

BASE CASE

February 2010 Forecast

ADOPTED FORECAST

REVENUE SUMMARY	2009-2010	2011	2012	2013	2014	2015
PROPERTY TAX	198,249,000	199,052,000	204,785,000	213,345,000	223,158,000	234,160,000
		0.41%	2.88%	4.18%	4.60%	4.93%
SALES TAX	135,795,000	127,232,000	132,016,000	137,481,000	143,256,000	149,100,000
		(6.31%)	3.76%	4.14%	4.20%	4.08%
TRANSIENT OCCUPANCY TAX	6,553,000	6,684,000	6,470,000	6,929,000	7,913,000	8,309,000
		2.00%	(3.20%)	7.09%	14.20%	5.00%
FRANCHISE FEES	41,422,000	41,121,000	42,741,000	44,511,000	46,376,000	48,523,000
		(0.73%)	3.94%	4.14%	4.19%	4.63%
UTILITY TAX	84,959,000	92,932,000	97,021,000	101,474,000	106,142,000	111,470,000
		9.38%	4.40%	4.59%	4.60%	5.02%
TELEPHONE TAX	21,600,000	20,700,000	20,907,000	21,116,000	21,327,000	21,541,000
		(4.17%)	1.00%	1.00%	1.00%	1.00%
BUSINESS TAX	38,708,000	35,520,000	35,605,000	35,698,000	35,787,000	35,877,000
		(8.24%)	0.24%	0.26%	0.25%	0.25%
OTHER LICENSES AND PERMITS	32,154,027	28,532,000	29,531,000	30,594,000	31,818,000	32,756,000
		(11.26%)	3.50%	3.60%	4.00%	2.95%
DEPARTMENTAL CHARGES	30,438,723	29,333,000	30,360,000	31,453,000	32,711,000	33,676,000
		(3.63%)	3.50%	3.60%	4.00%	2.95%
FINES, FORFEITURES & PENALTIES	18,346,000	16,742,000	17,018,000	17,325,000	17,588,000	17,808,000
		(8.74%)	1.65%	1.80%	1.52%	1.25%
MONEY & PROPERTY	8,205,000	2,908,000	2,962,000	3,044,000	3,146,000	3,276,000
		(64.56%)	1.86%	2.77%	3.35%	4.13%
REVENUE FROM LOCAL AGENCIES	50,722,734	47,845,000	48,944,000	49,356,000	50,247,000	50,981,000
		(5.67%)	2.30%	0.84%	1.81%	1.46%
REVENUE FROM THE STATE OF CALIFORNIA	9,236,133	8,678,000	8,856,000	9,043,000	9,241,000	9,426,000
		(6.04%)	2.05%	2.11%	2.19%	2.00%
REVENUE FROM THE FEDERAL GOVERNMENT	13,892,169	347,000	347,000	347,000	347,000	347,000
		(97.50%)	0.00%	0.00%	0.00%	0.00%
OTHER REVENUE	15,462,438	13,577,000	13,809,000	14,052,000	14,052,000	14,283,000
		(12.19%)	1.71%	1.76%	0.00%	1.64%
GAS TAX	16,366,000	16,626,000	16,709,000	16,793,000	16,877,000	16,961,000
		1.59%	0.50%	0.50%	0.50%	0.50%
TOTAL GENERAL REVENUES	722,109,224	687,829,000	708,081,000	732,561,000	759,986,000	788,494,000
		(4.75%)	2.94%	3.46%	3.74%	3.75%

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REVENUE SUMMARY (CONT'D.)	<u>2009-2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
TRANSFERS & REIMBURSEMENTS						
OVERHEAD REIMBURSEMENTS	38,325,348	35,230,000	33,910,000	33,726,000	34,023,000	34,326,000
TRANSFERS	28,119,296	24,167,000	23,934,000	24,996,000	26,226,000	27,011,000
REIMBURSEMENTS FOR SERVICES	681,687	725,000	739,000	754,000	769,000	785,000
TOTAL TRANSFERS & REIMBURSEMENTS	67,126,331	60,122,000	58,583,000	59,476,000	61,018,000	62,122,000
		(10.43%)	(2.56%)	1.52%	2.59%	1.81%
TOTAL GENERAL FUND REVENUES	789,235,555	747,951,000	766,664,000	792,037,000	821,004,000	850,616,000
		(5.23%)	2.50%	3.31%	3.66%	3.61%
BEGINNING FUND BALANCE	152,991,748	42,169,000	49,391,000	55,769,000	58,347,000	61,164,000
GRAND TOTAL SOURCES	942,227,303	790,120,000	816,055,000	847,806,000	879,351,000	911,780,000
		(16.14%)	3.28%	3.89%	3.72%	3.69%

