Fiscal Year 2013-2014

City Council Budget Workshop

Five Year Financial Forecast

City of Carmel-by-the-Sea

City Council Budget Workshop

Five Year Financial Forecast

Presented Tuesday, March 19, 2013

to the

Carmel City Council

Jason Burnett, Mayor

Ken Talmage, Mayor Pro-Tem

Victoria Beach, Councilmember

Steve Hillyard, Councilmember

Carrie Theis, Councilmember

Office of the City Administrator

FINANCIAL FORECAST OVERVIEW

This report highlights the financial context the City of Carmel-by-the-Sea is projected to face in the next five years. In general, this year's five-year forecast is healthier than prior forecasts. The improved forecast is primarily attributed to the voter's November 2012 approval of Measure D, a ten-year one-percent sales tax rate increase. In addition, but at a lower magnitude in the forecast than Measure D, the City continues to see strengthening economic conditions leading to increasing revenue projections during the forecast period.

The General Fund is the focus of the forecast. It is the largest of the City's funds and also is the fund that would be exposed to many risks and future liabilities including those unanticipated. The General Fund is the City's primary fund and the backstop for required unfunded expenditures.

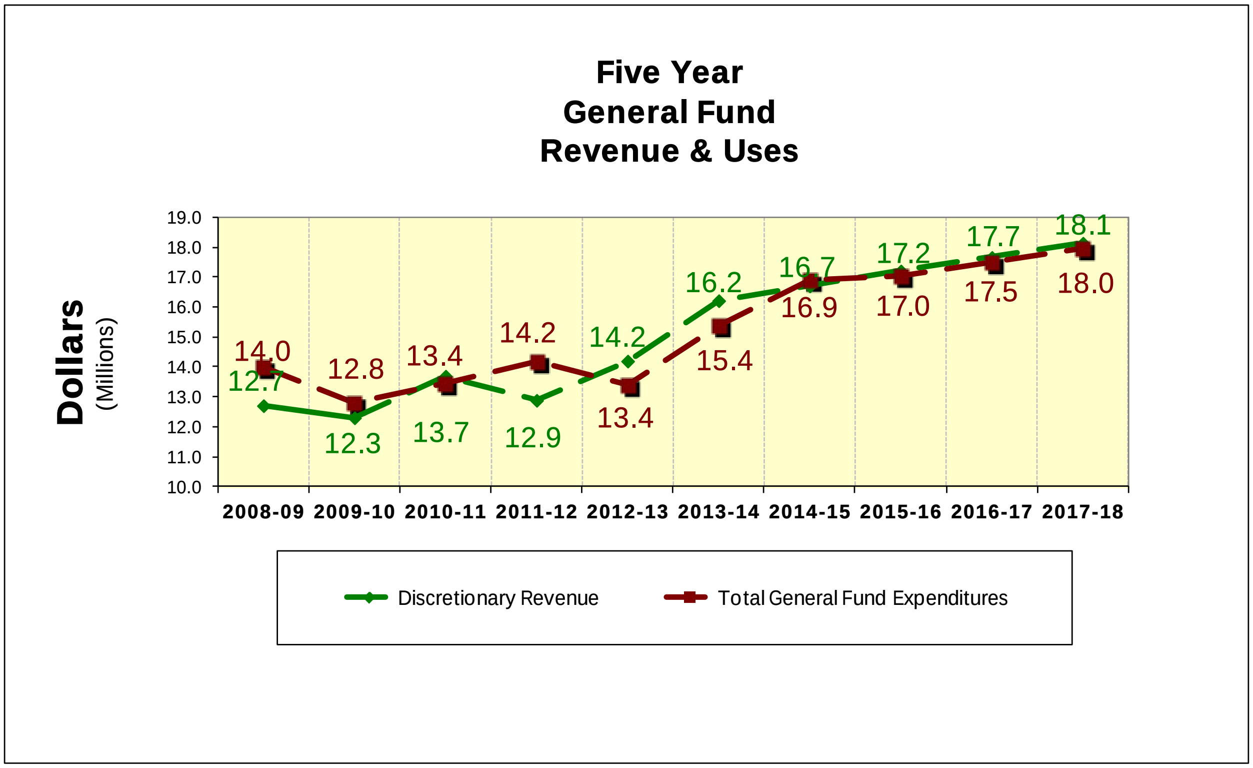
Revenues are projected to rise gradually during the forecast period. The forecast anticipates increasing expenditures to maintain or enhance levels of service and meet the requirements of safely and cost effectively maintaining existing community assets and infrastructure.

