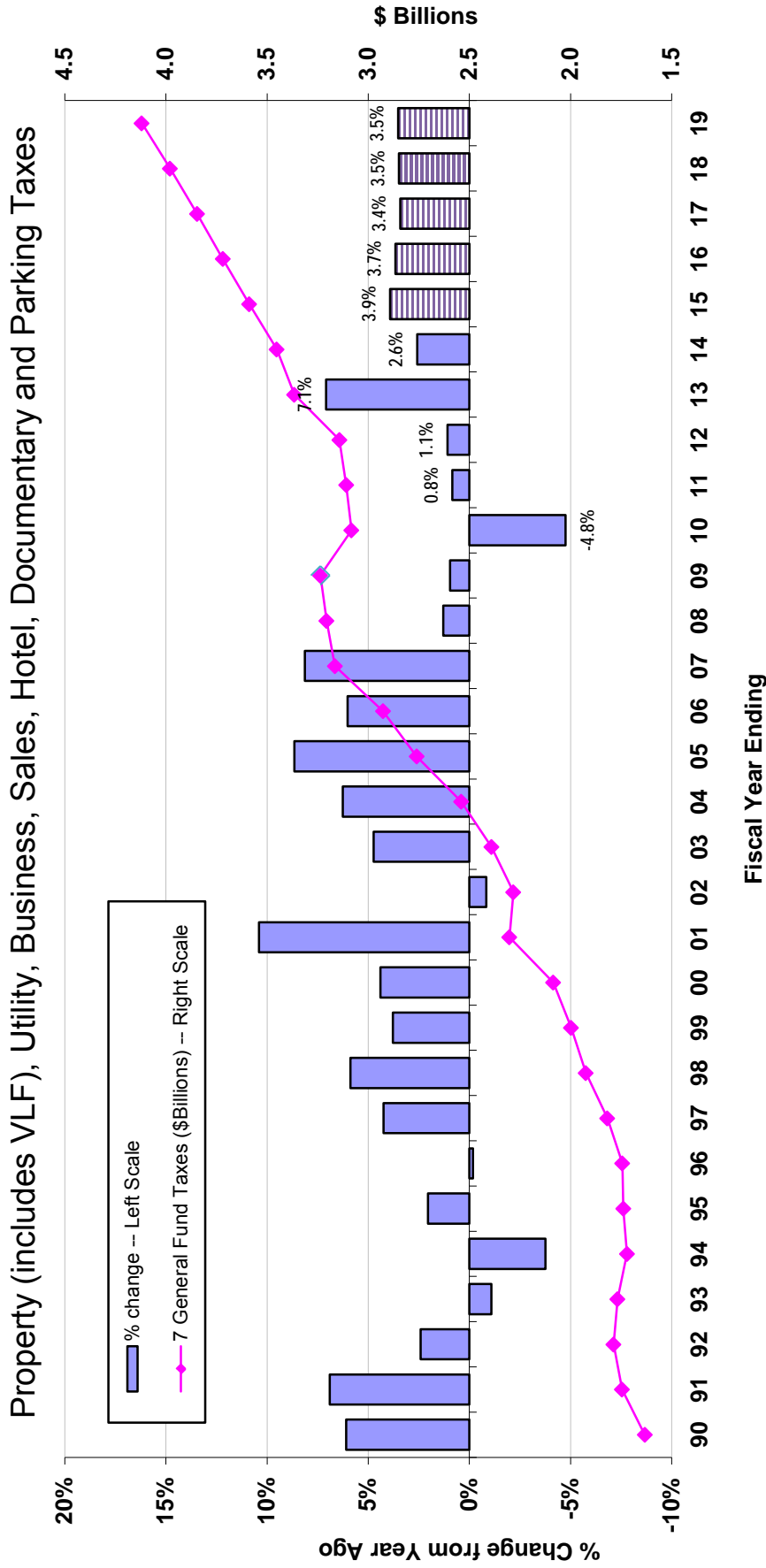


Seven General Fund Taxes



Major General Fund taxes currently account for more than 70 percent of all General Fund revenue. The balance is fees, transfers from other funds, interest income, etc. Taxes grew at an average annual rate of 3.4 percent from 1990 through 2013, reflecting high periods of economic growth during real estate and internet investment cycles and decreasing revenue during the subsequent recessions. Fiscal Year 2012-13 was the first year taxes exceeded prior peak levels set in 2008-09. High fiscal year 2012-13 growth and low 2013-14 growth may be attributed to the timing of property tax receipts as well as the return to typical levels of growth. Outgoing years reflect stable growth with an average rate of 3.5 percent; however, actual growth will be more variable.

