NLC
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OF CITIES

CITIES STRONG TOGETHER

City Fiscal Conditions

2019

About the National League of Cities (NLC)

The National League of Cities (NLC) is the voice of America's cities, towns and villages, representing more than 200 million people. NLC works to strengthen local leadership, influence federal policy and drive innovative solutions.

About the Authors

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Acknowledgements

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DULUTH, MINNESOTA

> **"...the economy and local fiscal conditions are not one-size-fits-all. While some places are doing incredibly well, others are edging towards the next downturn."**

GRAND RAPIDS, MICHIGAN

Foreword

Every year, local governments are expected to balance their budgets. They don't have a choice. Those budgets ensure that emergency services respond quickly and efficiently, that potholes are filled, and that community resources like parks and libraries are safe and enjoyable.

But in this year's City Fiscal Conditions report, it is clear that communities across the country — and their residents and businesses — are experiencing varying economic realities. Some cities may be forced to choose between resurfacing Main Street or repairing an older firetruck. Others may have to decide between reforming retiree healthcare or shrinking the public safety budget. They are choices that no local leader wants to be faced with, but unfortunately, it's a growing reality in some parts of the country.

This year, we took a closer look at fiscal trends by region and city size to get a more complete picture of what different communities are facing on the ground. The reality is, the financial conditions in Dubuque, Iowa, and Vail, Colorado, are very different from San Francisco and Boston.

We found that most big city finance officers are now confident that there will be a recession in 2020 or 2021. And Midwestern cities — home to 68 million people — are seeing a decline in revenues so surprising that our experts had to check the data multiple times. Meanwhile, cities out West are seeing some of the strongest revenue growth.

The key takeaway from this year's report is that the economy and local fiscal conditions are not one-size-fits-all. While some places are doing incredibly well, others are edging towards the next downturn. My hope is that local leaders continue to use this report to improve communications and outcomes within their own budget processes, and ultimately, to better support the needs of the people they serve.

Clarence E. Anthony
CEO and Executive Director
National League of Cities

Introduction

Property tax revenues

1.8 % FY 2018
2.6 % FY 2017

Sales tax revenues

1.9 % FY 2018
1.8 % FY 2017

Income tax revenues

0.6 % FY 2018
1.3 % FY 2017

After waning optimism in recent years, nearly two in three finance officers in large cities now predict a recession as soon as 2020. This forecast comes on the heels of weakening major economic indicators, including in manufacturing, agriculture and service sectors, home sales and business sentiment. While the slowing economy is largely a global phenomenon, the U.S.'s trade disputes with China, Canada, Mexico and the European Union have added more uncertainty to the future.

These factors are starting to affect city finances. For the first time in seven years, cities anticipate a decline in revenue as they close the books on fiscal year 2019, the *National League of Cities' 2019 City Fiscal Conditions s*urvey reveals. While this drop was expected after revenue growth plateaued in fiscal year 2018, these findings signal that economic pressures on city budgets are mounting.

In fiscal year 2018, total constant-dollar general fund revenue growth slowed to 0.6 percent. Income tax and property tax revenues slowed, while sales tax revenue growth was unchanged from the prior year.

- Property tax revenues grew by 1.8 percent, compared to 2.6 percent in FY 2017

- Sales tax revenues grew by 1.9 percent, compared to 1.8 percent in FY 2017

- Income tax revenues grew by 0.6 percent, compared to 1.3 percent in FY 2017

Meanwhile, expenditures are climbing, increasing by 1.8 percent in fiscal year 2018. While that's a growth rate is slightly lower than the prior three years, officials also expect it to climb again to 2.3 percent for fiscal year 2019. Infrastructure needs, public safety spending and pension costs are among the most significant expenditures.

TAMPA, FLORIDA

The declining fiscal conditions are sharpest in the Midwest as overall general fund revenues in cities there declined by 4.4 percent. Much of that appears to be driven by large revenue drops in big cities. Chicago, Illinois, recorded an 11.7 percent revenue decline in fiscal year 2018 while Minneapolis, Minnesota, dropped by 9.6 percent.

Elsewhere across the South, West and Northeast, cities in all population categories experienced slower growth in general fund revenues and property tax receipts over the last year, but growth nonetheless.

