

Multi-Year Revenue and Expenditure Forecast Scenarios

Forecast Scenarios

Multi-Year Revenue and Expenditure Projections

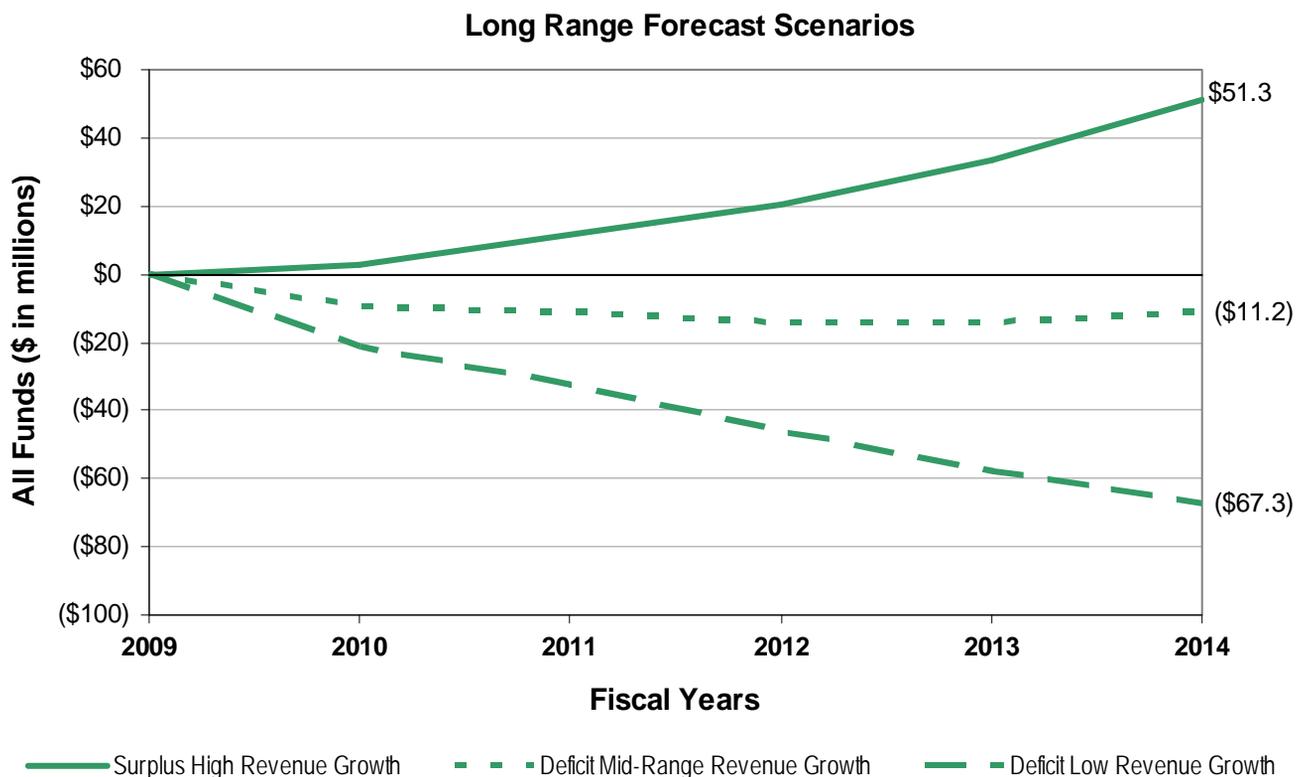
Multi-year revenue and expenditure projections have been developed as estimates of future City surpluses and shortfalls in order to examine how decisions made in the current budget could affect the City's future financial situation in a variety of potential revenue scenarios.

The tables on the following pages show the budget surpluses or shortfalls that would occur over the next six fiscal years as a result of low, medium and high revenue growth scenarios relative to projected expenditures.

