

Multi-Year Revenue and Expenditure Forecast Scenarios

Forecast Scenarios

Multi-Year Revenue and Expenditure Projections

Multi-year General Fund 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 FY 2014 budget.

Each of the scenarios shows a shortfall for FY 2015 ranging from -\$17.4 million in the low growth scenario to -\$6.9 million in the high growth scenario. By the tenth year of the projections, the shortfall is -\$184.5 million in the low growth scenario and -\$70.6 million in the high growth scenario.

In the medium growth scenario, the shortfall is -\$12.2 million in FY 2015 and -\$130.2 million in FY 2023. These projected shortfalls provide an order of magnitude of the amount of expenditure reductions and/or revenue increases needed to balance the budget in any given year.

Forecast Scenarios

Low Growth Scenario

Revenues	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Real Estate Property	357,840,000	364,281,000	370,838,000	377,513,000	384,309,000	391,226,000	398,268,000	405,437,000	412,735,000	420,164,000
Personal Property	41,340,000	41,836,000	42,338,000	42,846,000	43,360,000	43,881,000	44,407,000	44,940,000	45,479,000	46,025,000
Penalties & Interest	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
Local Sales Tax	27,340,000	27,613,000	27,890,000	28,168,000	28,450,000	28,735,000	29,022,000	29,312,000	29,605,000	29,901,000
Business License Tax	33,000,000	33,594,000	34,199,000	34,814,000	35,441,000	36,079,000	36,728,000	37,389,000	38,062,000	38,748,000
Transient Lodging Tax	12,510,000	12,760,000	13,015,000	13,276,000	13,541,000	13,812,000	14,088,000	14,370,000	14,657,000	14,951,000
Restaurant Food Tax	17,550,000	17,989,000	18,438,000	18,899,000	19,372,000	19,856,000	20,353,000	20,861,000	21,383,000	21,918,000
Other Misc. Taxes	39,114,000	39,701,000	40,296,000	40,901,000	41,514,000	42,137,000	42,769,000	43,410,000	44,062,000	44,723,000
Other Revenues	87,694,000	88,133,000	88,573,000	89,016,000	89,461,000	89,908,000	90,358,000	90,810,000	91,264,000	91,720,000
Use of Fund Balance	6,086,000	6,283,000	6,380,000	6,478,000	6,578,000	6,680,000	6,784,000	6,889,000	6,996,000	7,105,000
Total Revenues	624,849,000	634,565,000	644,342,000	654,286,000	664,401,000	674,689,000	685,152,000	695,793,000	706,618,000	717,630,000
Expenditures										
City Personnel	206,673,000	214,940,000	223,537,000	232,479,000	241,778,000	251,449,000	261,507,000	271,967,000	282,846,000	294,160,000
City Non-Personnel	84,749,000	86,444,000	88,173,000	89,936,000	91,735,000	93,570,000	95,441,000	97,350,000	99,297,000	101,283,000
Grants Match	47,034,000	47,974,000	48,934,000	49,912,000	50,911,000	51,929,000	52,968,000	54,027,000	55,107,000	56,210,000
Cash Capital	22,679,000	22,509,000	22,826,000	22,260,000	22,150,000	23,096,000	23,437,000	23,710,000	24,011,000	24,334,000
Debt Service	57,027,000	64,045,000	68,533,000	73,310,000	91,937,000	97,443,000	98,926,000	101,686,000	102,908,000	106,769,000
Transit Subsidies	21,076,000	23,942,000	27,199,000	30,898,000	35,100,000	39,873,000	45,296,000	51,456,000	58,454,000	66,404,000
Schools	185,611,000	192,108,000	198,832,000	205,791,000	212,993,000	220,448,000	228,164,000	236,150,000	244,415,000	252,969,000
Total Expenditures	624,849,000	651,962,000	678,034,000	704,586,000	746,604,000	777,808,000	805,739,000	836,346,000	867,038,000	902,129,000
Surplus/(Shortfall)	0	-17,397,000	-33,692,000	-50,300,000	-82,203,000	-103,119,000	-120,587,000	-140,553,000	-160,420,000	-184,499,000

