

*Five-Year Economic Forecast
and
Revenue Projections*

2013-2017

BASE CASE

February 2012 Forecast

REVENUE SUMMARY

	MODIFIED BUDGET	FORECAST				
	<u>2011-2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
PROPERTY TAX	200,095,000	204,720,000	214,424,000	224,930,000	235,412,000	245,111,000
		2.31%	4.74%	4.90%	4.66%	4.12%
SALES TAX	150,450,000	151,705,000	159,214,000	165,551,000	172,223,000	178,630,000
		0.83%	4.95%	3.98%	4.03%	3.72%
TRANSIENT OCCUPANCY TAX	8,300,000	8,715,000	9,151,000	9,517,000	9,802,000	10,096,000
		5.00%	5.00%	4.00%	2.99%	3.00%
FRANCHISE FEES	42,625,000	44,740,000	45,760,000	47,160,000	48,797,000	50,651,000
		4.96%	2.28%	3.06%	3.47%	3.80%
UTILITY TAX	90,245,000	91,855,000	94,363,000	97,646,000	101,357,000	105,381,000
		1.78%	2.73%	3.48%	3.80%	3.97%
TELEPHONE TAX	20,525,000	20,525,000	20,628,000	20,731,000	20,834,000	20,939,000
		0.00%	0.50%	0.50%	0.50%	0.50%
BUSINESS TAX	40,174,000	40,450,000	40,612,000	40,762,000	40,909,000	41,052,000
		0.69%	0.40%	0.37%	0.36%	0.35%
LICENSES AND PERMITS	35,287,770	36,622,000	39,112,000	40,247,000	40,810,000	41,545,000
		3.78%	6.80%	2.90%	1.40%	1.80%
DEPARTMENTAL CHARGES	29,970,872	29,290,000	31,282,000	32,189,000	32,639,000	33,227,000
		(2.27%)	6.80%	2.90%	1.40%	1.80%
FINES, FORFEITURES & PENALTIES	16,971,000	16,709,000	16,962,000	17,175,000	17,389,000	17,607,000
		(1.54%)	1.51%	1.26%	1.25%	1.25%
MONEY & PROPERTY	2,474,000	2,733,000	2,713,000	2,827,000	2,940,000	3,058,000
		10.47%	(0.73%)	4.20%	4.00%	4.01%
REVENUE FROM LOCAL AGENCIES	17,479,415	11,360,000	11,768,000	12,154,000	12,438,000	12,734,000
		(35.01%)	3.59%	3.28%	2.34%	2.38%
REVENUE FROM THE STATE OF CALIFORNIA	14,514,319	9,751,000	9,716,000	9,716,000	9,716,000	9,716,000
		(32.82%)	(0.36%)	0.00%	0.00%	0.00%
FEDERAL REVENUE	24,378,072	10,266,000	2,930,000	36,000	37,000	37,000
		(57.89%)	(71.46%)	(98.77%)	2.78%	0.00%
OTHER REVENUE	116,147,022	14,609,000	14,877,000	15,107,000	15,311,000	15,531,000
		(87.42%)	1.83%	1.55%	1.35%	1.44%
GAS TAX	15,667,000	15,300,000	15,147,000	14,996,000	14,982,000	14,967,000
		(2.34%)	(1.00%)	(1.00%)	(0.09%)	(0.10%)
TOTAL GENERAL REVENUES	825,303,470	709,350,000	728,659,000	750,744,000	775,596,000	800,282,000
		(14.05%)	2.72%	3.03%	3.31%	3.18%

BASE CASE

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REVENUE SUMMARY

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	<u>2011-2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
TRANSFERS & REIMBURSEMENTS						
OVERHEAD REIMBURSEMENTS	31,823,543	32,908,000	35,146,000	36,165,000	36,672,000	37,332,000
TRANSFERS	23,555,867	17,049,000	16,405,000	16,739,000	16,814,000	16,955,000
REIMBURSEMENTS FOR SERVICES	846,452	662,000	707,000	727,000	737,000	751,000
TOTAL TRANSFERS & REIMBURSEMENTS	56,225,862	50,619,000	52,258,000	53,631,000	54,223,000	55,038,000
		(9.97%)	3.24%	2.63%	1.10%	1.50%
TOTAL GENERAL FUND REVENUES	881,529,332	759,969,000	780,917,000	804,375,000	829,819,000	855,320,000
		(13.79%)	2.76%	3.00%	3.16%	3.07%
BEGINNING FUND BALANCE	137,536,794	47,362,000	47,829,000	48,609,000	49,225,000	49,670,000
GRAND TOTAL SOURCES	1,019,066,126	807,331,000	828,746,000	852,984,000	879,044,000	904,990,000
		(20.78%)	2.65%	2.92%	3.06%	2.95%

