

From: Council President's Office - Budget Team

Date: 9/2/16

RE: ANALYSIS OF MODIFIED FIVE-YEAR PLAN (considered and approved by PICA on August 31, 2016)

Modified FYP compared to Original FYP – Summary

This analysis assesses the difference in estimates of revenues, expenditures, and fund balance levels between the Proposed Five-Year Plan (Proposed FYP, introduced in March, 2016) and the Modified Five-Year Plan (Modified FYP, adjusted in August, 2016). PICA considered and passed the Modified FYP on August 31, 2016. The most noteworthy change to projections made in the Modified FYP compared to the original Proposed FYP is the increase of projected fund balance levels for FY16 and FY17. **The FY16 fund balance level in the Modified FYP is projected to be \$105.6 million, which is an increase of approximately 37% (or \$28.7 million) over the fund balance level of \$77 million in the Proposed FYP**, primarily due to a \$31.3 million increase in Total Revenue (including \$18.9 million in Tax Revenue, primarily due to higher than expected BIRT collections). The higher than expected fund balance level for FY16 will carry-forward into FY17, **leading to a new fund balance projection of \$56.9 million, which is an increase of approximately 35%, or \$14.9 million, from the originally Proposed FYP fund balance level of \$42 million.** Total Revenue for FY17 is expected to increase by approximately 1%, primarily due to a substantial increase of about 20% in Revenue From Other Funds. However, Total Obligations for FY17 are also expected to increase by 1.26%: a significant portion of the anticipated increase of \$31.3 million in Total Revenue will be eroded by the substantial increase in **Labor Obligations, which jumps from \$10 million in the original Proposed FYP to \$30 million in the Modified FYP.**

Revenues

Total Revenue projections increased by approximately \$125 million over the life of the Modified FYP, when compared to the Proposed FYP. A significant portion of the increase is due to a **\$68 million increase in Total Tax Revenue projections**, mostly attributable to positive adjustments to both Wage and Net Profits Tax and Real Property Transfer Tax estimates. Revenue from Other Governments and Locally-Generated Non-Tax Revenues also saw a combined revision in the Modified FYP of an additional \$43M.

The average increase in Total Tax Revenues for each year of the Modified FYP, compared to the Proposed FYP, is approximately \$13.7 million. The majority of the adjustment is due to **increased projections in Wage and Net Profits Tax (upward adjustment of an average of \$12.2 million annually), and the Real Estate Transfer Tax (upward adjustment of an average of \$8.1 million annually)**, respectively. These

increased revenue projections are partially offset by decreased revenue projections in the Sugary Drink Tax (less an average of \$3.2 million annually) and the Real Estate Tax (less an average of \$4.9 million annually).

The **following three tables** show the new tax growth rates projected in the Modified FYP, and the changes in both dollar amounts and percentage increase/decrease when compared to the Proposed FYP. While Wage and Net Profits Tax received the largest upward adjustment between the two plans in terms of dollar amounts (average of an additional \$12.2 million annually), the Real Estate Transfer Tax growth rates were adjusted upward by an average of 3% over the life of the Modified FYP when compared to the Proposed FYP, which is more than two percentage points higher than adjustments made to the Wage and Net Profits Tax in the new plan when compared to the original.

Table 1: Modified FYP Tax Growth Rates

MODIFIED (August)							
Amount in Millions	FY15 Actual	FY16 Estimate	FY17 Estimate	FY18 Estimate	FY19 Estimate	FY20 Estimate	FY21 Estimate
Wage and Net Profits	\$ 1,347.00	\$ 1,402.33	\$ 1,451.13	\$ 1,496.75	\$ 1,517.24	\$ 1,534.49	\$ 1,551.22
% inc. over Proposed		4.11%	3.48%	3.14%	1.37%	1.14%	1.09%
Real Property	\$ 536.45	\$ 573.37	\$ 594.92	\$ 602.96	\$ 623.03	\$ 643.57	\$ 665.38
% inc. over Proposed		6.88%	3.76%	1.35%	3.33%	3.30%	3.39%
BIRT	\$ 438.24	\$ 455.21	\$ 446.04	\$ 450.21	\$ 459.73	\$ 472.30	\$ 481.73
% inc. over Proposed		3.87%	-2.01%	0.94%	2.11%	2.73%	2.00%
Sales	\$ 149.46	\$ 167.63	\$ 182.17	\$ 192.29	\$ 203.31	\$ 214.52	\$ 225.70
% inc. over Proposed		12.16%	8.67%	5.56%	5.73%	5.51%	5.21%
Real Property Transfer	\$ 203.37	\$ 237.53	\$ 249.61	\$ 269.13	\$ 276.47	\$ 285.96	\$ 293.16
% inc. over Proposed		16.80%	5.09%	7.82%	2.73%	3.43%	2.52%
Parking	\$ 79.71	\$ 91.91	\$ 95.13	\$ 98.46	\$ 101.90	\$ 105.47	\$ 109.16
% inc. over Proposed		15.31%	3.50%	3.50%	3.50%	3.50%	3.50%
Other Taxes	\$ 22.80	\$ 23.45	\$ 24.41	\$ 25.58	\$ 26.96	\$ 28.41	\$ 29.86
% inc. over Proposed		2.83%	4.10%	4.81%	5.41%	5.36%	5.11%
Sugary Drink Tax	\$ -	\$ -	\$ 46.18	\$ 92.41	\$ 92.50	\$ 92.58	\$ 92.15
% inc. over Proposed				100.10%	0.09%	0.08%	-0.46%
Total Taxes	\$ 2,777.02	\$ 2,951.43	\$ 3,089.59	\$ 3,227.79	\$ 3,301.15	\$ 3,377.29	\$ 3,448.37
% inc. over Proposed		6.28%	4.68%	4.47%	2.27%	2.31%	2.10%

