

# **Multi-Year Revenue and Expenditure Forecast Scenarios**

## Multi-Year Revenue and Expenditure Projections

Multi-year revenue and expenditure projections have been developed as estimates of future City surpluses and shortfalls in order to examine how decisions made in the current budget could affect the City's future financial situation in a variety of potential revenue scenarios.

The tables and graphs on the following pages show the budget surpluses or shortfalls that would occur over the next ten fiscal years as a result of low medium and high revenue growth scenarios relative to projected expenditures. All estimates include policy changes included in the City Manager's Proposed FY 2012 budget.

The City's website has a computer model containing these forecast estimates that allows the user to make his/her own assumptions about the rates of change in revenues and expenditures and experiment with alternative ways to balance the budget. You are invited to view and use this model at [alexandriava.gov/Budget](http://alexandriava.gov/Budget).

### Resolution 2426

Resolution 2426, approved by Council in November, 2010, requires a special analysis from the City Manager to show expected revenues and expenditures for FY 2013. The analysis included in the Approved budget must contain:

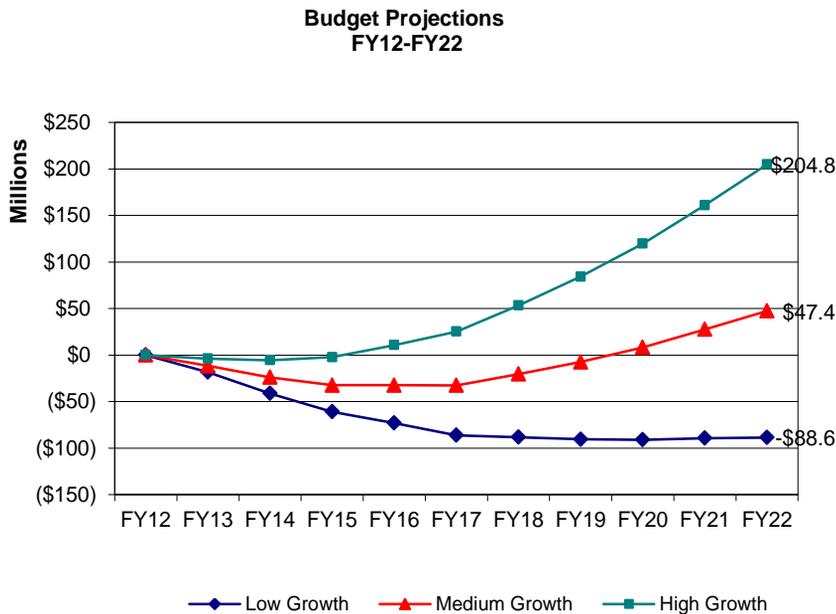
- a. Revenue estimates at the same level of detail as shown in the long-range forecast section of the budget document, including three forecast estimates – high, mid, and low level.
- b. Revenue estimates that assume the same tax rates as those prepared for FY 2012 in the base budget.
- c. Expenditure estimates at the same level of detail as provided in the long range forecast section of the budget document.
- d. A detailed estimate of the impact in FY 2013 of any recommended expenditures in the FY 2012 base budget.
- e. The impact on FY 2013 revenues and expenditures of any of the options for additional operating and CIP expenditures approved under the authority of section 11 of the resolution which allows options for additional operating and budget expenditures above the base budget.
- f. A general discussion of the types of actions that might be necessary to balance the FY 2013 budget if there is a projected deficit for that year.

# Forecast Scenarios

## Multi-Year Revenue and Expenditure Projections

**Balancing the Budget in FY 2013** In the City's mid-range estimate for revenues and expenditures, the FY 2013 budget forecast includes a shortfall of \$11.6 million. Most of the deficit is due to expenditure increases, which are projected to total a little over 4% in FY 2013. Revenues, while increasing, are expected to increase by less than the rate of expenditure increase. The worst case forecast is a \$18.4 million deficit. The best case forecast scenario is a \$3.9 million deficit. The model assumes no market rate adjustment for employees in FY 2012.

