



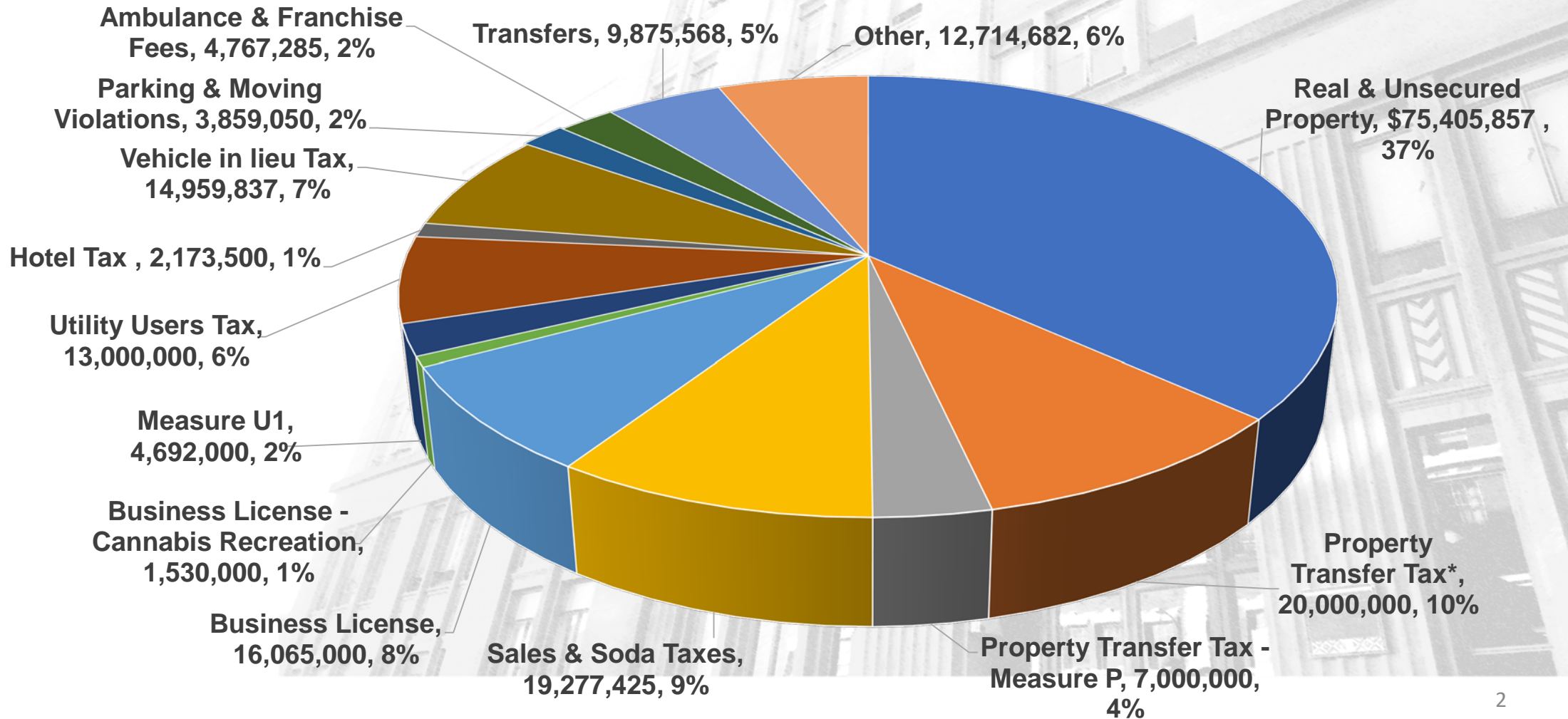
# General Fund Revenue Projections FY 2021-2025