Table 2a: Dollar Change - Modified FYP minus Proposed FYP

\$ Increase (Decrease) - MODIFIED FYP minus PROPOSED FYP								
Amount in Millions	FY15 Actual	FY16 Estimate	FY17 Estimate	FY18 Estimate	FY19 Estimate	FY20 Estimate	FY21 Estimate	5YR Average
Wage and Net Profits	\$ 0.00	\$ 10.13	\$ 11.83	\$ 12.15	\$ 12.24	\$ 12.39	\$ 12.42	\$ 12.21
Real Property	\$ 0.05	\$ (8.03)	\$ 0.92	\$ (5.64)	\$ (5.97)	\$ (6.53)	\$ (7.22)	\$ (4.89)
BIRT	\$ 0.04	\$ 20.01	\$ 0.54	\$ 0.21	\$ 0.63	\$ 1.20	\$ 1.63	\$ 0.84
Sales	\$ (0.04)	\$ (3.17)	\$ 1.37	\$ 0.49	\$ 0.51	\$ 0.42	\$ 0.40	\$ 0.64
Real Property Transfer	\$ (0.03)	\$ 0.03	\$ 4.11	\$ 8.63	\$ 8.87	\$ 9.26	\$ 9.46	\$ 8.07
Parking	\$ 0.01	\$ 0.01	\$ 0.03	\$ (0.04)	\$ 0.00	\$ (0.03)	\$ (0.04)	\$ (0.02)
Other Taxes	\$ (0.00)	\$ 0.05	\$ 0.01	\$ (0.02)	\$ (0.04)	\$ 0.01	\$ (0.04)	\$ (0.02)
Sugary Drink Tax	\$ -	\$ -	\$ (1.82)	\$ (3.59)	\$ (3.50)	\$ (3.33)	\$ (3.75)	\$ (3.20)
Total Taxes	\$ 0.02	\$ 18.93	\$ 16.99	\$ 12.39	\$ 12.85	\$ 13.29	\$ 12.87	\$ 13.68

Table 2b: Percent Change -Modified FYP compared to Proposed FYP

% Increase (Decrease) - MODIFIED FYP compared to PROPOSED FYP								
Amount in Millions	FY15 Actual	FY16 Estimate	FY17 Estimate	FY18 Estimate	FY19 Estimate	FY20 Estimate	FY21 Estimate	5YR Average
Wage and Net Profits	0.00%	0.73%	0.82%	0.82%	0.81%	0.81%	0.81%	0.81%
Real Property	0.01%	-1.38%	0.16%	-0.93%	-0.95%	-1.00%	-1.07%	-0.76%
BIRT	0.01%	4.60%	0.12%	0.05%	0.14%	0.25%	0.34%	0.18%
Sales	-0.03%	-1.85%	0.76%	0.26%	0.25%	0.20%	0.18%	0.33%
Real Property Transfer	-0.01%	0.01%	1.67%	3.31%	3.32%	3.35%	3.34%	3.00%
Parking	0.01%	0.01%	0.03%	-0.04%	0.00%	-0.03%	-0.04%	-0.02%
Other Taxes	0.00%	0.19%	0.02%	-0.08%	-0.14%	0.03%	-0.13%	-0.06%
Sugary Drink Tax	-	-	-3.79%	-3.74%	-3.65%	-3.47%	-3.91%	-3.71%
Total Taxes	0.00%	0.65%	0.55%	0.39%	0.39%	0.40%	0.37%	0.42%

The next two charts show how Tax Revenues in the Modified FYP for both FY16 and FY17 differ from the Proposed FYP. While BIRT and Wage and Net Profits Taxes are expected to see a sizable positive change in the last quarter of FY16, the adjustment for BIRT is not projected to carry-forward into FY17. However, both Wage and Net Profits and Real Estate Transfer Tax projections have been adjusted upward to account for the latest market trends. It is also important to note that while Property Tax revenues and Sales Tax revenues are expected to slightly underperform in FY16, the Modified FYP modestly increased projections for both taxes for FY17, by a combined amount of approximately \$2.3 million.

