

General Fund Revenues:

REVENUE SOURCE	FY06 BUDGET	FY07 BUDGET
Property Tax	\$290.4 million	\$344.2 million
Sales Tax	\$144.1 million	\$234.9 million
T.O.T.	\$128.5 million	\$139.1 million
Other	\$301.0 million	\$267.8 million
Pension Obligation Bonds	\$0	\$374 million
TOTAL ESTIMATE (AS OF 4/9/06) MAY BE FINE-TUNED FOR 4/14	\$864 MILLION	\$1,360 MILLION

- Police and Fire Department overtime budgets will be fully funded.
- 270 General Fund Phantom or “supplemental” positions (as they are known in City parlance) will be incorporated into the budget. This will cost \$33.7 million.
- Funding deferred maintenance.
- Funding reserves.
- A requirement that enterprise and special funds be audited every three years to ensure all fees paid into those funds are used for the proper purpose, including personnel.
- And a reduction in the size of the annual budget report down to one volume so that the public can understand the document.

Pension Funding Plan

Over the course of the next three fiscal years (FY06, FY07 and FY08), the Mayor is proposing to infuse the Retirement System with **\$856.1 million in cash** in order to reduce the \$1.4 billion deficit.

FISCAL YEAR	FUNDING RECOMMENDATION	AMOUNT		
FY06	Tobacco Securitization	\$100 million		
	Remainder of Employee Pickup	\$7 million		
	FY06 Sub-Total	<u>\$107 million</u>	\$107 million	68% funded
FY07	Normal Costs	\$85.8 million		
	Pension Obligation Bonds	\$300 million		
	Employee Leverage POB	\$74 million		
	FY07 Sub-Total	<u>\$459.8 million</u>	\$459.8 million	79.15% funded
FY08	Normal Costs (estimated)	\$89.3 million		
	Pension Obligation Bonds	\$200 million		
	FY08 Sub-Total	<u>\$289.3 million</u>	\$289.3 million	83.72% funded
	TOTAL	<u>\$856.1 million</u>	\$856.1 million	

The Mayor will establish 85% as the funding ratio goal for his administration.

Mayor Sanders believes that the City’s true pension obligation, including the **Actuarially Required Contribution (ARC)** should be fully disclosed to the citizens of this community. Because the City has ultimate responsibility for the numbers that appear in its financial