

The Memphis City Administration develops a Five-Year Financial Plan for the General Fund. The Five Year Financial Plan is an indication of management's best assessment of future revenues, expenditures and operating results over the five-year forecast period.

The compilation and review of the Plan provides an opportunity to put current funding decisions in context with longer-term economic conditions while affording City management a realistic projection of the ongoing financial impact of policy decisions. The Plan also provides an opportunity to demonstrate to policy makers the likely impact of the short-term capital investment and financing decisions on the City's longer-term financial capacity.

Major goals of the Five-Year Financial Plan include the following:

1. To put the City's annual budget making process into a five-year planning horizon to facilitate prudent financial management.
2. To provide an environment for setting revenue and expenditure targets and for evaluating budget priorities in light of projected fiscal conditions.
3. To present a picture of the longer-term strategic financial issues facing the City, while highlighting funding priorities for budget planning.
4. To identify potential structural budget imbalances, surpluses or shortfalls.
5. To provide a useful framework for reviewing and refining the City's financial forecasts, as well as its financial management goals and priorities.

In preparing the Plan, the Budget Office takes into account historical experience, as well as the economic uncertainties underlying the revenue outlook and growth in expenditures during the five-year period. The City's key assumptions for revenues and expenditures are provided in the following paragraphs.

The revenue projections assume average annual growth of one-half percent over the four year period (five including the budget year) in the two main revenue categories of sales and property taxes. The economic dependency of these two revenue categories, the current financial climate, with high unemployment, and housing instability, effectively negate historical growth and collection trends for these two major revenue sources. Consequently revenue trends for all categories in the general fund are modest.

Expenditure projections represent no expenditure growth for most expenditure categories, in each year. Any expenditure projection increases reflect the impact of known and proposed spending for personnel, or operating expenditures resulting from capital projects in the City's Capital Improvement Plan. Personnel expenditures, in general, are held at no growth as many employees are subject to bargaining unit agreements which will be negotiated at a future time.

Financial data in this section *does not* represent an approved financial plan, and it *does not* represent the final form of a financial plan that could be presented to the City Council for future consideration. This section is intended to provide a high level look at projected revenues and expenditures for long range planning purposes. There are a number of financial decisions that could not be projected during the development of this data, including changes in the tax rate, the impact of grant awards, the use of technology and the impact of new service delivery strategies.

REVENUE AND EXPENDITURE SUMMARY

Category	FY 2011 Adopted	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected
<u>Revenues</u>					
Local Taxes	422,636,835	423,699,266	426,256,802	428,860,753	431,485,326
State Taxes	52,045,528	51,159,282	51,374,202	51,668,294	51,964,348
Licenses and Permits	11,287,710	11,181,392	11,181,392	11,181,392	11,181,392
Fines and Forfeitures	10,245,000	10,857,560	11,025,946	11,194,658	11,368,947
Charges for Services	917,400	917,400	917,400	917,400	917,400
Use of Money and Property	2,035,679	2,093,951	2,055,535	2,017,887	1,980,993
Federal Grants	0	0	0	0	0
State Grants	0	0	0	0	0
Other Revenues	7,880,881	3,341,911	3,341,911	3,341,911	3,341,911
Transfers In	127,766,897	75,715,323	75,715,323	75,715,323	74,684,323
Total Revenues	<u>634,815,930</u>	<u>578,966,085</u>	<u>581,868,511</u>	<u>584,897,618</u>	<u>586,924,640</u>
<u>Expenditures</u>					
CITY ATTORNEY	13,981,077	15,094,093	15,142,154	15,160,149	15,548,113
CITY COUNCIL	1,603,745	1,635,085	1,635,085	1,635,085	1,635,085
CITY COURT CLERK	3,220,316	3,430,685	3,536,786	3,643,177	3,746,050
CITY COURT JUDGES	617,200	622,423	623,380	624,365	625,362
CITY ENGINEERING	7,117,243	8,114,906	8,114,906	8,162,306	8,114,906
COMMUNITY ENHANCEMENT	7,762,374	8,393,398	9,578,980	8,705,166	8,467,821
EXECUTIVE	6,906,398	7,061,035	7,061,035	7,061,035	7,061,035
FINANCE	5,773,876	5,632,958	5,595,208	5,595,208	5,595,208
FIRE SERVICES	139,629,771	143,313,023	143,691,469	144,296,392	144,916,422
GENERAL SERVICES	9,937,800	11,405,161	11,427,341	11,450,781	11,474,690
GRANTS & AGENCIES	118,589,012	57,164,571	57,164,571	57,164,571	57,164,571
HCD	4,761,631	5,758,686	4,690,690	3,675,002	3,766,999
HUMAN RESOURCES	7,411,432	9,716,676	9,739,042	9,761,499	9,794,341
INFORMATION SERVICES	18,274,712	20,336,165	20,712,467	21,096,293	21,487,794
PARK SERVICES	21,384,898	22,292,631	22,283,667	22,283,667	22,283,667
POLICE SERVICES	225,972,817	236,066,458	236,498,677	236,732,547	236,974,597
PUBLIC SERVICES & NEIGHBORHOODS	20,174,936	19,832,007	19,824,808	19,832,008	19,832,008
PUBLIC WORKS	17,440,386	19,862,320	20,533,019	21,250,408	22,018,840



REVENUE AND EXPENDITURE SUMMARY

Category	FY 2011 Adopted	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected
Total Expenditures	<u>630,559,624</u>	<u>595,732,281</u>	<u>597,853,285</u>	<u>598,129,659</u>	<u>600,507,509</u>



