



City Council Workshop Agenda

Mayor Jerry Weiers
Vice Mayor Ian Hugh
Councilmember Jamie Aldama
Councilmember Joyce Clark
Councilmember Ray Malnar
Councilmember Lauren Tolmachoff
Councilmember Bart Turner

Tuesday, December 20, 2016

1:30 PM

Council Chambers

Workshop

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

AMENDED WORKSHOP MEETING AGENDA

On December 19, 2016 at 8:35 a.m., the agenda summary was amended to add an Executive Session item.

CALL TO ORDER

WORKSHOP SESSION

1. [16-598](#) GLENDALE POLICE DEPARTMENT PUBLIC SAFETY EQUIPMENT PRESENTATION
Staff Contact and Presenter: Rick St. John, Police Chief
Staff Presenter: Scott Waite, Public Information Sergeant
2. [16-644](#) COUNCIL ITEM OF SPECIAL INTEREST: EMAIL RETENTION
Staff Contact and Presenter: Julie K. Bower, City Clerk
3. [16-643](#) FIVE-YEAR FINANCIAL FORECASTS
Staff Contact and Presenter: Vicki Rios, Director, Budget and Finance
Staff Presenter: Tom Duensing, Assistant City Manager
Staff Presenter: Terri Canada, Administrator, Budget and Finance

Attachments: [Five-Year Forecast Memorandum_v1](#)

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

CITY ATTORNEY'S REPORT

This report allows the City Attorney to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Attorney since they are not itemized on the Council Workshop Agenda.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The Council does not discuss the new topics at the Workshop where they are introduced.

MOTION AND CALL TO ENTER INTO EXECUTIVE SESSION

EXECUTIVE SESSION

1. LEGAL MATTERS

A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))

B. Council will meet to discuss and consider records exempt by law from public inspection and are specifically required to be maintained as confidential by state or federal law. (A.R.S. § 38-431.03(A)(4))

2. PERSONNEL MATTERS

A. The City Council will meet to discuss the employment of the City Manager, City Attorney and City Clerk. (A.R.S. §38-431.03(A)(1))

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));**
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));**
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));**
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));**
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or**
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).**

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).



Legislation Description

File #: 16-598, Version: 1

GLENDALE POLICE DEPARTMENT PUBLIC SAFETY EQUIPMENT PRESENTATION

Staff Contact and Presenter: Rick St. John, Police Chief

Staff Presenter: Scott Waite, Public Information Sergeant

Purpose and Policy Guidance

The purpose of this item is to provide City Council with an update on current public safety equipment for the Glendale Police Department and provide answers to any questions Council may have. This presentation will include a video demonstration on the new body-worn cameras, as well as information on recently purchased ballistic helmets, along with other safety equipment being considered. This item is for Council information only.

Background

Over the last year, the Glendale Police Department has been working to implement new equipment, focusing on improved public service and increased officer safety. On February 23, 2016, Council authorized the City Manager to enter into an agreement with Taser International, Inc. (C-10677) for police video capture system including body-worn cameras, in-vehicle recorders, video storage, and digital media management system. Upon review of many systems on the market, the Taser Axon Body 2 was selected for the body-worn camera program. On June 14, 2016, Council authorized an increase in expenditure authority with W.W. Grainger, Inc. to accommodate costs associated with the purchase of new Level III-A helmets with riot face shields for every officer. This allowed the Police Department to outfit every officer with the proper protective headgear with clearly identified ballistic value and accurate sizing. Currently, new shields and vests are also being discussed to provide additional safety for Glendale Police officers.

Analysis

Body-worn cameras have been distributed to patrol officers, sergeants and lieutenants, who received hands-on training regarding the cameras and their use. The cameras have been deployed and video footage has already been obtained, with the digital media management system (Evidence.com) already linked with the City Prosecutor's Office and the Maricopa County Attorney's Office. The use of body-worn cameras provides a better opportunity for the Police Department to serve citizens and improve public trust, while also providing support for patrol staff. Video footage provides an opportunity to sustain the actions of sworn staff, while also providing training opportunities if particular actions are not in line with protocol. Clear documentation of incidents in video footage may also contribute to more accurate reporting. New helmets have been distributed to all sworn staff as a part of their personal protective equipment. The extra protection has been provided to safeguard officers in situations of extreme violence.

Community Benefit/Public Involvement

As part of 21st Century Policing, Glendale Police Department's intent is to improve transparency and strengthen trust within the community, while continuing to reduce crime and keep officers safe. Upgraded equipment ultimately protects officers and citizens, and is necessary for safe and effective delivery of police services. Body-worn cameras are an integral part of providing transparency. The videos from the body-worn cameras can be utilized to give both the police and the community a mechanism to discuss particular incidents, and perhaps determine what guides each group to view a particular incident differently. This information may lead to the formation of a common understanding, which will have a positive effect on future interactions.



Legislation Description

File #: 16-644, **Version:** 1

COUNCIL ITEM OF SPECIAL INTEREST: EMAIL RETENTION

Staff Contact and Presenter: Julie K. Bower, City Clerk

Purpose and Recommended Action

This item is follow up to a Council item of Special Interest (CIOSI) by Councilmember Turner and Vice Mayor Hugh related to length of retention for the City's email.

Background

At the September 6, 2016 City Council Workshop, Councilmember Turner, with support from Vice Mayor Hugh, requested the City Clerk review the retention policy for emails and other documents and bring the information forward for Council to review. Per the newly established City Council protocol for requesting a CIOSI, the purpose of this item is to seek further Council direction on whether there is consensus to conduct further research and schedule the item for a workshop.

Analysis

Upon direction from Council to move forward, the goal would be to provide Council with Glendale's retention schedule for email as compared with those of other local and national municipal governments. Results of this work would potentially be used in a solution for Glendale.

Staff has determined there would be three phases to the project:

- Phase 1 - Collect, review and analyze state and national data regarding email retention. Investigate and determine if there are agencies that provide standards and recognition for organizational transparency. Analyze electronic document management systems (EDMS) which would efficiently manage email based on its content. Analyze the cost of storage if the length of retention is increased and the cost of a possible EDMS.
 - Completed in 4 weeks
- Phase 2 - Implement an EDMS that would assist staff with the storage and retrieval of important email communications as well as all other City documents.
 - Completed in 6 months
- Phase 3 - Develop and provide training to City staff regarding how to determine if email messages are subject to longer retention and provide training in the use of the EDMS.