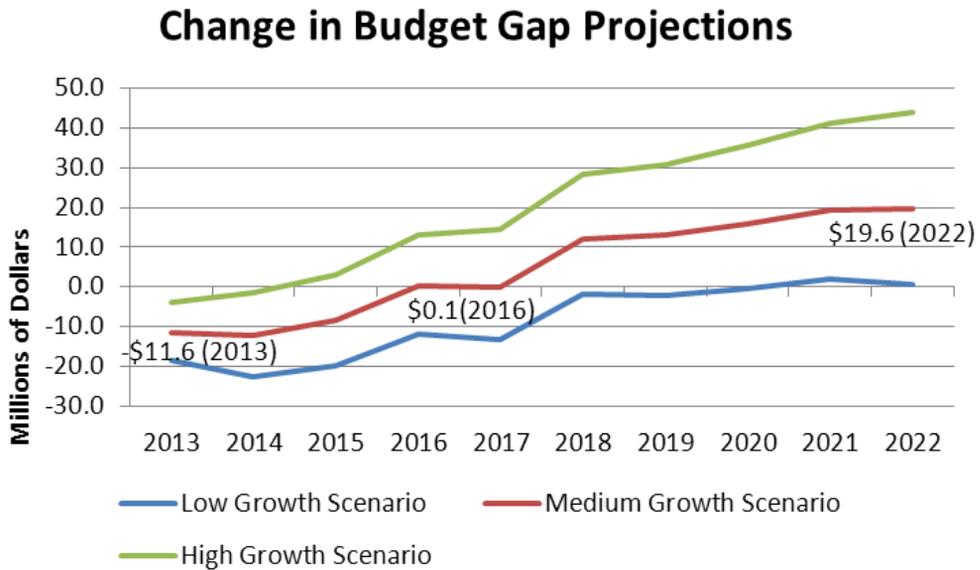
In order to balance the FY 2012 budget, it will probably be necessary again to do a combination of revenue and tax increases and expenditure reductions. The exact balance between the two types of actions would be determined by Council. Prior to FY 2012, the City increased the real estate tax in part to compensate for decreases in real estate assessments. The city has also increased other taxes where it has the authority such as the meals tax, transient lodging tax, and established an admission tax. The City has also made an effort to match fees and revenues to the costs of services. On the expenditure side, the City has reduced expenses by cancelling or deferring salary increases, reducing staff, and increasing city employee's cost share of benefits such as medical insurance. In some cases, the City has eliminated lower priority services and reduced service levels. The City has deferred capital projects; however, in reality maintaining existing public facilities and infrastructure is a high priority and a need exists to improve or expand some facilities or infrastructure. Lastly, the City could defer pension and OPEB contributions or tap the City's fund balances heavily, although these actions are likely not be recommended. They would be financially unsustainable and a threat to the City's Triple A bond ratings.



# Forecast Scenarios

## Multi-Year Revenue and Expenditure Projections

The graph below shows the annual change in budget gap projections. Assuming the budget is balanced each year, this chart shows the deficit or surplus that occurs in the succeeding year. According to the forecast model, under the high growth scenario, the annual gap will disappear in FY 2015. Under the medium growth scenario, the gap will disappear in 2016, and under the low growth scenario the gap will disappear in 2021. All scenarios show gradually narrowing gaps. The rate at which the gaps close depends mostly on the rate of growth in real estate assessments.



# Forecast Scenarios

## Multi-Year Revenue and Expenditure Projections

### Impact of FY 2012 policy changes on the FY 2013 budget

Resolution 2426, passed by City Council in November, requires the City Manager to provide a detailed estimate of the impact in FY 2013 of recommended expenditures in the FY 2012 base budget. The chart below shows the impact of expenditure changes to the FY 2012 budget on FY 2013 expenditures. All changes are included in the long-term forecast models.

	<b>Change to FY 13 budget</b>
<b>Personnel Adjustments</b>	
FY 2012 Step Increase on Salary and Benefits in FY 2013	3,300,000
R-Step	400,000
Employee Retirement Contributions	(1,600,000)
Competitive Pay Adjustments	661,000
Increase in share of health care paid by employees	(600,000)
<b>Total</b>	<b>2,161,000</b>
<b>Reductions</b>	
Reduction in contingent reserves	(1,600,000)
Reduction in efficiency studies	(275,000)
Reduction in Outside Legal services	(86,000)
Library Expenditure Reduction Due to Revenue Shortfall	(42,000)
Energy Savings from Installing LED Traffic Signals	(24,000)
Information Technology Services (ITS) Overtime	(25,000)
<b>Total</b>	<b>(2,052,000)</b>
<b>New or Expanded Services</b>	
Alexandria Convention & Visitors Association (ACVA) Programs	375,000
Snow Removal	230,000
Equipment for 12 Grant Funded Firefighters	177,000
T&ES Civil Engineer General Fund Share (75% Sewer Funded)	18,000
Tree and Flower Watering Crews	65,000
Adult Sports Programs	10,000
Youth Sports Programs	24,000
General Services Fleet Management Position	67,000
City Hall Security	45,000
Emergency Communications Training	100,000
Recreation Mobile Stage Replacement Depreciation	10,000
Library Security Guards	19,000
Civil War Sesquicentennial Funding	25,000
<b>Total</b>	<b>1,165,000</b>
<b>Grand Total of All Policy Changes</b>	<b>1,274,000</b>

