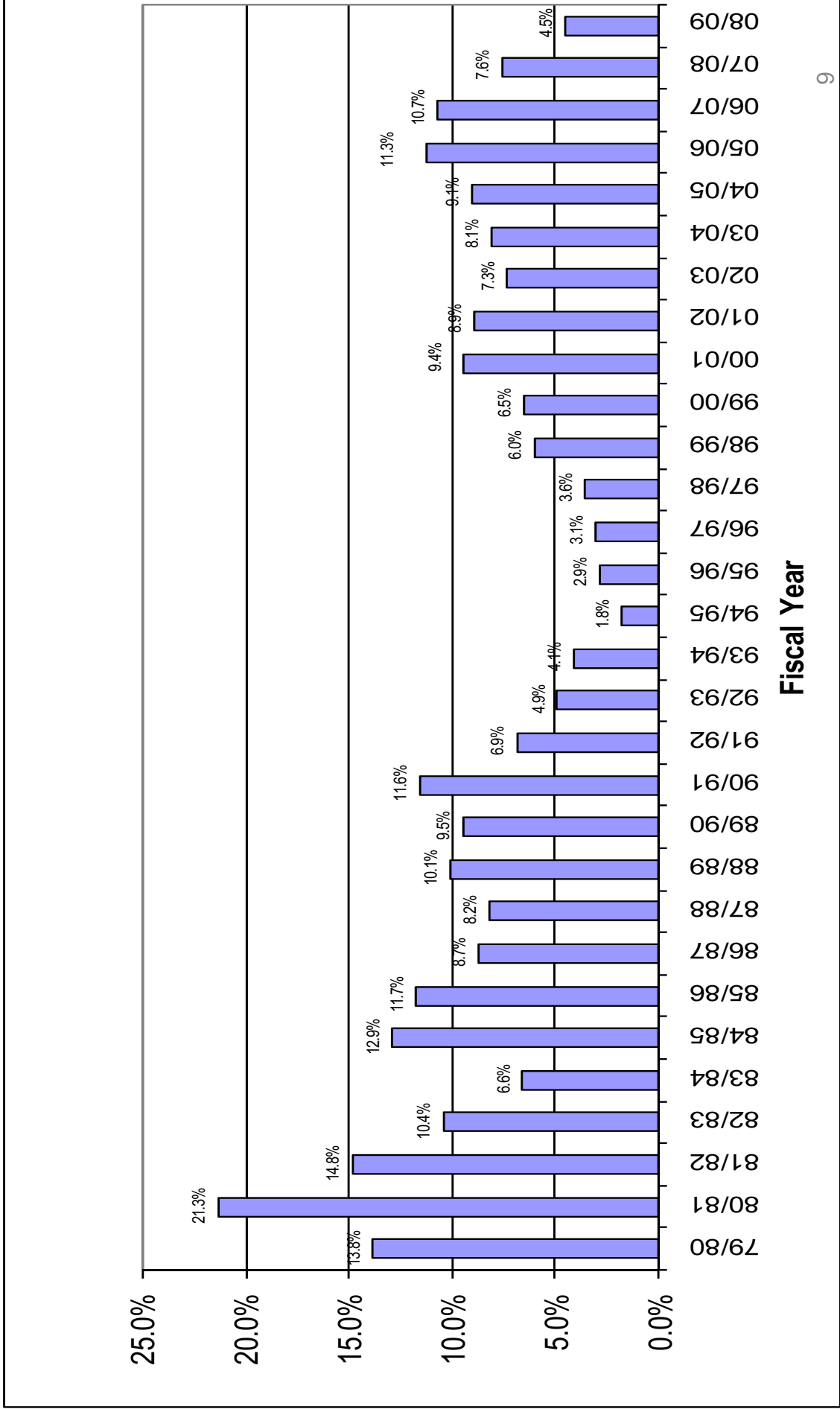


Trustee's Deed - TDEE  
By Location  
Calendar Year 2008 as of December 31, 2008

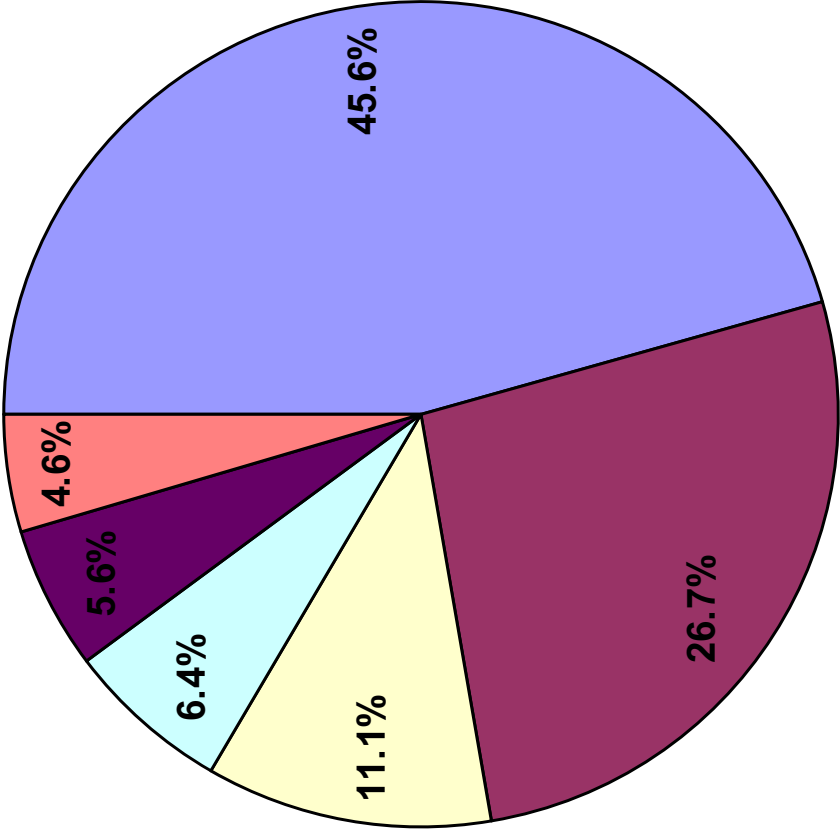
Area	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	% of Total	Number of Parcels in area
<b>Santa Maria Valley</b>															
City of Santa Maria	73	62	53	88	99	98	119	114	115	60	44	55	980	52%	23,709
Santa Maria - unincorporated	3	1	4	3	2	2	2	1	6	1	2	2	29	2%	2,261
Orcutt	12	15	13	11	12	15	32	18	13	10	5	10	166	9%	12,186
City of Guadalupe	3	6	3	4	5	6	3	10	9	4	2	1	56	3%	1,658
Solvang	--	--	--	--	--	--	1	--	--	--	--	--	1	0%	310
<b>Total</b>	<b>91</b>	<b>84</b>	<b>73</b>	<b>106</b>	<b>118</b>	<b>121</b>	<b>157</b>	<b>143</b>	<b>143</b>	<b>75</b>	<b>53</b>	<b>68</b>	<b>1,232</b>	<b>65%</b>	<b>40,124</b>
<b>Santa Ynez Valley</b>															
City of Buellton	--	1	1	--	2	2	4	4	2	--	2	--	18	1%	1,896
City of Solvang	1	1	--	2	1	1	--	3	4	--	--	3	16	1%	2,206
Los Alamos	1	2	1	2	1	--	1	2	--	3	1	1	15	1%	861
Los Olivos	--	1	--	--	--	--	1	--	--	--	--	--	2	0%	1,654
Santa Ynez Valley	1	3	--	1	2	1	--	1	1	1	--	5	16	1%	3,568
<b>Total</b>	<b>3</b>	<b>8</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>10</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>9</b>	<b>67</b>	<b>4%</b>	<b>10,185</b>
<b>Lompoc</b>															
City of Lompoc	25	20	12	17	29	26	36	28	31	16	15	16	271	14%	10,960
Lompoc - unincorporated	3	3	6	6	7	9	9	8	5	2	2	5	65	3%	5,217
<b>Total</b>	<b>28</b>	<b>23</b>	<b>18</b>	<b>23</b>	<b>36</b>	<b>35</b>	<b>45</b>	<b>36</b>	<b>36</b>	<b>18</b>	<b>17</b>	<b>21</b>	<b>336</b>	<b>18%</b>	<b>16,177</b>
<b>Santa Barbara</b>															
City of Santa Barbara	5	6	8	7	7	12	16	11	13	6	7	2	100	5%	24,718
Santa Barbara - unincorporated	1	1	4	--	1	--	2	2	2	--	1	1	15	1%	4,853
City of Goleta	5	8	3	2	6	5	6	6	3	8	4	3	59	3%	9,290
Goleta - unincorporated	--	3	--	1	3	--	4	1	5	5	3	3	28	1%	9,587
<b>Total</b>	<b>11</b>	<b>18</b>	<b>15</b>	<b>10</b>	<b>17</b>	<b>17</b>	<b>28</b>	<b>20</b>	<b>23</b>	<b>19</b>	<b>15</b>	<b>9</b>	<b>202</b>	<b>11%</b>	<b>48,448</b>
<b>Other</b>															
City of Carpinteria	3	1	--	2	3	2	2	4	6	2	--	--	25	1%	4,885
Carpinteria - unincorporated	--	--	--	--	1	--	1	1	--	--	1	--	4	0%	2,893
Montecito	--	2	--	--	--	2	1	3	2	--	--	1	11	1%	4,126
Cuyama	--	--	--	--	--	--	1	--	2	1	--	--	4	0%	1,433
<b>Total</b>	<b>3</b>	<b>3</b>	<b>--</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>8</b>	<b>10</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>44</b>	<b>2%</b>	<b>13,137</b>
<b>Total</b>	<b>136</b>	<b>136</b>	<b>108</b>	<b>146</b>	<b>181</b>	<b>181</b>	<b>241</b>	<b>217</b>	<b>219</b>	<b>119</b>	<b>89</b>	<b>108</b>	<b>1,881</b>	<b>100%</b>	<b>128,071</b>



