

TWENTY YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

TWENTY YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

General Fund	20 Year Summary																				
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	
Beginning Balance	44,989,175	44,989,175	42,338,282	44,050,478	40,427,180	41,500,309	43,056,944	45,120,004	48,199,371	47,458,412	50,417,632	53,524,899	58,518,887	61,968,255	59,393,503	61,517,538	64,472,371	68,383,918	73,630,027	61,277,135	59,728,674
Revenues																					
General Revenues	909,788,736	40,939,245	40,695,651	40,419,413	41,335,929	42,282,376	43,259,936	44,139,799	44,912,166	45,507,147	46,110,203	46,586,434	46,089,942	45,650,835	46,503,225	47,382,229	48,288,971	49,225,582	50,046,195	49,944,101	50,469,357
1.00% Sales Tax (Voter)	221,837,000	12,297,000	11,559,000	10,865,000	11,300,000	11,752,000	12,222,000	12,589,000	12,841,000	12,969,000	13,228,000	13,360,000	12,558,000	11,805,000	12,277,000	12,768,000	13,279,000	13,810,000	10,358,000	-	-
Functional Revenues	106,926,434	5,343,434	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,347,000	5,342,000	5,342,000
Developer/Park Impact Payments	267,700	267,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Reimbursements	131,285	131,285	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In	11,784,627	568,357	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330	590,330
Total Revenues	1,250,735,782	59,547,021	58,191,981	57,221,743	58,573,259	59,971,706	61,419,266	62,666,129	63,690,496	64,413,477	65,275,533	65,883,764	64,585,272	63,393,165	64,717,555	66,087,559	67,505,301	68,972,912	66,341,525	55,876,431	56,401,687
Expenditures																					
Operating																					
Wages/Benefits/Insurance																					
Wages	446,086,958	18,262,190	18,741,172	19,115,401	19,497,115	19,886,464	20,283,599	20,688,677	21,101,856	21,523,299	21,953,171	22,379,641	22,826,880	23,283,063	23,748,371	24,222,984	24,707,090	25,200,877	25,704,541	26,218,278	26,742,289
Other Wages (Overtime/Special Pays)	87,952,049	3,994,370	4,034,314	4,074,657	4,115,403	4,156,557	4,198,123	4,240,104	4,282,505	4,325,330	4,368,584	4,412,269	4,456,392	4,500,956	4,545,966	4,591,425	4,637,340	4,683,713	4,730,550	4,777,856	4,825,634
CalPERS NC Rate	71,153,508	2,965,742	3,184,250	3,205,650	3,228,798	3,253,689	3,318,326	3,345,507	3,412,023	3,441,570	3,510,045	3,576,656	3,628,201	3,681,402	3,736,273	3,792,829	3,851,084	3,911,055	3,972,759	4,036,213	4,101,437
Other Benefits	58,384,197	3,060,305	3,045,003	3,029,778	3,014,629	2,999,556	2,984,558	2,969,635	2,954,787	2,940,013	2,925,313	2,910,687	2,896,133	2,881,653	2,867,244	2,852,908	2,838,644	2,824,450	2,810,328	2,796,276	2,782,295
Insurance	24,614,005	1,438,971	1,295,074	1,165,566	1,107,288	1,051,924	1,072,962	1,094,421	1,116,310	1,138,636	1,161,409	1,184,637	1,208,330	1,232,496	1,257,146	1,282,289	1,307,935	1,334,094	1,360,775	1,387,991	1,415,751
Total Wages/Benefits/Insurance	688,190,717	29,721,577	30,299,812	30,591,052	30,963,234	31,348,189	31,857,568	32,338,345	32,867,482	33,368,849	33,918,522	34,463,890	35,015,936	35,579,570	36,155,000	36,742,435	37,342,092	37,954,189	38,578,953	39,216,614	39,867,406
Internal Services																					
Information Services	30,044,380	1,451,322	1,657,119	1,324,988	1,329,360	1,674,376	1,477,394	1,482,690	1,423,194	1,767,309	1,397,251	1,498,500	1,503,218	1,487,828	1,504,112	1,521,587	1,506,308	1,509,200	1,511,851	1,520,716	1,496,057
