

Multi-Year Revenue and Expenditure Forecast Scenarios

Forecast Scenarios

Multi-Year Revenue and Expenditure Projections

Multi-year General Fund revenue and expenditure projections have been developed as estimates of future City surpluses and shortfalls in order to examine how decisions made in the current budget could affect the City's future financial situation in a variety of potential revenue scenarios.

The tables and graphs on the following pages show the budget surpluses or shortfalls that would occur over the next ten fiscal years as a result of low, medium, and high revenue growth scenarios relative to projected expenditures. All estimates include policy changes included in the FY 2014 budget.

Each of the scenarios shows a shortfall for FY 2015 ranging from -\$20.0 million in the low growth scenario to -\$9.5 million in the high growth scenario. By the tenth year of the projections, the shortfall is -\$188.1 million in the low growth scenario and -\$74.1 million in the high growth scenario.

In the medium growth scenario, the shortfall is -\$14.8 million in FY 2015 and -\$133.7 million in FY 2023. These projected shortfalls provide an order of magnitude of the amount of expenditure reductions and/or revenue increases needed to balance the budget in any given year.

Forecast Scenarios

Low Growth Scenario

Revenues	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Real Estate Property	361,960,000	368,475,000	375,108,000	381,859,000	388,733,000	395,730,000	402,853,000	410,105,000	417,487,000	425,001,000
Personal Property	41,540,000	42,038,000	42,543,000	43,053,000	43,570,000	44,093,000	44,622,000	45,158,000	45,699,000	46,248,000
Penalties & Interest	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
Local Sales Tax	27,340,000	27,613,000	27,890,000	28,168,000	28,450,000	28,735,000	29,022,000	29,312,000	29,605,000	29,901,000
Business License Tax	33,000,000	33,594,000	34,199,000	34,814,000	35,441,000	36,079,000	36,728,000	37,389,000	38,062,000	38,748,000
Transient Lodging Tax	12,510,000	12,760,000	13,015,000	13,276,000	13,541,000	13,812,000	14,088,000	14,370,000	14,657,000	14,951,000
Restaurant Food Tax	17,550,000	17,989,000	18,438,000	18,899,000	19,372,000	19,856,000	20,353,000	20,861,000	21,383,000	21,918,000
Other Misc. Taxes	37,484,000	38,047,000	38,617,000	39,196,000	39,784,000	40,381,000	40,987,000	41,602,000	42,226,000	42,859,000
Other Revenues	86,667,000	87,100,000	87,535,000	87,973,000	88,413,000	88,855,000	89,299,000	89,746,000	90,194,000	90,645,000
Use of Fund Balance	6,204,000	6,300,000	6,397,000	6,496,000	6,597,000	6,699,000	6,803,000	6,909,000	7,017,000	7,126,000
Total Revenues	626,630,000	636,291,000	646,117,000	656,109,000	666,276,000	676,615,000	687,130,000	697,827,000	708,705,000	719,772,000
Expenditures										
City Personnel	206,618,000	214,882,000	223,478,000	232,417,000	241,713,000	251,382,000	261,437,000	271,895,000	282,771,000	294,081,000
City Non-Personnel	85,782,000	87,498,000	89,248,000	91,033,000	92,853,000	94,710,000	96,605,000	98,537,000	100,507,000	102,518,000
Grants Match	44,406,000	45,294,000	46,200,000	47,124,000	48,066,000	49,027,000	50,008,000	51,008,000	52,028,000	53,069,000
Cash Capital	26,375,000	28,822,000	28,875,000	29,273,000	28,389,000	28,467,000	28,804,000	31,556,000	32,163,000	32,697,000
Debt Service	57,027,000	64,045,000	68,533,000	73,310,000	91,937,000	97,443,000	98,926,000	101,686,000	102,908,000	106,769,000
Transit Subsidies	20,936,000	23,783,000	27,018,000	30,692,000	34,866,000	39,608,000	44,995,000	51,114,000	58,066,000	65,963,000
Schools	185,486,000	191,978,000	198,698,000	205,652,000	212,850,000	220,300,000	228,010,000	235,991,000	244,250,000	252,799,000
Total Expenditures	626,630,000	656,302,000	682,050,000	709,501,000	750,674,000	780,937,000	808,785,000	841,787,000	872,693,000	907,896,000
Surplus/(Shortfall)	0	-20,011,000	-35,933,000	-53,392,000	-84,398,000	-104,322,000	-121,655,000	-143,960,000	-163,988,000	-188,124,000

