

*Five-Year Economic Forecast
and
Revenue Projections*

2022-2026

BASE CASE

February Forecast	MODIFIED	FEBRUARY						
	BUDGET	FORECAST	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
REVENUE SUMMARY								
PROPERTY TAX	361,500,000	386,100,000	405,984,000	428,273,000	450,329,000	471,945,000		
		6.80%	5.15%	5.49%	5.15%	4.80%		
SALES TAX	262,500,000	280,200,000	294,490,000	307,065,000	322,142,000	335,253,000		
		6.74%	5.10%	4.27%	4.91%	4.07%		
TRANSIENT OCCUPANCY TAX	5,500,000	10,000,000	15,000,000	17,130,000	18,483,000	19,444,000		
		81.82%	50.00%	14.20%	7.90%	5.20%		
FRANCHISE FEES	45,921,096	44,501,000	45,173,000	45,954,000	46,979,000	48,168,000		
		-3.09%	1.51%	1.73%	2.23%	2.53%		
UTILITY TAX	95,800,000	97,060,000	98,312,000	99,905,000	102,143,000	104,819,000		
		1.32%	1.29%	1.62%	2.24%	2.62%		
TELEPHONE TAX	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000		
		0.00%	0.00%	0.00%	0.00%	0.00%		
BUSINESS TAX	63,900,000	74,500,000	75,945,000	76,553,000	77,165,000	77,783,000		
		16.59%	1.94%	0.80%	0.80%	0.80%		
REAL PROPERTY TRANSFER TAX	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000		
		0.00%	0.00%	0.00%	0.00%	0.00%		
LICENSES AND PERMITS	19,894,447	19,542,643	20,331,000	21,079,000	21,823,000	22,565,000		
		-1.77%	4.03%	3.68%	3.53%	3.40%		
FEES, RATES, AND CHARGES	8,575,702	14,590,339	15,179,000	15,738,000	16,293,000	16,846,000		
		70.14%	4.03%	3.68%	3.53%	3.39%		
FINES, FORFEITURES & PENALTIES	9,730,100	8,676,000	8,863,000	9,073,000	9,235,000	9,345,000		
		-10.83%	2.16%	2.37%	1.79%	1.19%		
USE OF MONEY & PROPERTY	11,769,800	9,304,000	9,341,000	9,453,000	9,652,000	9,845,000		
		-20.95%	0.40%	1.20%	2.11%	2.00%		
REVENUE FROM LOCAL AGENCIES	23,291,739	15,490,023	15,943,000	16,446,000	16,945,000	17,435,000		
		-33.50%	2.92%	3.15%	3.03%	2.89%		
REVENUE FROM THE STATE OF CALIFORNIA	15,137,455	12,130,000	12,130,000	12,130,000	12,130,000	12,130,000		
		-19.87%	0.00%	0.00%	0.00%	0.00%		
REVENUE FROM THE FEDERAL GOVERNMENT	7,859,131	0	0	0	0	0		
		-100.00%	N/A	N/A	N/A	N/A		
OTHER REVENUE	200,910,694	8,420,324	8,444,000	8,472,000	8,509,000	8,552,000		
		-95.81%	0.28%	0.33%	0.44%	0.51%		
GAS TAX	15,000,000	16,000,000	14,965,000	14,275,000	13,852,000	13,736,000		
		6.67%	(6.47%)	(4.61%)	(2.96%)	(0.84%)		
TOTAL GENERAL REVENUES	1,207,290,164	1,056,514,329	1,100,100,000	1,141,546,000	1,185,680,000	1,227,866,000		
		-12.49%	4.13%	3.77%	3.87%	3.56%		

BASE CASE

February Forecast	MODIFIED	FEBRUARY						
	BUDGET	FORECAST	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
REVENUE SUMMARY								
TRANSFERS & REIMBURSEMENTS								
OVERHEAD REIMBURSEMENTS	69,197,893	66,185,738	68,857,000	71,390,000	73,909,000	76,420,000		
TRANSFERS	36,578,485	28,360,478	28,972,000	29,416,000	30,073,000	30,843,000		
REIMBURSEMENTS FOR SERVICES	745,997	788,507	820,000	851,000	881,000	910,000		
TOTAL TRANSFERS & REIMBURSEMENTS	106,522,375	95,334,723	98,649,000	101,657,000	104,863,000	108,173,000		
		-10.50%	3.48%	3.05%	3.15%	3.16%		
TOTAL GENERAL FUND REVENUES	1,313,812,539	1,151,849,052	1,198,749,000	1,243,203,000	1,290,543,000	1,336,039,000		
		-12.33%	4.07%	3.71%	3.81%	3.53%		
BEGINNING FUND BALANCE	400,283,991	68,785,000	63,899,000	64,473,000	66,296,000	68,151,000		
GRAND TOTAL SOURCES	1,714,096,530	1,220,634,052	1,262,648,000	1,307,676,000	1,356,839,000	1,404,190,000		
		(28.79%)	3.44%	3.57%	3.76%	3.49%		

