



# Multi-Year Budget Planning

## TWO-YEAR PRESENTATION OF OPERATING REVENUE/ EXPENDITURES

In addition to the Five-Year Financial Planning Model presented annually with the budget as an estimate of future General Fund revenues and expenditures and potential budget surpluses or shortfalls, City Council's Budget Guidance Resolution for FY 2021 resolved that the operating budget "shall include estimates of all operating revenues and expenditures for the proposed FY 2021 and the subsequent Fiscal Year 2022."

The following table includes City-wide General Fund revenue and expenditure actuals for FY 2019, budgeted for FY 2020, proposed for FY 2021 and estimated for FY 2022.

Revenues	FY 2019 Actual	FY 2020 Approved	FY 2021 Proposed	FY 2022 Projected
Real Estate Tax	451,685,949	462,848,143	492,543,516	507,319,821
Personal Property	50,026,387	56,944,910	59,148,000	60,898,781
Sales Tax	28,787,034	28,800,000	31,800,000	32,741,280
Utility Tax	11,264,818	12,000,000	12,700,000	12,700,000
Business License Tax	36,883,865	34,378,000	38,128,000	39,062,136
Recordation Tax	5,915,166	6,000,000	6,500,000	6,500,000
Transient Lodging	12,879,159	12,800,000	13,850,000	14,287,660
Restaurant Food	23,999,949	24,231,000	25,500,000	26,050,800
Communication Sales Tax	9,167,402	9,200,000	8,275,000	7,862,078
Other Local Taxes	11,363,395	8,079,090	8,229,090	8,285,048
Federal Revenue	8,513,569	9,397,000	8,155,303	7,815,000
State Revenue	47,610,552	48,143,046	48,209,212	48,700,946
Other Revenue	58,129,423	48,721,079	46,888,926	48,530,038
<b>Total Revenue</b>	<b>756,226,665</b>	<b>761,542,268</b>	<b>799,927,047</b>	<b>820,753,588</b>

Expenditures	FY 2019 Actual	FY 2020 Approved	FY 2021 Proposed	FY 2022 Projected
City Personnel	221,461,575	233,429,058	240,558,262	247,046,236
City Non-Personnel	159,960,899	154,485,574	163,535,936	168,377,842
City Debt Service	40,912,798	37,863,075	37,288,070	38,985,884
Schools Debt Service	28,924,085	28,112,251	28,578,698	30,520,552
Cash Capital	38,216,651	41,062,143	49,746,735	49,887,000
Transit Subsidies	29,577,638	34,920,671	38,782,049	39,750,635
Schools	223,829,302	231,669,496	241,437,296	250,925,782
<b>Total Expenditures</b>	<b>742,882,947</b>	<b>761,542,268</b>	<b>799,927,047</b>	<b>825,493,931</b>
Operating Impact from CIP	-	-	-	1,541,300
<b>Total Expenditures</b>	<b>742,882,947</b>	<b>761,542,268</b>	<b>799,927,047</b>	<b>827,035,231</b>

Shortfall/Surplus	\$ (Millions)	FY 2019 Actual	FY 2020 Approved	FY 2021 Proposed	FY 2022 Projected
Revenues		\$756.2	\$761.5	\$799.9	\$820.8
Expenditures		\$742.9	\$761.5	\$799.9	\$827.0
Annual Deficit		\$13.3	\$0.0	\$0.0	(\$6.3)



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## TWO-YEAR PRESENTATION OF OPERATING REVENUE/ EXPENDITURES

If revenues and expenditures grow at the rates assumed in the Five-Year Financial Planning Model and the changes outlined in the following pages are included as planned, the FY 2022 budget development process would begin with a shortfall of \$6.3 million. The City is required by code to adopt a balanced budget each year, so any shortfall shown in future years is for illustrative purposes and would be eliminated in the budget process through revenue increases, expenditure reductions, or a combination of the two.

