

*Five-Year Economic Forecast
and
Revenue Projections*

2018-2022

BASE CASE

February 2017 Forecast

REVENUE SUMMARY

	MODIFIED	FORECAST					
	BUDGET	2016-2017	2018	2019	2020	2021	2022
PROPERTY TAX	271,737,000	289,715,000	305,910,000	319,584,000	333,039,000	346,560,000	
			6.62%	5.59%	4.47%	4.21%	4.06%
SALES TAX	224,695,553	228,000,000	234,521,000	242,143,000	250,158,000	258,263,000	
			1.47%	2.86%	3.25%	3.31%	3.24%
TRANSIENT OCCUPANCY TAX	16,952,000	18,720,000	19,469,000	20,248,000	21,057,000	21,900,000	
			10.43%	4.00%	4.00%	4.00%	4.00%
FRANCHISE FEES	48,916,811	50,620,000	51,622,000	52,510,000	53,350,000	52,322,000	
			3.48%	1.98%	1.72%	1.60%	(1.93%)
UTILITY TAX	95,749,500	101,320,000	102,921,000	103,899,000	105,156,000	106,428,000	
			5.82%	1.58%	0.95%	1.21%	1.21%
TELEPHONE TAX	21,614,000	20,000,000	20,044,000	20,084,000	20,120,000	20,154,000	
			(7.47%)	0.22%	0.20%	0.18%	0.17%
BUSINESS TAX	48,800,000	63,000,000	63,321,000	63,600,000	63,873,000	64,161,000	
			29.10%	0.51%	0.44%	0.43%	0.45%
LICENSES AND PERMITS	51,572,553	52,466,000	54,670,000	56,857,000	59,245,000	61,555,000	
			1.73%	4.20%	4.00%	4.20%	3.90%
FEES, RATES, AND CHARGES	42,196,974	42,725,000	44,520,000	46,301,000	48,245,000	50,127,000	
			1.25%	4.20%	4.00%	4.20%	3.90%
FINES, FORFEITURES & PENALTIES	14,910,600	14,742,000	14,926,000	14,995,000	15,145,000	15,299,000	
			(1.13%)	1.25%	0.46%	1.00%	1.02%
MONEY & PROPERTY	3,863,935	5,240,000	5,319,000	5,452,000	5,626,000	5,789,000	
			35.61%	1.51%	2.50%	3.19%	2.90%
REVENUE FROM LOCAL AGENCIES	28,529,732	23,651,000	23,823,000	24,129,000	24,431,000	24,736,000	
			(17.10%)	0.73%	1.28%	1.25%	1.25%
REVENUE FROM THE STATE OF CALIFORNIA	13,430,591	10,410,000	10,410,000	10,410,000	10,410,000	10,410,000	
			(22.49%)	0.00%	0.00%	0.00%	0.00%
FEDERAL REVENUE	6,064,881	1,358,000	0	0	0	0	
			(77.61%)	(100.00%)	N/A	N/A	N/A
OTHER REVENUE	126,007,160	14,371,000	9,483,000	9,021,000	9,095,000	9,170,000	
			(88.60%)	(34.01%)	(4.87%)	0.82%	0.82%
GAS TAX	17,500,000	17,300,000	16,819,000	16,325,000	16,343,000	16,316,000	
			(1.14%)	(2.78%)	(2.94%)	0.11%	(0.17%)
TOTAL GENERAL REVENUES	1,032,541,290	953,638,000	977,778,000	1,005,558,000	1,035,293,000	1,063,190,000	
			(7.64%)	2.53%	2.84%	2.96%	2.69%

BASE CASE

February 2017 Forecast	MODIFIED BUDGET	FORECAST				
REVENUE SUMMARY	2016-2017	2018	2019	2020	2021	2022
TRANSFERS & REIMBURSEMENTS						
OVERHEAD REIMBURSEMENTS	39,732,192	44,739,000	46,618,000	48,482,000	50,519,000	52,489,000
TRANSFERS	22,055,522	22,853,000	23,859,000	24,552,000	25,305,000	25,935,000
REIMBURSEMENTS FOR SERVICES	673,510	665,000	693,000	721,000	751,000	780,000
TOTAL TRANSFERS & REIMBURSEMENTS	62,461,224	68,257,000	71,170,000	73,755,000	76,575,000	79,204,000
		9.28%	4.27%	3.63%	3.82%	3.43%
TOTAL GENERAL FUND REVENUES	1,095,002,514	1,021,895,000	1,048,948,000	1,079,313,000	1,111,868,000	1,142,394,000
		(6.68%)	2.65%	2.89%	3.02%	2.75%
BEGINNING FUND BALANCE	255,206,416	69,442,000	72,323,000	73,806,000	75,208,000	77,184,000
GRAND TOTAL SOURCES	1,350,208,930	1,091,337,000	1,121,271,000	1,153,119,000	1,187,076,000	1,219,578,000
		(19.17%)	2.74%	2.84%	2.94%	2.74%

