

Brief Financial Overview

Labor Kickoff

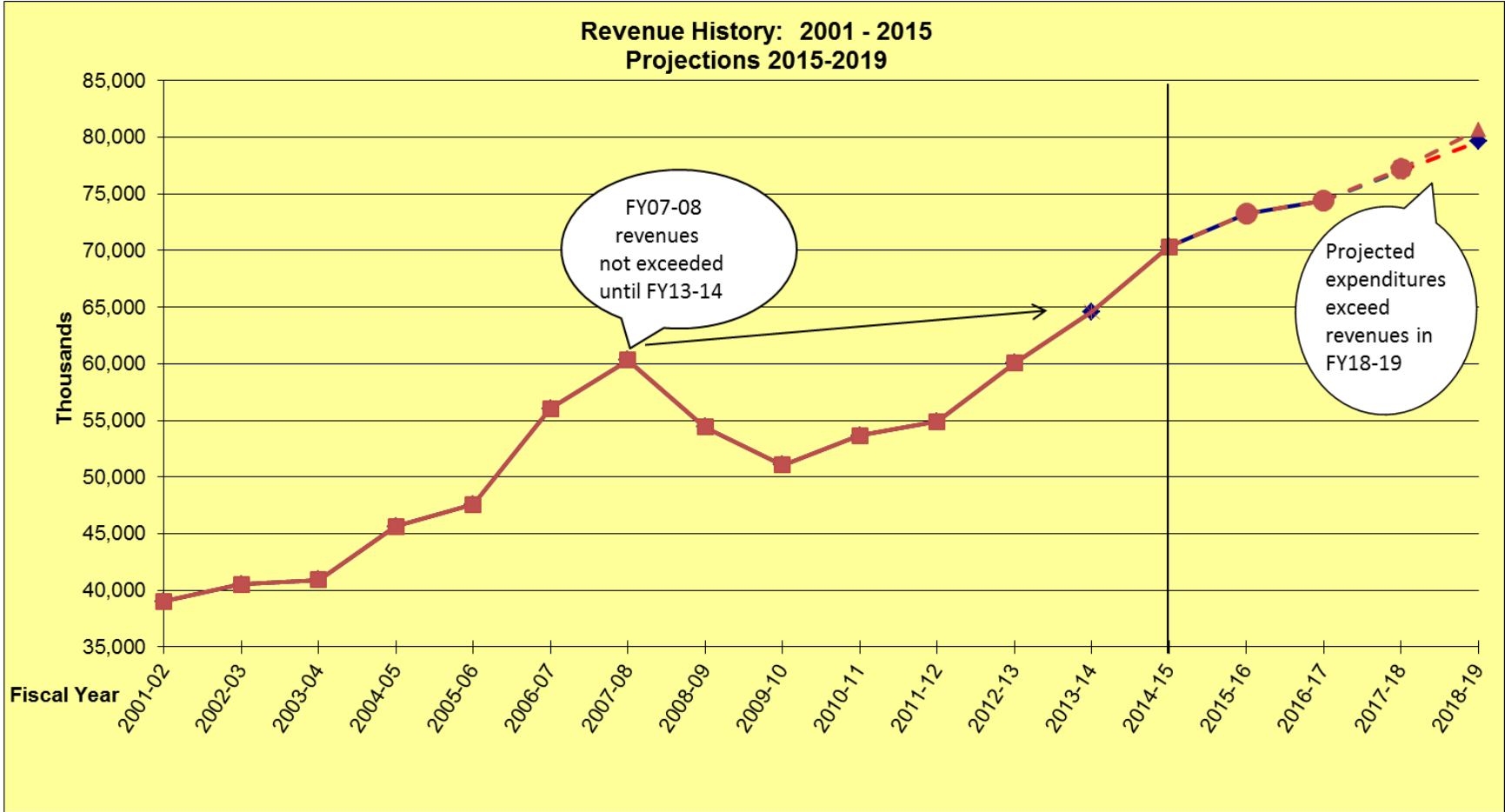
February 17, 2016



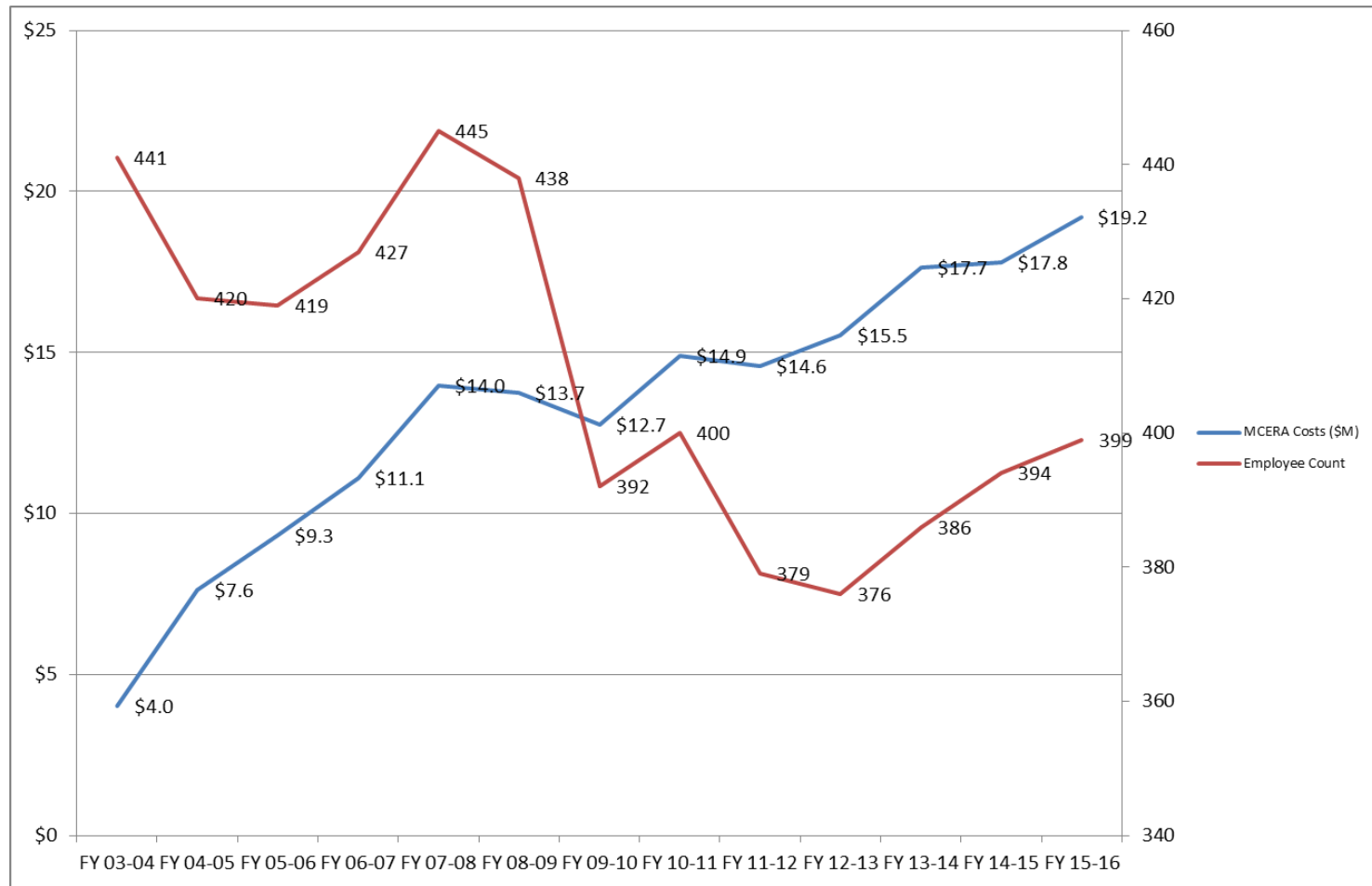
Economic Update

- What is going on with general fund revenues...
 - Sales Tax
 - Property tax
 - Other
- Other funding sources constrain our spending
 - Parking charges / user fees
 - Paramedic Tax / ambulance billings
 - Grants
- What is going on with costs...
 - ee costs are 75% of total operating
 - MCERA costs have increased 5 of last 6 years