The projected surplus or shortfall for the final year of the forecast, FY 2014, ranges from a \$67.3 million shortfall in the low growth scenario to over a \$51.3 million surplus in the high growth scenario. This represents over a 14% band in comparison to the total FY 2014 expenditure budget estimate of \$821 million. The mid range scenario shows a small \$11.2 million shortfall in FY 2014. As a result, the conclusion one can reach is that the City's budget, based upon current services and policies and planned CIP funding, is generally in structural balance and its fiscal policies are sustainable and will remain sound. However, new programs and policies will require careful financial management and sound policy decision making. Also, alternatives to promote sustainable economic development will be critical to keeping the City's finances sound over the long term.

It should be noted that the City is required to adopt a balanced budget annually, and that none of the shortfalls projected for the out-years would actually occur. The shortfalls would be eliminated through expenditure reductions, revenue increases (through increased taxes or fees), or a combination of the two. The same is true for any future surplus, in which case taxes would be reduced, the surplus would be budgeted to fund increased services, or both.

The following chart illustrates the estimated surpluses or shortfalls in each of the scenarios.



Forecast Scenarios

Revenue Growth Scenarios

Three different scenarios of revenue growth have been developed for the period of FY 2009 through FY 2014 based on varying assumptions about the rate of increase for each of the revenue categories listed below. Each scenario is based on FY 2009 tax and fee rates. All projected increases are generated by economic growth or the impact of inflation on goods or services that are taxed.

Revenue Category	Low Growth	Medium Growth	High Growth
Total Weighted Growth Rate	2.7%	4.5%	6.4%
Real Estate Property*	4%	6%	8%
Personal Property	0%	1.5%	3%
Penalties & Interest	0%	1%	2%
Local Sales	4%	5%	6%
Utility	1%	2%	3%
Communications Sales & Use	2%	3%	4%
Business License	4%	6%	8%
Motor Vehicle License	0%	1%	2%
Recordation*	4%	6%	8%
Tobacco	-1%	0%	1%
Transient Lodging	4%	6%	8%
Restaurant Food	4%	6%	8%
Other Miscellaneous Taxes	1%	2%	3%
Licenses, Permits and Fees	4%	6%	8%
Fines and Forfeitures	0%	1%	2%
Use of Money and Property	0%	1%	2%
Charges for Services	3%	5%	7%
Intergovernmental	1%	2%	3%
Miscellaneous Non-Tax	0%	1%	2%

* Estimated growth rates are for FY 2011 - 2014. The estimated growth rates for FY 2010 are 0%, 3%, and 6%.

Expenditure Growth Scenarios

Estimated future expenditures remain constant in each of the three revenue scenarios and assume that City personnel expenditures will increase by about 4.0% annually, Schools personnel expenditures will increase by 4.5% annually, non-personnel expenditures will increase by 3.0% annually for both the City and Schools, and transit subsidy expenditures will increase by 10.0% annually. Cash capital and debt service to fund the Capital Improvements Program (CIP) reflect the amounts planned in the CIP funding summary for all years.

