

*Five-Year Economic Forecast  
and  
Revenue Projections*

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*2017-2021*

**BASE CASE**

February 2016 Forecast REVENUE SUMMARY	MODIFIED	FORECAST					
	BUDGET	2015-2016	2017	2018	2019	2020	2021
PROPERTY TAX	255,210,000	270,625,000	284,914,000	298,704,000	311,279,000	322,672,000	
		6.04%	5.28%	4.84%	4.21%	3.66%	
SALES TAX	190,260,000	194,196,000	199,652,000	204,644,000	212,379,000	221,809,000	
		2.07%	2.81%	2.50%	3.78%	4.44%	
TRANSIENT OCCUPANCY TAX	17,136,000	17,821,000	18,712,000	19,648,000	20,434,000	21,251,000	
		4.00%	5.00%	5.00%	4.00%	4.00%	
FRANCHISE FEES	47,582,232	48,903,000	49,857,000	50,889,000	52,039,000	53,538,000	
		2.78%	1.95%	2.07%	2.26%	2.88%	
UTILITY TAX	93,825,000	95,750,000	95,970,000	96,757,000	97,657,000	99,219,000	
		2.05%	0.23%	0.82%	0.93%	1.60%	
TELEPHONE TAX	21,000,000	21,614,000	21,679,000	21,727,000	21,770,000	21,809,000	
		2.92%	0.30%	0.22%	0.20%	0.18%	
BUSINESS TAX	44,425,000	48,450,000	48,673,000	48,916,000	49,195,000	49,525,000	
		9.06%	0.46%	0.50%	0.57%	0.67%	
LICENSES AND PERMITS	50,221,223	50,818,000	52,952,000	55,282,000	57,272,000	59,506,000	
		1.19%	4.20%	4.40%	3.60%	3.90%	
DEPARTMENTAL CHARGES	42,684,658	39,328,000	40,979,000	42,783,000	44,323,000	46,051,000	
		(7.86%)	4.20%	4.40%	3.60%	3.90%	
FINES, FORFEITURES & PENALTIES	15,356,042	14,911,000	15,084,000	15,394,000	15,542,000	15,699,000	
		(2.90%)	1.16%	2.06%	0.96%	1.01%	
MONEY & PROPERTY	4,207,909	3,864,000	3,906,000	3,965,000	4,064,000	4,206,000	
		(8.17%)	1.09%	1.51%	2.50%	3.49%	
REVENUE FROM LOCAL AGENCIES	16,447,530	22,875,000	23,150,000	23,254,000	23,524,000	23,768,000	
		39.08%	1.20%	0.45%	1.16%	1.04%	
REVENUE FROM THE STATE OF CALIFORNIA	12,314,002	10,442,000	10,265,000	10,265,000	10,265,000	10,265,000	
		(15.20%)	(1.70%)	0.00%	0.00%	0.00%	
FEDERAL REVENUE	12,860,061	2,439,000	1,117,000	0	0	0	
		(81.03%)	(54.20%)	(100.00%)	N/A	N/A	
OTHER REVENUE	129,530,651	14,828,000	14,922,000	9,335,000	8,795,000	8,915,000	
		(88.55%)	0.63%	(37.44%)	(5.78%)	1.36%	
GAS TAX	16,900,000	17,500,000	17,642,000	16,772,000	15,819,000	15,701,000	
		3.55%	0.81%	(4.93%)	(5.68%)	(0.75%)	
<b>TOTAL GENERAL REVENUES</b>	<b>969,960,308</b>	<b>874,364,000</b>	<b>899,474,000</b>	<b>918,335,000</b>	<b>944,357,000</b>	<b>973,934,000</b>	
		(9.86%)	2.87%	2.10%	2.83%	3.13%	