BASE CASE

February 2012 Forecast

EXPENDITURE SUMMARY

	MODIFIED BUDGET	FORECAST				
	<u>2011-2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
PERSONAL SERVICES						
Salaries and Other Compensation	349,630,761	349,950,000	351,187,000	352,430,000	353,678,000	354,931,000
Retirement	192,789,713	185,609,000	215,081,000	230,279,000	230,593,000	233,920,000
Health and Other Fringe Benefits	56,916,636	48,664,000	53,107,000	57,956,000	63,248,000	69,023,000
TOTAL PERSONAL SERVICES	599,337,110	584,223,000	619,375,000	640,665,000	647,519,000	657,874,000
		(2.52%)	6.02%	3.44%	1.07%	1.60%
TOTAL NON-PERSONAL/EQUIPMENT	83,727,100	79,055,000	80,047,000	81,286,000	82,044,000	84,039,000
		(5.58%)	1.25%	1.55%	0.93%	2.43%
CITY-WIDE						
CITY-WIDE EXPENSES	201,493,789	57,252,000	58,667,000	61,580,000	66,638,000	68,224,000
CAPITAL PROJECTS	11,295,937	7,500,000	7,970,000	7,968,000	7,963,000	7,966,000
TRANSFERS	30,210,250	35,089,000	38,424,000	35,677,000	29,176,000	29,904,000
EARMARKED RESERVES	63,692,940	600,000	600,000	600,000	600,000	750,000
CONTINGENCY RESERVE	29,309,000	29,309,000	29,309,000	29,309,000	29,309,000	29,309,000
TOTAL CITY-WIDE	336,001,916	129,750,000	134,970,000	135,134,000	133,686,000	136,153,000
		(61.38%)	4.02%	0.12%	(1.07%)	1.85%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,019,066,126	793,028,000	834,392,000	857,085,000	863,249,000	878,066,000
		(22.18%)	5.22%	2.72%	0.72%	1.72%

OPERATING MARGIN

	MODIFIED BUDGET	FORECAST				
	<u>2011-2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
BASE EXPENDITURES (w/o COMMITTED ADDITIONS)						
GRAND TOTAL REVENUE	1,019,066,126	807,331,000	828,746,000	852,984,000	879,044,000	904,990,000
GROWTH RATE		(20.78%)	2.65%	2.92%	3.06%	2.95%
TOTAL BASE EXPENDITURES (w/o COMMITTED ADDITIONS)	1,019,066,126	793,028,000	834,392,000	857,085,000	863,249,000	878,066,000
GROWTH RATE		(22.18%)	5.22%	2.72%	0.72%	1.72%
OPERATING MARGIN CHANGE		14,303,000	(19,949,000)	1,545,000	19,896,000	11,129,000
<i>From Prior Year</i>						