The five-year forecast shows a steady balance between revenues and expenditures. The forecast includes Measure D revenues and additional anticipated expenditure increases consistent with the Service Level Sustainability Plan. This gap is approximately $800,000 for Fiscal Year 2013-14 narrowing to balance by Fiscal Year 2017-18. The past action by the City Council to implement retirement reforms, debt service restructuring, and restructuring of the organization, coupled with Measure D, are providing anticipated enhancements in services, investment in our community, and improvements in future fiscal years.

FIVE-YEAR FINANCIAL FORECAST

Introduction and Summary

The five-year forecast of discretionary General Fund revenues and their uses is intended to provide a context that may be helpful in weighing the financial consequences of current year decisions. The revenue projections focus on discretionary General Fund revenues. Discretionary revenue is derived from local taxes, especially property, transient occupancy, and sales taxes. On the expenditure side, the forecast projects the use of discretionary revenue for department operations, including salaries and benefits, capital improvements, and debt payment requirements.



This chart demonstrates a consistent balance providing future policy flexibility. The forecast revenue-expenditure gap is driven by:

- Measure D revenue of over $2 million annually during the forecast period;
- Growth in revenue as a result of the continuing strengthening of the economy;
- Increasing expenditures consistent with the 2012 Service Level Sustainability Plan which called for:
  - Increasing services by $407,000 annually
  - Increasing street and road maintenance by $584,000 annually
  - Increasing capital expenditures to reduce deferred maintenance and hazards by $458,000
  - Managing and reducing the City's debt service
  - Managing the City's reserves consistent with the City Council's 2013 revised financial policies
- Continued growth in base salary and benefit costs with forecast increases in medical program costs, retirement rate costs, and as a result of the first salary plan update in thirteen years;
- Decreasing deferred maintenance and capital investment costs;
- An average 2.6% increase in the actuarial cost of funding existing retirement obligations with the adopted second tiers and the refinancing of the side-fund debt;

Forecast Revenue Detail

The revenue forecast projects Fiscal Year 2012-13 will see continued modest growth in the City's discretionary revenues. Property taxes show increases for the upcoming fiscal year. Transient Occupancy Taxes and Sales Taxes have larger increases projected.

The nation fell into a recession in the second half of 2008, following the real estate market crash and precipitated by the turmoil in the financial markets. California's economy showed an even more troubled trend. Carmel's revenue dropped by seven percent, or nearly $1 million, in Fiscal Year 2008-09 compared to the year prior. Revenue has slowly rebounded and has now returned to pre-recession levels.

Given historical revenue patterns and available forecasts for local and state economic data, an increase of 5.20% in discretionary revenues, net Measure D, is estimated in Fiscal Year 2013-14, compared to Fiscal Year 2012-13 budget. When including Measure D, Fiscal Year 2013-14 revenue is anticipated to increase by 20% from the previous year budget or 14.21% from current year estimates. Annual revenue growth rates continue to be projected at approximately 3.00% annually through Fiscal Year 2015-16 and in the 5% range for fiscal years 2016-17 and 2017-18.

FIVE-YEAR FY 2012-13 through FY 2017-18 DISCRETIONARY REVENUE PROJECTIONS
in millions of dollars

