

*Five-Year Economic Forecast
and
Revenue Projections*

2021-2025

BASE CASE

February 2020 Forecast

REVENUE SUMMARY

	MODIFIED BUDGET	FEBRUARY FORECAST				
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
PROPERTY TAX	364,000,000	376,300,000	392,029,000	407,907,000	424,712,000	442,295,000
		3.38%	4.18%	4.05%	4.12%	4.14%
SALES TAX	258,300,000	267,700,000	275,115,000	284,304,000	296,103,000	307,532,000
		3.64%	2.77%	3.34%	4.15%	3.86%
TRANSIENT OCCUPANCY TAX	20,000,000	20,800,000	21,424,000	21,852,000	22,290,000	22,735,000
		4.00%	3.00%	2.00%	2.00%	2.00%
FRANCHISE FEES	48,641,000	48,121,000	48,342,000	49,362,000	50,345,000	51,482,000
		(1.07%)	0.46%	2.11%	1.99%	2.26%
UTILITY TAX	99,645,000	96,400,000	97,162,000	99,435,000	101,682,000	104,214,000
		(3.26%)	0.79%	2.34%	2.26%	2.49%
TELEPHONE TAX	20,000,000	20,000,000	20,034,000	20,066,000	20,102,000	20,138,000
		0.00%	0.17%	0.16%	0.18%	0.18%
BUSINESS TAX	72,200,000	77,900,000	78,799,000	79,841,000	80,906,000	82,009,000
		7.89%	1.15%	1.32%	1.33%	1.36%
LICENSES AND PERMITS	62,009,468	19,745,330	20,216,000	20,830,000	21,503,000	22,195,000
		(68.16%)	2.38%	3.04%	3.23%	3.22%
FEES, RATES, AND CHARGES	59,095,920	30,657,828	31,388,000	32,342,000	33,387,000	34,462,000
		(48.12%)	2.38%	3.04%	3.23%	3.22%
FINES, FORFEITURES & PENALTIES	16,213,000	16,622,000	16,780,000	16,860,000	17,007,000	17,186,000
		2.52%	0.95%	0.48%	0.87%	1.05%
MONEY & PROPERTY	13,144,000	14,327,800	14,743,000	15,259,000	15,748,000	16,236,000
		9.01%	2.90%	3.50%	3.20%	3.10%
REVENUE FROM LOCAL AGENCIES	17,289,710	13,199,000	13,565,000	13,935,000	14,325,000	14,733,000
		(23.66%)	2.77%	2.73%	2.80%	2.85%
REVENUE FROM THE STATE OF CALIFORNIA	23,080,546	12,430,000	12,430,000	12,430,000	12,430,000	12,430,000
		(46.15%)	0.00%	0.00%	0.00%	0.00%
FEDERAL REVENUE	5,331,650	121,000	0	0	0	0
		(97.73%)	N/A	N/A	N/A	N/A
OTHER REVENUE	36,677,362	9,104,126	8,932,000	8,969,000	9,004,000	9,045,000
		(75.18%)	(1.89%)	0.41%	0.39%	0.46%
GAS TAX	16,300,000	17,000,000	17,156,000	17,275,000	17,399,000	17,326,000
		4.29%	0.92%	0.69%	0.72%	(0.42%)
TOTAL GENERAL REVENUES	1,131,927,656	1,040,428,084	1,068,115,000	1,100,667,000	1,136,943,000	1,174,018,000
		(8.08%)	2.66%	3.05%	3.30%	3.26%

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	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
TRANSFERS & REIMBURSEMENTS						
OVERHEAD REIMBURSEMENTS	56,272,963	67,642,193	69,253,000	71,357,000	73,663,000	76,035,000
TRANSFERS	27,727,381	28,181,744	28,808,000	28,979,000	29,619,000	30,111,000
REIMBURSEMENTS FOR SERVICES	975,220	745,997	764,000	787,000	812,000	839,000
TOTAL TRANSFERS & REIMBURSEMENTS	84,975,564	96,569,934	98,825,000	101,123,000	104,094,000	106,985,000
		13.64%	2.34%	2.33%	2.94%	2.78%
TOTAL GENERAL FUND REVENUES	1,216,903,220	1,136,998,018	1,166,940,000	1,201,790,000	1,241,037,000	1,281,003,000
		(6.57%)	2.63%	2.99%	3.27%	3.22%
BEGINNING FUND BALANCE	364,812,662	107,193,000	62,748,000	63,343,000	64,367,000	66,114,000
GRAND TOTAL SOURCES	1,581,715,882	1,244,191,018	1,229,688,000	1,265,133,000	1,305,404,000	1,347,117,000
		(21.34%)	(1.17%)	2.88%	3.18%	3.20%