- Completed in 3 months

It is estimated this CIOSI should be completed in approximately 10 months and take up to 200 hours of staff time, depending upon which phases are implemented. It would impact the City Clerk's Office and the Innovation and Technology Department.

Community Benefit/Public Involvement

This would be determined as part of the CIOSI.

Budget and Financial Impacts

This would be determined as part of the CIOSI.



Legislation Description

File #: 16-643, Version: 1

FIVE-YEAR FINANCIAL FORECASTS

Staff Contact and Presenter: Vicki Rios, Director, Budget and Finance

Staff Presenter: Tom Duensing, Assistant City Manager

Staff Presenter: Terri Canada, Administrator, Budget and Finance

Purpose and Policy Guidance

The purpose of this item is to provide Council with an updated Five-Year Financial Forecast of the City's major Operating Funds, including the General Fund. The five-year forecasts for each fund include projected revenues and other financing sources, expenditures and other financing uses, amounts set aside for annual contingency, and forecasted ending fund balance.

Background

As part the annual budget process, a Five-Year Financial Forecast is prepared for each of the City's major operating funds. These forecasts serve two purposes; 1) provide a longer-term view of current year budget decisions affecting the City and 2) provide an estimate of the fund balance and its sensitivity to revenue and expenditures changes over the forecasted period. Best forecasting practice calls for realistic, yet conservative revenue estimates coupled with realistic service and staffing levels.

The forecasts include the City's General Fund, the Police and Fire Sales Tax Funds and certain enterprise and special revenue funds. The Enterprise Funds forecasts include the Water & Sewer Funds, Sanitation Fund, and Landfill Fund. The Special Revenue Fund forecasts include the Highway User Revenue Funds (HURF) and Transportation Funds. Unlike the General Fund, where the revenues are primarily unrestricted and can be used for any government purpose, revenues earned within the Police and Fire Sales Tax Funds, and Special Revenue Funds are restricted to the specific activities related to the fund's purpose. The Special Revenue Funds each have dedicated revenue sources which determine the level of expenditures or activities within the specific fund. The Enterprise Funds are primarily supported through user fees or charges for services and operate much like a business.

Analysis

To help in analyzing the financial information, it is important to understand the methodology used to prepare the forecast. Inherent in any forecast are normal revenue and expenditure growth assumptions. Additionally, the approach taken to develop the forecast assumes continuation of all services at current levels, maintaining contractual obligations, reasonable revenue forecasts, and consistency with financial policies and specific bond covenants. It is important to note that forecasted contingency (amounts set aside for unforeseen expenses) is included in each fund and the contingency methodology for each fund may be different depending upon the fiscal health of a fund.

As with any budget and forecast development process, it is important to identify potential challenges -and financial opportunities. A summary of key budget initiatives affecting the FY17-18 budget process include the following:

- Future operating and capital cost requirements of the Regional Wireless Consortium (RWC)
- Potential Western Area Branch Library operating costs currently estimated at \$500,000 per year
- Vehicle replacement costs, including fire apparatus
- Public Safety Personnel Retirement System (PSPRS) contribution rates and fiscal impacts of the Hall case
- Settlement Agreement with the AZ Cardinals
- Increased Capital Improvement Program (CIP) funding to address facilities and equipment maintenance needs

Detailed discussions about the forecasts for the different funds are included in the attached Five-Year Financial Forecast Memorandum.

Previous Related Council Action

On December 15, 2015, staff presented the Five-Year Financial Forecast for the General Fund and Major Operating Funds at a Council Workshop and initiated the FY16-17 budget process.

On December 16, 2014 staff presented the Five-Year Financial Forecast for the General Fund and Other Major Operating Funds at a Council Workshop and initiated the FY15-16 budget process.

Community Benefit/Public Involvement

The community benefit of the five year forecast of the City's major operating funds' is sound financial analysis which provides the basic framework for the upcoming budget process and resource allocation plan.

Budget and Financial Impacts

Budget and financial impacts are based on Council feedback.



Finance Department Memorandum

DATE: December 20, 2016
TO: Mayor and City Councilmembers
FROM: Vicki L. Rios, CPA, Director, Budget and Finance
SUBJECT: Five-Year Financial Forecasts

Purpose of the Financial Forecasts

As part of the annual budget process, a Five-Year Financial Forecast is prepared for each of the City's major operating funds. These forecasts serve two purposes: 1) provide a longer-term view of current year budget decisions affecting the City and 2) provide an estimate of the fund balance and its sensitivity to revenue and expenditures changes over the forecast period. Best forecasting practice calls for realistic, yet conservative, revenue estimates coupled with realistic service and staffing levels. Forecasts also identify key budgetary initiatives to be addressed and allow Mayor and Council the opportunity to provide policy level input for budget development.

Forecast Methodology

The City's General and Special Revenue Funds are primarily supported by taxes. Therefore, actual revenue recognized in these funds is dependent upon the local and state economies. Enterprise Funds are primarily supported by user fees and revenues which depend upon rates established by the City.

The General and Special Revenue Funds' revenue forecasts assume slight expansion of local and state economies with average transaction privilege tax (sales tax) growth of 2.5% per year over the five-year period and other fund revenue increases of approximately 1% per year.

Revenue growth in the Enterprise Funds **does not** assume any rate adjustments in the five-year forecast period; however, increases of one-half of one percent (0.5%) per year are assumed due to new customers. It should be noted, however, that rate studies are currently in process to assess the need for rate adjustments within the five-year forecast period.

Expenditure growth assumptions vary in the operating funds, depending on fund balance and net revenues available. For the most part, the forecast assumes average annual growth of 2.0% for commodities, and contractual services. Increases in wages and salaries for non-represented employees average 2.0% annually (wage and salary adjustments of 2.5% are partially offset by

employees at the wage and salary maximum) and anticipated wage and salary growth in police and fire are consistent with current memoranda of understanding.

General Fund

Overall, the General Fund forecast shows ongoing operating revenues are sufficient to cover ongoing operating expenditures with no structural deficits identified. It is important to note that General Fund supported debt service peaks at \$36.6 million in FY21-22. Assuming no additional General Fund supported debt is issued, this level of debt service, \$36.6 million per year, remains relatively flat through FY32-33 and drops to \$22.5 million per year in FY33-34 through FY37-38.