Forecast Scenarios

Low Growth Scenario

	FY 2009 Approved	FY 2010 Forecast	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast
General Fund						
General property tax revenue						
Real property tax	293,600,498	293,600,000	305,345,000	317,558,000	330,261,000	343,471,000
Personal property tax	33,700,000	33,700,000	33,700,000	33,700,000	33,700,000	33,700,000
Penalties and interest	1,770,000	1,770,000	1,770,000	1,770,000	1,770,000	1,770,000
Total general property tax revenue	329,070,498	329,070,000	340,815,000	353,028,000	365,731,000	378,941,000
Other Local Tax Revenue	121,480,000	125,211,000	129,275,000	133,493,000	137,872,000	142,418,000
Other Non-Tax Revenue	84,803,940	86,002,000	87,228,000	88,482,000	89,766,000	91,081,000
Total General Fund Revenues	535,354,438	540,283,000	557,318,000	575,003,000	593,369,000	612,440,000
Other Financing Sources (Uses)						
Appropriation from Fund Balance for Op. Budget	6,623,910	6,624,000	6,624,000	6,624,000	6,624,000	6,624,000
Total General Fund Revenue & Other Sources	541,978,348	546,907,000	563,942,000	581,627,000	599,993,000	619,064,000
Special Revenues & Other Funds						
Appropriation from Schools Fund Balance	1,009,222	1,009,000	1,009,000	1,009,000	1,009,000	1,009,000
Other Special Revenue (donations/charges)	101,763,799	104,817,000	107,961,000	111,200,000	114,536,000	117,972,000
Sanitary Sewer Fund	7,632,575	7,862,000	8,097,000	8,340,000	8,591,000	8,848,000
Equipment Replacement Fund	6,097,326	6,280,000	6,469,000	6,663,000	6,863,000	7,068,000
Total Special Revenue & Other Funds	116,502,922	119,968,000	123,536,000	127,212,000	130,999,000	134,897,000
Total Revenues, All Funds	658,481,270	666,875,000	687,478,000	708,839,000	730,992,000	753,961,000
Expenditures & Other Uses						
City Personnel						
Salaries	181,307,186	184,949,000	192,436,000	200,211,000	208,285,000	216,667,000
Step Increase (includes effects on fringes)	3,641,407	3,714,000	3,849,000	3,989,000	4,134,000	4,284,000
MRA (includes effects on fringes)	0	3,773,000	3,926,000	4,084,000	4,248,000	4,419,000
Social Security (excludes Step and MRA)	12,791,039	13,047,000	13,308,000	13,574,000	13,845,000	14,122,000
Health Care	19,684,492	21,259,000	22,960,000	24,797,000	26,781,000	28,923,000
Retirement (excludes Step and MRA)	32,349,943	32,997,000	33,657,000	34,330,000	35,017,000	35,717,000
LT Disability & Life Ins. (excludes Step & MRA)	1,139,747	1,163,000	1,186,000	1,210,000	1,234,000	1,258,000
Other Fringe Benefits	683,188	704,000	725,000	747,000	769,000	792,000
Total City Personnel	251,597,002	261,606,000	272,047,000	282,942,000	294,313,000	306,182,000
City Non-personnel						
Debt service	33,640,327	36,712,000	41,340,000	48,150,000	51,749,000	53,141,000
Cash capital	4,917,687	7,255,000	8,857,000	10,054,000	12,262,000	13,977,000
Schools Personnel	180,907,917	189,049,000	197,556,000	206,446,000	215,736,000	225,444,000
Schools Non-personnel	34,750,506	35,793,000	36,867,000	37,973,000	39,112,000	40,285,000
Total Expenditures	658,481,270	688,481,000	720,375,000	755,174,000	788,958,000	821,286,000
Excess/(Shortfall) of Revenues and Other Sources over Expenditures and Other Uses	-	(21,606,000)	(32,897,000)	(46,335,000)	(57,966,000)	(67,325,000)

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

PERFORMANCE AGAINST SELECTED DEBT POLICY GUIDELINES

Debt as a % of Real Property Assessed Value	0.92%	0.99%	1.05%	1.01%	0.98%	0.92%
Debt as a % of Total Personal Income	3.06%	3.14%	3.31%	3.19%	3.06%	2.86%