BASE CASE

February 2020 Forecast

EXPENDITURE SUMMARY

	MODIFIED BUDGET	FEBRUARY FORECAST				
	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
PERSONAL SERVICES						
Salaries and Other Compensation	550,709,119	531,279,000	546,667,000	565,800,000	585,603,000	606,099,000
Retirement	347,816,286	340,417,000	349,816,000	343,924,000	353,179,000	357,886,000
Health and Other Fringe Benefits	67,630,944	64,761,000	67,065,000	69,593,000	72,355,000	75,366,000
TOTAL PERSONAL SERVICES	966,156,349	936,457,000	963,548,000	979,317,000	1,011,137,000	1,039,351,000
		(3.07%)	2.89%	1.64%	3.25%	2.79%
TOTAL NON-PERSONAL/EQUIPMENT	152,287,008	121,803,000	126,606,000	127,920,000	130,992,000	132,395,000
	30,484,008.00	(20.02%)	3.94%	1.04%	2.40%	1.07%
CITY-WIDE						
CITY-WIDE EXPENSES	127,929,288	73,745,000	71,443,000	71,944,000	72,454,000	72,900,000
CAPITAL PROJECTS	68,969,500	5,770,000	5,770,000	5,770,000	5,770,000	5,770,000
TRANSFERS	40,467,078	63,220,000	28,685,000	29,184,000	29,215,000	29,245,000
EARMARKED RESERVES	185,906,659	2,527,000	1,277,000	1,277,000	1,277,000	1,277,000
CONTINGENCY RESERVE	40,000,000	40,000,000	40,000,000	40,500,000	41,500,000	42,500,000
TOTAL CITY-WIDE	463,272,525	185,262,000	147,175,000	148,675,000	150,216,000	151,692,000
		(60.01%)	(20.56%)	1.02%	1.04%	0.98%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,581,715,882	1,243,522,000	1,237,329,000	1,255,912,000	1,292,345,000	1,323,438,000
		(21.38%)	(0.50%)	1.50%	2.90%	2.41%

OPERATING MARGIN

	MODIFIED BUDGET	FEBRUARY FORECAST				
	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
BASE EXPENDITURES (w/o COMMITTED ADDITIONS)						
GRAND TOTAL REVENUE	1,581,715,882	1,244,191,018	1,229,688,000	1,265,133,000	1,305,404,000	1,347,117,000
GROWTH RATE		(21.34%)	(1.17%)	2.88%	3.18%	3.20%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,581,715,882	1,243,522,000	1,237,329,000	1,255,912,000	1,292,345,000	1,323,438,000
GROWTH RATE		(21.38%)	(0.50%)	1.50%	2.90%	2.41%
OPERATING MARGIN CHANGE		669,018	(8,310,018)	16,862,000	3,838,000	10,620,000
<i>From Prior Year</i>						