Chart 1a:

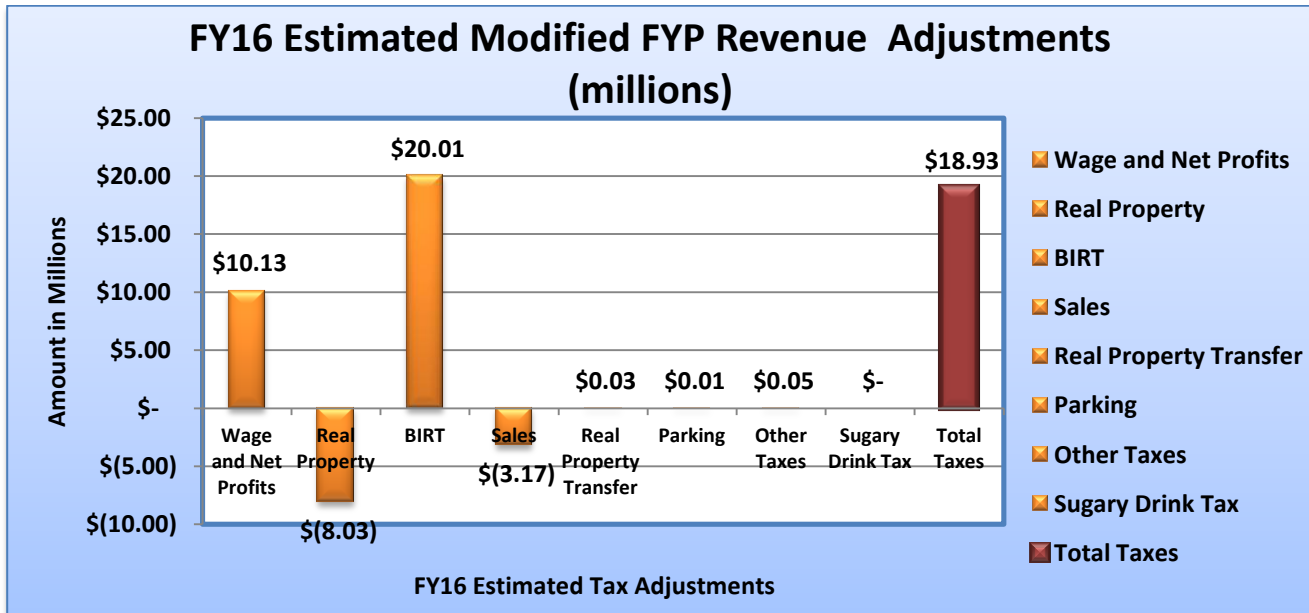
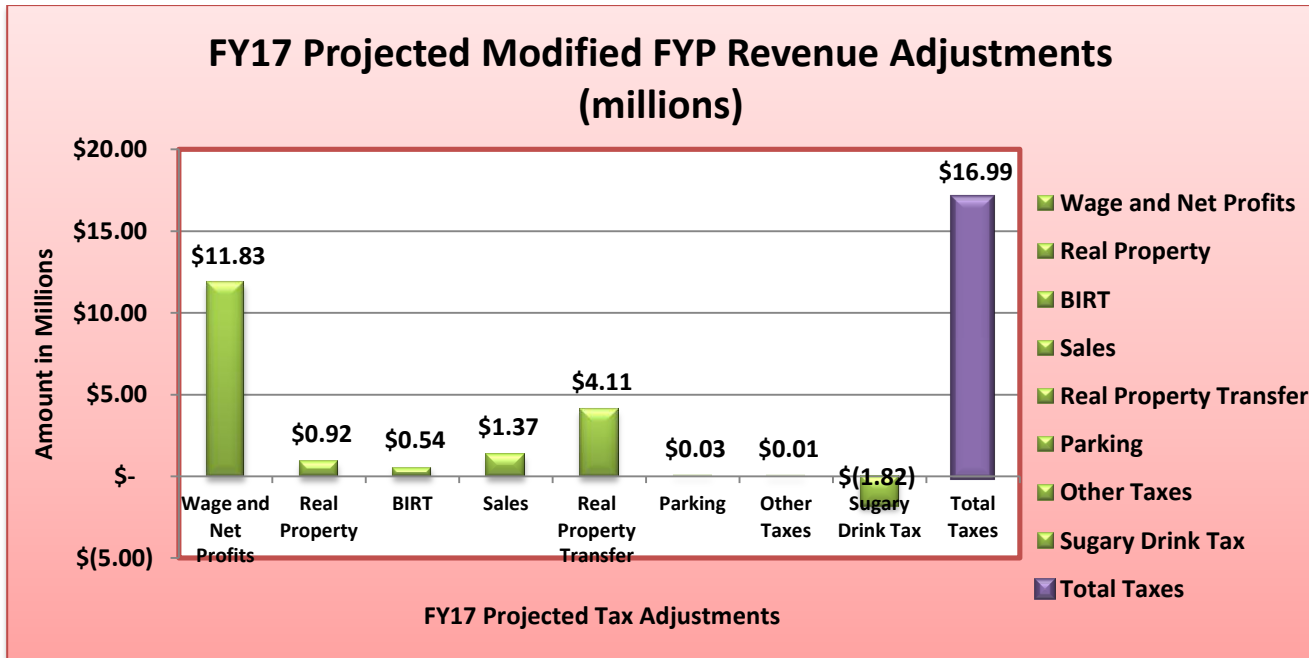


Chart 1b:



Locally Generated Non-Tax Revenues and Revenue From Other Governments projections have also been revised upward in the Modified FYP by approximately 1% each when compared to the Proposed FYP. This adjustment equates to an additional \$8.7 million per year throughout the life of the Plan.