BASE CASE

February Forecast

EXPENDITURE SUMMARY

	MODIFIED BUDGET	FEBRUARY FORECAST	2022-2023	2023-2024	2024-2025	2025-2026
	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
PERSONAL SERVICES						
Salaries and Other Compensation	511,530,578	537,329,767	548,436,309	567,631,580	587,498,685	608,061,139
Retirement	314,958,406	356,168,241	375,696,891	387,705,507	400,191,020	414,966,394
Health and Other Fringe Benefits	61,135,910	68,152,595	70,689,274	73,320,370	76,049,397	78,880,000
TOTAL PERSONAL SERVICES	887,624,894	961,650,603	994,822,474	1,028,657,457	1,063,739,102	1,101,907,534
		8.34%	3.45%	3.40%	3.41%	3.59%
TOTAL NON-PERSONAL/EQUIPMENT	131,876,514	122,804,000	123,649,000	126,900,000	129,295,000	130,885,000
	9,072,514.00	(6.88%)	0.69%	2.63%	1.89%	1.23%
CITY-WIDE						
CITY-WIDE EXPENSES	315,047,917	73,169,140	74,836,528	75,590,759	76,338,999	77,390,816
CAPITAL PROJECTS	110,023,656	5,270,000	5,250,000	5,200,000	5,200,000	5,200,000
TRANSFERS	88,049,604	22,968,524	23,762,750	23,918,245	23,976,339	24,042,593
EARMARKED RESERVES	141,473,945	40,314,000	39,064,000	39,064,000	39,064,000	39,064,000
CONTINGENCY RESERVE	40,000,000	40,000,000	40,500,000	41,500,000	42,500,000	42,500,000
TOTAL CITY-WIDE	694,595,122	181,721,664	183,413,278	185,273,004	187,079,338	188,197,409
		(73.84%)	0.93%	1.01%	0.97%	0.60%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,714,096,530	1,266,176,267	1,301,884,752	1,340,830,461	1,380,113,441	1,420,989,943
		(26.13%)	2.82%	2.99%	2.93%	2.96%

OPERATING MARGIN

	MODIFIED BUDGET	FEBRUARY FORECAST	2022-2023	2023-2024	2024-2025	2025-2026
	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
BASE EXPENDITURES (w/o COMMITTED ADDITIONS)						
GRAND TOTAL REVENUE	1,714,096,530	1,220,634,052	1,262,648,000	1,307,676,000	1,356,839,000	1,404,190,000
GROWTH RATE		(28.79%)	3.44%	3.57%	3.76%	3.49%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,714,096,530	1,266,176,267	1,301,884,752	1,340,830,461	1,380,113,441	1,420,989,943
GROWTH RATE		(26.13%)	2.82%	2.99%	2.93%	2.96%
OPERATING MARGIN CHANGE	0	(45,542,215)	6,305,463	6,082,291	9,880,020	6,474,000
<i>From Prior Year</i>						