Still, three out of four finance officers across the country remain confident in the ability of their local government to address expenditures and meet the financial needs of their communities. City budgets continue to be buoyed by generally healthy local economies and robust tax bases. Finance officers in the Midwest, however, are most likely to report that their cities' budgets were less able to support the community over the past year.

Looking beyond 2019, the resilience of city fiscal conditions will be tested by looming economic headwinds, largely driven by trade. Meanwhile, the cost of healthcare and pensions are rising faster than inflation and placing pressure on spending. Combined with state policies that impede local fiscal autonomy, these factors all have the potential to further constrain city budgets.

CEDAR RAPIDS, IOWA

"...nearly two in three finance officers in large cities now predict a recession as soon as 2020."

Predicting the Downturn

Predicting the exact timing of an economic downturn is next to impossible, but it's telling to know what those who manage government budgets are seeing. According to the NLC survey, finance officers from large (63%) and larger mid-sized cities (49%) are more likely than finance officers from smaller mid-sized cities (38%) and small cities (35%) to predict that the next recession will occur in the next one to two years (**Figure 1**).[1] This is counterintuitive given that many industry drivers of smaller communities, including manufacturing and agriculture, have typically been among the first to show signs of an economic slowdown.

The difference between the perspectives of officials in large cities versus smaller cities is likely due to a few factors. For one, large cities are experiencing a bigger gap between revenue growth and spending growth than their smaller counterparts (see Revenue and Spending Trends section). Housing market growth is also reaching its peak in large cities and is already slumping in some large West Coast cities such as Seattle, Washington, and San Francisco, California. June home prices for major West Coast cities fell for the first time since 2012, declining by 1.7 percent.[2] Business investment in 2019 is also on the decline, a metric which tends to hit larger cities first.[3]

Lastly, large cities also have fairly robust economic forecasting tools and a larger budget staff than smaller cities. This difference may also be playing into their different timelines in forecasting the next downturn.

Figure 1

When will the next recession occur? (by population size)

Legend: Now (blue), 1-2 Years (purple), 3-5 Years (teal), >5 years (gold)
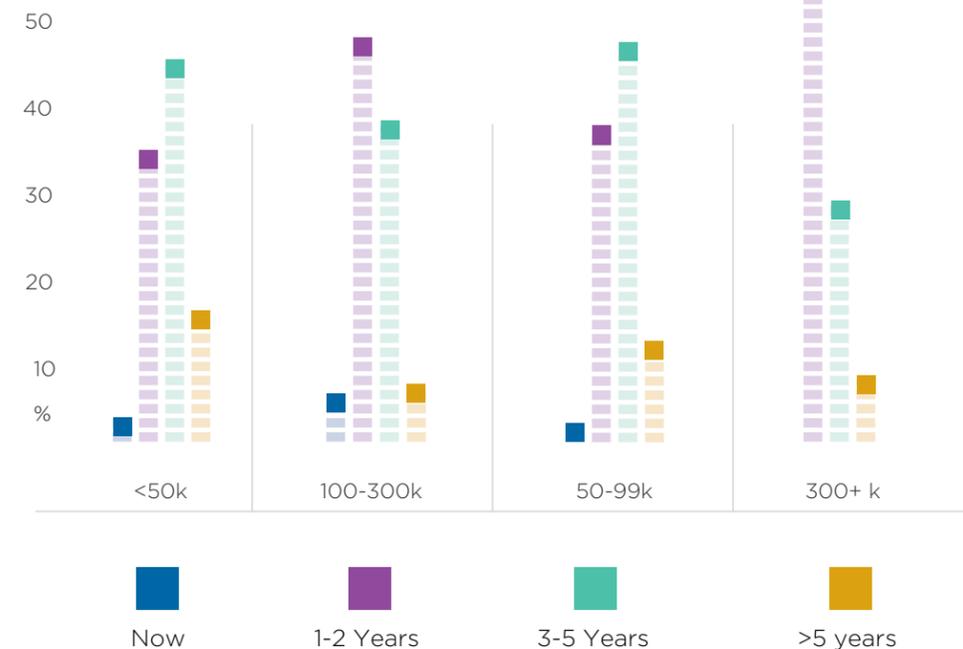
Revenue and Spending Trends

Changes in general fund revenues are typically a good proxy for local economic and fiscal conditions. General fund revenues are derived primarily from property and sales taxes, while some cities also tax income. Utility and other taxes, user fees and shared revenues round out the picture for cities. General fund expenditures provide funding to cities' general operations, such as infrastructure, employee wages and public safety. On average, they account for more than 55 percent of total city spending.

