

*Five-Year Economic Forecast
and
Revenue Projections*

2020-2024

BASE CASE

February 2019 Forecast

REVENUE SUMMARY

	MODIFIED BUDGET	FORECAST				
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
PROPERTY TAX	324,450,000	348,000,000	365,470,000	382,245,000	397,305,000	412,403,000
		7.26%	5.02%	4.59%	3.94%	3.80%
SALES TAX	250,500,000	258,300,000	264,422,000	269,684,000	276,695,000	284,166,000
		3.11%	2.37%	1.99%	2.60%	2.70%
TRANSIENT OCCUPANCY TAX	19,700,000	22,500,000	23,352,000	24,213,000	25,124,000	26,066,000
		14.21%	3.79%	3.69%	3.76%	3.75%
FRANCHISE FEES	50,474,798	49,554,000	50,719,000	51,200,000	51,707,000	52,648,000
		(1.82%)	2.35%	0.95%	0.99%	1.82%
UTILITY TAX	102,400,000	99,570,000	101,691,000	103,013,000	104,774,000	107,551,000
		(2.76%)	2.13%	1.30%	1.71%	2.65%
TELEPHONE TAX	20,000,000	20,000,000	20,036,000	20,070,000	20,102,000	20,138,000
		0.00%	0.18%	0.17%	0.16%	0.18%
BUSINESS TAX	69,400,000	72,200,000	72,921,000	73,443,000	73,946,000	74,472,000
		4.03%	1.00%	0.72%	0.68%	0.71%
LICENSES AND PERMITS	60,893,631	60,450,000	62,030,000	64,305,000	66,449,000	68,709,000
		(0.73%)	2.61%	3.67%	3.33%	3.40%
FEES, RATES, AND CHARGES	55,821,726	54,461,000	55,884,000	57,934,000	59,865,000	61,902,000
		(2.44%)	2.61%	3.67%	3.33%	3.40%
FINES, FORFEITURES & PENALTIES	14,983,000	14,913,000	15,092,000	15,296,000	15,358,000	15,540,000
		(0.47%)	1.20%	1.35%	0.41%	1.19%
MONEY & PROPERTY	6,897,000	13,144,000	13,565,000	13,958,000	14,447,000	14,909,000
		90.58%	3.20%	2.90%	3.50%	3.20%
REVENUE FROM LOCAL AGENCIES	16,104,823	11,101,000	11,504,000	11,891,000	12,240,000	12,591,000
		(31.07%)	3.63%	3.36%	2.93%	2.87%
REVENUE FROM THE STATE OF CALIFORNIA	13,994,473	11,635,000	11,635,000	11,635,000	11,635,000	11,635,000
		(16.86%)	0.00%	0.00%	0.00%	0.00%
FEDERAL REVENUE	6,206,082	216,000	0	0	0	0
		(96.52%)	(100.00%)	N/A	N/A	N/A
OTHER REVENUE	186,092,775	9,186,000	9,010,000	9,027,000	9,045,000	9,079,000
		(95.06%)	(1.92%)	0.19%	0.20%	0.38%
GAS TAX	17,300,000	16,300,000	16,450,000	16,869,000	17,504,000	18,144,000
		(5.78%)	0.92%	2.55%	3.76%	3.66%
TOTAL GENERAL REVENUES	1,215,218,308	1,061,530,000	1,093,781,000	1,124,783,000	1,156,196,000	1,189,953,000
		(12.65%)	3.04%	2.83%	2.79%	2.92%

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	MODIFIED BUDGET	FORECAST				
	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
TRANSFERS & REIMBURSEMENTS						
OVERHEAD REIMBURSEMENTS	50,456,037	53,734,000	55,139,000	57,161,000	59,066,000	61,075,000
TRANSFERS	25,968,684	26,594,000	27,670,000	28,422,000	28,564,000	29,183,000
REIMBURSEMENTS FOR SERVICES	925,395	654,000	671,000	695,000	718,000	743,000
TOTAL TRANSFERS & REIMBURSEMENTS	77,350,116	80,982,000	83,480,000	86,278,000	88,348,000	91,001,000
		4.70%	3.08%	3.35%	2.40%	3.00%
TOTAL GENERAL FUND REVENUES	1,292,568,424	1,142,512,000	1,177,261,000	1,211,061,000	1,244,544,000	1,280,954,000
		(11.61%)	3.04%	2.87%	2.76%	2.93%
BEGINNING FUND BALANCE	249,953,260	65,226,000	67,572,000	68,686,000	69,709,000	70,522,000
GRAND TOTAL SOURCES	1,542,521,684	1,207,738,000	1,244,833,000	1,279,747,000	1,314,253,000	1,351,476,000
		(21.70%)	3.07%	2.80%	2.70%	2.83%

