

City of Sebastopol

Sales Period: January 2011 - December 2011

Summary

News from Sales Tax Quarter

- The California New Car Dealers Association (CNDA) reported that California's new-car dealers sold 1.29 million new cars and trucks in 2011 — a 9.9 percent improvement over 2010. The Honda Civic was California's best-selling new car for 2011.
- The number of California homes going into foreclosure dropped to the second-lowest level in more than four years. Notices of Default were down 11.9 % from 4th quarter 2010. (Dataquick)
- Retail sales barely rose up in December by 0.1%. The government revised the November performance to show a 0.4% gain. 2011 had total sales of \$4.7 trillion, a gain of nearly 8% over 2010, showing a strengthening economy. (Associate Press)

News from Today

- Gas prices have been rising on the back of soaring oil prices, which have shot up more than 5% since February. Barring a major disruption in supplies from the Middle East, pump prices will continue to soar, especially impacting the peak driving season, defined as April through September. (LA Times)
- Retail spending rose 1.1% in February, auto dealers rose by 1.9%, gas station jumped 3.3% and building supply retailers posted a 1.4% rise. (CNN Money)
- Employment growth of 1.4% and 2.1% is expected in 2012 and 2013 respectively. The unemployment rate will hover around 11.6% through 2012. Real personal income growth is forecast to be 2.6% in 2012 and 2.1% in 2013. (UCLA)

Quarter-Over-Quarter

Oct-Dec 2010 to Oct-Dec 2011

Year-Over-Year

Jan-Dec 2010 to Jan-Dec 2011

| | City of Sebastopol | S.F. Bay Area | Statewide | City of Sebastopol | S.F. Bay Area | Statewide |
|----------------------|--------------------|---------------|-------------|--------------------|---------------|-------------|
| Total | 9.6% | 6.0% | 6.6% | 3.2% | 7.4% | 7.8% |
| General Retail | 2.8% | 4.7% | 4.4% | -3.8% | 4.8% | 4.5% |
| Food Products | 0.3% | 5.5% | 5.6% | 0.0% | 6.2% | 5.4% |
| Transportation | 57.3% | 11.9% | 12.8% | 28.0% | 14.9% | 15.9% |
| Construction | -10.5% | 9.9% | 9.0% | -3.1% | 7.2% | 6.6% |
| Business To Business | -6.7% | 2.4% | 4.4% | -11.4% | 5.8% | 7.1% |
| Service Stations | 80.4% | 15.8% | 14.5% | 37.0% | 23.3% | 22.2% |
| Restaurants | 7.9% | 6.1% | 5.7% | 2.5% | 6.8% | 5.7% |
| Food Markets | -2.5% | 3.8% | 5.8% | -1.6% | 4.8% | 4.9% |
| Miscellaneous Retail | 1.2% | 0.7% | 1.3% | -8.0% | 4.9% | 4.0% |
| Drug Stores | 8.1% | 5.7% | 7.1% | 0.4% | 3.4% | 4.3% |
| Bldg.Matls-Retail | 7.0% | 5.2% | 3.4% | 9.6% | 4.7% | 2.3% |
| Auto Parts/Repair | 5.1% | -0.4% | 3.4% | 6.5% | 2.5% | 5.3% |
| Florist/Nursery | 14.9% | 5.3% | 2.3% | 3.8% | 1.0% | 1.7% |
| Food Processing Eqp | -21.9% | 9.4% | 3.0% | -4.7% | 6.6% | 3.6% |
| Light Industry | -19.0% | 0.7% | 1.4% | -21.7% | -2.8% | 1.6% |
| Energy Sales | 7.8% | 22.1% | 31.7% | -0.5% | 24.2% | 36.1% |
| Furniture/Appliance | -17.6% | 8.4% | 6.8% | 3.7% | 3.0% | 3.7% |
| Bldg.Matls-Whsle | -47.9% | 15.2% | 15.7% | -33.4% | 10.1% | 11.9% |
| Apparel Stores | -2.1% | 8.3% | 7.1% | -5.9% | 7.6% | 7.7% |

City of Sebastopol

Sales Period: January 2011 - December 2011

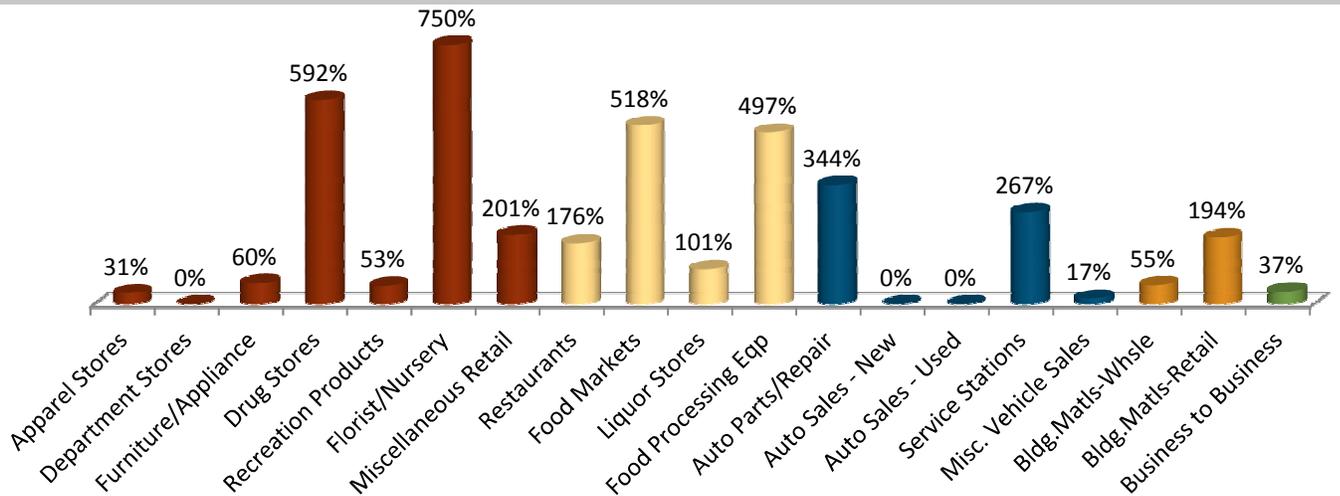
Sales Tax Per Capita

City of Sebastopol's annualized sales tax divided by its population as reported by State Department of Finance