General Fund Revenue



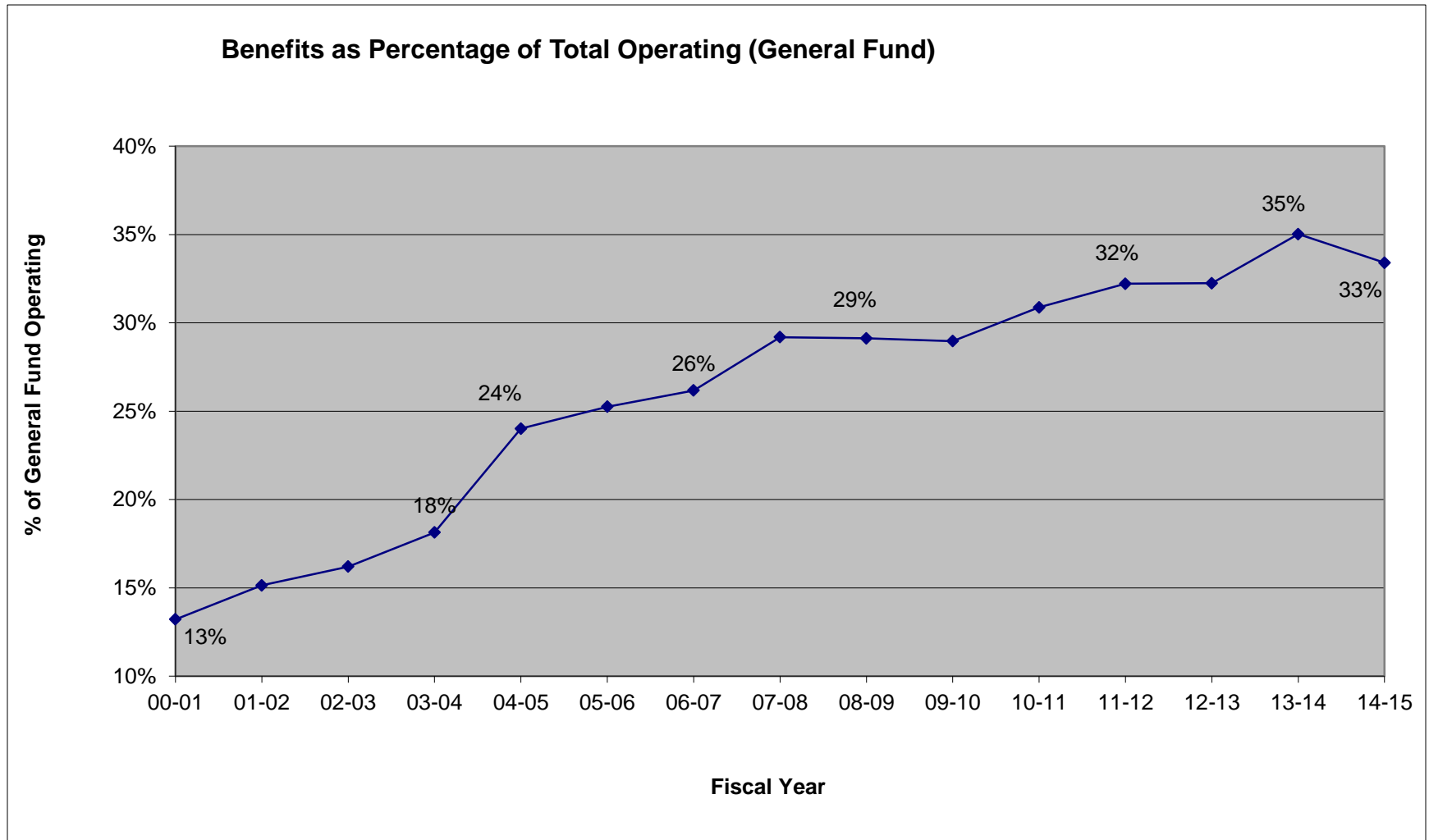
Pension costs vs. # of Employees



Unfunded Pension Liability

- Measured by MCERA as of June 30, 2015
 - \$142.3 million
 - Significant increase over previous year due to:
 - Retirees living longer
 - Investment return assumptions lowered from 7.50% to 7.25%
 - Investment return for FY14–15 was less than 7.25% target

Benefits as % of Operating



Measure E contribution to General Fund

- Measure E generates 16% of revenues – \$11.5M
- One-third of Measure E revenues are allocated to Essential Facilities Construction Project
 - Estimated \$3.8 million for FY15–16

Uses of discretionary funds considered by City Council...

- Homeless policy & program support
- City infrastructure (e.g., streets)
- City technology systems
- Unfunded liabilities
- Public Safety
- Other General Fund services

Major Unknowns

- MCERA rates for FY16–17
- Sustainability of sales tax growth
- Cost of major building and infrastructure maintenance and replacement

Questions

