GENERAL FUND - GSD
REVENUE AND EXPENDITURE PROJECTIONS
FY 2010 - 2015
($ in millions)

3/1/2010

REVENUES	FY2010 Budget	FY2011 Projection	FY2012 Projection	FY2013 Projection	FY2014 Projection	FY2015 Projection
Property Taxes - Net	470,085,407	483,547,576	489,078,711	498,199,141	516,192,915	539,225,842
Utility Service Taxes	129,456,900	127,417,277	128,936,594	130,894,749	132,111,626	133,410,371
Other Taxes	1,131,466	1,117,000	1,117,000	1,128,110	1,139,331	1,150,664
Franchise Fees	39,444,236	40,075,349	41,020,547	41,973,042	42,437,128	42,905,997
Licenses and Permits	8,067,732	7,743,491	7,820,917	7,899,117	7,978,100	8,137,644
JEA Contributions	99,187,538	101,687,538	104,187,538	106,687,538	109,187,538	111,687,538
Half-cent Sales Tax	74,818,660	73,255,033	75,452,684	77,716,265	80,047,753	82,449,185
City Revenue Sharing	22,736,482	20,625,303	20,978,794	21,489,010	22,013,344	22,552,205
County Revenue Sharing	24,729,621	22,932,040	23,296,184	23,846,492	24,418,163	25,012,252
Other Revenue Sharing	7,337,215	7,357,965	7,358,885	7,414,978	7,450,400	7,513,936
Ambulance Fees	14,881,269	15,995,768	16,315,683	16,641,997	16,974,836	17,314,333
Other Charges for Services	45,915,388	45,857,972	46,274,365	47,099,488	47,583,789	48,454,814
Fines and Forfeits	4,150,663	3,991,219	3,991,390	4,004,263	4,023,776	4,043,386
Interest Income	9,727,038	9,025,000	9,025,000	9,070,125	9,090,225	9,135,676
Miscellaneous Revenue	16,438,525	15,632,677	15,834,789	16,042,345	16,227,222	16,464,071
Other Sources	13,392,273	9,096,911	8,959,022	8,565,300	8,569,121	8,573,055
TOTAL REVENUES	981,500,413	985,358,119	999,648,103	1,018,671,960	1,045,445,266	1,078,030,970
EXPENDITURES						
Advisory Boards	425,010	433,937	445,736	472,454	485,713	499,595
Central Operations	21,315,231	21,890,714	22,333,403	23,317,977	23,943,195	24,600,680
City Council	9,185,120	9,432,269	9,686,673	10,239,370	10,511,835	10,790,992
Courts	1,565,264	1,600,654	1,633,789	1,667,826	1,702,452	1,736,705
Environmental & Compliance	18,357,170	18,781,475	19,282,971	20,298,939	20,854,256	21,434,409
Finance	8,683,630	9,013,682	9,225,306	9,456,420	9,670,645	9,928,461
Fire & Rescue	164,252,518	170,589,269	185,046,186	210,168,418	239,293,247	269,042,634
General Counsel	326,841	330,016	336,227	347,096	355,340	363,885
Human Rights Commission	1,301,632	1,344,512	1,381,417	1,466,875	1,508,360	1,552,735
Jacksonville City-Wide Activities	19,492,921	30,453,132	29,553,884	29,694,347	29,832,747	30,002,590
Shands Contribution	23,775,594	23,775,594	23,775,594	23,775,594	23,775,594	23,775,594
Mayor's Office	2,079,000	2,131,320	2,190,430	2,297,743	2,360,404	2,428,539
Medical Examiner	3,128,100	3,217,649	3,303,682	3,451,144	3,549,608	3,651,510
Office of the Sheriff	355,660,019	371,557,347	397,388,280	433,590,361	468,487,520	505,231,717
Planning & Development	7,916,202	8,106,487	8,308,508	8,741,196	8,990,203	9,248,515
Public Defender	944,431	982,596	1,009,880	1,037,389	1,065,657	1,094,729
Public Health	732,899	742,701	752,541	762,661	772,091	781,220
Public Libraries	41,789,848	43,143,566	44,547,485	46,681,706	48,291,176	49,969,281
Public Works	79,638,300	82,702,485	85,827,771	89,458,030	91,996,565	94,581,885
Recreation & Community Services	50,921,555	52,496,912	53,975,300	55,719,949	57,084,501	58,491,927
State Attorney	431,322	444,737	454,422	464,073	473,940	484,027
Supervisor of Elections	8,556,799	9,519,849	7,894,640	7,036,895	6,396,166	9,879,378
Transfers to Other Funds						
Transfer to Children's Commission	21,058,173	21,479,336	21,908,923	22,347,102	22,794,044	23,249,925
Transfer to Journey	7,660,278	12,308,339	12,308,339	12,308,339	12,308,339	12,308,339
Transfer to PayGo	4,481,698	5,387,636	6,387,636	7,387,636	8,387,636	9,387,636
Transfer to Clerk of Court	1,013,119	1,563,775	1,595,050	1,626,951	1,659,490	1,692,680
Transfer to Property Appraiser	8,496,946	8,581,915	8,667,735	8,754,412	8,841,956	8,930,376
Transfer to Tax Collector	3,856,019	3,856,019	3,856,019	3,856,019	3,856,019	3,856,019
Transfer to Solid Waste	21,417,409	19,225,000	17,225,000	15,225,000	12,725,000	10,225,000
Transfer to Venues	7,836,182	12,636,182	12,636,182	12,636,182	12,636,182	12,636,182
Transfers to various funds	4,753,004	5,071,425	5,096,425	5,071,426	5,021,427	4,971,427
Total Transfers to Other Funds	80,572,828	90,109,627	89,681,309	89,213,067	88,230,093	87,257,584
Transfer to Debt Service Funds	80,448,179	90,555,435	108,465,484	112,688,363	115,801,183	119,055,551
TOTAL EXPENDITURES	981,500,413	1,043,355,966	1,106,500,919	1,182,047,893	1,255,432,493	1,335,884,141
SURPLUS/DEFICIT	(0)	(57,997,848)	(106,852,816)	(163,375,933)	(209,987,226)	(257,853,170)

