

*Five-Year Economic Forecast
and
Revenue Projections*

2019-2023

BASE CASE

February 2018 Forecast

REVENUE SUMMARY

	MODIFIED	FORECAST				
	BUDGET	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
PROPERTY TAX	288,990,000	317,600,000	333,988,000	350,955,000	366,713,000	382,188,000
		9.90%	5.16%	5.08%	4.49%	4.22%
SALES TAX	224,000,000	232,100,000	238,506,000	244,969,000	249,967,000	253,891,000
		3.62%	2.76%	2.71%	2.04%	1.57%
TRANSIENT OCCUPANCY TAX	18,720,000	19,600,000	20,374,000	21,097,000	21,638,000	22,174,000
		4.70%	3.95%	3.55%	2.56%	2.48%
FRANCHISE FEES	50,813,083	50,230,000	51,149,000	51,932,000	50,790,000	49,580,000
		(1.15%)	1.83%	1.53%	(2.20%)	(2.38%)
UTILITY TAX	101,320,000	102,400,000	103,700,000	105,339,000	107,088,000	109,197,000
		1.07%	1.27%	1.58%	1.66%	1.97%
TELEPHONE TAX	20,000,000	20,000,000	20,040,000	20,076,000	20,110,000	20,142,000
		0.00%	0.20%	0.18%	0.17%	0.16%
BUSINESS TAX	63,385,000	67,000,000	67,607,000	68,147,000	68,643,000	69,103,000
		5.70%	0.91%	0.80%	0.73%	0.67%
LICENSES AND PERMITS	59,669,916	58,530,000	60,344,000	62,758,000	64,955,000	67,098,000
		(1.91%)	3.10%	4.00%	3.50%	3.30%
FEES, RATES, AND CHARGES	49,431,983	45,779,000	47,198,000	49,086,000	50,804,000	52,481,000
		(7.39%)	3.10%	4.00%	3.50%	3.30%
FINES, FORFEITURES & PENALTIES	15,336,284	14,283,000	14,430,000	14,688,000	14,740,000	14,883,000
		(6.87%)	1.03%	1.79%	0.35%	0.97%
MONEY & PROPERTY	5,705,000	6,779,000	6,948,000	7,171,000	7,379,000	7,637,000
		18.83%	2.49%	3.21%	2.90%	3.50%
REVENUE FROM LOCAL AGENCIES	23,741,738	10,822,000	11,199,000	11,589,000	11,951,000	12,307,000
		(54.42%)	3.48%	3.48%	3.12%	2.98%
REVENUE FROM THE STATE OF CALIFORNIA	14,182,228	10,590,000	10,590,000	10,590,000	10,590,000	10,590,000
		(25.33%)	0.00%	0.00%	0.00%	0.00%
FEDERAL REVENUE	5,661,954	0	0	0	0	0
		(100.00%)	N/A	N/A	N/A	N/A
OTHER REVENUE	183,958,167	9,298,000	8,789,000	8,837,000	8,900,000	8,963,000
		(94.95%)	(5.47%)	0.55%	0.71%	0.71%
GAS TAX	17,300,000	17,300,000	16,703,000	16,489,000	17,118,000	17,712,000
		0.00%	(3.45%)	(1.28%)	3.81%	3.47%
TOTAL GENERAL REVENUES	1,142,215,353	982,311,000	1,011,565,000	1,043,723,000	1,071,386,000	1,097,946,000
		(14.00%)	2.98%	3.18%	2.65%	2.48%

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REVENUE SUMMARY

	MODIFIED BUDGET	FORECAST				
	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
TRANSFERS & REIMBURSEMENTS						
OVERHEAD REIMBURSEMENTS	45,467,418	48,522,000	49,978,000	51,477,000	53,021,000	54,612,000
TRANSFERS	24,981,465	24,457,000	25,173,000	25,861,000	26,478,000	26,573,000
REIMBURSEMENTS FOR SERVICES	670,000	731,000	753,000	776,000	799,000	823,000
TOTAL TRANSFERS & REIMBURSEMENTS	71,118,883	73,710,000	75,904,000	78,114,000	80,298,000	82,008,000
		3.64%	2.98%	2.91%	2.80%	2.13%
TOTAL GENERAL FUND REVENUES	1,213,334,236	1,056,021,000	1,087,469,000	1,121,837,000	1,151,684,000	1,179,954,000
		(12.97%)	2.98%	3.16%	2.66%	2.45%
BEGINNING FUND BALANCE	241,172,873	65,644,000	67,632,000	68,070,000	68,472,000	68,865,000
GRAND TOTAL SOURCES	1,454,507,109	1,121,665,000	1,155,101,000	1,189,907,000	1,220,156,000	1,248,819,000
		(22.88%)	2.98%	3.01%	2.54%	2.35%