The FY 2022 estimate is derived from the Five Year Financial Planning Model, which includes the City-wide General Fund proposed budget for FY 2021 and City-wide General Fund estimates for FY 2022 through FY 2025. The Five Year Financial Planning Model uses prior year actual trend data and assumptions about future behavior to forecast revenue and operating expenditure growth rates to establish baseline revenues and expenditure estimates for upcoming fiscal years and then adjusts them for planned multi-year budget changes such as cash capital and debt service funding for the CIP, the elimination of one-time revenues and expenditures and/or the planned multi-year phase-in or phase-out of programs and services.

In response to Council guidance for FY 2021, year two of the FY 2021-2025 Five Year Financial Planning Model, has been expanded into more detail to include General Fund personnel and non-personnel expenditure estimates for each department, on the following pages, followed by a list of adjustments made by department to the baseline growth rate. Following that section is the Five Year Financial Planning Model and an estimate of FY 2022 City-wide revenues and expenditures for all City funds.



# Multi-Year Budget Planning

## TWO-YEAR PRESENTATION OF OPERATING REVENUE/ EXPENDITURES

The two-year presentation of operating revenue/expenditures projects anticipated future expenditures in the FY 2022 budget growing at forecasted rates. This projection outlook allows the City to plan for anticipated financial conditions in future years. It is based on the current personnel and non-personnel expenditure growth assumptions by department and includes adjustments for individual line items in FY 2022 which are outlined after the following tables.

Expenditures	FY 2020 Approved	FY 2021 Proposed	FY 2022 Projected
<b>18TH CIRCUIT COURT</b>			
Personnel	\$ 1,349,823	\$ 1,411,676	\$ 1,449,750
Non-Personnel	\$ 174,991	\$ 174,991	\$ 180,035
	<u>\$ 1,524,814</u>	<u>\$ 1,586,667</u>	<u>\$ 1,629,785</u>
<b>18TH GENERAL DISTRICT COURT</b>			
Personnel	\$ 92,634	\$ 96,912	\$ 99,526
Non-Personnel	\$ 59,452	\$ 56,976	\$ 58,618
	<u>\$ 152,086</u>	<u>\$ 153,888</u>	<u>\$ 158,144</u>
<b>CITY CLERK &amp; CLERK OF COUNCIL</b>			
Personnel	\$ 360,088	\$ 365,566	\$ 375,425
Non-Personnel	\$ 57,521	\$ 62,819	\$ 64,630
	<u>\$ 417,609</u>	<u>\$ 428,385</u>	<u>\$ 440,055</u>
<b>CITY COUNCIL</b>			
Personnel	\$ 610,448	\$ 602,484	\$ 618,733
Non-Personnel	\$ 78,260	\$ 101,748	\$ 104,681
	<u>\$ 688,708</u>	<u>\$ 704,232</u>	<u>\$ 723,414</u>
<b>CLERK OF THE CIRCUIT COURT</b>			
Personnel	\$ 1,564,632	\$ 1,689,989	\$ 1,735,569
Non-Personnel	\$ 90,391	\$ 87,892	\$ 90,426
	<u>\$ 1,655,023</u>	<u>\$ 1,777,881</u>	<u>\$ 1,825,994</u>
<b>CITY MANAGER'S OFFICE</b>			
Personnel	\$ 2,092,902	\$ 2,290,598	\$ 2,352,377
Non-Personnel	\$ 176,585	\$ 188,919	\$ 194,365
	<u>\$ 2,269,487</u>	<u>\$ 2,479,517</u>	<u>\$ 2,546,741</u>
<b>CODE ADMINISTRATION</b>			
Personnel	\$ -	\$ -	\$ -
Non-Personnel	\$ 24,000	\$ 24,000	\$ 24,692
	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ 24,692</u>