This analysis examines year-over-year growth of general fund expenditures and revenues, adjusts for inflation (constant dollars) and includes fiscal data over several years.[4] General fund trend data are based on aggregated fiscal data across cities. This means that cities with larger budgets have greater influence on the trends.

In fiscal year 2018, total general fund revenues slowed to their lowest annual growth rate since 2013, increasing by less than 1 percent in constant dollars **(Figure 2)**.[5] This was mostly driven by the Midwest's collective drop by 4.4 percent in reported 2018 revenue. In creating their budgets for 2019, finance officers on average estimated that revenues will *decline* by about 1 percent in real terms.

Still, spending growth has outpaced revenue growth in recent years and we expect this trend to continue. Expenditures in fiscal year 2018 collectively grew by about 2 percent, a figure that is in-line with what was budgeted for that year. Even greater spending growth (2.3%) is budgeted for fiscal year 2019.

Infrastructure needs, public safety needs and pensions were reported as the top three burdens on city budgets in 2019 (**Figure 3**). Those pressures are similar to

previous years and are likely to continue. In her recent State of the City address, for example, Chicago Mayor Lori Lightfoot warned the city was facing an $838 million budget gap in 2020 that was driven by increased pension costs and needed infrastructure investment.

Looking at the differences across city sizes, general fund revenue growth in fiscal 2018 increased the most in smaller mid-sized cities (1.07%). Small cities (0.66%) and large cities (0.63%) showed slight growth while larger mid-sized cities showed the slowest growth at 0.28 percent. On the spending side, large cities saw the steepest rise (2.89%) in expenditures in fiscal 2018 while larger mid-sized cities had kept spending essentially flat. (**Figure 4**).[6]

The revenue slowdown combined with the increased spending pressure evident in larger cities also helps explain their more pessimistic view of the economy compared with their smaller city counterparts. For example, in Santa Ana, California (population 334,000), expenses rose nearly 6 percent in fiscal year 2018, driven largely by increases in fire spending and higher pension payments required by the state. General fund revenues, however, only increased by about 2 percent.

For fiscal year 2019, large cities tended to budget for a bigger revenue decline (-1.17%) than did smaller cities, which have budgeted for flat revenue **(Figure 5)**. As such, large cities are expecting slower expenditure growth (2.06%) in 2019 than small cities (4.70%).

By region, revenue growth in Midwestern cities fell by 4.36 percent in fiscal year 2018 while cities in the West saw a bigger-than-average growth rate (2.29%). In expenditures, Northeastern and Southern cities saw the biggest growth in fiscal year 2018, reporting increases by 2.81 percent and 2.62 percent, respectively. Western (1.19%) and Midwestern cities (0.51%) reported the slowest growth for that year (**Figure 6**).

In fiscal year 2019, finance officers in the Northeast (-2.78%) and West (-1.48%) have budgeted for revenue declines while elsewhere, cities are expecting nominal growth of a half-percent or less (**Figure 7**). Northeastern cities have also planned for an average spending decrease of 1.53 percent. Elsewhere, planned spending increases range from 1.43 percent in the Midwest to 4.71 percent in the West.

Figure 2 — Year over Year Change in General Fund Revenues and Expenditures

Figure 3 — Most Positive and Negative Factors

+

77 percent Value of city tax base

74 percent Health of local economy

25 percent Population (number of people in city)

17 percent Amount of state aid to city

14 percent Prices

–

54 percent Infrastructure needs

46 percent Public safety needs

41 percent Cost of employee/retiree pensions

37 percent Employee wages and salaries

30 percent Cost of employee/retiree health benefits

Figure 4 FY 2018 Revenue and Expenditure Growth (by population)