BASE CASE

February 2010 Forecast	ADOPTED	FORECAST				
EXPENDITURE SUMMARY	2009-2010	2011	2012	2013	2014	2015
PERSONAL SERVICES						
Salaries and Other Compensation	467,674,445	454,945,000	456,634,000	458,330,000	460,032,000	461,741,000
Retirement	103,086,510	155,469,000	177,318,000	207,459,000	245,854,000	271,375,000
Health and Other Fringe Benefits	56,994,387	62,275,000	67,319,000	72,772,000	78,667,000	85,039,000
TOTAL PERSONAL SERVICES	627,755,342	672,689,000	701,271,000	738,561,000	784,553,000	818,155,000
		7.16%	4.25%	5.32%	6.23%	4.28%
TOTAL NON-PERSONAL/EQUIPMENT	90,244,451	86,764,000	87,786,000	89,542,000	91,333,000	93,160,000
		(3.86%)	1.18%	2.00%	2.00%	2.00%
OTHER EXPENDITURES						
CAPITAL PROJECTS	27,878,060	4,623,000	4,821,000	5,625,000	5,620,000	5,618,000
CITY-WIDE EXPENSES	108,430,330	76,061,000	78,622,000	82,545,000	83,889,000	85,272,000
EARMARKED RESERVES	33,383,340	200,000	200,000	200,000	200,000	200,000
EQUIPMENT	0	350,000	350,000	350,000	350,000	350,000
TRANSFERS	23,820,069	27,876,000	30,148,000	28,049,000	28,058,000	27,925,000
VEHICLE REPLACEMENT/GENERAL FLEET	0	887,000	1,097,000	734,000	905,000	790,000
VEHICLE REPLACEMENT/POLICE FLEET	<i>Included in N/P</i>	<i>Included in N/P</i>	971,000	(18,000)	(433,000)	(1,446,000)
TOTAL OTHER EXPENDITURES	193,511,799	109,997,000	116,209,000	117,485,000	118,589,000	118,709,000
		(43.16%)	5.65%	1.10%	0.94%	0.10%
CONTINGENCY RESERVE	30,715,711	29,309,000	30,652,000	32,101,000	33,646,000	34,758,000
TOTAL BASE EXPENDITURES (w/o ADDITIONS)	942,227,303	898,759,000	935,918,000	977,689,000	1,028,121,000	1,064,782,000
		(4.61%)	4.13%	4.46%	5.16%	3.57%

OPERATING MARGIN

	ADOPTED	FORECAST				
BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	2009-2010	2011	2012	2013	2014	2015
GRAND TOTAL REVENUE	942,227,303	790,120,000	816,055,000	847,806,000	879,351,000	911,780,000
GROWTH RATE		(16.14%)	3.28%	3.89%	3.72%	3.69%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	942,227,303	898,759,000	935,918,000	977,689,000	1,028,121,000	1,064,782,000
GROWTH RATE		(4.61%)	4.13%	4.46%	5.16%	3.57%
OPERATING MARGIN CHANGE		(108,639,000)	(11,224,000)	(10,020,000)	(18,887,000)	(4,232,000)
<i>From Prior Year</i>						

