

# Multi-Year Revenue and Expenditure Forecast Scenarios

# Forecast Scenarios

## Multi-Year Revenue and Expenditure Projections

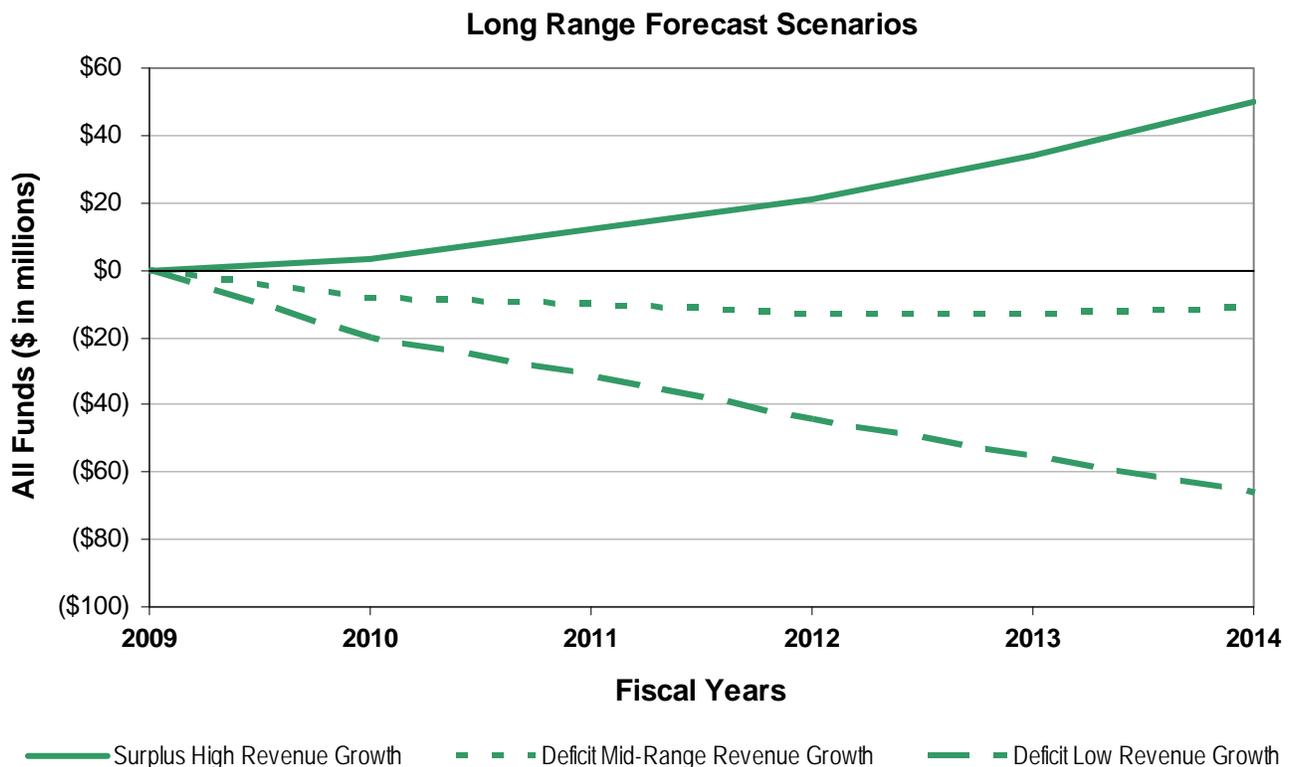
Multi-year revenue and expenditure projections have been developed as estimates of future City surpluses and shortfalls in order to examine how decisions made in the current budget could affect the City's future financial situation in a variety of potential revenue scenarios.