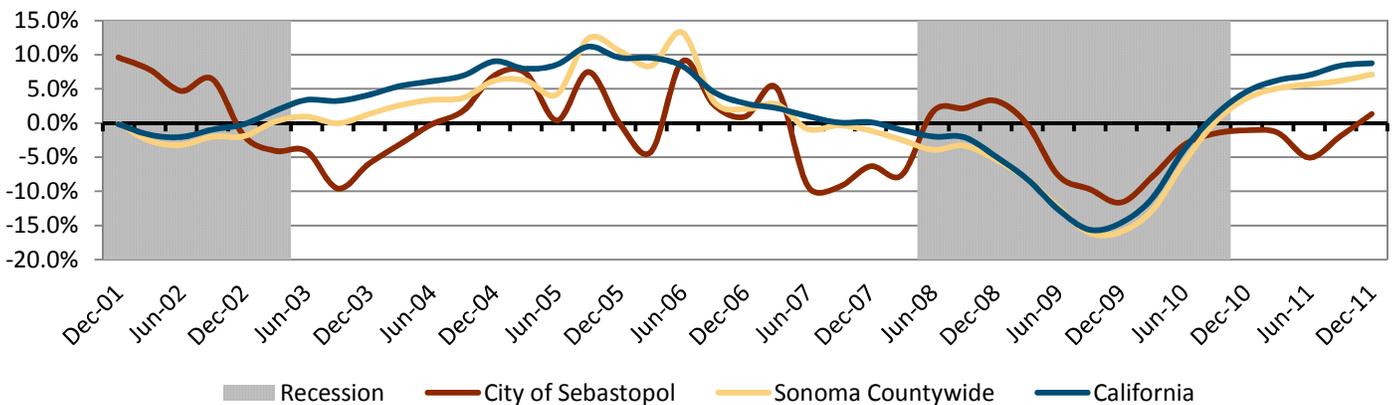


Sales Tax Capture & Leakage Analysis

100% = Equilibrium; Over 100% = Capture; Under 100% = Leakage



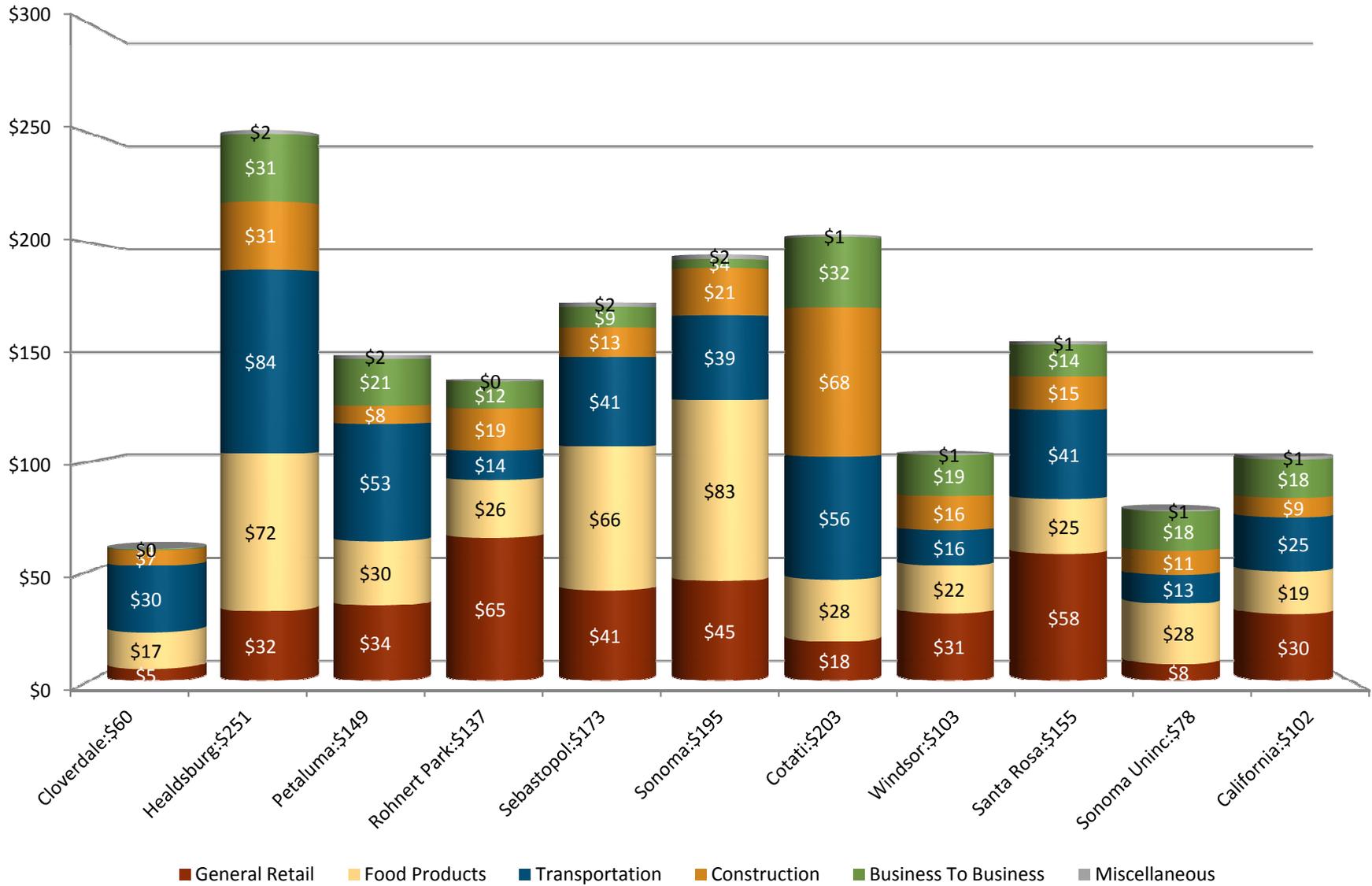
Annualized Change in Sales Tax Cash Receipts