Expenditures

Ongoing General Fund operating expenditures assume modest increases in wages and salaries, continuation of current service levels and contractual obligations, and controlling operating costs. The forecast also takes into account:

- Future operating and capital cost requirements of the Regional Wireless Consortium (RWC)
- Potential Western Area Branch Library operating costs currently estimated at \$500,000 per year
- Vehicle replacement costs, including fire apparatus
- Public Safety Personnel Retirement System (PSPRS) contribution rates and fiscal impacts of the Hall case
- Settlement Agreement with the AZ Cardinals
- Increased Capital Improvement Program (CIP) funding to address facilities and equipment maintenance needs
- Modest increases to health insurance and benefit costs
- Annual replacements of Police in-vehicle computers starting in FY18-19, at \$250,000 per year
- Continued funding of Information Technology infrastructure needs including Finance and Human Resources Enterprise Resource Planning (ERP) system replacement

Revenues

General Fund sales tax revenues are forecasted to increase 3.5% in FY17-18, 3.0% in FY18-19 and FY19-20, and then slow to 2% and 1% increases in FY20-21 and FY21-22, respectively. State-shared income taxes and sales taxes are anticipated to increase by an average of 4.0% and 3.3% per year, respectively, which is consistent with the October 5, 2016 Joint Legislative Budget Committee's (JLBC), Financial Advisory Committee report. The forecast for Other Intergovernmental revenues is based on the Tohono O'odham settlement agreement, approved August 12, 2014. Finally, the growth rates for the other General Fund revenues are between 1% and 1.7% per year.

Fund Balance

The ending FY15-16 General Fund balance at June 30, 2016, used in the forecast is \$40.2 million. This amount determines the beginning fund balance for the subsequent years of the forecast.

General Fund - Five-Year Financial Forecast
FY17-18 Through FY21-22 with FY16-17 Comparative Data

	FY16-17		Forecast				
	Budget	Revised	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Operating Revenue							
<i>Local Taxes</i>							
City Sales Tax	103,449,149	103,449,149	107,069,869	110,281,965	113,590,424	115,862,232	117,020,854
Sales Tax Reduction	-	-	-	-	-	-	-
Primary Property Tax	5,621,452	5,621,452	5,627,073	5,632,700	5,638,333	5,643,971	5,649,615
Total Local Taxes	109,070,601	109,070,601	112,696,942	115,914,665	119,228,757	121,506,203	122,670,469
<i>Intergovernmental</i>							
State Shared Revenue	61,308,037	61,308,037	63,647,351	66,193,246	68,840,976	70,217,796	71,622,151
Other Intergovernmental	1,428,000	1,428,000	1,456,560	1,485,691	1,515,405	1,545,713	1,576,627
Total Intergovernmental	62,736,037	62,736,037	65,103,911	67,678,937	70,356,381	71,763,509	73,198,778
<i>Fees, Licenses, Permits, & Arena Fees</i>							
Fees, Licenses, & Permits	21,780,695	21,780,695	22,071,200	22,366,111	22,665,502	22,969,441	23,278,002
Arena Fees	2,702,446	2,702,446	1,932,828	1,952,156	1,971,678	1,991,395	2,011,309
Total Fees, Licenses & Permits	24,483,141	24,483,141	24,004,028	24,318,267	24,637,180	24,960,836	25,289,311
<i>Other & Miscellaneous</i>							
Other Revenues	3,887,310	3,887,310	3,923,400	3,959,851	3,996,666	4,033,850	4,071,405
Staff Admin. Chargeback Revenue	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000
Interest Income	400,041	400,041	404,041	408,081	412,162	416,284	420,447
Total Other & Miscellaneous	13,987,351	13,987,351	14,027,441	14,067,932	14,108,828	14,150,134	14,191,852
Total Operating Revenue	210,277,130	210,277,130	215,832,322	221,979,801	228,331,146	232,380,682	235,350,410
Expenditures & Other Financing Sources/Uses							
<i>Expenditures</i>							
Wages and Salaries	(91,349,935)	(91,349,935)	(93,198,815)	(95,564,478)	(97,676,767)	(99,708,946)	(101,738,795)
Overtime	(5,780,458)	(5,780,458)	(5,220,489)	(5,220,489)	(5,220,489)	(5,220,489)	(5,220,489)
Benefits	(46,332,498)	(46,332,498)	(51,271,420)	(52,296,848)	(53,342,785)	(54,409,641)	(55,497,834)
Supplies and Contracts	(24,333,233)	(24,333,233)	(23,561,089)	(23,561,089)	(23,561,089)	(24,036,311)	(24,521,037)
Utilities	(4,570,997)	(4,570,997)	(4,570,997)	(4,570,997)	(4,570,997)	(4,662,417)	(4,755,665)
Vehicle Maintenance & Fuel	(2,961,355)	(2,961,355)	(2,961,355)	(2,961,355)	(2,961,355)	(3,020,582)	(3,080,994)
Risk Mgt., Workers' Comp. & Tech Premium	(8,397,998)	(8,397,998)	(9,320,552)	(9,506,963)	(9,697,102)	(9,891,044)	(10,088,865)
Vehicle Replacement	-	-	(2,000,000)	(2,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Technology Projects	(1,427,225)	(1,427,225)	(817,318)	(1,049,710)	(1,070,704)	(1,092,118)	(1,113,960)
Capital Outlay	-	-	(6,360,037)	(4,548,504)	(4,910,326)	(3,173,504)	(3,173,504)
Arena Management Fee	(11,500,000)	(11,500,000)	(5,600,000)	(5,600,000)	(5,600,000)	(5,600,000)	(5,600,000)
Mobile Data Computers for PD	-	-	-	(250,000)	(255,000)	(260,100)	(265,302)
Fire Trucks	-	-	(1,608,735)	-	-	(2,000,000)	-
Library at Heroes Park	-	-	-	(250,000)	(510,000)	(520,200)	(530,604)
Stadium Settlement Agreement	-	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(2,800,000)	-
Total Expenditures	(196,653,699)	(199,653,699)	(209,490,807)	(210,380,433)	(215,376,615)	(219,395,352)	(218,587,050)
<i>Other Financing Sources/Uses</i>							
<i>Transfers In</i>							
Special Revenue - PSST Police	16,986,459	16,986,459	17,549,485	18,048,970	18,563,439	18,916,708	19,096,875
Special Revenue - PSST Fire	8,200,273	8,200,273	8,483,783	8,735,296	8,994,355	9,172,242	9,262,964
Total Transfers In	25,186,732	25,186,732	26,033,268	26,784,266	27,557,794	28,088,950	28,359,839
<i>Transfers Out</i>							
Special Revenue - Vehicle Replacement	(1,500,000)	(1,500,000)	-	-	-	-	-
Special Revenue - Transportation	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Special Revenue - Other	(585,967)	(585,967)	(585,967)	(585,967)	(585,967)	(534,299)	(534,299)
Maint. of Effort Enterprise Funds	(1,013,088)	(1,013,088)	(1,299,985)	(1,392,615)	(1,416,738)	(1,431,603)	(1,431,603)
General Governmental CIP	(4,105,053)	(4,105,053)	-	-	-	-	-
Debt Service - MPC	(26,166,623)	(26,166,623)	(26,220,756)	(32,502,132)	(33,602,865)	(35,533,663)	(36,621,364)
Total Transfers Out	(32,770,731)	(32,770,731)	(29,006,708)	(35,380,714)	(36,505,570)	(38,399,565)	(39,487,266)
Total Expenditures & Other Financing Sources/Uses	(204,237,698)	(207,237,698)	(212,464,247)	(218,976,881)	(224,324,391)	(229,705,967)	(229,714,477)
Total Surplus/(Deficit) Before Contingency	6,039,432	3,039,432	3,368,075	3,002,920	4,006,755	2,674,715	5,635,933
<i>Contingency</i>	(5,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,200,000)	(5,000,000)
Total Surplus/(Deficit) After Contingency	1,039,432	1,039,432	1,368,075	1,002,920	2,006,755	474,715	635,933
Beginning Fund Balance - With Contingency	40,226,400	40,226,400	41,265,832	42,633,907	43,636,827	45,643,582	46,118,297
Ending Fund Balance - With Contingency	41,265,832	41,265,832	42,633,907	43,636,827	45,643,582	46,118,297	46,754,230