Assumptions for Five-Year Projection FY10 through FY15

General Overview

Economic activity is expected to increase gradually on a national level, with Florida expected to lag the rest of the nation due to the excess housing supply in the state, a drop in tourism and a reduction in population growth stemming from in-migration from other states. Locally, conditions in Jacksonville are expected to improve sooner than in South and Central Florida, but the recovery is likely to be modest and delayed compared to the rest of the country. High household debt levels, combined with lower property values, will likely mute the growth in consumer spending over the next few years.

Revenue

Property Taxes: In fiscal year 2010, property values fell by 4.4 percent overall, including new construction. For fiscal year 2011, the Property Appraiser's Office has indicated that a reduction of 3.27 percent in overall taxable value is a good working number until they can provide projections in early June. This is based on potential decreases in the commercial portion of the tax base and some stabilization in the residential sector.

Inflation was up 2.7 percent for 2009, which will result in an increase of 2.7 percent in taxable values for homesteaded properties that still have Save Our Homes savings compared to their assessed values. We anticipate existing property values to be flat in fiscal year 2012 with relatively low levels of new construction, with gradual improvement beginning with fiscal year 2013. We are projecting more normal real estate market conditions for fiscal year 2015, with a 5 percent increase in taxable values overall (including new construction). This appears to be in line with Florida's chief economist Amy Baker's comments in February that Florida's economy will not return to "normal" until the middle of this decade.

The revenue projections assume revenue neutral millage rate adjustments in fiscal years 2011 and 2012. No revenue neutral millage rate adjustments are assumed in fiscal years 2013 through 2015 due to the difficulty in forecasting market changes that may occur beyond the next two years. While the commercial sector continued to see relatively strong new construction activity in 2008, construction in all sectors is expected to be weak for both calendar years 2009 and 2010. This means we will see less new taxable value being added by new construction in both fiscal year 2011 and 2012 compared to fiscal year 2010. The extremely preliminary figures from the Property Appraiser indicate that new construction will add about $722 million county-wide to the tax rolls for fiscal year 2011; the comparable number for fiscal year 2010 was $1.44 billion. Of course, all of these projections are subject to numerous assumptions, but we still believe the general trend suggests that we should see stabilization around fiscal year 2012 and then see some slow improvement over time.

Utility Service Taxes: JEA is hoping for a zero to 1 percent increase in electricity sales for fiscal year 2010. While the relatively cold winter will help their revenues in the short run, the 10.7 percent increase in base electric rates for fiscal year 2010 and a 5.1 percent base increase still coming for fiscal year 2011 combined with the likelihood of less new construction, is expected to produce utility service tax revenues from electricity that are likely to be relatively flat over the next two fiscal years. On the water and sewer side, increases in rates over the next few years, combined with more aggressive conservation efforts, will also keep this revenue stream somewhat flat (if not negative). The other component of this category is Communication Services Tax. We have seen a declining trend in this revenue source over the past few years. With more people relying on cell phones and computers to communicate rather than landlines, we anticipate declining revenue in fiscal year 2010 with flat (for fiscal years 2011 and 2012) to minimal growth (fiscal years 2013 through 2015) of 1 percent in later years.