FY 2018 Revenue Growth

FY 2018 Expenditure Growth
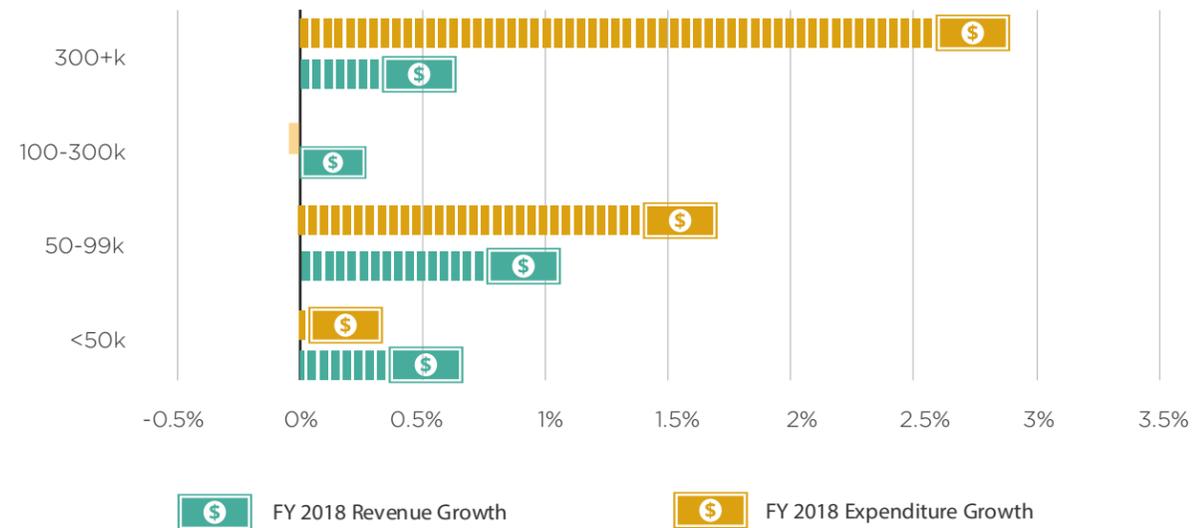
Figure 6 FY 2018 Revenue and Expenditure Growth (by region)
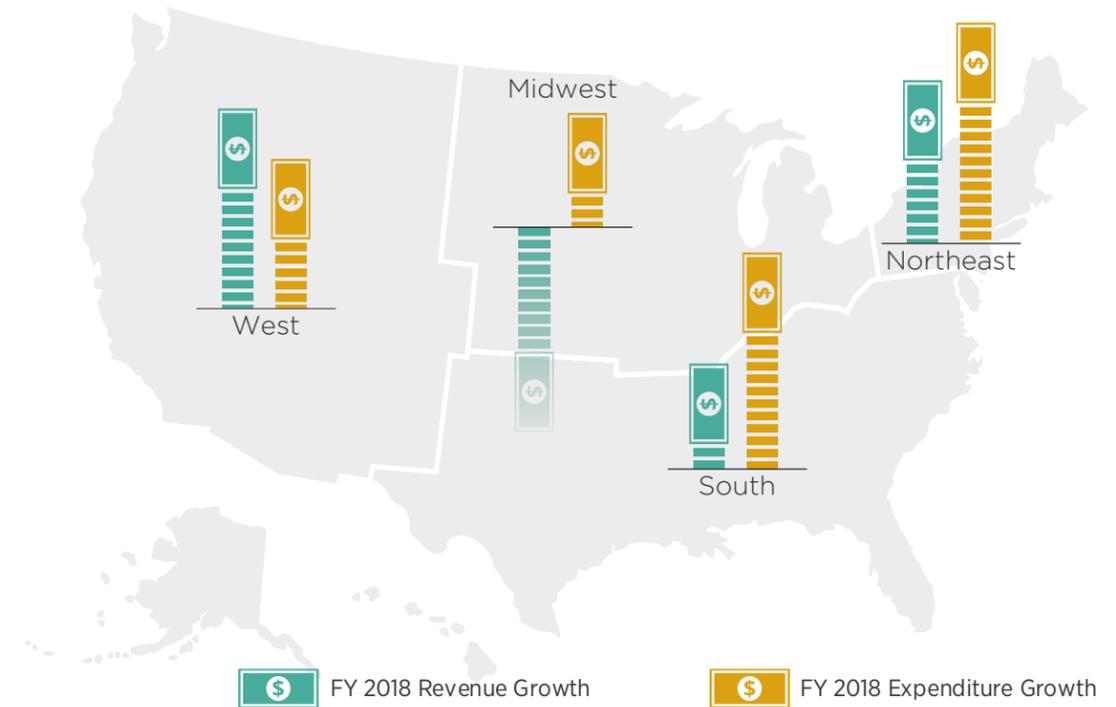