# Forecast Scenarios

## Revenue Growth Scenarios

Three different scenarios of revenue growth have been developed for the period of FY 2012 through FY 2022 based on varying assumptions about the rate of increase for each of the revenue categories listed below. Each scenario is based on Proposed FY 2012 tax and fee rates. All projected increases over the next six years are generated by economic growth or the impact of inflation on goods or services that are taxed. In the low growth scenario, the real estate market is assumed to recover slowly; in the high growth scenario, real estate is expected to resume an above average rate of growth. In the medium growth scenario, it is projected that real estate assessments will grow at their historic rate of about six percent. In the long run, for the budget to come into balance, revenue growth must exceed the projected 3.7% rate of expenditure growth.

General Fund Revenue Category	Low Growth	Medium Growth	High Growth
Total Weighted Growth Rate	2.70%	4.20%	5.70%
Real Estate Property	*	*	*
Personal Property	1%	2%	3%
Penalties & Interest	0%	1%	2%
Local Sales	1%	2%	3%
Utility	1%	2%	3%
Communications Sales & Use	0%	1%	2%
Business License	2%	4%	6%
Motor Vehicle License	0%	0%	1%
Recordation	3%	6%	8%
Tobacco	0%	0%	1%
Transient Lodging	4%	6%	9%
Restaurant Food	2%	4%	6%
Other Miscellaneous Taxes	1%	2%	2%
Licenses, Permits and Fees	1%	2%	3%
Fines and Forfeitures	0%	3%	1%
Use of Money and Property	1%	3%	5%
Charges for Services	2%	3%	4%
Intergovernmental	1%	2%	2%
Miscellaneous Non-Tax	0%	1%	2%

Real Estate Property Tax Growth by fiscal year	Low Growth	Medium Growth	High Growth
CY 2012	2.7%	2.7%	2.7%
CY 2013	2.0%	4.0%	6.0%
CY 2014	3.0%	5.0%	7.0%
CY 2015	4.0%	6.0%	8.0%
CY 2016	4.0%	6.0%	8.0%
CY 2017-CY 2022	4.0%	6.0%	8.0%

# Forecast Scenarios

## Expenditure Growth Scenario

For all scenarios, the City assumes a growth rate in expenditures of about 3.7% per year. The model assumes no market rate adjustment. Non-personnel costs are generally expected to rise at their ten year average with the exception of Contractual Services, Utilities, Leases and Rentals, and Subsidies and Contributions, which were reduced by half to account for increasing City efficiency and recently lower rates of inflation.. The City will make its forecast model available from the Alexandria OMB website at <http://alexandriava.gov/Budget> from the FY 2012 budget process link. The interactive model allows users to change revenue and expenditure assumptions and includes information regarding the average historical increases in City expenditures by category.

Expenditure Category	Assumption
<b>Total Average Expenditure Growth</b>	<b>3.7%</b>
<b>City Personnel</b>	
Market Rate Adjustment	0%
Step	1.6%
Health Care Increase*	8.0%
<b>City Non-Personnel</b>	
Contractual Services	0.7%
Internal Services	1.5%
Commodities	3.1%
Utilities	1.6%
Other Charges	4.6%
Leases and Rentals	3.3%
Subsidies and Contributions	2.2%
Equipment	1.0%
Other Charges	2.6%
Transit Subsidies	9.2%
<b>School Personnel</b>	
Market Rate Adjustment	0%
Step & Turnover	2.7%
<b>Non-Personnel</b>	
Outside Services	1.0%
Commodities (Food & Fuel)	1.0%
Other Charges	1.0%
Equipment	1.0%

\*Reduced by \$600,000 in FY 2013 to reflect increased share of health care costs paid by employees.

# Forecast Scenarios

## Low Growth Scenario

Each of the three scenarios that will be presented include policy proposals that were included in the FY 2012 budget. The FY 2013 forecast accommodates a step increase in FY 2012 and the planned increase of cost sharing of medical insurance premiums by City employees, among other policy changes.

