City Council Work Study Session February 19, 2015

Long-range Financial Forecast

Purpose of the Forecast

- To project financial resources
- To adapt financial strategies to current and anticipated conditions
- To establish parameters for current budget decisions

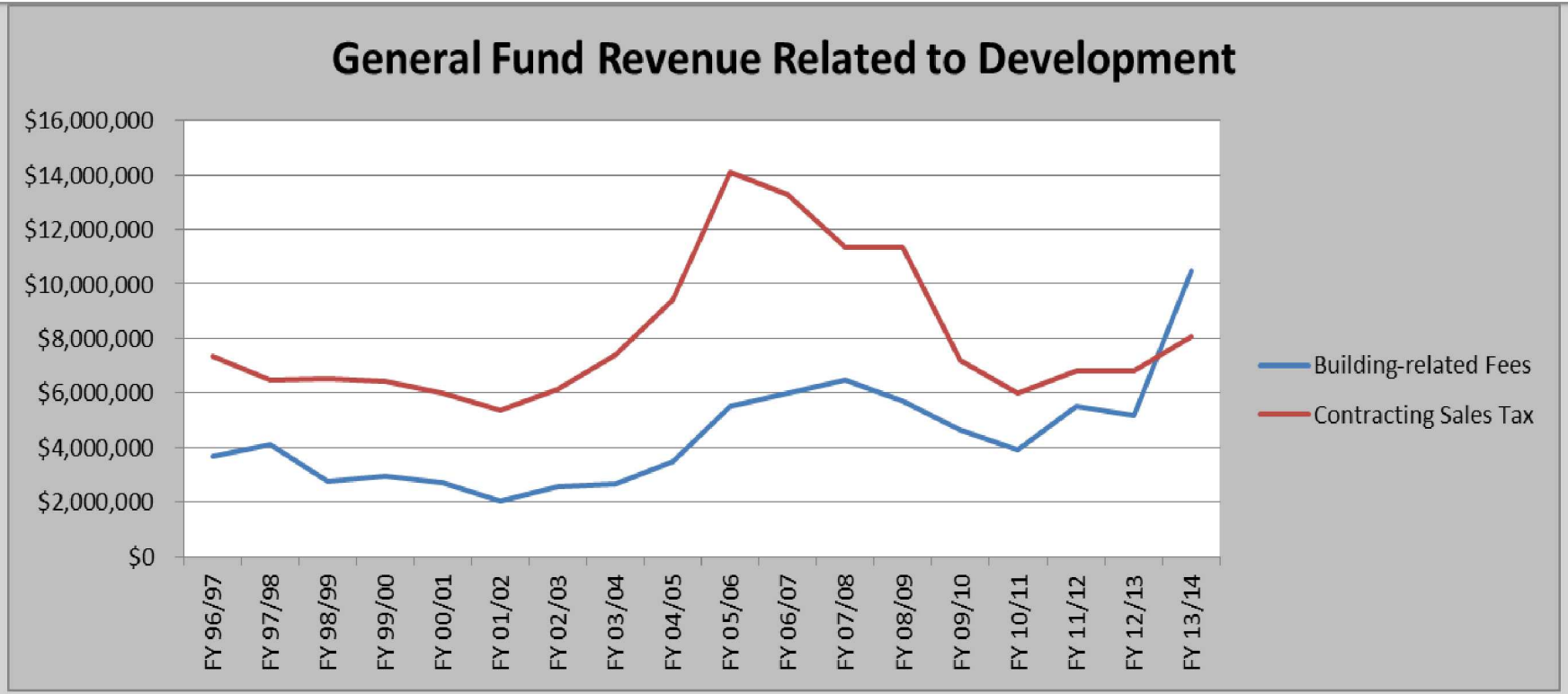
Budget Calendar

- Feb 6 – Departments' supplemental budget requests
- Feb 19 – Long-range forecast & introduction of proposed CIP projects
- Feb 25 – Public budget forum
- March 26 – City council review of staff prioritization of CIP projects
- March 30 – Council retreat (Budget Priorities Discussion)
- April 23 – Budget review (City Manager's recommended budget)
- May 21 – Tentative adoption
- June 11 – Final adoption