FY 2018 Revenue Growth

FY 2018 Expenditure Growth

Figure 5 FY 2019 Revenue and Expenditure Growth (by population)

FY 2019 Revenue Growth

FY 2019 Expenditure Growth

Figure 7 FY 2019 Revenue and Expenditure Growth (by region)

FY 2018 Revenue Growth
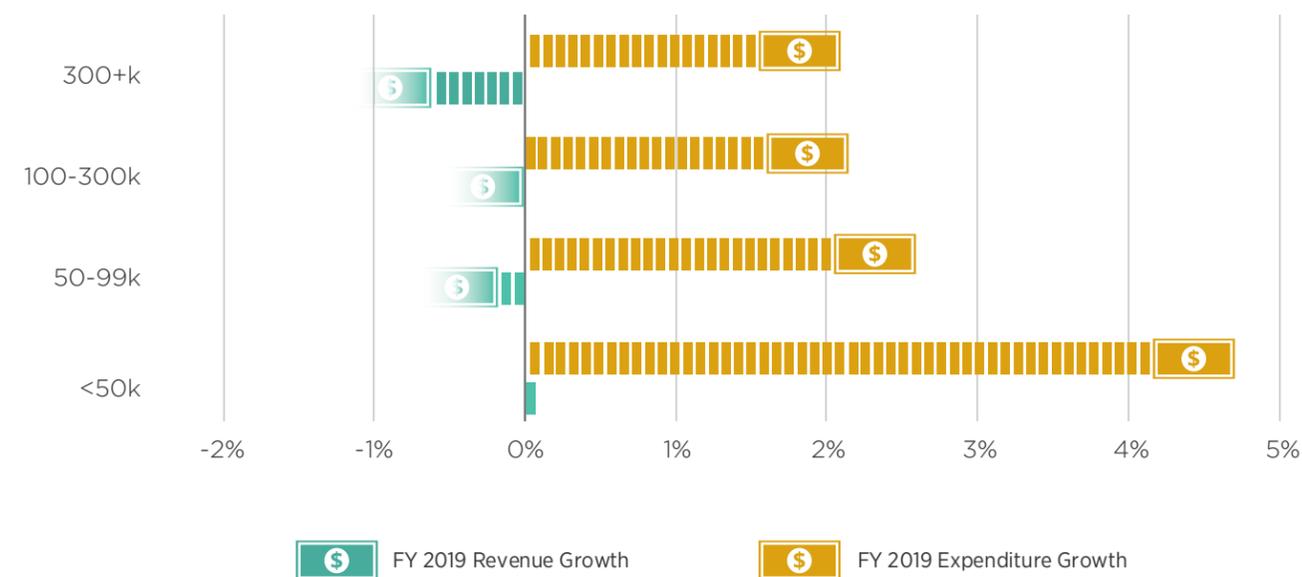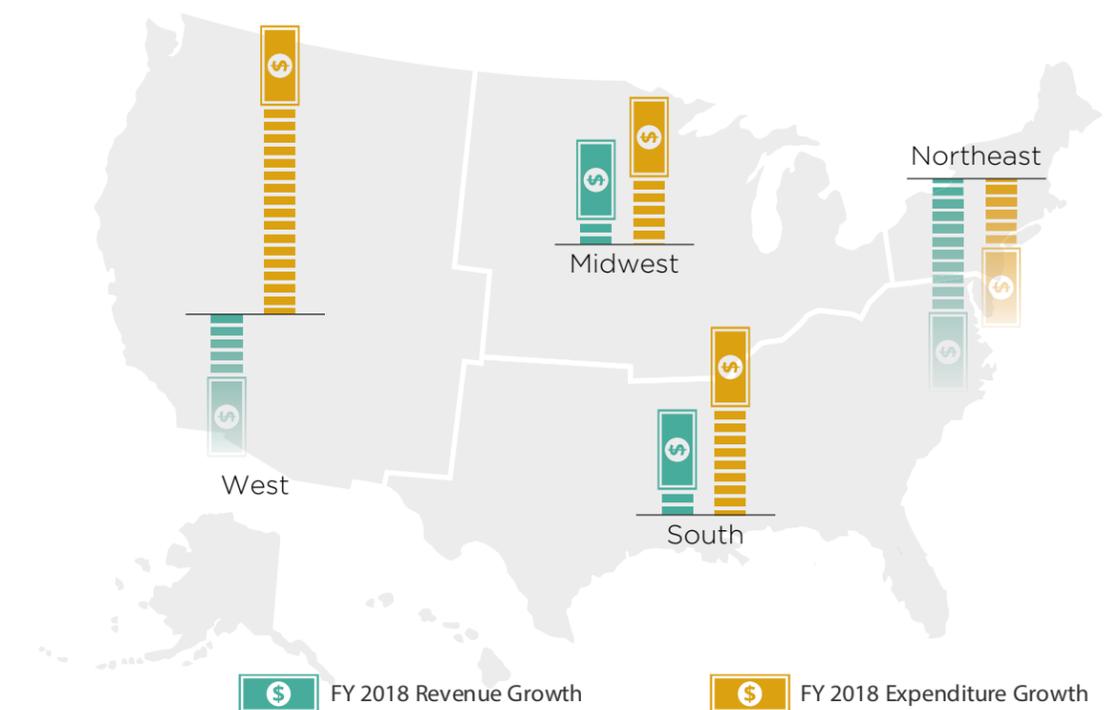
FY 2018 Expenditure Growth