Enterprise Funds

As stated previously, the Enterprise Funds include the Water & Sewer Fund, Sanitation Fund, and Landfill Fund. These funds are supported primarily from user fees or charges for services and operate much like a business. Forecasts for these funds are included on the following pages.

Overall, the financial results of the Enterprise Funds are significantly influenced by the capital outlay spending and financing. Rate studies are currently in process to assess the need for rate adjustments. The forecasts indicate some enterprise fund rate adjustments may be necessary as early as FY17-18 but the forecasts were prepared without incorporating any assumed rate increases. Without taking additional financial measures, some of the forecasted fund balances in the enterprise funds are projected to fall below the minimum level established by Council policy. Therefore, to protect the financial stability of the funds, the following items will need to be considered before the end of the forecast period:

- Timing of capital improvement projects
- Future bond funding of capital improvement projects
- Creating additional operational efficiencies and innovations
- Future rate adjustments

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Water & Sewer Enterprise Funds: These funds support the delivery of water and sewer treatment services to Glendale residents and businesses. Activities are completely self-supported through water sales, sewer user fees, and other related charges. The forecast indicates that without taking one or more additional financial measures, the fund balance is projected to fall below the minimum level established by Council policy. In addition, the debt service coverage ratio (Net Annual Operating Income/Annual Debt Service) which is established in the bond covenants is projected to fall below the required minimum during the forecasted period. Over the five-year forecast period, additional financial measures will need to be taken in order to meet all of the financial obligations of the water and sewer utility.

The forecast incorporates all estimated operational costs, with nominal inflation. The expense category includes all costs related to personnel services, contractual and commodities. Also included are the current debt service obligations, averaging \$23.5 million per year plus additional anticipated bond financing to support the capital plan starting in FY18-19. Capital Outlay included in the plan totals \$253 million for the next five years. Staff will continue to monitor and update the financial plan for potential changes in capital projects, bond funding or potential rate adjustments.

Water & Sewer Funds - Five-Year Financial Forecast
FY17-18 Through FY21-22 with FY16-17 Comparative Date

	FY16-17		Forecast				
	Budget	Rev Est	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Revenue & Other Financing Sources							
<i>Water Revenue</i>	45,484,000	45,484,000	45,711,420	45,939,977	46,169,677	46,400,525	46,632,528
<i>Sewer Revenue</i>	31,830,000	31,830,000	31,989,150	32,149,096	32,309,841	32,471,390	32,633,747
<i>Development Permits/Fees/Impact</i>	1,820,000	1,820,000	1,820,000	1,820,000	1,820,000	1,820,000	1,820,000
<i>Staff & Adm Chargebacks</i>	82,000	82,000	82,000	82,000	82,000	82,000	82,000
<i>Interest</i>	253,500	253,500	253,500	233,500	253,500	253,500	233,500
<i>Miscellaneous (Includes Rental Income)</i>	3,550,000	3,550,000	875,000	875,000	875,000	875,000	875,000
<i>Bond Proceeds</i>	-	-	-	25,000,000	50,000,000	40,000,000	10,000,000
<i>Reimb. outside sources (IGA)</i>	8,000,000	734,096	2,624,329	11,325,376	29,211,467	14,398,840	940,000
<i>Transfers In</i>	229,388	229,388	449,025	481,905	489,218	492,623	499,673
Total Revenue & Other Financing Sources	91,248,888	83,982,984	83,804,424	117,906,854	161,210,703	136,793,879	93,716,448
Expenses & Other Financing Uses							
<i>Wages and Salaries</i>	(13,694,188)	(13,694,188)	(13,968,072)	(14,247,433)	(14,532,382)	(14,823,029)	(15,119,490)
<i>Overtime</i>	(372,000)	(372,000)	(375,720)	(379,477)	(383,272)	(387,105)	(390,976)
<i>Benefits</i>	(5,113,287)	(5,113,287)	(5,215,553)	(5,319,864)	(5,426,261)	(5,534,786)	(5,645,482)
<i>Supplies and Contracts</i>	(20,702,369)	(20,702,369)	(20,909,393)	(21,118,487)	(21,329,671)	(21,542,968)	(21,758,398)
<i>Utilities</i>	(4,090,500)	(4,090,500)	(4,362,996)	(4,406,626)	(4,450,692)	(4,495,199)	(4,540,151)
<i>Vehicle Maintenance & Fuel</i>	(754,200)	(754,200)	(837,772)	(837,772)	(837,772)	(837,772)	(837,772)
<i>Vehicles, Technology, Risk Mgt., Workers' Comp.</i>	(7,171,269)	(7,171,269)	(7,396,094)	(7,544,016)	(7,694,896)	(7,848,794)	(8,005,770)
<i>Vehicle Replacement</i>							
<i>Capital Outlay</i>	(91,892,694)	(19,883,000)	(34,425,000)	(48,715,000)	(52,349,000)	(39,929,000)	(19,760,000)
<i>Pyramid Peak- Peoria Reimb.(IGA)</i>	(8,000,000)	(734,096)	(2,624,329)	(11,325,376)	(29,211,467)	(14,398,840)	(940,000)
<i>Debt Service</i>	(20,150,983)	(20,150,983)	(20,125,983)	(22,640,233)	(25,447,783)	(25,080,483)	(24,408,733)
<i>Debt Service on New Bonds</i>	-	-	-	-	(1,921,904)	(5,765,711)	(8,840,757)
Total Expenses & Other Financing Uses	(171,941,490)	(92,665,892)	(110,240,911)	(136,534,284)	(163,585,100)	(140,643,688)	(110,247,528)
Total Income (Loss)	(80,692,602)	(8,682,908)	(26,436,487)	(18,627,430)	(2,374,397)	(3,849,809)	(16,531,080)
Contingency	(2,000,000)	-	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Total Income/(Loss) w/ Contingency	(82,692,602)	(8,682,908)	(28,436,487)	(20,627,430)	(4,374,397)	(5,849,809)	(18,531,080)
Beginning Fund Balance - With Contingency	99,106,995	99,106,995	90,424,087	61,987,600	41,360,170	36,985,773	31,135,964
Ending Fund Balance - With Contingency	16,414,393	90,424,087	61,987,600	41,360,170	36,985,773	31,135,964	12,604,884