BASE CASE

February 2018 Forecast

EXPENDITURE SUMMARY

	MODIFIED BUDGET	FORECAST				
	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
PERSONAL SERVICES						
Salaries and Other Compensation	473,466,433	497,206,000	520,840,000	539,070,000	557,937,000	577,465,000
Retirement	301,440,205	314,761,000	329,400,000	346,398,000	358,718,000	352,174,000
Health and Other Fringe Benefits	57,235,454	56,755,000	59,707,000	62,191,000	64,916,000	67,895,000
TOTAL PERSONAL SERVICES	832,142,092	868,722,000	909,947,000	947,659,000	981,571,000	997,534,000
		4.40%	4.75%	4.14%	3.58%	1.63%
TOTAL NON-PERSONAL/EQUIPMENT	124,019,581	114,007,000	115,266,000	118,732,000	121,968,000	122,059,000
		(8.07%)	1.10%	3.01%	2.73%	0.07%
CITY-WIDE						
CITY-WIDE EXPENSES	267,544,922	68,411,000	72,902,000	73,705,000	75,408,000	77,043,000
CAPITAL PROJECTS	46,158,854	5,580,000	5,580,000	5,580,000	5,580,000	5,580,000
TRANSFERS	32,476,596	33,239,000	33,837,000	34,357,000	34,683,000	34,210,000
EARMARKED RESERVES	115,665,064	1,880,000	1,080,000	1,080,000	1,080,000	1,080,000
CONTINGENCY RESERVE	36,500,000	36,500,000	38,000,000	39,000,000	40,500,000	41,000,000
TOTAL CITY-WIDE	498,345,436	145,610,000	151,399,000	153,722,000	157,251,000	158,913,000
		(70.78%)	3.98%	1.53%	2.30%	1.06%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,454,507,109	1,128,339,000	1,176,612,000	1,220,113,000	1,260,790,000	1,278,506,000
		(22.42%)	4.28%	3.70%	3.33%	1.41%

OPERATING MARGIN

	MODIFIED BUDGET	FORECAST				
	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
BASE EXPENDITURES (w/o COMMITTED ADDITIONS)						
GRAND TOTAL REVENUE	1,454,507,109	1,121,665,000	1,155,101,000	1,189,907,000	1,220,156,000	1,248,819,000
GROWTH RATE		(22.88%)	2.98%	3.01%	2.54%	2.35%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,454,507,109	1,128,339,000	1,176,612,000	1,220,113,000	1,260,790,000	1,278,506,000
GROWTH RATE		(22.42%)	4.28%	3.70%	3.33%	1.41%
OPERATING MARGIN CHANGE		(6,674,000)	(14,837,000)	(8,695,000)	(10,428,000)	10,947,000
<i>From Prior Year</i>						