Sales Tax Net Cash Receipts: Three Advances Plus Clean-Up Payment

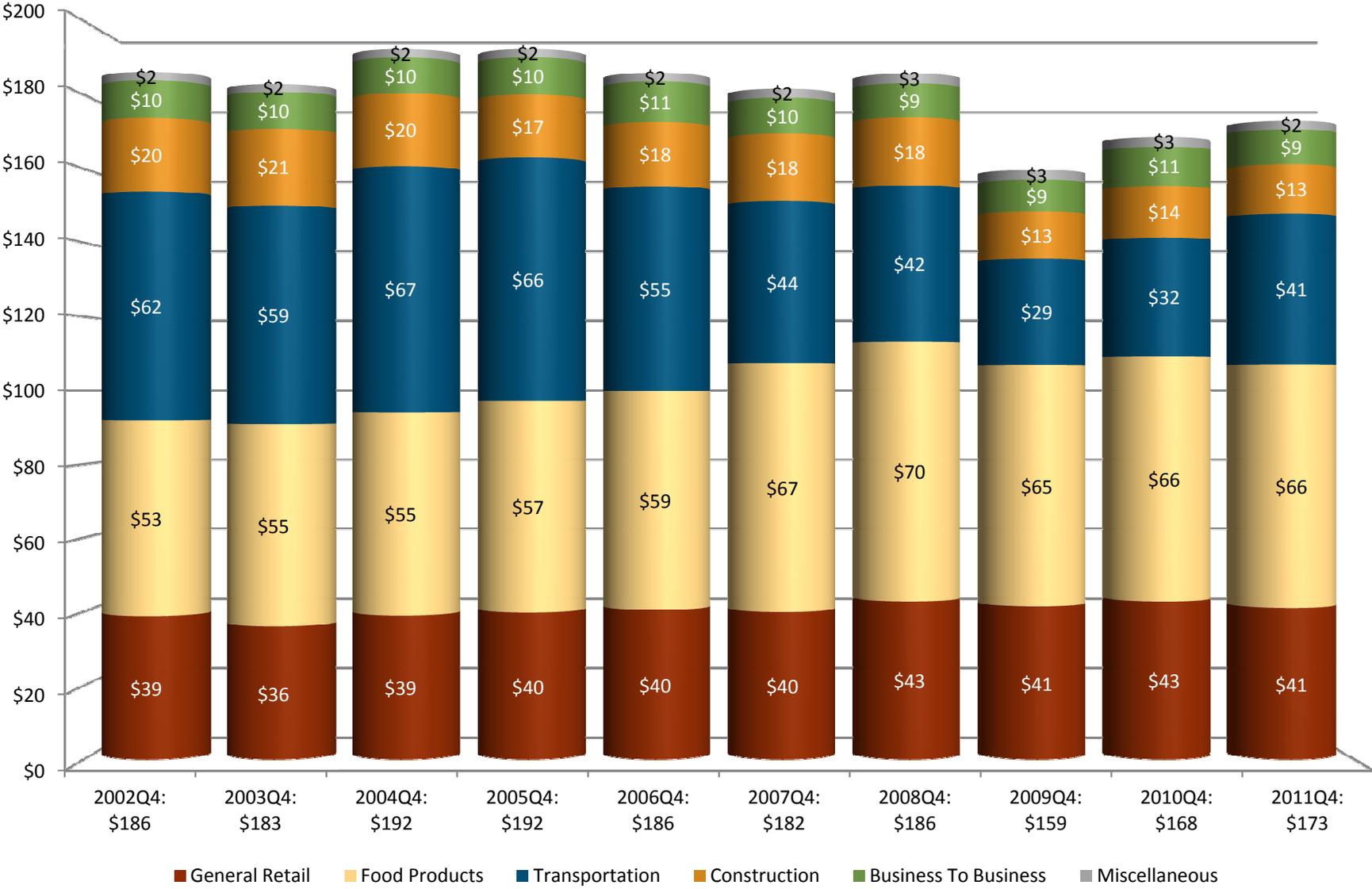
| | % CHANGE BY MONTH ENDED QUARTER | | | | | | FISCAL YEAR TO DATE | | | | MOST RECENT FOUR QUARTERS TOTAL | | | | |
|----------------------------|---------------------------------|-------------|------------|--------------|------------|------------|----------------------|----------------------|--------------------|------------|---------------------------------|----------------------|--------------------|------------|-------|
| | Last Year Cash Received > | Dec-09 | Mar-10 | Jun-10 | Sep-10 | Dec-10 | Mar-11 | Jul-10 thru | Jul-11 thru | \$ Chg | % Chg | Apr-10 thru | Apr-11 thru | \$ Chg | % Chg |
| | This Year Cash Received > | Dec-10 | Mar-11 | Jun-11 | Sep-11 | Dec-11 | Mar-12 | Mar-11 | Mar-12 | | | Mar-11 | Mar-12 | | |
| | Calendar Sales Quarter > | 10Q3 | 10Q4 | 11Q1 | 11Q2 | 11Q3 | 11Q4 | 3 Quarters | 3 Quarters | | | | | | |
| 1 Santa Rosa | 3.7 | 5.6 | 8.1 | 9.4 | 8.5 | 9.2 | 20,002,301 | 21,806,262 | 1,803,961 | 9.0 | 25,756,210 | 28,028,745 | 2,272,535 | 8.8 | |
| 2 Sonoma County | 11.6 | 3.7 | 6.6 | 15.5 | 11.9 | 7.9 | 9,368,679 | 10,466,643 | 1,097,964 | 11.7 | 11,773,589 | 13,030,498 | 1,256,909 | 10.7 | |
| 3 Petaluma | -11.9 | 0.2 | 2.6 | 8.2 | 3.5 | 9.9 | 6,780,359 | 7,265,649 | 485,290 | 7.2 | 8,789,975 | 9,326,626 | 536,651 | 6.1 | |
| 4 Rohnert Park | 11.1 | -0.9 | 0.5 | -2.4 | -6.4 | 2.7 | 4,768,069 | 4,672,016 | -96,053 | -2.0 | 6,117,427 | 6,027,499 | -89,928 | -1.5 | |
| 5 Windsor | -1.3 | 9.8 | 10.4 | 13.7 | 15.1 | 1.3 | 2,309,997 | 2,536,693 | 226,696 | 9.8 | 2,947,834 | 3,240,982 | 293,148 | 9.9 | |
| 6 Healdsburg | 37.4 | 4.8 | 4.4 | 7.7 | -6.6 | -1.8 | 2,442,789 | 2,431,849 | -10,940 | -0.4 | 3,085,107 | 3,102,375 | 17,268 | 0.6 | |
| 7 Sonoma | 7.4 | 34.6 | 0.1 | 11.7 | 6.2 | 1.6 | 1,668,320 | 1,772,775 | 104,455 | 6.3 | 2,106,950 | 2,211,809 | 104,859 | 5.0 | |
| 8 Cotati | 1.8 | -27.2 | 16.6 | 7.0 | 8.3 | 7.5 | 1,105,002 | 1,189,092 | 84,090 | 7.6 | 1,434,029 | 1,572,690 | 138,661 | 9.7 | |
| 9 Sebastopol* | -3.8 | -4.4 | 2.0 | -13.5 | 9.0 | 8.1 | 1,020,782 | 1,032,481 | 11,699 | 1.1 | 1,334,292 | 1,352,180 | 17,888 | 1.3 | |
| 10 Cloverdale | 17.0 | 0.5 | 3.0 | 12.7 | 1.6 | -10.6 | 427,294 | 433,192 | 5,898 | 1.4 | 543,888 | 553,307 | 9,419 | 1.7 | |
| Alameda Co. | 3.8 | 7.0 | 9.6 | 7.9 | 13.4 | 7.7 | 158,775,262 | 174,024,154 | 15,248,892 | 9.6 | 205,526,344 | 225,254,277 | 19,727,933 | 9.6 | |
| Contra Costa Co. | -2.7 | 2.0 | 9.5 | 7.1 | 6.6 | 6.1 | 90,848,093 | 96,833,860 | 5,985,767 | 6.6 | 117,351,091 | 125,851,700 | 8,500,609 | 7.2 | |
| Marin Co. | 3.2 | 3.5 | 6.0 | 7.5 | 2.8 | 5.4 | 29,912,303 | 31,464,622 | 1,552,319 | 5.2 | 38,472,303 | 40,534,415 | 2,062,112 | 5.4 | |
| Napa Co. | 0.6 | 2.8 | 3.5 | 9.5 | 7.8 | 12.2 | 18,049,695 | 19,826,715 | 1,777,020 | 9.8 | 23,058,745 | 25,010,053 | 1,951,308 | 8.5 | |
| San Francisco Co. | 7.1 | 10.4 | 11.3 | 11.5 | 12.8 | 7.7 | 105,637,824 | 116,790,162 | 11,152,338 | 10.6 | 135,113,907 | 149,595,149 | 14,481,242 | 10.7 | |
| San Mateo Co. | 0.2 | 6.7 | 7.5 | 9.3 | 9.1 | 7.4 | 88,845,733 | 96,434,235 | 7,588,502 | 8.5 | 114,573,193 | 124,103,779 | 9,530,586 | 8.3 | |
| Santa Clara Co. | 8.0 | 10.2 | 7.7 | 16.1 | 7.4 | 6.4 | 238,115,239 | 261,376,497 | 23,261,258 | 9.8 | 306,134,024 | 334,646,681 | 28,512,657 | 9.3 | |
| Solano Co. | -2.3 | 3.7 | 2.9 | 7.4 | 8.9 | 16.5 | 40,513,005 | 44,994,509 | 4,481,504 | 11.1 | 52,529,411 | 57,357,429 | 4,828,018 | 9.2 | |
| Sonoma Co. * | 4.4 | 3.6 | 6.0 | 8.9 | 6.4 | 7.1 | 49,893,592 | 53,606,652 | 3,713,060 | 7.4 | 63,889,301 | 68,446,711 | 4,557,410 | 7.1 | |
| S.F. Bay Area * | 3.8 | 7.1 | 8.2 | 10.8 | 9.2 | 7.5 | 820,590,746 | 895,351,406 | 74,760,660 | 9.1 | 1,056,648,319 | 1,150,800,194 | 94,151,875 | 8.9 | |
| Central Coast | 3.5 | 4.7 | 8.3 | 9.6 | 5.5 | 10.0 | 88,878,104 | 96,260,752 | 7,382,648 | 8.3 | 113,458,160 | 122,871,345 | 9,413,185 | 8.3 | |
| Central Valley | 6.0 | 12.3 | 15.3 | 18.7 | 12.4 | 11.0 | 338,407,326 | 385,433,952 | 47,026,626 | 13.9 | 433,961,213 | 495,630,149 | 61,668,936 | 14.2 | |
| North Coast | 1.9 | 0.9 | -4.9 | 7.8 | 7.4 | 4.7 | 30,880,743 | 32,927,195 | 2,046,452 | 6.6 | 40,473,332 | 42,053,435 | 1,580,103 | 3.9 | |
| Other Northern | 5.0 | 6.3 | 0.7 | 8.1 | 7.4 | 5.5 | 38,611,509 | 41,313,723 | 2,702,214 | 7.0 | 49,566,562 | 52,350,807 | 2,784,245 | 5.6 | |
| Sacramento Valley | 1.5 | 3.0 | 4.5 | 7.2 | 8.1 | 8.3 | 256,142,685 | 276,282,949 | 20,140,264 | 7.9 | 331,548,009 | 355,049,530 | 23,501,521 | 7.1 | |
| Northern California | 3.9 | 7.2 | 8.6 | 11.7 | 9.4 | 8.4 | 1,573,511,113 | 1,727,569,977 | 154,058,864 | 9.8 | 2,025,655,595 | 2,218,755,460 | 193,099,865 | 9.5 | |
| Inland Empire | 3.6 | 6.0 | 9.2 | 10.7 | 11.2 | 9.6 | 367,108,605 | 405,696,943 | 38,588,338 | 10.5 | 479,290,819 | 528,216,478 | 48,925,659 | 10.2 | |
| Other Southern | 10.8 | 9.4 | 30.1 | 7.0 | 13.8 | 0.2 | 17,967,571 | 19,134,281 | 1,166,710 | 6.5 | 22,458,888 | 24,979,509 | 2,520,621 | 11.2 | |
| South Coast | 3.5 | 5.9 | 6.1 | 8.9 | 8.5 | 7.4 | 1,704,705,708 | 1,845,456,784 | 140,751,076 | 8.3 | 2,216,261,325 | 2,388,412,176 | 172,150,851 | 7.8 | |
| Southern California | 3.6 | 6.0 | 6.9 | 9.2 | 9.0 | 7.7 | 2,089,781,884 | 2,270,288,008 | 180,506,124 | 8.6 | 2,718,011,032 | 2,941,608,163 | 223,597,131 | 8.2 | |
| State Total | 3.7 | 6.5 | 7.6 | 10.3 | 9.2 | 8.0 | 3,663,292,997 | 3,997,857,985 | 334,564,988 | 9.1 | 4,743,666,627 | 5,160,363,623 | 416,696,996 | 8.8 | |