# Percent Increase in Secured Roll Value 79/80 to 08/09



# Distribution of \$603 Million in 2008-09 Property Taxes



■ \$275 M - Schools

■ \$161 M - County General Fund

■ \$67 M - Cities

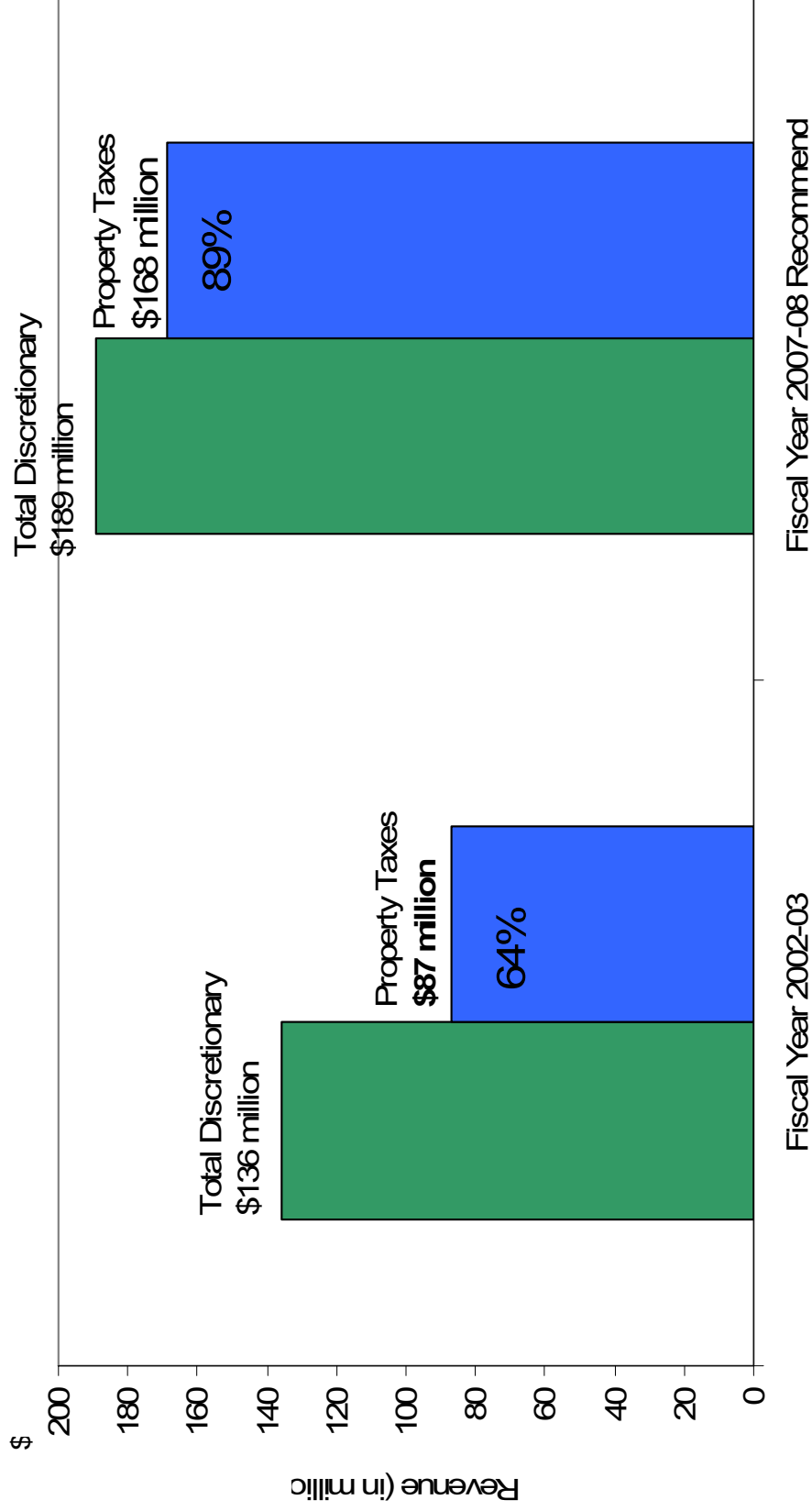
■ \$38 M - Dependent Districts

■ \$34 M - Redevelopment Agencies

■ \$28 M - Independent Districts

# Clerk-Recorder-Assessor

## General Fund Property Tax Revenues -vs- Discretionary Revenue (Budgeted)



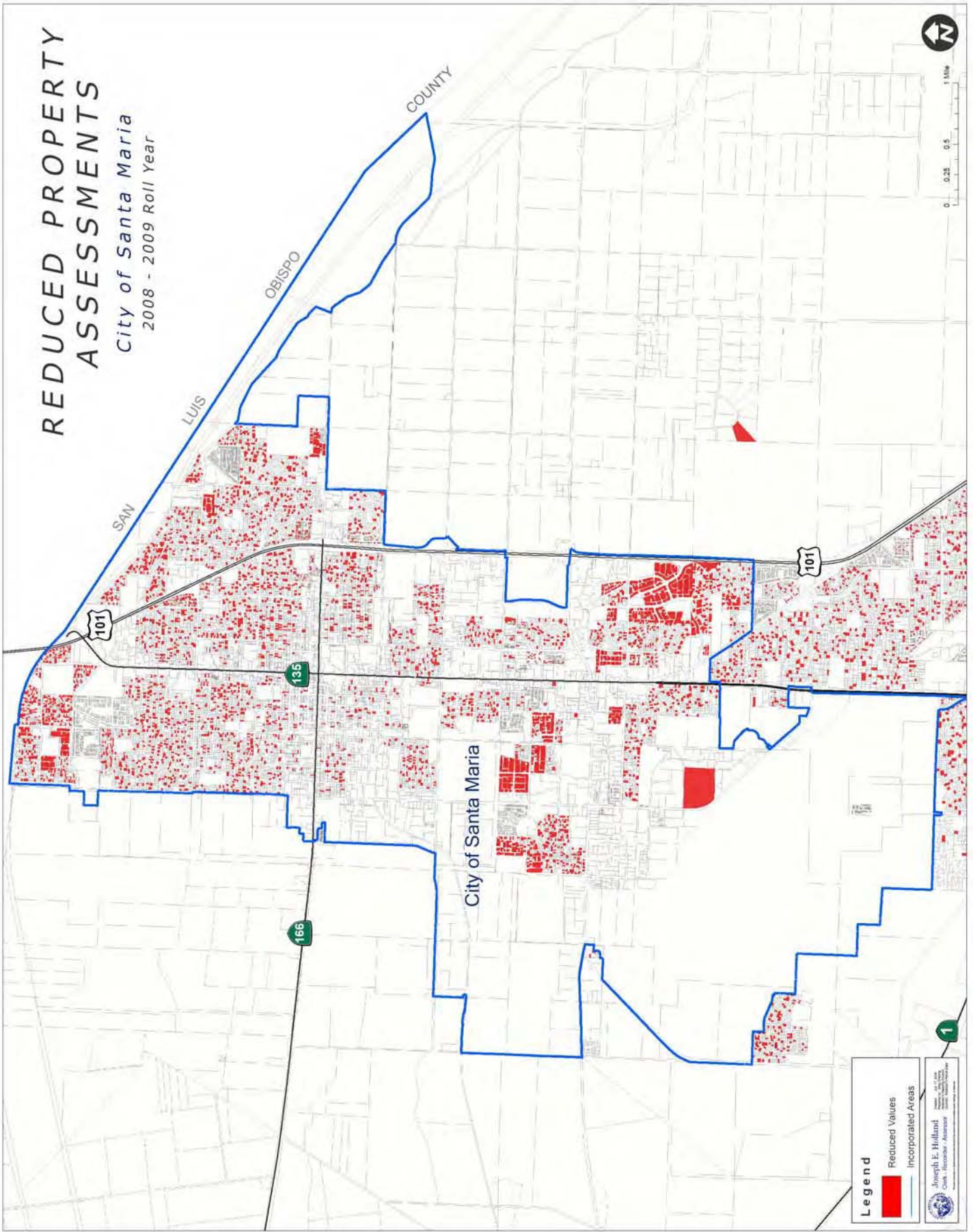
# FY 08-09 Assessment Impact of Reduced Values

## Prop 8 & Section 51

	Est of Parcels Impacted	Estimated Value	Reduction /Parcel
South Coast	3,551	\$308,700,000	\$87,000
Lompoc / SY	2,766	\$241,500,000	\$87,000
Santa Maria	7,639	\$637,000,000	\$83,000
<b>Totals</b>	<b>13,956</b>	<b>\$1,187,200,000</b>	<b>\$85,000</b>
	About 11% of 126K Parcels in County	About 2.2% growth rate reduction on base of \$55B	

# REDUCED PROPERTY ASSESSMENTS

City of Santa Maria  
2008 - 2009 Roll Year



**Legend**

- Reduced Values
- Incorporated Areas

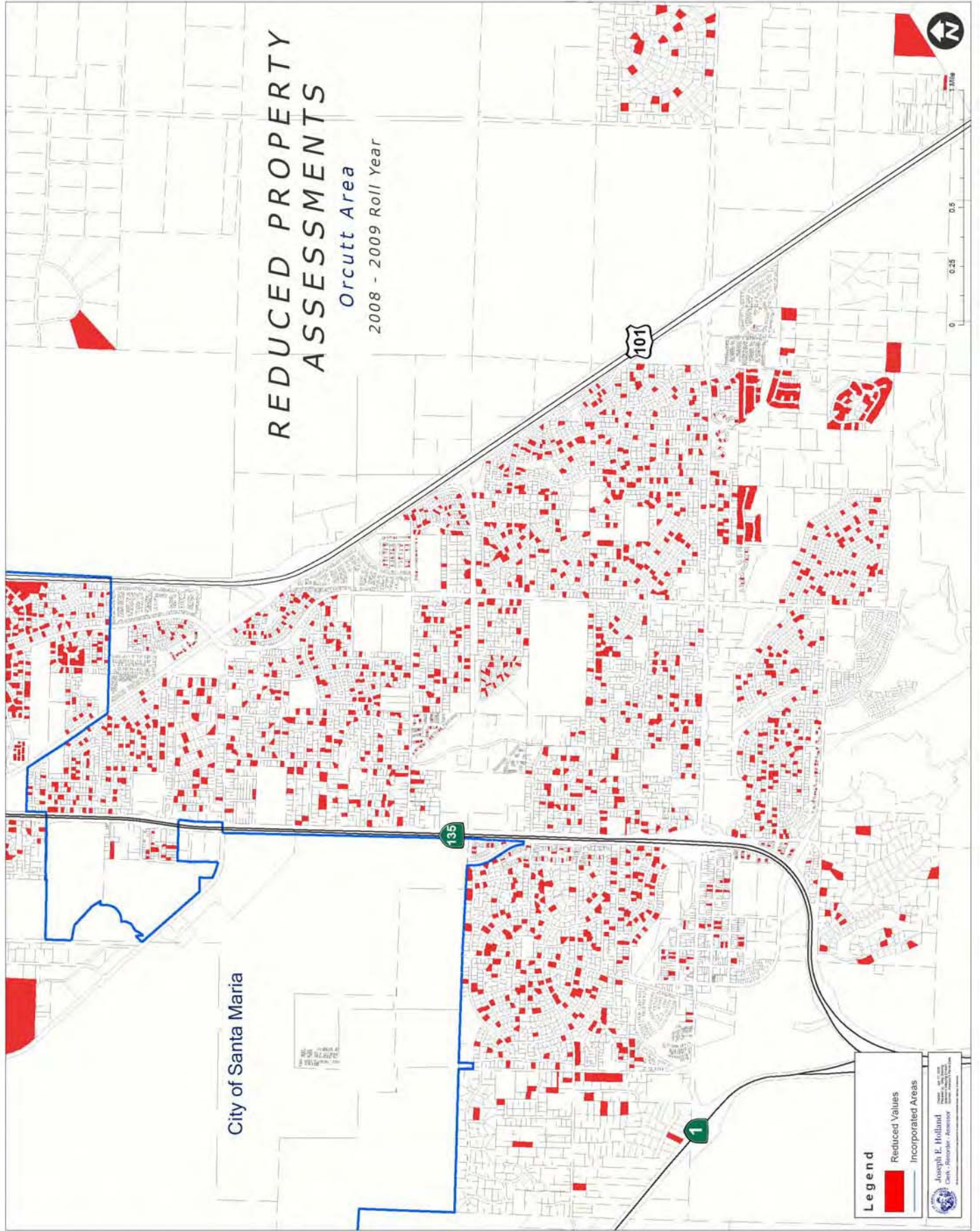
Joseph E. Holland  
City Clerk - Recorder - Assessor

1

# REDUCED PROPERTY ASSESSMENTS

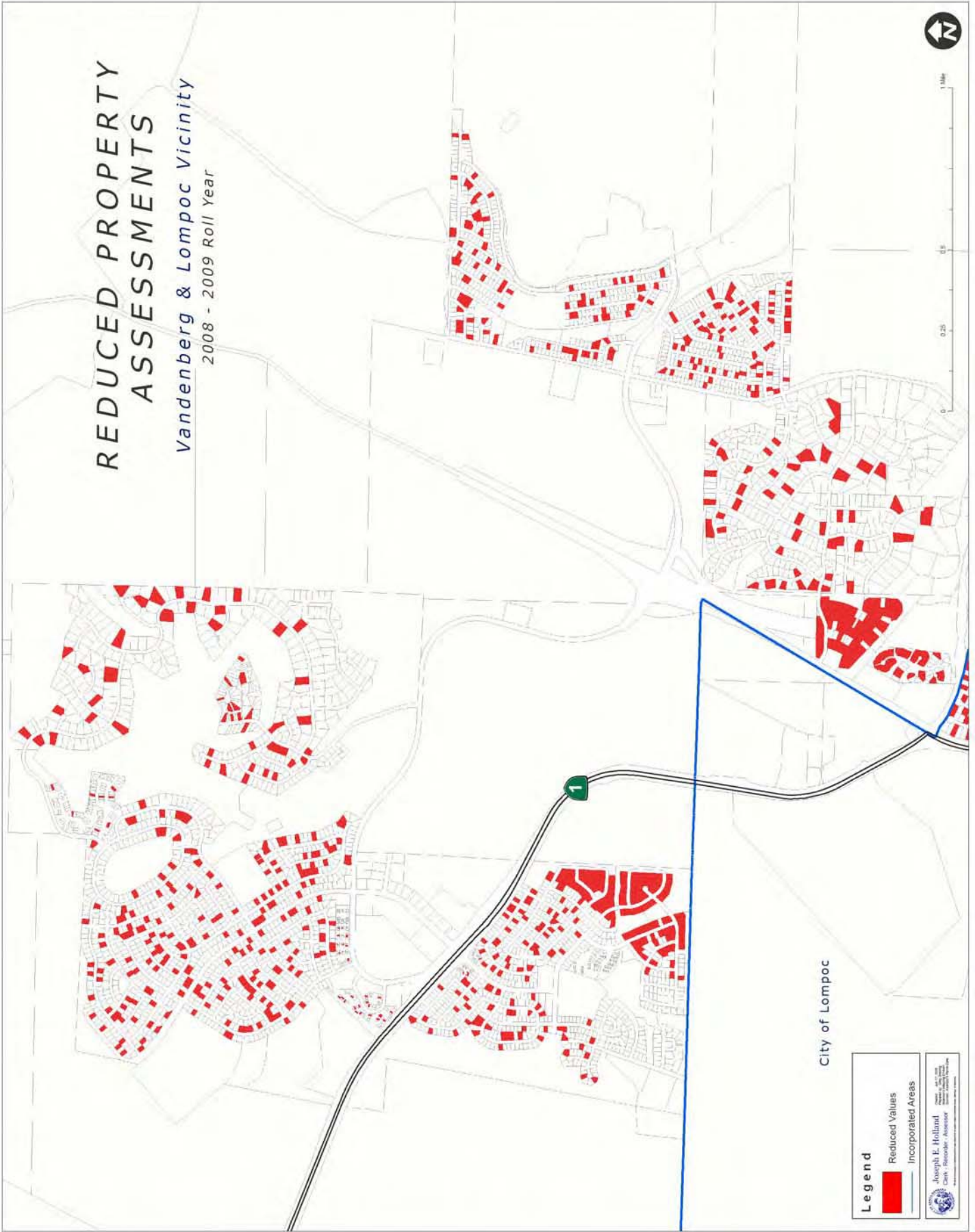
Orcutt Area  
2008 - 2009 Roll Year

City of Santa Maria



# REDUCED PROPERTY ASSESSMENTS

Vandenberg & Lompoc Vicinity  
2008 - 2009 Roll Year



**Legend**

- Reduced Values
- Incorporated Areas

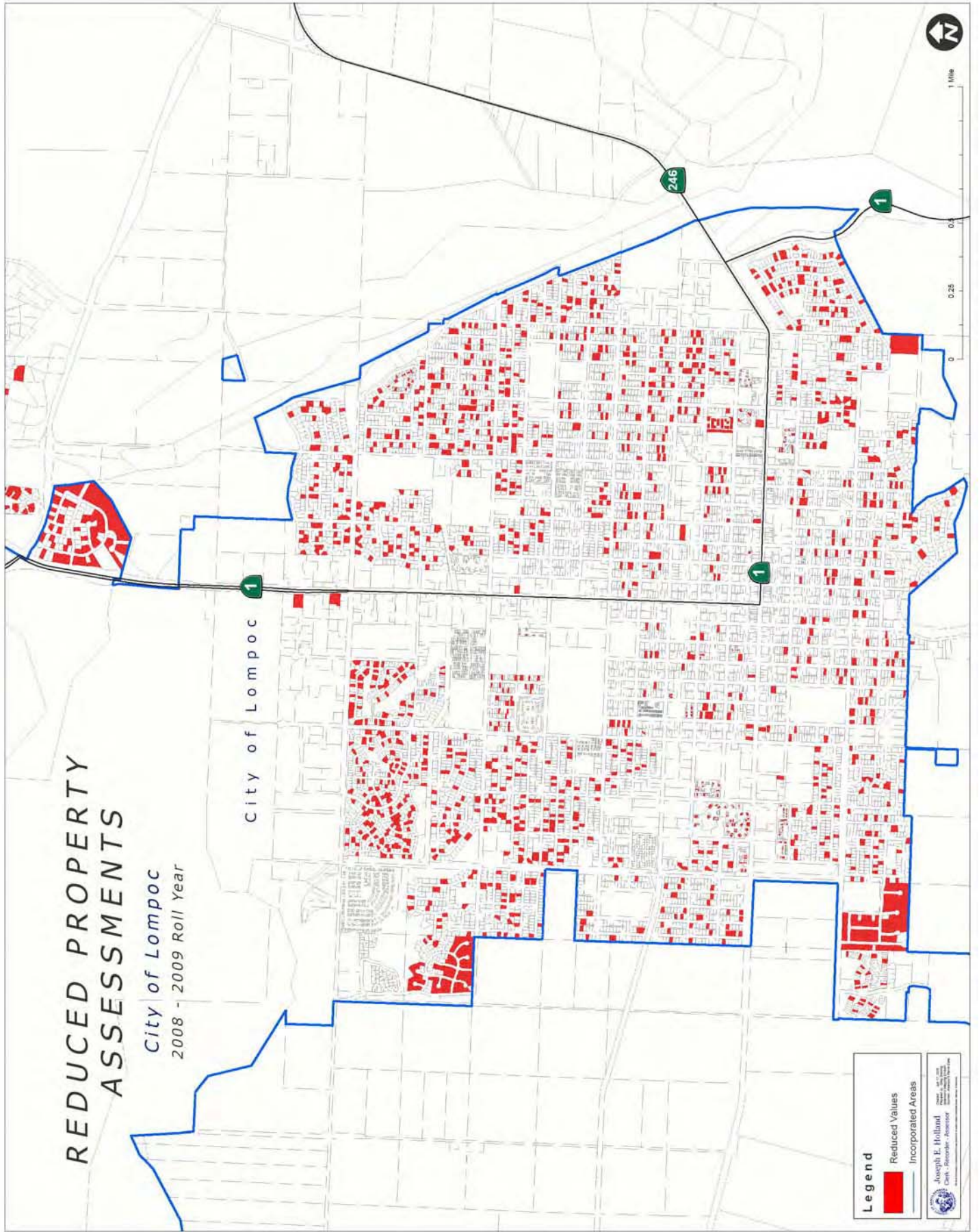
Joseph E. Holland  
City Recorder - Assessor