BASE CASE

February 2017 Forecast	MODIFIED BUDGET	FORECAST				
EXPENDITURE SUMMARY	<u>2016-2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
PERSONAL SERVICES						
Salaries and Other Compensation	457,375,508	467,397,000	491,415,000	510,381,000	528,245,000	546,733,000
Retirement	255,309,517	297,576,000	323,372,000	338,990,000	359,135,000	373,150,000
Health and Other Fringe Benefits	57,397,151	61,487,000	65,588,000	69,577,000	73,943,000	78,714,000
TOTAL PERSONAL SERVICES	770,082,176	826,460,000	880,375,000	918,948,000	961,323,000	998,597,000
		7.32%	6.52%	4.38%	4.61%	3.88%
TOTAL NON-PERSONAL/EQUIPMENT	114,566,762	107,824,000	110,870,000	112,032,000	116,035,000	117,659,000
		(5.89%)	2.82%	1.05%	3.57%	1.40%
CITY-WIDE						
CITY-WIDE EXPENSES	240,766,710	87,098,000	87,665,000	88,588,000	89,733,000	91,293,000
CAPITAL PROJECTS	70,500,440	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
TRANSFERS	28,067,710	29,512,000	33,062,000	32,787,000	33,108,000	33,233,000
EARMARKED RESERVES	90,725,132	11,422,000	14,165,000	16,905,000	19,638,000	22,677,000
CONTINGENCY RESERVE	35,500,000	36,000,000	36,000,000	36,000,000	36,500,000	38,000,000
TOTAL CITY-WIDE	465,559,992	169,032,000	175,892,000	179,280,000	183,979,000	190,203,000
		(63.69%)	4.06%	1.93%	2.62%	3.38%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,350,208,930	1,103,316,000	1,167,137,000	1,210,260,000	1,261,337,000	1,306,459,000
		(18.29%)	5.78%	3.69%	4.22%	3.58%

OPERATING MARGIN

	MODIFIED BUDGET	FORECAST				
BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	<u>2016-2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
GRAND TOTAL REVENUE	1,350,208,930	1,091,337,000	1,121,271,000	1,153,119,000	1,187,076,000	1,219,578,000
GROWTH RATE		(19.17%)	2.74%	2.84%	2.94%	2.74%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,350,208,930	1,103,316,000	1,167,137,000	1,210,260,000	1,261,337,000	1,306,459,000
GROWTH RATE		(18.29%)	5.78%	3.69%	4.22%	3.58%
OPERATING MARGIN CHANGE		(11,979,000)	(33,887,000)	(11,275,000)	(17,120,000)	(12,620,000)
<i>From Prior Year</i>						