Revenue Source (Dollars in Millions)	FY06-07 Actual	FY07-08 Actual	FY08-09 Actual	FY09-10 Actual	FY10-11 Actual	FY 11-12 Actual	FY 12-13 Budget	FY 12-13 Estimate	FY 13-14 Projected	FY 14-15 Projected	FY 15-16 Projected	FY 16-17 Projected	FY 17-18 Projected
Property Tax	$3.726	$3.867	$4.066	$4.189	$4.158	$4.265	$4.347	$4.510	$4.623	$4.715	$4.786	4.870	$4.967
Transient Occupancy Tax	4.209	4.395	3.787	3.799	4.003	4.178	4.463	4.560	4.742	4.885	5.056	5.207	$5.364
Sales Tax	2.143	2.340	2.181	1.620	1.806	1.723	2.051	2.051	2.113	2.213	2.308	2.377	$2.446
Measure D								0.490	2.113	2.213	2.308	2.377	$2.446
Business License Tax	*0.333*	0.627	0.609	0.551	0.526	0.514	0.500	0.492	0.497	0.507	0.517	0.533	$0.551
Fees and Permits	0.488	0.492	0.369	0.448	0.391	0.451	0.431	0.422	0.435	0.446	0.458	0.471	$0.483
Interest, Rents, Parking Lots	0.694	0.633	0.386	0.250	0.235	0.237	0.229	0.229	0.231	0.234	0.237	0.241	$0.247
Franchise Fees	0.466	0.426	0.467	0.453	0.477	0.407	0.513	0.513	0.523	0.534	0.544	0.555	$0.566
Intergovernmental	0.376	0.369	0.382	0.387	0.459	0.369	0.072	0.378	0.386	0.393	0.401	0.409	$0.417
Other Revenue & Sources	1.121	0.472	0.461	0.607	1.637	0.744	0.798	0.551	0.551	0.568	0.590	0.617	$0.645
TOTAL	**13.556**	**13.621**	**12.708**	**12.304**	**13.692**	**12.887**	**13.404**	**14.196**	**16.213**	**16.707**	**17.205**	**17.657**	**18.132**
Dollar Change Per Year	**$1.319**	**$0.065**	**-$0.913**	**-$0.404**	**$1.388**	**-$0.805**	**$0.517**	**$1.309**	**$2.017**	**$0.494**	**$0.499**	**$1.444**	**$1.425**
GROWTH RATES:													
Property Tax	11.36	3.78	5.15	3.03	-0.74	2.56	1.93	5.75	2.50	2.00	1.50	1.75	2.00
Transient Occupancy Tax	8.51	4.42	-13.83	0.32	5.37	4.36	6.83	9.15	4.00	3.00	3.50	3.00	3.00
Sales Tax	-1.20	9.19	-6.79	-25.72	11.48	-4.61	19.06	19.06	3.00	4.75	4.30	3.00	2.90
Measure D									3.00	4.75	4.30	3.00	2.90
Business License Tax	-19.95	88.29	-2.87	-9.52	-4.54	-2.21	-2.79	-4.35	1.00	2.00	2.00	3.00	3.50
Fees and Permits	-11.75	0.82	-25.00	21.41	-12.72	15.24	-4.35	-6.35	3.00	2.60	2.75	2.75	2.50
Interest, Rents, Parking Lots	38.25	-8.79	-39.02	-35.23	-6.00	0.80	-3.33	-3.33	1.00	1.00	1.25	2.00	2.25
Franchise Fees	17.09	-8.58	9.62	-3.00	5.30	-14.77	26.18	26.18	2.00	2.00	2.00	2.00	2.00
Intergovernmental	-8.96	-1.86	3.52	1.31	18.60	-19.62	-80.49	2.45	2.00	2.00	2.00	2.00	2.00
Other Revenue & Sources	99.82	-57.89	-2.33	31.67	169.69	-54.53	7.21	-25.97	0.00	3.00	4.00	4.50	4.50
TOTAL % Change from Prior Yr	**10.78**	**0.48**	**-6.70**	**-3.18**	**11.28**	**-5.88**	**4.01**	**10.16**	**14.21**	**3.04**	**2.98**	**5.69**	**5.39**

REVENUE PROJECTION ASSUMPTIONS

Property Taxes

Over the past five years, prior to Fiscal Year 2012-13, annual increases in the property tax revenues have averaged about 2.6%. The budgeted Fiscal Year 2012-13 increase is 1.93% compared to the previous year's actual revenue. Proposition 13 allows an annual maximum increase of 2% on properties that have not declined below their assessed value. As a result of a number of properties, values in the City declined below their assessed valuation, a slow recovery in this revenue source was anticipated in Fiscal Year 2012-13. The latest data suggests an estimated increase of 5.75% compared to Fiscal Year 2011-12 actual. The future growth rate forecasts a growth rate of 2.50% in Fiscal Year 2013-14, followed by an average increase of 1.8% in the following fiscal years.

Transient Occupancy Tax

This source of revenue is highly dependent on tourism and the availability of lodging in the City. The revenue is based on a 10% tax rate and is projected to increase by 4% in Fiscal Year 2013-14 compared to the Fiscal Year 2012-13 estimate. Moderate growth is projected thereafter. The projected Fiscal Year 2014-15 growth rate is 3.0% with a sustainable growth rate of 3.17% on average thereafter.