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 \$66 million shortfall in the low growth scenario to a \$50 million surplus in the high growth scenario. This represents a 14% band in comparison to the total FY 2014 expenditure budget estimate. The mid range scenario shows a small 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
<b>Total Weighted Growth Rate</b>	<b>2.7%</b>	<b>4.2%</b>	<b>5.7%</b>
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 Proposed	FY 2010 Forecast	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast
<b>General Fund</b>						
General property tax revenue						
Real property tax	288,346,584	288,347,000	299,880,000	311,876,000	324,351,000	337,325,000
Personal property tax	34,950,000	34,950,000	34,950,000	34,950,000	34,950,000	34,950,000
Penalties and interest	1,770,000	1,770,000	1,770,000	1,770,000	1,770,000	1,770,000
<b>Total general property tax revenue</b>	<b>325,066,584</b>	<b>325,067,000</b>	<b>336,600,000</b>	<b>348,596,000</b>	<b>361,071,000</b>	<b>374,045,000</b>
Other Local Tax Revenue	117,880,000	121,422,000	125,325,000	129,377,000	133,582,000	137,948,000
Other Non-Tax Revenue	85,220,511	86,408,000	87,622,000	88,866,000	90,138,000	91,441,000
<b>Total General Fund Revenues</b>	<b>528,167,095</b>	<b>532,897,000</b>	<b>549,547,000</b>	<b>566,839,000</b>	<b>584,791,000</b>	<b>603,434,000</b>
<b>Other Financing Sources (Uses)</b>						
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
<b>Total General Fund Revenue &amp; Other Sources</b>	<b>534,791,005</b>	<b>539,521,000</b>	<b>556,171,000</b>	<b>573,463,000</b>	<b>591,415,000</b>	<b>610,058,000</b>
<b>Special Revenues &amp; Other Funds</b>						
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)	103,455,353	106,559,000	109,756,000	113,048,000	116,440,000	119,933,000
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
<b>Total Special Revenue &amp; Other Funds</b>	<b>118,194,476</b>	<b>121,710,000</b>	<b>125,331,000</b>	<b>129,060,000</b>	<b>132,903,000</b>	<b>136,858,000</b>
<b>Total Revenues, All Funds</b>	<b>652,985,481</b>	<b>661,231,000</b>	<b>681,502,000</b>	<b>702,523,000</b>	<b>724,318,000</b>	<b>746,916,000</b>
<b>Expenditures &amp; Other Uses</b>						
City Personnel						
Salaries	177,999,320	180,847,000	187,416,000	194,223,000	201,277,000	208,587,000
Step Increase (includes effects on fringes)	3,584,632	3,642,000	3,774,000	3,911,000	4,053,000	4,200,000
MRA (includes effects on fringes)	0	4,614,000	4,782,000	4,955,000	5,135,000	5,321,000
Social Security (excludes Step and MRA)	12,727,053	12,931,000	13,400,000	13,887,000	14,391,000	14,914,000
Health Care	19,929,001	21,523,000	23,245,000	25,105,000	27,113,000	29,282,000
Retirement (excludes Step and MRA)	32,177,811	32,693,000	33,870,000	35,089,000	36,352,000	37,661,000
LT Disability & Life Ins. (excludes Step & MRA)	1,135,323	1,153,000	1,195,000	1,238,000	1,283,000	1,329,000
Other Fringe Benefits	683,188	704,000	725,000	747,000	769,000	792,000
<b>Total City Personnel</b>	<b>248,236,328</b>	<b>258,107,000</b>	<b>268,407,000</b>	<b>279,155,000</b>	<b>290,373,000</b>	<b>302,086,000</b>
City Non-personnel	150,835,344	156,176,000	161,759,000	167,599,000	173,712,000	180,118,000
Debt service	33,640,327	36,427,000	40,573,000	47,314,000	50,252,000	52,765,000
Cash capital	5,739,524	7,255,000	8,857,000	10,054,000	12,262,000	13,977,000
Schools Personnel	179,783,452	187,874,000	196,328,000	205,163,000	214,395,000	224,043,000
Schools Non-personnel	34,750,506	35,793,000	36,867,000	37,973,000	39,112,000	40,285,000
<b>Total Expenditures</b>	<b>652,985,481</b>	<b>681,632,000</b>	<b>712,791,000</b>	<b>747,258,000</b>	<b>780,106,000</b>	<b>813,274,000</b>
<b>Excess/(Shortfall) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>-</b>	<b>(20,401,000)</b>	<b>(31,289,000)</b>	<b>(44,735,000)</b>	<b>(55,788,000)</b>	<b>(66,358,000)</b>

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%	1.02%	0.98%	0.92%
Debt per capita as a % of per capita income	3.06%	3.17%	3.36%	3.24%	3.13%	2.93%
Debt Service as % of Total Expenditures	5.15%	5.34%	5.69%	6.33%	6.44%	6.49%