**BASE CASE**

February 2016 Forecast	MODIFIED BUDGET	FORECAST				
<b>REVENUE SUMMARY</b>	<u>2015-2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>TRANSFERS &amp; REIMBURSEMENTS</b>						
OVERHEAD REIMBURSEMENTS	37,431,363	40,053,000	41,736,000	43,572,000	45,141,000	46,901,000
TRANSFERS	21,241,793	20,856,000	21,406,000	21,811,000	22,238,000	22,793,000
REIMBURSEMENTS FOR SERVICES	757,341	667,000	695,000	725,000	751,000	781,000
<b>TOTAL TRANSFERS &amp; REIMBURSEMENTS</b>	<b>59,430,497</b>	<b>61,576,000</b>	<b>63,837,000</b>	<b>66,108,000</b>	<b>68,130,000</b>	<b>70,475,000</b>
		3.61%	3.67%	3.56%	3.06%	3.44%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>1,029,390,805</b>	<b>935,940,000</b>	<b>963,311,000</b>	<b>984,443,000</b>	<b>1,012,487,000</b>	<b>1,044,409,000</b>
		(9.08%)	2.92%	2.19%	2.85%	3.15%
BEGINNING FUND BALANCE	265,520,448	65,826,000	65,648,000	66,803,000	67,808,000	68,908,000
<b>GRAND TOTAL SOURCES</b>	<b>1,294,911,253</b>	<b>1,001,766,000</b>	<b>1,028,959,000</b>	<b>1,051,246,000</b>	<b>1,080,295,000</b>	<b>1,113,317,000</b>
		(22.64%)	2.71%	2.17%	2.76%	3.06%

**BASE CASE**

February 2016 Forecast EXPENDITURE SUMMARY	MODIFIED	FORECAST				
	BUDGET	2015-2016	2017	2018	2019	2020
<b>PERSONAL SERVICES</b>						
Salaries and Other Compensation	424,846,881	429,081,000	444,027,000	459,493,000	475,500,000	492,066,000
Retirement	242,390,719	253,335,000	267,179,000	276,948,000	284,256,000	296,578,000
Health and Other Fringe Benefits	53,315,056	54,580,000	58,079,000	61,803,000	65,765,000	69,982,000
<b>TOTAL PERSONAL SERVICES</b>	<b>720,552,656</b>	<b>736,996,000</b>	<b>769,285,000</b>	<b>798,244,000</b>	<b>825,521,000</b>	<b>858,626,000</b>
		2.28%	4.38%	3.76%	3.42%	4.01%
<b>TOTAL NON-PERSONAL/EQUIPMENT</b>	<b>114,296,568</b>	<b>94,236,000</b>	<b>95,926,000</b>	<b>99,167,000</b>	<b>102,340,000</b>	<b>103,467,000</b>
		(17.55%)	1.79%	3.38%	3.20%	1.10%
<b>CITY-WIDE</b>						
CITY-WIDE EXPENSES	234,525,646	87,536,000	88,111,000	88,337,000	88,691,000	89,567,000
CAPITAL PROJECTS	57,487,599	5,250,000	5,250,000	5,250,000	5,250,000	5,250,000
TRANSFERS	27,149,755	27,262,000	29,628,000	33,995,000	33,866,000	33,982,000
EARMARKED RESERVES	106,399,029	8,463,000	8,855,000	9,625,000	12,025,000	14,439,000
CONTINGENCY RESERVE	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000	34,500,000
<b>TOTAL CITY-WIDE</b>	<b>460,062,029</b>	<b>163,011,000</b>	<b>166,344,000</b>	<b>171,707,000</b>	<b>174,332,000</b>	<b>177,738,000</b>
		(64.57%)	2.04%	3.22%	1.53%	1.95%
<b>TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)</b>	<b>1,294,911,253</b>	<b>994,243,000</b>	<b>1,031,555,000</b>	<b>1,069,118,000</b>	<b>1,102,193,000</b>	<b>1,139,831,000</b>
		(23.22%)	3.75%	3.64%	3.09%	3.41%

