

*Five-Year Economic Forecast
and
Revenue Projections*

2015-2019

BASE CASE

February 2014 Forecast

REVENUE SUMMARY

	MODIFIED BUDGET	FORECAST				
	<u>2013-2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
PROPERTY TAX	220,850,000	228,573,000	239,773,000	250,611,000	262,991,000	275,799,000
		3.50%	4.90%	4.52%	4.94%	4.87%
SALES TAX	172,110,000	177,724,000	184,371,000	191,783,000	198,514,000	204,867,000
		3.26%	3.74%	4.02%	3.51%	3.20%
TRANSIENT OCCUPANCY TAX	10,600,000	11,750,000	12,496,000	13,028,000	13,449,000	13,923,000
		10.85%	6.35%	4.26%	3.23%	3.52%
FRANCHISE FEES	43,923,000	45,186,000	46,089,000	46,914,000	47,768,000	48,676,000
		2.88%	2.00%	1.79%	1.82%	1.90%
UTILITY TAX	91,895,000	94,950,000	96,808,000	98,677,000	100,581,000	102,573,000
		3.32%	1.96%	1.93%	1.93%	1.98%
TELEPHONE TAX	20,600,000	20,700,000	20,700,000	20,700,000	20,700,000	20,700,000
		0.49%	0.00%	0.00%	0.00%	0.00%
BUSINESS TAX	42,935,000	43,500,000	43,683,000	43,853,000	44,011,000	44,169,000
		1.32%	0.42%	0.39%	0.36%	0.36%
OTHER LICENSES AND PERMITS	49,268,246	45,055,000	46,902,000	48,309,000	50,000,000	51,450,000
		(8.55%)	4.10%	3.00%	3.50%	2.90%
DEPARTMENTAL CHARGES	38,179,213	37,443,000	38,978,000	40,148,000	41,553,000	42,758,000
		(1.93%)	4.10%	3.00%	3.50%	2.90%
FINES, FORFEITURES & PENALTIES	14,862,200	14,175,000	14,447,000	14,700,000	14,938,000	15,301,000
		(4.62%)	1.92%	1.75%	1.62%	2.43%
MONEY & PROPERTY	2,673,000	2,799,000	2,883,000	2,969,000	3,059,000	3,150,000
		4.71%	3.00%	2.98%	3.03%	2.97%
REVENUE FROM LOCAL AGENCIES	37,131,820	22,145,000	22,745,000	23,344,000	23,986,000	24,644,000
		(40.36%)	2.71%	2.63%	2.75%	2.74%
REVENUE FROM THE STATE OF CALIFORNIA	11,877,725	10,734,000	10,510,000	10,510,000	10,510,000	10,510,000
		(9.63%)	(2.09%)	0.00%	0.00%	0.00%
FEDERAL REVENUE	13,111,532	1,473,000	0	0	0	0
		(88.77%)	(100.00%)	N/A	N/A	N/A
OTHER REVENUE	118,934,047	14,079,000	14,597,000	14,849,000	15,124,000	15,419,000
		(88.16%)	3.68%	1.73%	1.85%	1.95%
GAS TAX	15,000,000	14,850,000	14,554,000	14,247,000	14,015,000	13,778,000
		(1.00%)	(1.99%)	(2.11%)	(1.63%)	(1.69%)
TOTAL GENERAL REVENUES	903,950,783	785,136,000	809,536,000	834,642,000	861,199,000	887,717,000
		(13.14%)	3.11%	3.10%	3.18%	3.08%

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	<u>2013-2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
TRANSFERS & REIMBURSEMENTS						
OVERHEAD REIMBURSEMENTS	36,576,248	37,107,000	38,629,000	39,788,000	41,180,000	42,374,000
TRANSFERS	16,502,033	18,436,000	18,729,000	19,001,000	19,406,000	19,715,000
REIMBURSEMENTS FOR SERVICES	742,833	787,000	820,000	844,000	874,000	899,000
TOTAL TRANSFERS & REIMBURSEMENTS	53,821,114	56,330,000	58,178,000	59,633,000	61,460,000	62,988,000
		4.66%	3.28%	2.50%	3.06%	2.49%
TOTAL GENERAL FUND REVENUES	957,771,897	841,466,000	867,714,000	894,275,000	922,659,000	950,705,000
		(12.14%)	3.12%	3.06%	3.17%	3.04%
BEGINNING FUND BALANCE	215,180,741	57,752,000	57,014,000	57,865,000	58,666,000	57,317,000
GRAND TOTAL SOURCES	1,172,952,638	899,218,000	924,728,000	952,140,000	981,325,000	1,008,022,000
		(23.34%)	2.84%	2.96%	3.07%	2.72%