Expenditures

Total Expenditures increased by approximately \$173 million in the Modified FYP when compared to the Proposed FYP, with the bulk of the increase being shown in both FY17 and FY21. Almost 75% of the increased projection is attributable to an increase of \$128 million in Labor Obligations reserves in the Modified Plan, which brings the total amount set aside for Labor Obligations to \$328 million.

Other adjustments made to projected Expenditures in the Modified FYP when compared to the Proposed FYP include an approximate \$16 million increase in Personal Services and an approximate \$18 million increase in Material, Supplies and Equipment. There was also a slight increase of approximately \$5 million in Contributions, Indemnities, and Taxes in the updated plan.

Fund Balance

Fund Balance Projections for the Modified FYP increased by an annual average of \$3.3 million (or 14%) over the life of the Plan, when compared to the Proposed FYP. Most of the projected increases are expected to occur in FY17 through FY19; **FY17 Fund Balance projections increased by \$15 million alone,**

mostly due to increased prior year fund balances as a result of higher than expected revenue collections. In FY21, however, the Fund Balance was revised downward by approximately \$20 million, mostly due to an increase in the amount of funds set aside for Labor Obligations reserves and Employee Compensation.

The following table shows the differences between the Modified FYP and Proposed FYP projections in more detail:

Table 3:

FY17 - FY21 Modified FYP vs. Proposed FYP - Fund Balance Projections (Amount in Thousands)	FY16 Estimate	FY17 Estimate	FY18 Estimate	FY19 Estimate	FY20 Estimate	FY21 Estimate	5 Year Avg.
Modified - Current Fund Balance Proj.	\$105,676	\$56,887	\$47,064	\$57,849	\$73,565	\$107,258	\$68,525
Proposed - Original Fund Balance Proj.	\$76,986	\$41,998	\$37,733	\$48,025	\$71,359	\$126,993	\$65,222
\$\$ Increase/(Decrease)	\$28,690	\$14,889	\$9,331	\$9,824	\$2,206	(\$19,735)	\$3,303
% Increase/Decrease	37%	35%	25%	20%	3%	-16%	14%

Risks

As always with financial planning for a City the size of Philadelphia, there are numerous financial risks that exist within any long term budgeting plan. The PICA staff report details many of the significant risks in the plan that they believe exist. A link to their report can be found here:

<http://www.picapa.org/2016/08/just-released-pica-staff-report-on-city-of-philadelphias-five-year-financial-plan-for-fy17-21/>

We also outline some risks that exist within the Plan below; please note that this list is not comprehensive, but rather focuses on risks that are considered more significant:

- Lower than recommended Fund Balance levels** – the City ideally wants to maintain a 7% Fund Balance level (as a percentage of expenditures), according to internal policy, which equals approximately \$300 million. The Government Finance Officers Association (GFOA) recommends retaining reserves equal to two months of spending, which is approximately 16.7%. **The FY16 General Fund Balance is only projected to close at 2.6% of the Budget, and the FY17 General Fund Balance is projected to be only approximately 1.4% of the Budget.**
- Substantially underfunded Pension Fund** – the Pension Fund continues to carry a \$5.94 billion Unfunded Liability. The Funding Ratio is approximately 45%, the MMO continues to increase year after year, and Pension Costs as a percentage of Total General Fund Obligations continues to hover around 16%. While additional revenues from the Sales Tax and Sugary Drinks Tax are expected to be appropriated to the Pension Fund, the continuing increase in Pension Costs as a percentage of Budget remains a significant risk to the City.

- **Volatility of local and regional economy** – Many economists have cited that the economy could relapse into recession in the upcoming years. While it is very difficult to predict when the next downturn will occur, tax growth rates will likely be negatively impacted if a downturn occurs. The City maintains that it has contingency plans to control spending if revenues do fall short, including but not limited to targeted budget spending.
- **Unpredictability of labor negotiations** – Approximately \$328 million has been set aside in the Modified FYP for Labor Obligations for future union contract negotiations. Though this amount is substantially higher than amounts shown in prior five year plans, the funding could be less than what is needed to cover the change in future labor agreements, especially since an additional \$128 million was added to this line item in the Modified FYP after the DC33 contract was settled.
- **School District Funding** – The City has increased taxes multiple times in recent fiscal years to help balance the School District’s Budget. The School District still has a structural budget deficit. Due to the unpredictability of certain rising costs in their budget and the unpredictability of how the gap in funding will be filled, the School District remains a financial risk to the City’s General Fund if additional revenue must be appropriated to the District (especially given our low reserve levels).

Conclusion

The purpose of this analysis was to review the Five-Year Plan, from a financial perspective, note the differences between the Modified and Proposed FYP, and speak to the risks associated in the Plan. Included below is an appendix that shows multiple charts and tables in more detail. Please feel free to reach out to our office if you have any questions about this analysis.