Sonoma County Historical Sales Per Capita by Benchmark Year (2011Q4)



Sebastopol

Historical Sales Per Capita by Benchmark Year



City of Sebastopol: Sales Tax Forecast for FY 2011-2012

Sales tax forecast based on sales thru December 2011 (4th Quarter)

Date: April 27, 2012

1 Base \$ **1,352,180**

| 2 Business Level Adj. | %Δ | \$Δ |
|------------------------------|-----------|------------|
| General Retail | 1.1% | 3,352 |
| Food Products | 1.3% | 6,275 |
| Transportation | 6.2% | 18,784 |
| Construction | 3.8% | 3,728 |
| Business to Business | 0.0% | 30 |
| Miscellaneous | 0.0% | 0 |

| 3 Prior Period Payments | Expected Date | \$ |
|--------------------------------|----------------------|-----------|
| | 2011Q1 | |

| 4 Coming Soon or Threats | Expected Date | \$ |
|---------------------------------|----------------------|-----------|
|---------------------------------|----------------------|-----------|

Total Adjustments **32,169**

| 5 Forecast Scenarios | Inflation Adj. | Local 1% | 0.75% + Flip |
|-----------------------------|-----------------------|------------------|---------------------|
| Pessimistic: 1.4% | 0.4% | 1,389,194 | 1,362,270 |
| Most Likely: 2.4% | 0.6% | 1,392,655 | 1,364,866 |
| Optimistic: 4.0% | 1.0% | 1,398,192 | 1,369,019 |

| 6 Local 1% Accrual | Pessimistic | Most Likely | Optimistic |
|---------------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2012 | 1,400,412 | 1,405,478 | 1,413,382 |
| 3rd Adv: Aug 2012 | 1,407,846 | 1,413,983 | 1,423,464 |
| Balance: Sep 2012 | 1,471,488 | 1,477,921 | 1,487,841 |

| 7 0.75% + Flip Accrual | Pessimistic | Most Likely | Optimistic |
|-------------------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2012 | 1,370,683 | 1,374,483 | 1,380,411 |
| 3rd Adv: Aug 2012 | 1,376,259 | 1,380,862 | 1,387,973 |
| Balance: Sep 2012 | 1,422,448 | 1,427,273 | 1,434,713 |

| Cash Flow | 1.00% | 0.75% | Flip | Cumulative |
|--------------------------|------------------|------------------|----------------|-------------------|
| 1st Adv: Jun 2011 | 96,667 | 72,500 | | (11,395) |
| 2nd Adv: Jul 2011 | 96,667 | 72,500 | | (35,561) |
| 3rd Adv: Aug 2011 | 128,933 | 96,700 | | (67,795) |
| Balance: Sep 2011 | (25,761) | (20,070) | | (62,103) |
| Total | 296,505 | 221,630 | | |
| 1st Adv: Sep 2011 | 99,333 | 74,500 | | (86,936) |
| 2nd Adv: Oct 2011 | 99,333 | 74,500 | | (111,770) |
| 3rd Adv: Nov 2011 | 132,400 | 99,300 | | (144,870) |
| Balance: Dec 2011 | 32,633 | 23,565 | | (153,938) |
| Total | 363,700 | 271,865 | | |
| 1st Adv: Dec 2011 | 116,000 | 87,000 | | (182,938) |
| 2nd Adv: Jan 2012 | 116,000 | 87,000 | | (211,938) |
| <i>In-Lieu</i> | | | 170,726 | (41,212) |
| <i>True-Up</i> | | | (12,772) | (53,984) |
| <i>1/4% Admin Fee</i> | | | (3,394) | (53,984) |
| <i>Total Triple Flip</i> | | | 154,560 | |
| 3rd Adv: Feb 2012 | 154,667 | 116,000 | | (92,650) |
| Balance: Mar 2012 | (14,391) | (11,675) | | (89,935) |
| Total | 372,276 | 278,325 | | |
| 1st Adv: Mar 2012 | 89,067 | 66,800 | | (112,201) |
| 2nd Adv: Apr 2012 | 89,067 | 66,800 | | (134,468) |
| 3rd Adv: May 2012 | 118,756 | 89,067 | | (164,157) |
| <i>In-Lieu</i> | | | 170,726 | 6,569 |
| <i>True-Up</i> | | | 0 | 6,569 |
| <i>1/4% Admin Fee</i> | | | 0 | 6,569 |
| <i>Total Triple Flip</i> | | | 170,726 | |
| Balance: Jun 2012 | 63,286 | 45,093 | | (11,623) |
| Total | 360,175 | 267,760 | | |
| Total | 1,392,655 | 1,039,580 | 325,286 | (11,623) |

Shaded area indicates forecasted dollars.

