

**BASE CASE**

**February 2011 Forecast**

**REVENUE SUMMARY**

	MODIFIED BUDGET	FORECAST				
	<u>2010-2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
PROPERTY TAX	194,909,000	199,297,000	203,283,000	208,365,000	215,866,000	223,206,000
		2.25%	2.00%	2.50%	3.60%	3.40%
SALES TAX	134,679,000	137,349,000	142,843,000	148,914,000	155,913,000	162,929,000
		1.98%	4.00%	4.25%	4.70%	4.50%
TRANSIENT OCCUPANCY TAX	6,684,000	7,328,000	7,852,000	8,864,000	9,419,000	9,974,000
		9.63%	7.15%	12.89%	6.26%	5.89%
FRANCHISE FEES	42,271,000	42,719,000	44,406,000	45,885,000	46,881,000	47,889,000
		1.06%	3.95%	3.33%	2.17%	2.15%
UTILITY TAX	87,432,000	88,599,000	94,305,000	100,058,000	105,141,000	110,240,000
		1.33%	6.44%	6.10%	5.08%	4.85%
TELEPHONE TAX	20,525,000	20,525,000	20,525,000	20,525,000	20,525,000	20,525,000
		0.00%	0.00%	0.00%	0.00%	0.00%
BUSINESS TAX	36,070,000	36,488,000	36,568,000	36,645,000	36,715,000	36,777,000
		1.16%	0.22%	0.21%	0.19%	0.17%
OTHER LICENSES AND PERMITS	32,128,220	31,076,000	32,697,000	34,671,000	35,973,000	36,880,000
		(3.28%)	5.22%	6.04%	3.76%	2.52%
DEPARTMENTAL CHARGES	29,610,267	28,112,000	29,578,000	31,364,000	32,543,000	33,363,000
		(5.06%)	5.21%	6.04%	3.76%	2.52%
FINES, FORFEITURES & PENALTIES	17,920,000	17,428,000	17,696,000	17,965,000	18,190,000	18,417,000
		(2.75%)	1.54%	1.52%	1.25%	1.25%
MONEY & PROPERTY	2,666,614	2,369,000	2,742,000	3,351,000	3,978,000	4,696,000
		(11.16%)	15.75%	22.21%	18.71%	18.05%
REVENUE FROM LOCAL AGENCIES	45,682,351	36,569,000	36,833,000	37,627,000	38,773,000	40,165,000
		(19.95%)	0.72%	2.16%	3.05%	3.59%
REVENUE FROM THE STATE OF CALIFORNIA	18,917,904	15,878,000	15,942,000	16,010,000	16,073,000	16,125,000
		(16.07%)	0.40%	0.43%	0.39%	0.32%
FEDERAL REVENUE	20,267,297	2,870,000	2,870,000	2,870,000	2,870,000	2,870,000
		(85.84%)	0.00%	0.00%	0.00%	0.00%
OTHER REVENUE	89,865,501	14,574,000	14,844,000	14,806,000	15,050,000	13,644,000
		(83.78%)	1.85%	(0.26%)	1.65%	(9.34%)
GAS TAX	16,626,000	16,300,000	16,219,000	16,137,000	16,057,000	15,976,000
		(1.96%)	(0.50%)	(0.51%)	(0.50%)	(0.50%)
<b>TOTAL GENERAL REVENUES</b>	<b>796,254,154</b>	<b>697,481,000</b>	<b>719,203,000</b>	<b>744,057,000</b>	<b>769,967,000</b>	<b>793,676,000</b>
		<b>(12.40%)</b>	<b>3.11%</b>	<b>3.46%</b>	<b>3.48%</b>	<b>3.08%</b>