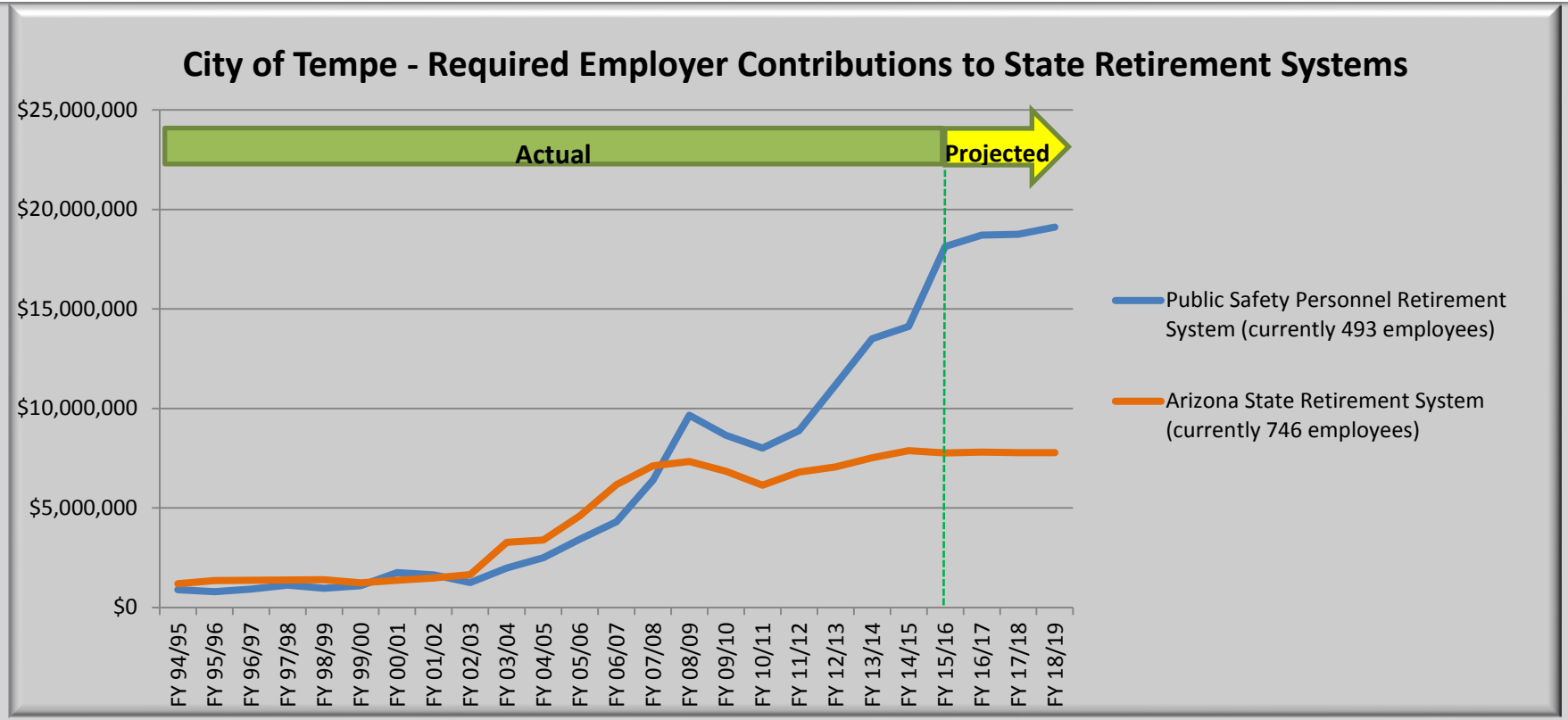
Issues Impacting the Forecast

- Continued near-term strength in development-related revenue
- Decreased OPEB annual required contribution
- Slightly decreased ASRS contribution rates
- Significantly increased PSPRS contribution rates

Development-related Revenue



Pension System Contributions



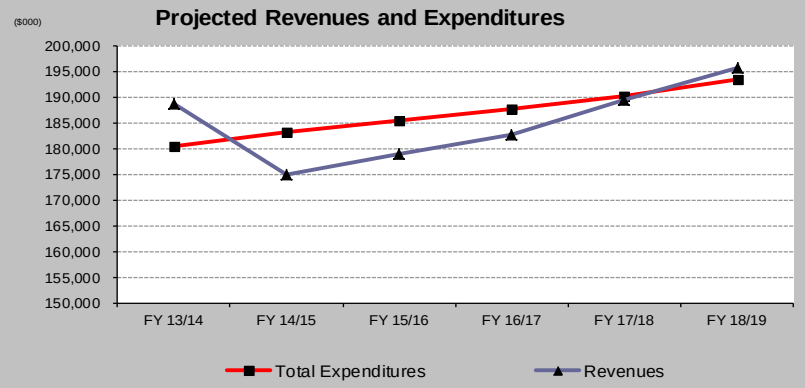
Issues Excluded From the Forecast

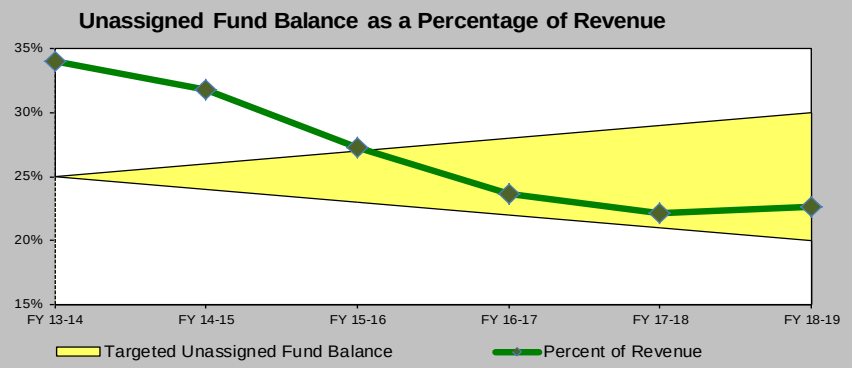
- Potential recessionary trends
- Potential State-shared revenue sweeps
- Potential legislative action to reduce sales taxes for special interest groups