BASE CASE

February 2019 Forecast

EXPENDITURE SUMMARY

	MODIFIED BUDGET	FORECAST				
	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
PERSONAL SERVICES						
Salaries and Other Compensation	509,535,364	534,235,000	557,790,000	578,733,000	598,989,000	619,954,000
Retirement	319,052,538	334,656,000	351,528,000	364,631,000	357,608,000	365,660,000
Health and Other Fringe Benefits	61,309,534	64,824,000	68,625,000	72,789,000	77,341,000	82,307,000
TOTAL PERSONAL SERVICES	889,897,436	933,715,000	977,943,000	1,016,153,000	1,033,938,000	1,067,921,000
		4.92%	4.74%	3.91%	1.75%	3.29%
TOTAL NON-PERSONAL/EQUIPMENT	134,288,315	119,428,000	122,965,000	125,554,000	127,039,000	129,375,000
		(11.07%)	2.96%	2.11%	1.18%	1.84%
CITY-WIDE						
CITY-WIDE EXPENSES	267,923,914	74,748,000	75,694,000	76,936,000	77,730,000	79,361,000
CAPITAL PROJECTS	38,883,500	5,680,000	5,680,000	5,680,000	5,680,000	5,680,000
TRANSFERS	43,109,355	30,015,000	31,379,000	31,384,000	31,313,000	31,346,000
EARMARKED RESERVES	131,419,164	2,112,000	1,112,000	1,112,000	1,112,000	1,112,000
CONTINGENCY RESERVE	37,000,000	38,500,000	39,000,000	40,500,000	41,000,000	41,500,000
TOTAL CITY-WIDE	518,335,933	151,055,000	152,865,000	155,612,000	156,835,000	158,999,000
		(70.86%)	1.20%	1.80%	0.79%	1.38%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,542,521,684	1,204,198,000	1,253,773,000	1,297,319,000	1,317,812,000	1,356,295,000
		(21.93%)	4.12%	3.47%	1.58%	2.92%

OPERATING MARGIN

	MODIFIED BUDGET	FORECAST				
	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
BASE EXPENDITURES (w/o COMMITTED ADDITIONS)						
GRAND TOTAL REVENUE	1,542,521,684	1,207,738,000	1,244,833,000	1,279,747,000	1,314,253,000	1,351,476,000
GROWTH RATE		(21.70%)	3.07%	2.80%	2.70%	2.83%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,542,521,684	1,204,198,000	1,253,773,000	1,297,319,000	1,317,812,000	1,356,295,000
GROWTH RATE		(21.93%)	4.12%	3.47%	1.58%	2.92%
OPERATING MARGIN CHANGE		3,540,000	(12,480,000)	(8,632,000)	14,013,000	(1,260,000)
<i>From Prior Year</i>						