8 Notes

Local 1% Net Effective Growth Rate = 3.9%
 0.75% + Flip Net Effective Growth Rate = 0.6%

City of Sebastopol: Sales Tax Forecast for FY 2012-2013

Date: April 27, 2012

1 Projected Base \$ 1,392,655

| 2 Business Level Adj. | %Δ | \$Δ |
|------------------------------|-----------|------------|
| General Retail | 1.5% | 4,677 |
| Food Products | 2.9% | 14,206 |
| Transportation | 12.9% | 41,485 |
| Construction | 0.0% | 0 |
| Business to Business | 0.1% | 87 |
| Miscellaneous | -3.1% | (534) |

| 3 Prior Period Payments | Expected Date | \$ |
|--------------------------------|----------------------|-----------|
| | 2011Q2 | |
| | 2011Q3 | |
| | 2011Q4 | |

| 4 Coming Soon or Threats | Expected Date | \$ |
|---------------------------------|----------------------|-----------|
| | | |

Total Adjustments **59,921**

| 5 Forecast Scenarios | Inflation Adj. | Local 1% | 0.75% + Flip |
|-----------------------------|-----------------------|------------------|---------------------|
| Pessimistic | 3.0% | 1,496,153 | 1,497,715 |
| Most Likely | 4.0% | 1,510,679 | 1,512,979 |
| Optimistic | 5.0% | 1,525,204 | 1,528,708 |

| 6 Local 1% | Pessimistic | Most Likely | Optimistic |
|-------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2013 | 1,503,599 | 1,519,068 | 1,534,147 |
| 3rd Adv: Aug 2013 | 1,508,563 | 1,524,660 | 1,540,108 |
| Balance: Sep 2013 | 1,509,942 | 1,526,214 | 1,541,764 |

| 7 0.75% + Flip | Pessimistic | Most Likely | Optimistic |
|-----------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2013 | 1,505,162 | 1,519,271 | 1,537,651 |
| 3rd Adv: Aug 2013 | 1,510,126 | 1,523,465 | 1,543,612 |
| Balance: Sep 2013 | 1,511,505 | 1,524,585 | 1,545,268 |

| Cash Flow | 1.00% | 0.75% | Flip | Cumulative |
|--------------------------|------------------|------------------|----------------|-------------------|
| 1st Adv: Jun 2012 | 103,078 | 77,309 | | (37,393) |
| 2nd Adv: Jul 2012 | 103,078 | 77,309 | | (63,163) |
| 3rd Adv: Aug 2012 | 137,438 | 103,078 | | (97,522) |
| Balance: Sep 2012 | 38,177 | 26,342 | | (109,358) |
| Total | 381,772 | 284,038 | | |
| 1st Adv: Sep 2012 | 107,383 | 80,537 | | (136,203) |
| 2nd Adv: Oct 2012 | 107,383 | 80,537 | | (163,049) |
| 3rd Adv: Nov 2012 | 143,178 | 107,383 | | (198,843) |
| Balance: Dec 2012 | 39,772 | 27,045 | | (211,570) |
| Total | 397,715 | 295,503 | | |
| 1st Adv: Dec 2012 | 106,739 | 80,054 | | (238,255) |
| 2nd Adv: Jan 2013 | 106,739 | 80,054 | | (264,940) |
| <i>In-Lieu</i> | | | 191,006 | (73,934) |
| <i>True-Up</i> | | | 11,623 | (62,310) |
| <i>1/4% Admin Fee</i> | | | (3,526) | (62,310) |
| <i>Total Triple Flip</i> | | | <u>199,104</u> | |
| 3rd Adv: Feb 2013 | 142,319 | 106,739 | | (97,890) |
| Balance: Mar 2013 | 39,533 | 27,004 | | (110,419) |
| Total | 395,330 | 293,851 | | |
| 1st Adv: Mar 2013 | 90,683 | 68,012 | | (133,090) |
| 2nd Adv: Apr 2013 | 90,683 | 68,012 | | (155,760) |
| 3rd Adv: May 2013 | 120,910 | 90,683 | | (185,988) |
| <i>In-Lieu</i> | | | 191,006 | 5,018 |
| <i>True-Up</i> | | | 0 | 5,018 |
| <i>1/4% Admin Fee</i> | | | 0 | 5,018 |
| <i>Total Triple Flip</i> | | | <u>191,006</u> | |
| Balance: Jun 2013 | 33,586 | 22,771 | | (5,797) |
| Total | 335,862 | 249,478 | | |
| Total | 1,510,679 | 1,122,869 | 390,110 | (5,797) |

8 Notes
 Local 1% Net Effective Growth Rate = 8.5%
 0.75% + Flip Net Effective Growth Rate = 10.9%

City of Sebastopol: Sales Tax Forecast for FY 2013-2014

Date: April 27, 2012

1 Projected Base \$ **1,510,679**

| 2 Business Level Adj. | %Δ | \$Δ |
|------------------------------|-----------|------------|
| General Retail | 3.0% | 9,252 |
| Food Products | 0.9% | 4,755 |
| Transportation | 2.4% | 8,691 |
| Construction | 3.4% | 3,489 |
| Business to Business | 1.9% | 1,323 |
| Miscellaneous | 0.7% | 121 |

3 Coming Soon or Threats **Expected Date** **\$**

Total Adjustments **27,631**

| 4 Forecast Scenarios | Inflation Adj. | Local 1% | 0.75% + Flip |
|-----------------------------|-----------------------|------------------|---------------------|
| Pessimistic | 0.8% | 1,550,616 | 1,552,518 |
| Most Likely | 2.2% | 1,572,152 | 1,574,151 |
| Optimistic | 3.4% | 1,590,612 | 1,592,743 |

| 5 Local 1% | Pessimistic | Most Likely | Optimistic |
|-------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2014 | 1,559,148 | 1,580,787 | 1,599,364 |
| 3rd Adv: Aug 2014 | 1,564,018 | 1,580,570 | 1,604,359 |
| Balance: Sep 2014 | 1,565,370 | 1,580,509 | 1,605,747 |

| 6 0.75% + Flip | Pessimistic | Most Likely | Optimistic |
|-----------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2014 | 1,558,917 | 1,580,627 | 1,599,307 |
| 3rd Adv: Aug 2014 | 1,562,570 | 1,580,464 | 1,603,054 |
| Balance: Sep 2014 | 1,564,040 | 1,580,875 | 1,604,550 |

| Cash Flow | 1.00% | 0.75% | Flip | Cumulative |
|--------------------------|------------------|------------------|----------------|-------------------|
| 1st Adv: Jun 2013 | 107,273 | 80,455 | | (32,615) |
| 2nd Adv: Jul 2013 | 107,273 | 80,455 | | (59,433) |
| 3rd Adv: Aug 2013 | 143,031 | 107,273 | | (95,191) |
| Balance: Sep 2013 | 39,731 | 27,461 | | (107,461) |
| Total | 397,307 | 295,643 | | |
| 1st Adv: Sep 2013 | 111,753 | 83,815 | | (135,399) |
| 2nd Adv: Oct 2013 | 111,753 | 83,815 | | (163,337) |
| 3rd Adv: Nov 2013 | 149,004 | 111,753 | | (200,588) |
| Balance: Dec 2013 | 41,390 | 28,203 | | (213,775) |
| Total | 413,899 | 307,585 | | |
| 1st Adv: Dec 2013 | 111,083 | 83,312 | | (241,546) |
| 2nd Adv: Jan 2014 | 111,083 | 83,312 | | (269,316) |
| <i>In-Lieu</i> | | | 201,677 | (67,639) |
| <i>True-Up</i> | | | 5,797 | (61,842) |
| <i>1/4% Admin Fee</i> | | | (3,825) | (61,842) |
| <i>Total Triple Flip</i> | | | <u>203,649</u> | |
| 3rd Adv: Feb 2014 | 148,110 | 111,083 | | (98,870) |
| Balance: Mar 2014 | 41,142 | 28,210 | | (111,801) |
| Total | 411,417 | 305,917 | | |
| 1st Adv: Mar 2014 | 94,373 | 70,780 | | (135,394) |
| 2nd Adv: Apr 2014 | 94,373 | 70,780 | | (158,988) |
| 3rd Adv: May 2014 | 125,830 | 94,373 | | (190,445) |
| <i>In-Lieu</i> | | | 201,677 | 11,232 |
| <i>True-Up</i> | | | 0 | 11,232 |
| <i>1/4% Admin Fee</i> | | | 0 | 11,232 |
| <i>Total Triple Flip</i> | | | <u>201,677</u> | |
| Balance: Jun 2014 | 34,953 | 23,748 | | 27 |
| Total | 349,529 | 259,680 | | |
| Total | 1,572,152 | 1,168,825 | 405,326 | 27 |