BASE CASE

February 2018 Forecast

EXPENDITURE SUMMARY

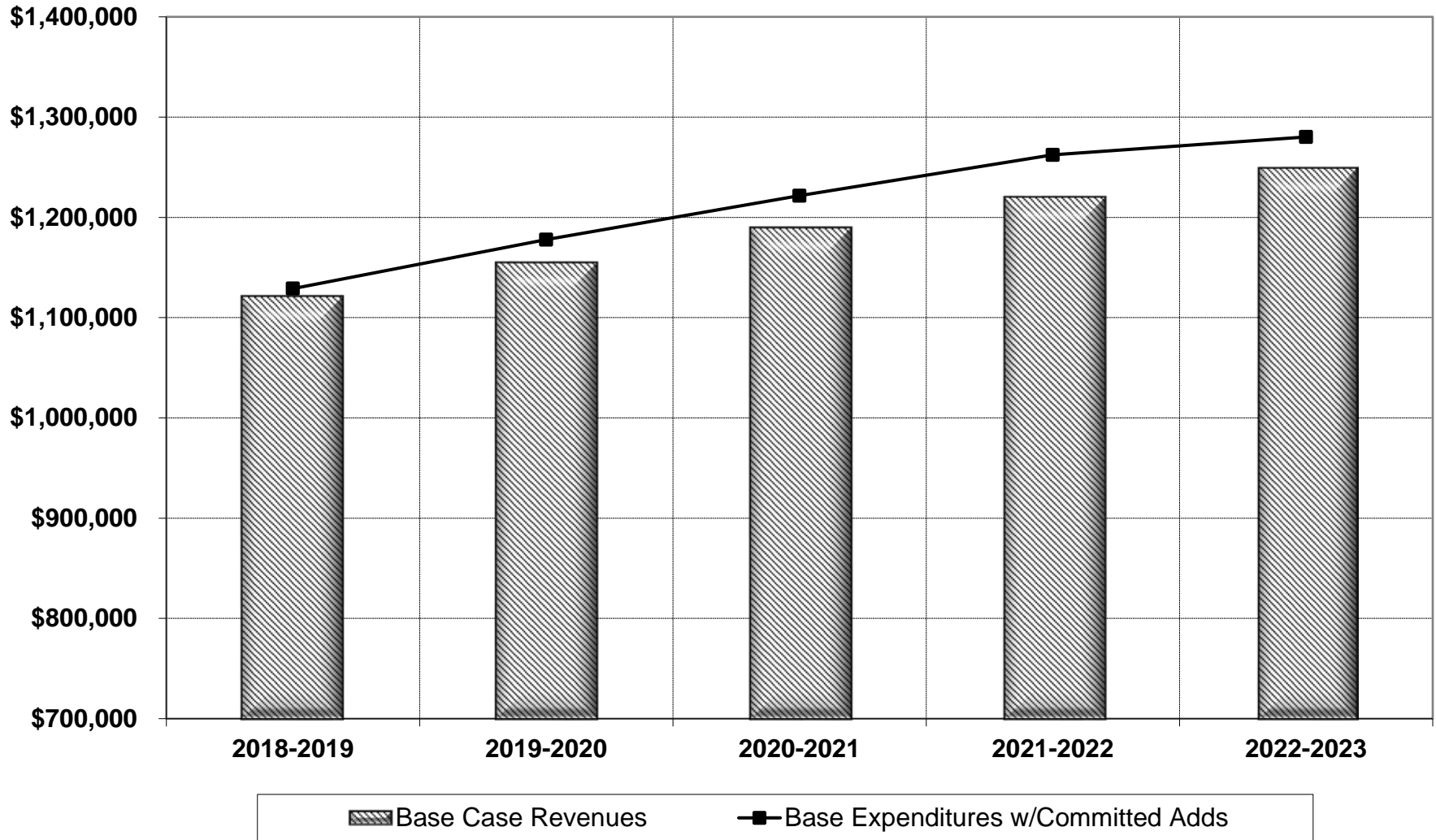
	MODIFIED BUDGET	FORECAST				
	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
<i>COMMITTED ADDITIONS:</i>						
New Parks and Recreation Facilities Maintenance and Operations		216,000	523,000	667,000	725,000	809,000
New Traffic Infrastructure Assets Maintenance and Operations		22,000	45,000	69,000	82,000	95,000
Measure P (Parks) Maintenance and Operations		381,000	677,000	715,000	755,000	790,000
TOTAL COMMITTED ADDITIONS		619,000	1,245,000	1,451,000	1,562,000	1,694,000
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	1,454,507,109	1,128,958,000	1,177,857,000	1,221,564,000	1,262,352,000	1,280,200,000
		(22.38%)	4.33%	3.71%	3.34%	1.41%