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ADOPTED FORECAST

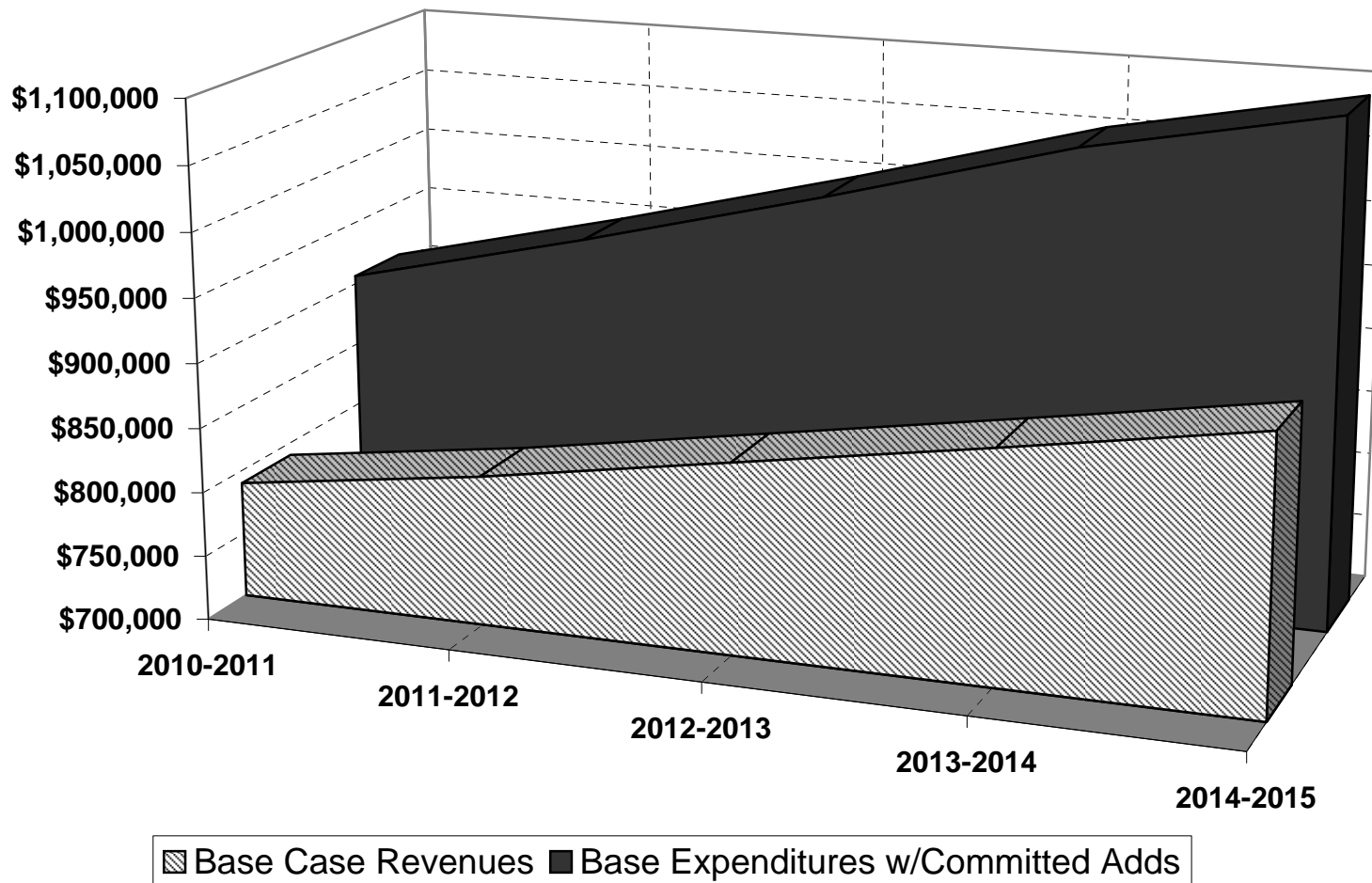
EXPENDITURE SUMMARY (CONT'D.)	2009-2010	2011	2012	2013	2014	2015
<i>COMMITTED ADDITIONS:</i>						
Additional Police Officers (25 annually until 2011-2012)		1,647,000	5,419,000	8,050,000	8,862,000	9,533,000
County Pocket Annexations (Transportation)		180,000	180,000	180,000	180,000	180,000
New Parks and Recreation Facilities Maintenance and Operations		828,000	1,356,000	2,207,000	2,904,000	3,234,000
New Traffic Infrastructure Assets Maintenance and Operations		111,000	274,000	380,000	479,000	577,000
Measure O (Library) Maintenance and Operations		2,420,000	4,629,000	5,621,000	6,186,000	6,255,000
Measure P (Parks) Maintenance and Operations		828,000	1,281,000	2,211,000	2,259,000	2,307,000
Measure O (Public Safety) Maintenance and Operations: Fire		40,000	815,000	3,186,000	3,488,000	3,737,000
Measure O (Public Safety) Maintenance and Operations: Police		1,464,000	2,522,000	2,601,000	2,690,000	2,761,000
TOTAL COMMITTED ADDITIONS	0	7,518,000	16,476,000	24,436,000	27,048,000	28,584,000
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	942,227,303	906,277,000	952,394,000	1,002,125,000	1,055,169,000	1,093,366,000
		(3.82%)	5.09%	5.22%	5.29%	3.62%