Government Buildings	37,425,661	1,598,643	1,775,090	1,741,608	1,780,794	1,820,862	1,861,831	1,903,722	1,946,556	1,990,353	2,035,136	1,845,459	1,870,141	1,879,646	1,893,450	1,904,716	1,913,101	1,918,228	1,919,679	1,916,991	1,909,655
Fleet Services	33,723,859	1,357,464	1,672,218	1,790,631	1,701,100	1,735,122	1,769,824	1,628,238	1,660,803	1,577,763	1,845,983	1,673,915	1,705,560	1,708,894	1,700,720	1,700,682	1,697,238	1,689,980	1,696,154	1,699,689	1,711,881
Capital Equipment	5,781,383	391,430	476,897	199,779	316,461	193,629	436,079	192,637	399,755	294,862	101,774	300,330	291,220	272,653	279,940	276,288	284,554	269,401	277,078	264,810	261,805
Self Insurance	22,098,840	1,387,734	993,370	1,013,237	1,033,502	1,054,172	1,075,256	1,096,761	1,118,696	1,141,070	1,163,891	1,107,769	1,079,772	1,088,413	1,095,930	1,102,173	1,106,973	1,110,145	1,111,483	1,110,762	1,107,731
Total Internal Services	129,074,124	6,186,592	6,574,695	6,070,243	6,161,217	6,478,160	6,620,384	6,304,049	6,549,004	6,771,357	6,544,035	6,425,974	6,449,912	6,437,433	6,474,152	6,505,446	6,508,175	6,496,954	6,516,244	6,512,968	6,487,129
Operations & Maintenance																					
Departmental	135,937,535	6,458,463	6,533,255	6,523,422	6,598,539	6,589,031	6,664,477	6,655,299	6,731,075	6,722,231	6,798,342	6,789,834	6,866,283	6,858,114	6,934,905	6,927,079	7,004,215	6,996,736	7,074,219	7,067,091	7,144,926
Non-Departmental	22,092,090	870,000	1,380,735	1,391,679	1,052,835	1,064,209	1,075,805	1,087,626	1,010,677	1,022,964	1,035,490	1,048,260	1,061,280	1,074,554	1,088,087	1,101,884	1,115,951	1,130,293	1,144,915	1,159,824	1,175,024
Total Operations & Maintenance	158,029,626	7,328,463	7,913,990	7,915,100	7,651,374	7,653,241	7,740,281	7,742,925	7,741,753	7,745,195	7,833,832	7,838,094	7,927,563	7,932,668	8,022,991	8,028,963	8,120,166	8,127,029	8,219,135	8,226,914	8,319,950
Other Outflows																					
Ongoing																					
Capital (inc. OCTA Reimbursable)	16,913,713	4,913,713	-	4,000,000	-	-	-	-	4,000,000	-	-	-	-	4,000,000	-	-	-	-	-	-	-
Continuing Appropriations	47,230	47,230	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service (Annual)	19,553,879	1,097,473	1,093,922	1,092,492	1,097,828	1,097,204	1,090,816	1,088,663	1,090,540	1,091,345	1,091,074	1,094,625	1,091,994	1,093,178	1,091,947	1,093,523	1,089,328	1,088,841	979,087	-	-
Solar & Energy Project Savings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	188,796,703	10,902,865	8,597,365	9,176,153	9,626,478	9,838,277	10,047,157	10,112,780	10,182,677	10,477,512	10,780,802	11,067,194	10,650,500	10,925,068	10,849,430	10,762,358	10,533,994	10,059,791	7,206,313	3,468,395	3,531,595
Total Ongoing	225,311,526	16,961,281	9,691,288	14,268,645	10,724,306	10,935,481	11,137,973	11,201,443	15,273,217	11,568,856	11,871,876	12,161,819	11,742,494	16,018,246	11,941,377	11,855,881	11,623,322	11,148,632	8,185,400	3,468,395	3,531,595
Payoffs																					
OPEB ARC Funding	6,000,000	-	-	-	-	-	-	-	2,000,000	2,000,000	2,000,000	-	-	-	-	-	-	-	-	-	-
CalPERS UAL (Additional Pay down)	14,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Payoffs	20,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	-	-	-	-	-	-	-	-	-
Total Other Outflows	245,311,526	18,961,281	11,691,288	16,268,645	12,724,306	12,935,481	13,137,973	13,201,443	17,273,217	13,568,856	13,871,876	12,161,819	11,742,494	16,018,246	11,941,377	11,855,881	11,623,322	11,148,632	8,185,400	3,468,395	3,531,595
Total Expenditures</																					

