

GENERAL FUND LONG RANGE MODEL REVENUE & EXPENDITURE ASSUMPTIONS

REVENUE ASSUMPTIONS

- **Property Tax** – Projections based on information provided by HdL Coren & Cone. Projections includes an assumed recession in 2020. Annual growth ranges from 0.03% in the projected recession year to 5.25%. For context the City saw an increase of 6.35% in assessed valuation in FY 2017. Unsecured Property Tax – 1% annual growth, these taxes are not tied to property and therefore market value is not a factor. Projections also include RPTTF (RDA Redistribution of funds).
- **Sales Tax** – Projections based on information provided by MuniServices. The sales tax shows contraction in 2 fiscal years, one for the known departure of a top tax payer and the other for a recession scenario ranging from -2.1% in FY 2020, 4.35% in FY 2021, 4.37% in FY 2022, 4.38% in FY 2023. With an assumption of 2.5% growth annually for years information not provided.
- **Utility Users Tax (UUT)** - 2.0% growth annually.
- **Cannabis Tax Revenue** – Projected at \$750K in FY 2019, \$1M in FY 2020, \$1.25M in FY 2021 and 2% growth in subsequent years.
- **Other Taxes** - 2.0% growth annually.
- **RPTT** – New voter-passed rate increased to \$8.50 per \$1000 property value.
- **Franchise Fees** - 2.0% growth annually.
- **Construction Related Permits/Fees** - 2.0% growth annually.
- **Public Safety Fees/Services and Residential Rental Inspections** - 2.0% growth annually.
- **Licenses & Permits** - 3.0% growth annually.
- **Fairview Fire Protection District**- 2.0% growth annually.
- **Intergovernmental Revenue** - 2.0% growth annually.
- **Fines & Forfeitures** -2.0% growth annually.
- **Parking Citations-In House** - 2.0% growth annually.
- **Interest and Rental** - 2.0% growth annually.
- **Does not include use of one-time funds** (e.g. proceeds from 238 sales, UUT prior period receipts)

EXPENDITURE ASSUMPTIONS

NOTE: The Model as presented assumes no increase in budgeted FTE.

- **Salary Increases** – Based on negotiated contracts through FY 2021 for Miscellaneous groups and FY 2024 for Police & Fire. All salary increases in subsequent years are projected at 2% annually.
- **Merit/Turnover Rate** – Ranges from .25% to 1.42% in FY2019 and FY2020, with .25% annual growth in out years.
- **PERS Employer Contribution** - Projections based on actuarial. Misc. Plan ranges from 27.14% to 35.54%. Fire Plan ranges from 45.21% to 60.96%. Police Plan ranges from 50.27% to 65.25%.
- **PERS Cost Share; Employee Contributions towards Employer Rate** – Clerical/Maintenance bargaining units – 4.5% through FY2020, and an increase to 5% in FY2021. Public Safety bargaining units – 6.0%. HAME/Local 21/Unrep-Non-Exempt/Unrep-Exempt/Mayor & City Council – 3.0%. Unrep Dept. Heads/Appointed – 5.0%.
- **Medical** – 6.0% annual growth.
- **Dental** - 2.0% annual growth.
- **Vision** - 3.0% growth every three years.
- **Works Compensation** – 2.5% annual growth.
- **Medicare** – 2.0% annual growth.
- **Retiree Medical*** – Misc & Fire Plans – 0% growth due to fixed cap. Police Plan – 6.0% annual growth, additional contributions to ARC of \$2M in FY2019, \$2.6M in FY2020, \$4.4M in FY2021, \$6.2M in FY2022, and \$6.4M in FY2023, fully funding the ARC in \$6.4M.
- **Maintenance & Utilities** – 2.0% annual growth.
- **Services & Supplies** – 2.0% annual growth.
- **Internal Service Fees** – 2.0% annual growth.

* The City's Police & Fire groups agreed through negotiations to voluntarily contribute 1% towards funding the retiree medical ARC beginning in FY 2019.