**BASE CASE**

<b>February 2011 Forecast</b>	<b>MODIFIED BUDGET</b>	<b>FORECAST</b>				
<b>REVENUE SUMMARY</b>	<b>2010-2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>TRANSFERS &amp; REIMBURSEMENTS</b>						
OVERHEAD REIMBURSEMENTS	34,303,393	35,156,000	34,306,000	33,477,000	32,667,000	31,220,000
TRANSFERS	41,682,259	24,070,000	25,548,000	26,614,000	27,299,000	27,756,000
REIMBURSEMENTS FOR SERVICES	727,678	717,000	754,000	800,000	830,000	851,000
<b>TOTAL TRANSFERS &amp; REIMBURSEMENTS</b>	<b>76,713,330</b>	<b>59,943,000</b>	<b>60,608,000</b>	<b>60,891,000</b>	<b>60,796,000</b>	<b>59,827,000</b>
		<b>(21.86%)</b>	<b>1.11%</b>	<b>0.47%</b>	<b>(0.16%)</b>	<b>(1.59%)</b>
<b>TOTAL GENERAL FUND REVENUES</b>	<b>872,967,484</b>	<b>757,424,000</b>	<b>779,811,000</b>	<b>804,948,000</b>	<b>830,763,000</b>	<b>853,503,000</b>
		<b>(13.24%)</b>	<b>2.96%</b>	<b>3.22%</b>	<b>3.21%</b>	<b>2.74%</b>
BEGINNING FUND BALANCE	141,398,091	40,446,000	38,952,000	41,660,000	43,949,000	45,602,000
<b>GRAND TOTAL SOURCES</b>	<b>1,014,365,575</b>	<b>797,870,000</b>	<b>818,763,000</b>	<b>846,608,000</b>	<b>874,712,000</b>	<b>899,105,000</b>
		<b>(21.34%)</b>	<b>2.62%</b>	<b>3.40%</b>	<b>3.32%</b>	<b>2.79%</b>

**BASE CASE**

**February 2011 Forecast**

**EXPENDITURE SUMMARY**

	MODIFIED BUDGET	FORECAST				
	2010-2011	2012	2013	2014	2015	2016
<b>PERSONAL SERVICES</b>						
Salaries and Other Compensation	418,638,289	415,408,000	417,517,000	419,638,000	421,769,000	423,911,000
Retirement	137,298,648	192,857,000	236,231,000	273,116,000	295,271,000	304,452,000
Health and Other Fringe Benefits	57,003,457	61,296,000	67,939,000	75,300,000	83,460,000	92,504,000
<b>TOTAL PERSONAL SERVICES</b>	<b>612,940,394</b>	<b>669,561,000</b>	<b>721,687,000</b>	<b>768,054,000</b>	<b>800,500,000</b>	<b>820,867,000</b>
		9.24%	7.79%	6.42%	4.22%	2.54%
<b>TOTAL NON-PERSONAL/EQUIPMENT</b>	<b>85,931,568</b>	<b>83,329,000</b>	<b>84,504,000</b>	<b>85,869,000</b>	<b>87,349,000</b>	<b>88,776,000</b>
		(3.03%)	1.41%	1.62%	1.72%	1.63%
<b>CITY-WIDE</b>						
CITY-WIDE EXPENSES	205,832,376	82,990,000	85,174,000	87,252,000	89,452,000	91,815,000
CAPITAL PROJECTS	8,221,357	6,973,000	7,775,000	7,770,000	7,768,000	7,763,000
TRANSFERS	28,533,993	26,904,000	28,988,000	28,544,000	28,715,000	27,512,000
EARMARKED RESERVES	43,596,887	500,000	500,000	500,000	500,000	500,000
CONTINGENCY RESERVE	29,309,000	26,309,000	28,173,000	29,715,000	30,826,000	31,540,000
<b>TOTAL CITY-WIDE</b>	<b>315,493,613</b>	<b>143,676,000</b>	<b>150,610,000</b>	<b>153,781,000</b>	<b>157,261,000</b>	<b>159,130,000</b>
		(54.46%)	4.83%	2.11%	2.26%	1.19%
<b>TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)</b>	<b>1,014,365,575</b>	<b>896,566,000</b>	<b>956,801,000</b>	<b>1,007,704,000</b>	<b>1,045,110,000</b>	<b>1,068,773,000</b>
		(11.61%)	6.72%	5.32%	3.71%	2.26%