BASE CASE

February 2014 Forecast

EXPENDITURE SUMMARY

	MODIFIED BUDGET	FORECAST				
	<u>2013-2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
PERSONAL SERVICES						
Salaries and Other Compensation	378,477,361	384,846,000	398,387,000	407,847,000	417,533,000	427,449,000
Retirement	212,191,405	236,135,000	241,882,000	247,446,000	258,948,000	264,615,000
Health and Other Fringe Benefits	51,610,549	54,991,000	59,752,000	64,926,000	71,298,000	77,471,000
TOTAL PERSONAL SERVICES	642,279,315	675,972,000	700,021,000	720,219,000	747,779,000	769,535,000
		5.25%	3.56%	2.89%	3.83%	2.91%
TOTAL NON-PERSONAL/EQUIPMENT	95,400,806	86,995,000	90,173,000	91,939,000	94,925,000	97,305,000
		(8.81%)	3.65%	1.96%	3.25%	2.51%
CITY-WIDE						
CITY-WIDE EXPENSES	223,771,488	73,803,000	75,265,000	77,979,000	81,929,000	84,410,000
CAPITAL PROJECTS	31,270,000	5,250,000	5,250,000	5,250,000	5,250,000	5,250,000
TRANSFERS	24,913,473	26,092,000	26,660,000	28,246,000	29,177,000	30,872,000
EARMARKED RESERVES	124,317,556	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000
CONTINGENCY RESERVE	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000
TOTAL CITY-WIDE	435,272,517	137,595,000	139,625,000	143,925,000	148,806,000	152,982,000
		(68.39%)	1.48%	3.08%	3.39%	2.81%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,172,952,638	900,562,000	929,819,000	956,083,000	991,510,000	1,019,822,000
		(23.22%)	3.25%	2.82%	3.71%	2.86%

OPERATING MARGIN

	MODIFIED BUDGET	FORECAST				
	<u>2013-2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
BASE EXPENDITURES (w/o COMMITTED ADDITIONS)						
GRAND TOTAL REVENUE	1,172,952,638	899,218,000	924,728,000	952,140,000	981,325,000	1,008,022,000
GROWTH RATE		(23.34%)	2.84%	2.96%	3.07%	2.72%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,172,952,638	900,562,000	929,819,000	956,083,000	991,510,000	1,019,822,000
GROWTH RATE		(23.22%)	3.25%	2.82%	3.71%	2.86%
OPERATING MARGIN CHANGE		(1,344,000)	(3,747,000)	1,148,000	(6,242,000)	(1,615,000)
<i>From Prior Year</i>						

