

## **General Fund Long Term Financial Forecast Assumptions (2021 through 2030)**

Revised October 8, 2020

### **NO Recession Model**

The revised model does NOT include a recession in the forecast. Instead it provides for steady growth at moderately conservative levels that assumes continued growth in the next two years with growth slowing through the remainder of the forecast.

### **Revenues**

#### **Sales Tax**

- 2021 – is increased from \$4.0 million to \$5.7 million as Covid-19 has had less impact than expected. This is in line with the most recent projections by HDL
- 2022 – 7% growth to include new retail coming on line
- 2023 – 5% continued absorption of new growth
- 2024, 2025, 2026, 2027, 2028, 2029, 2030 – 4% growth

#### **Property Tax and Motor Vehicle in Lieu**

Growth is expected to be strong through FY 2022 then moderate growth for the remainder of the forecast period as the housing forecast is projecting lower growth.

- 2021 – 7% growth
- 2022- 6% growth
- 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030 – 5% growth

**Utility Users Tax** – 3% annual increase

**Other Taxes and Franchise Fees** - 3% annual increase

**Business License** - 3% annual increase

**Permits and Fees** - expected to grow at 6% in FY 2022 and FY 2023 due to planned projects otherwise held steady at 4%.

**Charges for Services** - 3% annual increase, FY 2021 no increase due to Covid

**Gas Tax** - growth 3.0% throughout the forecast period

**CFD Transfer** – increase at 4%

**Admin Transfer** – from Waste Water and Transit – set to grow at same pace of expenditures annually beginning in FY 2022

**Other Revenues** – 2.5% annual increase

## **Expenses**

### Personnel Costs

- Salaries – 4% annual increase (2% merit and 2% cost of living)
- Pensions – 7.5% annual increase
- Health Insurance – 5.4% annual increase
- Workers Comp – 4% annual increase
- Other personnel costs – 4% annual increase

### Operating Costs

- Contractual Services – 5% annual increase (department costs increase at 4%, fire services contract increases by 6% annually)
- Utilities – 3.5% annual increase
- Insurance Costs – 4% annual increase
- All other costs – 2.5% annual increase (tied to 10 year CPI)
- Vehicles and Furniture – have varied considerably – set at the most recent 3-year average, then increased by 3% annually
  - Vehicles - \$371,000
  - Furniture - \$204,000