**OPERATING MARGIN**

BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	MODIFIED	FORECAST				
	BUDGET	2015-2016	2017	2018	2019	2020
<b>GRAND TOTAL REVENUE</b>	1,294,911,253	1,001,766,000	1,028,959,000	1,051,246,000	1,080,295,000	1,113,317,000
GROWTH RATE		(22.64%)	2.71%	2.17%	2.76%	3.06%
<b>TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)</b>	<b>1,294,911,253</b>	<b>994,243,000</b>	<b>1,031,555,000</b>	<b>1,069,118,000</b>	<b>1,102,193,000</b>	<b>1,139,831,000</b>
GROWTH RATE		(23.22%)	3.75%	3.64%	3.09%	3.41%
<b>OPERATING MARGIN CHANGE</b>		<b>7,523,000</b>	<b>(10,119,000)</b>	<b>(15,276,000)</b>	<b>(4,026,000)</b>	<b>(4,616,000)</b>
From Prior Year						

**BASE CASE**

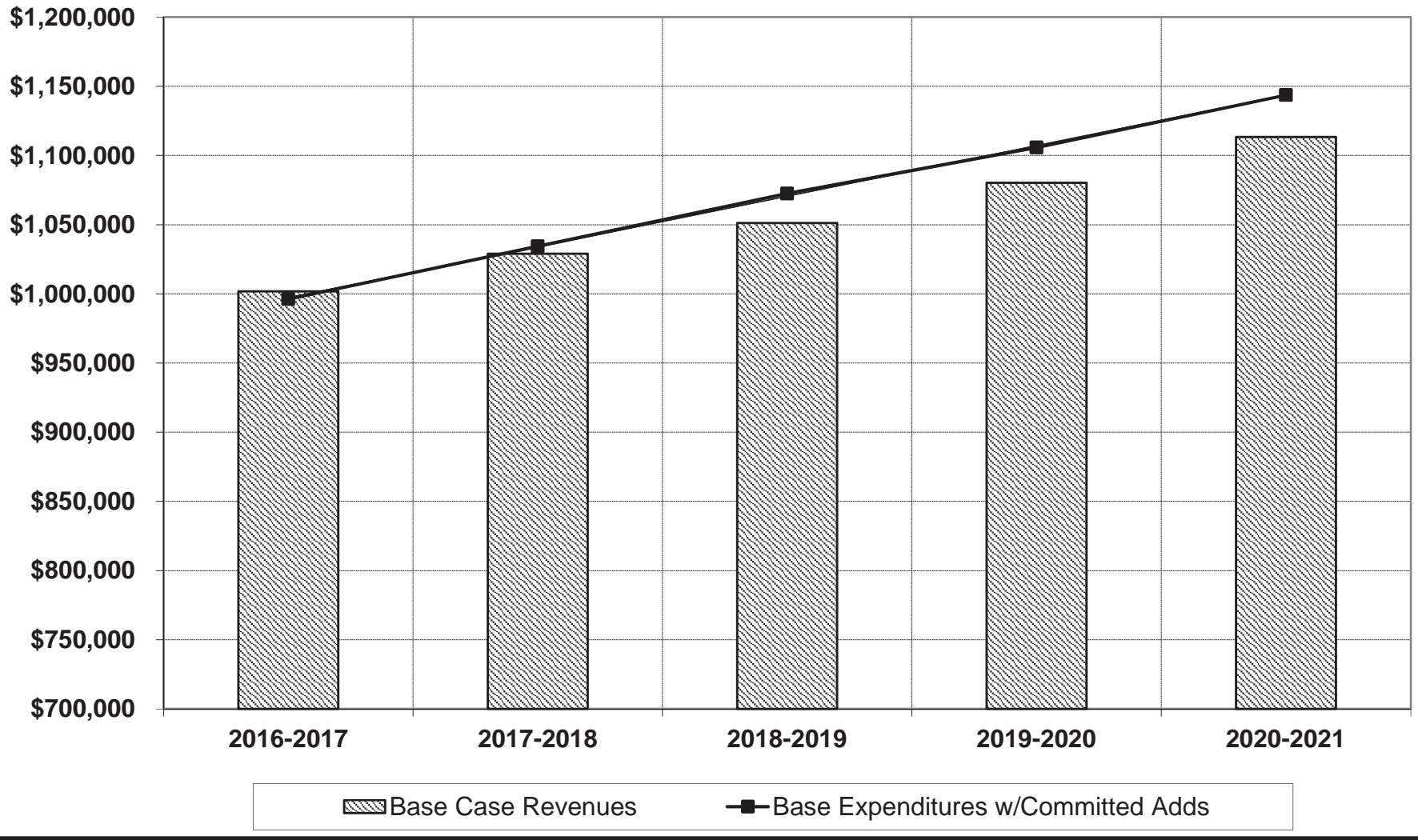
<b>February 2016 Forecast</b>	<b>MODIFIED</b>					
	<b>BUDGET</b>	<b>FORECAST</b>				
<b>EXPENDITURE SUMMARY</b>	<b><u>2015-2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
<b>COMMITTED ADDITIONS:</b>						
New Police Maintenance and Operations		1,300,000	1,339,000	1,379,000	1,420,000	1,463,000
New Parks and Recreation Facilities Maintenance and Operations		354,000	789,000	977,000	1,095,000	1,204,000
New Traffic Infrastructure Assets Maintenance and Operations		199,000	237,000	243,000	250,000	259,000
Measure O (Library) Maintenance and Operations		11,000	11,000	11,000	11,000	11,000
Measure P (Parks) Maintenance and Operations		0	435,000	738,000	783,000	830,000
<b>TOTAL COMMITTED ADDITIONS</b>	<b>0</b>	<b>1,864,000</b>	<b>2,811,000</b>	<b>3,348,000</b>	<b>3,559,000</b>	<b>3,767,000</b>
<b>TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)</b>	<b>1,294,911,253</b>	<b>996,107,000</b>	<b>1,034,366,000</b>	<b>1,072,466,000</b>	<b>1,105,752,000</b>	<b>1,143,598,000</b>
		(23.08%)	3.84%	3.68%	3.10%	3.42%