Tax Revenue Sources

In fiscal year 2018, income tax and property tax revenues slowed, while sales tax revenue growth was unchanged. **(Figure 8)**. Sales and income taxes are considered "elastic" sources in that they are more responsive to economic changes than other tax sources and often better reflect economic shifts. These two revenue streams hit their growth peaks in 2015. Meanwhile, property tax collections, which tend to lag economic conditions, hit a growth peak in 2016.

FORT WAYNE, INDIANA
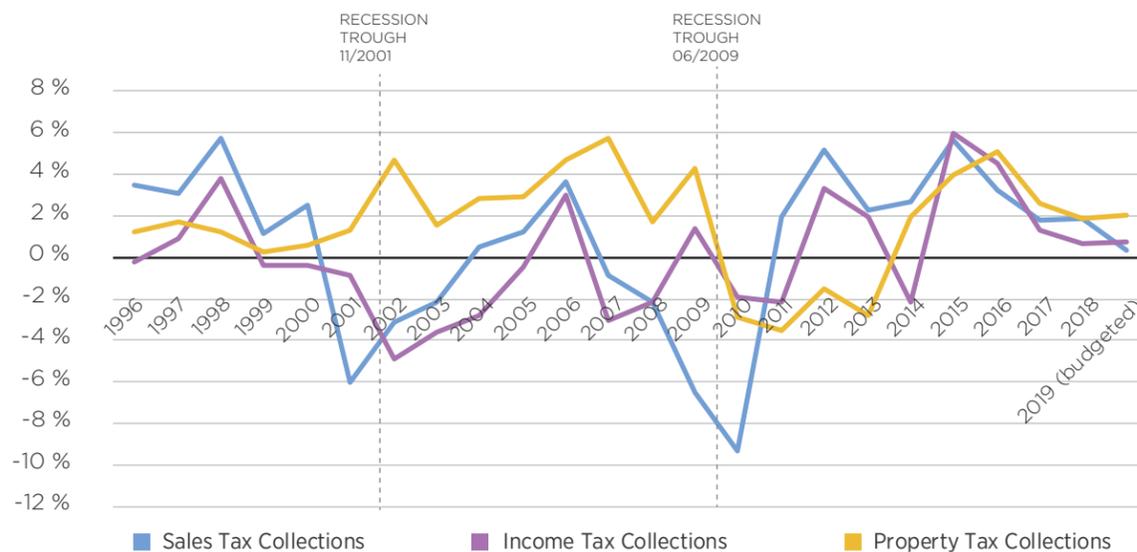
Property Taxes

Local property tax revenues are driven by the value of residential and commercial property, with property tax bills determined by local governments' assessment of property values. Because of assessment practices, property tax revenues typically reflect the value of a property anywhere from 18 months to several years prior, so they are less responsive to economic changes than other types of taxes. In fiscal year 2018, total collections grew by about 2 percent and are anticipated to grow by another 2 percent when the books close on fiscal year 2019.