	FY 2012 Proposed	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
<b>General Fund</b>											
General property tax revenue											
Real property tax	315,158,000	322,640,000	330,769,000	342,437,000	356,211,000	370,535,000	385,433,000	400,926,000	417,039,000	433,797,000	451,224,000
Personal property tax	34,100,000	34,100,000	34,509,000	34,923,000	35,342,000	35,766,000	36,196,000	36,630,000	37,070,000	37,514,000	37,965,000
Penalties and interest	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000
<b>Total general property tax revenue</b>	<b>351,128,000</b>	<b>358,610,000</b>	<b>367,148,000</b>	<b>379,230,000</b>	<b>393,423,000</b>	<b>408,171,000</b>	<b>423,499,000</b>	<b>439,426,000</b>	<b>455,979,000</b>	<b>473,181,000</b>	<b>491,059,000</b>
Other Local Tax Revenue	119,730,000	121,449,000	123,435,000	125,508,000	127,671,000	129,890,000	132,165,000	134,498,000	136,891,000	139,347,000	141,866,000
Other Non-Tax Revenue	77,497,000	77,490,000	78,375,000	79,272,000	80,180,000	81,101,000	82,034,000	82,979,000	83,937,000	84,908,000	85,892,000
Revenue from Potomac Yards	0	791,000	1,097,000	1,709,000	5,107,000	7,193,000	10,086,000	12,578,000	15,164,000	17,855,000	20,634,000
<b>Total General Fund Revenues</b>	<b>548,355,000</b>	<b>558,340,000</b>	<b>570,055,000</b>	<b>585,719,000</b>	<b>606,381,000</b>	<b>626,355,000</b>	<b>647,784,000</b>	<b>669,481,000</b>	<b>691,971,000</b>	<b>715,291,000</b>	<b>739,451,000</b>
<b>Other Financing Sources (Uses)</b>											
Appropriation from Fund Balance for Op. Budget	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000
<b>Total General Fund Revenue &amp; Other Sources</b>	<b>553,375,000</b>	<b>563,360,000</b>	<b>575,075,000</b>	<b>590,739,000</b>	<b>611,401,000</b>	<b>631,375,000</b>	<b>652,804,000</b>	<b>674,501,000</b>	<b>696,991,000</b>	<b>720,311,000</b>	<b>744,471,000</b>
<b>Special Revenues &amp; Other Funds</b>											
Schools including Fund Balance	57,877,000	57,315,000	57,588,000	55,413,000	56,670,000	57,954,000	59,049,000	60,165,000	61,304,000	62,465,000	63,650,000
Other Special Revenue (donations/charges)	63,382,000	64,692,000	66,100,000	67,562,000	69,066,000	70,608,000	72,187,000	73,805,000	75,464,000	77,163,000	78,906,000
DASH Fund	4,539,000	4,675,000	4,815,000	4,960,000	5,109,000	5,262,000	5,420,000	5,582,000	5,750,000	5,922,000	6,100,000
Equipment Replacement Fund	5,245,000	5,402,000	5,565,000	5,731,000	5,903,000	6,080,000	6,263,000	6,451,000	6,644,000	6,844,000	7,049,000
<b>Total Special Revenue &amp; Other Funds</b>	<b>131,043,000</b>	<b>132,084,000</b>	<b>134,068,000</b>	<b>133,666,000</b>	<b>136,748,000</b>	<b>139,904,000</b>	<b>142,919,000</b>	<b>146,003,000</b>	<b>149,162,000</b>	<b>152,394,000</b>	<b>155,705,000</b>
<b>Total Revenues, All Funds</b>	<b>684,418,000</b>	<b>695,444,000</b>	<b>709,143,000</b>	<b>724,405,000</b>	<b>748,149,000</b>	<b>771,279,000</b>	<b>795,723,000</b>	<b>820,504,000</b>	<b>846,153,000</b>	<b>872,705,000</b>	<b>900,176,000</b>
<b>Expenditures &amp; Other Uses</b>											
City Personnel											
Salaries	188,746,000	188,746,000	191,765,000	194,785,000	197,854,000	200,970,000	204,136,000	207,351,000	210,618,000	213,935,000	217,305,000
Step Increase (includes effects on fringes)	0	3,020,000	3,020,000	3,068,000	3,117,000	3,166,000	3,216,000	3,266,000	3,318,000	3,370,000	3,423,000
MRA (includes effects on fringes)	0	0	0	0	0	0	0	0	0	0	0
Social Security (excludes Step and MRA)	13,270,000	13,424,000	13,635,000	13,850,000	14,068,000	14,290,000	14,515,000	14,743,000	14,975,000	15,211,000	15,451,000
Health Care	19,524,000	20,486,000	22,124,000	23,894,000	25,806,000	27,870,000	30,100,000	32,508,000	35,109,000	37,917,000	40,951,000
Retirement (excludes Step and MRA)	33,847,000	38,375,000	40,476,000	42,657,000	45,419,000	46,135,000	46,861,000	47,600,000	48,349,000	49,111,000	49,885,000
LT Disability & Life Ins. (excludes Step & MRA)	1,264,000	1,285,000	1,305,000	1,326,000	1,347,000	1,368,000	1,389,000	1,411,000	1,433,000	1,456,000	1,479,000
Other Fringe Benefits	635,000	654,000	673,000	693,000	714,000	736,000	758,000	781,000	804,000	828,000	853,000
<b>Total City Personnel</b>	<b>257,286,000</b>	<b>265,990,000</b>	<b>272,998,000</b>	<b>280,273,000</b>	<b>288,325,000</b>	<b>294,535,000</b>	<b>300,975,000</b>	<b>307,660,000</b>	<b>314,606,000</b>	<b>321,828,000</b>	<b>329,347,000</b>
City Non-personnel											
Potomac Yards expense (does not include debt service)	0	142,000	289,000	590,000	1,205,000	1,740,000	2,934,000	3,527,000	4,135,000	4,757,000	5,429,000
Debt service	43,329,000	49,149,000	54,737,000	59,240,000	62,588,000	65,439,000	67,908,000	70,140,000	70,172,000	69,215,000	69,215,000
Cash capital	4,000,000	6,000,000	10,000,000	12,000,000	12,000,000	13,000,000	13,500,000	14,500,000	16,000,000	16,000,000	16,000,000
Schools Personnel	195,299,000	202,838,000	218,030,000	234,297,000	253,131,000	273,643,000	284,069,000	294,866,000	306,049,000	317,630,000	329,619,000
Schools Non-personnel	37,337,000	37,710,000	38,087,000	38,468,000	38,853,000	39,241,000	39,634,000	40,030,000	40,430,000	40,835,000	41,243,000
<b>Total Expenditures</b>	<b>684,418,000</b>	<b>713,796,000</b>	<b>750,276,000</b>	<b>785,382,000</b>	<b>821,211,000</b>	<b>857,523,000</b>	<b>883,997,000</b>	<b>911,005,000</b>	<b>937,247,000</b>	<b>961,982,000</b>	<b>988,740,000</b>
<b>Excess/(Shortfall) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>-</b>	<b>(18,352,000)</b>	<b>(41,133,000)</b>	<b>(60,977,000)</b>	<b>(73,062,000)</b>	<b>(86,244,000)</b>	<b>(88,274,000)</b>	<b>(90,501,000)</b>	<b>(91,094,000)</b>	<b>(89,277,000)</b>	<b>(88,564,000)</b>