**OPERATING MARGIN**

	MODIFIED BUDGET	FORECAST				
	2010-2011	2012	2013	2014	2015	2016
<b>BASE EXPENDITURES (w/o COMMITTED ADDITIONS)</b>						
<b>GRAND TOTAL REVENUE</b>	1,014,365,575	797,870,000	818,763,000	846,608,000	874,712,000	899,105,000
GROWTH RATE		(21.34%)	2.62%	3.40%	3.32%	2.79%
<b>TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)</b>	1,014,365,575	896,566,000	956,801,000	1,007,704,000	1,045,110,000	1,068,773,000
GROWTH RATE		(11.61%)	6.72%	5.32%	3.71%	2.26%
<b>OPERATING MARGIN CHANGE</b>		(98,696,000)	(39,342,000)	(23,058,000)	(9,302,000)	730,000
<i>From Prior Year</i>						

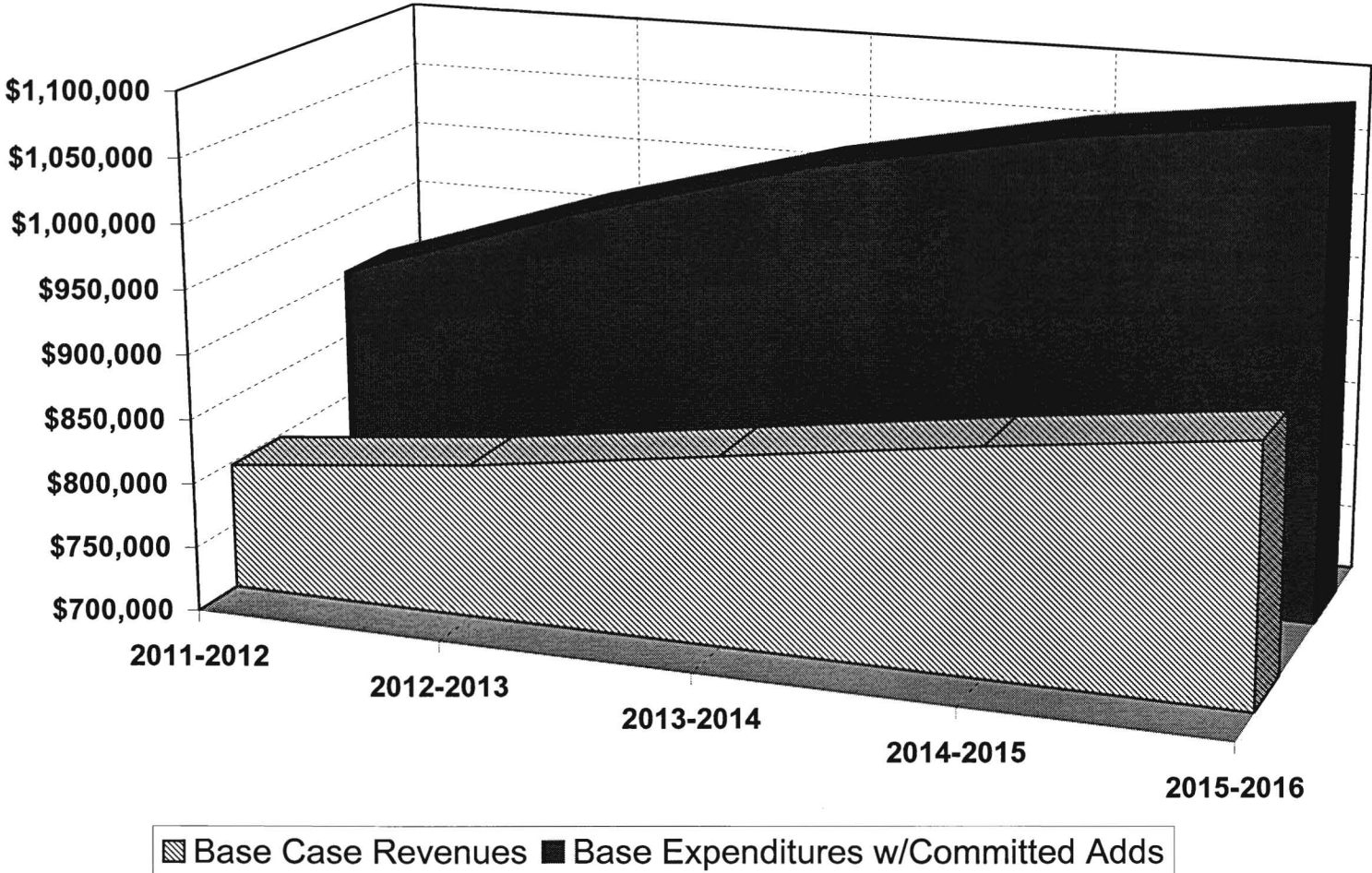
**BASE CASE**

February 2011 Forecast <b>EXPENDITURE SUMMARY</b>	MODIFIED	FORECAST					
	BUDGET	2010-2011	2012	2013	2014	2015	2016
<b>COMMITTED ADDITIONS:</b>							
New Parks and Recreation Facilities Maintenance and Operations			421,000	933,000	1,032,000	1,226,000	1,723,000
New Traffic Infrastructure Assets Maintenance and Operations			60,000	142,000	216,000	268,000	331,000
Measure O (Library) Maintenance and Operations			3,082,000	3,801,000	4,778,000	4,878,000	4,974,000
Measure P (Parks) Maintenance and Operations			666,000	772,000	877,000	990,000	992,000
Measure O (Public Safety) Maintenance and Operations: Fire			0	2,272,000	3,027,000	3,247,000	3,378,000
Measure O (Public Safety) Maintenance and Operations: Police			2,490,000	2,538,000	2,588,000	2,639,000	2,692,000
<b>TOTAL COMMITTED ADDITIONS</b>	<b>0</b>	<b>6,719,000</b>	<b>10,458,000</b>	<b>12,518,000</b>	<b>13,248,000</b>	<b>14,090,000</b>	
<b>TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)</b>	<b>1,014,365,575</b>	<b>903,285,000</b>	<b>967,259,000</b>	<b>1,020,222,000</b>	<b>1,058,358,000</b>	<b>1,082,863,000</b>	
			(10.95%)	7.08%	5.48%	3.74%	2.32%