Budget and Finance Policy Committee

May 27, 2021

# CITY OF BERKELEY

## FY 2022 PROPOSED GENERAL REVENUE FUND BUDGET



				Projected General Fund Revenue FY 2021 through FY 2025								
	FY 2018	FY 2019	FY 2020	FY 2021 Adopted	FY 2021 YTD Mar	FY 2021 Revised	Chg	%	FY 2022	FY 2023	FY 2024	FY 2025
<b>Undesignated Revenues</b>												
Secured Property Taxes	56,038,218	59,178,773	63,192,678	61,165,454	44,015,461	68,058,516	6,893,062	11.3%	70,780,857	73,258,187	75,822,223	78,476,001
Supplemental Taxes	2,237,649	2,174,903	2,334,597	1,260,000	855,050	2,000,000	740,000	58.7%	2,000,000	2,000,000	2,000,000	2,000,000
Unsecured Property Taxes	2,687,198	2,878,275	3,164,168	2,250,000	3,492,078	3,500,000	1,250,000	55.6%	2,625,000	2,625,000	2,625,000	2,625,000
Property Transfer Taxes	18,911,368	19,952,981	22,137,492	16,500,000	16,355,532	16,500,000	0	0.0%	12,500,000	12,500,000	12,500,000	12,500,000
Property Transfer Tax - Measure P		2,932,313	9,512,603	4,747,414	6,786,267	8,200,000	3,452,586	72.7%	7,000,000	7,000,000	7,000,000	7,000,000
Sales Taxes	17,435,591	18,663,550	17,557,539	15,786,200	12,097,591	15,985,141	198,941	1.3%	18,287,215	19,827,678	20,660,832	21,528,995
Soda Tax	1,457,003	1,547,349	1,331,313	970,794	731,711	970,794	0	0.0%	990,210	1,010,014	1,030,214	1,050,819
Utility Users Taxes	14,828,120	13,973,744	13,475,915	12,750,000	10,373,713	13,269,760	519,760	4.1%	13,000,000	13,000,000	13,000,000	13,000,000
Transient Occupancy Taxes(TOT)	7,807,273	7,995,188	6,387,495	5,070,000	1,550,242	2,070,000	(3,000,000)	-59.2%	2,173,500	2,282,175	2,396,284	2,516,098
Short-term Rentals	911,015	1,830,983	1,280,460	676,260	367,359	476,260	(200,000)	-29.6%	500,073	525,077	551,330	578,897
Business License Taxes	19,878,912	19,848,803	20,863,638	12,984,192	13,421,057	15,300,000	2,315,808	17.8%	16,065,000	16,868,250	17,711,663	18,597,246
Recreational Cannabis		1,168,794	1,446,655	1,300,000	1,173,584	1,500,000	200,000	15.4%	1,530,000	1,560,600	1,591,812	1,623,648
Measure U1	5,161,615	5,828,443	5,597,359	2,700,000	3,894,230	4,600,000	1,900,000	70.4%	4,692,000	4,785,840	4,881,557	4,979,188
Other Taxes		2,278,496	2,117,691	1,456,560	1,561,541	1,572,048	115,488	7.9%	1,603,489	1,635,559	1,668,270	1,701,635
Vehicle In Lieu Taxes	11,822,917	12,540,784	13,356,044	12,421,597	7,190,227	14,384,459	1,962,862	15.8%	14,959,837	15,483,432	16,025,352	16,586,239
Parking Fines - Regular Collections	6,608,001	6,002,211	3,897,580	5,049,000	2,721,104	3,549,000	(1,500,000)	-29.7%	3,726,450	3,912,773	4,108,411	4,313,832
Parking Fines - Booting Collections		211,913	8,685	0	0	0	0	0.0%	0	0	0	0
Moving Violations	188,443	177,824	209,894	190,000	79,471	130,000	(60,000)	-31.6%	132,600	135,252	137,957	140,716
Ambulance Fees	4,343,453	4,424,808	4,962,919	5,103,208	2,218,081	3,092,159	(2,011,049)	-39.4%	3,154,002	3,217,082	3,281,424	3,347,052
Interest Income	3,636,989	4,334,404	7,853,460	2,851,200	3,691,892	4,411,120	1,559,920	54.7%	4,411,120	4,411,120	4,411,120	4,411,120
Franchise Fees	2,009,931	1,821,316	1,839,102	1,551,696	540,563	1,581,650	29,954	1.9%	1,613,283	1,645,549	1,678,460	1,712,029
Other Revenues	10,736,326	8,116,908	8,065,884	6,246,348	7,900,032	8,600,000	2,353,652	37.7%	6,200,000	6,200,000	6,200,000	6,200,000
Indirect cost reimbursements	6,149,619	5,223,725	5,489,783	5,490,000	3,872,835	5,490,000	0	0.0%	5,490,000	5,490,000	5,490,000	5,490,000
Transfers	5,792,575	5,356,132	5,386,188	17,274,293	13,297,923	13,935,550	(3,338,743)	-19.3%	5,874,293	5,874,293	5,874,293	5,874,293
<b>Total Undesignated Revenues</b>	<b>198,642,216</b>	<b>208,462,620</b>	<b>221,469,143</b>	<b>195,794,216</b>	<b>158,187,544</b>	<b>209,176,457</b>	<b>13,382,241</b>	<b>6.8%</b>	<b>199,308,929</b>	<b>205,247,879</b>	<b>210,646,201</b>	<b>216,252,808</b>
<b>Designated Revenues</b>												
Prop. Transfer Taxes for capital improvements						3,500,000	3,500,000		7,500,000	7,500,000	7,500,000	7,500,000
<b>Total Designated Revenues</b>				<b>0</b>	<b>0</b>	<b>3,500,000</b>	<b>3,500,000</b>		<b>7,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>7,500,000</b>
<b>TOTAL REVENUES AND TRANSFERS</b>	<b>198,642,216</b>	<b>208,462,620</b>	<b>221,469,143</b>	<b>195,794,216</b>	<b>158,187,544</b>	<b>212,676,457</b>	<b>16,882,241</b>	<b>8.6%</b>	<b>206,808,929</b>	<b>212,747,879</b>	<b>218,146,201</b>	<b>223,752,808</b>