Retail Sales Tax

The sales tax began to rebound in late 2010 and early 2011 but remained somewhat volatile. The Fiscal Year 2012-13 budget and estimate are 19.06% higher than the prior year. Subsequent fiscal years show continued modest growth of sales tax as the economy continues to solidify. The projected Fiscal Year 2013-14 growth rate is 3.00% with 3.74% average growth thereafter. Measure D is projected to mirror the City's one-percent Bradley-Burns tax.

Business License Tax

Business license revenue growth has been in continued decline. Continued management of business license issuance and renewal is necessary to assure compliance. Outreach to the business community to support and explain the rules and process for obtaining a business license is a key component of compliance and assuring a level playing field in the business community between those that are obtaining the license and collecting and remitting and those that are not. The forecast projects one-percent growth in this revenue in Fiscal Year 2013-14 with inflationary growth thereafter. Additional revenue growth in this source may be possible with a successful outreach program.

Fees and Permits

This revenue category primarily includes building permit fees and planning permit fees. Parking and other permit revenues are also included in this category. Fee and permit revenue is volatile and dependent on economic conditions. While this revenue has experienced an average negative growth rate during the past six years, this revenue source is projected to have a positive growth rate during the forecast period as building permit activity rebounds.

Interest, Rents, Parking Lots

This category broadly includes revenue from City assets including interest earnings on savings and investment, facility use and rent, and revenue from the north Sunset Center parking lot. This category has had an average negative growth rate of 15% for the six most recent years. The budget anticipates continued negative growth. Future growth rates are anticipated to be steady and modest averaging 1.5% annually.

Franchise Fees

About 42% of these revenues come from the garbage collection franchise, 26% of these revenues come from cable television franchises, and the other 32% are from water, gas and electric utilities. Future growth rates are dependent on cable revenues and low inflation in prices for gas and electricity. Franchise fee revenues are projected to experience growth during the forecast period at approximately the rate of growth of the Consumer Price Index in the subsequent years. This revenue category may exceed forecast expectations or may be impacted by a renegotiated garbage franchise. Estimates will be revised if growth trends demonstrate a rate higher than inflation.

Intergovernmental

Intergovernmental revenue is both dependent on economic conditions and on State budget constraints. This category primarily includes vehicle license fee revenue. Statewide revenues from the vehicle license fee fund city and county services, but the State Legislature controls the tax rate and the allocation among local governments. In 2004, the Legislature permanently reduced the vehicle license fee tax rate and eliminated State general fund backfill to cities and counties. Cities and counties subsequently received additional transfers of property tax revenues in lieu of vehicle license fees. SB89 of 2011 eliminated, effective July 1, 2011, vehicle license fee revenue allocated under California Revenue and Taxation Code 11005 to cities. As a part of the Legislature's efforts to solve the State's chronic budget problems, the bill shifted all city vehicle license fee revenues to fund law enforcement grants that previously had been paid by a temporary State tax and – prior to that – by the State general fund. The League of California Cities challenged this action in court as a Constitutional violation. Cities were instructed to expect zero vehicle license fee revenues in 2011-12 and in subsequent years unless and until there is a change in law. However, with the passage of Proposition 30, the State reimbursed vehicle license fee revenue to the City. It is unclear how predictable this revenue will be in the future but the forecast anticipates the revenue to continue being remitted to the City during the forecast period.

Other Revenues

This category has four main components: 1) Grants, 2) Transfers, 3) Charges for services, and 4) various miscellaneous revenues. Grant revenue is volatile from year to year. Transfers were more than $1 million in Fiscal Year 2010-11 and more than $600,000 in Fiscal Year 2011-12 as the City utilized reserves to maintain service level and fund capital improvements. The Other Revenue category in the forecast assumes base-level revenue and does not include, in the forecast, significant transfers into the General

Fund or use of fund balance. Transfers may be completed that are project specific or are necessary to meet unanticipated expenditure requirements. Charges for service and various miscellaneous revenues are estimated to generate $200,000 annually going forward.

FORECAST EXPENDITURE DETAIL

The expenditure forecast depicts how the General Fund discretionary revenue is anticipated to be appropriated. Discretionary revenue is primarily spent as departmental base to fund operations. The remaining discretionary revenue is either invested in capital improvements for one-time needs or used to fund required debt service obligations. The forecast is comprised of three categories: 1) non-salary changes, 2) changes in debt payments, and 3) salary and benefit changes.