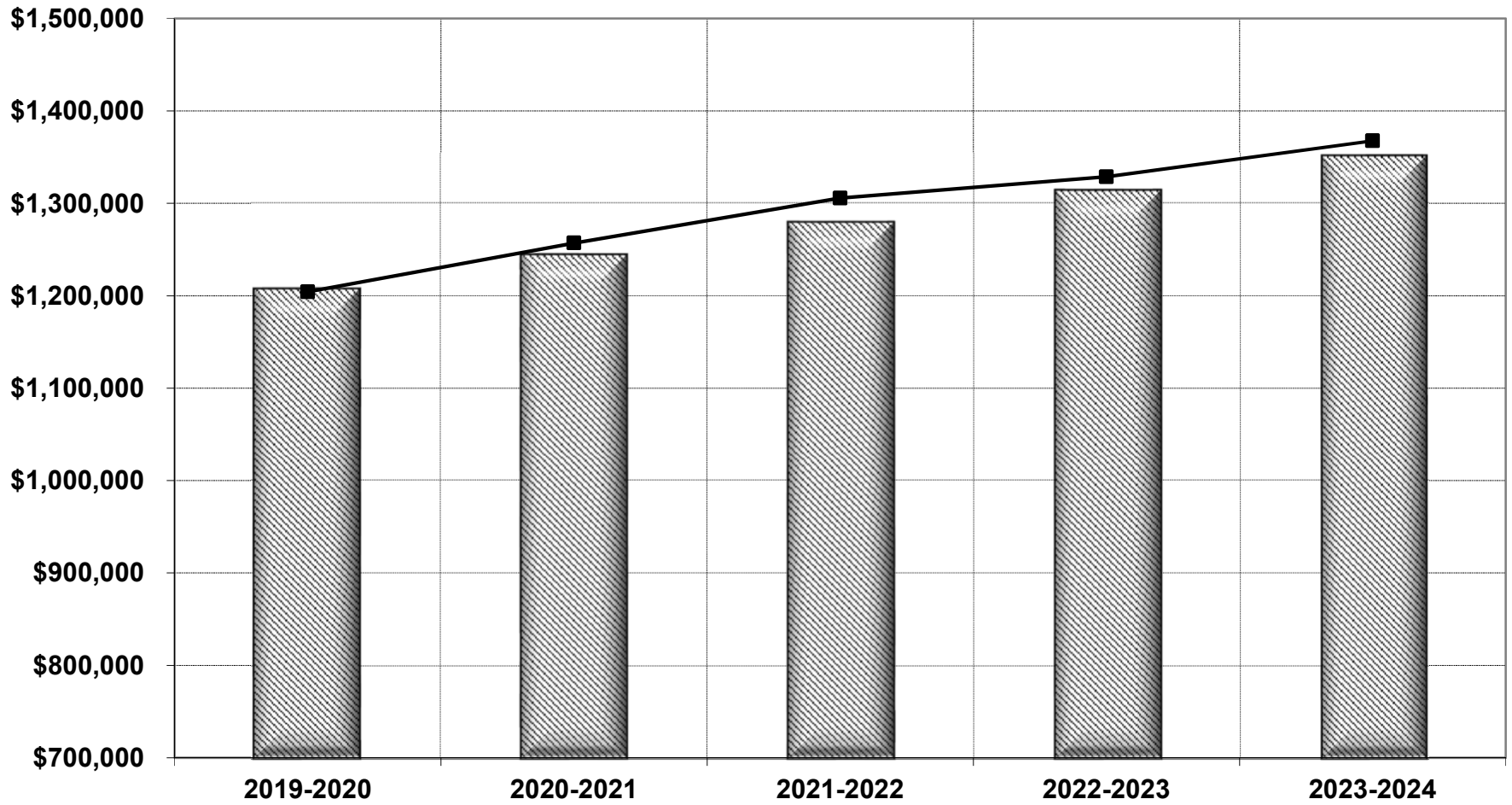
BASE CASE

February 2019 Forecast	MODIFIED					
	BUDGET	FORECAST				
EXPENDITURE SUMMARY	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
<i>COMMITTED ADDITIONS:</i>						
New Parks and Recreation Facilities Maintenance and Operations		60,000	491,000	790,000	1,084,000	1,240,000
New Traffic Infrastructure Assets Maintenance and Operations		26,000	75,000	117,000	148,000	170,000
Measure T (Public Safety - Fire Station 37) Maintenance and Operations		0	0	2,010,000	4,130,000	4,254,000
Measure T (Public Safety - Police Training Center) Maintenance and Operations		0	1,185,000	2,370,000	2,441,000	2,514,000
Police Substation Activation		0	1,500,000	3,000,000	3,090,000	3,183,000
TOTAL COMMITTED ADDITIONS	0	86,000	3,251,000	8,287,000	10,893,000	11,361,000
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	1,542,521,684	1,204,284,000	1,257,024,000	1,305,606,000	1,328,705,000	1,367,656,000
		(21.93%)	4.38%	3.86%	1.77%	2.93%