BASE CASE

February 2020 Forecast

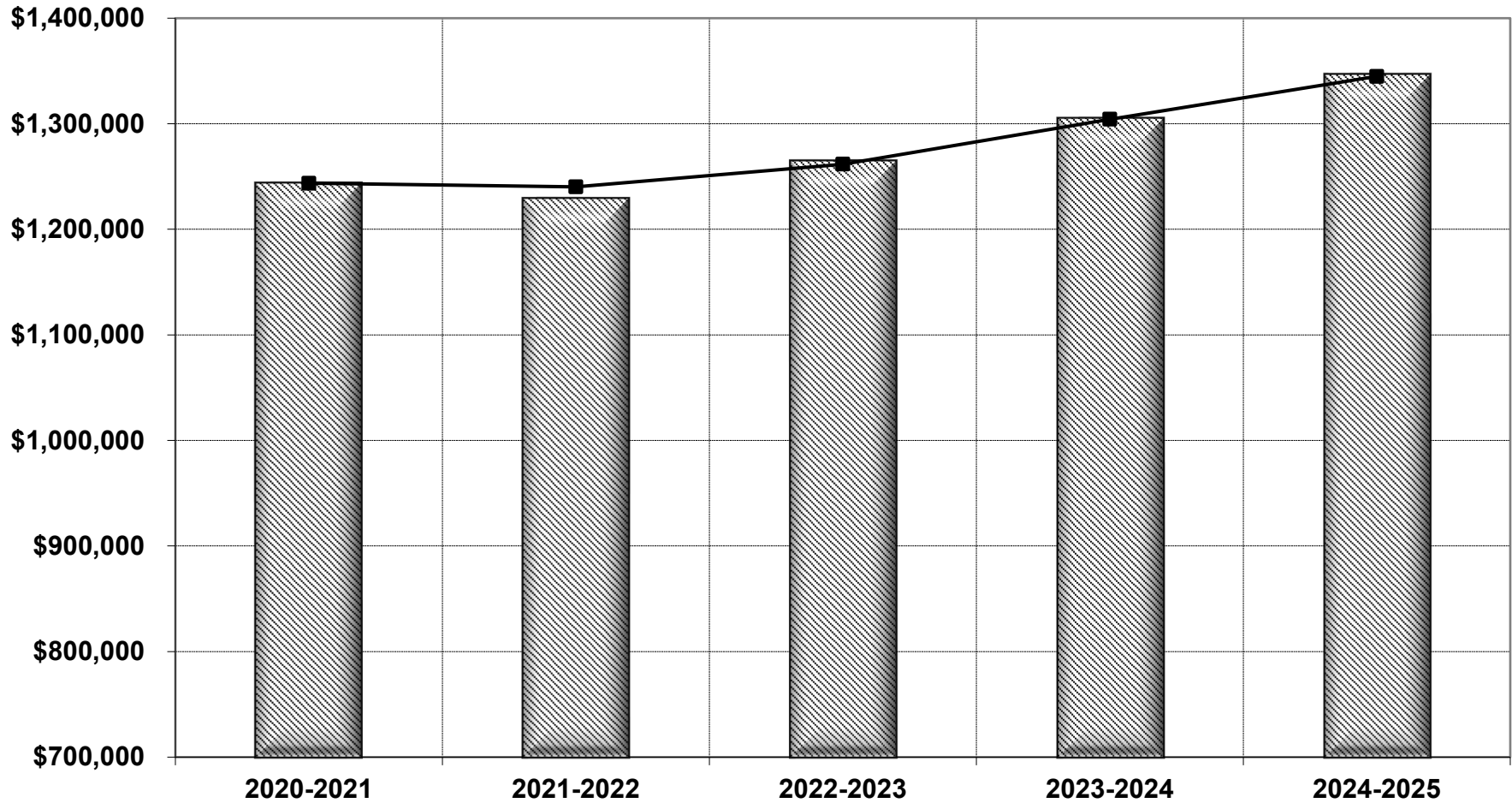
EXPENDITURE SUMMARY

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<i>COMMITTED ADDITIONS:</i>						
New Parks and Recreation Facilities Maintenance and Operations	-	73,000	666,000	915,000	937,000	991,000
New Traffic Infrastructure Assets Maintenance and Operations	-	52,000	154,000	209,000	270,000	316,000
Fire Training Center	-	-	18,000	213,000	221,000	230,000
Measure T (Public Safety)	-	-	2,053,000	4,413,000	10,407,000	19,895,000
TOTAL COMMITTED ADDITIONS	0	125,000	2,891,000	5,750,000	11,835,000	21,432,000
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	1,581,715,882	1,243,647,000	1,240,220,000	1,261,662,000	1,304,180,000	1,344,870,000
		(21.37%)	(0.28%)	1.73%	3.37%	3.12%

OPERATING MARGIN

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GROWTH RATE		(21.37%)	(0.28%)	1.73%	3.37%	3.12%
OPERATING MARGIN	0	544,018	(10,532,000)	3,471,000	1,224,000	2,247,000
ONGOING OPERATING MARGIN CHANGE		544,018	(11,076,018)	14,003,000	(2,247,000)	1,023,000
<i>From Prior Year</i>						