Appendix A:

Table 4: Modified FYP

MODIFIED (August)							
Amount in Thousands	FY15 Actual	FY16 Estimate	FY17 Estimate	FY18 Estimate	FY19 Estimate	FY20 Estimate	FY21 Estimate
REVENUES							
Taxes	\$ 2,777,020	\$ 2,951,425	\$ 3,089,590	\$ 3,227,786	\$ 3,301,147	\$ 3,377,288	\$ 3,448,366
Locally Generated Non-Tax Revenues	\$ 294,395	\$ 292,639	\$ 287,291	\$ 280,020	\$ 281,091	\$ 281,886	\$ 282,318
Revenue from Other Governments	\$ 649,321	\$ 679,722	\$ 699,568	\$ 722,733	\$ 745,994	\$ 761,426	\$ 786,577
Sub-Total	\$ 3,720,736	\$ 3,923,786	\$ 4,076,449	\$ 4,230,539	\$ 4,328,232	\$ 4,420,600	\$ 4,517,261
Revenue from Other Funds of City	\$ 39,031	\$ 62,410	\$ 75,570	\$ 63,269	\$ 63,621	\$ 63,988	\$ 64,370
Total Revenue and Other Sources	\$ 3,759,767	\$ 3,986,196	\$ 4,152,019	\$ 4,293,808	\$ 4,391,853	\$ 4,484,588	\$ 4,581,631
OBLIGATIONS/APPROPRIATIONS							
Personal Services	\$ 1,508,678	\$ 1,565,674	\$ 1,565,831	\$ 1,572,299	\$ 1,576,097	\$ 1,576,320	\$ 1,576,320
Personal Services- Pensions	\$ 558,269	\$ 619,145	\$ 648,768	\$ 658,772	\$ 691,020	\$ 707,590	\$ 712,742
Personal Services-Add'l Pensions (Sales Tax)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services-Add'l Pensions (Sugary Drink Tax)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services-Other Employee Benefits	\$ 541,273	\$ 559,481	\$ 594,284	\$ 617,619	\$ 642,022	\$ 667,981	\$ 695,315
Sub-Total Employee Compensation	\$ 2,608,220	\$ 2,744,300	\$ 2,808,883	\$ 2,848,690	\$ 2,909,139	\$ 2,951,891	\$ 2,984,377
Purchase of Services	\$ 810,574	\$ 842,798	\$ 896,926	\$ 931,675	\$ 914,711	\$ 926,142	\$ 950,964
Materials, Supplies and Equipment	\$ 90,558	\$ 99,709	\$ 109,128	\$ 103,497	\$ 107,909	\$ 107,959	\$ 107,959
Contributions, Indemnities, and Taxes	\$ 150,747	\$ 193,131	\$ 189,395	\$ 190,254	\$ 189,418	\$ 190,407	\$ 190,865
Debt Service	\$ 131,968	\$ 138,398	\$ 153,950	\$ 161,652	\$ 178,920	\$ 189,895	\$ 199,505
Advances & Misc. Pmts. / Labor Obligations	\$ -	\$ -	\$ 29,962	\$ 53,419	\$ 65,000	\$ 85,000	\$ 95,000
Sub-Total	\$ 3,792,067	\$ 4,018,336	\$ 4,188,244	\$ 4,289,187	\$ 4,365,097	\$ 4,451,294	\$ 4,528,670
Payments to Other Funds	\$ 39,448	\$ 32,715	\$ 32,064	\$ 33,944	\$ 35,471	\$ 37,078	\$ 38,768
Total - Obligations	\$ 3,831,515	\$ 4,051,051	\$ 4,220,308	\$ 4,323,131	\$ 4,400,568	\$ 4,488,372	\$ 4,567,438
Oper. Surplus (Deficit) for Fiscal Year	\$ (71,748)	\$ (64,855)	\$ (68,289)	\$ (29,323)	\$ (8,715)	\$ (3,784)	\$ 14,193
Prior Year Adjustments:							
Other Adjustments	\$ 21,144	\$ 19,000	\$ 19,500	\$ 19,500	\$ 19,500	\$ 19,500	\$ 19,500
Total Prior Year Adjustments	\$ 21,144	\$ 19,000	\$ 19,500	\$ 19,500	\$ 19,500	\$ 19,500	\$ 19,500
Adjusted Oper. Surplus/ (Deficit)	\$ (50,604)	\$ (45,855)	\$ (48,789)	\$ (9,823)	\$ 10,785	\$ 15,716	\$ 33,693
OPERATIONS IN RESPECT TO PRIOR FISCAL YEARS							
Prior Year Fund Balance- June 30 of Prior Fiscal Year	\$ 202,135	\$ 151,531	\$ 105,676	\$ 56,887	\$ 47,064	\$ 57,849	\$ 73,565
Fund Balance Available for Appropriation as of June 30	\$ 151,531	\$ 105,676	\$ 56,887	\$ 47,064	\$ 57,849	\$ 73,565	\$ 107,258