# Multi-Year Budget Planning

## TWO-YEAR PRESENTATION OF OPERATING REVENUE/ EXPENDITURES

Expenditures	FY 2020 Approved	FY 2021 Proposed	FY 2022 Projected
<b>COMMONWEALTH'S ATTORNEY</b>			
Personnel	\$ 2,989,873	\$ 3,040,905	\$ 3,122,920
Non-Personnel	\$ 98,929	\$ 106,027	\$ 109,083
	<u>\$ 3,088,802</u>	<u>\$ 3,146,932</u>	<u>\$ 3,232,003</u>
<b>COMMUNICATIONS &amp; PUBLIC INFORMATION</b>			
Personnel	\$ 1,207,207	\$ 1,252,508	\$ 1,286,289
Non-Personnel	\$ 337,086	\$ 443,880	\$ 456,675
	<u>\$ 1,544,293</u>	<u>\$ 1,696,388</u>	<u>\$ 1,742,964</u>
<b>COURT SERVICE UNIT</b>			
Personnel	\$ 1,330,656	\$ 1,315,617	\$ 1,351,100
Non-Personnel	\$ 325,913	\$ 327,405	\$ 336,843
	<u>\$ 1,656,569</u>	<u>\$ 1,643,022</u>	<u>\$ 1,687,943</u>
<b>DEPARTMENT OF COMMUNITY &amp; HUMAN SERVICES</b>			
Personnel	\$ 5,490,128	\$ 5,432,809	\$ 5,579,335
Non-Personnel	\$ 48,242,396	\$ 49,680,998	\$ 51,133,588
	<u>\$ 53,732,524</u>	<u>\$ 55,113,807</u>	<u>\$ 56,712,923</u>
<b>DEPARTMENT OF EMERGENCY COMMUNICATIONS</b>			
Personnel	\$ 6,190,790	\$ 6,758,156	\$ 6,940,427
Non-Personnel	\$ 1,938,739	\$ 2,299,366	\$ 2,365,647
	<u>\$ 8,129,529</u>	<u>\$ 9,057,522</u>	<u>\$ 9,306,074</u>
<b>DEPARTMENT OF GENERAL SERVICES</b>			
Personnel	\$ 6,843,801	\$ 5,343,604	\$ 5,487,724
Non-Personnel	\$ 7,275,049	\$ 6,057,469	\$ 6,122,080
	<u>\$ 14,118,850</u>	<u>\$ 11,401,073</u>	<u>\$ 11,609,803</u>
<b>ECONOMIC DEVELOPMENT</b>			
Personnel	-	-	-
Non-Personnel	\$ 6,399,558	\$ 6,976,390	\$ 7,124,489
	<u>\$ 6,399,558</u>	<u>\$ 6,976,390</u>	<u>\$ 7,124,489</u>



# Multi-Year Budget Planning

## TWO-YEAR PRESENTATION OF OPERATING REVENUE/ EXPENDITURES

Expenditures	FY 2020 Approved	FY 2021 Proposed	FY 2022 Projected
<b>FINANCE DEPARTMENT</b>			
Personnel	\$ 9,659,497	\$ 9,664,552	\$ 9,925,210
Non-Personnel	\$ 3,310,582	\$ 3,398,383	\$ 3,496,344
	<u>\$ 12,970,079</u>	<u>\$ 13,062,935</u>	<u>\$ 13,421,554</u>
<b>FIRE DEPARTMENT</b>			
Personnel	\$ 48,902,672	\$ 48,456,013	\$ 49,762,895
Non-Personnel	\$ 5,070,296	\$ 5,746,784	\$ 5,412,439
	<u>\$ 53,972,968</u>	<u>\$ 54,202,797</u>	<u>\$ 55,175,335</u>
<b>HEALTH DEPARTMENT</b>			
Personnel	\$ 1,878,627	\$ 1,963,918	\$ 2,016,886
Non-Personnel	\$ 5,201,919	\$ 5,303,846	\$ 5,456,733
	<u>\$ 7,080,546</u>	<u>\$ 7,267,764</u>	<u>\$ 7,473,619</u>
<b>HISTORIC ALEXANDRIA</b>			
Personnel	\$ 2,818,436	\$ 3,169,209	\$ 3,254,684
Non-Personnel	\$ 519,628	\$ 661,712	\$ 680,786
	<u>\$ 3,338,064</u>	<u>\$ 3,830,921</u>	<u>\$ 3,935,470</u>
<b>HOUSING</b>			
Personnel	\$ 1,647,822	\$ 1,607,188	\$ 1,650,535
Non-Personnel	\$ 5,598,377	\$ 5,965,405	\$ 6,137,362
	<u>\$ 7,246,199</u>	<u>\$ 7,572,593</u>	<u>\$ 7,787,897</u>
<b>HUMAN RESOURCES</b>			
Personnel	\$ 3,302,191	\$ 3,167,107	\$ 3,252,525
Non-Personnel	\$ 1,231,860	\$ 1,095,079	\$ 1,126,645
	<u>\$ 4,534,051</u>	<u>\$ 4,262,186</u>	<u>\$ 4,379,171</u>
<b>HUMAN RIGHTS</b>			
Personnel	\$ 756,235	\$ 793,756	\$ 815,164
Non-Personnel	\$ 149,563	\$ 158,723	\$ 163,298
	<u>\$ 905,798</u>	<u>\$ 952,479</u>	<u>\$ 978,462</u>



