Fiscal 2017
Mid-Year Projections

Department of Finance
Report to City Council
February 21, 2017
Fiscal 2017 (Mid-Year)

<table>
<thead>
<tr>
<th></th>
<th>Adopted Budget</th>
<th>Budget Adjustments</th>
<th>Adjusted Budget</th>
<th>Mid-Year Projection</th>
<th>Surplus / (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,762.8</td>
<td>0.0</td>
<td>1,762.8</td>
<td>1,780.1</td>
<td>17.3</td>
</tr>
<tr>
<td>PAYGO Capital</td>
<td>15.5</td>
<td>0.0</td>
<td>15.5</td>
<td>15.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Expenditures</td>
<td>1,747.3</td>
<td>0.0</td>
<td>1,747.3</td>
<td>1,755.9</td>
<td>(8.6)</td>
</tr>
<tr>
<td>Surplus / (Deficit)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>8.7</td>
<td>8.7</td>
</tr>
</tbody>
</table>

- Projected $8.7 million surplus represents a 0.4% variance from budget.
- A 1% confidence interval around the projection is a range from a $25 million surplus to a $16 million deficit.
Revenue Surplus/Deficit

Fiscal 2018 - 2nd Quarter Revenue Projection
Surplus/(Deficit)
Figures in millions

- State Highway User Revenue: $3.5
- Charges for Central City Services: $2.7
- Recodartion Tax: $1.4
- Gas Tax: $1.3
- Real Property Tax: $1.1
- Hotel Tax (Net transfer from CC Fund): $1.2
- Net Transfer From Parking Management Fund: $4.3
- Property Transfer Tax: $8.7
- Income Tax - State Collected: $14.4
Expenditures

- **Police ($17.8M)**
  - Vacancy savings ($15M) offset by deficits in overtime ($27M) and severance ($4M)
  - BPD has redeployed officers and taken other steps to reduce spending in the second half of the fiscal year

- **Fire ($9.2M)**
  - Budget assumed $4M from EMS fee increase that has not been approved
  - Slow hiring and turnover have caused vacancies in suppression and EMS, driving overtime spending
  - Delay implementing two-tier EMS also costly
Expenditures (cont.)

• Transportation ($5M)
  • General Fund is absorbing Circulator Fund deficit until financial solution is found
  • Increased BGE street light tariff also caused deficit

• Public Works ($1.5M)
  • The cost of overtime and temporary workers in Solid Waste exceeds vacancy savings
  • Vehicle maintenance costs running over budget, especially for street sweepers

• Surpluses in Finance ($1.9M), Housing ($1.6M), Library ($1.4M) and Health ($1.3M) mainly due to vacancies

• $10M debt service surplus based on revised payment schedules
Budget Adjustments

• The Administration has proposed two items for City Council action:
  • $4.1M transfer of appropriation to fund labor agreements with fire unions
  • $560K supplemental for Law Department technology project