OPERATING MARGIN

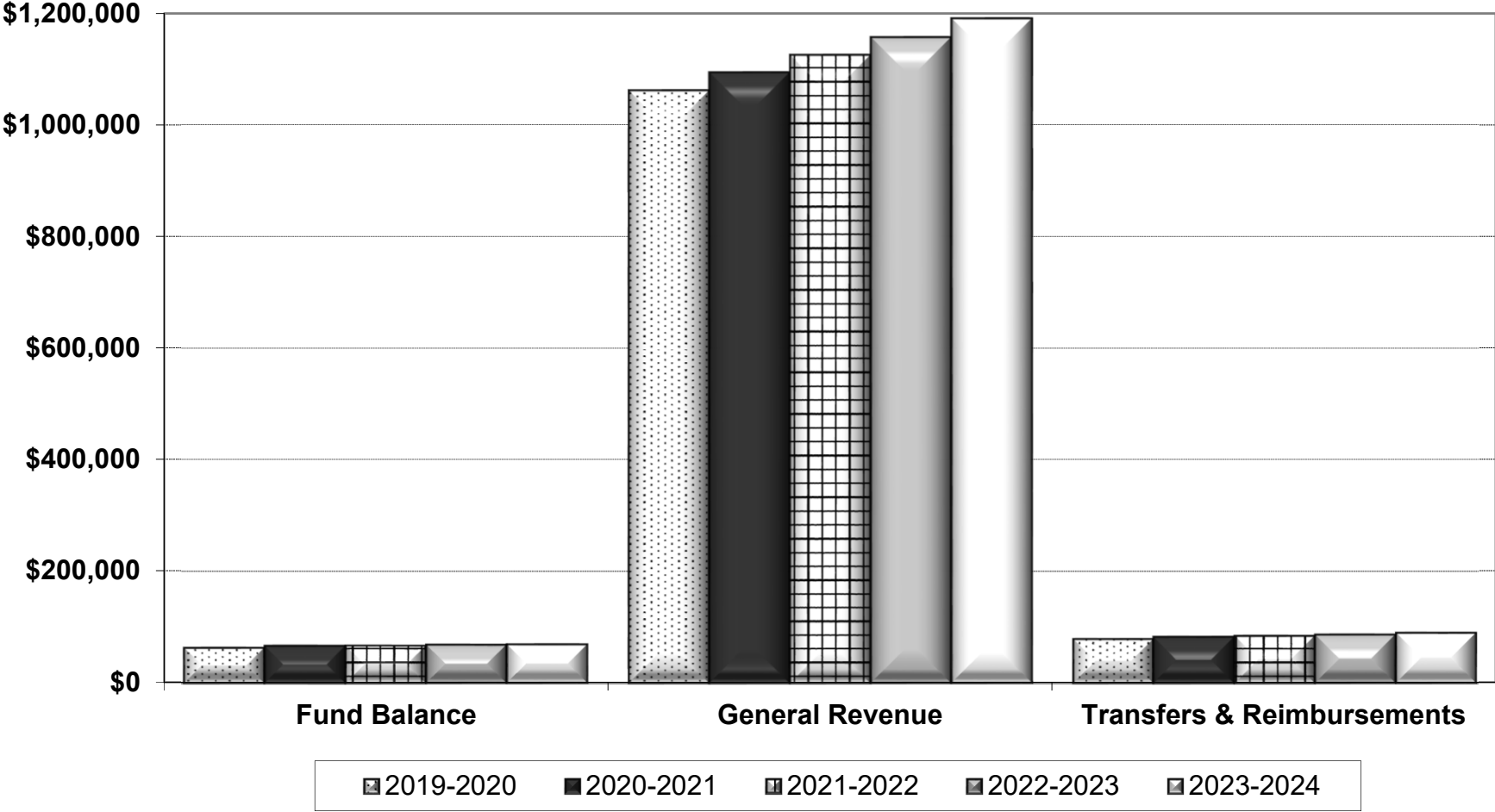
	MODIFIED	FORECAST				
	BUDGET					
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GROWTH RATE		(21.70%)	3.07%	2.80%	2.70%	2.83%
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	1,542,521,684	1,204,284,000	1,257,024,000	1,305,606,000	1,328,705,000	1,367,656,000
GROWTH RATE		(21.93%)	4.38%	3.86%	1.77%	2.93%
ONGOING OPERATING MARGIN CHANGE		3,454,000	(15,645,000)	(13,668,000)	11,407,000	(1,728,000)
<i>From Prior Year</i>						