TWENTY YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

TWENTY YEAR REVENUE, EXPENSE & FUND BALANCE PROJECTIONS

General Fund	20 Year Summary	LONG-TERM LIABILITIES - PROJECTED BALANCES ¹																			
		2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039
Net Pension Liability		79,142,051	77,051,315	74,642,155	71,698,833	68,407,026	64,772,712	59,723,346	56,215,754	53,327,129	50,046,751	46,341,983	42,177,762	37,516,423	32,317,514	26,950,890	21,421,574	15,884,778	-	-	-
Net CalPERS Liability (CalPERS Liability - CalPERS Assets) ²		(10,801,150)	(12,648,003)	(14,579,811)	(16,600,482)	(18,714,104)	(20,924,953)	(23,237,501)	(24,306,426)	(25,424,522)	(26,594,050)	(27,817,376)	(29,096,975)	(30,435,436)	(31,835,466)	(33,299,898)	(34,831,693)	(36,433,951)	(20,915,229)	(21,877,329)	(22,883,686)
Less PARS Pension Trust (115) Assets		68,340,901	64,403,313	60,062,344	55,098,351	49,692,922	43,847,759	36,485,845	31,909,328	27,902,608	23,452,701	18,524,607	13,080,786	7,080,987	482,048	(6,349,007)	(13,410,119)	(20,549,172)	(20,915,229)	(21,877,329)	(22,883,686)
Net OPEB Liability	46,553,000	<i>Projected balances were not included within the 2017 Actuarial Valuation. However, these amounts will be included in the next valuation report, which is expected to be completed in the summer of 2019 and will be reflected in future 20-year projections.</i>																			
Total OPEB Liability ³	(8,335,000)																				
Less Portion Related to the Implied Subsidy ³	(11,100,000)																				
Less OPEB Trust (115) Assets	27,118,000																				
2015 Pension Obligation Bonds		14,915,000	14,285,000	13,595,000	12,830,000	11,990,000	11,065,000	10,055,000	8,945,000	7,730,000	6,410,000	4,970,000	4,320,000	3,605,000	2,820,000	1,960,000	1,020,000	-	-	-	-
2016 Lease Revenue Bonds		11,115,000	10,640,000	10,150,000	9,635,000	9,100,000	8,550,000	7,980,000	7,385,000	6,765,000	6,120,000	5,445,000	4,745,000	4,015,000	3,260,000	2,480,000	1,680,000	855,000	-	-	-
2017 Clean Renewable Energy Bonds (CREBs)		2,617,682	2,508,477	2,393,870	2,273,677	2,147,709	2,015,770	1,877,659	1,733,169	1,582,087	1,424,193	1,259,261	1,087,058	907,344	719,871	524,385	320,625	108,320	-	-	-

¹ Excluding claims payable, compensated absences and Water Utility Bonds.

² The Net CalPERS Pension Liability is estimated at approximately \$80 million based on the 6/30/17 Actuarial Reports that were issued by CalPERS in August 2018, which is calculated using a 7.25% discount rate. In 2016, CalPERS lowered the discount rate from 7.5% to 7.0%, which has been phased in over a 3-year period. The June 30, 2018 Actuarial Valuation Reports will reflect a 7% discount rate. The pension liability is estimated to be approximately \$88 million utilizing a 7% discount rate, which assumes CalPERS will earn on average an investment return of 7% over the long-term. If CalPERS earns on average 6.5% to 6.75% over the long-term, the pension liability is estimated to be between \$96 million and \$108 million. The pension liability is also affected by a number of other factors such as mortality, inflation, etc. The goal is to have sufficient funds set-aside in the City's Pension Trust to cover additional contributions required by CalPERS. The Pension Trust is used to mitigate against CalPERS investment return volatility through diversification where assets are managed in a customized investment strategy that balances risk and return. The Pension Trust is also designed to mitigate against pension contribution volatility since Pension Trust assets can be used to offset unanticipated increases in CalPERS rates.

³ The total liability for Other Post-Employment Benefits (OPEB) is estimated to be approximately \$47 million (excluding OPEB Trust assets) based on the January 1, 2017 Actuarial Valuation Report, which is calculated using a blended discount rate of 4.1%. Approximately \$8 million of the OPEB liability relates to an "Implied Subsidy". The City of Fountain Valley provides both active employees and retirees with access to healthcare insurance through a statewide pool administered by CalPERS. The CalPERS healthcare insurance plan blends active employees with pre-Medicare retirees and charges them the same medical premium. This is referred to as an "Implied Subsidy". The 20-Year forecast addresses the projected costs associated with the "Implied Subsidy". The balance of the OPEB liability relates to the "cash subsidy" valued at \$38 million where the City contributes towards the cost of retiree healthcare, which varies by bargaining group and hire date. The goal is to have sufficient funds set-aside in the City's OPEB Trust to cover future OPEB benefit payments associated with the "cash subsidy".