FIVE-YEAR FY 2012-13 through 17-18 General Fund Expenditures
in millions of dollars

	FY06-07 Actual	FY07-08 Actual	FY08-09 Actual	FY09-10 Actual	FY10-11 Actual	FY11-12 Actual	FY12-13 Budget	FY13-14 Projected	FY 14-15 Projected	FY 15-16 Projected	FY 16-17 Projected	FY 17-18 Projected	Average Annual Growth
Departmental	10.893	11.954	12.129	12.120	11.873	11.931	12.589	12.589	14.085	14.428	14.873	15.421	
Capital Investments		1.017	1.288	0.076	1.056	1.454	0.000	0.500	0.984	0.984	0.984	0.984	
Debt Service and Obligations	0.759	0.797	0.566	0.604	0.513	0.815	0.815	0.815	1.464	1.176	1.104	1.101	
Non-Salary changes								0.165	0.040	0.050	0.050	0.050	
Change in debt payments								0.649	-0.288	-0.072	0.003	0.001	
Salary and benefit changes								0.681	0.591	0.467	0.495	0.408	
Annual Total	**11.652**	**13.768**	**13.983**	**12.800**	**13.442**	**14.200**	**13.404**	**15.400**	**16.876**	**17.033**	**17.510**	**17.965**	
BASE GROWTH RATES:													
TOTAL % Change from Prior Yr	**0.1%**	**18.2%**	**1.6%**	**-8.5%**	**5.0%**	**5.6%**	**-5.6%**	**14.9%**	**25.9%**	**10.6%**	**13.7%**	**6.5%**	7.33%
Measure D Capital Contributions	Gray information is included as part of the base budget above but are here for historical detail												
Measure D: Road Maintenance								0.300	0.284				
Measure D: Capital Improvements								0.458	0.200				
Non-Salary Cost													
Fire Contract						0.854	1.768	0.035	0.040	0.050	0.050	0.050	
Ambulance						0.462	0.421	0.080					
SCC Contract				0.680	0.650	0.750	0.600	0.050					
Debt Service and Obligations													
Debt Service					0.513	0.513	0.513						
Pension Obligation Bonds								0.703	(0.004)	(0.001)	0.003	0.001	
Lease Payments						0.302	0.302	(0.053)	(0.284)	(0.071)			
Salary & Benefit changes													
Salaries	0.434	0.254	(0.189)	0.444	(0.070)	0.090	(0.381)	0.553	0.391	0.264	0.277	0.175	
Health	0.153	0.048	0.001	0.025	0.032	0.018	(0.018)	0.132	0.081	0.089	0.098	0.108	
Retirement	0.102	0.083	(0.042)	0.131	0.000	0.042	(0.084)	(0.091)	0.063	0.056	0.058	0.061	
Other	(0.684)	0.536	0.331	(0.436)	0.082	0.151	(0.327)	0.087	0.056	0.059	0.061	0.064	
Total Annual GFC Increase	**0.01**	**2.12**	**0.22**	**-1.18**	**0.64**	**0.76**	**-0.80**	**2.00**	**3.47**	**1.63**	**2.11**	**1.09**	
Total Cumulative $ Change from FY 06-07 Actual		**2.12**	**2.33**	**1.15**	**1.79**	**2.55**	**1.75**	**3.75**	**5.22**	**5.38**	**5.86**	**6.31**	

Total General Fund discretionary revenue is appropriated in three broad ways. First, in Fiscal Year 2012-13 the base budget for General Fund departments totals $12.6 million. Second, the budget would earmark funding for capital investment including deferred maintenance and a designation for future capital projects. However, the Fiscal Year 2011-12 budget did not allocate any discretionary revenue to capital improvement but instead invested in capital expenditures utilizing fund balance and earmarked revenues. Third, the remaining $815,000 is appropriated for debt service obligations.

The Five-Year Expenditure Projections table includes both actual and projected numbers. The actual numbers, including those in the Adopted Fiscal Year 2012-13 Budget, are to the left of the vertical double line while forecast projections are to the right of the vertical double line. The top portion of the table includes aggregate numbers of the three uses of General Fund revenue. The details of that spending are at the bottom portion of the table. The numbers in the grey box are presented only for historical comparison and are part of the aggregate numbers in the top section of the table.