Forecast Scenarios

Medium Growth Scenario

Revenues	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Real Estate Property	357,840,000	366,428,000	375,222,000	384,228,000	393,449,000	402,892,000	412,561,000	422,463,000	432,602,000	442,985,000
Personal Property	41,340,000	42,249,000	43,179,000	44,129,000	45,100,000	46,092,000	47,106,000	48,142,000	49,201,000	50,284,000
Penalties & Interest	2,375,000	2,387,000	2,399,000	2,411,000	2,423,000	2,435,000	2,447,000	2,459,000	2,472,000	2,484,000
Local Sales Tax	27,340,000	27,887,000	28,445,000	29,013,000	29,594,000	30,186,000	30,789,000	31,405,000	32,033,000	32,674,000
Business License Tax	33,000,000	33,990,000	35,010,000	36,060,000	37,142,000	38,256,000	39,404,000	40,586,000	41,803,000	43,058,000
Transient Lodging Tax	12,510,000	12,885,000	13,272,000	13,670,000	14,080,000	14,503,000	14,938,000	15,386,000	15,847,000	16,323,000
Restaurant Food Tax	17,550,000	18,252,000	18,982,000	19,741,000	20,531,000	21,352,000	22,206,000	23,095,000	24,018,000	24,979,000
Other Misc. Taxes	39,114,000	39,896,000	40,694,000	41,508,000	42,338,000	43,185,000	44,049,000	44,930,000	45,828,000	46,745,000
Other Revenues	87,694,000	89,448,000	91,237,000	93,062,000	94,923,000	96,821,000	98,758,000	100,733,000	102,748,000	104,803,000
Use of Fund Balance	6,086,000	6,334,000	6,484,000	6,638,000	6,796,000	6,957,000	7,123,000	7,292,000	7,466,000	7,643,000
Total Revenues	624,849,000	639,756,000	654,924,000	670,460,000	686,376,000	702,679,000	719,381,000	736,491,000	754,018,000	771,978,000
Expenditures										
City Personnel	206,673,000	214,940,000	223,537,000	232,479,000	241,778,000	251,449,000	261,507,000	271,967,000	282,846,000	294,160,000
City Non-Personnel	84,749,000	86,444,000	88,173,000	89,936,000	91,735,000	93,570,000	95,441,000	97,350,000	99,297,000	101,283,000
Grants Match	47,034,000	47,974,000	48,934,000	49,912,000	50,911,000	51,929,000	52,968,000	54,027,000	55,107,000	56,210,000
Cash Capital	22,679,000	22,509,000	22,826,000	22,260,000	22,150,000	23,096,000	23,437,000	23,710,000	24,011,000	24,334,000
Debt Service	57,027,000	64,045,000	68,533,000	73,310,000	91,937,000	97,443,000	98,926,000	101,686,000	102,908,000	106,769,000
Transit Subsidies	21,076,000	23,942,000	27,199,000	30,898,000	35,100,000	39,873,000	45,296,000	51,456,000	58,454,000	66,404,000
Schools	185,611,000	192,108,000	198,832,000	205,791,000	212,993,000	220,448,000	228,164,000	236,150,000	244,415,000	252,969,000
Total Expenditures	624,849,000	651,962,000	678,034,000	704,586,000	746,604,000	777,808,000	805,739,000	836,346,000	867,038,000	902,129,000
Surplus/(Shortfall)	0	-12,206,000	-23,110,000	-34,126,000	-60,228,000	-75,129,000	-86,358,000	-99,855,000	-113,020,000	-130,151,000