Note: In reality, the projected deficits would not occur. Actions would be taken to reduce expenditures or increase revenues.

# Forecast Scenarios

## Medium Growth Scenario

	FY 2012 Approved	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
<b>General Fund</b>											
General property tax revenue											
Real property tax	315,158,000	325,853,000	340,634,000	359,515,000	381,200,000	404,186,000	428,551,000	454,378,000	481,755,000	510,774,000	541,535,000
Personal property tax	34,100,000	34,509,000	35,268,000	36,044,000	36,837,000	37,648,000	38,476,000	39,322,000	40,188,000	41,072,000	41,975,000
Penalties and interest	1,870,000	1,870,000	1,889,000	1,908,000	1,927,000	1,946,000	1,965,000	1,985,000	2,005,000	2,025,000	2,045,000
<b>Total general property tax revenue</b>	<b>351,128,000</b>	<b>362,232,000</b>	<b>377,791,000</b>	<b>397,467,000</b>	<b>419,964,000</b>	<b>443,780,000</b>	<b>468,992,000</b>	<b>495,685,000</b>	<b>523,948,000</b>	<b>553,871,000</b>	<b>585,555,000</b>
Other Local Tax Revenue	119,730,000	122,888,000	126,656,000	130,613,000	134,727,000	139,007,000	143,459,000	148,093,000	152,915,000	157,934,000	163,161,000
Other Non-Tax Revenue	77,497,000	78,097,000	79,618,000	81,173,000	82,763,000	84,387,000	86,048,000	87,746,000	89,482,000	91,257,000	93,072,000
Revenue from Potomac Yards	0	791,000	1,097,000	1,709,000	5,107,000	7,193,000	10,086,000	12,578,000	15,164,000	17,855,000	20,634,000
<b>Total General Fund Revenues</b>	<b>548,355,000</b>	<b>564,008,000</b>	<b>585,162,000</b>	<b>610,962,000</b>	<b>642,561,000</b>	<b>674,367,000</b>	<b>708,585,000</b>	<b>744,102,000</b>	<b>781,509,000</b>	<b>820,917,000</b>	<b>862,422,000</b>
<b>Other Financing Sources (Uses)</b>											
Appropriation from Fund Balance for Op. Budget	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000
<b>Total General Fund Revenue &amp; Other Sources</b>	<b>553,375,000</b>	<b>569,028,000</b>	<b>590,182,000</b>	<b>615,982,000</b>	<b>647,581,000</b>	<b>679,387,000</b>	<b>713,605,000</b>	<b>749,122,000</b>	<b>786,529,000</b>	<b>825,937,000</b>	<b>867,442,000</b>
<b>Special Revenues &amp; Other Funds</b>											
Schools Including Fund Balance	57,877,000	57,811,000	58,604,000	56,975,000	58,805,000	60,690,000	62,413,000	64,189,000	66,017,000	67,901,000	69,841,000
Other Special Revenue (donations/charges)	63,382,000	65,235,000	67,213,000	69,272,000	71,403,000	73,602,000	75,871,000	78,210,000	80,624,000	83,115,000	85,684,000
DASH Fund	4,539,000	4,675,000	4,815,000	4,960,000	5,109,000	5,262,000	5,420,000	5,582,000	5,750,000	5,922,000	6,100,000
Equipment Replacement Fund	5,245,000	5,402,000	5,565,000	5,731,000	5,903,000	6,080,000	6,263,000	6,451,000	6,644,000	6,844,000	7,049,000
<b>Total Special Revenue &amp; Other Funds</b>	<b>131,043,000</b>	<b>133,123,000</b>	<b>136,197,000</b>	<b>136,938,000</b>	<b>141,220,000</b>	<b>145,634,000</b>	<b>149,967,000</b>	<b>154,432,000</b>	<b>159,035,000</b>	<b>163,782,000</b>	<b>168,674,000</b>