# Multi-Year Budget Planning

## TWO-YEAR PRESENTATION OF OPERATING REVENUE/ EXPENDITURES

Expenditures	FY 2020 Approved	FY 2021 Proposed	FY 2022 Projected
<b>INTERNAL AUDIT</b>			
Personnel	\$ 399,977	\$ 406,728	\$ 417,698
Non-Personnel	\$ 42,025	\$ 41,549	\$ 42,747
	<u>\$ 442,002</u>	<u>\$ 448,277</u>	<u>\$ 460,444</u>
<b>ITS</b>			
Personnel	\$ 7,680,751	\$ 8,250,219	\$ 8,472,731
Non-Personnel	\$ 4,060,950	\$ 4,708,068	\$ 5,775,147
	<u>\$ 11,741,701</u>	<u>\$ 12,958,287</u>	<u>\$ 14,247,878</u>
<b>JUVENILE &amp; DOMESTIC RELATIONS</b>			
<b>DISTRICT COURT</b>			
Personnel	\$ 49,542	\$ 51,724	\$ 53,119
Non-Personnel	\$ 36,209	\$ 35,850	\$ 36,883
	<u>\$ 85,751</u>	<u>\$ 87,574</u>	<u>\$ 90,002</u>
<b>LIBRARY</b>			
Personnel	\$ -	\$ -	\$ -
Non-Personnel	\$ 7,115,682	\$ 7,302,159	\$ 7,462,649
	<u>\$ 7,115,682</u>	<u>\$ 7,302,159</u>	<u>\$ 7,462,649</u>
<b>NON-DEPARTMENTAL</b>			
Personnel	\$ 455,025	\$ 3,662,905	\$ 3,761,695
Non-Personnel	\$ 9,891,898	\$ 10,702,476	\$ 11,010,983
	<u>\$ 10,346,923</u>	<u>\$ 14,365,381</u>	<u>\$ 14,772,678</u>
<b>OFFICE OF THE CITY ATTORNEY</b>			
Personnel	\$ 2,414,573	\$ 2,466,135	\$ 2,532,648
Non-Personnel	\$ 604,309	\$ 842,831	\$ 867,126
	<u>\$ 3,018,882</u>	<u>\$ 3,308,966</u>	<u>\$ 3,399,774</u>
<b>OFFICE OF MANAGEMENT &amp; BUDGET</b>			
Personnel	\$ 1,231,239	\$ 1,287,546	\$ 1,322,272
Non-Personnel	\$ 57,490	\$ 85,678	\$ 88,148
	<u>\$ 1,288,729</u>	<u>\$ 1,373,224</u>	<u>\$ 1,410,419</u>