GENERAL FUND REVENUE OUTLOOK

Fiscal Years 2014-15 Through 2018-19

(Thousand Dollars)

	2014-15 Forecast	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast	2018-19 Forecast
Property Tax (Base)	1,148,681	1,206,115	1,254,360	1,304,534	1,356,715
Property Tax --VLF Replacement	355,080	372,834	387,747	403,257	419,388
Property Tax - Sales Tax Replacement	126,600	132,297	-	-	-
Total Property Taxes	1,630,361	\$1,711,246	\$1,642,107	\$1,707,791	\$1,776,103
Electric Users' Tax	335,000	341,923	353,206	362,743	372,537
<i>Electric Users' Tax One-Time</i>	12,000	-	-	-	-
Telephone Users' Tax	215,400	208,938	204,759	202,712	200,685
Gas Users' Tax	70,200	70,902	72,320	73,766	75,979
Utility Users' Tax	632,600	\$621,763	\$630,286	\$639,221	\$649,201
Licenses, Permits and Fees	786,471	817,930	850,647	884,673	920,059
<i>Licenses, Permits and Fees One-Time</i>	24,780	-	-	-	-
Business Tax	459,500	471,907	484,648	497,733	511,172
Sales Tax amended*	374,100	390,935	531,671	546,558	561,861
Power Revenue Transfer	261,000	268,047	275,284	282,717	290,350
Documentary Transfer Tax	196,800	216,480	236,180	252,240	269,392
Transient Occupancy Tax	194,100	203,999	214,403	225,338	236,830
Parking Fines	165,900	169,218	172,602	176,054	179,575
Parking Users' Tax	98,400	102,336	106,429	110,687	115,114
Redirection of ex-CRA Tax Increment Monies	48,023	49,704	51,443	52,987	54,576
Franchise Income	43,153	44,016	44,896	45,794	46,710
Special Parking Revenue (SPRF) Transfer	20,500	20,500	20,500	20,500	20,500
<i>SPRF One-Time</i>	10,135	-	-	-	-
Interest	13,491	13,761	14,036	14,457	14,746
Grants Receipts	10,240	10,240	10,240	10,240	10,240
Tobacco Settlement	9,006	8,925	8,845	8,765	8,686
Residential Development Tax	3,280	3,542	3,826	4,132	4,462
State Motor Vehicle License Fees	1,700	1,700	1,700	1,700	1,700
Subtotal General Fund excl One-Time	4,936,625	\$5,126,248	\$5,299,743	\$5,481,587	\$5,671,280
Subtotal General Fund	4,983,540	\$5,126,248	\$5,299,743	\$5,481,587	\$5,671,280
Reserve Fund Transfer	128,766	-	-	-	-
Transfer from Telecomm. Dev. Account	5,223	-	-	-	-
Budget Stabilization Fund Transfer	-	-	-	-	-
Total General Fund	\$5,117,529	\$5,126,248	\$5,299,743	\$5,481,587	\$5,671,280

GENERAL FUND REVENUE OUTLOOK

Fiscal Years 2014-15 Through 2018-19

(Percent Growth of Base From Prior Year)

	2014-15 Forecast	2015-16 Forecast	2016-17 Forecast	2017-18 Forecast	2018-19 Forecast
Property Tax (Base)	6.3%	5.0%	4.0%	4.0%	4.0%
Property Tax --VLF Replacement	4.1%	5.0%	4.0%	4.0%	4.0%
Property Tax - Sales Tax Replacement	4.6%	4.5%	-100.0%	0.0%	0.0%
Total Property Taxes	5.7%	5.0%	-4.0%	4.0%	4.0%
Electric Users' Tax	2.5%	3.3%	3.3%	2.7%	2.7%
<i>Electric Users' Tax One-Time</i>	*	-100.0%	-	-	-
Telephone Users' Tax	-5.0%	-3.0%	-2.0%	-1.0%	-1.0%
Gas Users' Tax	-1.0%	1.0%	2.0%	2.0%	3.0%
Utility Users' Tax	1.3%	-1.7%	1.4%	1.4%	1.6%
Licenses, Permits and Fees	1.3%	4.0%	4.0%	4.0%	4.0%
<i>Licenses, Permits and Fees One-Time</i>	-64.1%	-100.0%	-	-	-
Business Tax	-1.2%	2.7%	2.7%	2.7%	2.7%
Sales Tax amended*	4.6%	4.5%	36.0%	2.8%	2.8%
Power Revenue Transfer	3.2%	2.7%	2.7%	2.7%	2.7%
Documentary Transfer Tax	10.0%	10.0%	9.1%	6.8%	6.8%
Transient Occupancy Tax	4.9%	5.1%	5.1%	5.1%	5.1%
Parking Fines	3.1%	2.0%	2.0%	2.0%	2.0%
Parking Users' Tax	1.9%	4.0%	4.0%	4.0%	4.0%
Redirection of ex-CRA Tax Increment Monies	-27.8%	3.5%	3.5%	3.0%	3.0%
Franchise Income	-2.2%	2.0%	2.0%	2.0%	2.0%
Special Parking Revenue (SPRF) Transfer	0.0%	0.0%	0.0%	0.0%	0.0%
SPRF One-Time	-30.8%	-100.0%	-	-	-
Interest	-5.8%	2.0%	2.0%	3.0%	2.0%
Grants Receipts	20.7%	0.0%	0.0%	0.0%	0.0%
Tobacco Settlement	0.0%	-0.9%	-0.9%	-0.9%	-0.9%
Residential Development Tax	7.5%	8.0%	8.0%	8.0%	8.0%
State Motor Vehicle License Fees	-2.1%	0.0%	0.0%	0.0%	0.0%
Subtotal General Fund Excl One-Time	2.7%	2.9%	3.4%	3.4%	3.5%
Subtotal General Fund Incl One-Time	2.5%	2.9%	3.4%	3.4%	3.5%
Reserve Fund Transfer	*	-100.0%	-	-	-
Transfer from Telecomm. Dev. Account	*	-100.0%	-	-	-
Budget Stabilization Fund Transfer	-100.0%	-	-	-	-
Total General Fund	4.4%	0.2%	3.4%	3.4%	3.5%