<b>Total Revenues, All Funds</b>	<b>684,418,000</b>	<b>702,151,000</b>	<b>726,379,000</b>	<b>752,920,000</b>	<b>788,801,000</b>	<b>825,021,000</b>	<b>863,572,000</b>	<b>903,554,000</b>	<b>945,564,000</b>	<b>989,719,000</b>	<b>1,036,116,000</b>
<b>Expenditures &amp; Other Uses</b>											
City Personnel											
Salaries	188,746,000	188,746,000	191,765,000	194,785,000	197,854,000	200,970,000	204,136,000	207,351,000	210,618,000	213,935,000	217,305,000
Step Increase (includes effects on fringes)	0	3,020,000	3,020,000	3,068,000	3,117,000	3,166,000	3,216,000	3,266,000	3,318,000	3,370,000	3,423,000
MRA (includes effects on fringes)	0	0	0	0	0	0	0	0	0	0	0
Social Security (excludes Step and MRA)	13,270,000	13,424,000	13,635,000	13,850,000	14,068,000	14,290,000	14,515,000	14,743,000	14,975,000	15,211,000	15,451,000
Health Care	19,524,000	20,486,000	22,124,000	23,894,000	25,806,000	27,870,000	30,100,000	32,508,000	35,109,000	37,917,000	40,951,000
Retirement (excludes Step and MRA)	33,847,000	38,375,000	40,476,000	42,657,000	45,419,000	46,135,000	46,861,000	47,600,000	48,349,000	49,111,000	49,885,000
LT Disability & Life Ins. (excludes Step & MRA)	1,264,000	1,285,000	1,305,000	1,326,000	1,347,000	1,368,000	1,389,000	1,411,000	1,433,000	1,456,000	1,479,000
Other Fringe Benefits	635,000	654,000	673,000	693,000	714,000	736,000	758,000	781,000	804,000	828,000	853,000
<b>Total City Personnel</b>	<b>257,286,000</b>	<b>265,990,000</b>	<b>272,998,000</b>	<b>280,273,000</b>	<b>288,325,000</b>	<b>294,535,000</b>	<b>300,975,000</b>	<b>307,660,000</b>	<b>314,606,000</b>	<b>321,828,000</b>	<b>329,347,000</b>
City Non-personnel	147,166,000	151,967,000	156,135,000	160,514,000	165,109,000	169,925,000	174,977,000	180,282,000	185,855,000	191,717,000	197,887,000
Potomac Yards expense (does not include debt service)	0	142,000	289,000	590,000	1,205,000	1,740,000	2,934,000	3,527,000	4,135,000	4,757,000	5,429,000
Debt service	43,329,000	49,149,000	54,737,000	59,240,000	62,588,000	65,439,000	67,908,000	70,140,000	70,172,000	69,215,000	69,215,000
Cash capital	4,000,000	6,000,000	10,000,000	12,000,000	12,000,000	13,000,000	13,500,000	14,500,000	16,000,000	16,000,000	16,000,000
Schools Personnel	195,299,000	202,838,000	218,030,000	234,297,000	253,131,000	273,643,000	284,069,000	294,866,000	306,049,000	317,630,000	329,619,000
Schools Non-personnel	37,337,000	37,710,000	38,087,000	38,468,000	38,853,000	39,241,000	39,634,000	40,030,000	40,430,000	40,835,000	41,243,000
<b>Total Expenditures</b>	<b>684,418,000</b>	<b>713,796,000</b>	<b>750,276,000</b>	<b>785,382,000</b>	<b>821,211,000</b>	<b>857,523,000</b>	<b>883,997,000</b>	<b>911,005,000</b>	<b>937,247,000</b>	<b>961,982,000</b>	<b>988,740,000</b>
<b>Excess/(Shortfall) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>-</b>	<b>(11,645,000)</b>	<b>(23,897,000)</b>	<b>(32,462,000)</b>	<b>(32,410,000)</b>	<b>(32,502,000)</b>	<b>(20,425,000)</b>	<b>(7,451,000)</b>	<b>8,317,000</b>	<b>27,737,000</b>	<b>47,376,000</b>