City of Lompoc

# REDUCED PROPERTY ASSESSMENTS

City of Lompoc  
2008 - 2009 Roll Year

City of Lompoc



**Legend**

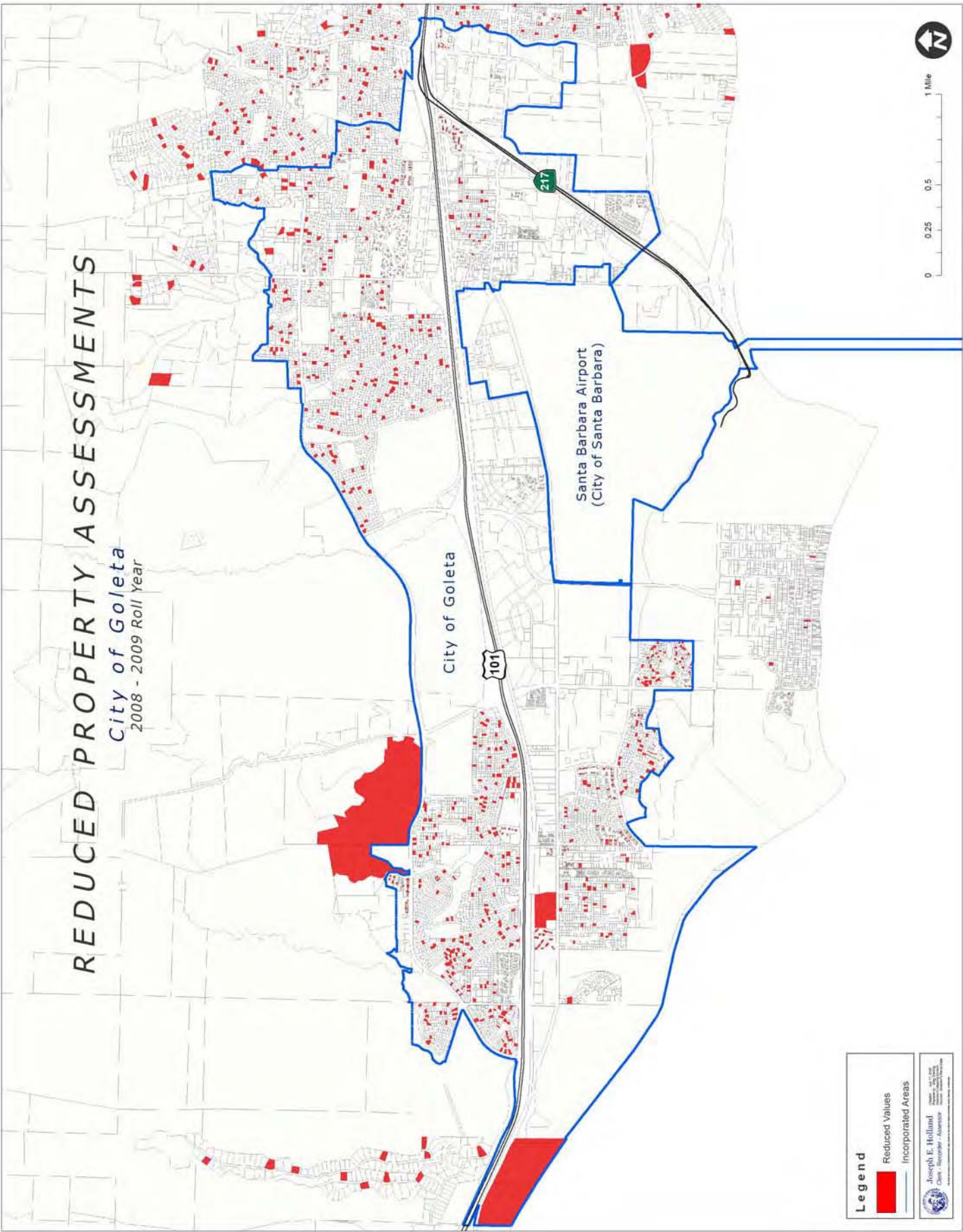
- Reduced Values
- Incorporated Areas

Joseph E. Holland  
City - Treasurer - Assessor



# REDUCED PROPERTY ASSESSMENTS

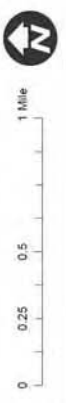
City of Goleta  
2008 - 2009 Roll Year

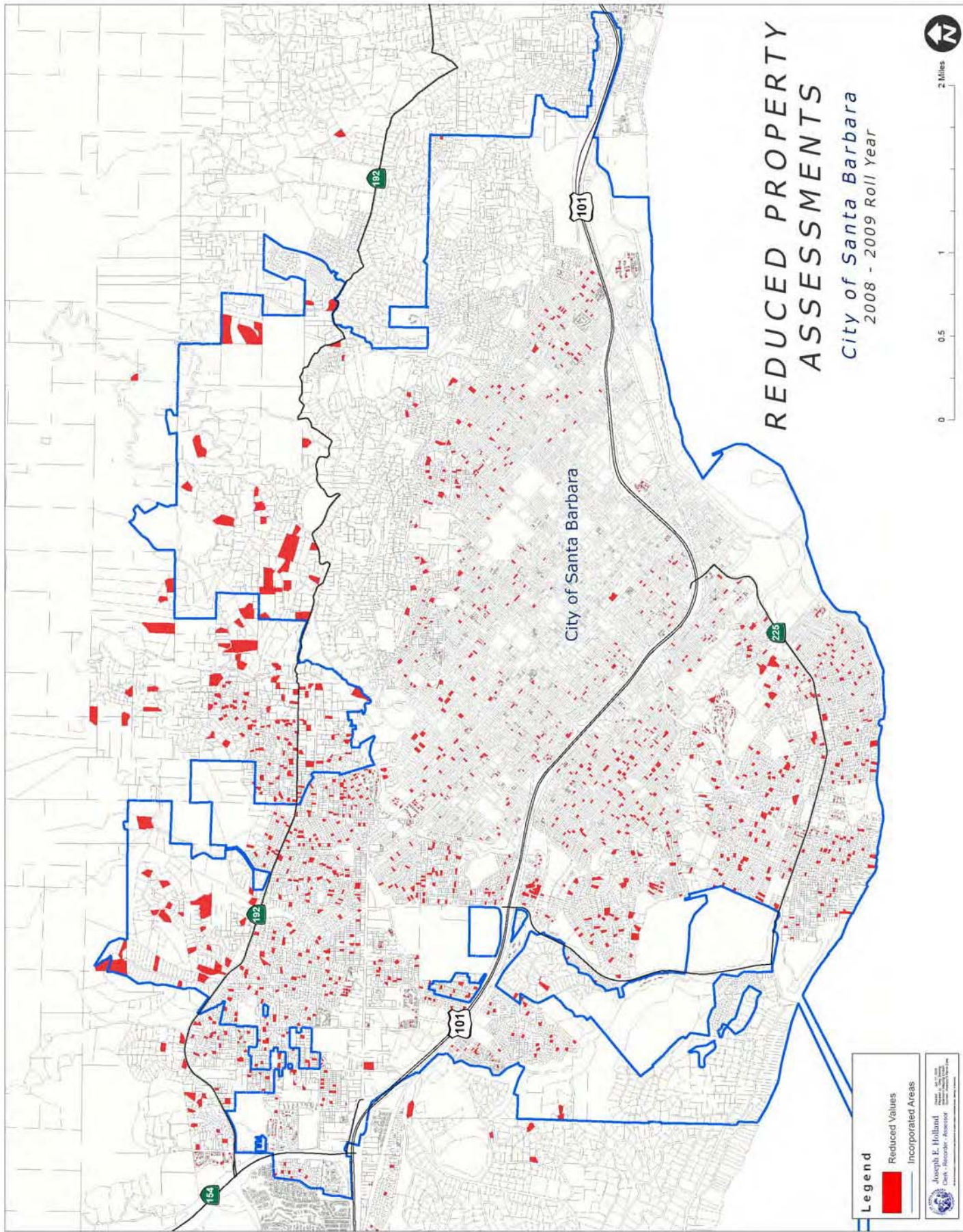


**Legend**

- Reduced Values
- Incorporated Areas

Joseph E. Holland  
Chair - Registrar - Assessor





# REDUCED PROPERTY ASSESSMENTS

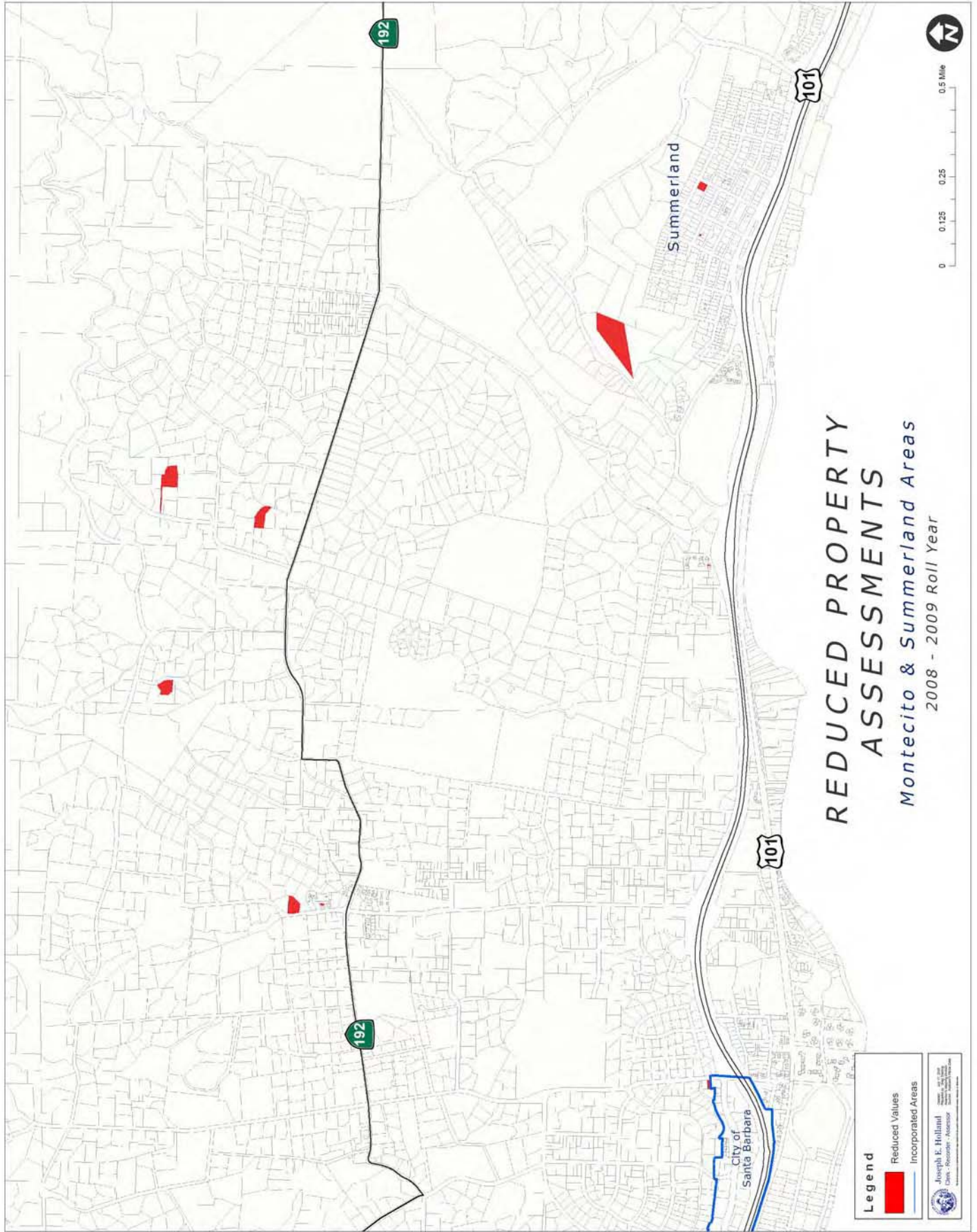
City of Santa Barbara  
2008 - 2009 Roll Year