Forecast Scenarios

Medium Growth Scenario

Revenues	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Real Estate Property	361,960,000	370,647,000	379,542,000	388,651,000	397,979,000	407,530,000	417,311,000	427,327,000	437,582,000	448,084,000
Personal Property	41,540,000	42,454,000	43,388,000	44,342,000	45,318,000	46,315,000	47,334,000	48,375,000	49,439,000	50,527,000
Penalties & Interest	2,375,000	2,387,000	2,399,000	2,411,000	2,423,000	2,435,000	2,447,000	2,459,000	2,472,000	2,484,000
Local Sales Tax	27,340,000	27,887,000	28,445,000	29,013,000	29,594,000	30,186,000	30,789,000	31,405,000	32,033,000	32,674,000
Business License Tax	33,000,000	33,990,000	35,010,000	36,060,000	37,142,000	38,256,000	39,404,000	40,586,000	41,803,000	43,058,000
Transient Lodging Tax	12,510,000	12,885,000	13,272,000	13,670,000	14,080,000	14,503,000	14,938,000	15,386,000	15,847,000	16,323,000
Restaurant Food Tax	17,550,000	18,252,000	18,982,000	19,741,000	20,531,000	21,352,000	22,206,000	23,095,000	24,018,000	24,979,000
Other Misc. Taxes	37,484,000	38,234,000	38,999,000	39,779,000	40,574,000	41,386,000	42,213,000	43,058,000	43,919,000	44,797,000
Other Revenues	86,667,000	88,400,000	90,168,000	91,971,000	93,811,000	95,687,000	97,601,000	99,553,000	101,544,000	103,575,000
Use of Fund Balance	6,204,000	6,351,000	6,502,000	6,656,000	6,815,000	6,976,000	7,142,000	7,312,000	7,487,000	7,665,000
Total Revenues	626,630,000	641,487,000	656,707,000	672,294,000	688,267,000	704,626,000	721,385,000	738,556,000	756,144,000	774,166,000
Expenditures										
City Personnel	206,618,000	214,882,000	223,478,000	232,417,000	241,713,000	251,382,000	261,437,000	271,895,000	282,771,000	294,081,000
City Non-Personnel	85,782,000	87,498,000	89,248,000	91,033,000	92,853,000	94,710,000	96,605,000	98,537,000	100,507,000	102,518,000
Grants Match	44,406,000	45,294,000	46,200,000	47,124,000	48,066,000	49,027,000	50,008,000	51,008,000	52,028,000	53,069,000
Cash Capital	26,375,000	28,822,000	28,875,000	29,273,000	28,389,000	28,467,000	28,804,000	31,556,000	32,163,000	32,697,000
Debt Service	57,027,000	64,045,000	68,533,000	73,310,000	91,937,000	97,443,000	98,926,000	101,686,000	102,908,000	106,769,000
Transit Subsidies	20,936,000	23,783,000	27,018,000	30,692,000	34,866,000	39,608,000	44,995,000	51,114,000	58,066,000	65,963,000
Schools	185,486,000	191,978,000	198,698,000	205,652,000	212,850,000	220,300,000	228,010,000	235,991,000	244,250,000	252,799,000
Total Expenditures	626,630,000	656,302,000	682,050,000	709,501,000	750,674,000	780,937,000	808,785,000	841,787,000	872,693,000	907,896,000
Surplus/(Shortfall)	0	-14,815,000	-25,343,000	-37,207,000	-62,407,000	-76,311,000	-87,400,000	-103,231,000	-116,549,000	-133,730,000