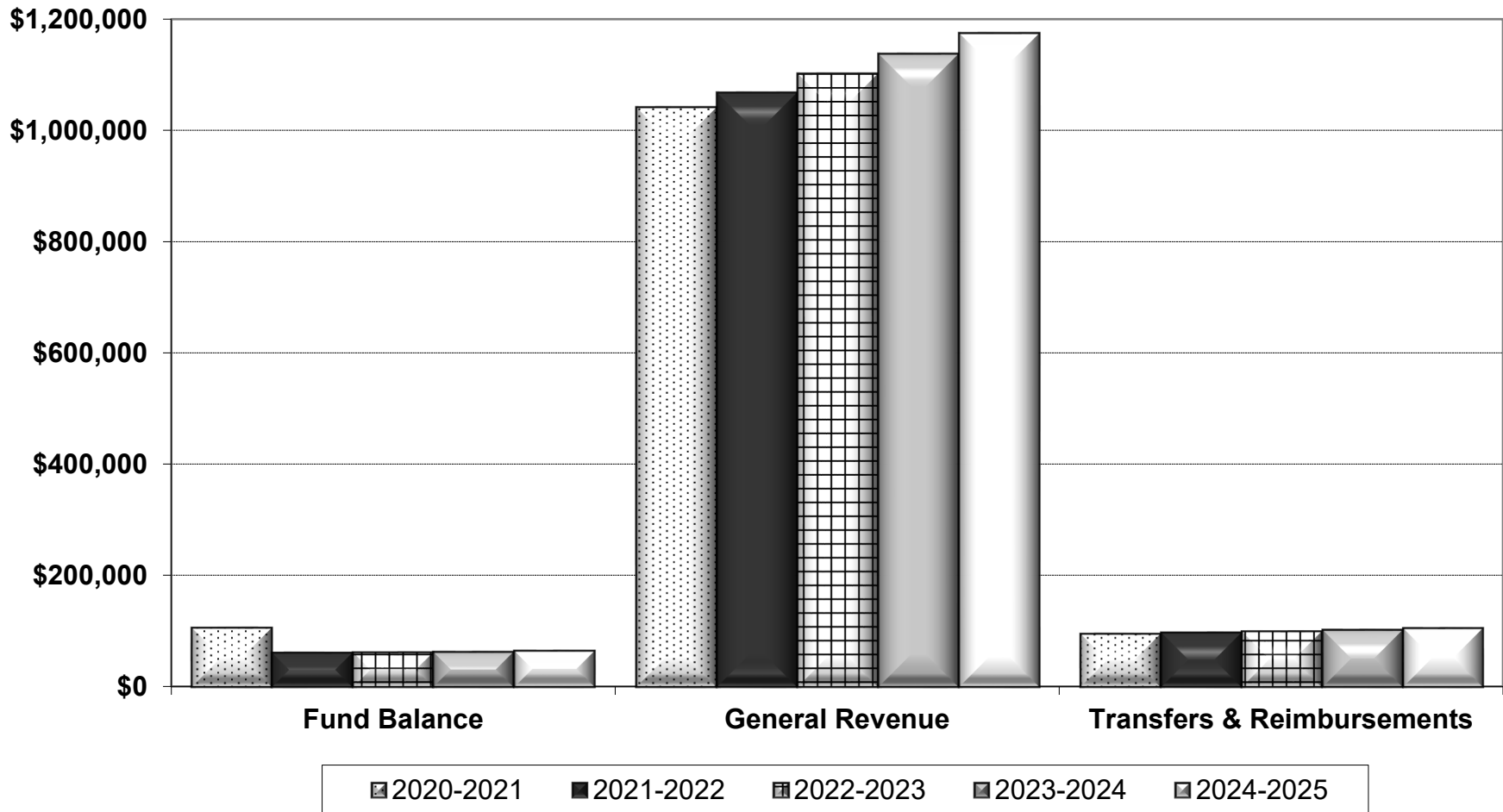
2021-2025 General Fund Forecast
PROJECTED REVENUES AND EXPENDITURES
(\$ in thousands)