BASE CASE

February Forecast

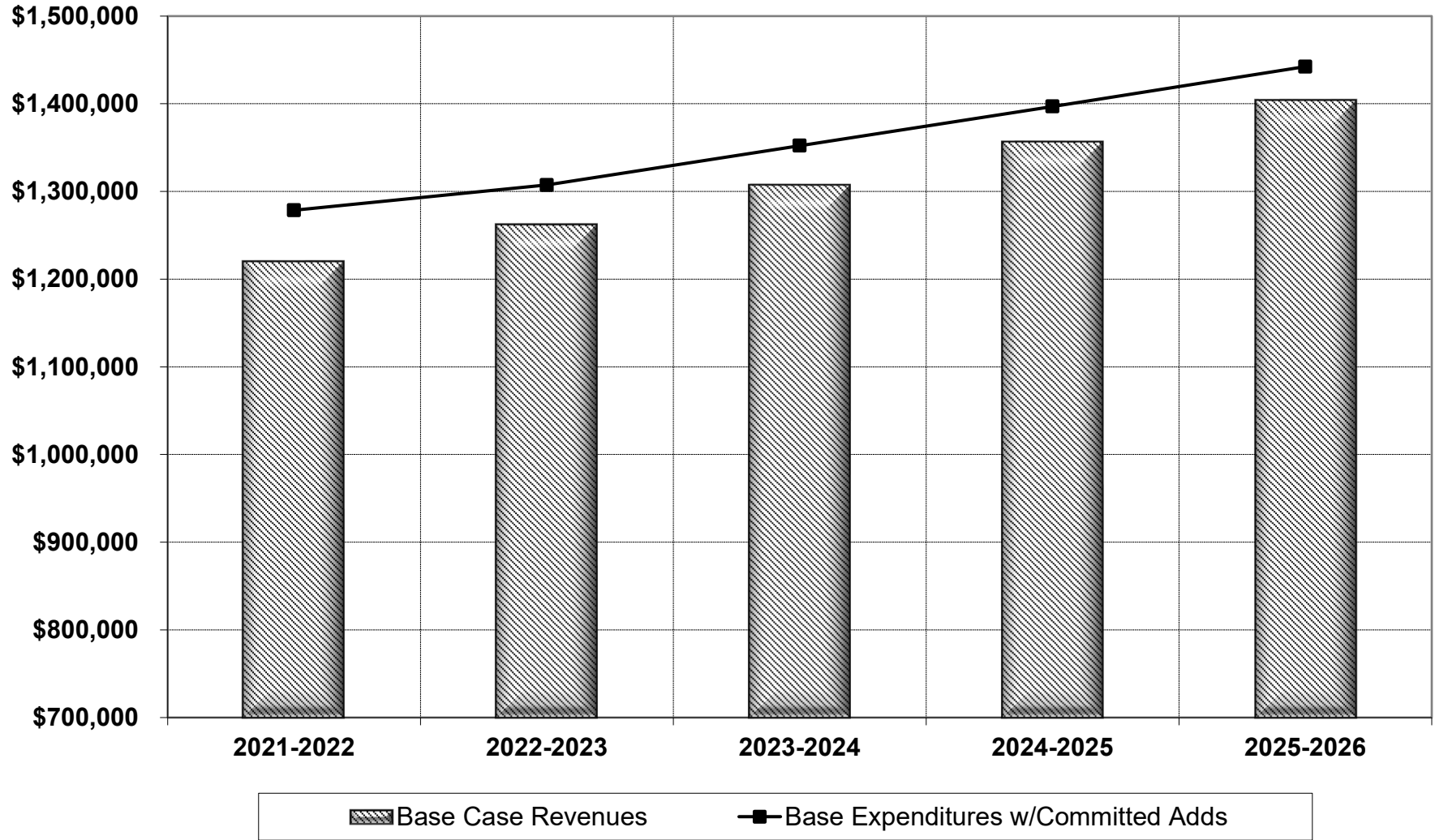
EXPENDITURE SUMMARY

	MODIFIED BUDGET	FEBRUARY FORECAST				
	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
<u>COMMITTED ADDITIONS:</u>						
New Parks and Recreation Facilities Maintenance and Operations	0	384,000	901,000	1,362,000	1,848,000	1,947,000
New Traffic Infrastructure Assets Maintenance and Operations	0	175,000	287,000	367,000	404,000	428,000
New Public Safety Facilities Maintenance and Operations	0	19,000	156,000	240,000	247,000	256,000
Measure T (Emergency Operations Center and OEM Relocation)	0	0	124,000	223,000	235,000	245,000
Measure T (Fire Station 8 Relocation)	0	0	0	9,000	36,000	37,000
Measure T (Fire Station 32)	0	0	0	1,053,000	4,338,000	4,468,000
Measure T (Fire Station 36)	0	0	0	0	0	3,953,000
Measure T (Fire Station 37)	0	1,977,000	4,071,000	4,193,000	4,319,000	4,449,000
Measure T (Police Training Center Relocation)	0	0	0	1,547,000	2,136,000	2,212,000
Measure T (Police Air Support Hangar)	0	0	0	71,000	75,000	77,000
Measure T (Police Substation Activation)	0	0	0	2,359,000	3,239,000	3,336,000
TOTAL COMMITTED ADDITIONS	0	2,555,000	5,539,000	11,424,000	16,877,000	21,408,000
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	1,714,096,530	1,268,731,267	1,307,423,752	1,352,254,461	1,396,990,441	1,442,397,943
		(25.98%)	3.05%	3.43%	3.31%	3.25%