# Multi-Year Budget Planning

## TWO-YEAR PRESENTATION OF OPERATING REVENUE/ EXPENDITURES

Expenditures	FY 2020 Approved	FY 2021 Proposed	FY 2022 Projected
<b>OFFICE OF ORGANIZATIONAL EXCELLENCE</b>			
Personnel	\$ -	\$ 109,929	\$ 112,894
Non-Personnel	\$ -	\$ 42,500	\$ 43,725
	<u>\$ -</u>	<u>\$ 152,429</u>	<u>\$ 156,619</u>
<b>OFFICE OF PERFORMANCE &amp; ACCOUNTABILITY</b>			
Personnel	\$ 404,207	\$ 419,929	\$ 431,255
Non-Personnel	\$ 119,975	\$ 103,830	\$ 131,823
	<u>\$ 524,182</u>	<u>\$ 523,759</u>	<u>\$ 563,078</u>
<b>OTHER EDUCATIONAL ACTIVITIES</b>			
Personnel	\$ -	\$ -	\$ -
Non-Personnel	\$ 16,128	\$ 16,009	\$ 16,470
	<u>\$ 16,128</u>	<u>\$ 16,009</u>	<u>\$ 16,470</u>
<b>OTHER HEALTH SERVICES</b>			
Personnel	-	-	-
Non-Personnel	\$ 1,214,241	\$ 1,335,495	\$ 1,373,992
	<u>\$ 1,214,241</u>	<u>\$ 1,335,495</u>	<u>\$ 1,373,992</u>
<b>OTHER PUBLIC SAFETY &amp; JUSTICE SERVICES</b>			
Personnel	\$ 728,487	\$ 604,908	\$ 621,223
Non-Personnel	\$ 3,703,095	\$ 4,116,328	\$ 4,234,984
	<u>\$ 4,431,582</u>	<u>\$ 4,721,236</u>	<u>\$ 4,856,207</u>
<b>PLANNING &amp; ZONING</b>			
Personnel	\$ 5,748,214	\$ 6,090,236	\$ 6,254,493
Non-Personnel	\$ 304,853	\$ 345,349	\$ 355,304
	<u>\$ 6,053,067</u>	<u>\$ 6,435,585</u>	<u>\$ 6,609,797</u>
<b>POLICE DEPARTMENT</b>			
Personnel	\$ 59,377,151	\$ 58,521,334	\$ 60,099,683
Non-Personnel	\$ 7,469,293	\$ 7,033,030	\$ 7,235,762
	<u>\$ 66,846,444</u>	<u>\$ 65,554,364</u>	<u>\$ 67,335,445</u>



# Multi-Year Budget Planning

## TWO-YEAR PRESENTATION OF OPERATING REVENUE/ EXPENDITURES

Expenditures	FY 2020 Approved	FY 2021 Proposed	FY 2022 Projected
<b>RECREATION, PARKS, &amp; CULTURAL ACTIVITIES</b>			
Personnel	\$ 16,096,897	\$ 16,882,326	\$ 17,337,651
Non-Personnel	\$ 7,618,369	\$ 7,753,494	\$ 7,976,994
	<u>\$ 23,715,266</u>	<u>\$ 24,635,820</u>	<u>\$ 25,314,645</u>
<b>SCHOOLS</b>			
Personnel	\$ -	\$ -	\$ -
Non-Personnel	\$ 231,669,496	\$ 241,437,296	\$ 250,925,782
	<u>\$ 231,669,496</u>	<u>\$ 241,437,296</u>	<u>\$ 250,925,782</u>
<b>SHERIFF'S OFFICE</b>			
Personnel	\$ 27,575,017	\$ 28,735,295	\$ 29,510,300
Non-Personnel	\$ 5,050,391	\$ 5,339,306	\$ 5,493,215
	<u>\$ 32,625,408</u>	<u>\$ 34,074,601</u>	<u>\$ 35,003,515</u>
<b>TRANSPORTATION &amp; ENVIRONMENTAL SERVICES</b>			
Personnel	\$ 11,291,924	\$ 13,671,517	\$ 14,040,245
Non-Personnel	\$ 20,371,834	\$ 24,316,156	\$ 25,017,087
	<u>\$ 31,663,758</u>	<u>\$ 37,987,673</u>	<u>\$ 39,057,331</u>
<b>TRANSIT SERVICES</b>			
Personnel	\$ -	\$ -	\$ -
Non-Personnel	\$ 34,920,671	\$ 38,782,049	\$ 39,750,635
	<u>\$ 34,920,671</u>	<u>\$ 38,782,049</u>	<u>\$ 39,750,635</u>
<b>VOTER REGISTRATION &amp; ELECTIONS</b>			
Personnel	\$ 887,592	\$ 974,964	\$ 1,001,259
Non-Personnel	\$ 447,737	\$ 497,016	\$ 375,343
	<u>\$ 1,335,329</u>	<u>\$ 1,471,980</u>	<u>\$ 1,376,602</u>
<b>Total Personnel</b>	<b>\$ 233,429,058</b>	<b>\$ 240,558,262</b>	<b>\$ 247,046,236</b>
<b>Total Non-Personnel</b>	<b>\$ 437,172,638</b>	<b>\$ 460,637,607</b>	<b>\$ 476,391,909</b>
<b>Debt Service</b>	<b>\$ 65,975,326</b>	<b>\$ 65,866,768</b>	<b>\$ 69,506,436</b>
<b>Cash Capital</b>	<b>\$ 41,062,143</b>	<b>\$ 49,746,735</b>	<b>\$ 49,887,000</b>
<b>CIP Operating Impacts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,541,300</b>
<b>GRAND TOTAL</b>	<b>\$ 761,542,268</b>	<b>\$ 799,927,047</b>	<b>\$ 827,035,231</b>