Franchise Fees: While electric and water rates are increasing, some of this will be offset by reductions in the fuel adjustment charge on the electric bill. Both of these revenues are not coming in as well as projected by JEA, and with further dampening of demand, both of these revenues are expected to experience modest growth at best over the next five years.

JEA Contribution: We anticipate the contribution will grow at $2.5 million per year throughout the next five years. This is the base growth amount in our current agreement with JEA.

Half-Cent Sales Tax: Growth in sales tax revenues will be muted during this period, essentially flat for fiscal year 2011 and then grow by 3 percent in the remaining four years.

City and County Revenue Sharing: These revenues are expected to be essentially flat before growing between 2-2.5 percent per year during the last four years of the projection period, slightly less than the trajectory for the half-cent sales tax revenues.

Interest Earnings on the Emergency Reserve Fund: The forecast anticipates that the interest earnings will not be utilized in fiscal year 2011 to help bolster General Fund revenues.

Surplus from Self-Insurance Fund: The surplus generated during fiscal year 2009 that is in excess of the actuarial requirements is approximately $2.74 million. This forecast assumes that amount is returned to the General Fund in fiscal year 2011.

Expenditures

Salaries: The current assumption is for salaries to remain flat between fiscal year 2010 and fiscal year 2011. The assumption for both years is that a zero percent increase will be granted and any step raises will be implemented as well. For fiscal years 2012 – 2015, the expectation is that salaries will increase by 2 percent annually, in addition to steps in the public safety departments.

Office of the Sheriff: The forecast reflects continued implementation of adding police officers and other personnel related to *The Jacksonville Journey* recommendations. An additional 53 officers will be hired in fiscal year 2011 (10 of which will be funded by a grant), and 52 more will be hired in fiscal year 2012. Additional civilian personnel scheduled for hire in fiscal year 2011 include 11 police service technicians, six judicial officers, one security officer, one career development specialist and two accreditation coordinators (plus two part-time judicial sergeants). No additional corrections officers are scheduled to be added during this five-year period (fiscal years 2011-2015). There are no additional personnel of any kind anticipated to be added after fiscal year 2012. The "COPS" grant positions will be funded by the General Fund after the grant money ends.

Pension Costs: The forecast assumes that the Police and Fire Pension employer contribution will hold steady at 49.6 percent through fiscal year 2012, climbing to 65.6 percent by fiscal year 2015. We are projecting the General Employees contribution rate to remain at 13.5 percent through fiscal year 2012, increase to 19.25 percent for fiscal year 2013 and hold at that rate for the following two years. The Corrections contribution rate is expected to stay at 31.8 percent through fiscal year 2012, but increase to 47 percent for fiscal year 2013 and then remain at that level for the following two years. We have also built in an assumption that all General Employees will be in a pension plan other than Social Security in fiscal year 2011.

Health Insurance: Health insurance premiums are expected to increase 10 percent per year throughout the next five years, roughly what the health insurance cost trend trajectory is currently. We may have to increase this for fiscal year 2011 if adverse cost trends occur.

Internal Service Costs: Fuel costs are based on a retail street price for gasoline of $3 per gallon for fiscal year 2011, rising to $3.25 per gallon in fiscal year 2012 and an additional $.10 per gallon each year for fiscal years 2013-2015.

ITD costs will increase more than other costs in an effort to bring the fund back to financial health. We have built in a flyover for GIS mapping purposes in fiscal year 2011 and every other year thereafter, which costs approximately $250,000.

Journey: We anticipate funding *The Jacksonville Journey* for the next five years at the levels originally envisioned when the program began. We do not anticipate receiving grant funding after fiscal year 2010 ends.

Shands Contribution: The contribution to Shands is expected to be flat during the five- year projection period.

Public Buildings: We anticipate a slow return to prior funding levels, with no change in fiscal year 2011 and a 2 percent increase annually through fiscal year 2015.

Public Service Grants: PSGs will be held at their current level of $5,452,216 throughout the five year period.

Supervisor of Elections: We have incorporated the varying costs associated with the election cycle into the five-year forecast.

Utilities: Electric costs are scheduled to increase by 4 percent in fiscal year 2011, 5 percent in fiscal year 2012 and 2 percent annually thereafter. Water and sewer costs are projected to increase by 12 percent in fiscal year 2011, 10 percent each in fiscal year 2012 and 2013 before advancing only 3 percent each in fiscal year 2014 and fiscal year 2015.