## FY 2021 – FY 2025 PROJECTED REVENUES

Secured Property Taxes									
	Actual Revenue				Projected Revenue				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Revenues	\$51,474,746	\$56,038,218	\$59,178,773	\$63,192,678	\$68,058,516	\$70,780,857	\$73,258,187	\$75,822,223	\$78,476,001
Change (\$)		\$ 4,563,472	\$ 3,140,555	\$ 4,013,905	\$ 4,865,838	\$ 2,722,341	\$ 2,477,330	\$ 2,564,037	\$ 2,653,778
Change (%)		8.9%	5.6%	6.8%	7.7%	4.0%	3.5%	3.5%	3.5%

- Based on the annual County Assessor’s Office estimate of assessed values (the baseline)
- The Growth in assessed values and
- Property Tax Delinquencies which are very low in the City of Berkeley
- Revenue Projections determined by the County

## FY 2021 – FY 2025 PROJECTED REVENUES

Vehicle In Lieu Taxes									
	Actual Revenue				Projected Revenue				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Revenues	\$10,994,452	\$11,822,917	\$12,540,784	\$13,356,044	\$14,384,459	\$14,959,837	\$15,483,432	\$16,025,352	\$16,586,239
Change (\$)		\$ 828,465	\$ 717,867	\$ 815,260	\$ 1,028,415	\$ 575,378	\$ 523,594	\$ 541,920	\$ 560,887
Change (%)		7.5%	6.1%	6.5%	7.7%	4.0%	3.5%	3.5%	3.5%

- Revenue tied to the change in Gross Assessed values of taxable properties
- Based on growth in assessed value
- New Vehicle Sales less DMV administrative Cost
- Revenue Projections determined by the County