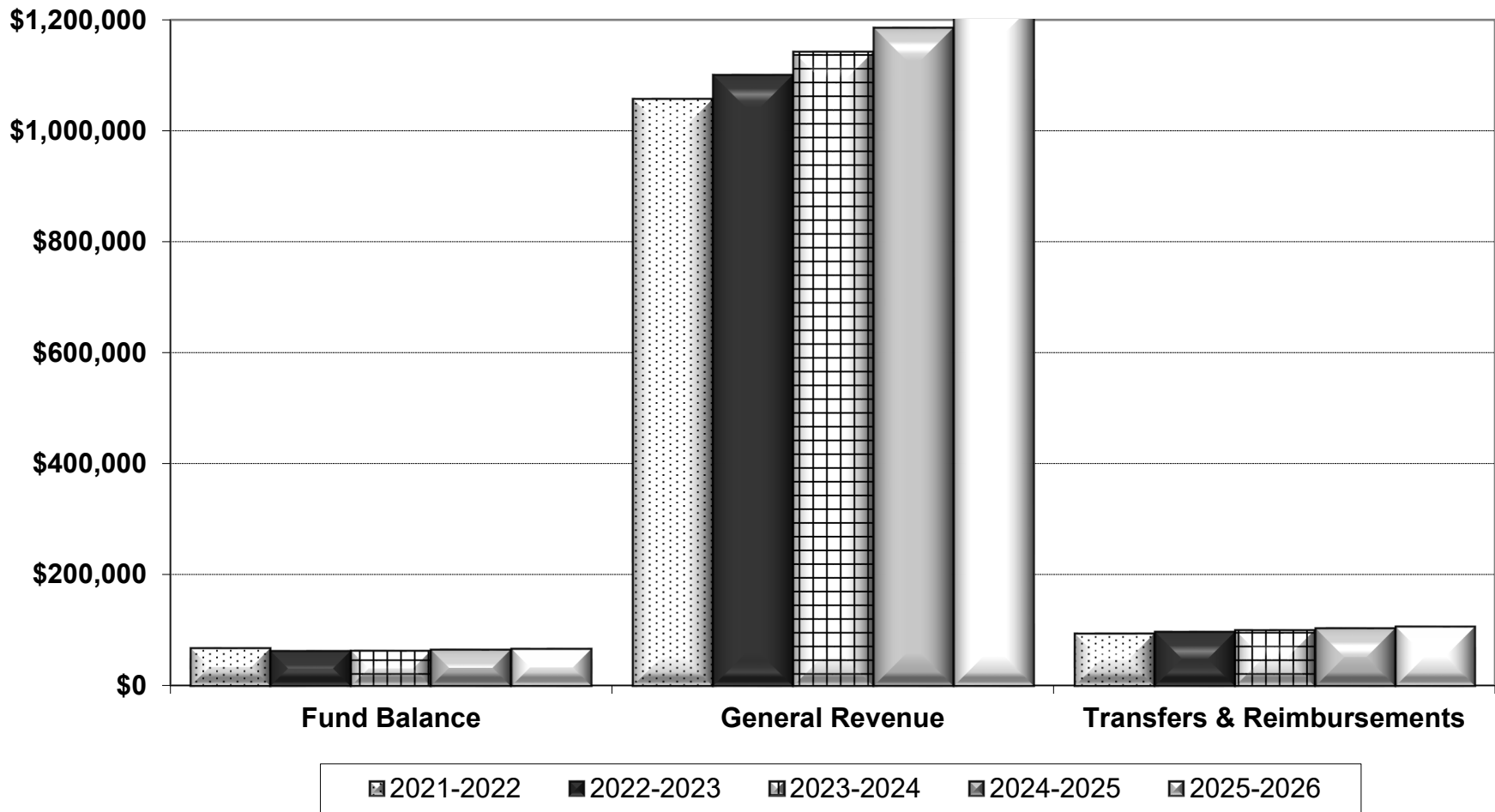
OPERATING MARGIN

	MODIFIED BUDGET	FEBRUARY FORECAST				
	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>
BASE EXPENDITURES (w / COMMITTED ADDITIONS)						
GRAND TOTAL REVENUE	1,714,096,530	1,220,634,052	1,262,648,000	1,307,676,000	1,356,839,000	1,404,190,000
GROWTH RATE		(28.79%)	3.44%	3.57%	3.76%	3.49%
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	1,714,096,530	1,268,731,267	1,307,423,752	1,352,254,461	1,396,990,441	1,442,397,943
GROWTH RATE		(25.98%)	3.05%	3.43%	3.31%	3.25%
OPERATING MARGIN	0	(48,097,215)	(44,775,752)	(44,578,461)	(40,151,441)	(38,207,943)
ONGOING OPERATING MARGIN CHANGE		(48,097,215)	3,321,463	197,291	4,427,020	1,943,498
<i>From Prior Year</i>						