# Multi-Year Budget Planning

## TWO-YEAR PRESENTATION OF OPERATING REVENUE/ EXPENDITURES

The following table details the City's planned budget adjustments for FY 2022 beyond the assumed expenditure growth rates that were used to project an FY 2022 expenditure estimate for City Personnel (2.7%), City Non-Personnel (2.9%), Transit (2.5%), and Alexandria City Public Schools (3.9%) all based on five-year actual average annual growth rates. Cash Capital and Debt Service reflect the City and School capital investments included in the CIP budget.

Department	Adjustment	FY 2022
18th Circuit Court		\$ -
18th General District Court		\$ -
City Clerk & Clerk of Council		\$ -
City Council		\$ -
Clerk of the Circuit Court		\$ -
City Manager's Office		\$ -
Code Administration		\$ -
Commonwealth's Attorney		\$ -
Communications & Public Information		\$ -
Court Service Unit		\$ -
Department of Community & Human Services	Add Early Childhood Local Funding Request, Remove Economic Equality grant	\$ 20,500
Department of Emergency Communications		\$ -
Department of General Services	Update the Energy and Climate Action Plan	\$ (110,000)
Economic Development	Remove one-time funding for FY 2021 promotional content	\$ (53,000)
Finance Department		\$ -
Fire Department	Overtime savings from 6.0 FTEs added in FY21	\$ (500,000)
Health Department		\$ -
Historic Alexandria		\$ -
Housing		\$ -
Human Resources		\$ -
Human Rights		\$ -
Internal Audit		\$ -
Information Technology Services	311 CRM License Fees, Anticipated Capital to Operating Expenses	\$ 931,365
Juvenile & Domestic Relations District Court		\$ -
Library	Remove one-time funding for FY 2021 library materials	\$ (50,000)
Non-Departmental		\$ -
Office of the City Attorney		\$ -
Office of Management and Budget		\$ -
Organizational Excellence		\$ -
Office of Performance & Accountability	Add Resident Survey	\$ 131,823
Other Educational Activities		\$ -
Other Health Services		\$ -
Other Public Safety & Justice Services		\$ -



# Multi-Year Budget Planning

## TWO-YEAR PRESENTATION OF OPERATING REVENUE/ EXPENDITURES

Department	Adjustment	FY 2022
Planning & Zoning		\$ -
Police Department		\$ -
Recreation, Parks, & Cultural Activities		\$ -
Schools		\$ -
Sheriff's Office		\$ -
Transportation & Environmental Services		\$ -
Transit Services		\$ -
Voter Registration & Elections	Remove FY 2021 Presidential Election Costs	\$ (136,000)
FY 2022 Budget Development	To be identified savings and efficiencies	\$ (4,000,000)
FY 2022 Budget Development	Program expansions to meet increased demand or program enhancements	\$ 4,000,000
<b>Total Department Adjustments</b>		<b>\$ 234,688</b>