Revenue Monthly Status Report
Ex-Community Redevelopment Agency (CRA) Tax Increment and Misc. Revenue
(Thousand Dollars)

MONTHLY	2010-11	2011-12	2012-13	2013-14			2014-15	
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>REVISED</u>	<u>PROPOSED</u>
JULY	\$ -	\$ -	\$16,951	\$31,434	\$ -	(\$31,434)	\$ -	\$ -
AUGUST					19,923	19,923	19,923	
SEPTEMBER								
OCTOBER								
NOVEMBER								
DECEMBER			382					
JANUARY			26,235	12,000	20,279	8,279	20,279	24,012
FEBRUARY								
MARCH								
APRIL								
MAY								
JUNE		22,666	15,271	12,000			26,346	24,012
	<u>\$ -</u>	<u>\$22,666</u>	<u>\$58,839</u>	<u>\$55,434</u>			<u>\$66,548</u>	<u>\$48,023</u>
	NA	NA	160%	-6%			13%	-28%
CUMULATIVE	2010-11	2011-12	2012-13	2013-14			2014-15	
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>REVISED</u>	<u>PROPOSED</u>
JULY	\$ -	\$ -	\$16,951	\$31,434	\$ -	(\$31,434)	\$ -	\$ -
AUGUST	-	-	16,951	31,434	19,923	(11,511)	19,923	-
SEPTEMBER	-	-	16,951	31,434	19,923	(11,511)	19,923	-
OCTOBER	-	-	16,951	31,434	19,923	(11,511)	19,923	-
NOVEMBER	-	-	16,951	31,434	19,923	(11,511)	19,923	-
DECEMBER	-	-	17,333	31,434	19,923	(11,511)	19,923	-
JANUARY	-	-	43,568	43,434	40,202	(3,232)	40,202	24,012
FEBRUARY	-	-	43,568	43,434	40,202	(3,232)	40,202	24,012
MARCH	-	-	43,568	43,434	40,202	(3,232)	40,202	24,012
APRIL	-	-	43,568	43,434			40,202	24,012
MAY	-	-	43,568	43,434			40,202	24,012
JUNE	-	22,666	58,839	55,434			66,548	48,023
							133,096	96,046

The dissolution of the former CRA under AB1x26 results in the redistribution of net Tax Increment (TI) resources to the various taxing entities, including the county, schools and the City. The City began receiving additional property tax payments (former TI funds) beginning in June 2012.

A second component of miscellaneous revenue consists of one-time monies from the due diligence review and subsequent distribution of former CRA funds, for which the City received its last distribution in 2013-14. Also any revenue from property sales would be recorded as miscellaneous; although no such revenue is included in the proposed budget.

This page represents the sum of both tax increment and miscellaneous components.

Revenue Monthly Status Report
Ex-Community Redevelopment Agency (CRA) Tax Increment Revenue
(Thousand Dollars)

MONTHLY	2010-11	2011-12	2012-13	2013-14			2014-15	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE	REVISED	PROPOSED
JULY	\$ -	\$ -	\$16,951	\$ -	\$ -	\$ -	\$ -	\$ -
AUGUST								
SEPTEMBER								
OCTOBER								
NOVEMBER								
DECEMBER			382					
JANUARY			16,840	12,000	20,279	8,279	20,279	24,012
FEBRUARY								
MARCH								
APRIL								
MAY								
JUNE		22,666	15,271	12,000			26,346	24,012
	\$0	\$22,666	\$49,445	\$24,000			\$46,625	\$48,023
	NA	NA	118%	-51%			-6%	3%