Other Forecast Assumptions

- Continued moderate economic growth
- Relatively constant number of positions
- Continued full funding of post-employment benefits
- Detailed economic assumptions provided

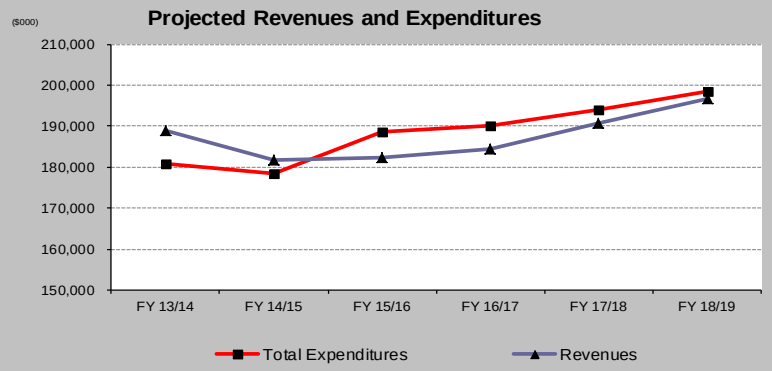
General Fund Outlook in October 2014

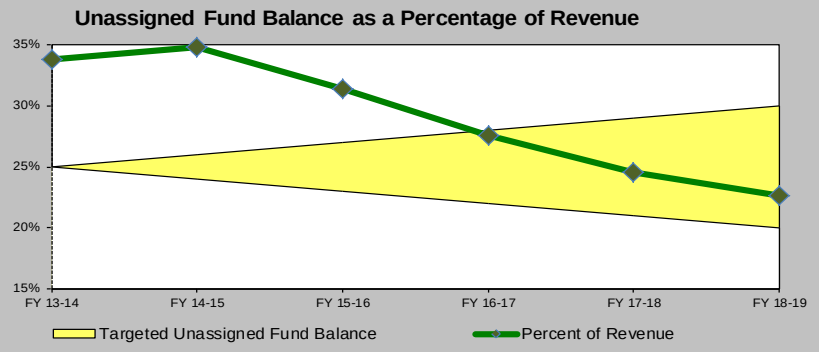




Expressed in thousands ($000)	FY 13/14 Actual	FY 14/15 Projected	FY 15/16 Projected	FY 16/17 Projected	FY 17/18 Projected	FY 18/19 Projected
Revenues	188,780	174,925	179,029	182,721	189,325	195,785
Total Expenditures	180,477	183,127	185,413	187,806	190,146	193,434
Surplus (Deficit)	8,304	(8,202)	(6,384)	(5,085)	(821)	2,351
Recurring Personnel Cost Increases			**1.3%**	**1.4%**	**1.5%**	**2.0%**
One-time Personnel Costs (bonus)			**0.7%**	**0.7%**	**0.7%**	**0.5%**
Change in Number of Positions		-	-	-	-	-
Recurring Adjustments to Non-personnel Costs		-	-	-	-	-
One-time Adjustments to Non-personnel Costs		-	-	-	-	-
CIP "PAYGO" % of GF Revenue	0.25%	**0.25%**	**0.25%**	**0.25%**	**0.25%**	**0.25%**
Unassigned Fund Balance	64,218	55,579	48,748	43,205	41,911	44,262
% of Revenue	34%	32%	27%	24%	22%	23%

Updated General Fund Outlook





Expressed in thousands ($000)	FY 13/14 Actual	FY 14/15 Projected	FY 15/16 Projected	FY 16/17 Projected	FY 17/18 Projected	FY 18/19 Projected
Revenues	188,905	181,812	182,463	184,304	190,596	196,816
Total Expenditures	180,956	178,511	188,532	190,229	194,073	198,575
Surplus (Deficit)	7,949	3,300	(6,068)	(5,924)	(3,477)	(1,759)
Recurring Personnel Cost Increases			**4.3%**	**2.0%**	**2.2%**	**2.4%**
One-time Personnel Costs (bonus)			**0.1%**	**0.1%**	**0.1%**	**0.1%**
Change in Number of Positions		-	3	-	-	-
Recurring Adjustments to Non-personnel Costs		-	500	-	-	-
One-time Adjustments to Non-personnel Costs		-	2,000			-
CIP "PAYGO" % of GF Revenue	0.25%	**0.25%**	**0.25%**	**0.25%**	**0.25%**	**0.25%**
Unassigned Fund Balance	63,879	63,308	57,233	50,848	46,894	44,643
% of Revenue	34%	35%	31%	28%	25%	23%

Questions / Comments?

- Questions about forecasts for other operating funds contained in your packet?
- Recommended changes to financial strategies?