## FY 2021 – FY 2025 PROJECTED REVENUES

<b>Property Transfer Taxes</b>									
	<b>Actual Revenue</b>				<b>Projected Revenue*</b>				
	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Total Revenues	\$17,151,793	\$18,911,368	\$19,952,981	\$22,137,492	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Change (\$)		\$ 1,759,575	\$ 1,041,613	\$ 2,184,511	\$ (2,137,492)	\$ -	\$ -	\$ -	\$ -
Change (%)		10.3%	5.5%	10.9%	-9.7%	0.0%	0.0%	0.0%	0.0%

<b>Property Transfer Tax - Measure P</b>									
	<b>Actual Revenue</b>				<b>Projected Revenue</b>				
	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Total Revenues	\$ -	\$ -	\$ 2,932,313	\$ 9,512,603	\$ 8,200,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000
Change (\$)		\$ -	\$ 2,932,313	\$ 6,580,290	\$ (1,312,603)	\$ (1,200,000)	\$ -	\$ -	\$ -
Change (%)				224.4%	-13.8%	-14.6%	0.0%	0.0%	0.0%

\*includes designated revenues

- Projections tied to real property sales
- Sale Price of property
- Frequency of property being sold

## FY 2021 – FY 2025 PROJECTED REVENUES

### Sales Taxes

	Actual Revenue				Projected Revenue				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Revenues	\$20,105,287	\$17,435,591	\$18,663,550	\$17,557,539	\$15,985,141	\$18,287,215	\$19,827,678	\$20,660,832	\$21,528,995
Change (\$)		\$ (2,669,696)	\$ 1,227,959	\$ (1,106,011)	\$ (1,572,398)	\$ 2,302,074	\$ 1,540,463	\$ 833,154	\$ 868,163
Change (%)		-13.3%	7.0%	-5.9%	-9.0%	14.4%	8.4%	4.2%	4.2%

- Projections tied to:
- Overall economic growth in the City and Bay area
- Growth rate of Berkeley commercial and industrial sectors
- Berkeley business attraction and retention
- Projections are provided by the MuniServices (the city's Sales Tax Consultant)

## FY 2021 – FY 2025 PROJECTED REVENUES

Utility Users Taxes									
	Actual Revenue				Projected Revenue				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Revenues	\$15,109,305	\$14,828,120	\$13,973,744	\$13,475,915	\$13,269,760	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000
Change (\$)		\$ (281,185)	\$ (854,376)	\$ (497,829)	\$ (206,155)	\$ (269,760)	\$ -	\$ -	\$ -
Change (%)		-1.9%	-5.8%	-3.6%	-1.5%	-2.0%	0.0%	0.0%	0.0%

- Revenues 7.5% tax on all users of utilities. 65% from gas and electricity.
- Revenues tied to: Consumption/use of gas, electricity, telecommunication services; cable and cellular
- PUC rate changes
- Projections derived from data provided by PG&E



## FY 2021 – FY 2025 PROJECTED REVENUES

<b>Business License Taxes</b>									
	<b>Actual Revenue</b>				<b>Projected Revenue</b>				
	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Total Revenues	\$18,829,739	\$19,878,912	\$19,848,803	\$20,863,638	\$15,300,000	\$16,065,000	\$16,868,250	\$17,711,663	\$18,597,246
Change (\$)		\$ 1,049,173	\$ (30,109)	\$ 1,014,835	\$ (5,563,638)	\$ 765,000	\$ 803,250	\$ 843,413	\$ 885,583
Change (%)		5.6%	-0.2%	5.1%	-26.7%	5.0%	5.0%	5.0%	5.0%

- Based on gross receipts of businesses in the City
- Projections based on:
- Commercial and industrial growth rates
- Economic activities in the bay area
- Number of business renewals and
- Audit and Collection programs of the Finance department

- These revenue categories represent over 80% of the overall General Fund revenues.
- Projections are based on the most current data available regarding collections and economic activities
- Staff will update as post-COVID economic conditions become more clear and the distinction between short-term pandemic business interruptions and longer lasting trends is more apparent

Questions?