Table 4a: Dollar Changes between Modified and Proposed FYF

Increases/(Decreases) between MODIFIED and PROPOSED FYF							
	FY15 Actual	FY16 Estimate	FY17 Estimate	FY18 Estimate	FY19 Estimate	FY20 Estimate	FY21 Estimate
REVENUES							
Taxes	\$ -	\$ 18,908	\$ 16,961	\$ 12,344	\$ 12,879	\$ 13,329	\$ 12,895
Locally Generated Non-Tax Revenues	\$ -	\$ 8,722	\$ 3,134	\$ 1,738	\$ 2,401	\$ 2,615	\$ 3,047
Revenue from Other Governments	\$ -	\$ 3,629	\$ 5,921	\$ 6,038	\$ 6,109	\$ 6,182	\$ 6,258
Sub-Total	\$ -	\$ 31,259	\$ 26,016	\$ 20,120	\$ 21,388	\$ 22,127	\$ 22,200
Revenue from Other Funds of City	\$ -	\$ -	\$ 12,736	\$ (1)	\$ (1)	\$ -	\$ -
Total Revenue and Other Sources	\$ -	\$ 31,259	\$ 38,752	\$ 20,119	\$ 21,388	\$ 22,126	\$ 22,200
OBLIGATIONS/APPROPRIATIONS							
Personal Services	\$ -	\$ 9,699	\$ 2,979	\$ 3,527	\$ 3,537	\$ 3,040	\$ 3,040
Personal Services- Pensions	\$ -	\$ 8,825	\$ 28,675	\$ 26,146	\$ 46,657	\$ 52,261	\$ 57,852
Personal Services-Add'l Pensions (Sales Tax)	\$ -	\$ (10,422)	\$ (15,417)	\$ (20,899)	\$ (41,421)	\$ (47,039)	\$ (52,648)
Personal Services-Add'l Pensions (Sugary Drink Tax)	\$ 0	\$ -	\$ (5,494)	\$ (13,963)	\$ (6,255)	\$ (1,664)	\$ -
Personal Services-Other Employee Benefits	\$ -	\$ (8)	\$ 6,003	\$ 6,440	\$ 6,897	\$ 7,375	\$ 7,875
Sub-Total Employee Compensation	\$ -	\$ 8,094	\$ 16,746	\$ 1,251	\$ 9,415	\$ 13,973	\$ 16,119
Purchase of Services	\$ -	\$ (6,375)	\$ 2,076	\$ (11,253)	\$ (15,747)	\$ (11,683)	\$ 568
Materials, Supplies and Equipment	\$ -	\$ (1,250)	\$ 11,971	\$ 955	\$ 955	\$ 1,981	\$ 1,981
Contributions, Indemnities, and Taxes	\$ -	\$ 1,100	\$ 1,798	\$ 1,303	\$ 1,273	\$ 473	\$ 473
Debt Service	\$ -	\$ (3,000)	\$ -	\$ -	\$ (1)	\$ -	\$ -
Advances & Misc. Pmts. / Labor Obligations	\$ -	\$ -	\$ 19,962	\$ 33,419	\$ 25,000	\$ 25,000	\$ 25,000
Sub-Total	\$ -	\$ (1,431)	\$ 52,553	\$ 25,675	\$ 20,895	\$ 29,744	\$ 44,141
Payments to Other Funds	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -
Total - Obligations	\$ -	\$ (1,431)	\$ 52,553	\$ 25,676	\$ 20,895	\$ 29,744	\$ 44,141
Oper.Surplus (Deficit) for Fiscal Year	\$ -	\$ 32,690	\$ (13,801)	\$ (5,557)	\$ 493	\$ (7,618)	\$ (21,941)
Prior Year Adjustments:							
Other Adjustments	\$ -	\$ (4,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Prior Year Adjustments	\$ -	\$ (4,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Oper. Surplus/ (Deficit)	\$ -	\$ 28,690	\$ (13,801)	\$ (5,557)	\$ 493	\$ (7,618)	\$ (21,941)
OPERATIONS IN RESPECT TO PRIOR FISCAL YEARS							
Prior Year Fund Balance- June 30 of Prior Fiscal Year	\$ -	\$ -	\$ 28,690	\$ 14,889	\$ 9,331	\$ 9,824	\$ 2,206
Fund Balance Available for Appropriation as of June 30	\$ -	\$ 28,690	\$ 14,889	\$ 9,331	\$ 9,824	\$ 2,206	\$ (19,735)