**Legend**

- Reduced Values
- Incorporated Areas

Joseph E. Holland  
City Administrator





# REDUCED PROPERTY ASSESSMENTS

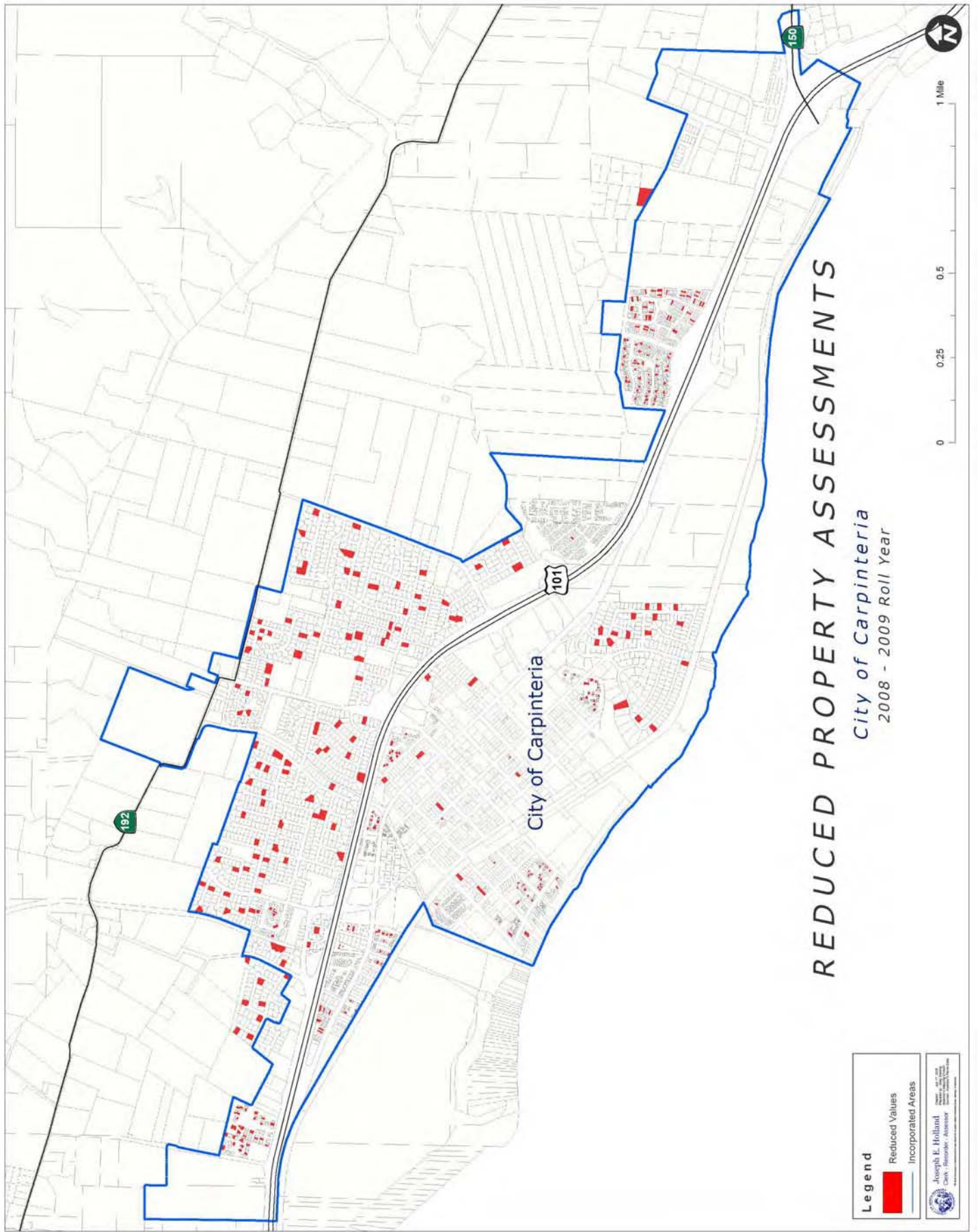
## Montecito & Summerland Areas

2008 - 2009 Roll Year

**Legend**

- Reduced Values
- Incorporated Areas

Joseph E. Holland  
 City - Planner / Auditor  
 www.santabarbara.gov

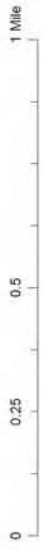


# REDUCED PROPERTY ASSESSMENTS

City of Carpinteria  
2008 - 2009 Roll Year

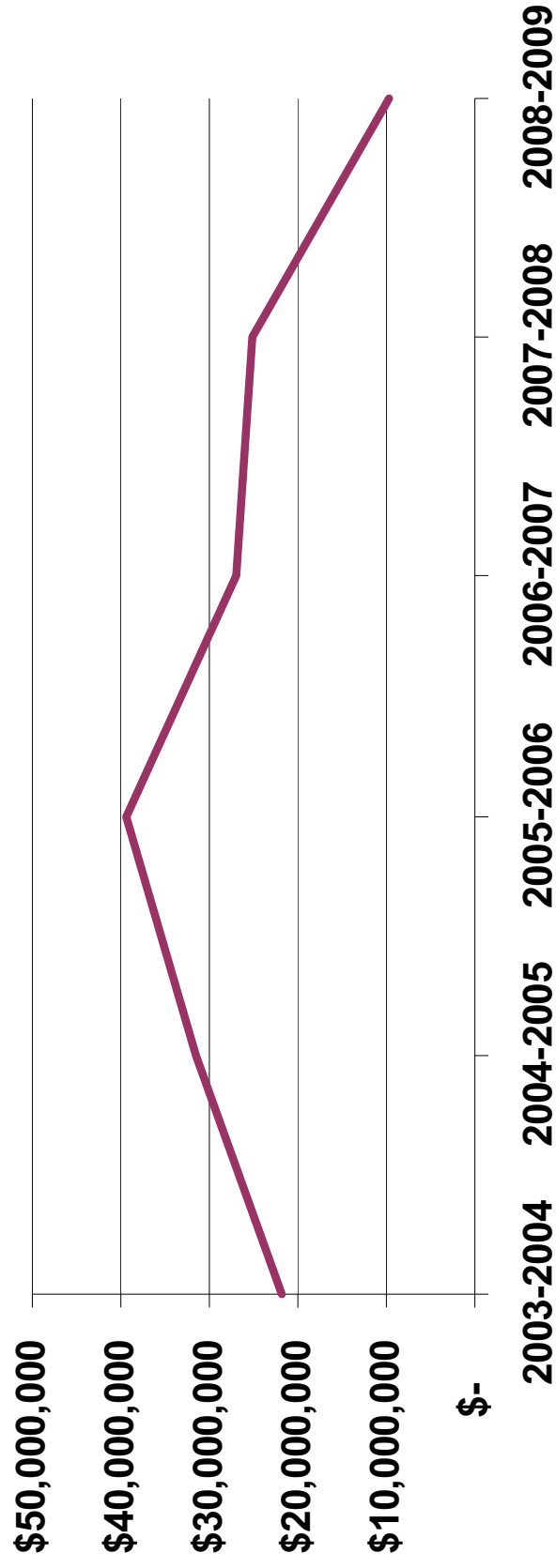
<b>Legend</b>	 Reduced Values
	 Incorporated Areas

Joseph E. Holland  
City Assessor

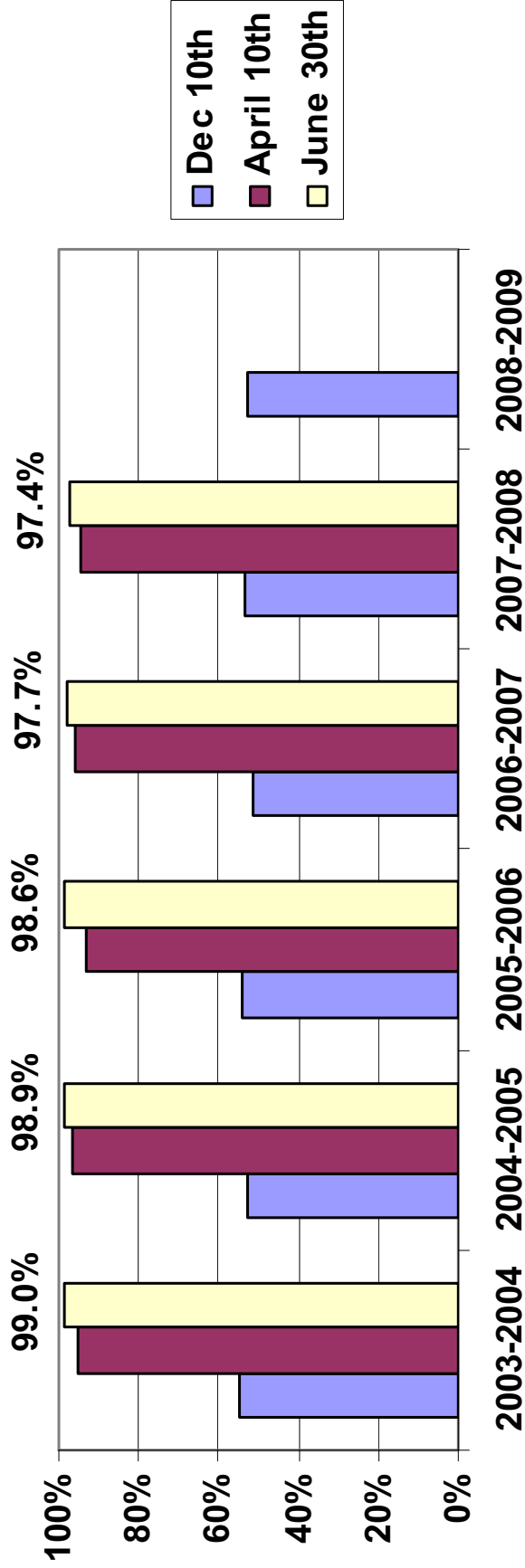


## Supplemental Collections

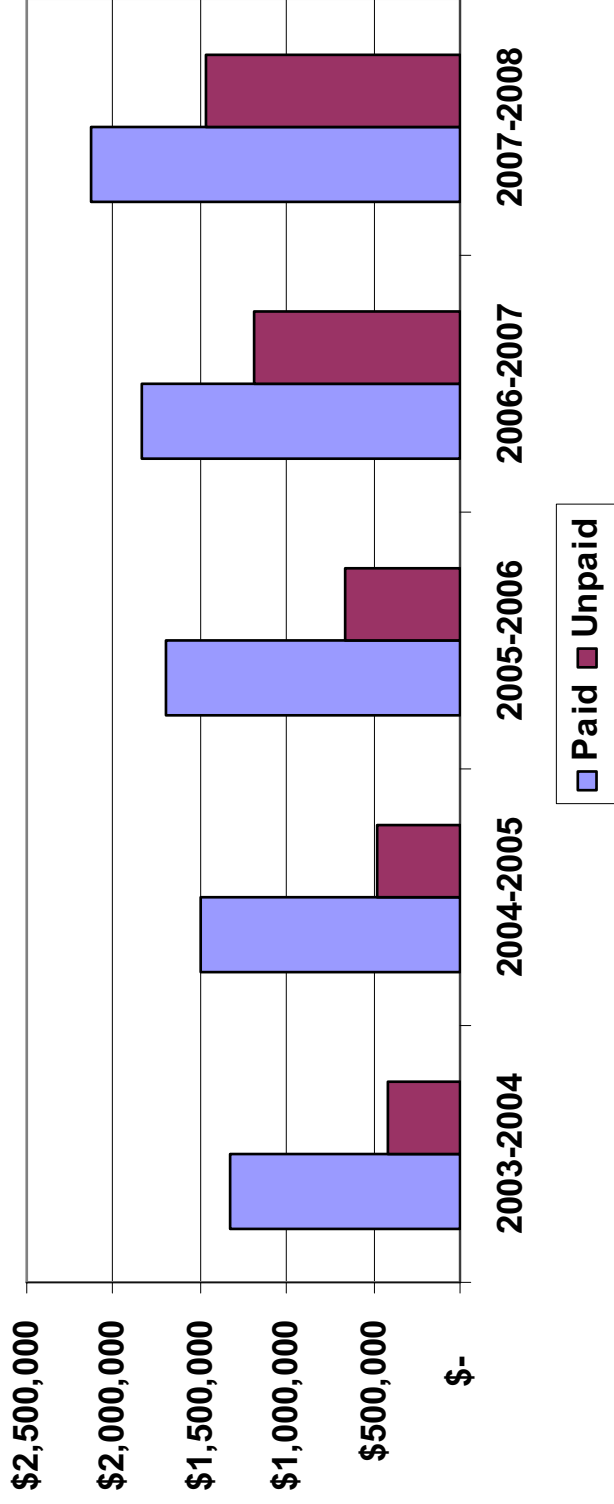
2008-2009 is only through 12/31/2008



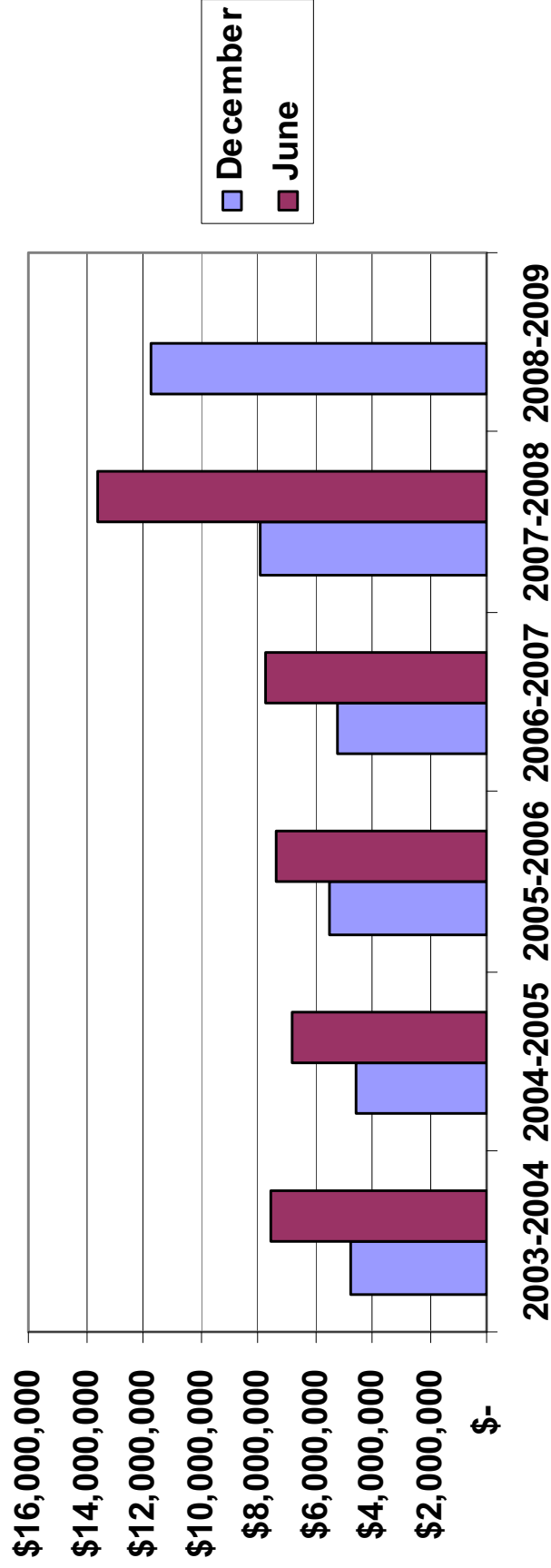
## Secured Taxes - Paid at 12/10, 4/10 & 6/30 Year to Date



## Secured Penalties - Paid and Unpaid



## Redemption Collections Year to Date





# **SALES TAX & REALIGNMENT**

## Objective: Project Change in Sales Taxes For FY 08-09 and FY 09-10

		07-08	08-09	08-09	09-10
		Actual	YTD* Actual	Estimated	Budget
Prop 172	%	-0.36%	-7.96%	-8.00%	-5.00%
	\$	30,766,986	11,521,655	28,305,627	26,890,346
Realignment	%	-0.78%	-6.60%	-8.00%	-5.00%
	\$	20,291,583	7,953,032	18,668,256	17,734,844
Measure D	%	-0.04%	-4.72%	-8.00%	-5.00%
	\$	7,417,504	3,089,274	6,824,104	6,482,898
LTF	%	-1.00%	-27.11%	-8.00%	-5.00%
	\$	1,343,205	585,668	1,235,749	1,173,961
Bradley Burns	%	0.02%	-9.77%	-8.00%	-5.00%
	\$	7,846,873	3,406,134	7,219,123	6,858,167
<b>Total</b>	<b>\$</b>	<b>67,666,151</b>	<b>26,555,763</b>	<b>62,252,859</b>	<b>59,140,216</b>

## Second Largest Discretionary Revenue Source

<i>County Sales Tax Revenue FY 2007-08</i>		<i>County Property Tax Revenue FY 2007-08</i>	
	Revenue (in millions)		Revenue (in millions)
Public Safety - Prop 172	\$ 30.0	General Fund	\$ 162.6
Health & Welfare Realignment	21.1	Special Revenue Funds	42.0
General Operations	7.9		
County Roads - Measure D	7.3	<b>Total</b>	<b>\$ 204.6</b>
Transportation - LTF	1.3		
<b>Total</b>	<b>\$ 67.6</b>		

## Objective: Project Change in Sales Taxes For FY 08-09 and FY 09-10

		07-08	08-09	08-09	09-10
		Actual	YTD* Actual	Estimated	Budget
Prop 172	%	-0.36%	-7.96%		
	\$	30,766,986	11,521,655		
Realignment	%	-0.78%	-6.60%		
	\$	20,291,583	7,953,032		
Measure D	%	-0.04%	-4.72%		
	\$	7,417,504	3,089,274		
LTF	%	-1.00%	-27.11%		
	\$	1,343,205	585,668		
Bradley Burns	%	0.02%	-9.77%		
	\$	7,846,873	3,406,134		

## Prop 172: Public Safety

Fiscal Year	Revenues	
	(in millions)	Growth
2008-09 (est)	\$ 30.09	-2.21%
2007-08	30.77	-0.36%
2006-07	30.88	-1.91%
2005-06	31.48	5.18%
2004-05	29.93	6.70%
2003-04	28.05	8.47%
2002-03	25.86	6.46%
2001-02	24.29	-5.49%
2000-01	25.70	7.80%
1999-00	23.84	13.20%
1998-99	21.06	6.20%
1997-98	19.83	5.87%
<b>Total</b>	<b>\$ 322.15</b>	

## Prop 172: Public Safety

County Prop 172 Allocation				
	2009/2008	2008/2007	\$ Change	% Change
January	1,951,715	2,460,458	(508,743)	-20.68%
December	2,073,024	2,381,085	(308,061)	-12.94%
November	2,763,247	2,835,486	(72,239)	-2.55%
October	2,329,460	2,445,186	(115,726)	-4.73%
September	2,404,210	2,395,782	8,428	0.35%
August	2,475,437	2,524,098	(48,660)	-1.93%
July	2,907,876	2,980,693	(72,817)	-2.44%
June	2,361,567	2,444,833	(83,265)	-3.41%
May	2,908,351	2,773,753	134,599	4.85%
April	2,131,399	2,045,148	86,251	4.22%
March	2,132,393	2,288,394	(156,002)	-6.82%
February	3,331,966	3,357,896	(25,930)	-0.77%
	29,770,645	30,932,810	(1,162,166)	-3.76%
Sept-Jan	11,521,655	12,517,997	-7.96%	

