

**GENERAL FUND FORECAST  
REVENUE ASSUMPTIONS**

<i>Revenue Category</i>	<i>Assumptions</i>
<b>Local Sales Taxes</b>  -All categories except construction  -Construction	No annexations assumed  2-4% growth per year in retail tax collections 3-4% growth per year in restaurant/bar tax collections 2-3% growth per year in utility tax collections  Revenues range from \$3.1M to \$3.9M per year depending on single family residential (SFR) and commercial development forecast Nakoma Sky independent living and memory care project included in construction sales tax forecast for FY 17/18 and FY 18/19 Forecast beyond FY 18/19 assumes continued, conservative levels of one-time commercial development Assumes no further legislative changes to construction sales tax reporting
<b>Licenses &amp; Permits</b>	<i>Residential Bldg Permits -</i> SFR Forecast: FY 16/17 - 230 FY 17/18 - 250 FY 18/19 - 275 FY 19/20 - 225 FY 20/21 - 200 SFR revenue/permit of \$4,100-\$4,500 - average over last 4 years Miscellaneous residential permit revenues of \$175K - average over last 4 years  <i>Commercial Building Permits -</i> Revenues stable over last 4 years, averaging \$315K/yr FY 16/17 revenues include the Amphi school and the All Seasons facility at Innovation Corporate Center FY 17/18 revenues include the Nakoma Sky independent living and memory care project Forecast beyond FY 17/18 assumes continued, conservative levels of one-time commercial development permitting activity
<b>Grant Revenues</b>	Minimal growth projected for public safety grants and RTA reimbursement per year for Transit operations
<b>State Shared Revenues</b>	Projections based on Joint Legislative Budget Committee quarterly report (April 2016) Growth projections range from 2-4% Forecast assumes use of Census estimates each year, reflecting new legislation passed in 2016 Projected growth in state-shared income tax (urban revenue sharing) is conservative due to legislative tax changes
<b>Charges for Services</b>	Growth of 3-5% per year
<b>Interest Income</b>	2% growth per year
<b>Fines</b>	Forecast based on historical collections
<b>Other Intergovernmental</b>	Includes Pima County animal control revenues and reimbursement of Library building & maintenance costs
<b>Miscellaneous</b>	Minimal growth projected over the forecast horizon
<b>Other Financing Sources</b>	Fund transfers: \$120K annual loan repayment from the Community Center Fund; \$185K from the Bed Tax Fund, consisting of \$185K annually from the Bed Tax Fund, consisting of \$150K to cover incremental operating costs of expanded Aquatic Center and \$35K repayment to contingency reserves for financing the construction of the expanded Aquatic Center

**GENERAL FUND FORECAST  
EXPENDITURE ASSUMPTIONS**

***Expenditure Category***

***Assumptions***

<b><u>Salaries and Benefits</u></b>	Step increases and 3.5% merits, 5% public safety pension increases; 2% health insurance premium increases Forecast does not include any staffing level increases
<b><u>Operations &amp; Maintenance</u></b>	Minimal inflation Forecast assumes continued downward pressure on operating costs General Plan update completed in FY 16/17 OV Marketplace tax rebate ends in spring 2019 Beginning FY 19/20, vehicle reserve balances should reach adequate levels to begin funding replacements
<b><u>CIP Funding</u></b>	Shown as transfers out to CIP Fund Capacity will be limited to available funding and can be expected to fluctuate Transfers of construction sales tax to the Highway Fund will impact the remaining capacity available for CIP funding
<b><u>Debt Service Transfers</u></b>	Ongoing (Series 2005, 2007 and Clean Renewable Energy Bonds)
<b><u>Construction Sales Tax to HW Fund</u></b>	Portion of construction sales tax allocated to Highway Fund shown as transfers out and ranges from \$100K to \$1.5 million