**OPERATING MARGIN**

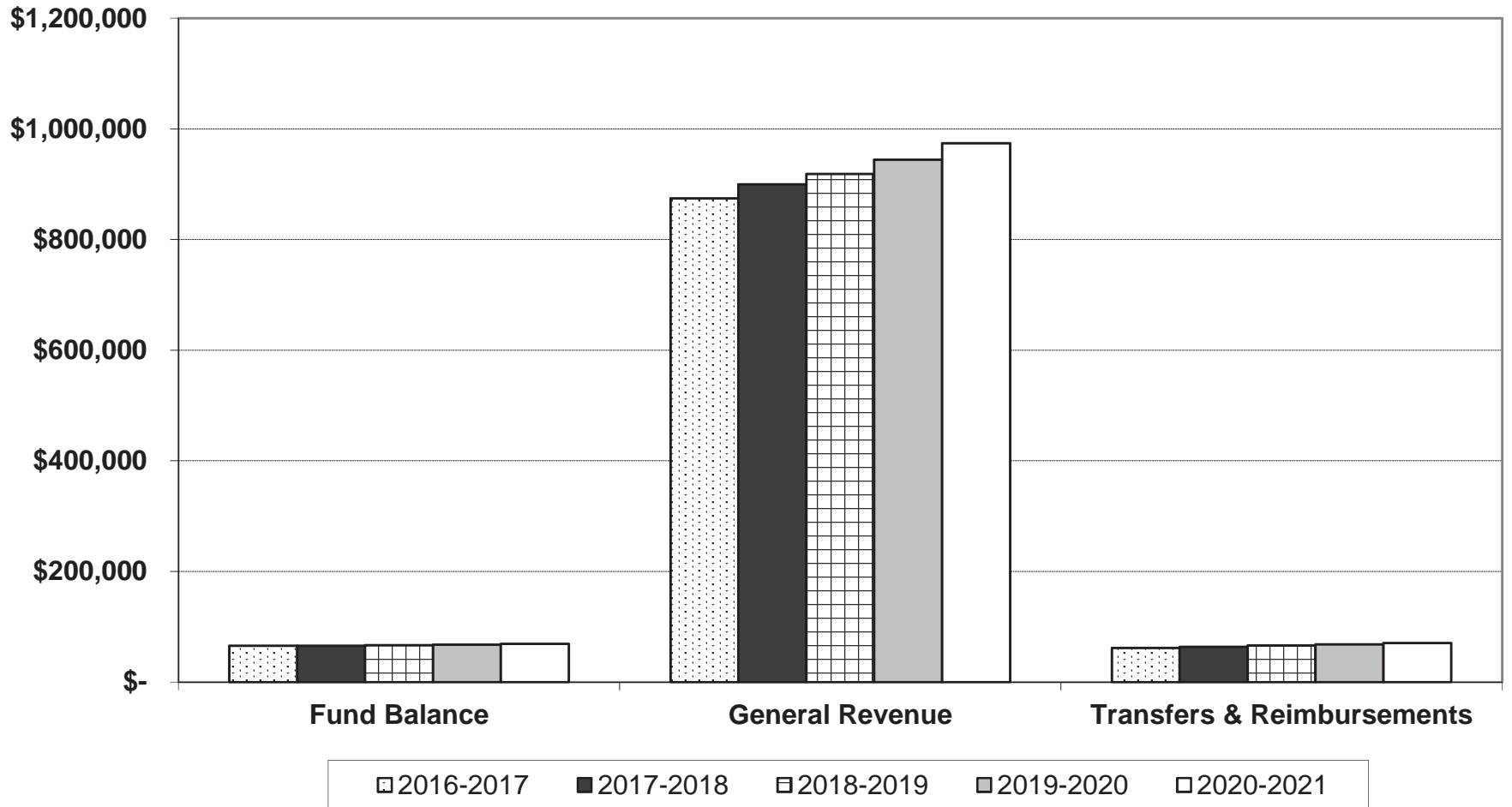
	<b>MODIFIED</b>					
	<b>BUDGET</b>	<b>FORECAST</b>				
	<b><u>2015-2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
<b>BASE EXPENDITURES (w / COMMITTED ADDITIONS)</b>						
<b>GRAND TOTAL REVENUE</b>	1,294,911,253	1,001,766,000	1,028,959,000	1,051,246,000	1,080,295,000	1,113,317,000
<b>GROWTH RATE</b>		(22.64%)	2.71%	2.17%	2.76%	3.06%
<b>TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)</b>	1,294,911,253	996,107,000	1,034,366,000	1,072,466,000	1,105,752,000	1,143,598,000
<b>GROWTH RATE</b>		(23.08%)	3.84%	3.68%	3.10%	3.42%
<b>ONGOING OPERATING MARGIN CHANGE</b>		5,659,000	(11,066,000)	(15,813,000)	(4,237,000)	(4,824,000)
From Prior Year						