Forecast Scenarios

High Growth Scenario

Revenues	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Real Estate Property	361,960,000	373,180,000	384,749,000	396,676,000	408,973,000	421,651,000	434,723,000	448,199,000	462,093,000	476,418,000
Personal Property	41,540,000	42,869,000	44,241,000	45,657,000	47,118,000	48,626,000	50,182,000	51,787,000	53,445,000	55,155,000
Penalties & Interest	2,375,000	2,387,000	2,399,000	2,411,000	2,423,000	2,435,000	2,447,000	2,459,000	2,472,000	2,484,000
Local Sales Tax	27,340,000	28,160,000	29,005,000	29,875,000	30,771,000	31,695,000	32,645,000	33,625,000	34,633,000	35,672,000
Business License Tax	33,000,000	34,320,000	35,693,000	37,121,000	38,605,000	40,150,000	41,756,000	43,426,000	45,163,000	46,969,000
Transient Lodging Tax	12,510,000	13,010,000	13,531,000	14,072,000	14,635,000	15,220,000	15,829,000	16,462,000	17,121,000	17,806,000
Restaurant Food Tax	17,550,000	18,340,000	19,165,000	20,027,000	20,929,000	21,870,000	22,855,000	23,883,000	24,958,000	26,081,000
Other Misc. Taxes	37,484,000	38,421,000	39,382,000	40,366,000	41,376,000	42,410,000	43,470,000	44,557,000	45,671,000	46,813,000
Other Revenues	86,667,000	89,700,000	92,839,000	96,089,000	99,452,000	102,933,000	106,535,000	110,264,000	114,123,000	118,118,000
Use of Fund Balance	6,204,000	6,404,000	6,610,000	6,823,000	7,043,000	7,270,000	7,504,000	7,747,000	7,997,000	8,255,000
Total Revenues	626,630,000	646,791,000	667,614,000	689,117,000	711,325,000	734,260,000	757,946,000	782,409,000	807,676,000	833,771,000
Expenditures										
City Personnel	206,618,000	214,882,000	223,478,000	232,417,000	241,713,000	251,382,000	261,437,000	271,895,000	282,771,000	294,081,000
City Non-Personnel	85,782,000	87,498,000	89,248,000	91,033,000	92,853,000	94,710,000	96,605,000	98,537,000	100,507,000	102,518,000
Grants Match	44,406,000	45,294,000	46,200,000	47,124,000	48,066,000	49,027,000	50,008,000	51,008,000	52,028,000	53,069,000
Cash Capital	26,375,000	28,822,000	28,875,000	29,273,000	28,389,000	28,467,000	28,804,000	31,556,000	32,163,000	32,697,000
Debt Service	57,027,000	64,045,000	68,533,000	73,310,000	91,937,000	97,443,000	98,926,000	101,686,000	102,908,000	106,769,000
Transit Subsidies	20,936,000	23,783,000	27,018,000	30,692,000	34,866,000	39,608,000	44,995,000	51,114,000	58,066,000	65,963,000
Schools	185,486,000	191,978,000	198,698,000	205,652,000	212,850,000	220,300,000	228,010,000	235,991,000	244,250,000	252,799,000
Total Expenditures	626,630,000	656,302,000	682,050,000	709,501,000	750,674,000	780,937,000	808,785,000	841,787,000	872,693,000	907,896,000
Surplus/(Shortfall)	0	-9,511,000	-14,436,000	-20,384,000	-39,349,000	-46,677,000	-50,839,000	-59,378,000	-65,017,000	-74,125,000

Forecast Scenarios

Revenue Growth Assumptions

Three different scenarios of General Fund revenue growth have been developed for the period of FY 2014 through FY 2023 based on varying assumptions about the rate of increase for each of the revenue categories listed below. Each scenario is based on FY 2014 Proposed tax and fee rates. All projected increases over the next ten years are generated by economic growth or the impact of inflation on goods or services that are taxed. In none of the scenarios does revenue growth match or exceed the projected 4.2% rate of expenditure growth.

Category	Growth Rate Assumption		
	Low	Medium	High
Real Estate Property	1.8%	2.4%	3.1%
Personal Property	1.2%	2.2%	3.2%
Penalties & Interest	0.0%	0.5%	0.5%
Local Sales Tax	1.0%	2.0%	3.0%
Business License Tax	1.8%	3.0%	4.0%
Transient Lodging Tax	2.0%	3.0%	4.0%
Restaurant Food Tax	2.5%	4.0%	4.5%
Other Misc. Taxes	1.5%	2.0%	2.5%
Other Revenues	0.5%	2.0%	3.5%
Use of Fund Balance	*	*	*
Total Weighted Growth Rate	1.6%	2.4%	3.2%

* Use of Fund Balance is 1% of Total Revenues in each Fiscal Year

Forecast Scenarios

Expenditure Growth Assumptions

The General Fund expenditure growth rate of 4.2% is the same in all three scenarios. It assumes City personnel, Transit Subsidies and the Schools transfer will continue to grow at the same rate as in the FY 2014 budget and non-personnel and matching funds for State and federal grants will grow at an inflationary rate of 2.0%.

City Personnel	4.0%
City Non-Personnel	2.0%
Grants Match	2.0%
Cash Capital	*
Debt Service	*
Transit Subsidies	13.6%
Schools	3.5%

* Cash Capital and Debt Service
reflect the planned CIP

Forecast Scenarios

Multi-Year Revenue and Expenditure Projections

Impact of FY 2014 and Prior Year Decisions of Future Budgets

In addition to the projected base expenditure growth shown on the previous pages, future City General Fund operating budgets will be affected by decisions made in the FY 2014 or previous budgets. These include:

Police Officers hired with COPS grant funding will become General Fund supported in mid-year FY 2015 and receive full-year funding beginning in FY 2016. The FY 2014 cost these positions is \$315,000.

A GIS Analyst position added to the budget in FY 2014 receives partial year funding in FY 2014 and will require full-year funding in FY 2015.

A 1% increase in salaries and corresponding 1% increase in the employee share of VRS retirement costs will continue in FY 2015 through FY 2017.

Park and right-of-way maintenance for new properties added to the City inventory during FY 2014 are funded for a partial year in FY 2014 and will require full year funding in FY 2015.

New Route 1 Bus Rapid Transit (BRT) service will begin in late FY 2014 and require a full year of funding in FY 2015.