Non-Salary

Non-salary cost increases include shifts in the City's use of funding to maintaining the Fire Department's level of service by entering into a contract agreement with the City of Monterey and to maintain the City's fire-ambulance service by assuming responsibility for the function following the dissolution of the Carmel Regional Fire Ambulance Authority. The other non-salary cost increase projected in the forecast is to allocate funding on an ongoing basis to Sunset Center Inc. related to operating the Sunset Cultural Center.

Debt Service

Debt service payments are anticipated to slightly during the forecast period as vehicle lease payments end. The forecast projects a revised strategy for funding vehicle purchases moving from lease purchase of vehicles back to a vehicle replacement purchase program. The forecast includes the increase in debt service related to the refinancing of the side fund obligation. The debt service for the pension obligation bond is approximately $700,000 annually, the certificate of participation payment for the Sunset Center improvements is $513,000 annually.

Salary and Benefits

The salary and benefit increases include anticipated personnel related expenditures. They are determined based on negotiated Memoranda of Understanding (MOUs), health insurance; retirement benefit cost projections, and mandated costs such as workers compensation and Social Security contributions. The assumptions behind these increases include: 1) certain net increase in FTE to enhance services in accordance with the Service Level Sustainability Plan and consistent with Measure D funding, 2) no enhancements of health or retirement benefits, and 3) costs associated with salaries to remain relatively flat but with flexibility in the forecast for the City Council to act on a revision of the salary plan.

Employee health insurance costs have been rising at an average a rate of 2% over the past five years even with staffing reductions. The forecast projects health insurance costs will increase on an annual average rate of 10% as the City continues to implement cost avoidance and management strategies.

The average annual increases in CalPERS retirement rates have been 7.31% since Fiscal Year 2005-06. The investment losses during Fiscal Year 2008-09 have a significant impact on the Fiscal Year 2012-13 retirement rate paid by the City. Smoothing formulas enable the rates to increase more modestly in future years (5.25% average annual increases). The ameliorative measures already taken by the City Council provide downward pressure on the future growth rate. However, CalPERS has adopted a lower assumption rate which will cause rates to increase in Fiscal Year 2013-14. The side fund payment is no longer included in the retirement rate paid to CalPERS resulting in an annual decrease of over 10% in Fiscal Year 2013-14 compared to the prior fiscal year.

Other salary and benefit costs include all personnel costs other than salaries, health insurance, and retirement rates. Medicare, workers compensation, life, and unemployment insurance premiums, and other MOU obligations are included in this category. The average annual growth rate has been 4.09% for the past six years. The total cost of these is approximately $1.3 million annually and the assumed growth rate is 4.5% annually.

FIVE YEAR 2013-2018

FINANCIAL FORECAST

3/19/2013
Issued by the
City Administrator

Introduction

- The report includes five-year projections of City revenue and expenditures
- Designed to provide intermediate term financial information for the City Council
- In general, the forecast demonstrates the fiscal condition of the City can remain balanced
- The forecast anticipates increasing expenditures to maintain or enhance levels of service and meet the requirements of safely and cost effectively maintaining existing community assets and infrastructure.