Forecast Scenarios

Medium Growth Scenario

	FY 2009 Approved	FY 2010 Forecast	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast
General Fund						
General property tax revenue						
Real property tax	293,600,498	302,409,000	320,553,000	339,786,000	360,173,000	381,784,000
Personal property tax	33,700,000	34,206,000	34,719,000	35,239,000	35,768,000	36,304,000
Penalties and interest	1,770,000	1,788,000	1,806,000	1,824,000	1,842,000	1,860,000
Total general property tax revenue	329,070,498	338,403,000	357,078,000	376,849,000	397,783,000	419,948,000
Other Local Tax Revenue	121,480,000	127,122,000	133,209,000	139,625,000	146,387,000	153,514,000
Other Non-Tax Revenue	84,803,940	87,052,000	89,380,000	91,791,000	94,289,000	96,879,000
Total General Fund Revenues	535,354,438	552,577,000	579,667,000	608,265,000	638,459,000	670,341,000
Other Financing Sources (Uses)						
Appropriation from Fund Balance for Op. Budget	6,623,910	6,624,000	6,624,000	6,624,000	6,624,000	6,624,000
Total General Fund Revenue & Other Sources	541,978,348	559,201,000	586,291,000	614,889,000	645,083,000	676,965,000
Special Revenues & Other Funds						
Appropriation from Schools Fund Balance	1,009,222	1,009,000	1,009,000	1,009,000	1,009,000	1,009,000
Other Special Revenue (donations/charges)	101,763,799	104,714,000	107,753,000	110,883,000	114,107,000	117,427,000
Sanitary Sewer Fund	7,632,575	7,633,000	7,633,000	7,633,000	7,633,000	7,633,000
Equipment Replacement Fund	6,097,326	6,280,000	6,469,000	6,663,000	6,863,000	7,068,000
Total Special Revenue & Other Funds	116,502,922	119,636,000	122,864,000	126,188,000	129,612,000	133,137,000
Total Revenues, All Funds	658,481,270	678,837,000	709,155,000	741,077,000	774,695,000	810,102,000
Expenditures & Other Uses						
City Personnel						
Salaries	181,307,186	184,949,000	192,436,000	200,211,000	208,285,000	216,667,000
Step Increase (includes effects on fringes)	3,641,407	3,714,000	3,849,000	3,989,000	4,134,000	4,284,000
MRA (includes effects on fringes)	0	3,773,000	3,926,000	4,084,000	4,248,000	4,419,000
Social Security (excludes Step and MRA)	12,791,039	13,047,000	13,308,000	13,574,000	13,845,000	14,122,000
Health Care	19,684,492	21,259,000	22,960,000	24,797,000	26,781,000	28,923,000
Retirement (excludes Step and MRA)	32,349,943	32,997,000	33,657,000	34,330,000	35,017,000	35,717,000
LT Disability & Life Ins. (excludes Step & MRA)	1,139,747	1,163,000	1,186,000	1,210,000	1,234,000	1,258,000
Other Fringe Benefits	683,188	704,000	725,000	747,000	769,000	792,000
Total City Personnel	251,597,002	261,606,000	272,047,000	282,942,000	294,313,000	306,182,000
City Non-personnel	152,667,831	158,066,000	163,708,000	169,609,000	175,786,000	182,257,000
Debt service	33,640,327	36,712,000	41,340,000	48,150,000	51,749,000	53,141,000
Cash capital	4,917,687	7,255,000	8,857,000	10,054,000	12,262,000	13,977,000
Schools Personnel	180,907,917	189,049,000	197,556,000	206,446,000	215,736,000	225,444,000
Schools Non-personnel	34,750,506	35,793,000	36,867,000	37,973,000	39,112,000	40,285,000
Total Expenditures	658,481,270	688,481,000	720,375,000	755,174,000	788,958,000	821,286,000
Excess/(Shortfall) of Revenues and Other Sources over Expenditures and Other Uses	-	(9,644,000)	(11,220,000)	(14,097,000)	(14,263,000)	(11,184,000)

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

PERFORMANCE AGAINST SELECTED DEBT POLICY GUIDELINES

Debt as a % of Real Property Assessed Value	0.92%	0.99%	1.05%	1.01%	0.98%	0.92%
Debt as a % of Total Personal Income	3.06%	3.14%	3.31%	3.19%	3.06%	2.86%