7 Notes
 Local 1% Net Effective Growth Rate = 4.1%
 0.75% + Flip Net Effective Growth Rate = 4.0%

City of Sebastopol: Sales Tax Forecast for FY 2014-2015

Date: April 27, 2012

1 Projected Base \$ **1,572,152**

| 2 Business Level Adj. | %Δ | \$Δ |
|------------------------------|-----------|------------|
| General Retail | 3.0% | 9,527 |
| Food Products | 0.9% | 4,850 |
| Transportation | 2.4% | 8,951 |
| Construction | 3.0% | 3,197 |
| Business to Business | 2.0% | 1,419 |
| Miscellaneous | 0.7% | 123 |

3 Coming Soon or Threats **Expected Date** **\$**

Total Adjustments **28,067**

| 4 Forecast Scenarios | Inflation Adj. | Local 1% | 0.75% + Flip |
|-----------------------------|-----------------------|------------------|---------------------|
| Pessimistic | 0.8% | 1,613,021 | 1,609,344 |
| Most Likely | 2.2% | 1,635,424 | 1,631,679 |
| Optimistic | 3.4% | 1,654,626 | 1,650,832 |

| 5 Local 1% | Pessimistic | Most Likely | Optimistic |
|-------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2015 | 1,621,866 | 1,644,375 | 1,663,700 |
| 3rd Adv: Aug 2015 | 1,627,762 | 1,650,343 | 1,669,748 |
| Balance: Sep 2015 | 1,629,400 | 1,652,000 | 1,671,429 |

| 6 0.75% + Flip | Pessimistic | Most Likely | Optimistic |
|-----------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2015 | 1,615,978 | 1,638,392 | 1,657,637 |
| 3rd Adv: Aug 2015 | 1,620,400 | 1,642,868 | 1,662,174 |
| Balance: Sep 2015 | 1,621,581 | 1,644,064 | 1,663,386 |

| Cash Flow | 1.00% | 0.75% | Flip | Cumulative |
|--------------------------|------------------|------------------|----------------|-------------------|
| 1st Adv: Jun 2014 | 111,590 | 83,693 | | (27,871) |
| 2nd Adv: Jul 2014 | 111,590 | 83,693 | | (55,768) |
| 3rd Adv: Aug 2014 | 148,787 | 111,590 | | (92,965) |
| Balance: Sep 2014 | 41,330 | 28,613 | | (105,681) |
| Total | 413,297 | 307,589 | | |
| 1st Adv: Sep 2014 | 116,250 | 87,188 | | (134,744) |
| 2nd Adv: Oct 2014 | 116,250 | 87,188 | | (163,806) |
| 3rd Adv: Nov 2014 | 155,000 | 116,250 | | (202,557) |
| Balance: Dec 2014 | 43,056 | 29,395 | | (216,217) |
| Total | 430,557 | 320,021 | | |
| 1st Adv: Dec 2014 | 115,553 | 86,665 | | (245,105) |
| 2nd Adv: Jan 2015 | 115,553 | 86,665 | | (273,993) |
| <i>In-Lieu</i> | | | 209,780 | (64,213) |
| <i>True-Up</i> | | | (27) | (64,240) |
| <i>1/4% Admin Fee</i> | | | (3,980) | (64,240) |
| <i>Total Triple Flip</i> | | | <u>205,773</u> | |
| 3rd Adv: Feb 2015 | 154,071 | 115,553 | | (102,758) |
| Balance: Mar 2015 | 42,797 | 29,452 | | (116,103) |
| Total | 427,974 | 318,335 | | |
| 1st Adv: Mar 2015 | 98,171 | 73,628 | | (140,646) |
| 2nd Adv: Apr 2015 | 98,171 | 73,628 | | (165,188) |
| 3rd Adv: May 2015 | 130,894 | 98,171 | | (197,912) |
| <i>In-Lieu</i> | | | 209,780 | 11,868 |
| <i>True-Up</i> | | | 0 | 11,868 |
| <i>1/4% Admin Fee</i> | | | 0 | 11,868 |
| <i>Total Triple Flip</i> | | | <u>209,780</u> | |
| Balance: Jun 2015 | 36,360 | 24,753 | | 262 |
| Total | 363,596 | 270,181 | | |
| Total | 1,635,424 | 1,216,125 | 415,553 | 262 |

7 Notes
 Local 1% Net Effective Growth Rate = 4.0%
 0.75% + Flip Net Effective Growth Rate = 3.7%

City of Sebastopol: Sales Tax Forecast for FY 2015-2016

Date: April 27, 2012

1 Projected Base \$ **1,635,424**

| 2 Business Level Adj. | %Δ | \$Δ |
|------------------------------|-----------|------------|
| General Retail | 3.0% | 9,810 |
| Food Products | 1.0% | 4,946 |
| Transportation | 2.4% | 9,220 |
| Construction | 3.0% | 3,293 |
| Business to Business | 2.2% | 1,585 |
| Miscellaneous | 0.7% | 124 |

3 Coming Soon or Threats **Expected Date** **\$**

Total Adjustments **28,978**

| 4 Forecast Scenarios | Inflation Adj. | Local 1% | 0.75% + Flip |
|-----------------------------|-----------------------|------------------|---------------------|
| Pessimistic | 0.8% | 1,677,717 | 1,673,645 |
| Most Likely | 2.2% | 1,701,018 | 1,696,889 |
| Optimistic | 3.4% | 1,720,991 | 1,716,813 |

| 5 Local 1% | Pessimistic | Most Likely | Optimistic |
|-------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2016 | 1,686,860 | 1,710,271 | 1,730,370 |
| 3rd Adv: Aug 2016 | 1,692,955 | 1,716,440 | 1,736,622 |
| Balance: Sep 2016 | 1,694,648 | 1,718,153 | 1,738,359 |

| 6 0.75% + Flip | Pessimistic | Most Likely | Optimistic |
|-----------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2016 | 1,680,502 | 1,703,828 | 1,723,847 |
| 3rd Adv: Aug 2016 | 1,685,073 | 1,708,455 | 1,728,536 |
| Balance: Sep 2016 | 1,686,294 | 1,709,691 | 1,729,790 |

| Cash Flow | 1.00% | 0.75% | Flip | Cumulative |
|--------------------------|------------------|------------------|----------------|-------------------|
| 1st Adv: Jun 2015 | 116,066 | 87,049 | | (28,754) |
| 2nd Adv: Jul 2015 | 116,066 | 87,049 | | (57,771) |
| 3rd Adv: Aug 2015 | 154,754 | 116,066 | | (96,459) |
| Balance: Sep 2015 | 42,987 | 29,809 | | (109,638) |
| Total | 429,874 | 319,974 | | |
| 1st Adv: Sep 2015 | 120,913 | 90,685 | | (139,866) |
| 2nd Adv: Oct 2015 | 120,913 | 90,685 | | (170,094) |
| 3rd Adv: Nov 2015 | 161,217 | 120,913 | | (210,398) |
| Balance: Dec 2015 | 44,783 | 30,633 | | (224,549) |
| Total | 447,826 | 332,915 | | |
| 1st Adv: Dec 2015 | 120,188 | 90,141 | | (254,595) |
| 2nd Adv: Jan 2016 | 120,188 | 90,141 | | (284,642) |
| <i>In-Lieu</i> | | | 218,063 | (66,579) |
| <i>True-Up</i> | | | (262) | (66,842) |
| <i>1/4% Admin Fee</i> | | | (4,141) | (66,842) |
| <i>Total Triple Flip</i> | | | <u>213,660</u> | |
| 3rd Adv: Feb 2016 | 160,250 | 120,188 | | (106,904) |
| Balance: Mar 2016 | 44,514 | 30,740 | | (120,678) |
| Total | 445,140 | 331,209 | | |
| 1st Adv: Mar 2016 | 102,108 | 76,581 | | (146,206) |
| 2nd Adv: Apr 2016 | 102,108 | 76,581 | | (171,733) |
| 3rd Adv: May 2016 | 136,144 | 102,108 | | (205,769) |
| <i>In-Lieu</i> | | | 218,063 | 12,294 |
| <i>True-Up</i> | | | 0 | 12,294 |
| <i>1/4% Admin Fee</i> | | | 0 | 12,294 |
| <i>Total Triple Flip</i> | | | <u>218,063</u> | |
| Balance: Jun 2016 | 37,818 | 25,797 | | 273 |
| Total | 378,179 | 281,068 | | |
| Total | 1,701,018 | 1,265,166 | 431,723 | 273 |