FB Policy 50% of Op Revenue

\$ 40,365,535 \$ 40,549,786 \$ 40,755,009 \$ 40,951,208 \$ 41,138,388

Solid Waste Enterprise Fund: This fund supports refuse collection and disposal services to homes and businesses in the city. Over the five-year forecast period, assuming constant revenues and minimal expenditure growth, a structural deficit exists. It is important to note that, depending on the timing of capital outlay projects and fund performance, future rate adjustments may be necessary. While revenues from operations are predicted to sustain operational costs through FY16-17, without taking additional financial measures, the fund balance will be reduced below the Council established minimum during the forecast period. Capital purchases, primarily for the replacement of vehicles, will need to be deferred until there is sufficient fund balance. Staff will continue to monitor and update the financial plan for potential changes in capital projects or potential rate adjustments.

**Solid Waste Fund - Five-Year Financial Forecast
FY16-17 Through FY20-21 with FY16-17 Comparative Date**

	FY16-17		Forecast				
	Budget	Rev Est	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Revenue & Other Financing Sources							
<i>Commercial Sanitation Revenue</i>	2,817,000	2,817,000	1,831,085	1,840,240	1,849,441	1,858,688	1,867,981
<i>Commercial Sanitation Rolloff</i>	800,000	800,000	804,000	808,020	812,060	816,120	820,201
<i>Residential Sanitation</i>	10,683,150	10,683,150	10,736,566	10,790,249	10,844,200	10,898,421	10,952,913
<i>Miscellaneous Bin Service</i>	100,500	100,500	101,003	101,508	102,016	102,526	103,039
<i>Internal Charges</i>	115,000	115,000	115,000	115,000	115,000	115,000	115,000
<i>Interest</i>	7,000	7,000	7,035	7,070	7,105	7,141	7,177
<i>Other Revenue</i>	101,000	101,000	101,000	101,000	101,000	101,000	101,000
<i>Transfers In</i>	125,392	125,392	136,153	145,714	148,403	150,237	220,026
<i>Lease Proceeds</i>	-	-	-	-	-	-	-
Total Revenue & Other Financing Sources	14,749,042	14,749,042	13,831,842	13,908,801	13,979,225	14,049,133	14,187,337
Expenses & Other Financing Uses							
<i>Wages and Salaries</i>	(3,896,203)	(3,896,203)	(3,974,127)	(4,053,610)	(4,134,682)	(4,217,375)	(4,301,723)
<i>Overtime</i>	(253,600)	(253,600)	(253,600)	(253,600)	(253,600)	(253,600)	(253,600)
<i>Benefits</i>	(729,313)	(729,313)	(743,899)	(758,777)	(773,953)	(789,432)	(805,220)
<i>Supplies and Contracts</i>	(2,883,822)	(2,883,822)	(2,883,822)	(2,883,822)	(2,883,822)	(2,883,822)	(2,883,822)
<i>Utilities/Landfill</i>	(2,534,820)	(2,534,820)	(2,534,820)	(2,534,820)	(2,534,820)	(2,534,820)	(2,534,820)
<i>Vehicle Maintenance & Fuel</i>	(1,093,950)	(1,093,950)	(1,093,950)	(1,093,950)	(1,093,950)	(1,093,950)	(1,093,950)
<i>Technology, Risk Mgt., Workers' Comp.</i>	(2,743,923)	(2,743,923)	(2,743,923)	(2,743,923)	(2,743,923)	(2,743,923)	(2,743,923)
<i>Capital Outlay</i>	(2,982,261)	(2,982,261)	(1,434,224)	(1,842,530)	(1,485,639)	(1,215,845)	(1,494,560)
<i>Debt Service - Principal</i>	-	-	-	-	-	-	-
<i>Debt Service - Interest & Fiscal Agent Fees</i>	-	-	-	-	-	-	-
Total Expenses & Other Financing Uses	(17,117,892)	(17,117,892)	(15,662,365)	(16,165,032)	(15,904,389)	(15,732,767)	(16,111,618)
Total Income (Loss)	(2,368,850)	(2,368,850)	(1,830,523)	(2,256,231)	(1,925,163)	(1,683,634)	(1,924,281)
Contingency	-	-	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Total Income/(Loss) w/ Contingency	(2,368,850)	(2,368,850)	(2,030,523)	(2,456,231)	(2,125,163)	(1,883,634)	(2,124,281)
Beginning Fund Balance - With Contingency	4,279,325	4,279,325	1,910,475	(120,048)	(2,576,280)	(4,701,443)	(6,585,077)
Ending Fund Balance - With Contingency	1,910,475	1,910,475	(120,048)	(2,576,280)	(4,701,443)	(6,585,077)	(8,709,359)
FB Policy 10% of Op Revenue			\$ 1,369,569	\$ 1,376,309	\$ 1,383,082	\$ 1,389,890	\$ 1,396,731

Landfill Enterprise Fund: This fund includes the activities at the Glendale Landfill including waste disposal, recycling and the materials recovery facility. Over the five-year forecast period, revenues are expected to remain stable with no assumed rate increases. Although there are no planned fee adjustments, it is important to note that depending on the timing of capital outlay projects and fund performance, future rate adjustments may be necessary.