CUMULATIVE	2010-11	2011-12	2012-13	2013-14			2014-15	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE	REVISED	PROPOSED
JULY	\$ -	\$ -	\$16,951	\$ -	\$ -	\$ -	\$ -	\$ -
AUGUST	-	-	16,951	-	-	-	-	-
SEPTEMBER	-	-	16,951	-	-	-	-	-
OCTOBER	-	-	16,951	-	-	-	-	-
NOVEMBER	-	-	16,951	-	-	-	-	-
DECEMBER	-	-	17,333	-	-	-	-	-
JANUARY	-	-	34,174	12,000	20,279	8,279	20,279	24,012
FEBRUARY	-	-	34,174	12,000	20,279	8,279	20,279	24,012
MARCH	-	-	34,174	12,000	20,279	8,279	20,279	24,012
APRIL	-	-	34,174	12,000			20,279	24,012
MAY	-	-	34,174	12,000			20,279	24,012
JUNE	-	22,666	49,445	24,000			46,625	48,023

The dissolution of the former CRA under AB1x26 results in the redistribution of net Tax Increment (TI) resources to the various taxing entities, including the county, schools and the City. Estimates are preliminary and subject to change based on many factors such as interpretation of legislation relative to enforceable obligations and the recommendations and decisions made by the Governing Board, Oversight Board and the State Department of Finance (DOF). Distributions occur only after accounting for certain fees, pass-throughs and enforceable obligations. The City began receiving additional property tax payments (former TI funds) beginning in June 2012. Revenues are received in advance of the allocation period. The receipt of first allocation payment covering the period from July 2012 through December 2012 was delayed and was received in July 2013. When accounting for this delay, receipts have been variable. Fiscal year 2014-15 estimate assumes 3 percent growth based on fiscal year 2013-14 estimated revenue.

Revenue Monthly Status Report
Ex-Community Redevelopment Agency (CRA) Miscellaneous Revenue
(Thousand Dollars)

MONTHLY	2010-11	2011-12	2012-13	2013-14			2014-15	
	ACTUAL	ACTUAL	REVISED	BUDGET	ACTUAL	VARIANCE	REVISED	PROPOSED
JULY	\$ -	\$ -	\$ -	\$31,434	\$ -	(\$31,434)	\$ -	\$ -
AUGUST					19,923	19,923	\$19,923	
SEPTEMBER								
OCTOBER								
NOVEMBER								
DECEMBER								
JANUARY			9,395					
FEBRUARY								
MARCH								
APRIL								
MAY								
JUNE								
	<u>\$0</u>	<u>\$0</u>	<u>\$9,395</u>	<u>\$31,434</u>			<u>\$19,923</u>	<u>\$0</u>
				235%				

CUMULATIVE	2010-11	2011-12	2012-13	2013-14			2014-15	
	ACTUAL	ACTUAL	REVISED	BUDGET	ACTUAL	VARIANCE	REVISED	PROPOSED
JULY	\$ -	\$ -	\$ -	\$31,434	\$ -	(\$31,434)	\$ -	\$ -
AUGUST	-	-	-	31,434	19,923	(11,511)	19,923	-
SEPTEMBER	-	-	-	31,434	19,923	(11,511)	19,923	-
OCTOBER	-	-	-	31,434	19,923	(11,511)	19,923	-
NOVEMBER	-	-	-	31,434	19,923	(11,511)	19,923	-
DECEMBER	-	-	-	31,434	19,923	(11,511)	19,923	-
JANUARY	-	-	9,395	31,434	19,923	(11,511)	19,923	-
FEBRUARY	-	-	9,395	31,434	19,923	(11,511)	19,923	-
MARCH	-	-	9,395	31,434	19,923	(11,511)	19,923	-
APRIL	-	-	9,395	31,434			19,923	-
MAY	-	-	9,395	31,434			19,923	-
JUNE	-	-	9,395	31,434			19,923	-

Per redevelopment dissolution law, two due diligence reviews of CRA's Low and Moderate Income Housing Fund and Other Funds and Accounts were to be conducted with excess funds distributed to taxing entities. Both reviews have been completed and the City has received its final share of these funds as of August 2014.

Additional miscellaneous revenue may be received with the sale of excess property. At this time, no decisions have been made by the State Department of Finance concerning the former CRA/LA's Long Range Property Management Plan, and no revenue is assumed in the proposed budget.

Finally, the dissolution legislation requires the State Controller to audit cash payment received by the City from January 2011 through January 2012. This audit has not occurred. If the State Controller determines that CRA money received by the City was ineligible and should be returned, the City would then receive approximately 28 percent of returned funding as ex-CRA revenue. No revenue from this audit is assumed in the proposed budget.