# Multi-Year Budget Planning



## FIVE-YEAR FINANCIAL PLANNING MODEL

### Five-Year Financial Planning Model

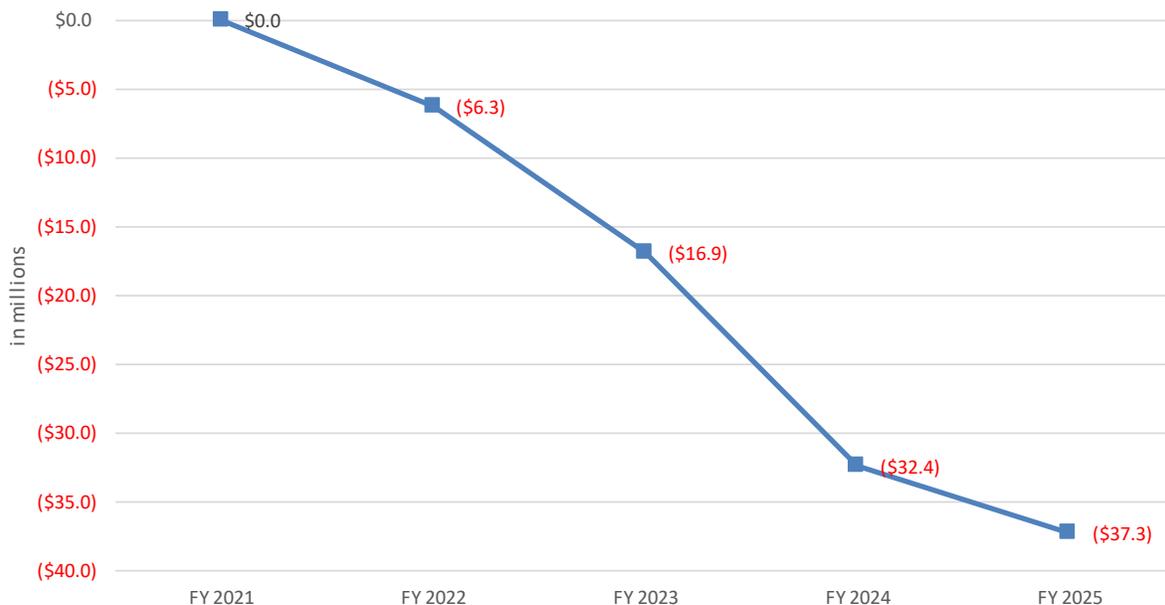
The City has long used multi-year financial forecasting as a planning and communication tool. Staff updated the model for the FY 2020 budget and again for the November 2019 City Council annual budget retreat. The revenue and expenditure assumptions have since been updated to reflect the FY 2021 proposed budget and capital improvement program. The updated five year financial planning model combines projections of future revenues and expenditures based on historical analysis with planned or expected changes such as the approved Capital Improvement Program (CIP) out-year funding.

Since the November 2019 City Council Retreat, the model has been updated to reflect the FY 2021 Proposed Operating Budget and Proposed FY 2021—FY 2030 CIP. This includes \$3.6 million in expenditure savings identified by City departments; \$1.6 million in revenue from increased cost recovery and collections; \$3.9 million of service enhancements, new initiatives and contingency funds; and a two-cent real estate tax rate increase for City and Schools capital projects that are included as part of the City Manager’s Proposed Operating Budget. As a result of these changes, among others, the budget gap projected in last year’s Five Year Financial Planning model and in the model presented at the November 2019 City Council Retreat has been eliminated.

### Five Year Forecast for FY 2021 to FY 2025

The chart below displays the anticipated future surpluses or shortfalls resulting from expenditures and budgets in the FY 2021 budget growing at forecasted rates. This forecast also includes additional two-cent real estate tax rate increase in FY 2023 and FY 2025 to fund School and City capital projects and the additional operating impacts of capital projects identified for projects included in the Proposed FY 2021—FY 2030 Capital Improvement Program (CIP).

**Forecasted Surplus/(Shortfall)**





# Multi-Year Budget Planning

## FIVE-YEAR FINANCIAL PLANNING MODEL

As has been seen in previous years with low revenue growth, the City's revenue and expenditure growth rates are projected to be structurally out of balance starting in FY 2022. Debt service, particularly School debt service, drives 42% of the projected budget gap by FY 2025. The City's revenues at current tax rates are not expected to keep up with projected expenditures going forward, resulting in a fiscal imbalance. The structural imbalance is estimated to be \$6.3 million in FY 2022, growing to \$37.3 million by FY 2025. However, since each year's budget will be balanced when the budget for that year is adopted, these deficits will be eliminated before they occur.