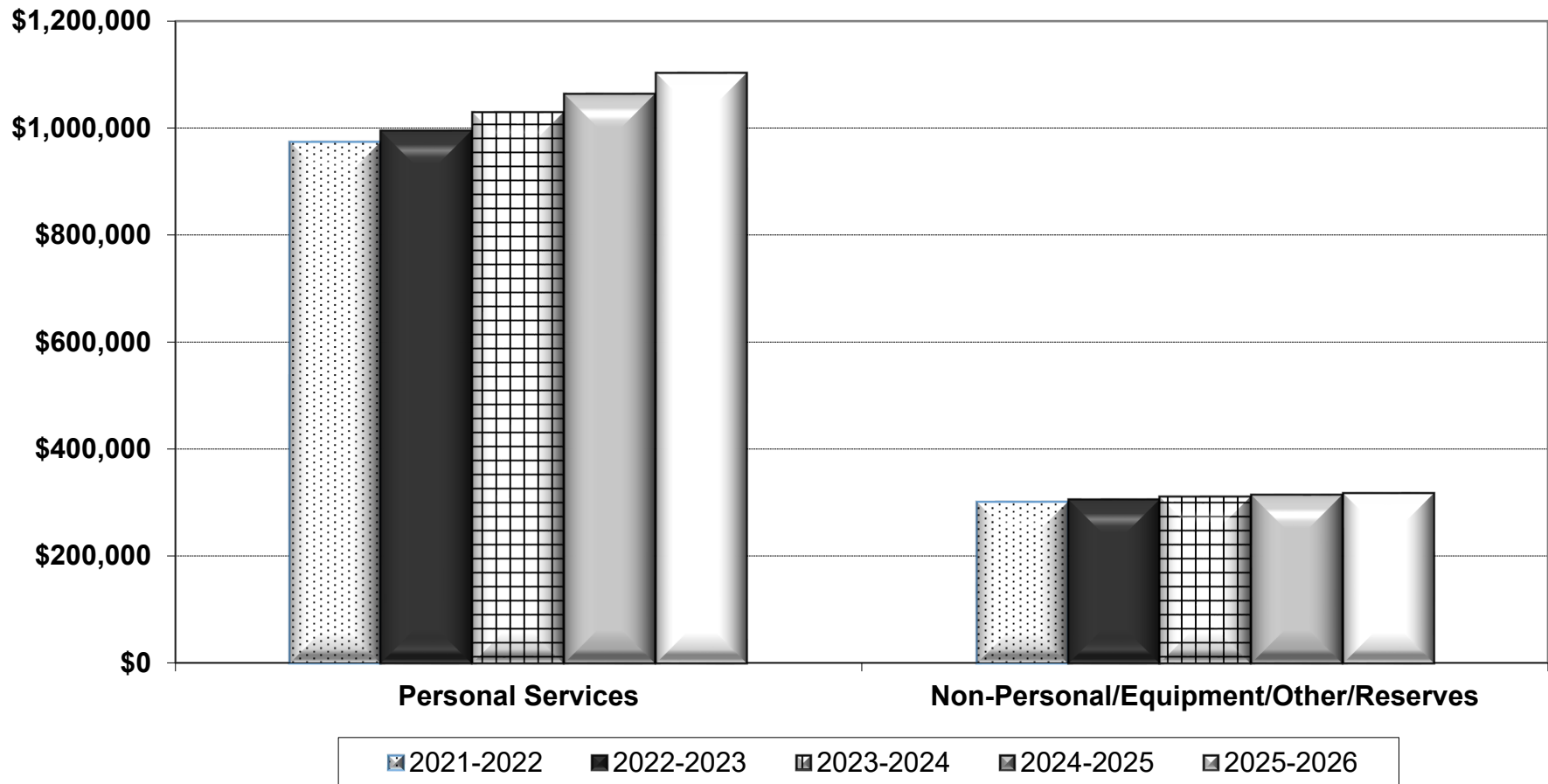
2022-2026 General Fund Forecast PROJECTED REVENUES AND EXPENDITURES (\$ in thousands)



**2022-2026 General Fund Forecast
FIVE-YEAR SOURCE OF FUNDS COMPARISON
(\$ in thousands)**



2022-2026 General Fund Forecast FIVE-YEAR USE OF FUNDS COMPARISON (\$ in thousands)



Note: Committed Additions ranging from \$2.6 million to \$21.4 million annually during this Forecast are not displayed.