Note: In reality, the projected deficits would not occur. Actions would be taken to reduce expenditures or increase revenues.

# Forecast Scenarios

## High Growth Scenario

	FY 2012 Approved	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
<b>General Fund</b>											
General property tax revenue											
Real property tax	315,158,000	329,066,000	350,627,000	377,126,000	407,449,000	440,196,000	475,564,000	513,761,000	555,014,000	599,567,000	647,685,000
Personal property tax	34,100,000	35,191,000	36,317,000	37,479,000	38,679,000	39,917,000	41,194,000	42,512,000	43,872,000	45,276,000	46,725,000
Penalties and interest	1,870,000	1,907,000	1,946,000	1,984,000	2,024,000	2,065,000	2,106,000	2,148,000	2,191,000	2,235,000	2,280,000
<b>Total general property tax revenue</b>	<b>351,128,000</b>	<b>366,164,000</b>	<b>388,890,000</b>	<b>416,589,000</b>	<b>448,152,000</b>	<b>482,178,000</b>	<b>518,864,000</b>	<b>558,421,000</b>	<b>601,077,000</b>	<b>647,078,000</b>	<b>696,690,000</b>
Other Local Tax Revenue	119,730,000	125,274,000	130,918,000	136,921,000	143,266,000	149,975,000	157,074,000	164,589,000	172,546,000	180,978,000	189,915,000
Other Non-Tax Revenue	77,497,000	78,529,000	80,498,000	82,524,000	84,609,000	86,756,000	88,966,000	91,242,000	93,585,000	95,999,000	98,486,000
Revenue from Potomac Yards activities	0	791,000	1,097,000	1,709,000	5,107,000	7,193,000	10,086,000	12,578,000	15,164,000	17,855,000	20,634,000
<b>Total General Fund Revenues</b>	<b>548,355,000</b>	<b>570,758,000</b>	<b>601,403,000</b>	<b>637,743,000</b>	<b>681,134,000</b>	<b>726,102,000</b>	<b>774,990,000</b>	<b>826,830,000</b>	<b>882,372,000</b>	<b>941,910,000</b>	<b>1,005,725,000</b>
<b>Other Financing Sources (Uses)</b>											
Appropriation from Fund Balance for Op. Budget	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000	5,020,000
<b>Total General Fund Revenue &amp; Other Sources</b>	<b>553,375,000</b>	<b>575,778,000</b>	<b>606,423,000</b>	<b>642,763,000</b>	<b>686,154,000</b>	<b>731,122,000</b>	<b>780,010,000</b>	<b>831,850,000</b>	<b>887,392,000</b>	<b>946,930,000</b>	<b>1,010,745,000</b>
<b>Special Revenues &amp; Other Funds</b>											
Schools Including Fund Balance	57,877,000	58,307,000	59,630,000	58,568,000	61,003,000	63,533,000	65,945,000	68,454,000	71,062,000	73,775,000	76,597,000
Other Special Revenue (donations, charges)	63,382,000	65,777,000	68,336,000	71,016,000	73,810,000	76,716,000	79,738,000	82,880,000	86,148,000	89,547,000	93,081,000
DASH Fund	4,539,000	4,675,000	4,815,000	4,960,000	5,109,000	5,262,000	5,420,000	5,582,000	5,750,000	5,922,000	6,100,000
Equipment Replacement Fund	5,245,000	5,402,000	5,565,000	5,731,000	5,903,000	6,080,000	6,263,000	6,451,000	6,644,000	6,844,000	7,049,000
<b>Total Special Revenue &amp; Other Funds</b>	<b>131,043,000</b>	<b>134,161,000</b>	<b>138,346,000</b>	<b>140,275,000</b>	<b>145,825,000</b>	<b>151,591,000</b>	<b>157,366,000</b>	<b>163,367,000</b>	<b>169,604,000</b>	<b>176,088,000</b>	<b>182,827,000</b>