BASE CASE

February 2017 Forecast

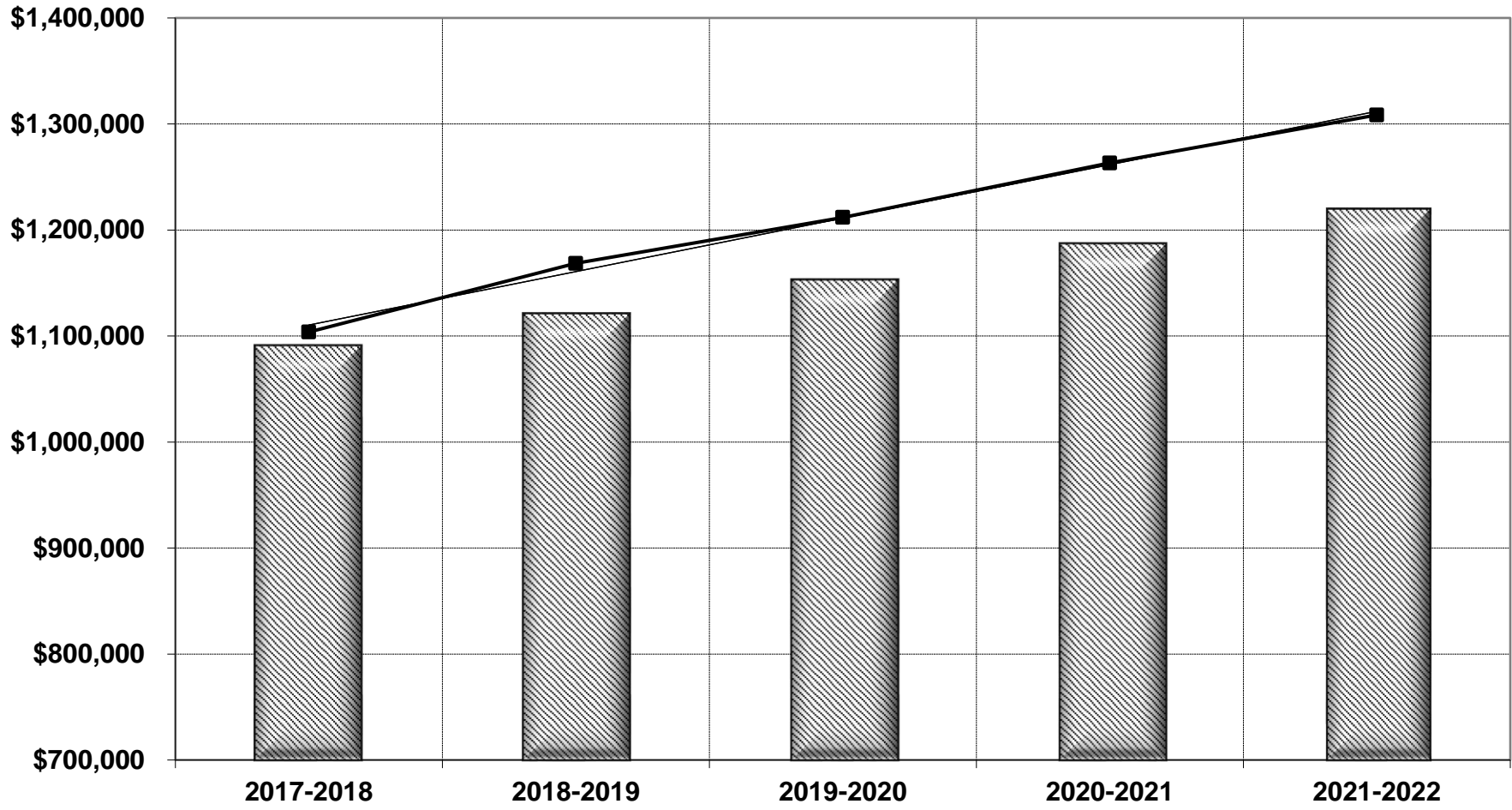
EXPENDITURE SUMMARY

	MODIFIED BUDGET	FORECAST				
	<u>2016-2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>COMMITTED ADDITIONS:</u>						
New Parks and Recreation Facilities Maintenance and Operations		257,000	493,000	676,000	875,000	997,000
New Traffic Infrastructure Assets Maintenance and Operations		55,000	59,000	61,000	81,000	87,000
Measure P (Parks) Maintenance and Operations		121,000	782,000	827,000	873,000	913,000
TOTAL COMMITTED ADDITIONS	0	433,000	1,334,000	1,564,000	1,829,000	1,997,000
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	1,350,208,930	1,103,749,000	1,168,471,000	1,211,824,000	1,263,166,000	1,308,456,000
		(18.25%)	5.86%	3.71%	4.24%	3.59%

OPERATING MARGIN

	MODIFIED BUDGET	FORECAST				
	<u>2016-2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
BASE EXPENDITURES (w / COMMITTED ADDITIONS)						
GRAND TOTAL REVENUE	1,350,208,930	1,091,337,000	1,121,271,000	1,153,119,000	1,187,076,000	1,219,578,000
GROWTH RATE		(19.17%)	2.74%	2.84%	2.94%	2.74%
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	1,350,208,930	1,103,749,000	1,168,471,000	1,211,824,000	1,263,166,000	1,308,456,000
GROWTH RATE		(18.25%)	5.86%	3.71%	4.24%	3.59%
ONGOING OPERATING MARGIN CHANGE		(12,412,000)	(34,788,000)	(11,505,000)	(17,385,000)	(12,788,000)
<i>From Prior Year</i>						