OPERATING MARGIN

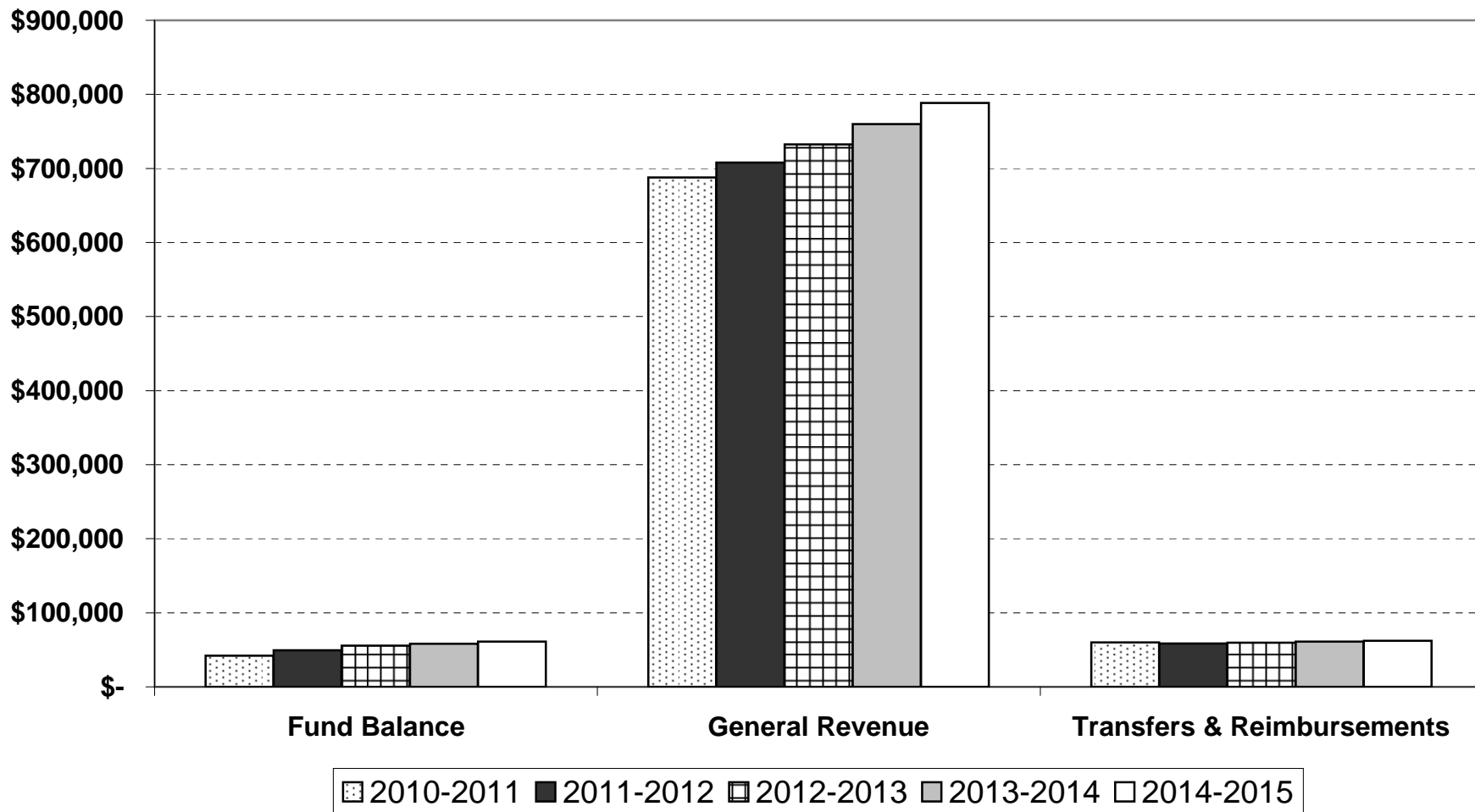
ADOPTED FORECAST

BASE EXPENDITURES (w / COMMITTED ADDITIONS)	2009-2010	2011	2012	2013	2014	2015
GRAND TOTAL REVENUE	942,227,303	790,120,000	816,055,000	847,806,000	879,351,000	911,780,000
GROWTH RATE		(16.14%)	3.28%	3.89%	3.72%	3.69%
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	942,227,303	906,277,000	952,394,000	1,002,125,000	1,055,169,000	1,093,366,000
GROWTH RATE		(3.82%)	5.09%	5.22%	5.29%	3.62%
ONGOING OPERATING MARGIN CHANGE		(116,157,000)	(20,182,000)	(17,980,000)	(21,499,000)	(5,768,000)
<i>From Prior Year</i>						