# Forecast Scenarios

## Medium Growth Scenario

	FY 2009 Proposed	FY 2010 Forecast	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast
<b>General Fund</b>						
General property tax revenue						
Real property tax	288,346,584	296,997,000	314,817,000	333,706,000	353,728,000	374,952,000
Personal property tax	34,950,000	35,474,000	36,006,000	36,546,000	37,095,000	37,651,000
Penalties and interest	1,770,000	1,788,000	1,806,000	1,824,000	1,842,000	1,860,000
<b>Total general property tax revenue</b>	<b>325,066,584</b>	<b>334,259,000</b>	<b>352,629,000</b>	<b>372,076,000</b>	<b>392,665,000</b>	<b>414,463,000</b>
Other Local Tax Revenue	117,880,000	123,258,000	129,092,000	135,238,000	141,714,000	148,538,000
Other Non-Tax Revenue	85,220,511	87,461,000	89,780,000	92,182,000	94,670,000	97,248,000
<b>Total General Fund Revenues</b>	<b>528,167,095</b>	<b>544,978,000</b>	<b>571,501,000</b>	<b>599,496,000</b>	<b>629,049,000</b>	<b>660,249,000</b>
<b>Other Financing Sources (Uses)</b>						
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
<b>Total General Fund Revenue &amp; Other Sources</b>	<b>534,791,005</b>	<b>551,602,000</b>	<b>578,125,000</b>	<b>606,120,000</b>	<b>635,673,000</b>	<b>666,873,000</b>
<b>Special Revenues &amp; Other Funds</b>						
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)	103,455,353	106,444,000	109,523,000	112,694,000	115,960,000	119,323,000
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
<b>Total Special Revenue &amp; Other Funds</b>	<b>118,194,476</b>	<b>121,366,000</b>	<b>124,634,000</b>	<b>127,999,000</b>	<b>131,465,000</b>	<b>135,033,000</b>
<b>Total Revenues, All Funds</b>	<b>652,985,481</b>	<b>672,968,000</b>	<b>702,759,000</b>	<b>734,119,000</b>	<b>767,138,000</b>	<b>801,906,000</b>
<b>Expenditures &amp; Other Uses</b>						
City Personnel						
Salaries	177,999,320	180,847,000	187,416,000	194,223,000	201,277,000	208,587,000
Step Increase (includes effects on fringes)	3,584,632	3,642,000	3,774,000	3,911,000	4,053,000	4,200,000
MRA (includes effects on fringes)	0	4,614,000	4,782,000	4,955,000	5,135,000	5,321,000
Social Security (excludes Step and MRA)	12,727,053	12,931,000	13,400,000	13,887,000	14,391,000	14,914,000
Health Care	19,929,001	21,523,000	23,245,000	25,105,000	27,113,000	29,282,000
Retirement (excludes Step and MRA)	32,177,811	32,693,000	33,870,000	35,089,000	36,352,000	37,661,000
LT Disability & Life Ins. (excludes Step & MRA)	1,135,323	1,153,000	1,195,000	1,238,000	1,283,000	1,329,000
Other Fringe Benefits	683,188	704,000	725,000	747,000	769,000	792,000
<b>Total City Personnel</b>	<b>248,236,328</b>	<b>258,107,000</b>	<b>268,407,000</b>	<b>279,155,000</b>	<b>290,373,000</b>	<b>302,086,000</b>
City Non-personnel	150,835,344	156,176,000	161,759,000	167,599,000	173,712,000	180,118,000
Debt service	33,640,327	36,427,000	40,573,000	47,314,000	50,252,000	52,765,000
Cash capital	5,739,524	7,255,000	8,857,000	10,054,000	12,262,000	13,977,000
Schools Personnel	179,783,452	187,874,000	196,328,000	205,163,000	214,395,000	224,043,000
Schools Non-personnel	34,750,506	35,793,000	36,867,000	37,973,000	39,112,000	40,285,000
<b>Total Expenditures</b>	<b>652,985,481</b>	<b>681,632,000</b>	<b>712,791,000</b>	<b>747,258,000</b>	<b>780,106,000</b>	<b>813,274,000</b>
<b>Excess/(Shortfall) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>-</b>	<b>(8,664,000)</b>	<b>(10,032,000)</b>	<b>(13,139,000)</b>	<b>(12,968,000)</b>	<b>(11,368,000)</b>

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%	1.02%	0.98%	0.92%
Debt per capita as a % of per capita income	3.06%	3.17%	3.36%	3.24%	3.13%	2.93%
Debt Service as % of Total Expenditures	5.15%	5.34%	5.69%	6.33%	6.44%	6.49%