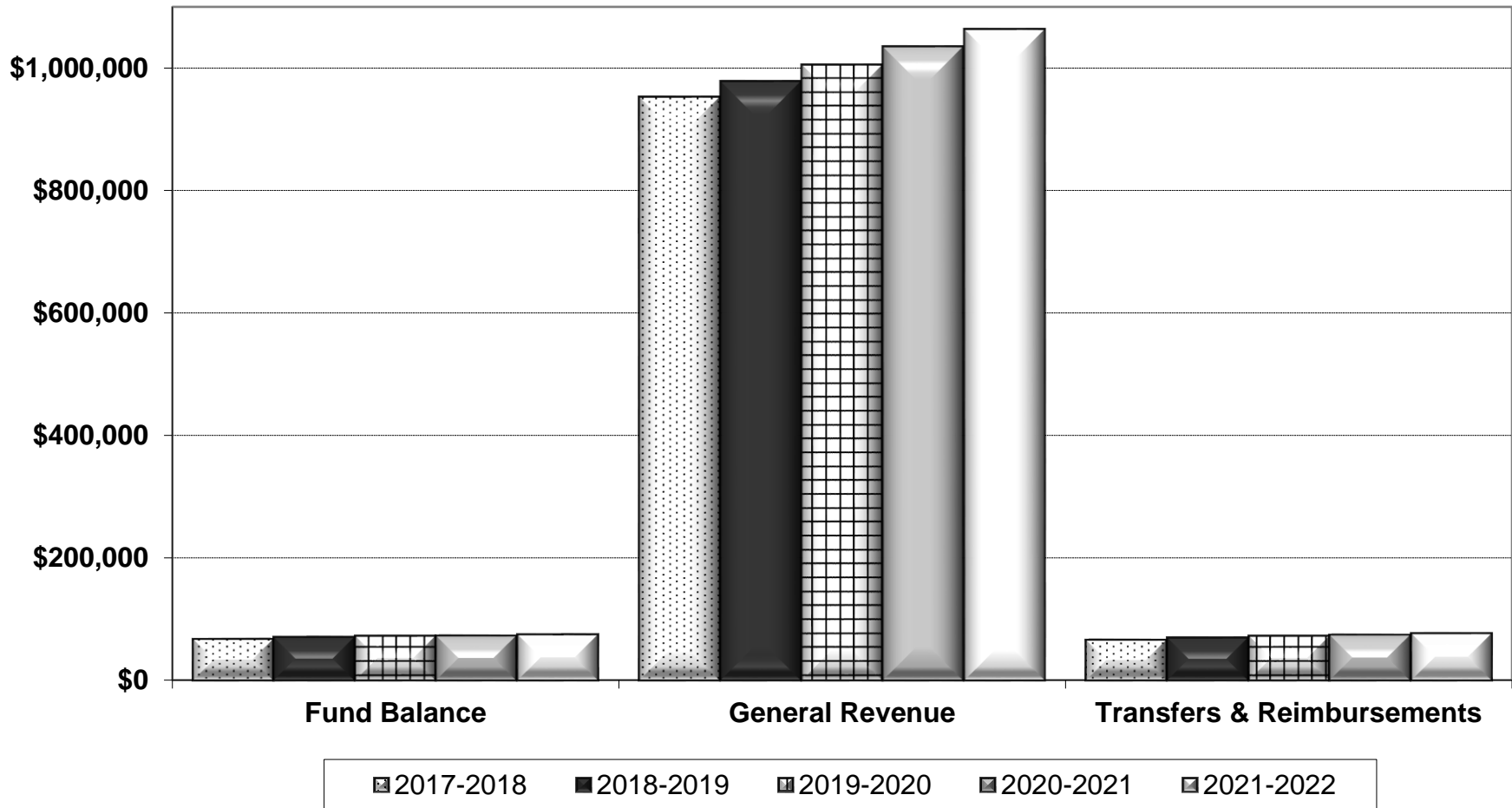
**2018-2022 General Fund Forecast
PROJECTED REVENUES AND EXPENDITURES
(\$ in thousands)**