OPERATING MARGIN

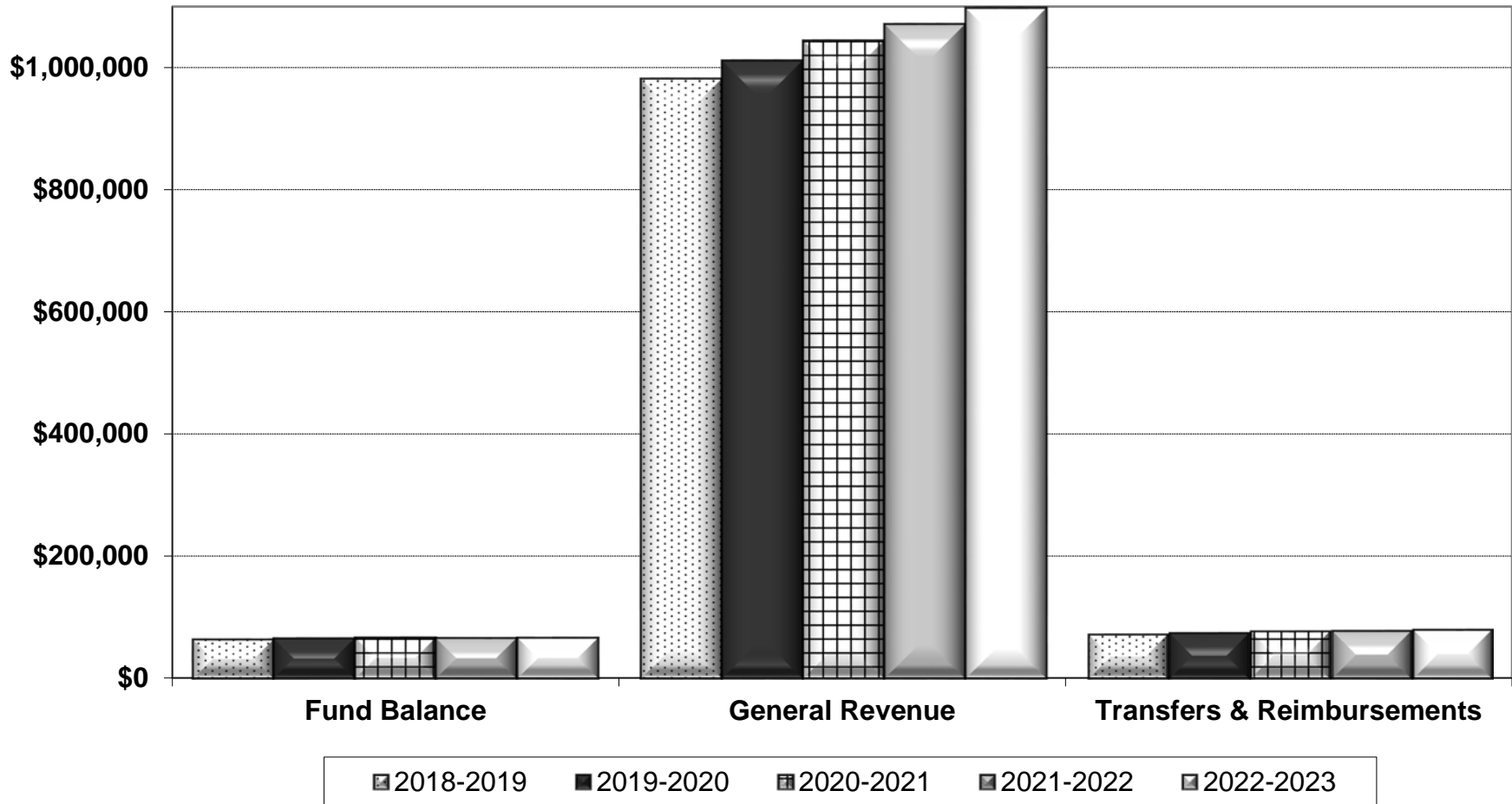
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TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	1,454,507,109	1,128,958,000	1,177,857,000	1,221,564,000	1,262,352,000	1,280,200,000
GROWTH RATE		(22.38%)	4.33%	3.71%	3.34%	1.41%
ONGOING OPERATING MARGIN CHANGE		(7,293,000)	(15,463,000)	(8,901,000)	(10,539,000)	10,815,000
<i>From Prior Year</i>						