7 Notes
 Local 1% Net Effective Growth Rate = 4.0%
 0.75% + Flip Net Effective Growth Rate = 4.0%

City of Sebastopol: Sales Tax Forecast for FY 2016-2017

Date: April 27, 2012

1 Projected Base \$ **1,701,018**

| 2 Business Level Adj. | %Δ | \$Δ |
|------------------------------|-----------|------------|
| General Retail | 3.0% | 10,101 |
| Food Products | 1.0% | 5,044 |
| Transportation | 2.4% | 9,497 |
| Construction | 3.0% | 3,392 |
| Business to Business | 2.1% | 1,566 |
| Miscellaneous | 0.7% | 125 |

3 Coming Soon or Threats **Expected Date** **\$**

Total Adjustments **29,725**

| 4 Forecast Scenarios | Inflation Adj. | Local 1% | 0.75% + Flip |
|-----------------------------|-----------------------|------------------|---------------------|
| Pessimistic | 0.8% | 1,744,590 | 1,742,726 |
| Most Likely | 2.2% | 1,768,820 | 1,766,896 |
| Optimistic | 3.4% | 1,789,589 | 1,787,610 |

| 5 Local 1% | Pessimistic | Most Likely | Optimistic |
|-------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2017 | 1,749,360 | 1,777,269 | 1,779,830 |
| 3rd Adv: Aug 2017 | 1,752,540 | 1,782,901 | 1,787,170 |
| Balance: Sep 2017 | 1,753,424 | 1,784,465 | 1,789,209 |

| 6 0.75% + Flip | Pessimistic | Most Likely | Optimistic |
|-----------------------|--------------------|--------------------|-------------------|
| 2nd Adv: Jul 2017 | 1,746,304 | 1,773,232 | 1,795,867 |
| 3rd Adv: Aug 2017 | 1,748,689 | 1,777,457 | 1,801,372 |
| Balance: Sep 2017 | 1,751,561 | 1,780,833 | 1,805,098 |

| Cash Flow | 1.00% | 0.75% | Flip | Cumulative |
|--------------------------|------------------|------------------|----------------|-------------------|
| 1st Adv: Jun 2016 | 120,692 | 90,519 | | (29,900) |
| 2nd Adv: Jul 2016 | 120,692 | 90,519 | | (60,073) |
| 3rd Adv: Aug 2016 | 160,923 | 120,692 | | (100,303) |
| Balance: Sep 2016 | 44,701 | 31,045 | | (113,959) |
| Total | 447,008 | 332,776 | | |
| 1st Adv: Sep 2016 | 125,733 | 94,299 | | (145,392) |
| 2nd Adv: Oct 2016 | 125,733 | 94,299 | | (176,825) |
| 3rd Adv: Nov 2016 | 167,643 | 125,733 | | (218,736) |
| Balance: Dec 2016 | 46,568 | 31,912 | | (233,391) |
| Total | 465,676 | 346,244 | | |
| 1st Adv: Dec 2016 | 124,978 | 93,734 | | (264,636) |
| 2nd Adv: Jan 2017 | 124,978 | 93,734 | | (295,880) |
| <i>In-Lieu</i> | | | 226,618 | (69,262) |
| <i>True-Up</i> | | | (273) | (69,536) |
| <i>1/4% Admin Fee</i> | | | (4,307) | (69,536) |
| <i>Total Triple Flip</i> | | | <u>222,038</u> | |
| 3rd Adv: Feb 2017 | 166,638 | 124,978 | | (111,195) |
| Balance: Mar 2017 | 46,288 | 32,070 | | (125,413) |
| Total | 462,883 | 344,516 | | |
| 1st Adv: Mar 2017 | 106,178 | 79,634 | | (151,958) |
| 2nd Adv: Apr 2017 | 106,178 | 79,634 | | (178,502) |
| 3rd Adv: May 2017 | 141,571 | 106,178 | | (213,895) |
| <i>In-Lieu</i> | | | 226,618 | 12,723 |
| <i>True-Up</i> | | | 0 | 12,723 |
| <i>1/4% Admin Fee</i> | | | 0 | 12,723 |
| <i>Total Triple Flip</i> | | | <u>226,618</u> | |
| Balance: Jun 2017 | 39,325 | 29,258 | | 2,656 |
| Total | 393,253 | 294,704 | | |
| Total | 1,768,820 | 1,318,240 | 448,656 | 2,656 |

7 Notes
 Local 1% Net Effective Growth Rate = 4.0%
 0.75% + Flip Net Effective Growth Rate = 4.1%

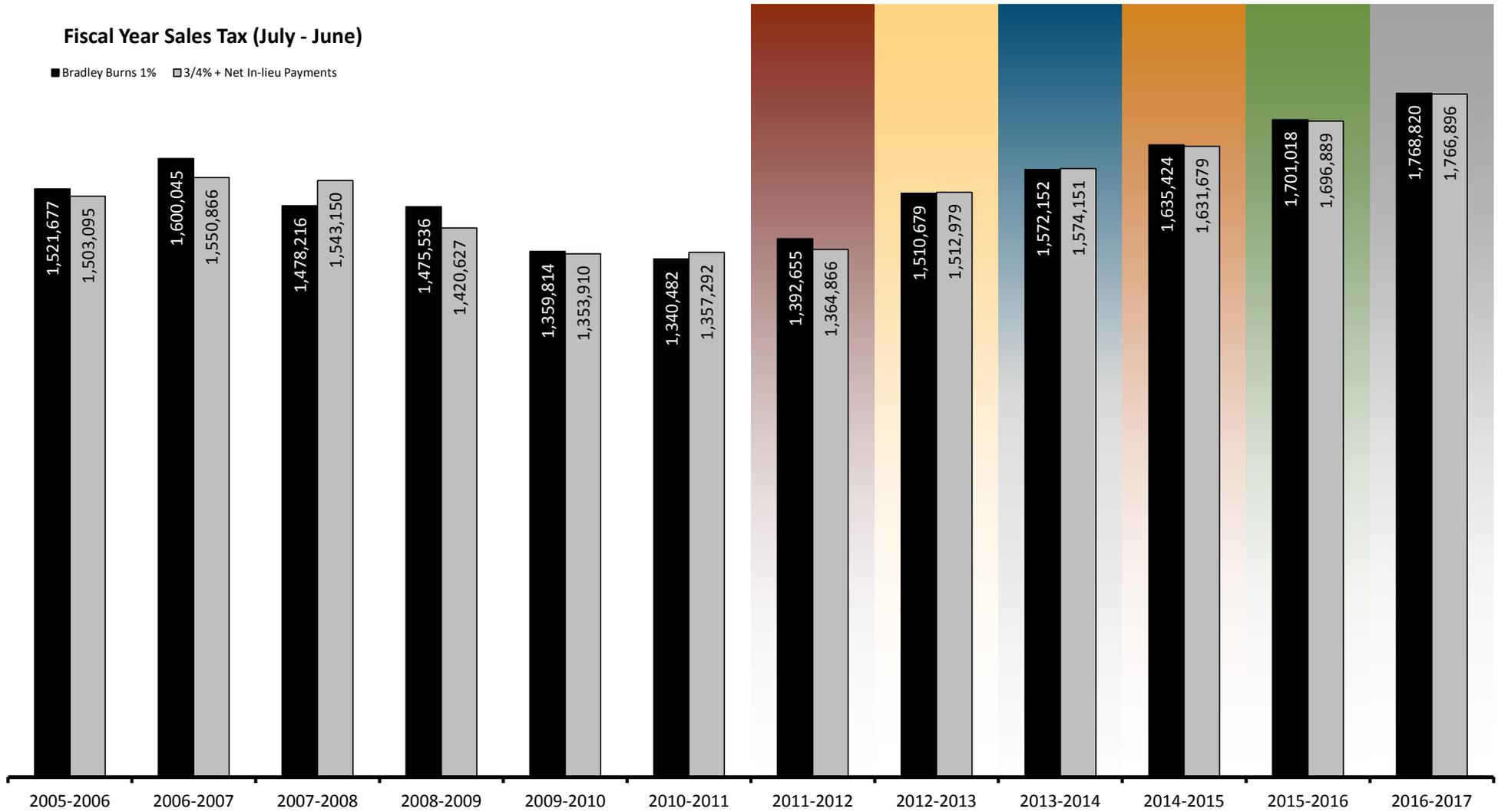
City of Sebastopol: Multi-Fiscal Year Sales Tax Forecast - Summary