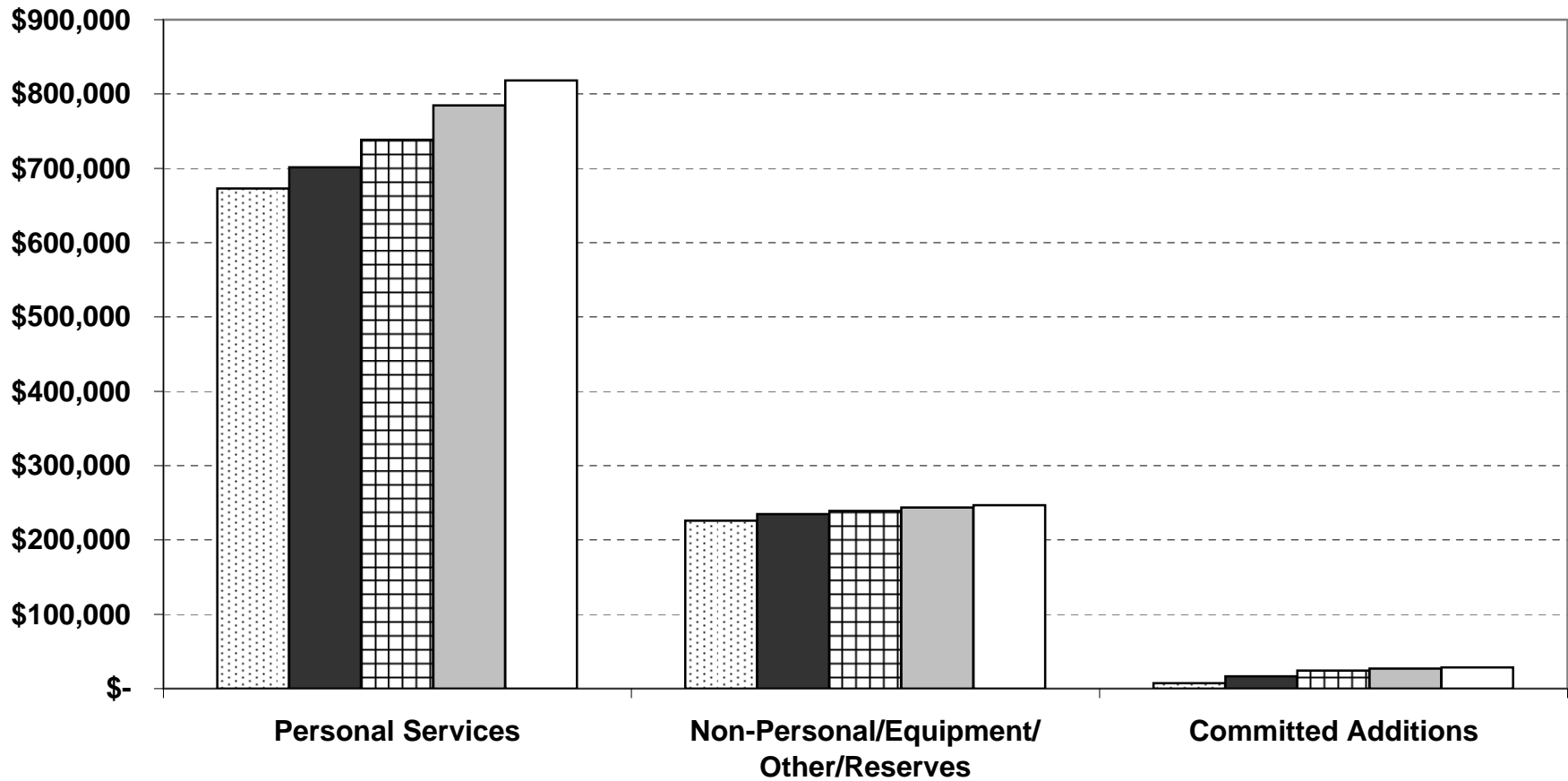
**2011-2015 General Fund Forecast
PROJECTED REVENUES AND EXPENDITURES
(\$ in thousands)**



**2011-2015 General Fund Forecast
FIVE-YEAR SOURCE OF FUNDS COMPARISON
(\$ in thousands)**



**2011-2015 General Fund Forecast
FIVE-YEAR USE OF FUNDS COMPARISON
(\$ in thousands)**



2010-2011
 2011-2012
 2012-2013
 2013-2014
 2014-2015

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