Table 5: Percent Change between Modified and Proposed FYP

% Change - Increase/Decrease between MODIFIED and PROPOSED FYP							
	FY15 Actual	FY16 Estimate	FY17 Estimate	FY18 Estimate	FY19 Estimate	FY20 Estimate	FY21 Estimate
REVENUES							
Taxes	0.00%	0.64%	0.55%	0.38%	0.39%	0.40%	0.38%
Locally Generated Non-Tax Revenues	0.00%	3.07%	1.10%	0.62%	0.86%	0.94%	1.09%
Revenue from Other Governments	0.00%	0.54%	0.85%	0.84%	0.83%	0.82%	0.80%
Sub-Total	0.00%	0.80%	0.64%	0.48%	0.50%	0.50%	0.49%
Revenue from Other Funds of City	0.00%	0.00%	20.27%	0.00%	0.00%	0.00%	0.00%
Total Revenue and Other Sources	0.00%	0.79%	0.94%	0.47%	0.49%	0.50%	0.49%
OBLIGATIONS/APPROPRIATIONS							
Personal Services	0.00%	0.62%	0.19%	0.22%	0.22%	0.19%	0.19%
Personal Services- Pensions	0.00%	1.45%	4.62%	4.13%	7.24%	7.97%	8.83%
Personal Services-Add'l Pensions (Sales Tax)							
Personal Services-Add'l Pensions (Sugary Drink Tax)							
Personal Services-Other Employee Benefits	0.00%	0.00%	1.02%	1.05%	1.09%	1.12%	1.15%
Sub-Total Employee Compensation	0.00%	0.30%	0.60%	0.04%	0.32%	0.48%	0.54%
Purchase of Services	0.00%	-0.75%	0.23%	-1.19%	-1.69%	-1.25%	0.06%
Materials, Supplies and Equipment	0.00%	-1.24%	12.32%	0.93%	0.89%	1.87%	1.87%
Contributions, Indemnities, and Taxes	0.00%	0.57%	0.96%	0.69%	0.68%	0.25%	0.25%
Debt Service	0.00%	-2.12%	0.00%	0.00%	0.00%	0.00%	0.00%
Advances & Misc. Pmts. / Labor Obligations	0.00%	0.00%	199.62%	167.10%	62.50%	41.67%	35.71%
Sub-Total	0.00%	-0.04%	1.27%	0.60%	0.48%	0.67%	0.98%
Payments to Other Funds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total - Obligations	0.00%	-0.04%	1.26%	0.60%	0.48%	0.67%	0.98%
Oper. Surplus (Deficit) for Fiscal Year	0.00%	33.51%	-25.33%	-23.38%	5.35%	-198.70%	-60.72%
Prior Year Adjustments:							
Other Adjustments	0.00%	-17.39%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Prior Year Adjustments	0.00%	-17.39%	0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Oper. Surplus/ (Deficit)	0.00%	38.49%	-39.44%	-130.26%	4.79%	-32.65%	-39.44%
OPERATIONS IN RESPECT TO PRIOR FISCAL YEARS							
Prior Year Fund Balance- June 30 of Prior Fiscal Year	0.00%	0.00%	37.27%	35.45%	24.73%	20.46%	3.09%
Fund Balance Available for Appropriation as of June 30	0.00%	37.27%	35.45%	24.73%	20.46%	3.09%	-15.54%

Scale for % Increase/Decrease	
	Greater than 10% change
	Between 5% and 10% change
	Between 5% and -5% change (or Absolute value of 5% change)
	Between -5% and -10% change
	Greater than -10% change

Table 6a: Proposed FYP Tax Growth Rates

PROPOSED (March)							
Amount in Millions	FY15 Actual	FY16 Estimate	FY17 Estimate	FY18 Estimate	FY19 Estimate	FY20 Estimate	FY21 Estimate
Wage and Net Profits	\$ 1,347.00	\$ 1,392.20	\$ 1,439.30	\$ 1,484.60	\$ 1,505.00	\$ 1,522.10	\$ 1,538.80
% inc. over prior year		3.36%	3.38%	3.15%	1.37%	1.14%	1.10%
Real Property	\$ 536.40	\$ 581.40	\$ 594.00	\$ 608.60	\$ 629.00	\$ 650.10	\$ 672.60
% inc. over prior year		8.39%	2.17%	2.46%	3.35%	3.35%	3.46%
BIRT	\$ 438.20	\$ 435.20	\$ 445.50	\$ 450.00	\$ 459.10	\$ 471.10	\$ 480.10
% inc. over prior year		-0.68%	2.37%	1.01%	2.02%	2.61%	1.91%
Sales	\$ 149.50	\$ 170.80	\$ 180.80	\$ 191.80	\$ 202.80	\$ 214.10	\$ 225.30
% inc. over prior year		14.25%	5.85%	6.08%	5.74%	5.57%	5.23%
Real Property Transfer	\$ 203.40	\$ 237.50	\$ 245.50	\$ 260.50	\$ 267.60	\$ 276.70	\$ 283.70
% inc. over prior year		16.76%	3.37%	6.11%	2.73%	3.40%	2.53%
Parking	\$ 79.70	\$ 91.90	\$ 95.10	\$ 98.50	\$ 101.90	\$ 105.50	\$ 109.20
% inc. over prior year		15.31%	3.48%	3.58%	3.45%	3.53%	3.51%
Other Taxes	\$ 22.80	\$ 23.40	\$ 24.40	\$ 25.60	\$ 27.00	\$ 28.40	\$ 29.90
% inc. over prior year		2.63%	4.27%	4.92%	5.47%	5.19%	5.28%
Sugary Drink Tax	\$ -	\$ -	\$ 48.00	\$ 96.00	\$ 96.00	\$ 95.90	\$ 95.90
% inc. over prior year				100.00%	0.00%	-0.10%	0.00%
Total Taxes	\$ 2,777.00	\$ 2,932.50	\$ 3,072.60	\$ 3,215.40	\$ 3,288.30	\$ 3,364.00	\$ 3,435.50
% inc. over prior year		5.60%	4.78%	4.65%	2.27%	2.30%	2.13%