Revenues	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Real Estate Tax	492,543,516	507,319,821	531,518,416	547,463,969	573,357,888
Personal Property	59,148,000	60,898,781	62,701,385	64,557,346	66,468,243
Sales Tax	31,800,000	32,741,280	33,710,422	34,708,250	35,735,615
Utility Tax	12,700,000	12,700,000	12,700,000	12,700,000	12,700,000
Business License Tax	38,128,000	39,062,136	40,019,158	40,999,628	42,004,119
Recordation Tax	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Transient Lodging	13,850,000	14,287,660	14,739,150	15,204,907	15,685,382
Restaurant Food	25,500,000	26,050,800	26,613,497	27,188,349	27,775,617
Communication Sales Tax	8,275,000	7,862,078	7,469,760	7,097,019	6,742,878
Other Local Taxes	8,229,090	8,285,048	8,341,386	8,398,108	8,455,215
Federal Revenue	8,155,303	7,815,000	7,815,000	7,815,000	7,815,000
State Revenue	48,209,212	48,700,946	49,197,696	49,699,512	50,206,447
Other Revenue	46,888,926	48,530,038	50,228,590	51,986,590	53,806,121
<b>Total Revenue</b>	<b>799,927,047</b>	<b>820,753,588</b>	<b>851,554,460</b>	<b>874,318,677</b>	<b>907,252,524</b>

Expenditures	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
City Personnel	240,558,262	247,046,236	253,814,926	260,881,726	268,265,346
City Non-Personnel	163,535,936	168,377,842	177,429,437	186,072,073	192,063,371
City Debt Service	37,288,070	38,985,884	57,773,317	70,368,491	77,035,684
Schools Debt Service	28,578,698	30,520,552	44,825,558	46,607,263	49,650,340
Cash Capital	49,746,735	49,887,000	25,848,300	22,440,000	22,205,500
Transit Subsidies	38,782,049	39,750,635	40,748,468	41,776,625	42,836,234
Schools	241,437,296	250,925,782	260,787,165	271,036,101	281,687,819
<b>Total Expenditures</b>	<b>799,927,047</b>	<b>825,493,931</b>	<b>861,227,171</b>	<b>899,182,278</b>	<b>933,744,295</b>
Operating Impact from CIP		1,541,300	7,244,700	7,585,600	10,852,500
<b>Total Expenditures</b>	<b>799,927,047</b>	<b>827,035,231</b>	<b>868,471,871</b>	<b>906,767,878</b>	<b>944,596,795</b>

Shortfall/Surplus	\$(Millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues		\$799.9	\$820.8	\$851.6	\$874.3	\$907.3
Expenditures		\$799.9	\$827.0	\$868.5	\$906.8	\$944.6
Annual Deficit		\$0.0	(\$6.3)	(\$16.9)	(\$32.4)	(\$37.3)

# Multi-Year Budget Planning



## FIVE-YEAR FINANCIAL PLANNING MODEL

The revenue growth assumptions are based off of the City's revenue performance over the last five completed fiscal years, FY 2015—FY 2019. Using the City's recent historical revenue collection, a compounded annual growth rate can then be calculated, reviewed to correct for any outlying phenomena, and used to forecast revenues for the coming fiscal years. The table below outlines the forecasted growth rate used for the next five years.

Revenue Assumptions	
Category	Rate
Real Estate Assessments	3.9%
Personal Property	3.0%
Sales Tax	3.0%
Utility Tax	0.0%
Business License Tax	2.5%
Recordation Tax	0.0%
Transient Lodging	3.2%
Restaurant Food	2.2%
Communications Sales Tax	-5.0%
Other Local Taxes	0.7%
Federal Revenue	0.0%
State Revenue	1.0%
Other Revenue	3.5%
<b>Total Weighted Growth Rate</b>	<b>3.2%</b>