**2019-2023 General Fund Forecast
PROJECTED REVENUES AND EXPENDITURES
(\$ in thousands)**

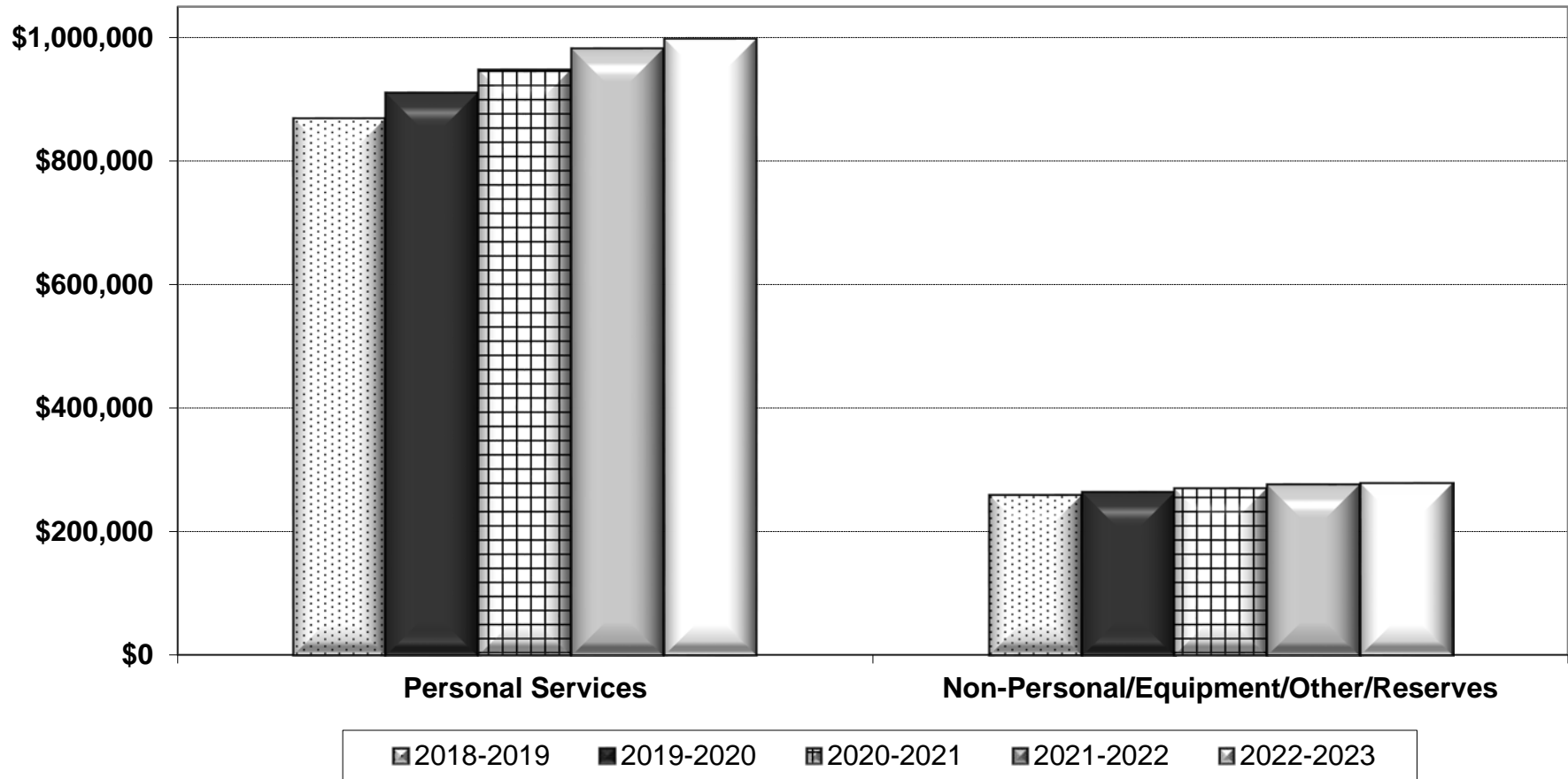
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**2019-2023 General Fund Forecast
FIVE-YEAR SOURCE OF FUNDS COMPARISON
(\$ in thousands)**



**2019-2023 General Fund Forecast
FIVE-YEAR USE OF FUNDS COMPARISON
(\$ in thousands)**



Note: Committed Additions ranging from \$619,000 to \$1.7 million annually during this Forecast are not displayed.