Forecast Scenarios

High Growth Scenario

	FY 2009 Approved	FY 2010 Forecast	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast
General Fund						
General property tax revenue						
Real property tax	293,600,498	311,217,000	336,114,000	363,003,000	392,043,000	423,407,000
Personal property tax	33,700,000	34,711,000	35,752,000	36,825,000	37,930,000	39,068,000
Penalties and interest	1,770,000	1,805,000	1,842,000	1,878,000	1,916,000	1,954,000
Total general property tax revenue	329,070,498	347,733,000	373,708,000	401,706,000	431,889,000	464,429,000
Other Local Tax Revenue	121,480,000	129,032,000	137,209,000	145,960,000	155,329,000	165,361,000
Other Non-Tax Revenue	84,803,940	88,102,000	91,561,000	95,190,000	99,000,000	103,001,000
Total General Fund Revenues	535,354,438	564,867,000	602,478,000	642,856,000	686,218,000	732,791,000
Other Financing Sources (Uses)						
Appropriation from Fund Balance for Op. Budget	6,623,910	6,624,000	6,624,000	6,624,000	6,624,000	6,624,000
Total General Fund Revenue & Other Sources	541,978,348	571,491,000	609,102,000	649,480,000	692,842,000	739,415,000
Special Revenues & Other Funds						
Appropriation from Schools Fund Balance	1,009,222	1,009,000	1,009,000	1,009,000	1,009,000	1,009,000
Other Special Revenue (donations/charges)	101,763,799	104,714,000	107,753,000	110,883,000	114,107,000	117,427,000
Sanitary Sewer Fund	7,632,575	7,633,000	7,633,000	7,633,000	7,633,000	7,633,000
Equipment Replacement Fund	6,097,326	6,280,000	6,469,000	6,663,000	6,863,000	7,068,000
Total Special Revenue & Other Funds	116,502,922	119,636,000	122,864,000	126,188,000	129,612,000	133,137,000
Total Revenues, All Funds	658,481,270	691,127,000	731,966,000	775,668,000	822,454,000	872,552,000
Expenditures & Other Uses						
City Personnel						
Salaries	181,307,186	184,949,000	192,436,000	200,211,000	208,285,000	216,667,000
Step Increase (includes effects on fringes)	3,641,407	3,714,000	3,849,000	3,989,000	4,134,000	4,284,000
MRA (includes effects on fringes)	0	3,773,000	3,926,000	4,084,000	4,248,000	4,419,000
Social Security (excludes Step and MRA)	12,791,039	13,047,000	13,308,000	13,574,000	13,845,000	14,122,000
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Retirement (excludes Step and MRA)	32,349,943	32,997,000	33,657,000	34,330,000	35,017,000	35,717,000
LT Disability & Life Ins. (excludes Step & MRA)	1,139,747	1,163,000	1,186,000	1,210,000	1,234,000	1,258,000
Other Fringe Benefits	683,188	704,000	725,000	747,000	769,000	792,000
Total City Personnel	251,597,002	261,606,000	272,047,000	282,942,000	294,313,000	306,182,000
City Non-personnel						
Debt service	33,640,327	36,712,000	41,340,000	48,150,000	51,749,000	53,141,000
Cash capital	4,917,687	7,255,000	8,857,000	10,054,000	12,262,000	13,977,000
Schools Personnel	180,907,917	189,049,000	197,556,000	206,446,000	215,736,000	225,444,000
Schools Non-personnel	34,750,506	35,793,000	36,867,000	37,973,000	39,112,000	40,285,000
Total Expenditures	658,481,270	688,481,000	720,375,000	755,174,000	788,958,000	821,286,000
Excess/(Shortfall) of Revenues and Other Sources over Expenditures and Other Uses	-	2,646,000	11,591,000	20,494,000	33,496,000	51,266,000

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

PERFORMANCE AGAINST SELECTED DEBT POLICY GUIDELINES

Debt as a % of Real Property Assessed Value	0.92%	0.99%	1.05%	1.01%	0.98%	0.92%
Debt as a % of Total Personal Income	3.06%	3.14%	3.31%	3.19%	3.06%	2.86%