## Statewide Sales Tax Collections (in billions)

SCO - Schedule of Cash Receipts - Retail Sales and Use Tax				
	2008	2007	\$ Change	% Change
December	\$2,093,458	\$2,060,178	\$33,280	1.6154%
November	\$3,012,670	\$3,641,108	(\$628,438)	-17.2595%
October	876,098	983,596	(107,498)	-10.9291%
September	2,110,098	2,038,416	71,682	3.5166%
August	3,248,340	3,572,937	(324,597)	-9.0849%
July	888,314	894,975	(6,661)	-0.7443%
June	2,781,384	2,670,439	110,945	4.1546%
May	3,409,977	4,082,372	(672,395)	-16.4707%
April	888,314	564,250	324,064	57.4327%
March	2,026,348	2,192,936	(166,588)	-7.5966%
February	3,548,121	3,606,621	(58,500)	-1.6220%
January	991,439	1,097,669	(106,230)	-9.6778%
	\$25,874,561	\$27,405,497	(\$1,530,936)	-5.5862%
July - Dec State	12,228,978	13,191,210	-7.29%	
Oct - Dec State	5,982,226	6,684,882	-10.51%	

## Realignment

County Programs	2005-2006			2006-2007			2007-2008		
	Amount	% Change FY 05-06	Amount	% Change FY 06-07	Amount	% Change FY 07-08			
	Mental Health	\$8,286,207	0.0%	\$8,345,396	0.7%	\$8,194,997	-1.80%		
Social Services	8,439,342	15.6%	9,633,866	14.2%	9,677,181	0.45%			
Health Services	3,210,861	0.0%	3,276,275	2.0%	3,217,230	-1.80%			
<b>Total</b>	<b>\$19,936,410</b>	<b>6.0%</b>	<b>\$21,255,537</b>	<b>6.6%</b>	<b>\$21,089,408</b>	<b>-0.78%</b>			

## Realignment

Cash Receipts	1601 - Social Services			1602 - Mental Health*			1603 - Public Health		
	07-08	%	08-09	07-08	%	08-09	07-08	%	08-09
	Actual	Change	Actual	Actual	Change	Actual	Actual	Change	Actual
Sep	764,306	0.4%	767,023	662,045	-1.9%	649,544	259,913	-1.9%	255,001
Oct	772,148	-5.1%	733,033	668,838	-7.2%	620,760	262,580	-7.2%	243,701
Nov	808,582	-3.7%	778,507	763,246	-3.2%	738,732	299,643	-3.2%	290,015
Dec	746,978	-6.3%	699,989	632,522	-7.5%	585,258	248,322	-7.5%	229,764
Jan	744,037	-15.4%	629,157	630,032	-16.5%	526,036	247,345	-16.5%	206,514
Feb	1,045,282			885,118			347,489		
Mar	668,960			566,458			222,386		
Apr	673,955			570,688			224,047		
May	912,388			772,587			303,311		
Jun	740,854			627,336			246,286		
Jul	1,032,899			766,516			300,921		
Aug	766,793			649,610			254,987		
<b>Total</b>	<b>9,677,181</b>		<b>3,607,708</b>	<b>8,194,997</b>		<b>3,120,330</b>	<b>3,217,230</b>		<b>1,224,994</b>
Sept - Jan % Change		-6.0%			-7.0%			-7.0%	

\* - Net of offsets would be -3.3%

# Realignment

Cash Receipts	Total Realignment Sales Tax		
	07-08	%	08-09
	Actual	Change	Actual
Month Received			
Sep	1,686,263	-0.9%	1,671,568
Oct	1,703,566	-6.2%	1,597,493
Nov	1,871,471	-3.4%	1,807,254
Dec	1,627,822	-6.9%	1,515,011
Jan	1,621,413	-16.0%	1,361,708
Feb	2,277,889		-
Mar	1,457,804		-
Apr	1,468,691		-
May	1,988,286		-
Jun	1,614,477		-
Jul	2,100,336		-
Aug	1,671,390		-
<b>Total</b>	<b>21,089,408</b>		<b>7,953,032</b>
Sept - Jan % Change		-6.6%	

# Realignment - VLF

Cash Receipts	VLF								
	SOCIAL SERVICES (1601)			MENTAL HEALTH (1602)			PUBLIC HEALTH (1603)		
	07-08	%	08-09	07-08	%	08-09	07-08	%	08-09
Month Received	Actual	Change	A&E	Actual	Change	A&E	Actual	Change	A&E
Aug	86,511	-20.9%	68,466	346,602	-20.9%	275,476	1,134,672	-22.6%	877,933
Sep	64,375	2.0%	65,638	268,556	4.9%	281,652	844,340	-0.3%	841,671
Oct	62,140	-10.8%	55,405	248,960	-3.5%	240,319	815,023	-12.8%	710,449
Nov	59,467	-3.0%	57,659	256,016	-3.3%	247,643	779,962	-5.2%	739,358
Dec	60,214	-0.3%	60,014	258,516	-3.4%	249,621	789,771	-2.6%	769,554
Jan	66,060	-11.3%	58,569	277,743	-15.2%	235,655	866,439	-13.3%	751,026
Feb	61,500			246,400			806,639		
Mar	60,901			243,999			798,781		
Apr	63,145			254,059			809,720		
May	61,249			246,428			785,397		
Jun	60,221			242,294			772,222		
Jul	62,626			260,887			650,214		
Aug									
<b>Total</b>	<b>768,408</b>		<b>365,752</b>	<b>3,150,460</b>		<b>1,530,366</b>	<b>9,853,181</b>		<b>4,689,992</b>
Aug-Jan % Change		-8.3%			-7.6%			-10.3%	

## Realignment - VLF

Cash Receipts	VLF Total		
	Realignment VLF Total		
	07-08	%	08-09
Month Received	Actual	Change	A&E
Aug	1,567,785	-22.1%	1,221,875
Sep	1,177,271	1.0%	1,188,961
Oct	1,126,123	-10.7%	1,006,173
Nov	1,095,445	-4.6%	1,044,661
Dec	1,108,501	-2.6%	1,079,190
Jan	1,210,242	-13.6%	1,045,251
Feb	1,114,539		
Mar	1,103,681		
Apr	1,126,925		
May	1,093,074		
Jun	1,074,737		
Jul	973,726		
Aug			
Total	13,772,049		6,586,110
Aug-Jan % Change		-9.6%	

## Local Sales Tax

Jurisdiction	2005-2006		2006-2007		2007-2008	
	Amount	% Change FY 05-06	Amount	% Change FY 06-07	Amount	% Change FY 07-08
City of Santa Barbara	\$14,784,536	5.2%	\$15,357,311	3.9%	\$15,050,727	-2.0%
City of Santa Maria	13,234,714	4.3%	13,367,102	1.0%	13,135,691	-1.7%
Goleta: City Share	3,122,997	4.1%	3,056,455	-2.1%	2,871,999	-6.0%
Goleta: County Share	3,122,997	4.1%	3,056,455	-2.1%	2,871,999	-6.0%
County: Unincorporated	4,392,095	1.7%	6,144,579	39.9%	5,048,099	-17.8%
City of Lompoc	2,978,033	5.5%	2,976,767	0.0%	2,984,473	0.3%
City of Buellton	1,201,261	1.6%	1,272,278	5.9%	1,342,500	5.5%
City of Carpinteria	996,619	2.3%	1,138,968	14.3%	1,309,478	15.0%
City of Solvang	785,141	6.1%	835,694	6.4%	862,777	3.2%
City of Guadalupe	289,785	19.6%	254,059	-12.3%	220,122	-13.4%
<b>Countywide Total</b>	<b>\$44,908,178</b>	<b>4.4%</b>	<b>\$47,459,668</b>	<b>5.7%</b>	<b>\$45,697,865</b>	<b>-3.7%</b>

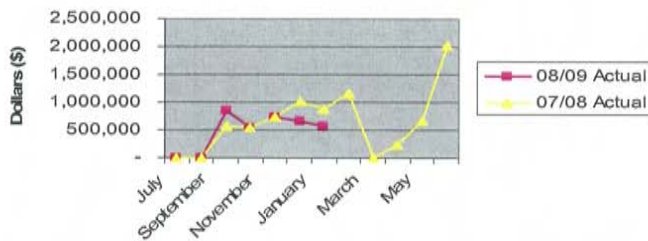
# Local Sales Tax

Total County share of Bradley Burns sales tax, adjusted for an one time art sale anomaly.

Jurisdiction	2005-2006		2006-2007		2007-2008	
	Amount	% Change FY 05-06	Amount	% Change FY 06-07	Amount	% Change FY 07-08
Goleta: County Share	3,122,997	4.1%	3,056,455	-2.1%	2,871,999	-6.0%
County: Unincorporated	4,392,095	1.7%	6,144,579	39.9%	5,048,099	-17.8%
<b>County only total</b>	<b>7,515,092</b>		<b>9,201,034</b>	<b>22.4%</b>	<b>7,920,098</b>	<b>-13.9%</b>
One time art sale adjustment			-1,282,720			
<b>County only total</b>	<b>7,515,092</b>	<b>2.68%</b>	<b>7,918,314</b>	<b>5.37%</b>	<b>7,920,098</b>	<b>0.02%</b>

# Local Sales Tax

Line Item Account 3091 - Retail from State

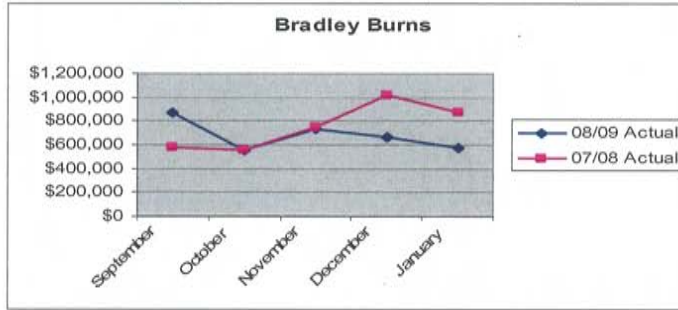


Month	July	August	September	October	November	December	January	February	March	April	May	June	Total
08/09 Actual	-	-	630,000	570,000	760,000	620,000	680,000	760,000	740,000	530,000	700,000	2,210,000	8,300,000
07/08 Actual	-	-	868,603	552,000	736,000	672,131	577,400	-	-	-	-	-	3,406,134
	-	(100)	579,996	558,100	744,200	1,023,283	869,200	1,158,800	-	229,181	671,900	2,012,314	7,846,873
	-	200	336,813	535,700	714,300	915,178	538,800	718,300	1,701,601	474,900	633,200	2,318,322	8,887,314



# Local Sales Tax

Graph of PY and CY YTD (first 5 months)



	08/09 Actual	07/08 Actual	\$ Change	% Change
September	\$868,603	\$579,996	\$288,606	49.76%
October	552,000	558,100	(6,100)	-1.09%
November	736,000	744,200	(8,200)	-1.10%
December	672,131	1,023,283	(351,152)	-34.32%
January	577,400	869,200	(291,800)	-33.57%
	<u>\$3,406,134</u>	<u>\$3,774,779</u>	<u>(\$368,645)</u>	<u>-9.77%</u>

# Measure D

## Cash Receipts COUNTY PORTION ONLY

Received	06-07 Actual	% Incr	07-08 Actual	% Incr	08-09 Actual
Sep	645,335	18.45%	764,369	-14.87%	650,672
Oct	475,278	11.83%	531,503	0.26%	532,880
Nov	746,477	-4.63%	711,910	0.26%	713,776
Dec	660,021	2.08%	673,758	-0.44%	670,760
Jan	482,755	16.15%	560,744	-7.05%	521,186
Feb	644,720	16.48%	750,994		
Mar	704,491	-34.35%	462,505		
Apr	430,592	7.75%	463,965		
May	577,270	7.75%	622,023		
Jun	688,857	-8.48%	630,475		
Jul	496,171	7.28%	532,316		
Aug	664,968	7.21%	712,941		
Total	<u>7,216,937</u>	2.78%	<u>7,417,504</u>		<u>3,089,274</u>
Total Sept to Jan	<u>3,009,867</u>	7.72%	<u>3,242,284</u>	-4.72%	<u>3,089,274</u>

## Local Transportation Funds

Entities	2005-2006		2006-2007		2007-2008	
	Amount	% Change FY 05-06	Amount	% Change FY 06-07	Amount	% Change FY 07-08
County	\$1,592,123	13.8%	\$1,364,595	-14.3%	\$1,345,005	-1.4%
Cities	5,773,279	6.2%	6,321,775	9.5%	6,260,404	-1.0%
SBCAG	289,983	6.3%	303,263	4.6%	300,246	-1.0%
Easy Lift	352,024	5.8%	362,845	3.1%	359,232	-1.0%
SBMTD	6,688,446	5.8%	6,894,066	3.1%	6,825,406	-1.0%
SMOOTH	213,764	7.4%	226,082	5.8%	228,391	1.0%
<b>Total</b>	<b>\$14,909,619</b>	<b>6.8%</b>	<b>\$15,472,626</b>	<b>3.8%</b>	<b>\$15,318,684</b>	<b>-1.0%</b>

## Local Transportation Funds

County portion, including the past three years and budget.

Funds 0015 and 1935													
Line Item Account 3092 -- Sales Tax-Local Transportation													
	July	August	September	October	November	December	January	February	March	April	May	June	Total
08/09 Budget	96,550	96,550	96,550	96,550	96,550	96,550	96,550	96,550	96,550	96,550	96,550	96,550	1,158,600
08/09 Actual	73,045	97,448	90,313	73,188	97,704	81,292	72,679	-	-	-	-	-	585,668
07/08 Actual	89,654	119,766	142,957	98,275	131,205	118,317	103,361	138,173	88,015	84,594	113,005	115,883	1,343,205
06/07 Actual	83,958	204,787	107,231	87,492	130,477	118,703	87,376	116,297	127,441	77,899	104,044	133,311	1,379,016

In the first seven months of FY 08/09, LTF revenue is down 27.1% over the same period during the prior year.