BASE CASE

February 2012 Forecast

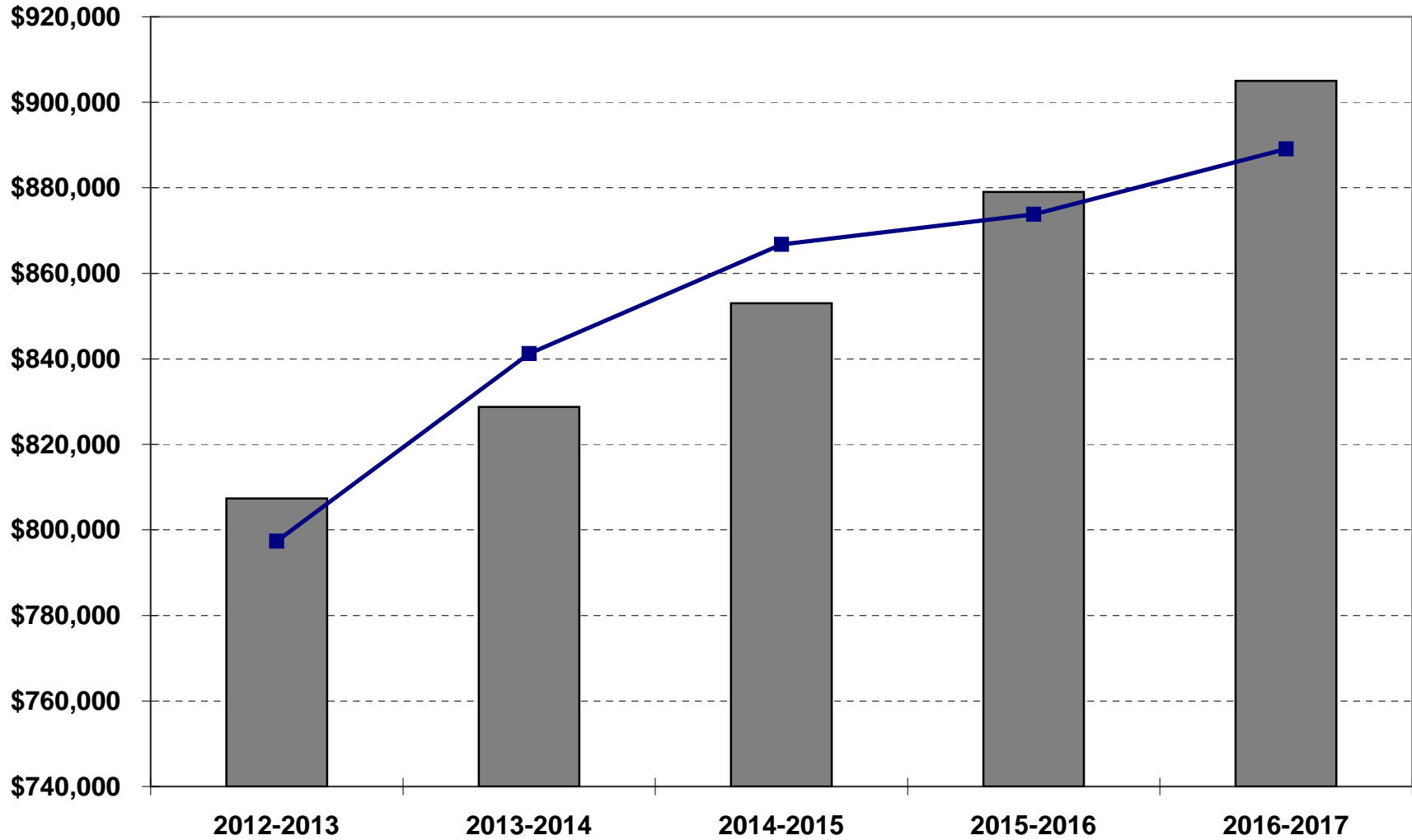
EXPENDITURE SUMMARY

	MODIFIED BUDGET	FORECAST				
	<u>2011-2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>COMMITTED ADDITIONS:</i>						
New Parks and Recreation Facilities Maintenance and Operations		49,000	131,000	234,000	294,000	521,000
New Traffic Infrastructure Assets Maintenance and Operations		49,000	82,000	107,000	124,000	127,000
Police Automated Field Reporting/Records Management System			335,000	438,000	461,000	376,000
Measure O (Library) Maintenance and Operations		1,185,000	3,106,000	3,160,000	3,851,000	3,962,000
Measure P (Parks) Maintenance and Operations		653,000	712,000	720,000	774,000	810,000
Measure O (Public Safety) Maintenance and Operations: Fire				2,503,000	2,474,000	2,618,000
Measure O (Public Safety) Maintenance and Operations: Police		2,393,000	2,465,000	2,504,000	2,545,000	2,585,000
TOTAL COMMITTED ADDITIONS	0	4,329,000	6,831,000	9,666,000	10,523,000	10,999,000
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	1,019,066,126	797,357,000	841,223,000	866,751,000	873,772,000	889,065,000
		(21.76%)	5.50%	3.03%	0.81%	1.75%