A recent permit modification provides an additional four years of waste disposal in the south cell and will allow the landfill to stage construction activities for the north cell over the next seven years. This allowed the Landfill enterprise to defer a number of capital projects and reduced the five-year CIP total to \$21.9 million. It is anticipated that the capital improvement projects will remain pay-as-you-go until FY21-22 when a bond sale may be necessary. Staff will continue to monitor the performance of the fund for future financing options.

Landfill Fund - Five-Year Financial Forecast
FY17-18 Through FY21-22 with FY16-17 Comparative Date

	FY16-17		Forecast				
	Budget	Rev Est	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Revenue & Other Financing Sources							
<i>Recycling Sales</i>	1,565,500	1,565,500	1,581,155	1,596,967	1,612,937	1,629,066	1,645,357
<i>Tipping Fees</i>	5,371,644	5,371,644	5,425,360	5,479,614	5,534,410	5,589,754	5,645,652
<i>Staff & Adm Chargebacks</i>	431,000	431,000	431,000	431,000	431,000	431,000	431,000
<i>Internal Charges</i>	2,550,000	2,550,000	2,575,500	2,601,255	2,627,268	2,653,541	2,680,076
<i>Interest</i>	45,450	45,450	45,905	46,364	46,828	47,296	47,769
<i>Other Revenue</i>	324,625	324,625	324,625	324,625	324,625	324,625	324,625
<i>Transfers In</i>	658,308	658,308	714,806	764,996	779,117	788,743	1,155,134
<i>Bond Proceeds</i>	-	-	-	-	-	-	-
<i>Transfers In (GO Bonds)</i>							10,000,000
Total Revenue & Other Financing Sources	10,946,527	10,946,527	11,098,351	11,244,821	11,356,185	11,464,025	21,929,613
Expenses & Other Financing Uses							
<i>Wages and Salaries</i>	(3,056,569)	(3,056,569)	(3,117,700)	(3,180,054)	(3,243,655)	(3,308,529)	(3,374,699)
<i>Overtime</i>	(79,000)	(79,000)	(80,580)	(82,192)	(83,835)	(85,512)	(87,222)
<i>Benefits</i>	(429,080)	(429,080)	(437,662)	(446,415)	(455,343)	(464,450)	(473,739)
<i>Supplies and Contracts</i>	(4,369,734)	(4,369,734)	(4,457,129)	(4,546,271)	(4,637,197)	(4,729,941)	(4,824,539)
<i>Utilities</i>	(325,000)	(325,000)	(331,500)	(338,130)	(344,893)	(351,790)	(358,826)
<i>Vehicle Maintenance & Fuel</i>	(461,875)	(461,875)	(471,113)	(480,535)	(490,145)	(499,948)	(509,947)
<i>Vehicles, Technology, Risk Mgt., Workers' Comp.</i>	(1,335,668)	(1,335,668)	(1,362,381)	(1,389,629)	(1,417,422)	(1,445,770)	(1,474,685)
<i>Capital Outlay</i>	(8,028,308)	(4,130,509)	(3,557,978)	(1,028,598)	(2,480,176)	(3,979,116)	(10,903,084)
<i>Debt Service - Principal</i>	-	-	-	-	-	-	-
<i>Debt Service - Interest & Fiscal Agent Fees</i>	-	-	-	-	-	-	-
Total Expenses & Other Financing Uses	(18,085,234)	(14,187,435)	(13,816,043)	(11,491,824)	(13,152,666)	(14,865,056)	(22,006,743)
Total Income (Loss)	(7,138,707)	(3,240,908)	(2,717,691)	(247,002)	(1,796,482)	(3,401,031)	(77,130)
Contingency	(500,000)	-	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Total Income/(Loss) w/ Contingency	(7,638,707)	(3,240,908)	(3,217,691)	(747,002)	(2,296,482)	(3,901,031)	(577,130)
Beginning Fund Balance - With Contingency	9,049,671	9,049,671	5,808,763	2,591,072	1,844,069	(452,412)	(4,353,443)
Ending Fund Balance - With Contingency	1,410,964	5,808,763	2,591,072	1,844,069	(452,412)	(4,353,443)	(4,930,573)
FB Policy 15% of Op Revenue			\$ 1,557,532	\$ 1,571,974	\$ 1,586,560	\$ 1,601,292	\$ 1,616,172

Special Revenue Funds

As stated previously, the Special Revenue Funds, which include the Highway User Revenue Funds (HURF), the Transportation Funds, the Police Special Revenue Fund, and the Fire Special Revenue Fund, each have dedicated revenues sources which determine the level of expenditures or activities within the specific fund.

The Special Revenue Funds are forecasted to remain relatively stable. Unlike the enterprise operations, these forecasts assume modest growth in revenue due to anticipated improvement in overall economic conditions.

Highway User Revenue Funds (HURF) – These funds are used to track HURF monies that the State of Arizona distributes to cities, towns and counties. This revenue source is commonly referred to as the gasoline tax although there are several additional transportation related fees that comprise this revenue, including a portion of vehicle license taxes. Overall, much of this revenue source is based on the volume of fuel sold rather than the price of fuel. When fuel prices are lower, HURF revenues tend to grow as consumers use more fuel. There is a state constitutional restriction on the use of HURF revenues; they must be used solely for street and highway purposes such as maintenance, repair, reconstruction, and roadside development. In Glendale, the fund supports street maintenance, traffic signs and signals, street lighting, and other street-related activities. The anticipated rate of revenue growth is estimated at approximately 1% annually. Revenue estimates are provided by the League of Arizona Cities and Towns each March. Substantial expenditures over the next five years include major street improvements totaling \$55 million; however, this level of funding may need to be adjusted in order to ensure the financial stability of fund.