# Forecast Scenarios

## High Growth Scenario

	FY 2009 Proposed	FY 2010 Forecast	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast
<b>General Fund</b>						
General property tax revenue						
Real property tax	288,346,584	305,647,000	330,099,000	356,507,000	385,028,000	415,830,000
Personal property tax	34,950,000	35,999,000	37,078,000	38,191,000	39,337,000	40,517,000
Penalties and interest	1,770,000	1,805,000	1,842,000	1,878,000	1,916,000	1,954,000
<b>Total general property tax revenue</b>	<b>325,066,584</b>	<b>343,451,000</b>	<b>369,019,000</b>	<b>396,576,000</b>	<b>426,281,000</b>	<b>458,301,000</b>
Other Local Tax Revenue	117,880,000	125,093,000	132,921,000	141,293,000	150,251,000	159,838,000
Other Non-Tax Revenue	85,220,511	88,513,000	91,966,000	95,588,000	99,390,000	103,381,000
<b>Total General Fund Revenues</b>	<b>528,167,095</b>	<b>557,057,000</b>	<b>593,906,000</b>	<b>633,457,000</b>	<b>675,922,000</b>	<b>721,520,000</b>
<b>Other Financing Sources (Uses)</b>						
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
<b>Total General Fund Revenue &amp; Other Sources</b>	<b>534,791,005</b>	<b>563,681,000</b>	<b>600,530,000</b>	<b>640,081,000</b>	<b>682,546,000</b>	<b>728,144,000</b>
<b>Special Revenues &amp; Other Funds</b>						
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)	103,455,353	106,444,000	109,523,000	112,694,000	115,960,000	119,323,000
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
<b>Total Special Revenue &amp; Other Funds</b>	<b>118,194,476</b>	<b>121,366,000</b>	<b>124,634,000</b>	<b>127,999,000</b>	<b>131,465,000</b>	<b>135,033,000</b>
<b>Total Revenues, All Funds</b>	<b>652,985,481</b>	<b>685,047,000</b>	<b>725,164,000</b>	<b>768,080,000</b>	<b>814,011,000</b>	<b>863,177,000</b>
<b>Expenditures &amp; Other Uses</b>						
City Personnel						
Salaries	177,999,320	180,847,000	187,416,000	194,223,000	201,277,000	208,587,000
Step Increase (includes effects on fringes)	3,584,632	3,642,000	3,774,000	3,911,000	4,053,000	4,200,000
MRA (includes effects on fringes)	0	4,614,000	4,782,000	4,955,000	5,135,000	5,321,000
Social Security (excludes Step and MRA)	12,727,053	12,931,000	13,400,000	13,887,000	14,391,000	14,914,000
Health Care	19,929,001	21,523,000	23,245,000	25,105,000	27,113,000	29,282,000
Retirement (excludes Step and MRA)	32,177,811	32,693,000	33,870,000	35,089,000	36,352,000	37,661,000
LT Disability & Life Ins. (excludes Step & MRA)	1,135,323	1,153,000	1,195,000	1,238,000	1,283,000	1,329,000
Other Fringe Benefits	683,188	704,000	725,000	747,000	769,000	792,000
<b>Total City Personnel</b>	<b>248,236,328</b>	<b>258,107,000</b>	<b>268,407,000</b>	<b>279,155,000</b>	<b>290,373,000</b>	<b>302,086,000</b>
City Non-personnel	150,835,344	156,176,000	161,759,000	167,599,000	173,712,000	180,118,000
Debt service	33,640,327	36,427,000	40,573,000	47,314,000	50,252,000	52,765,000
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Schools Non-personnel	34,750,506	35,793,000	36,867,000	37,973,000	39,112,000	40,285,000
<b>Total Expenditures</b>	<b>652,985,481</b>	<b>681,632,000</b>	<b>712,791,000</b>	<b>747,258,000</b>	<b>780,106,000</b>	<b>813,274,000</b>
<b>Excess/(Shortfall) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>-</b>	<b>3,415,000</b>	<b>12,373,000</b>	<b>20,822,000</b>	<b>33,905,000</b>	<b>49,903,000</b>

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%	1.02%	0.98%	0.92%
Debt per capita as a % of per capita income	3.06%	3.17%	3.36%	3.24%	3.13%	2.93%
Debt Service as % of Total Expenditures	5.15%	5.34%	5.69%	6.33%	6.44%	6.49%