OPERATING MARGIN

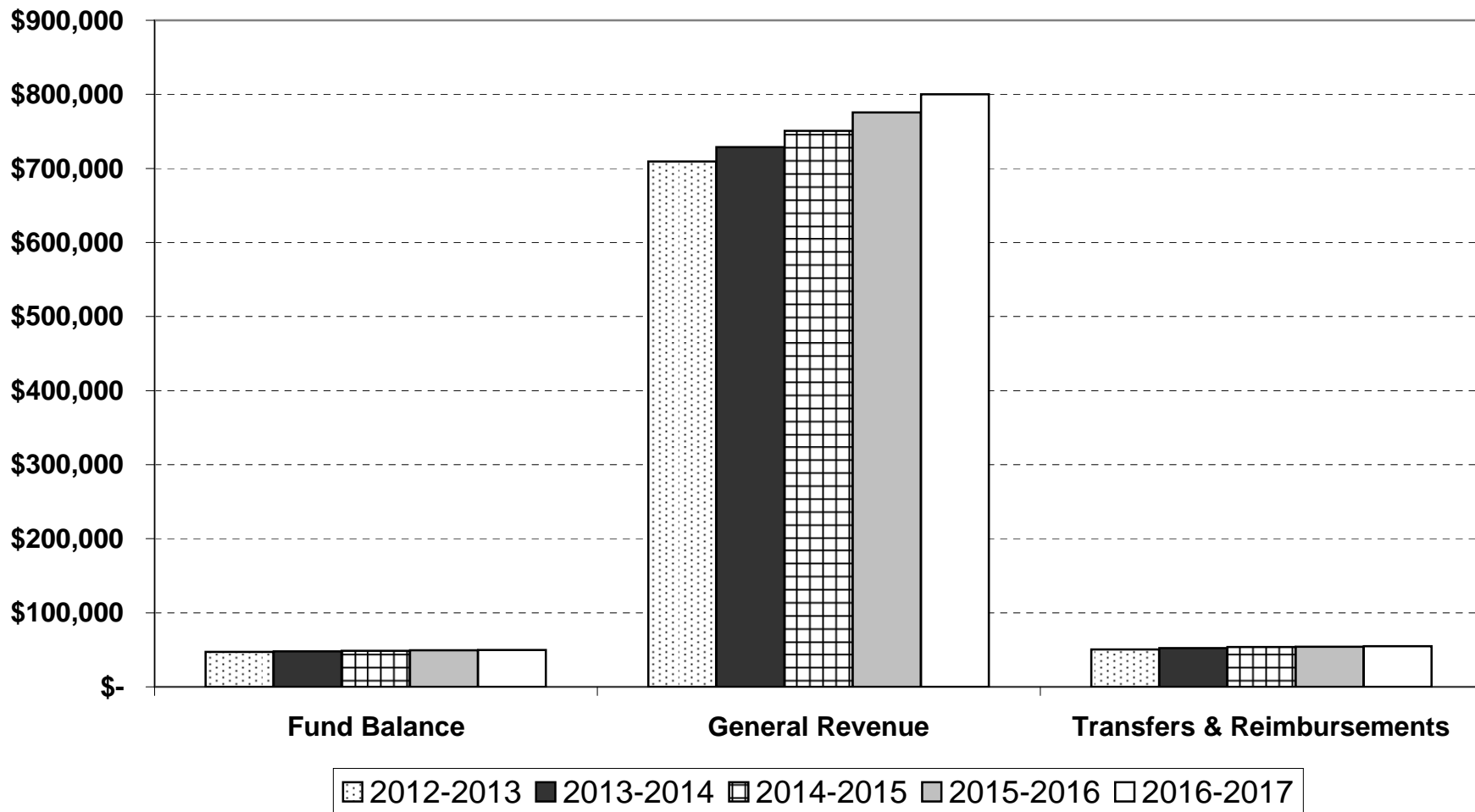
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BASE EXPENDITURES (w / COMMITTED ADDITIONS)						
GRAND TOTAL REVENUE	1,019,066,126	807,331,000	828,746,000	852,984,000	879,044,000	904,990,000
GROWTH RATE		(20.78%)	2.65%	2.92%	3.06%	2.95%
TOTAL BASE EXPENDITURES (w / COMMITTED ADDITIONS)	1,019,066,126	797,357,000	841,223,000	866,751,000	873,772,000	889,065,000
GROWTH RATE		(21.76%)	5.50%	3.03%	0.81%	1.75%
ONGOING OPERATING MARGIN CHANGE		9,974,000	(22,451,000)	(1,290,000)	19,039,000	10,653,000
<i>From Prior Year</i>						

2013-2017 General Fund Forecast
PROJECTED REVENUES AND EXPENDITURES
(\$ in thousands)