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**Highway User Revenue Funds - Five-Year Financial Forecast
FY17-18 Through FY21-22 with FY16-17 Comparative Date**

	FY16-17		Forecast				
	Budget	Rev Est	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Revenue & Other Financing Sources							
<i>HURF Revenue</i>	14,288,974	14,288,974	14,431,864	14,576,183	14,721,945	14,869,164	15,017,856
<i>Ins. Reimb</i>	21,836	21,836	22,054	22,275	22,498	22,723	22,950
<i>Other Revenue</i>	-	-	-	-	-	-	-
<i>Bond Proceeds</i>	-	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-	-
<i>Transfers In (GO Bonds)</i>	-	-	-	10,000,000	16,500,000	-	-
Total Revenue & Other Financing Sources	14,310,810	14,310,810	14,453,918	24,598,458	31,244,443	14,891,887	15,040,806
Expenditures & Other Financing Uses							
<i>Wages and Salaries</i>	(3,233,562)	(3,233,562)	(3,298,233)	(3,364,198)	(3,431,482)	(3,500,112)	(3,570,114)
<i>Overtime</i>	(66,600)	(66,600)	(66,600)	(66,600)	(66,600)	(66,600)	(66,600)
<i>Benefits</i>	(487,306)	(487,306)	(497,052)	(506,993)	(517,133)	(527,476)	(538,025)
<i>Supplies and Contracts</i>	(2,937,956)	(2,937,956)	(2,967,336)	(2,997,009)	(3,026,979)	(3,057,249)	(3,087,821)
<i>Utilities</i>	(2,904,984)	(2,904,984)	(2,963,084)	(3,022,345)	(3,082,792)	(3,144,448)	(3,207,337)
<i>Vehicle Maintenance & Fuel</i>	(108,790)	(108,790)	(110,966)	(113,185)	(115,449)	(117,758)	(120,113)
<i>Vehicles, Technology, Risk Mgt., Workers' Comp.</i>	(563,564)	(563,564)	(574,835)	(586,332)	(598,059)	(610,020)	(622,220)
<i>Capital Outlay</i>	(21,038,574)	(10,519,287)	(11,000,000)	(11,000,000)	(11,000,000)	(11,000,000)	(11,000,000)
<i>Debt Service - Principal</i>	-	-	-	-	-	-	-
<i>Debt Service - Interest & Fiscal Agent Fees</i>	-	-	-	-	-	-	-
<i>GO Credit</i>	-	-	-	-	-	-	-
Total Expenditures & Other Financing Uses	(31,341,336)	(20,822,049)	(21,478,106)	(21,656,662)	(21,838,494)	(22,023,662)	(22,212,230)
Total Income (Loss)	(17,030,526)	(6,511,239)	(7,024,188)	2,941,796	9,405,949	(7,131,775)	(7,171,424)
Contingency	(720,000)	(300,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Total Income/(Loss) w/ Contingency	(17,750,526)	(6,811,239)	(7,524,188)	2,441,796	8,905,949	(7,631,775)	(7,671,424)
Beginning Fund Balance - With Contingency	19,455,592	19,455,592	12,644,353	5,120,165	7,561,961	16,467,910	8,836,136
Ending Fund Balance - With Contingency	1,705,066	12,644,353	5,120,165	7,561,961	16,467,910	8,836,136	1,164,711
FB Policy 15% of Op Revenue			\$ 2,164,780	\$ 2,186,427	\$ 2,208,292	\$ 2,230,375	\$ 2,252,678

Transportation Sales Tax: The Transportation Sales Tax Funds support transportation services in Glendale. The fund is primarily supported by designated sales tax revenue received from Proposition 402 (0.5%). In 2001 Glendale voters approved a one-half cent adjustment to the city sales tax rate to fund a comprehensive package of transportation projects including expansion of public transit service, intersection improvements to reduce congestion, and other street-related services. Transportation sales tax revenues are expected to grow at the same pace as the General Fund sales tax increases over the five-year forecast period (approximately 2.5% annually). Major projects include the Pavement Management Program at \$2 million annually and the 59th and Olive Intersection Improvements project. All capital projects for the five-year period total \$28.5 million. Transit operations remain stable over the forecast period and do not include service level reductions. Debt service obligations of approximately \$7 million annually have been incorporated into the five-year forecast as well as nominal inflation for operational expenses.

**Transportation Sales Tax Funds - Five-Year Financial Forecast
FY17-18 Through FY21-22 with FY16-17 Comparative Date**

	FY16-17		Forecast				
	Budget	Rev Est	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Revenue & Other Financing Sources							
<i>City Sales Tax</i>	25,053,441	25,053,441	25,930,311	26,708,220	27,509,467	28,059,656	28,340,253
<i>Transit Revenue</i>	124,000	124,000	124,000	124,000	124,000	124,000	124,000
<i>Interest</i>	140,000	140,000	140,000	140,000	140,000	140,000	140,000
<i>Transfers In</i>	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Total Revenue & Other Financing Sources	26,217,441	26,217,441	27,094,311	27,872,220	28,673,467	29,223,656	29,504,253
Expenditures & Other Financing Uses							
<i>Wages and Salaries</i>	(2,995,765)	(2,995,765)	(3,055,680)	(3,116,794)	(3,179,130)	(3,242,712)	(3,307,567)
<i>Overtime</i>	(48,000)	(48,000)	(48,960)	(49,939)	(50,938)	(51,957)	(52,996)
<i>Benefits</i>	(1,130,552)	(1,130,552)	(1,153,163)	(1,176,226)	(1,199,751)	(1,223,746)	(1,248,221)
<i>Supplies and Contracts</i>	(6,581,900)	(6,581,900)	(6,713,538)	(6,847,809)	(6,984,765)	(7,124,460)	(7,266,949)
<i>Utilities</i>	(330,500)	(330,500)	(337,110)	(343,852)	(350,729)	(357,744)	(364,899)
<i>Vehicle Maintenance & Fuel</i>	(339,062)	(339,062)	(345,843)	(352,760)	(359,815)	(367,012)	(374,352)
<i>Vehicles, Technology, Risk Mgt., Workers' Comp.</i>	(1,821,454)	(1,821,454)	(1,857,883)	(1,895,041)	(1,932,942)	(1,971,600)	(2,011,032)
<i>Capital Outlay</i>	(13,757,015)	(13,757,015)	(6,150,935)	(5,918,732)	(3,526,082)	(3,536,162)	(9,389,620)
<i>Debt Service - Principal</i>	(7,144,000)	(7,144,000)	(7,146,500)	(7,145,000)	(7,143,400)	(6,810,600)	(6,810,600)
<i>Debt Service - Interest & Fiscal Agent Fees</i>	-	-	-	-	-	-	-
<i>Transfers Out</i>	-	-	-	-	-	-	-
Total Expenditures & Other Financing Uses	(34,148,248)	(34,148,248)	(26,809,613)	(26,846,153)	(24,727,552)	(24,685,993)	(30,826,236)
Total Income (Loss)	(7,930,807)	(7,930,807)	284,698	1,026,067	3,945,915	4,537,663	(1,321,983)
Contingency	(2,100,000)	(2,100,000)	(1,300,000)	(1,300,000)	(1,300,000)	(1,400,000)	(1,400,000)
Total Income/(Loss) w/ Contingency	(10,030,807)	(10,030,807)	(1,015,302)	(273,933)	2,645,915	3,137,663	(2,721,983)
Beginning Fund Balance - With Contingency	38,401,599	38,401,599	28,370,792	27,355,490	27,081,557	29,727,472	32,865,135
Ending Fund Balance - With Contingency	28,370,792	28,370,792	27,355,490	27,081,557	29,727,472	32,865,135	30,143,153
FB Policy 10% of Op Revenue			\$ 2,619,431	\$ 2,697,222	\$ 2,777,347	\$ 2,832,366	\$ 2,860,425