## Countywide Business Groups Comparison

Countywide Business Groups Comparison				Countywide Business Groups Comparison			
Business Group	2005-06	2006-07	Growth	Business Group	2006-07	2007-08	Growth
General Consumer Goods	\$ 11,109,402	\$ 11,592,387	4.4%	General Consumer Goods	\$11,592,387	\$11,197,874	-3.4%
Business and Industry	8,390,271	9,547,103	13.7%	Business and Industry	9,547,103	8,403,642	-12.0%
Autos and Transportation	6,576,206	6,641,199	1.0%	Autos and Transportation	6,641,199	6,064,800	-8.7%
Restaurants and Hotels	5,431,367	5,505,377	1.4%	Restaurants and Hotels	5,505,377	5,707,595	3.7%
Building and Construction	5,364,720	5,445,494	1.7%	Building and Construction	5,445,494	5,145,002	-5.5%
Fuel and Service Stations	3,843,064	4,349,291	13.2%	Fuel and Service Stations	4,349,291	4,967,559	14.2%
Food and Drugs	3,206,209	3,210,133	0.1%	Food and Drugs	3,210,133	3,276,247	6.2%
Other Allocations	987,950	1,168,183	18.2%	Other Allocations	1,168,183	936,143	-29.5%
<b>TOTALS</b>	<b>44,908,178</b>	<b>47,459,667</b>	<b>5.7%</b>	<b>TOTALS</b>	<b>\$47,459,667</b>	<b>\$45,697,862</b>	<b>-3.7%</b>

## Objective: Project Change in Sales Taxes For FY 08-09 and FY 09-10 (includes Budget)

		07-08	08-09	08-09	08-09	09-10
		Actual	Budget	YTD* Actual	Estimated	Budget
Prop 172	%	-0.36%	-0.99%	-7.96%	-8.00%	-5.00%
	\$	30,766,986	30,463,776	11,521,655	28,305,627	26,890,346
Realignment	%	-0.78%	13.44%	-6.60%	-8.00%	-5.00%
	\$	20,291,583	23,019,632	7,953,032	18,668,256	17,734,844
Measure D	%	-0.04%	4.48%	-4.72%	-8.00%	-5.00%
	\$	7,417,504	7,750,000	3,089,274	6,824,104	6,482,898
LTF	%	-1.00%	9.18%	-27.11%	-8.00%	-5.00%
	\$	1,343,205	1,466,500	585,668	1,235,749	1,173,961
Bradley Burns	%	0.02%	5.77%	-9.77%	-8.00%	-5.00%
	\$	7,846,873	8,300,000	3,406,134	7,219,123	6,858,167
Total	\$	67,666,151	70,999,908	26,555,763	62,252,859	59,140,216

**Objective: Project Change in  
VLF For FY 08-09 and FY 09-10  
(includes Budget)**

		07-08	08-09	08-09	08-09	09-10
		Actual	Budget	YTD* Actual	Estimated	Budget
Realignment	%		-0.20%	-9.60%	-10.00%	-6.00%
	\$	13,734,456	13,707,030	6,586,110	12,361,010	11,619,350



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0067  
916-445-0840 • FAX 916-445-7119  
www.boe.ca.gov

BETTY T. YEE  
First District, San Francisco

BILL LEONARD  
Second District, Ontario/Sacramento

MICHELLE STEEL  
Third District, Rolling Hills Estates

JUDY CHU, Ph.D.  
Fourth District, Los Angeles

JOHN CHIANG  
State Controller

January 16, 2009

RAMON J. HIRSIG  
Executive Director

TO: CITY AND COUNTY FINANCE OFFICIALS

Continuing the practice of past years, we are sending you recently estimated statewide growth rates to assist in your coming budget preparations.

Preliminary or estimated statewide changes in taxable sales for the first quarter of calendar year 2008 through the second quarter of calendar year 2010 are shown below:

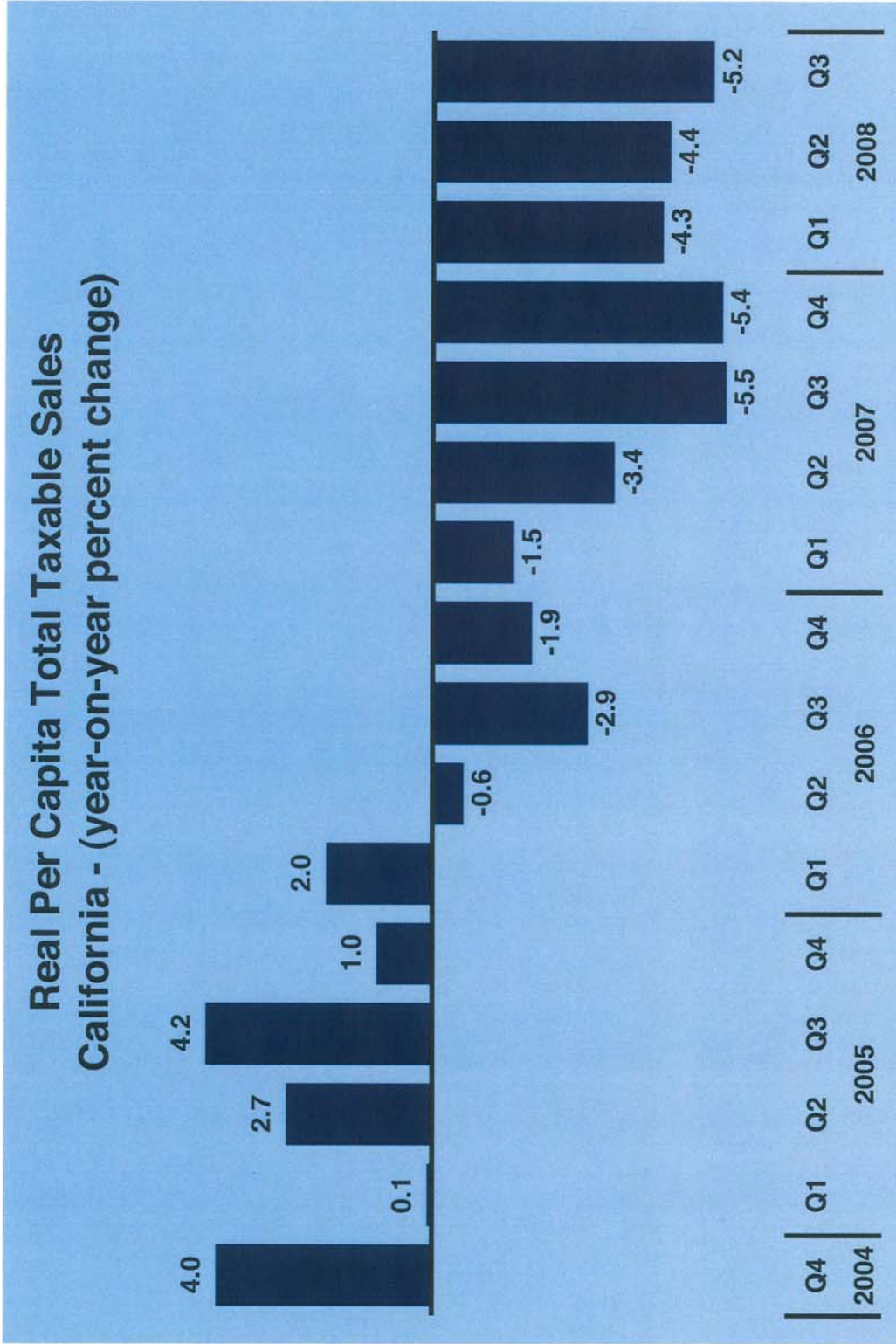
<u>Sales Period</u>	<u>Year to Year Change In Taxable Sales</u>	<u>Allocations Received by Local Jurisdictions</u>
Jan. - Mar. 2008	-3.7 (prelim.)	Mar. - June 2008
Apr. - June 2008	-2.3 (prelim.)	June - Sept. 2008
July - Sept. 2008	-5.0 (prelim.)	Sept. - Dec 2008
Oct. - Dec. 2008	-7.1 (est.)	Dec. 2008 - Mar. 2009
Jan. - Mar. 2009	-7.4 (est.)	Mar.- June 2009
Apr. - June 2009	-8.7 (est.)	June - Sept. 2009
July - Sept. 2009	-5.1 (est.)	Sept. - Dec. 2009
Oct. - Dec. 2009	-2.7 (est.)	Dec. 2009 - Mar. 2010
Jan. - Mar. 2010	-0.1 (est.)	Mar. - June 2010
Apr. - June 2010	3.1 (est.)	June - Sept. 2010

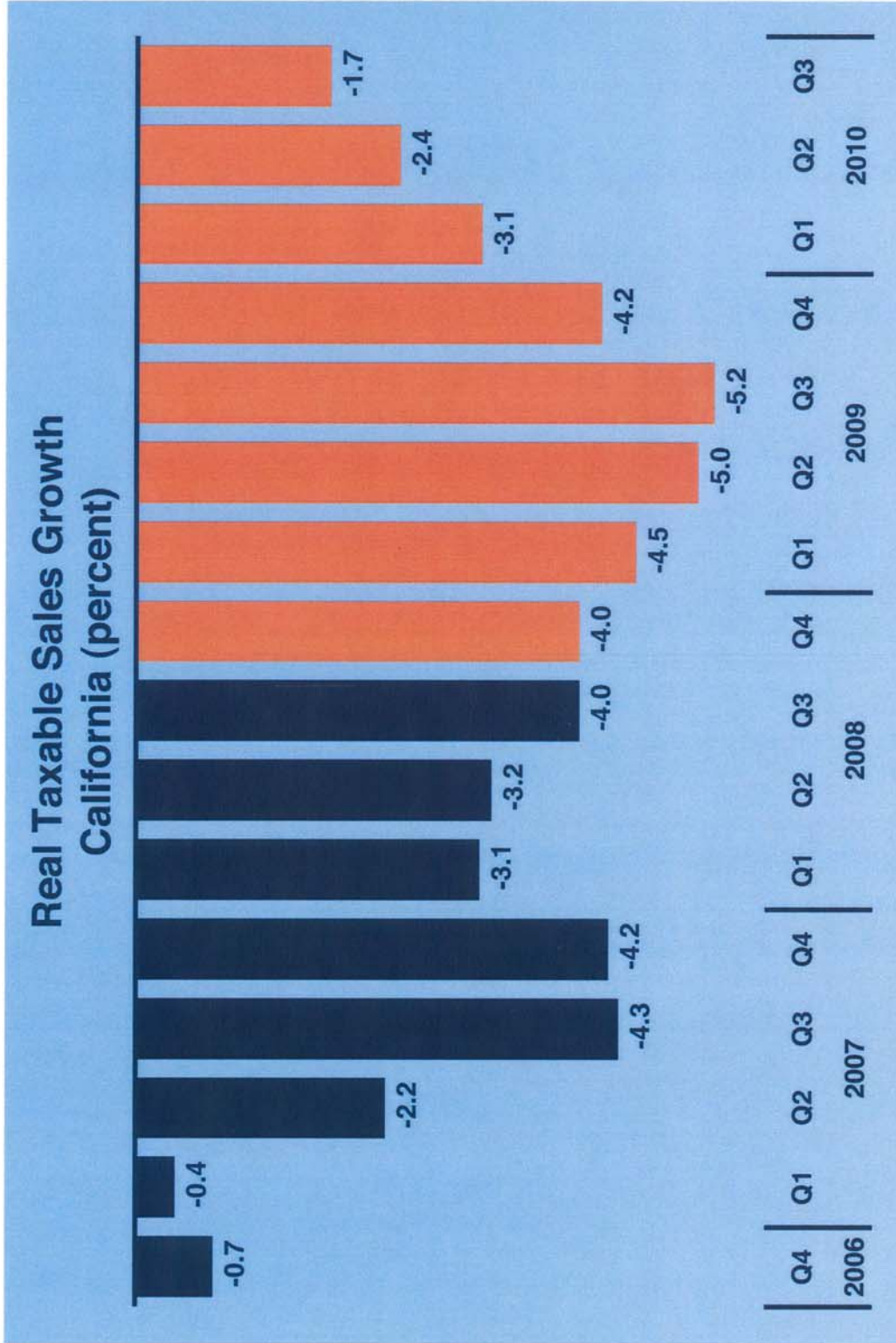
The estimates of growth were made in January 2009 by the Department of Finance in conjunction with preparation of the 2009-10 Governor's Budget.

Sincerely,

Robert Ingenito  
Research and Statistics Section

RI:cee





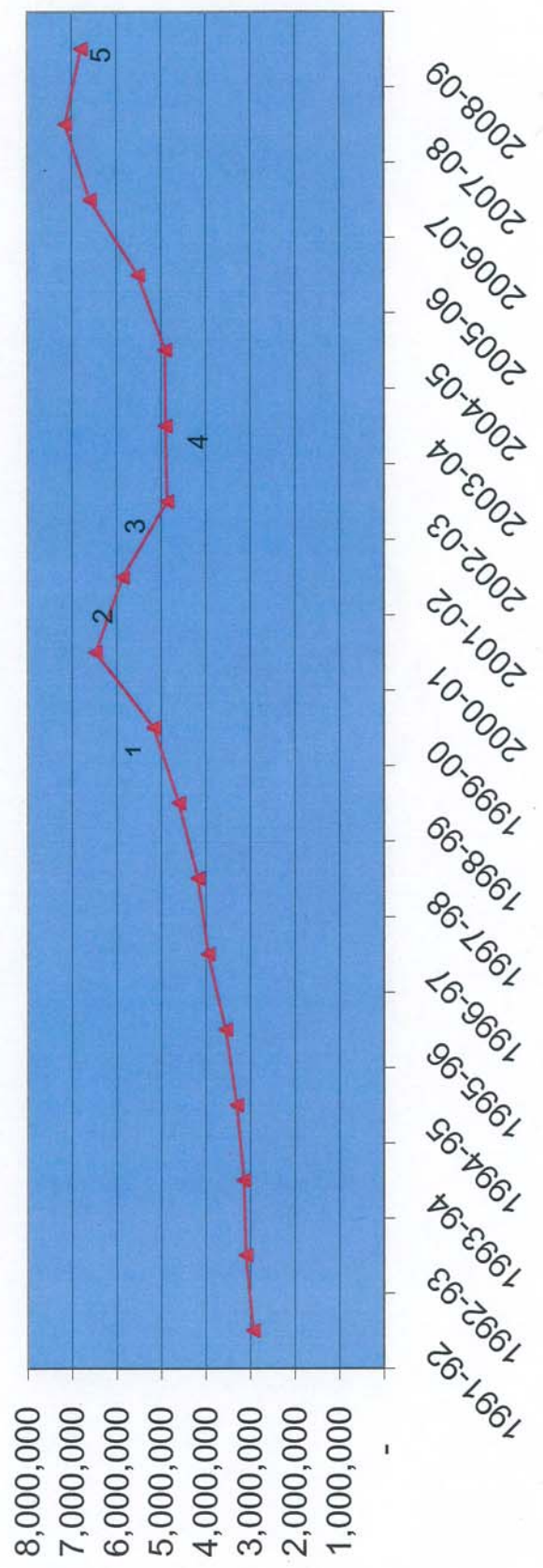
**TRANSIENT  
OCCUPANCY TAX**



## TOT Revenue Projection (Includes Budget)

	2007-08	2008-09	2008-09	2008-09	2009-10
	Actual	Budget	YTD* Actual	Estimated	Budget
TRANSIENT OCCUPANCY TAX	\$7,154,951	\$6,426,000	\$3,706,144	\$6,797,203	\$6,457,343
		-10.19%	0.46%	-5.00%	-5.00%