**2017-2021 General Fund Forecast  
PROJECTED REVENUES AND EXPENDITURES  
(\$ in thousands)**

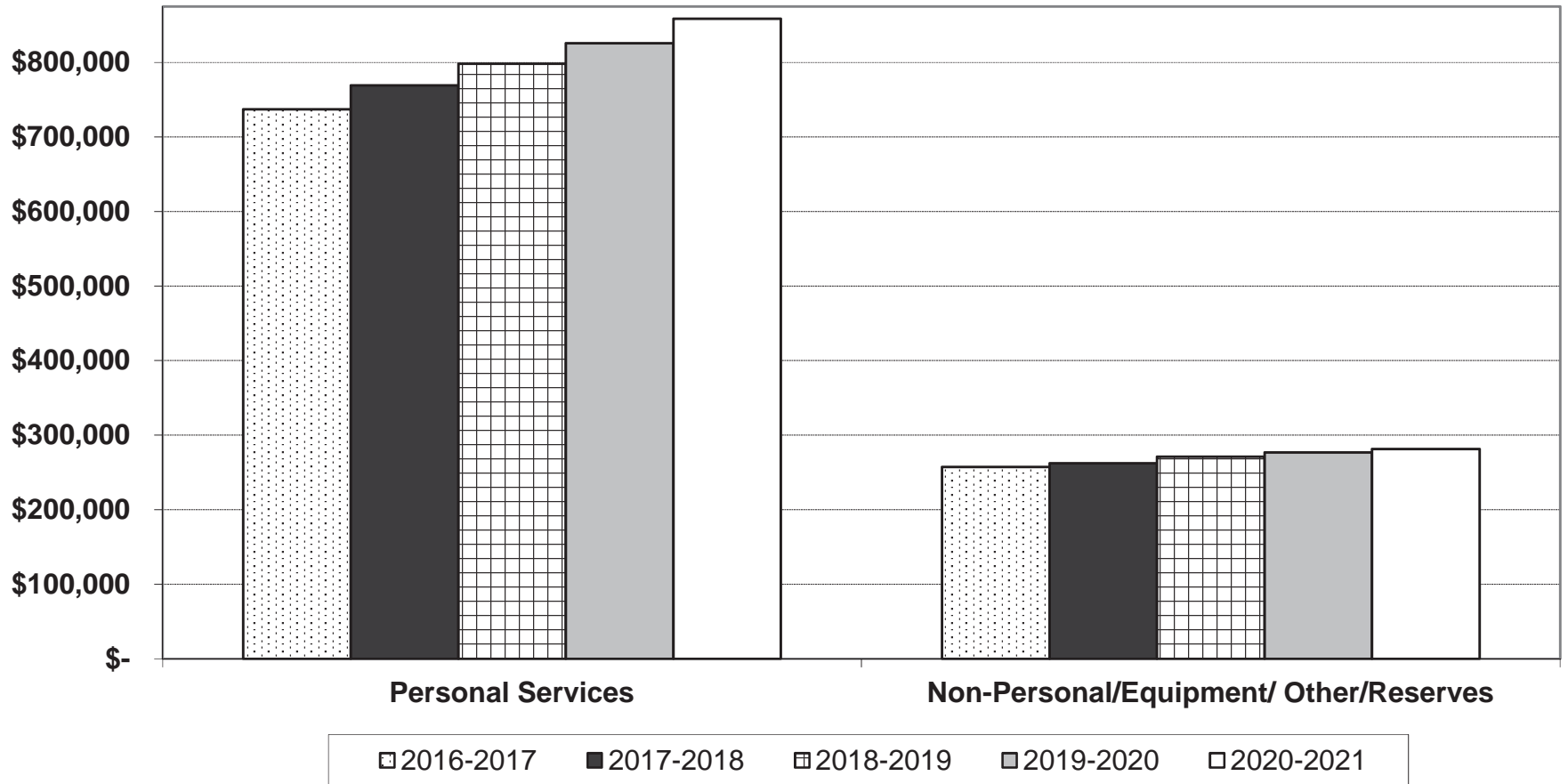
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**2017-2021 General Fund Forecast  
FIVE-YEAR SOURCE OF FUNDS COMPARISON  
(\$ in thousands)**



**2017-2021 General Fund Forecast  
FIVE-YEAR USE OF FUNDS COMPARISON  
(\$ in thousands)**



Note: Committed Additions ranging from \$1.9 million to \$3.8 million annually during this Forecast are not displayed.



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