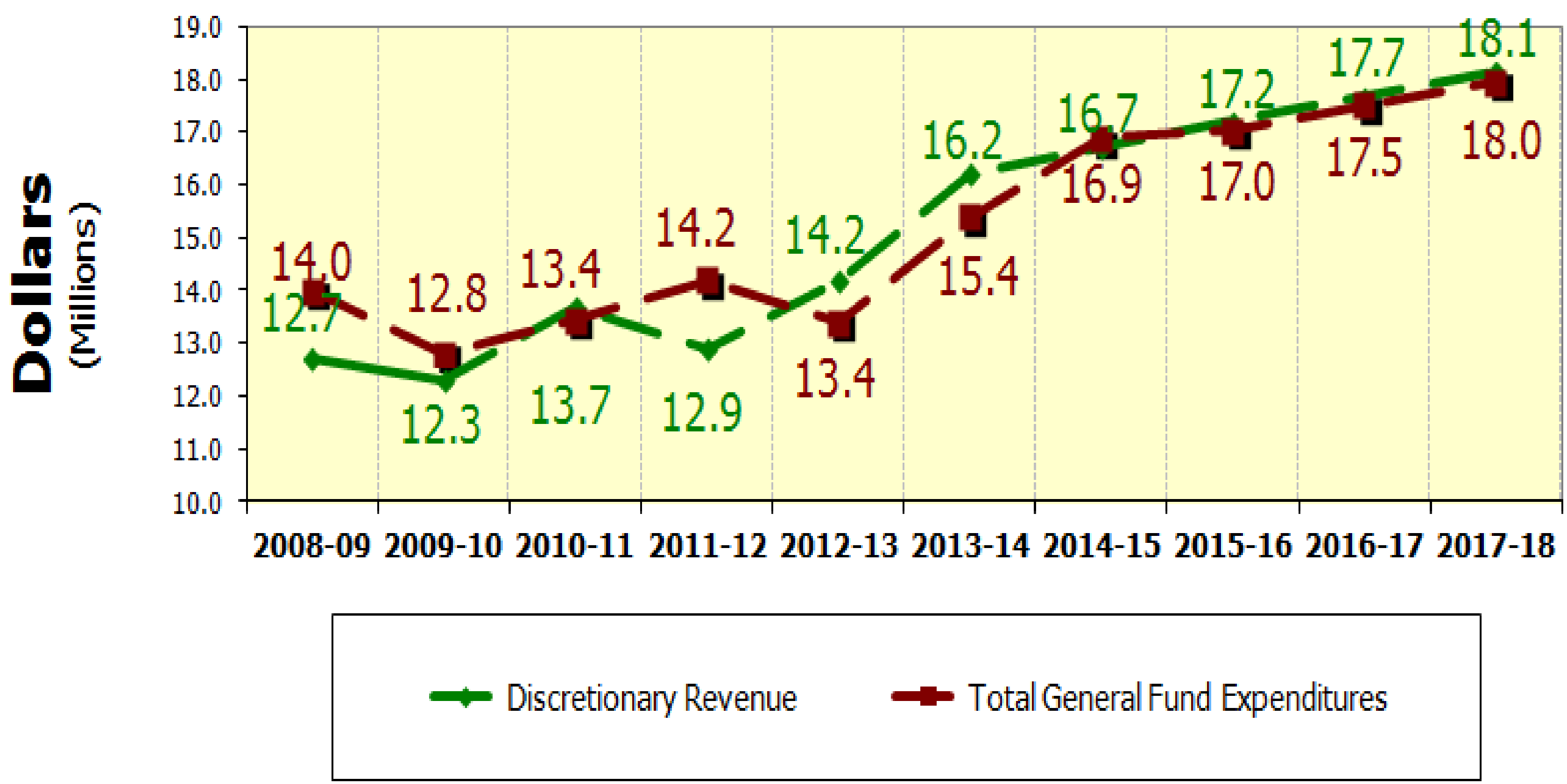
Introduction

- The forecast is a tool to provide the City Council a context for decision making
- Helps to inform the public about expected service levels from the City
- Provides an overview of the City's financial condition and integration of its various elements

Summary of forecast

- Revenue are projected to keep pace with anticipated expenditures
- Increases in levels of service are consistent with the Service Level Sustainability Plan
- The five-year forecast shows a steady balance between revenues and expenditures.

Five Year General Fund Revenue & Uses



Revenues

- Revenue is projected to have modest growth during the forecast period
- Big 3:
  - Property tax average projected growth 1.95%
  - TOT average projected growth 3.3%
  - Sales tax average projected growth 3.59%
- Average revenue growth $480,000 annually