**2020-2024 General Fund Forecast
PROJECTED REVENUES AND EXPENDITURES
(\$ in thousands)**

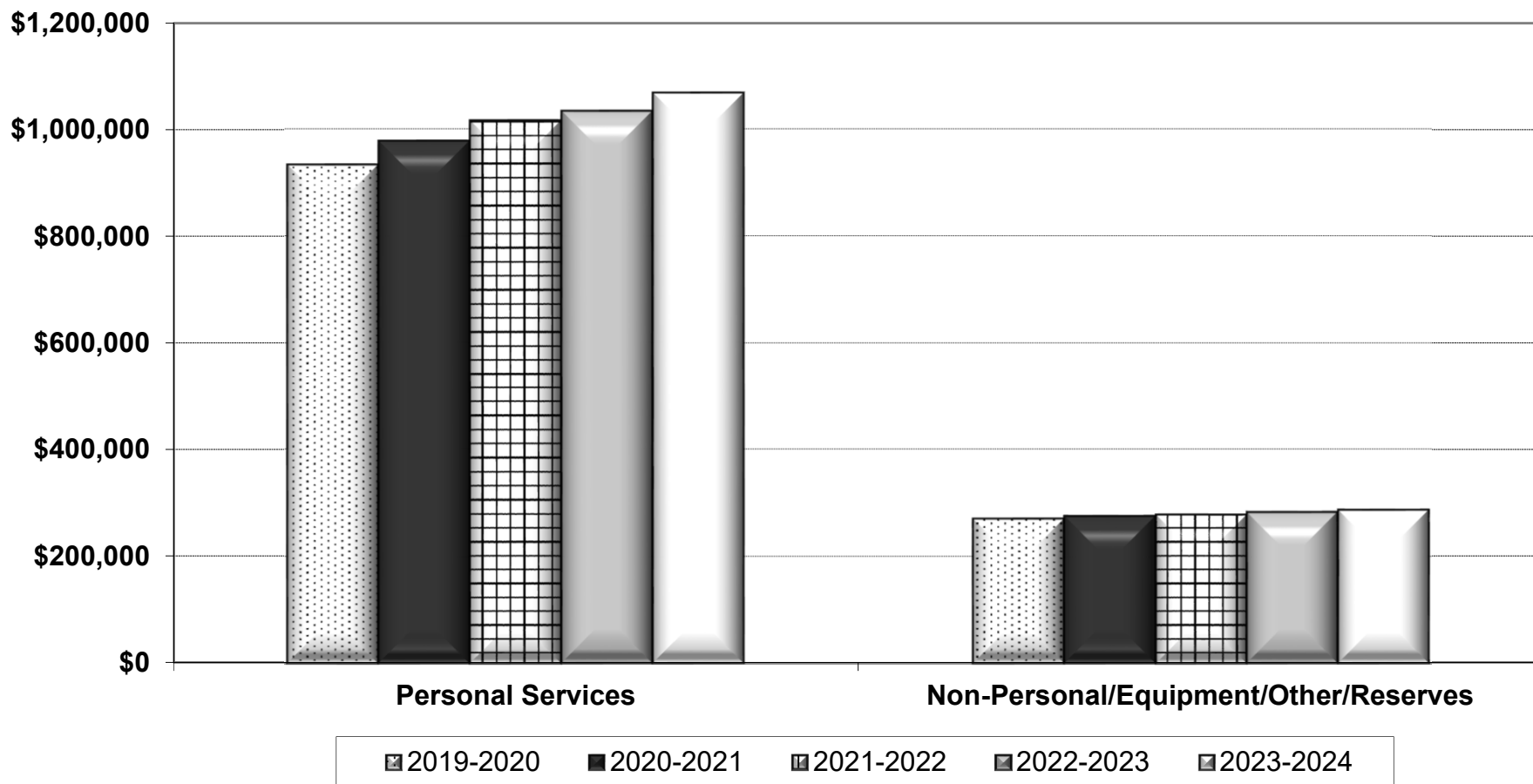


▨ Base Case Revenues —■ Base Expenditures w/Committed Adds

**2020-2024 General Fund Forecast
FIVE-YEAR SOURCE OF FUNDS COMPARISON
(\$ in thousands)**



2020-2024 General Fund Forecast FIVE-YEAR USE OF FUNDS COMPARISON (\$ in thousands)



Note: Committed Additions ranging from \$86,000 to \$11.4 million annually during this Forecast are not displayed.