<b>Total Revenues, All Funds</b>	<b>684,418,000</b>	<b>709,939,000</b>	<b>744,769,000</b>	<b>783,038,000</b>	<b>831,979,000</b>	<b>882,713,000</b>	<b>937,376,000</b>	<b>995,217,000</b>	<b>1,056,996,000</b>	<b>1,123,018,000</b>	<b>1,193,572,000</b>
<b>Expenditures &amp; Other Uses</b>											
City Personnel											
Salaries	188,746,000	188,746,000	191,765,000	194,785,000	197,854,000	200,970,000	204,136,000	207,351,000	210,618,000	213,935,000	217,305,000
Step Increase (includes effects on fringes)	0	3,020,000	3,020,000	3,068,000	3,117,000	3,166,000	3,216,000	3,266,000	3,318,000	3,370,000	3,423,000
MRA (includes effects on fringes)	0	0	0	0	0	0	0	0	0	0	0
Social Security (excludes Step and MRA)	13,270,000	13,424,000	13,635,000	13,850,000	14,068,000	14,290,000	14,515,000	14,743,000	14,975,000	15,211,000	15,451,000
Health Care	19,524,000	20,486,000	22,124,000	23,894,000	25,806,000	27,870,000	30,100,000	32,508,000	35,109,000	37,917,000	40,951,000
Retirement (excludes Step and MRA)	33,847,000	38,375,000	40,476,000	42,657,000	45,419,000	46,135,000	46,861,000	47,600,000	48,349,000	49,111,000	49,885,000
LT Disability & Life Ins. (excludes Step & MRA)	1,264,000	1,285,000	1,305,000	1,326,000	1,347,000	1,368,000	1,389,000	1,411,000	1,433,000	1,456,000	1,479,000
Other Fringe Benefits	635,000	654,000	673,000	693,000	714,000	736,000	758,000	781,000	804,000	828,000	853,000
<b>Total City Personnel</b>	<b>257,286,000</b>	<b>265,990,000</b>	<b>272,998,000</b>	<b>280,273,000</b>	<b>288,325,000</b>	<b>294,535,000</b>	<b>300,975,000</b>	<b>307,660,000</b>	<b>314,606,000</b>	<b>321,828,000</b>	<b>329,347,000</b>
City Non-personnel											
City Non-personnel	147,166,000	151,967,000	156,135,000	160,514,000	165,109,000	169,925,000	174,977,000	180,282,000	185,855,000	191,717,000	197,887,000
Potomac Yards expense (does not include debt service)	0	142,000	289,000	590,000	1,205,000	1,740,000	2,934,000	3,527,000	4,135,000	4,757,000	5,429,000
Debt service	43,329,000	49,149,000	54,737,000	59,240,000	62,588,000	65,439,000	67,908,000	70,140,000	70,172,000	69,215,000	69,215,000
Cash capital	4,000,000	6,000,000	10,000,000	12,000,000	12,000,000	13,000,000	13,500,000	14,500,000	16,000,000	16,000,000	16,000,000
Schools Personnel	195,299,000	202,838,000	218,030,000	234,297,000	253,131,000	273,643,000	284,069,000	294,866,000	306,049,000	317,630,000	329,619,000
Schools Non-personnel	37,337,000	37,710,000	38,087,000	38,468,000	38,853,000	39,241,000	39,634,000	40,030,000	40,430,000	40,835,000	41,243,000
<b>Total Expenditures</b>	<b>684,418,000</b>	<b>713,796,000</b>	<b>750,276,000</b>	<b>785,382,000</b>	<b>821,211,000</b>	<b>857,523,000</b>	<b>883,997,000</b>	<b>911,005,000</b>	<b>937,247,000</b>	<b>961,982,000</b>	<b>988,740,000</b>
<b>Excess/(Shortfall) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>-</b>	<b>(3,857,000)</b>	<b>(5,507,000)</b>	<b>(2,344,000)</b>	<b>10,768,000</b>	<b>25,190,000</b>	<b>53,379,000</b>	<b>84,212,000</b>	<b>119,749,000</b>	<b>161,036,000</b>	<b>204,832,000</b>

Note: In reality, the projected deficits would not occur. Actions would be taken to reduce expenditures or increase revenues.