Targets for City and School Expenditures

- $34.1 M City increases requested
  - $20.4 M for City operating budget
  - $1.2 M for transit subsidies
  - $12.5 M for Debt Service and Cash Capital for CIP
- $22.0 M in Superintendent’s preliminary forecast
- $56.1 M Total (includes 2.0% COLA)
- Increase in revenues under current tax rates = $11.2 M
- Additional $35.9 M would be needed to fund everything
Incremental vs. Program and Performanced Based Budget

- Managing for Results Initiative will produce program and performance based budget
- Base budget will be divided into approximately 500 activities
- What follows is an incremental summary analysis of cost drivers -- However
- In FY 2008 budget, City Manager and Council will be able to make tradeoffs between activities in the base budget and “increments” above the base
## City Requests and Superintendent's Preliminary Forecast ($ in M)

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<th></th>
<th>City Ops.</th>
<th>Transit</th>
<th>CIP</th>
<th>City Subtotal</th>
<th>Schools</th>
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City Council Retreat
November 4, 2006
Highest Priority Increases

Total $20.2M

- Step Increases - $8.5M
- Retirement - $0.7M (after City savings)
- Health and Other Benefits - $1.8M (after City savings)
- Debt Service - $2.4M
- Adjustment for decline in Schools financing - $3.3M
- Transit subsidies - $1.2M ($0.9M METRO)
- Foster Care/Special Ed. Mandates - $0.8M
- 50% of other requested adjustments to maintain current services - $2.5M
- Offset by $1.0M in planned City operational savings
Not Funded in Highest Priority List

- No COLA
- No funding to replace declining grants/special revenues
- No funding for City program improvements or expansions
- No funding for Schools program support or improvements
- No funding for TCW-related increases
- No funding for teacher reserves
- No funding for cash capital increases in CIP (for previously planned or new CIP projects)
- No funding for schools pay increase for support and administrative staff
- 50% funding of other requested adjustments to maintain current services
Options for Targets

A Current Tax Rate Target Would Provide

- $11.2 M increase (2.25%) in revenue
- Could fund all of base, but only 55% of highest priority increases
  - City Target $353.7 M and 1.7% increase of $5.9M
  - Schools Target $155.2M and 3.6% increase of $5.3M
Options for Targets

Highest Priority Increase – Based Target would provide
- $20.2 M increase (4.1%) in revenue
- $9.0 M more in revenue needed than estimated under current tax rates
- If used to fund base and all high priority increases
  - City Target $357.2M and 2.7% increase of $9.4M
  - Schools Target $160.7 M and 6.9% increase of $10.8M