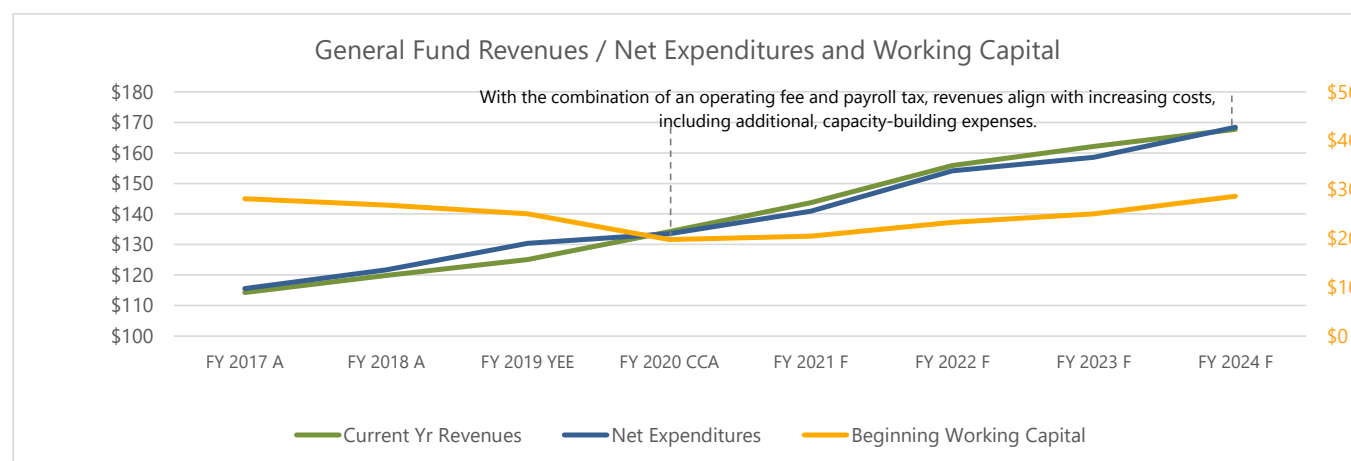


## Operating Fee and Employee-Paid Payroll Tax

### FY 2020 - 2024 Five Year Re-Forecast Incorporating Both Revenue Sources and Capacity Enhancements

General Fund Forecast	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Resources:	CC Approved*	Forecast	Forecast	Forecast	Forecast
Beginning Working Capital (Reserves)	\$ 19.8	\$ 20.5	\$ 23.3	\$ 25.0	\$ 28.6
Current Year (CY) Revenue	128.8	134.2	138.3	143.4	148.4
<i>New Revenue Source(s)</i>	<i>4.1</i>	<i>8.2</i>	<i>16.2</i>	<i>17.4</i>	<i>17.8</i>
<i>Revenue Forecast Variability</i>	<i>1.3</i>	<i>1.3</i>	<i>1.4</i>	<i>1.4</i>	<i>1.5</i>
ADJUSTED CURRENT YEAR (CY) REVENUE	134.2	143.7	155.9	162.2	167.7
TOTAL RESOURCES	<b>\$ 154.0</b>	<b>\$ 164.1</b>	<b>\$ 179.2</b>	<b>\$ 187.2</b>	<b>\$ 196.3</b>
% Change in Current Revenue	0.0%	7.1%	8.5%	4.0%	3.4%
Expenditures:	\$ 138.3	\$ 143.3	\$ 152.9	\$ 157.4	\$ 167.2
<i>Expenditure Changes</i>	<i>-</i>	<i>1.9</i>	<i>4.7</i>	<i>-</i>	<i>-</i>
<i>Ongoing Prior Year Changes</i>	<i>-</i>	<i>-</i>	<i>2.0</i>	<i>6.7</i>	<i>6.9</i>
<i>One-Time Expense</i>	<i>0.4</i>	<i>1.0</i>	<i>-</i>	<i>-</i>	<i>-</i>
TOTAL EXPENDITURES	<b>\$ 138.7</b>	<b>\$ 146.1</b>	<b>\$ 159.6</b>	<b>\$ 164.1</b>	<b>\$ 174.1</b>
% Change in Base Expenditures	0.0%	3.6%	6.7%	2.9%	6.2%
Requirement Assumptions:					
Unused Contingency / Savings	\$ (5.2)	\$ (5.3)	\$ (5.4)	\$ (5.5)	\$ (5.7)
TOTAL <u>NET</u> EXPENDITURES	<b>\$ 133.5</b>	<b>\$ 140.9</b>	<b>\$ 154.1</b>	<b>\$ 158.6</b>	<b>\$ 168.4</b>
Ending Working Capital	\$ 20.5	\$ 23.3	\$ 25.0	\$ 28.6	\$ 27.9
Adjusted CY Revenues and Net Expenditures Variance	\$ 0.7	\$ 2.8	\$ 1.8	\$ 3.6	\$ (0.7)
Council Policy	\$ 20.1	\$ 21.6	\$ 23.4	\$ 24.3	\$ 25.2
Policy Compliance	\$ 0.3	\$ 1.7	\$ 1.6	\$ 4.3	\$ 2.8



#### Assumptions:

In addition to the assumptions noted with Attachment 3, this General Fund re-forecast displays both new revenue sources - an operating fee, beginning in January 2020, and an employee-paid payroll tax, beginning in FY 2022. The operating fee remains constant, while the revenue from the payroll tax escalates at 5 percent per year. Discounted revenue due to non compliance and other issues related to the payroll tax decreases from 30 percent loss in the first year to 20 percent in FY 2023 and FY 2024.

This forecast also demonstrates increased service capacity equating to \$2 million of additional expense beginning in FY 2021. A second infusion of capacity-increasing expense to enhance General Fund services is added in FY 2022 at \$4 million through the forecast period. A one-time expense of \$1,000,000 appears in FY 2021 as an estimate for setting up a collection program for the payroll tax with the Department of Revenue (DOR). The ongoing cost of DOR administration, estimated at \$650,000 begins in FY 2022.

\*City Council Approved Budget as of June 10, 2019