**OPERATING MARGIN**

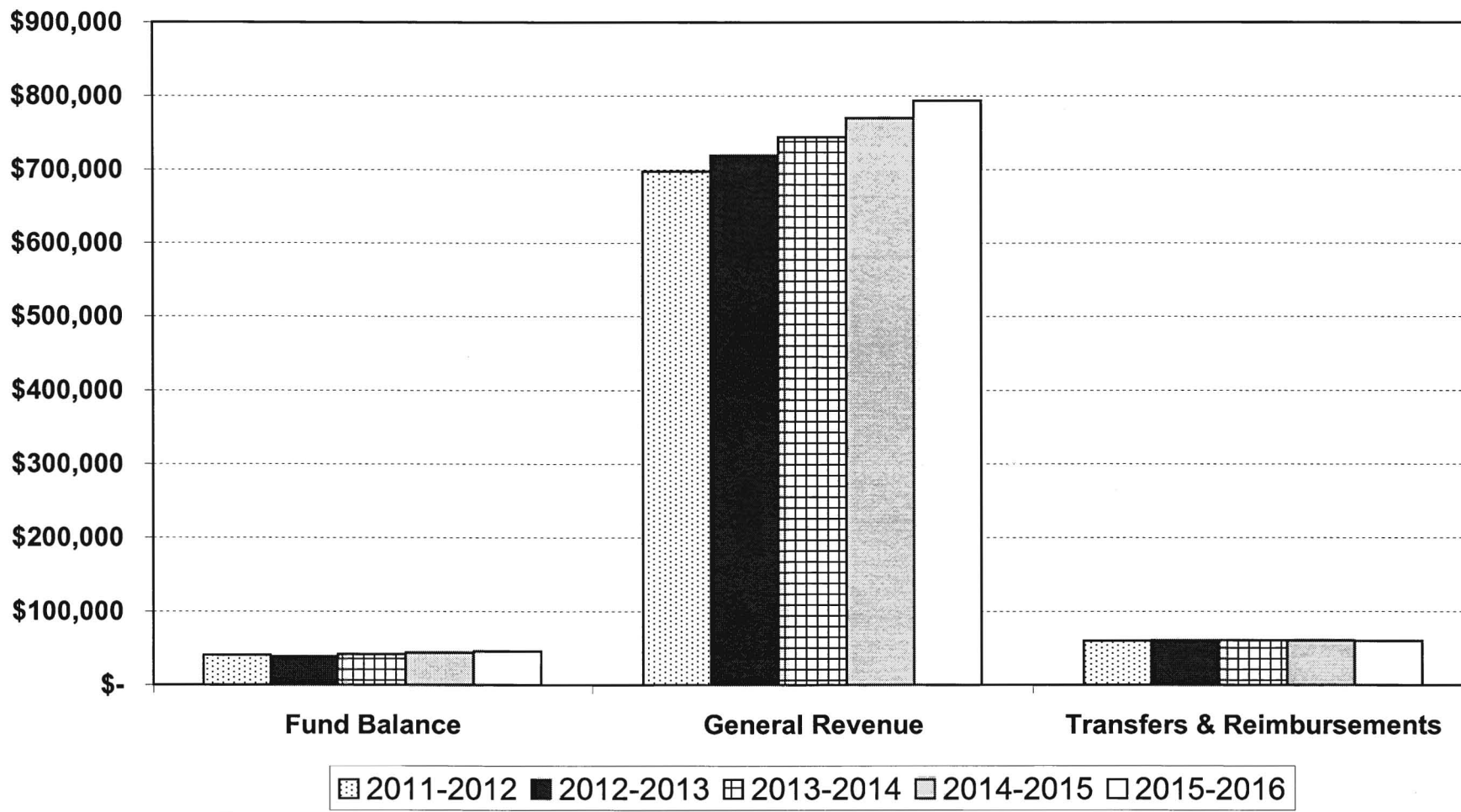
	MODIFIED	FORECAST				
<b>BASE EXPENDITURES (w / COMMITTED ADDITIONS)</b>	<b>2010-2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>GRAND TOTAL REVENUE</b>	1,014,365,575	797,870,000	818,763,000	846,608,000	874,712,000	899,105,000
<b>GROWTH RATE</b>		(21.34%)	2.62%	3.40%	3.32%	2.79%
<b>TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)</b>	1,014,365,575	903,285,000	967,259,000	1,020,222,000	1,058,358,000	1,082,863,000
<b>GROWTH RATE</b>		(10.95%)	7.08%	5.48%	3.74%	2.32%
<b>ONGOING OPERATING MARGIN CHANGE</b>		(105,415,000)	(43,081,000)	(25,118,000)	(10,032,000)	(112,000)
<i>From Prior Year</i>						

**2012-2016 General Fund Forecast  
PROJECTED REVENUES AND EXPENDITURES  
(\$ in thousands)**



**2012-2016 General Fund Forecast  
FIVE-YEAR SOURCE OF FUNDS COMPARISON  
(\$ in thousands)**

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**2012-2016 General Fund Forecast  
FIVE-YEAR USE OF FUNDS COMPARISON  
(\$ in thousands)**

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