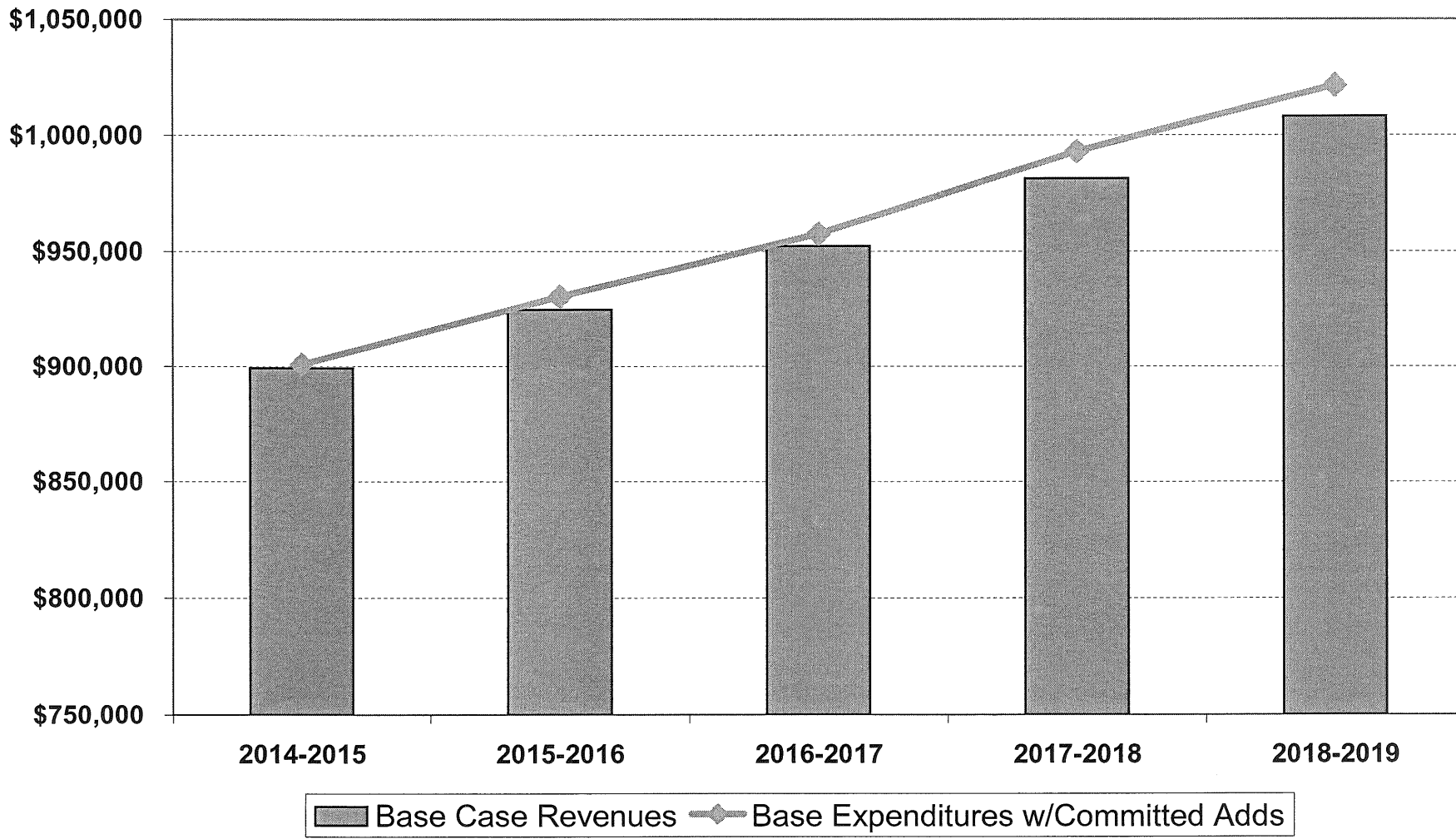
BASE CASE

February 2014 Forecast EXPENDITURE SUMMARY	MODIFIED	FORECAST					
	BUDGET	2013-2014	2015	2016	2017	2018	2019
COMMITTED ADDITIONS:							
New Parks and Recreation Facilities Maintenance and Operations			193,000	331,000	484,000	605,000	692,000
New Traffic Infrastructure Assets Maintenance and Operations			11,000	57,000	121,000	131,000	145,000
Measure O (Library) Maintenance and Operations			0	237,000	735,000	757,000	779,000
Measure P (Parks) Maintenance and Operations			0	0	0	87,000	81,000
Measure O (Public Safety) Maintenance and Operations: Fire			0	11,000	23,000	23,000	23,000
TOTAL COMMITTED ADDITIONS		0	204,000	636,000	1,363,000	1,603,000	1,720,000
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)		1,172,952,638	900,766,000	930,455,000	957,446,000	993,113,000	1,021,542,000
			(23.21%)	3.30%	2.90%	3.73%	2.86%