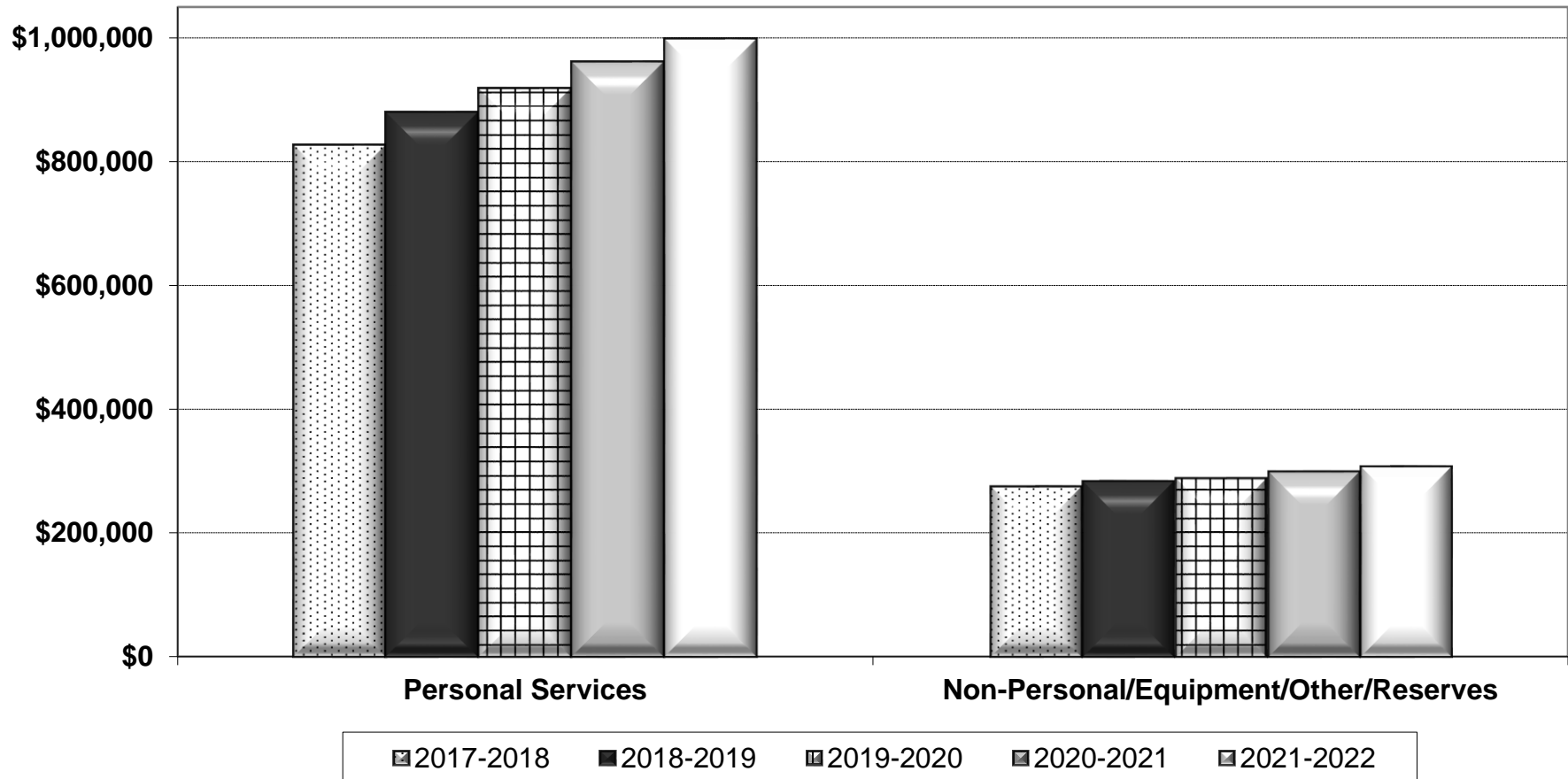
▨ Base Case Revenues

—■ Base Expenditures w/Committed Adds

**2018-2022 General Fund Forecast
FIVE-YEAR SOURCE OF FUNDS COMPARISON
(\$ in thousands)**



**2018-2022 General Fund Forecast
FIVE-YEAR USE OF FUNDS COMPARISON
(\$ in thousands)**



Note: Committed Additions ranging from \$400,000 to \$2.0 million annually during this Forecast are not displayed.