FIVE-YEAR FY 2012-13 through FY 2017-18 DISCRETIONARY REVENUE PROJECTIONS

in millions of dollars

Revenue Source (Dollars in Millions)	FY06-07 Actual	FY07-08 Actual	FY08-09 Actual	FY09-10 Actual	FY10-11 Actual	FY 11-12 Actual	FY 12-13 Budget	FY 12-13 Estimate	FY 13-14 Projected	FY 14-15 Projected	FY 15-16 Projected	FY 16-17 Projected	FY 17-18 Projected
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Business License Tax	-19.95	88.29	-2.87	-9.52	-4.54	-2.21	-2.79	-4.35	1.00	2.00	2.00	3.00	3.50
Fees and Permits	-11.75	0.82	-25.00	21.41	-12.72	15.24	-4.35	-6.35	3.00	2.60	2.75	2.75	2.50
Interest, Rents, Parking Lots	38.25	-8.79	-39.02	-35.23	-6.00	0.80	-3.33	-3.33	1.00	1.00	1.25	2.00	2.25
Franchise Fees	17.09	-8.58	9.62	-3.00	5.30	-14.77	26.18	26.18	2.00	2.00	2.00	2.00	2.00
Intergovernmental	-8.96	-1.86	3.52	1.31	18.60	-19.62	-80.49	2.45	2.00	2.00	2.00	2.00	2.00
Other Revenue & Sources	99.82	-57.89	-2.33	31.67	169.69	-54.53	7.21	-25.97	0.00	3.00	4.00	4.50	4.50
TOTAL % Change from Prior Yr	**10.78**	**0.48**	**-6.70**	**-3.18**	**11.28**	**-5.88**	**4.01**	**10.16**	**14.21**	**3.04**	**2.98**	**5.69**	**5.39**

Expenditures

- Debt service is anticipated to be $1.4 million annually decreasing to $1.1 million
  - Sunset Center COP $513,000
  - POB $700,000
  Vehicle leases decreasing to $0 from $302,000
- Measure D funding allocated to:
  - Road maintenance: $584,000
  - Capital improvements: $458,000
  - Service level enhancements: $407,000
  - Refinancing the Side Fund debt: $700,000

FIVE-YEAR FY 2011-12 through 16-17 General Fund Expenditures

in thousands of dollars

	FY05-06 Actual	FY06-07 Actual	FY07-08 Actual	FY08-09 Actual	FY09-10 Actual	FY10-11 Actual	FY11-12 Budget	FY12-13 Projected	FY13-14 Projected	FY 14-15 Projected	FY 15-16 Projected	FY 16-17 Projected	Average Annual Growth
Departmental	9.705	10.893	11.954	12.129	12.145	11.752	12.212	12.212	12.602	12.950	13.290	13.657	
Capital Investments	*1.158*		1.017	1.288	0.076	1.056	1.454	1.000	1.200	1.200	1.400	1.500	
Debt Service and Obligations	0.774	0.759	0.797	0.566	0.579	0.634	0.534	0.534	0.584	0.527	1.102	1.102	
Non-Salary changes								0.100	0.000	0.000	0.000	0.000	
Change in debt payments								0.050	-0.057	0.576	0.000	-0.071	
Salary and benefit changes								0.290	0.349	0.340	0.366	0.411	
Annual Total	**11.637**	**11.652**	**13.768**	**13.983**	**12.800**	**13.442**	**14.200**	**14.186**	**14.677**	**15.593**	**16.159**	**16.599**	
BASE GROWTH RATES:													
TOTAL % Change from Prior Yr		**0.1%**	**18.2%**	**1.6%**	**-8.5%**	**5.0%**	**5.6%**	**-0.1%**	**3.5%**	**9.9%**	**10.1%**	**6.5%**	4.72%
Departmental													
	Gray information is included as part of the base budget above but are here for historical detail												
Non-Salary Cost													
Litigation Reserve								0.1000					
Fire Contract							0.85						
Ambulance							0.46						
Debt Service and Obligations													
Sunset Center					0.562	0.552	0.611						
Debt Service					0.017	0.017	0.023						
Lease Payments							0.302		-0.0573	-0.1742		-0.0706	
Vehicle Fund								0.0500		0.7500			
Salary & Benefit Increases													
Salaries	0.000	0.434	0.254	-0.189	0.444	-0.070	0.090	0.0849	0.0721	0.0975	0.1243	0.1529	
Health	0.000	0.153	0.048	0.001	0.025	0.032	0.018	0.0348	0.0511	0.0781	0.0859	0.0945	
Retirement	0.000	0.102	0.083	-0.042	0.131	0.000	0.186	0.1094	0.1625	0.0984	0.0869	0.0913	
Other	0.000	-0.684	0.536	0.331	-0.436	0.163	-0.075	0.0604	0.0631	0.0660	0.0689	0.0720	
Total Annual GFC Increase		**0.01**	**2.12**	**0.22**	**-1.18**	**0.64**	**0.76**	**-0.01**	**0.49**	**1.41**	**1.48**	**1.01**	
Total Cumulative $ Change from FY 06-07 Actual			**2.12**	**2.33**	**1.15**	**1.79**	**2.55**	**2.53**	**3.03**	**3.94**	**4.51**	**4.95**	