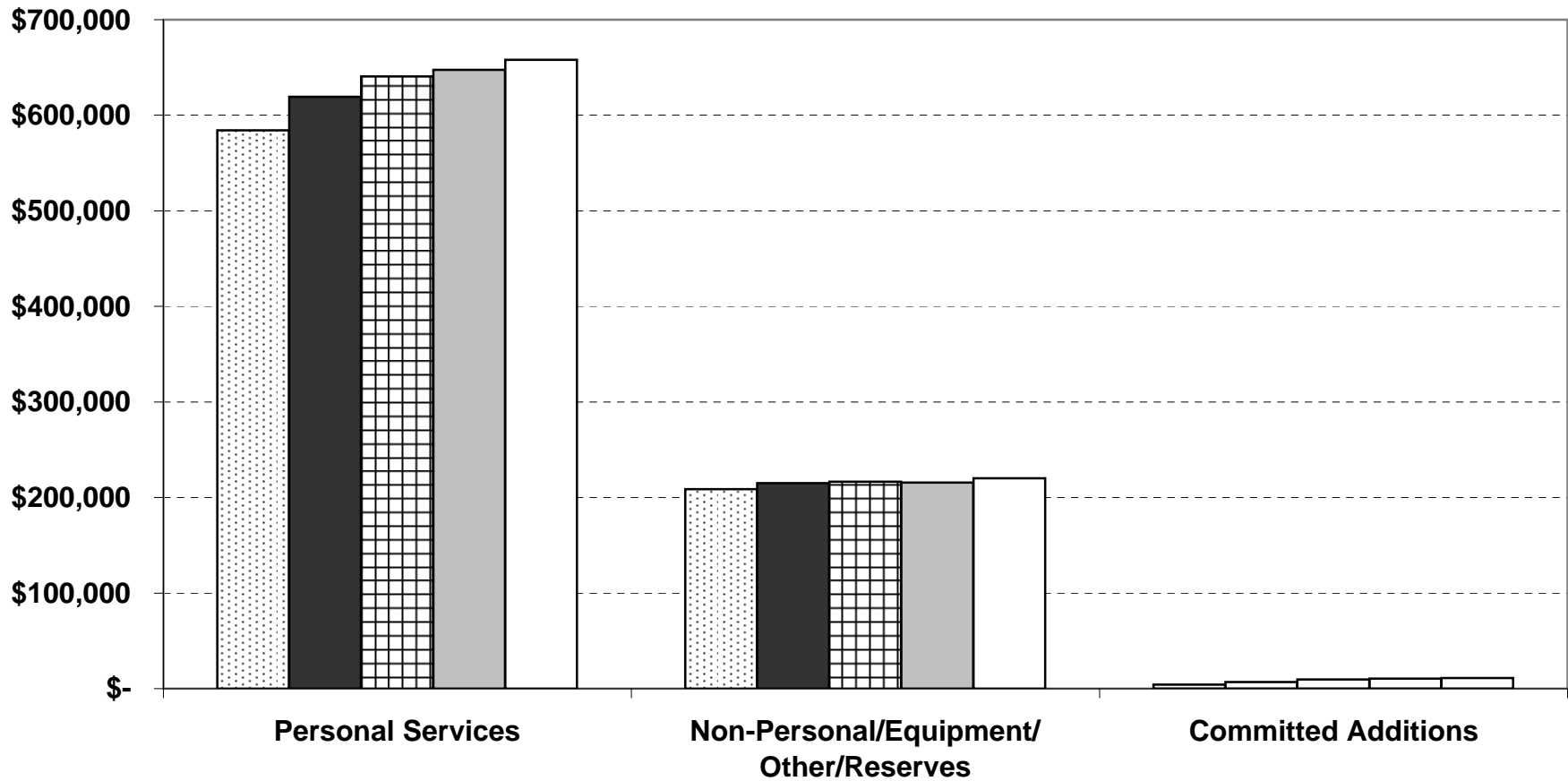


■ Base Case Revenues ■ Base Expenditures w/Committed Adds

**2013-2017 General Fund Forecast
FIVE-YEAR SOURCE OF FUNDS COMPARISON
(\$ in thousands)**



**2013-2017 General Fund Forecast
FIVE-YEAR USE OF FUNDS COMPARISON
(\$ in thousands)**



2012-2013
 2013-2014
 2014-2015
 2015-2016
 2016-2017

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