Forecast Scenarios

High Growth Scenario

Revenues	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Real Estate Property	357,840,000	368,933,000	380,370,000	392,161,000	404,318,000	416,852,000	429,775,000	443,098,000	456,834,000	470,996,000
Personal Property	41,340,000	42,663,000	44,028,000	45,437,000	46,891,000	48,391,000	49,940,000	51,538,000	53,187,000	54,889,000
Penalties & Interest	2,375,000	2,387,000	2,399,000	2,411,000	2,423,000	2,435,000	2,447,000	2,459,000	2,472,000	2,484,000
Local Sales Tax	27,340,000	28,160,000	29,005,000	29,875,000	30,771,000	31,695,000	32,645,000	33,625,000	34,633,000	35,672,000
Business License Tax	33,000,000	34,320,000	35,693,000	37,121,000	38,605,000	40,150,000	41,756,000	43,426,000	45,163,000	46,969,000
Transient Lodging Tax	12,510,000	13,010,000	13,531,000	14,072,000	14,635,000	15,220,000	15,829,000	16,462,000	17,121,000	17,806,000
Restaurant Food Tax	17,550,000	18,340,000	19,165,000	20,027,000	20,929,000	21,870,000	22,855,000	23,883,000	24,958,000	26,081,000
Other Misc. Taxes	39,114,000	40,092,000	41,094,000	42,121,000	43,175,000	44,254,000	45,360,000	46,494,000	47,657,000	48,848,000
Other Revenues	87,694,000	90,763,000	93,940,000	97,228,000	100,631,000	104,153,000	107,798,000	111,571,000	115,476,000	119,518,000
Use of Fund Balance	6,086,000	6,387,000	6,592,000	6,805,000	7,024,000	7,250,000	7,484,000	7,726,000	7,975,000	8,233,000
Total Revenues	624,849,000	645,055,000	665,817,000	687,258,000	709,402,000	732,270,000	755,889,000	780,282,000	805,476,000	831,496,000
Expenditures										
City Personnel	206,673,000	214,940,000	223,537,000	232,479,000	241,778,000	251,449,000	261,507,000	271,967,000	282,846,000	294,160,000
City Non-Personnel	84,749,000	86,444,000	88,173,000	89,936,000	91,735,000	93,570,000	95,441,000	97,350,000	99,297,000	101,283,000
Grants Match	47,034,000	47,974,000	48,934,000	49,912,000	50,911,000	51,929,000	52,968,000	54,027,000	55,107,000	56,210,000
Cash Capital	22,679,000	22,509,000	22,826,000	22,260,000	22,150,000	23,096,000	23,437,000	23,710,000	24,011,000	24,334,000
Debt Service	57,027,000	64,045,000	68,533,000	73,310,000	79,937,000	87,443,000	95,926,000	105,686,000	115,908,000	126,769,000
Transit Subsidies	21,076,000	23,942,000	27,199,000	30,898,000	35,100,000	39,873,000	45,296,000	51,456,000	58,454,000	66,404,000
Schools	185,611,000	192,108,000	198,832,000	205,791,000	212,993,000	220,448,000	228,164,000	236,150,000	244,415,000	252,969,000
Total Expenditures	624,849,000	651,962,000	678,034,000	704,586,000	746,604,000	777,808,000	805,739,000	836,346,000	867,038,000	902,129,000
Surplus/(Shortfall)	0	-6,907,000	-12,217,000	-17,328,000	-37,202,000	-45,538,000	-49,850,000	-56,064,000	-61,562,000	-70,633,000

Forecast Scenarios

Revenue Growth Assumptions

Three different scenarios of General Fund revenue growth have been developed for the period of FY 2014 through FY 2023 based on varying assumptions about the rate of increase for each of the revenue categories listed below. Each scenario is based on FY 2014 Proposed tax and fee rates. All projected increases over the next ten years are generated by economic growth or the impact of inflation on goods or services that are taxed. In none of the scenarios does revenue growth match or exceed the projected 4.2% rate of expenditure growth.

Category	Growth Rate Assumption		
	Low	Medium	High
Real Estate Property	1.8%	2.4%	3.1%
Personal Property	1.2%	2.2%	3.2%
Penalties & Interest	0.0%	0.5%	0.5%
Local Sales Tax	1.0%	2.0%	3.0%
Business License Tax	1.8%	3.0%	4.0%
Transient Lodging Tax	2.0%	3.0%	4.0%
Restaurant Food Tax	2.5%	4.0%	4.5%
Other Misc. Taxes	1.5%	2.0%	2.5%
Other Revenues	0.5%	2.0%	3.5%
Use of Fund Balance	*	*	*
Total Weighted Growth Rate	1.6%	2.4%	3.2%

* Use of Fund Balance is 1% of Total Revenues in each Fiscal Year

Forecast Scenarios

Expenditure Growth Assumptions

The General Fund expenditure growth rate of 4.2% is the same in all three scenarios. It assumes City personnel, Transit Subsidies and the Schools transfer will continue to grow at the same rate as in the FY 2014 budget and non-personnel and matching funds for State and federal grants will grow at an inflationary rate of 2.0%.

City Personnel	4.0%
City Non-Personnel	2.0%
Grants Match	2.0%
Cash Capital	*
Debt Service	*
Transit Subsidies	13.6%
Schools	3.5%

* Cash Capital and Debt Service
reflect the planned CIP

Multi-Year Revenue and Expenditure Projections

Impact of FY 2014 and Prior Year Decisions of Future Budgets

In addition to the projected base expenditure growth shown on the previous pages, future City General Fund operating budgets will be affected by decisions made in the FY 2014 or previous budgets.

Personnel –

In the FY 2014 Approved Budget, 20.6 positions were eliminated and 23.1 were added for a new FTE increase of 2.5. In addition, a merit increase was approved for all eligible employees. Decisions to increase the workforce and increase the pay of the existing workforce have long term impacts on future budgets. Conversely, the plan design changes to the City's healthcare benefits will have a long-term positive impact on future budgets by helping to reduce the overall cost to the city by shifting costs to employees in the form of higher deductibles and higher cost for services.

Capital –

Decisions in the CIP to expand buildings and facilities ultimately impact the operating budget in the form of utilities, staffing needs and ongoing maintenance. On page 20-28 the operating impacts of CIP decisions are described in a table.