

GENERAL FUND REVENUE & EXPENDITURE ASSUMPTIONS AND 10-YEAR FORECAST

10-YEAR FORECAST BEFORE MOU CHANGES

101 GENERAL FUND	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25
Total Revenue	121,096,882	122,087,846	125,872,185	127,989,431	130,656,170	134,975,025	139,610,086	143,738,182	147,586,177	151,452,484
Total Expenditures	119,415,213	122,482,797	125,189,532	129,097,019	132,856,821	136,742,058	140,752,673	144,842,775	149,076,396	153,750,920
Net Revenue (Expense)	1,681,669	(394,951)	682,653	(1,107,588)	(2,200,651)	(1,767,034)	(1,142,588)	(1,104,593)	(1,490,219)	(2,298,436)
Net Accrual to Cash Adjusts	6,084,016	-	-	-	-	-	-	-	-	-
Beginning Cash Balance	9,822,796	17,588,481	17,193,530	17,876,183	16,768,595	14,567,944	12,800,910	11,658,322	10,553,729	9,063,510
Ending Cash Balance	17,588,481	17,193,530	17,876,183	16,768,595	14,567,944	12,800,910	11,658,322	10,553,729	9,063,510	6,765,074
Balance as % of Total Expend	14.7%	14.0%	14.3%	13.0%	11.0%	9.4%	8.3%	7.3%	6.1%	4.4%

10-YEAR FORECAST AFTER MOU CHANGES

101 GENERAL FUND	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25
Total Revenue	121,096,882	122,087,846	125,865,659	127,983,233	130,656,829	134,984,738	139,629,380	143,767,602	147,626,306	151,503,922
Total Expenditures	119,415,213	123,135,372	125,150,229	128,405,114	131,952,055	135,793,678	139,759,357	143,801,348	147,985,596	152,477,978
Net Revenue (Expense)	1,681,669	(1,047,526)	715,430	(421,881)	(1,295,226)	(808,939)	(129,977)	(33,745)	(359,290)	(974,056)
Net Accrual to Cash Adjusts	6,084,016	-	-	-	-	-	-	-	-	-
Beginning Cash Balance	9,822,796	17,588,481	16,540,955	17,256,385	16,834,504	15,539,278	14,730,339	14,600,362	14,566,617	14,207,327
Ending Cash Balance	17,588,481	16,540,955	17,256,385	16,834,504	15,539,278	14,730,339	14,600,362	14,566,617	14,207,327	13,233,271
Balance as % of Total Expend	14.7%	13.4%	13.8%	13.1%	11.8%	10.8%	10.4%	10.1%	9.6%	8.7%

REVENUE & EXPENDITURE ASSUMPTIONS BEFORE MOU CHANGES

REVENUE ASSUMPTIONS

- Property Tax average growth of 4.36%
- Sales Tax Forecast based on HdL economic sector data and trended over several years; average growth of 2.09%
- Transient Occupancy Tax (TOT) average growth of 2%
- Recession not anticipated until FY 2018-19 at the earliest, based on accepted economic forecasts
- No new fees built into budgeted revenues

EXPENDITURE ASSUMPTIONS

- Adopted FY16-17 budget for non-personnel line items
- Vacancy Savings Rate budgeted at 6% in FY16-17 (with exception of Grant funds) and 4% thereafter
- No change in current FY16-17 budgeted General Fund staffing levels
- 2% annual wage increase (COLA) starting with FY17-18 (equal to assumed 2% CPI growth)
- Annual impact from merit increases for eligible employees to be aggregate of 2% of payroll

- Overtime level grows with wage and merit increases
- 2% Increase to City health contribution (equal to assumed 2% CPI growth)
- No other changes in benefit levels
- PERS pickup remains at 9% for Safety and 7% for Miscellaneous employees

REVENUE & EXPENDITURE ASSUMPTIONS AFTER MOU CHANGES

REVENUE ASSUMPTIONS

- No changes to assumptions; minor increase in revenues due to positive impact on interest income resulting from increase in cash balance (decrease in personnel expenditures)

EXPENDITURE ASSUMPTIONS

- Excludes OMMA & IUOE from Changes – Leaves Them at Original Forecast
- The following changes to labor MOUs were assumed:

OPOA & IAFF- Both Safety and Miscellaneous (Expires 8/31/18), Police Management (Expires 8/31/18), Fire Management (Pending Resolution)

- Pay period after Council Adoption- PERS Contribution decreases by 3% and wage increases by 2%
- January 1, 2017- \$60 per month toward health cafeteria plan
- July 1- PERS Contribution decreases by 1% and wage increases by 3%
- January 1, 2018- PERS Contribution decreases by .5% and wage increases by 2%
- June 30- PERS Contribution decreases by .5% and wage increases by 1.5%

SEIU – Expires 6/30/19

- Pay period after Council Adoption- PERS Contribution decreases by 3% and wage increases by 2%
- July 1, 2017- PERS Contribution decreases by 1% and wage increases by 2%
- July 1, 2018- PERS Contribution remains unchanged and wage increases by 2%
- January 1, 2019- PERS Contribution decreases by 3% and wage increases by 3%

Confidential and Unrepresented (Pending Resolution)

- Pay period after Council Adoption- PERS Contribution decreases by 3% and wage increases by 2%
- July 1, 2017- PERS Contribution decreases by 1% and wage increases by 2%
- At End of Contract (assumed 6/30/18)- PERS Contribution remains unchanged and wage increases by 2%

- Negotiations are continuing with OMMA and IUOE, but since agreement has not yet been reached with these groups, this analysis leaves the original budget forecast assumptions in place for them: no COLA in FY16-17, and 2% annually thereafter (equal to CPI assumption), and no change in PERS pickup or other benefits.

It is assumed that in the years following expiration of the revised MOUs:

Wages will increase 2% (COLA) each July 1 (except no increase if wages were raised the preceding January 1).

Merits will cost in the aggregate of 2% of payroll annually, and that staffing levels will remain constant (all future wage and benefit changes are of course subject to negotiation).