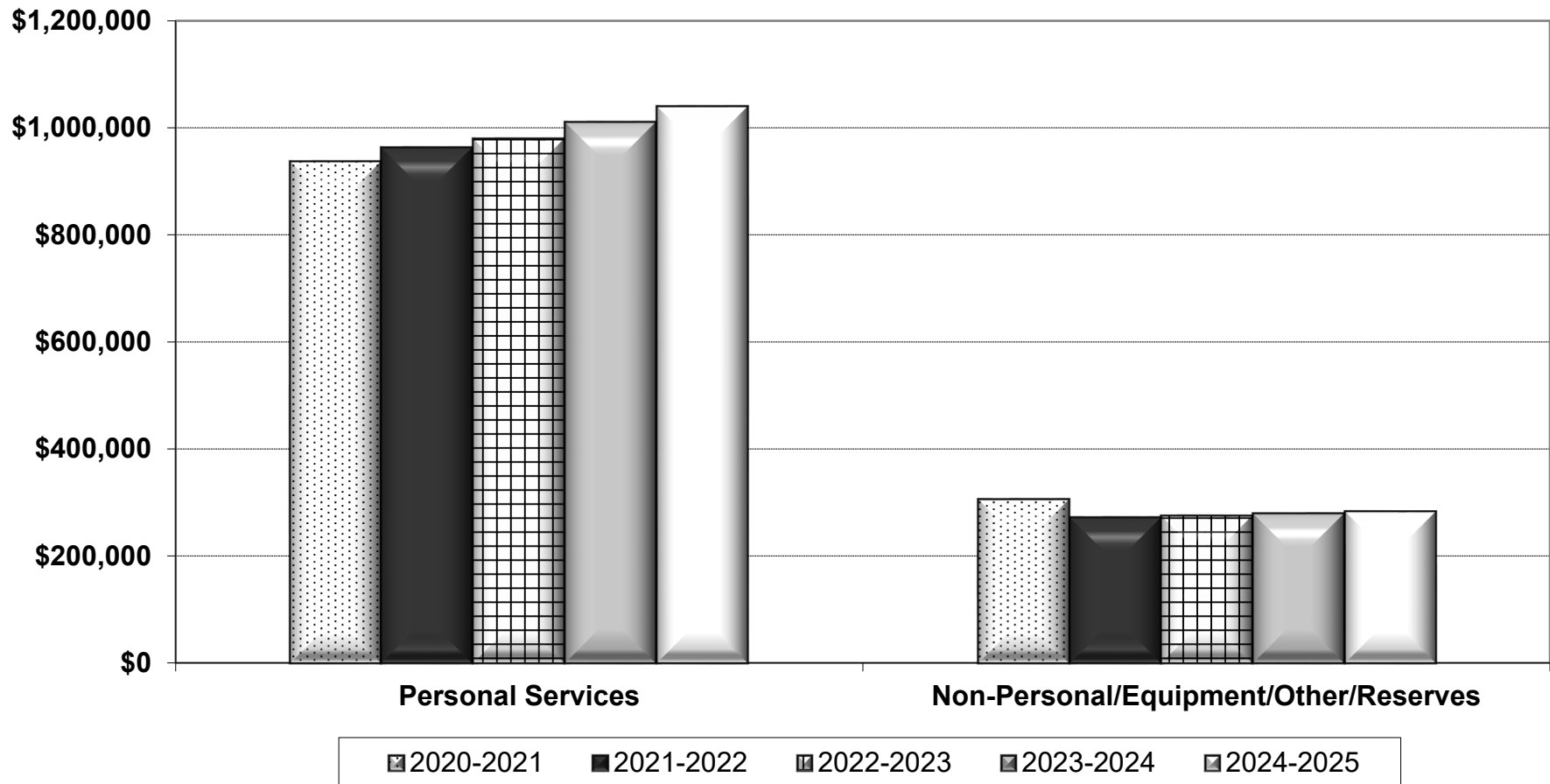
▨ Base Case Revenues

—■ Base Expenditures w/Committed Adds

**2021-2025 General Fund Forecast
FIVE-YEAR SOURCE OF FUNDS COMPARISON
(\$ in thousands)**



2021-2025 General Fund Forecast FIVE-YEAR USE OF FUNDS COMPARISON (\$ in thousands)



Note: Committed Additions ranging from \$125,000 to \$21.4 million annually during this Forecast are not displayed.