Table 6b: Modified FYP Tax Growth Rates

MODIFIED (August)							
Amount in Millions	FY15 Actual	FY16 Estimate	FY17 Estimate	FY18 Estimate	FY19 Estimate	FY20 Estimate	FY21 Estimate
Wage and Net Profits	\$ 1,347.00	\$ 1,402.33	\$ 1,451.13	\$ 1,496.75	\$ 1,517.24	\$ 1,534.49	\$ 1,551.22
% inc. over prior year		4.11%	3.48%	3.14%	1.37%	1.14%	1.09%
Real Property	\$ 536.45	\$ 573.37	\$ 594.92	\$ 602.96	\$ 623.03	\$ 643.57	\$ 665.38
% inc. over prior year		6.88%	3.76%	1.35%	3.33%	3.30%	3.39%
BIRT	\$ 438.24	\$ 455.21	\$ 446.04	\$ 450.21	\$ 459.73	\$ 472.30	\$ 481.73
% inc. over prior year		3.87%	-2.01%	0.94%	2.11%	2.73%	2.00%
Sales	\$ 149.46	\$ 167.63	\$ 182.17	\$ 192.29	\$ 203.31	\$ 214.52	\$ 225.70
% inc. over prior year		12.16%	8.67%	5.56%	5.73%	5.51%	5.21%
Real Property Transfer	\$ 203.37	\$ 237.53	\$ 249.61	\$ 269.13	\$ 276.47	\$ 285.96	\$ 293.16
% inc. over prior year		16.80%	5.09%	7.82%	2.73%	3.43%	2.52%
Parking	\$ 79.71	\$ 91.91	\$ 95.13	\$ 98.46	\$ 101.90	\$ 105.47	\$ 109.16
% inc. over prior year		15.31%	3.50%	3.50%	3.50%	3.50%	3.50%
Other Taxes	\$ 22.80	\$ 23.45	\$ 24.41	\$ 25.58	\$ 26.96	\$ 28.41	\$ 29.86
% inc. over prior year		2.83%	4.10%	4.81%	5.41%	5.36%	5.11%
Sugary Drink Tax	\$ -	\$ -	\$ 46.18	\$ 92.41	\$ 92.50	\$ 92.58	\$ 92.15
% inc. over prior year				100.10%	0.09%	0.08%	-0.46%
Total Taxes	\$ 2,777.02	\$ 2,951.43	\$ 3,089.59	\$ 3,227.79	\$ 3,301.15	\$ 3,377.29	\$ 3,448.37
% inc. over prior year		6.28%	4.68%	4.47%	2.27%	2.31%	2.10%

Table 7a: Dollar Change - Modified FYP minus Proposed FYP

\$ Increase (Decrease) - MODIFIED FYP minus PROPOSED FYP								
Amount in Millions	FY15 Actual	FY16 Estimate	FY17 Estimate	FY18 Estimate	FY19 Estimate	FY20 Estimate	FY21 Estimate	5YR Average
Wage and Net Profits	\$ 0.00	\$ 10.13	\$ 11.83	\$ 12.15	\$ 12.24	\$ 12.39	\$ 12.42	\$ 12.21
Real Property	\$ 0.05	\$ (8.03)	\$ 0.92	\$ (5.64)	\$ (5.97)	\$ (6.53)	\$ (7.22)	\$ (4.89)
BIRT	\$ 0.04	\$ 20.01	\$ 0.54	\$ 0.21	\$ 0.63	\$ 1.20	\$ 1.63	\$ 0.84
Sales	\$ (0.04)	\$ (3.17)	\$ 1.37	\$ 0.49	\$ 0.51	\$ 0.42	\$ 0.40	\$ 0.64
Real Property Transfer	\$ (0.03)	\$ 0.03	\$ 4.11	\$ 8.63	\$ 8.87	\$ 9.26	\$ 9.46	\$ 8.07
Parking	\$ 0.01	\$ 0.01	\$ 0.03	\$ (0.04)	\$ 0.00	\$ (0.03)	\$ (0.04)	\$ (0.02)
Other Taxes	\$ (0.00)	\$ 0.05	\$ 0.01	\$ (0.02)	\$ (0.04)	\$ 0.01	\$ (0.04)	\$ (0.02)
Sugary Drink Tax	\$ -	\$ -	\$ (1.82)	\$ (3.59)	\$ (3.50)	\$ (3.33)	\$ (3.75)	\$ (3.20)
Total Taxes	\$ 0.02	\$ 18.93	\$ 16.99	\$ 12.39	\$ 12.85	\$ 13.29	\$ 12.87	\$ 13.68

Table 7b: Percent Change - Modified FYP compared to Proposed FYP

% Increase/Decrease - MODIFIED FYP compared to PROPOSED FYP								
Amount in Millions	FY15 Actual	FY16 Estimate	FY17 Estimate	FY18 Estimate	FY19 Estimate	FY20 Estimate	FY21 Estimate	5YR Average
Wage and Net Profits	0.00%	0.73%	0.82%	0.82%	0.81%	0.81%	0.81%	0.81%
Real Property	0.01%	-1.38%	0.16%	-0.93%	-0.95%	-1.00%	-1.07%	-0.76%
BIRT	0.01%	4.60%	0.12%	0.05%	0.14%	0.25%	0.34%	0.18%
Sales	-0.03%	-1.85%	0.76%	0.26%	0.25%	0.20%	0.18%	0.33%
Real Property Transfer	-0.01%	0.01%	1.67%	3.31%	3.32%	3.35%	3.34%	3.00%
Parking	0.01%	0.01%	0.03%	-0.04%	0.00%	-0.03%	-0.04%	-0.02%
Other Taxes	0.00%	0.19%	0.02%	-0.08%	-0.14%	0.03%	-0.13%	-0.06%
Sugary Drink Tax	-	-	-3.79%	-3.74%	-3.65%	-3.47%	-3.91%	-3.71%
Total Taxes	0.00%	0.65%	0.55%	0.39%	0.39%	0.40%	0.37%	0.42%