# Grandtotals by FY - County TOT

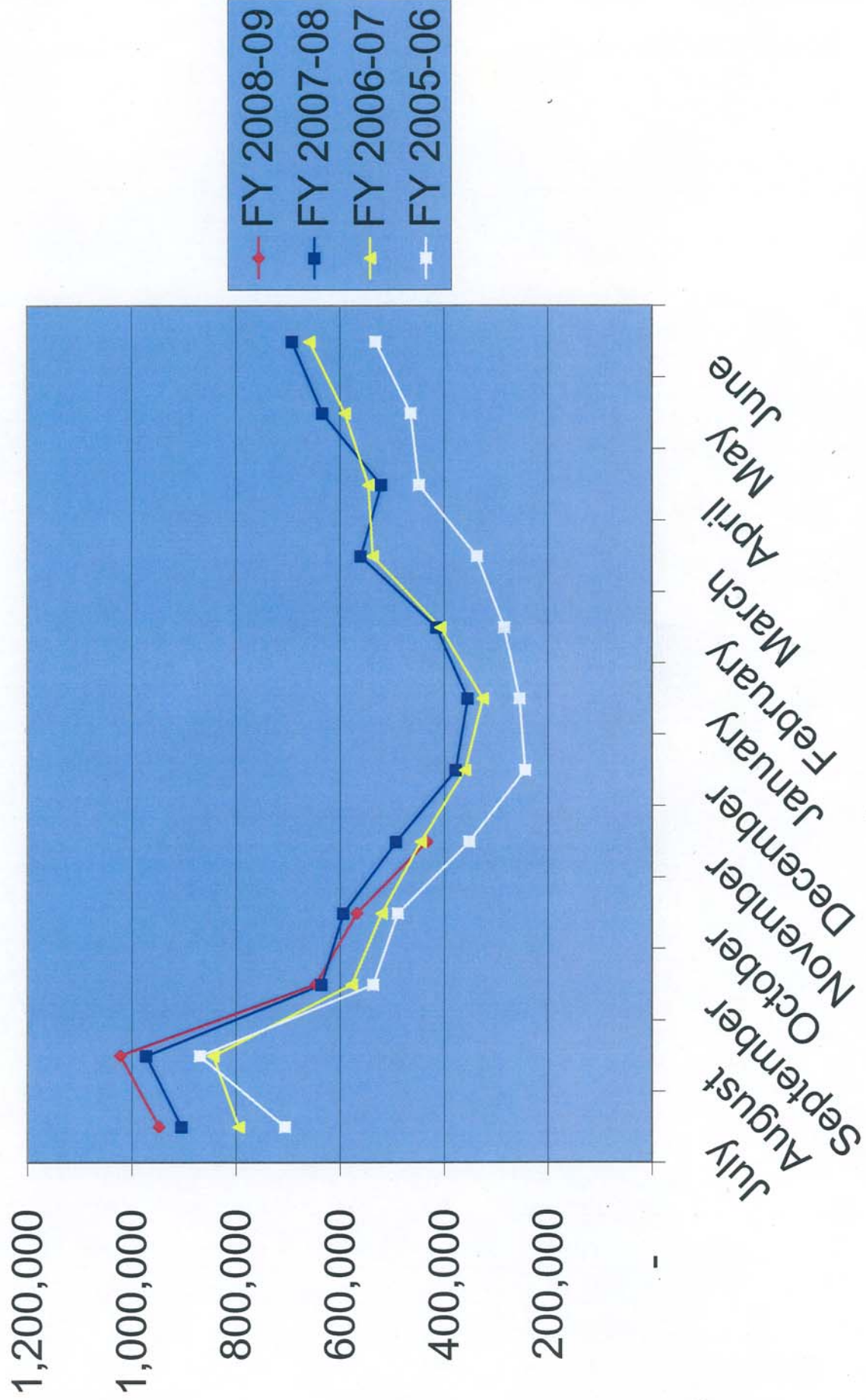


### Noted Events

1. Bacara opens
2. Miramar closes and Small Recession.
3. City of Goleta Incorporation
4. San Ysidro and Biltmore renovations
5. Recession

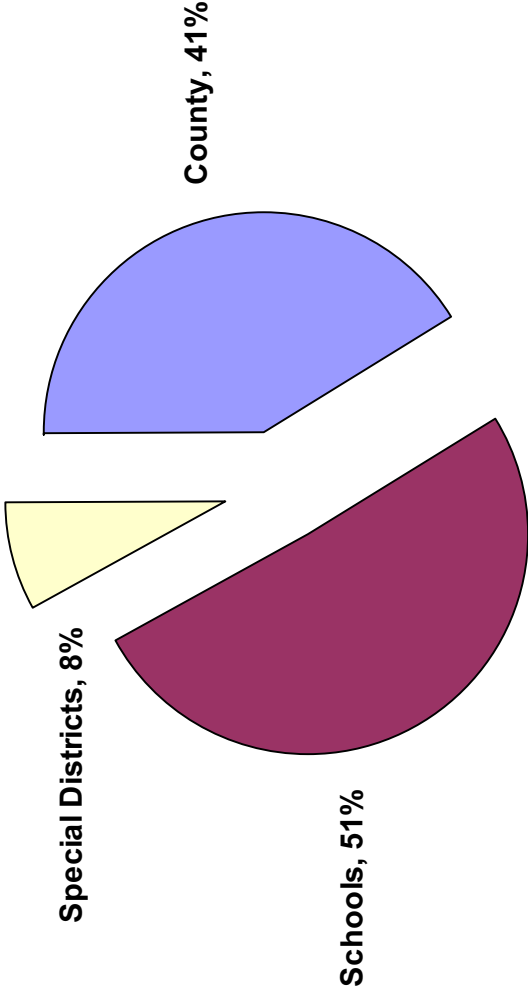
Grandtotals by FY	County \$	% Change
1991-92	2,940,178	
1992-93	3,110,335	5.79%
1993-94	3,155,760	1.46%
1994-95	3,310,877	4.92%
1995-96	3,558,418	7.48%
1996-97	3,951,212	11.04%
1997-98	4,185,222	5.92%
1998-99	4,606,355	10.06%
1999-00	5,173,497	12.31%
2000-01	6,485,212	25.35%
2001-02	5,877,323	-9.37%
2002-03	4,871,523	-17.11%
2003-04	4,902,611	0.64%
2004-05	4,909,198	0.13%
2005-06	5,519,156	12.42%
2006-07	6,606,751	19.71%
2007-08	7,154,951	8.30%
2008-09	6,797,203	-5.00%

# 3 Year Monthly Trend - TOT



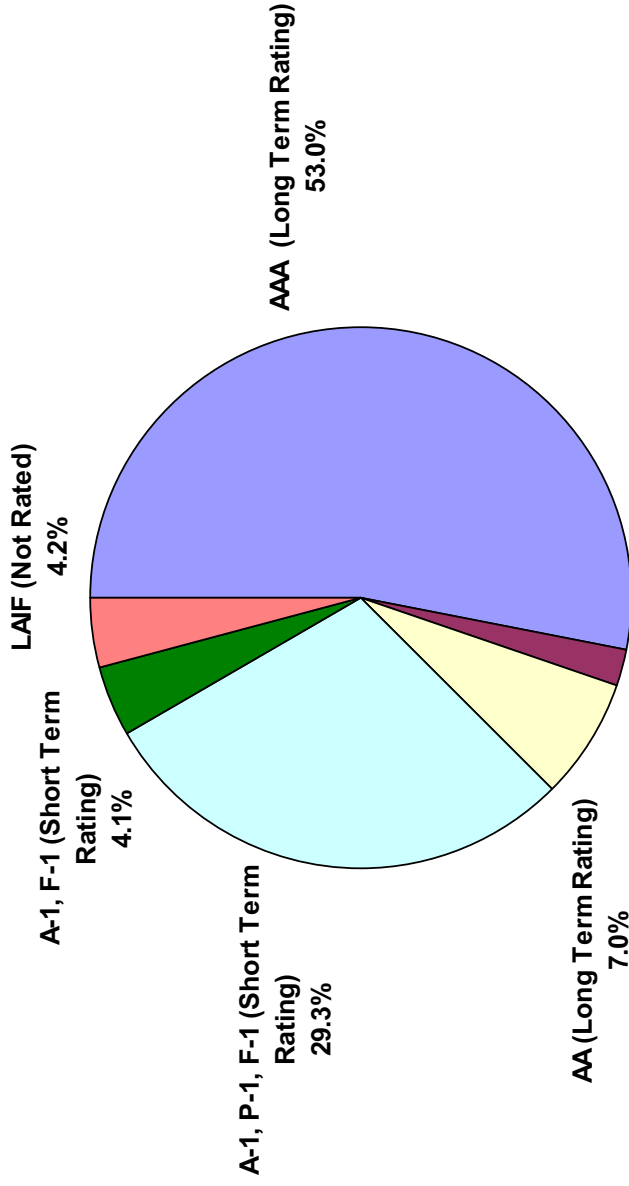
**TREASURY  
&  
INVESTMENT**

**TREASURER'S INVESTMENT PORTFOLIO  
AVERAGE DAILY CASH BALANCE  
AND INCOME DISTRIBUTION  
for the Quarter Ended 12/31/08**



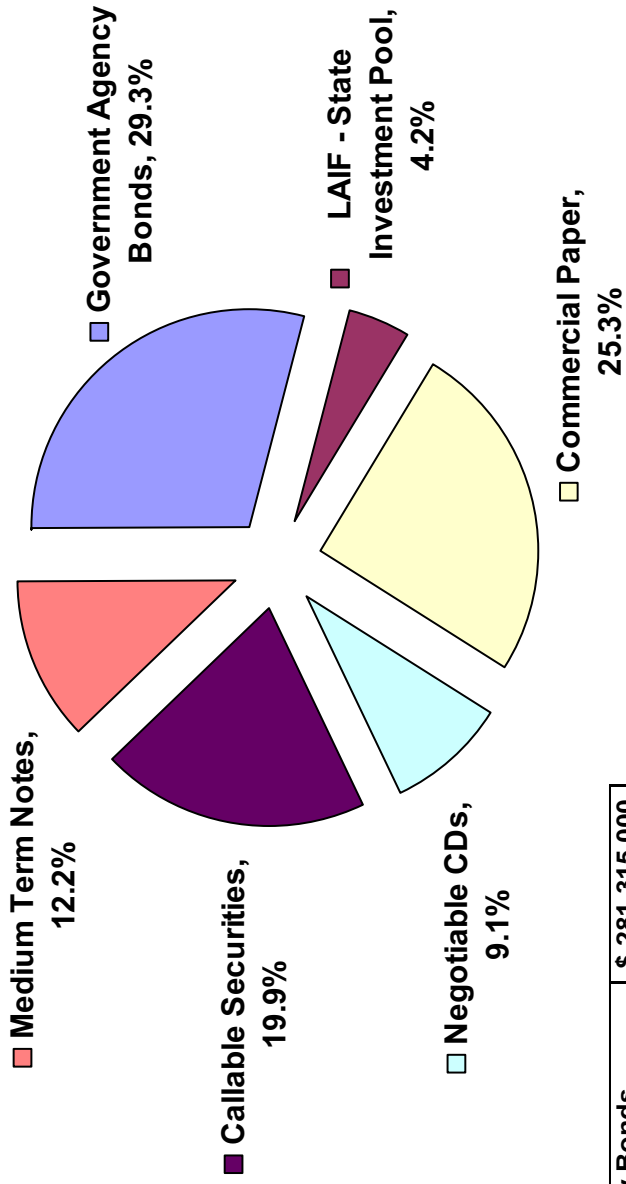
The average daily cash balance of all entities in the pool over the 12/31/2008 quarter was \$796,976,018. Aggregate interest earnings of \$5,971,793 was distributed to pool participants.

## Credit Rating At Time of Purchase By Percent of Book Value 12/31/2008



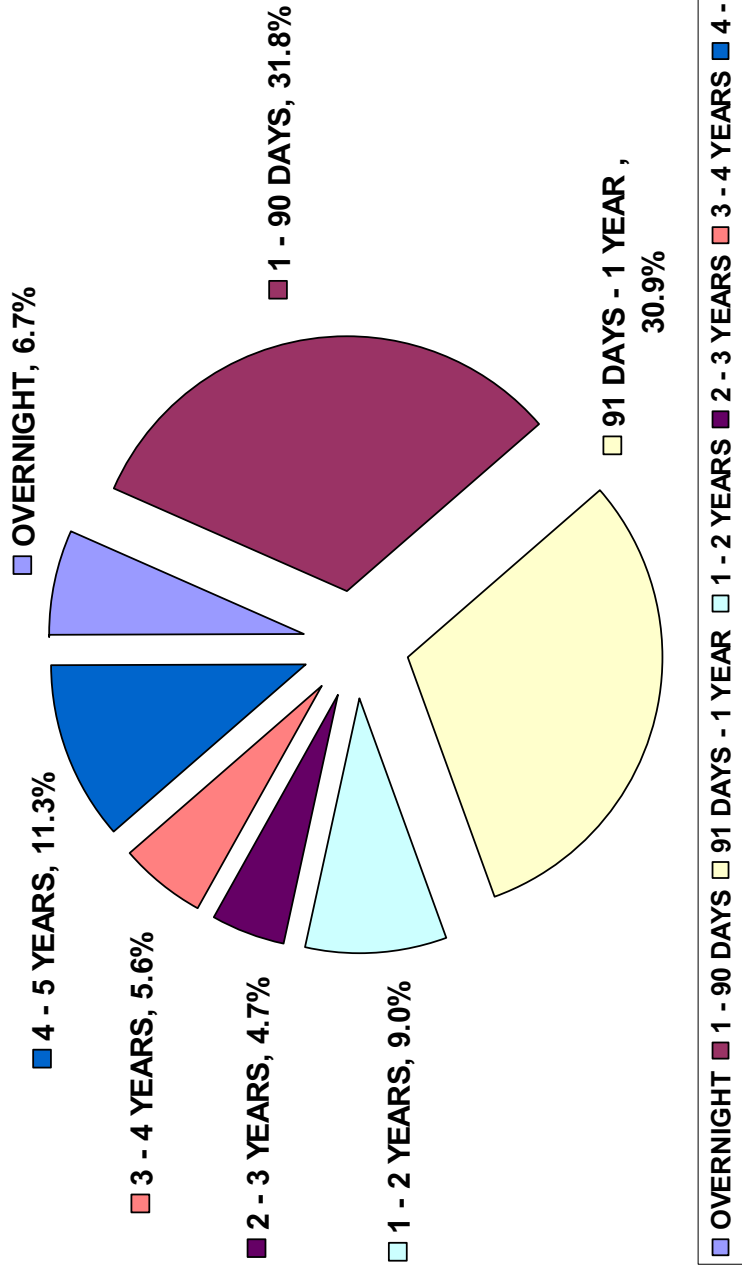
Investment Policy Requirements:  
 Agency of the Federal Government/US Government Sponsored: AAA  
 Commercial Paper of US Corporations, Assets Greater Than \$500 million: A1, P1, F1 (by two of the three rating agencies)  
 State of California: LAF: N/A  
 Negotiable CD's: A1, P1, F1 (by two of the three rating agencies)  
 Medium Term Notes/Corporate Notes of US Corporations: Up to three years: AA- by at least two of the three rating agencies. Greater than three years: AA by at least two of the three rating agencies.