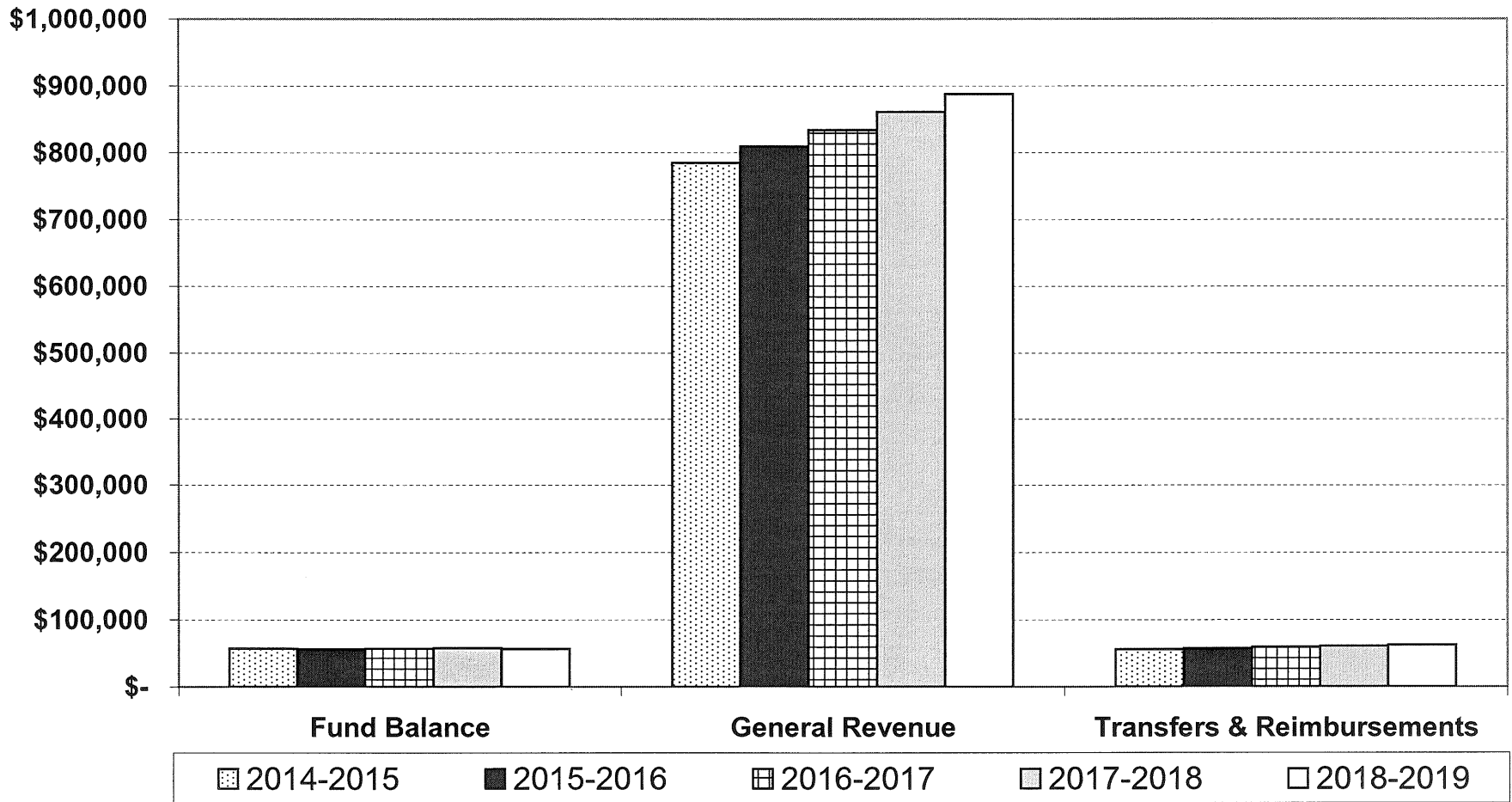
OPERATING MARGIN

	MODIFIED	FORECAST					
	BUDGET	2013-2014	2015	2016	2017	2018	2019
BASE EXPENDITURES (w / COMMITTED ADDITIONS)		1,172,952,638	900,766,000	930,455,000	957,446,000	993,113,000	1,021,542,000
GRAND TOTAL REVENUE		1,172,952,638	899,218,000	924,728,000	952,140,000	981,325,000	1,008,022,000
GROWTH RATE			(23.34%)	2.84%	2.96%	3.07%	2.72%
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)		1,172,952,638	900,766,000	930,455,000	957,446,000	993,113,000	1,021,542,000
GROWTH RATE			(23.21%)	3.30%	2.90%	3.73%	2.86%
ONGOING OPERATING MARGIN CHANGE			(1,548,000)	(4,179,000)	421,000	(6,482,000)	(1,732,000)
<i>From Prior Year</i>							

