

# City of Solana Beach

Financial Update  
COVID-19 Update

April 8, 2020



# General Fund Revenues

## Projected Adjustments

	FY2020	FY2021	Total
Sales Tax	\$(116,000)	\$ (56,800)	\$ (172,800)
Transient Occupancy Tax	(321,000)	(415,600)	(736,600)
Development Related	(300,900)	(263,600)	(564,500)
Licenses/Permits	(53,000)	(32,000)	(85,000)
Total	\$(790,900)	\$(768,000)	\$ (1,558,900)

# General Fund Revenues

## Sales Tax

	FY2020	FY2021
BUDGET	\$ 3,259,200	\$ 3,308,700
ADJ	(116,000)	(56,800)
PROJECTED	\$ 3,143,200	\$ 3,251,900
% REDUCTION	-3.6%	-1.7%

- FY 2019/20-large decrease in Qtr 4 of FY due to retail establishments closed
- FY 2020/21-continued reduced sales tax revenue with bump in Qtr 4 of FY

# General Fund Revenues

## Transient Occupancy Tax (TOT)

	FY2020	FY2021
BUDGET	\$ 1,420,000	\$ 1,420,000
ADJ	(321,000)	(415,600)
PROJECTED	\$ 1,099,000	\$ 1,004,400
% REDUCTION	-22.6%	-29.3%

- FY 2019/20-Hotels/STVRs have seen registrations for Qtr 4 of FY cancelled
- FY 2020/21-expected slow recovery in tourist related activities comparable to Great Recession recovery.

# General Fund Revenues Development Related

	FY2020	FY2021
BUDGET	\$ 1,474,100	\$ 1,054,100
ADJ	(300,900)	(263,600)
PROJECTED	\$ 1,173,200	\$ 790,500
% REDUCTION	-20.4%	-25.0%

- FY 2019/20-large decrease in Qtr 4 of FY due to City Hall closure and essential services only order
- FY 2020/21-reduction based on revenue indicators from Great Recession recovery

# General Fund Revenues

## Property Taxes

- FY 2019/20 – No expected impact
- FY 2020/21
  - No expected impact to budgeted amount
  - Assessed values and Prop 13 increase set as of 01/01/20 at 2%
  - Sales of property during FY 2019/20 will be fully adjusted in FY 2020/21
- FY 2020/21 – recession impact will affect this FY's property tax revenues

# General Fund-Updated

	FY2020			FY2021		
	Amended	Adjs	Projected	Adopted	Adjs	Proposed
Revenues	\$ 20,013,100	(790,900)	\$ 19,222,200	\$ 19,827,600	(768,000)	\$ 19,059,600
Salaries & Benefits	8,675,800	-	8,675,800	8,830,800	-	8,830,800
Materials, Supplies, Services	8,936,800	(112,400)	8,824,400	8,759,600	(96,500)	8,663,100
Internal Service	2,031,600	-	2,031,600	2,012,100	-	2,012,100
Total Expenditures	19,644,200	(112,400)	19,531,800	19,602,500	(96,500)	19,506,000
Rev Over/(Under) Expend	368,900	(678,500)	\$ (309,600)	225,100	(671,500)	\$ (446,400)
Transfers Out						
Debt Service	(151,100)		(151,100)	(151,100)		(151,100)
Net Proj Surplus (Deficit)	\$ 217,800	\$ (678,500)	\$ (460,700)	\$ 74,000	\$ (671,500)	\$ (597,500)

Total reduction to the General Fund budget for remainder of FY 2019/20 and for FY 2020/21 equals \$1,350,000

# Department Recommendation

Receive report and provide direction to Staff