**TREASURER'S INVESTMENT PORTFOLIO  
ASSET DISTRIBUTION BY SECTOR (PAR VALUE)  
12/31/2008**



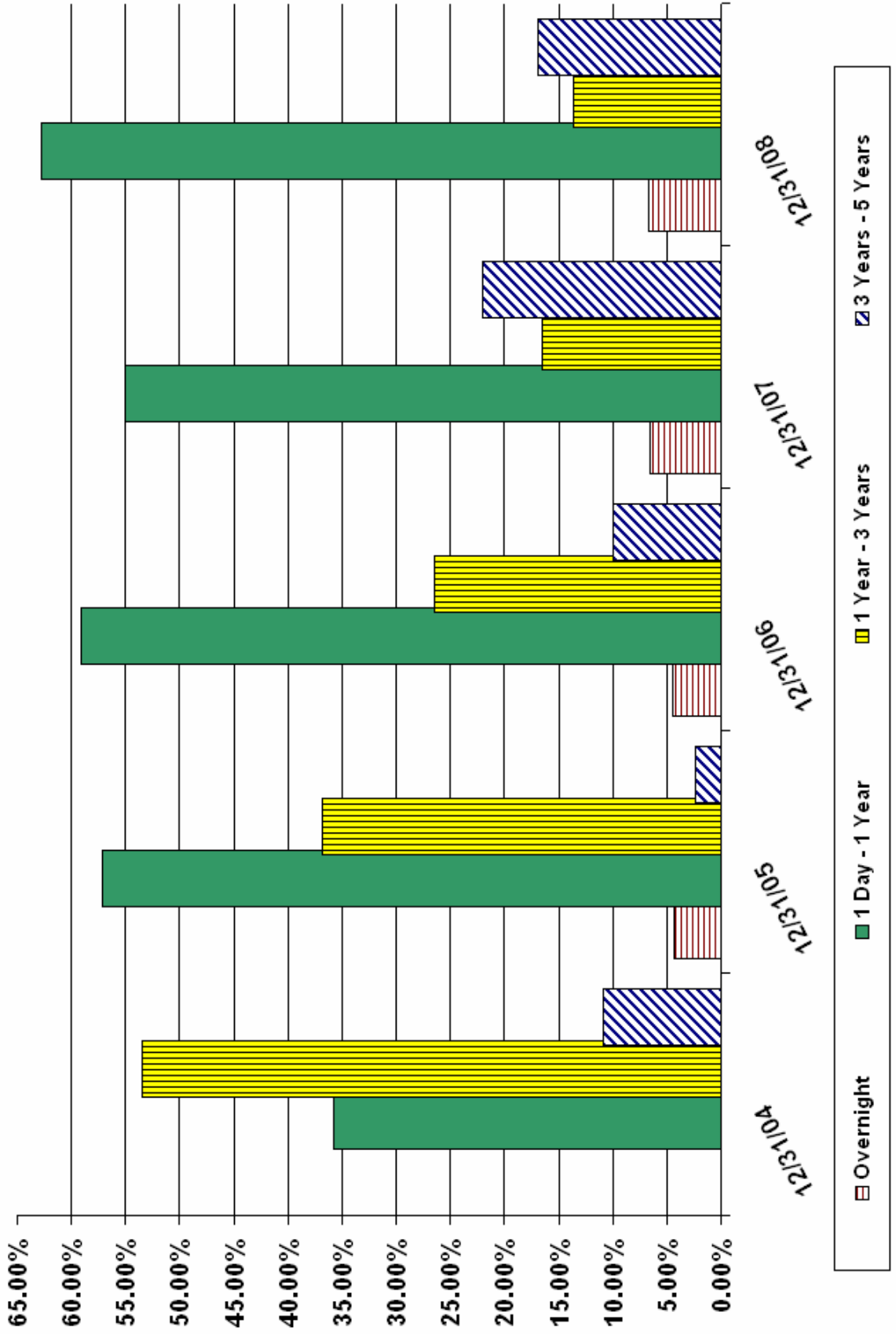
Government Agency Bonds	\$ 281,315,000
LAIF - State Investment Pool	\$ 40,000,000
Commercial Paper	\$ 243,613,000
Negotiable CDs	\$ 87,600,000
Callable Securities	\$ 190,977,000
Medium Term Notes	\$ 117,635,000
<b>TOTAL</b>	<b>\$ 961,140,000</b>

**TREASURER'S INVESTMENT PORTFOLIO  
Maturity Distribution  
12/31/2008**

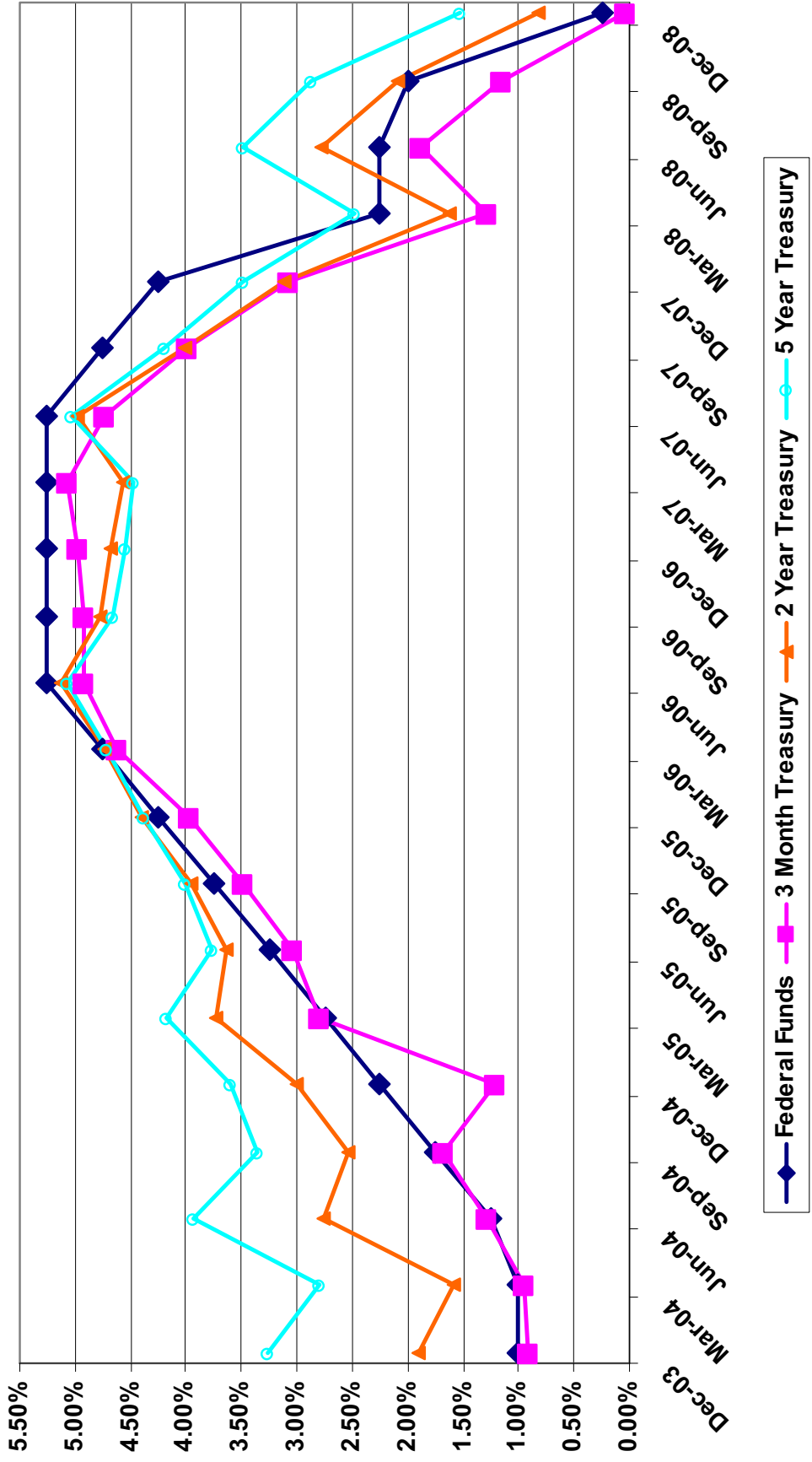




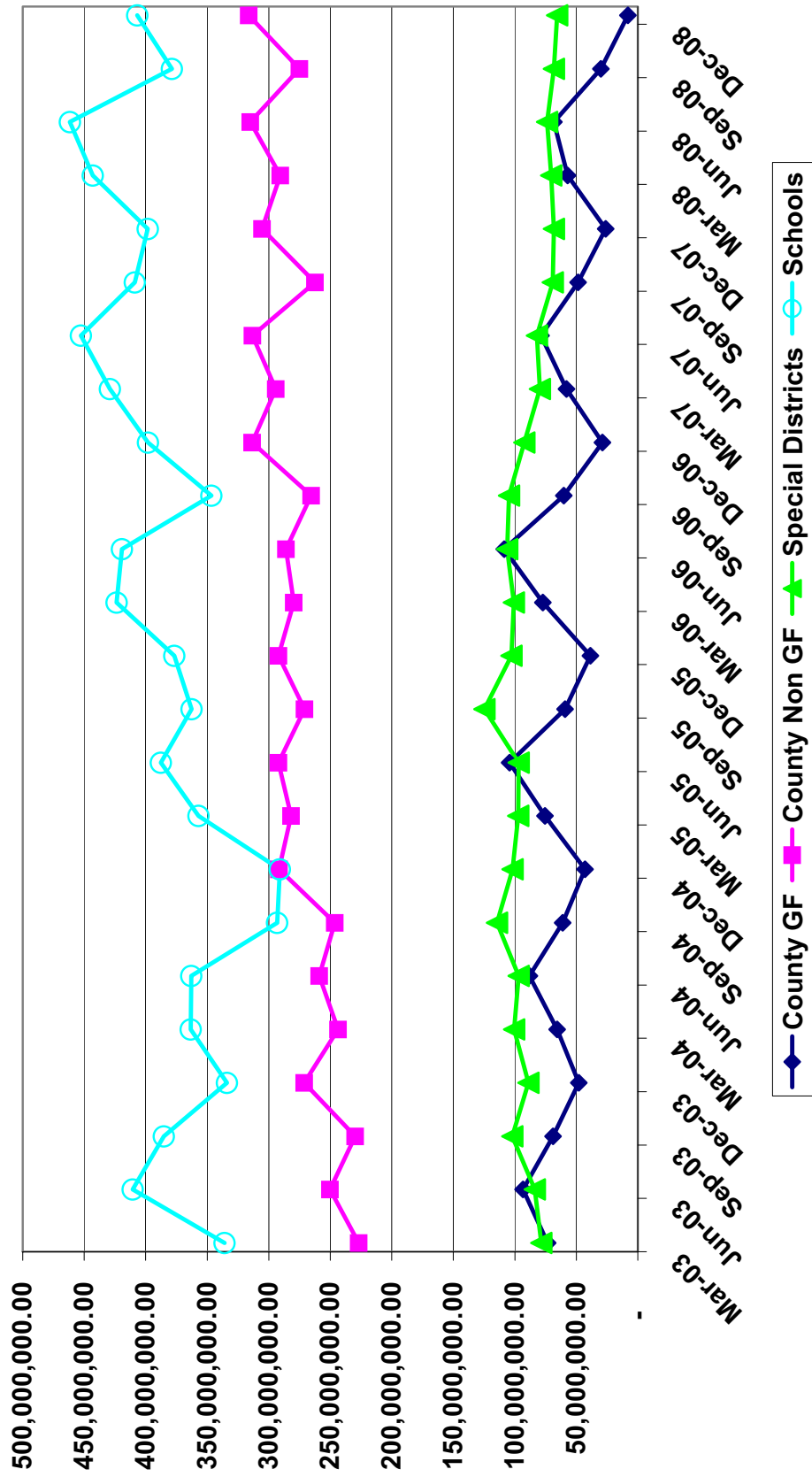
# Santa Barbara County Treasurer's Pool Maturity Distribution



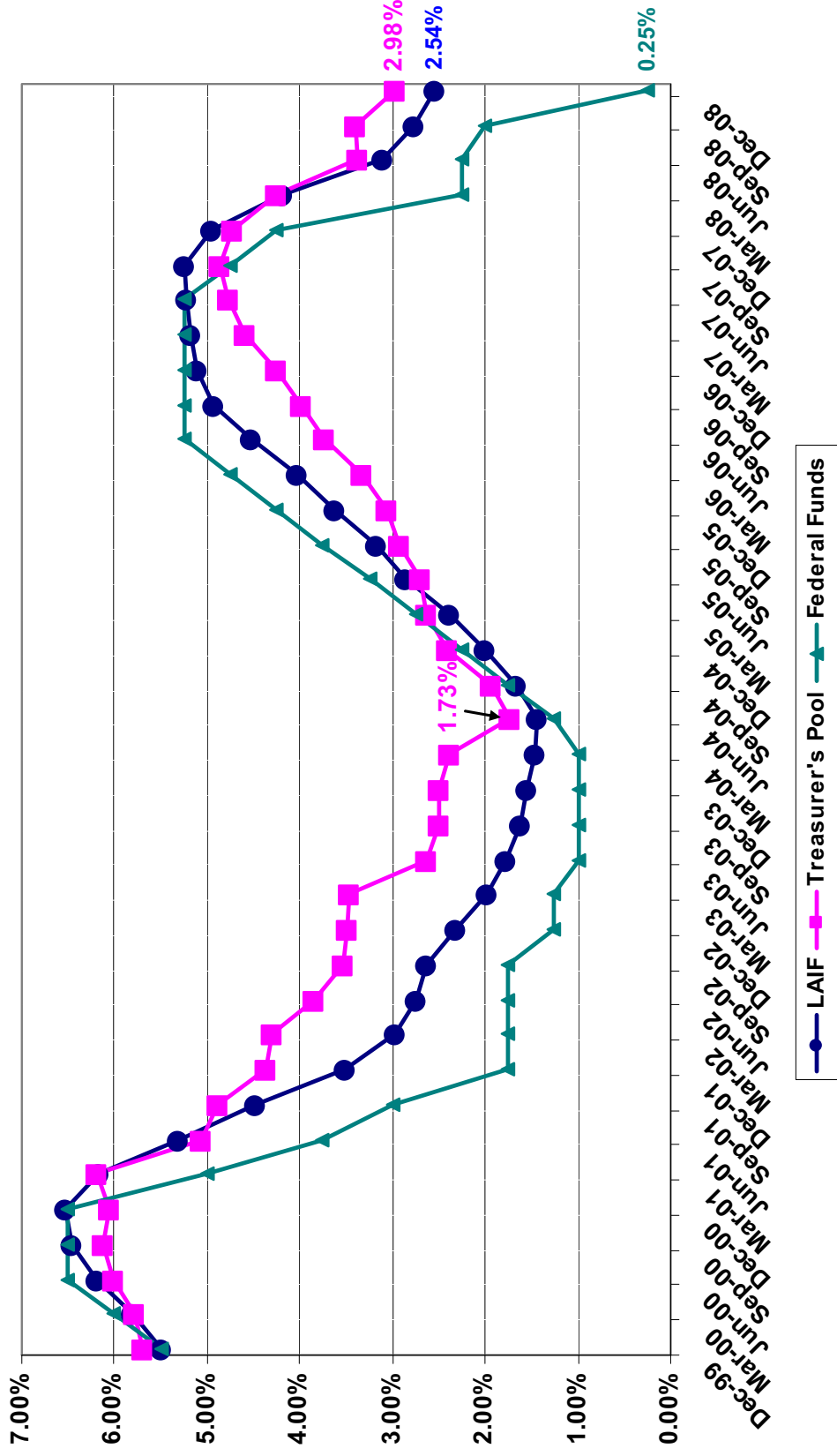
# Treasury Rates and Federal Funds Target Rate at Quarter End



### Santa Barbara County Treasurer's Pool Average Daily Cash Balance per Quarter



TREASURER'S INVESTMENT PORTFOLIO  
 QUARTERLY PERFORMANCE VERSUS SELECTED BENCHMARKS  
 12/31/2008





**Report of the County Executive Office Budget and Research Division**

**Presented to the Board of Supervisors February 3, 2009**