| | 2011-2012 | 2012-2013 | 2013-2014 | | 2014-2015 | | 2015-2016 | | 2016-2017 | |
|-----------------------------------|--------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|
| | Adjustments | Adjustments | Ind. Growth | Adjustments |
| Most-Likely Scenario: Base | \$1,352,180 | \$1,392,655 | | \$1,510,679 | | \$1,572,152 | | \$1,635,424 | | \$1,701,018 |
| General Retail | 3,352 | 4,677 | | 9,252 | | 9,527 | | 9,810 | | 10,101 |
| Apparel Stores | 375 | - | 3.0% | 454 | 3.0% | 468 | 3.0% | 482 | 3.0% | 496 |
| Department Stores | - | - | 3.0% | 0 | 3.0% | 0 | 3.0% | 0 | 3.0% | 0 |
| Furniture/Appliance | 200 | 200 | 2.5% | 538 | 2.5% | 552 | 2.5% | 566 | 2.5% | 580 |
| Drug Stores | - | 200 | 3.0% | 2,676 | 3.0% | 2,756 | 3.0% | 2,839 | 3.0% | 2,924 |
| Recreation Products | - | - | 3.0% | 200 | 3.0% | 206 | 3.0% | 212 | 3.0% | 219 |
| Florist/Nursery | 3,000 | 3,300 | 3.0% | 1,392 | 3.0% | 1,434 | 3.0% | 1,477 | 3.0% | 1,521 |
| Miscellaneous Retail | (223) | 977 | 3.0% | 3,991 | 3.0% | 4,111 | 3.0% | 4,234 | 3.0% | 4,361 |
| Food Products | 6,275 | 14,206 | | 4,755 | | 4,850 | | 4,946 | | 5,044 |
| Restaurants | 4,875 | 7,006 | 2.0% | 4,679 | 2.0% | 4,772 | 2.0% | 4,868 | 2.0% | 4,965 |
| Food Markets | - | 4,000 | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Liquor Stores | 100 | - | 1.0% | 77 | 1.0% | 78 | 1.0% | 79 | 1.0% | 79 |
| Food Processing Eqp | 1,300 | 3,200 | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Transportation | 18,784 | 41,485 | | 8,691 | | 8,951 | | 9,220 | | 9,497 |
| Auto Parts/Repair | 300 | 400 | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Auto Sales - New | - | - | 5.5% | - | 3.0% | - | 3.0% | - | 3.0% | - |
| Auto Sales - Used | - | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Service Stations | 18,484 | 41,085 | 3.0% | 8,691 | 3.0% | 8,951 | 3.0% | 9,220 | 3.0% | 9,497 |
| Misc. Vehicle Sales | - | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Construction | 3,728 | - | | 3,489 | | 3,197 | | 3,293 | | 3,392 |
| Bldg. Matls-Whsle | (272) | - | 5.0% | 990 | 3.0% | 624 | 3.0% | 642 | 3.0% | 662 |
| Bldg. Matls-Retail | 4,000 | - | 3.0% | 2,499 | 3.0% | 2,574 | 3.0% | 2,651 | 3.0% | 2,730 |
| Business To Business | 30 | 87 | | 1,323 | | 1,419 | | 1,585 | | 1,566 |
| Office Equipment | 1,000 | 1,000 | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Electronic Equipment | - | - | 2.0% | 123 | 3.0% | 188 | 5.0% | 322 | 4.0% | 271 |
| Business Services | - | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Energy Sales | - | - | 3.0% | 695 | 3.0% | 715 | 3.0% | 737 | 3.0% | 759 |
| Chemical Products | - | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Heavy Industry | - | - | 2.0% | 50 | 2.0% | 51 | 2.0% | 52 | 2.0% | 53 |
| Light Industry | (970) | (913) | 2.0% | 456 | 2.0% | 465 | 2.0% | 474 | 2.0% | 484 |
| Leasing | - | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Miscellaneous | - | (534) | | 121 | | 123 | | 124 | | 125 |
| Health & Government | - | - | 1.0% | 121 | 1.0% | 123 | 1.0% | 124 | 1.0% | 125 |
| Miscellaneous Other | - | (534) | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Closed Acct-Adjustmt | - | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - |
| All Others | | | | | | | | | | |
| Business-Level Adjustments | 32,169 | 59,921 | | 27,631 | | 28,067 | | 28,978 | | 29,725 |
| Coming / Threats / Prior Periods | - | - | | - | | - | | - | | - |
| Adjusted Base | 1,384,349 | 1,452,576 | | 1,538,309 | | 1,600,219 | | 1,664,402 | | 1,730,744 |
| Inflation Adjustment | 8,306 | 58,103 | | 33,843 | | 35,205 | | 36,617 | | 38,076 |
| Projection | \$1,392,655 | \$1,510,679 | | \$1,572,152 | | \$1,635,424 | | \$1,701,018 | | \$1,768,820 |
| Most-Likely Scenario | 2011-2012 | 2012-2013 | 2013-2014 | | 2014-2015 | | 2015-2016 | | 2016-2017 | |
| Accrual thru July: 2nd Adv | 1,405,478 | 1,519,068 | 4.1% | 1,580,787 | 4.0% | 1,644,375 | 4.0% | 1,710,271 | 3.9% | 1,777,269 |
| Accrual thru August: 3rd Adv | 1,413,983 | 1,524,660 | 3.7% | 1,580,570 | 4.4% | 1,650,343 | 4.0% | 1,716,440 | 3.9% | 1,782,901 |
| Accrual thru September: Balance | 1,477,921 | 1,526,214 | 3.6% | 1,580,509 | 4.5% | 1,652,000 | 4.0% | 1,718,153 | 3.9% | 1,784,465 |

City of Sebastopol: Sales Tax Forecast by Fiscal Year

Fiscal Year Sales Tax (July - June)

■ Bradley Burns 1% □ 3/4% + Net In-lieu Payments



| Most-Likely Scenario | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Bradley Burns 1% | 1,340,482 | 1,392,655 | 1,510,679 | 1,572,152 | 1,635,424 | 1,701,018 | 1,768,820 |
| 3/4% + Net In-lieu Payments | 1,357,292 | 1,364,866 | 1,512,979 | 1,574,151 | 1,631,679 | 1,696,889 | 1,766,896 |

| Most-Likely Scenario | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Bradley Burns 1% | -1.4% | 3.9% | 8.5% | 4.1% | 4.0% | 4.0% | 4.0% |
| 3/4% + Net In-lieu Payments | 0.2% | 0.6% | 10.9% | 4.0% | 3.7% | 4.0% | 4.1% |