2015-2019 General Fund Forecast PROJECTED REVENUES AND EXPENDITURES (\$ in thousands)

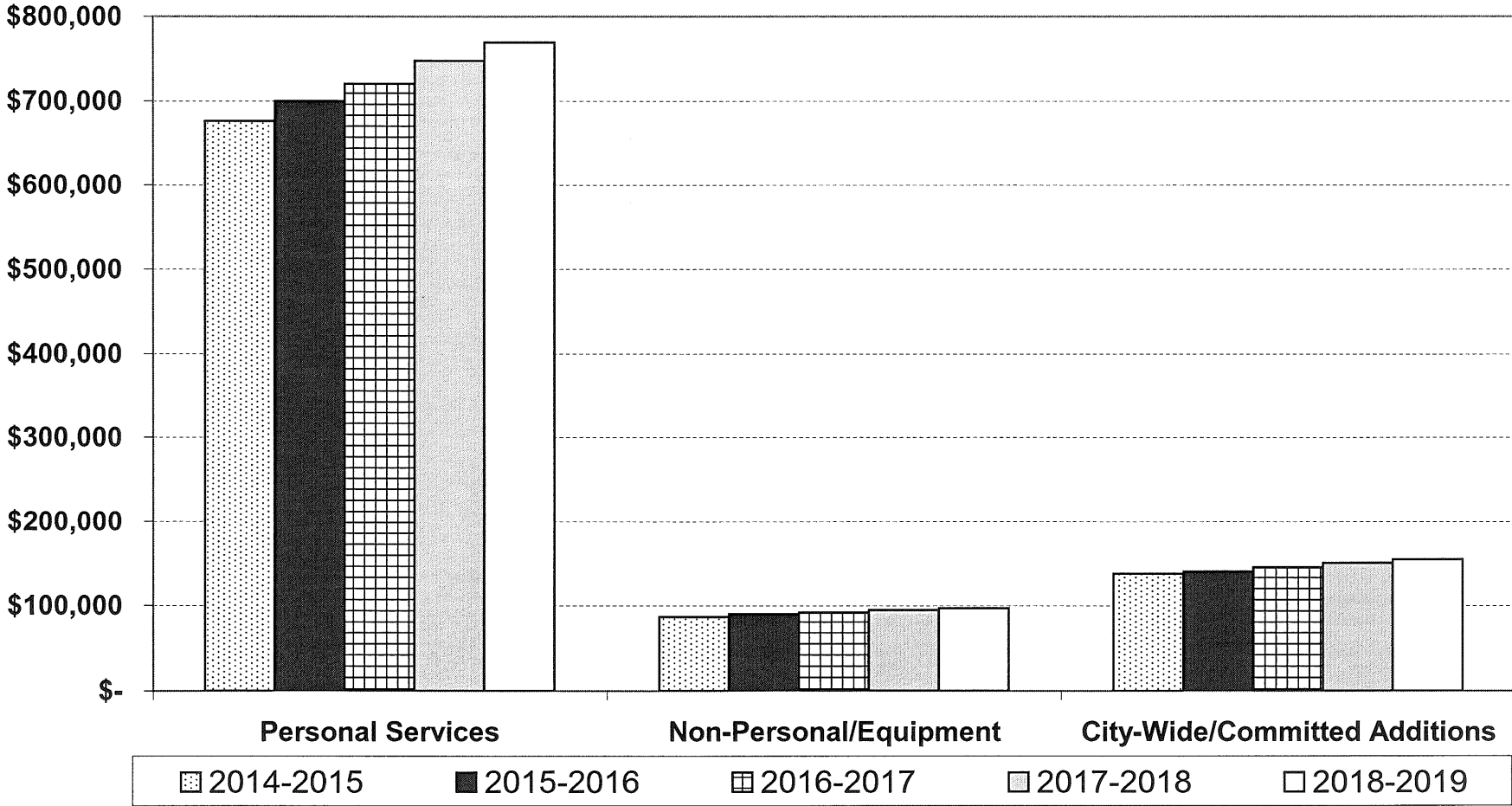


**2015-2019 General Fund Forecast
FIVE-YEAR SOURCE OF FUNDS COMPARISON
(\$ in thousands)**



**2015-2019 General Fund Forecast
FIVE-YEAR USE OF FUNDS COMPARISON
(\$ in thousands)**

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