Police and Fire Special Revenue Funds: In 1994, Glendale voters passed a citizens' initiative that increased the local sales tax by 0.1% to add police and fire personnel and related equipment. In September 2007, Glendale voters passed a separate initiative that increased the local sales tax by another 0.4%, bringing the total public safety tax rate to 0.5%, effective November 1, 2007. Both taxes specified that two-thirds of the revenue would go to police operations and one-third to fire operations. The original tax (0.1%) included all grocery related food sales but the new tax (0.4%) excludes all grocery related food sales. Both taxes specifically prohibit supplanting existing general fund budgets with the sales tax revenue. Two-thirds of the revenue is allocated to police operations (Police Special Revenue Fund) and one-third is allocated to fire operations (Fire Special Revenue Fund). The two funds are presented separately.

The **Police Special Revenue Fund**, presented below, assumes sales tax revenue growth at the same pace as the General Fund sales tax increases over the five-year forecast period (approximately 2.5% annually). Transfer amounts to the General Fund are based on planned fund balance reductions of \$900,000 per year.

**PSST - Police Sales Tax Fund - Five-Year Financial Forecast
FY17-18 Through FY21-22 with FY16-17 Comparative Date**

	FY16-17		Forecast				
	Budget	Rev Est	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Revenue & Other Financing Sources							
<i>City Sales Tax</i>	16,086,459	16,086,459	16,649,485	17,148,970	17,663,439	18,016,708	18,196,875
<i>Other Revenue</i>	-	-					
Total Revenue & Other Financing Sources	<u>16,086,459</u>	<u>16,086,459</u>	<u>16,649,485</u>	<u>17,148,970</u>	<u>17,663,439</u>	<u>18,016,708</u>	<u>18,196,875</u>
Expenditures & Other Financing Uses							
<i>Transfers Out</i>	(16,986,459)	(16,986,459)	(17,549,485)	(18,048,970)	(18,563,439)	(18,916,708)	(19,096,875)
Total Expenditures & Other Financing Uses	<u>(16,986,459)</u>	<u>(16,986,459)</u>	<u>(17,549,485)</u>	<u>(18,048,970)</u>	<u>(18,563,439)</u>	<u>(18,916,708)</u>	<u>(19,096,875)</u>
Total Income (Loss)	<u>(900,000)</u>						
Contingency	-	-	-	-	-	-	-
Total Income/(Loss) w/ Contingency	<u>(900,000)</u>						
Beginning Fund Balance - With Contingency	7,159,623	7,159,623	6,259,623	5,359,623	4,459,623	3,559,623	2,659,623
Ending Fund Balance - With Contingency	6,259,623	6,259,623	5,359,623	4,459,623	3,559,623	2,659,623	1,759,623

FB Policy 5% of Op Revenue

\$	832,474	\$	857,449	\$	883,172	\$	900,835	\$	909,844
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The **Fire Special Revenue Fund**, presented below, assumes sales tax revenue growth at the same pace as the General Fund sales tax increases over the five-year forecast period (approximately 2.5% annually). Transfer amounts to the General Fund are based on planned fund balance reductions of \$100,000 per year.

**PSST - Fire Sales Tax Fund - Five-Year Financial Forecast
FY17-18 Through FY21-22 with FY16-17 Comparative Date**

	FY16-17		Forecast				
	Budget	Rev Est	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Revenue & Other Financing Sources							
<i>City Sales Tax</i>	8,100,273	8,100,273	8,383,783	8,635,296	8,894,355	9,072,242	9,162,964
Total Revenue & Other Financing Sources	<u>8,100,273</u>	<u>8,100,273</u>	<u>8,383,783</u>	<u>8,635,296</u>	<u>8,894,355</u>	<u>9,072,242</u>	<u>9,162,964</u>
Expenditures & Other Financing Uses							
<i>Transfers Out</i>	(8,200,273)	(8,200,273)	(8,483,783)	(8,735,296)	(8,994,355)	(9,172,242)	(9,262,964)
Total Expenditures & Other Financing Uses	<u>(8,200,273)</u>	<u>(8,200,273)</u>	<u>(8,483,783)</u>	<u>(8,735,296)</u>	<u>(8,994,355)</u>	<u>(9,172,242)</u>	<u>(9,262,964)</u>
Total Income (Loss)	<u>(100,000)</u>						
Contingency	-	-	-	-	-	-	-
Total Income/(Loss) w/ Contingency	<u>(100,000)</u>						
Beginning Fund Balance - With Contingency	1,060,070	1,060,070	960,070	860,070	760,070	660,070	560,070
Ending Fund Balance - With Contingency	960,070	960,070	860,070	760,070	660,070	560,070	460,070
FB Policy 5% of Op Revenue			\$ 419,189	\$ 431,765	\$ 444,718	\$ 453,612	\$ 458,148

Summary

The City Council’s ability to make sound financial decisions and provide guidance on long-range planning are key factors in ensuring the city’s fiscal health. As part of the annual budget process, staff prepares a Five-Year Financial Forecast using conservative revenue estimates coupled with realistic service and staffing levels. Staff will present the forecasts in the workshop, which gives the Mayor and Council the opportunity to provide policy level input to begin the FY17-18 budget development process.