Large cities (2.83%) saw the biggest property tax revenue growth in 2018 (**Figure 9**). The increase likely reflects the rise in housing prices over recent years that has led to an affordability problem in many places. Property value assessments can also occur more frequently in large cities than smaller ones and therefore might reflect changes in the market sooner. Tellingly,

for fiscal year 2019, large cities have budgeted for more moderate property tax growth of 1.39 percent. Small cities, meanwhile, are still planning on significant growth and have budgeted for growth of 3.65 percent.

Broken down by region, property tax revenues increased everywhere except the Midwest, which declined by 0.56% in fiscal year 2018, when adjusting for inflation (**Figure 10**). This may be primarily due to the outsized influence of Detroit, Michigan. The Motor City reported more than 8 percent decline in property tax revenue alone for fiscal 2018, part of a multi-year trend in that city as it struggles to collect all of the taxes it's owed.[7] For fiscal year 2019, the Midwest and South are each expecting just under 3.2 percent growth in property tax collections, while Northeastern cities have budgeted growth of 2.09 percent. The West is expecting anemic property tax growth of just 0.1 percent.

Figure 8 — **Year over Year Change in General Fund Sales, Income and Property Tax Receipts**

Figure 9

FY 2018 and FY 2019 Property Tax Revenue Growth (by population)

FY 2018 Revenue Growth FY 2019 Revenue Growth
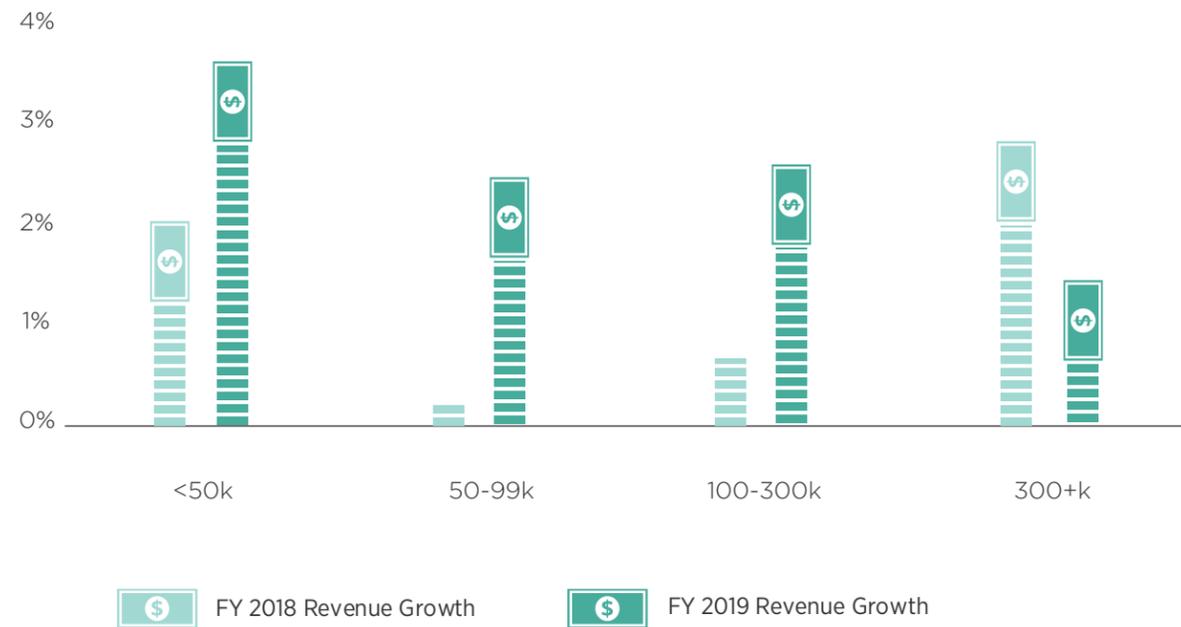
Figure 11

FY 2018 and FY 2019 Sales Tax Revenue Growth (by population)

FY 2018 Revenue Growth FY 2019 Revenue Growth

Figure 10

FY 2018 and FY 2019 Property Tax Revenue Growth (by region)

FY 2018 Revenue Growth FY 2019 Revenue Growth

Figure 12

FY 2019 and FY 2019 Sales Tax Revenue Growth (by region)

FY 2018 Revenue Growth FY 2019 Revenue Growth
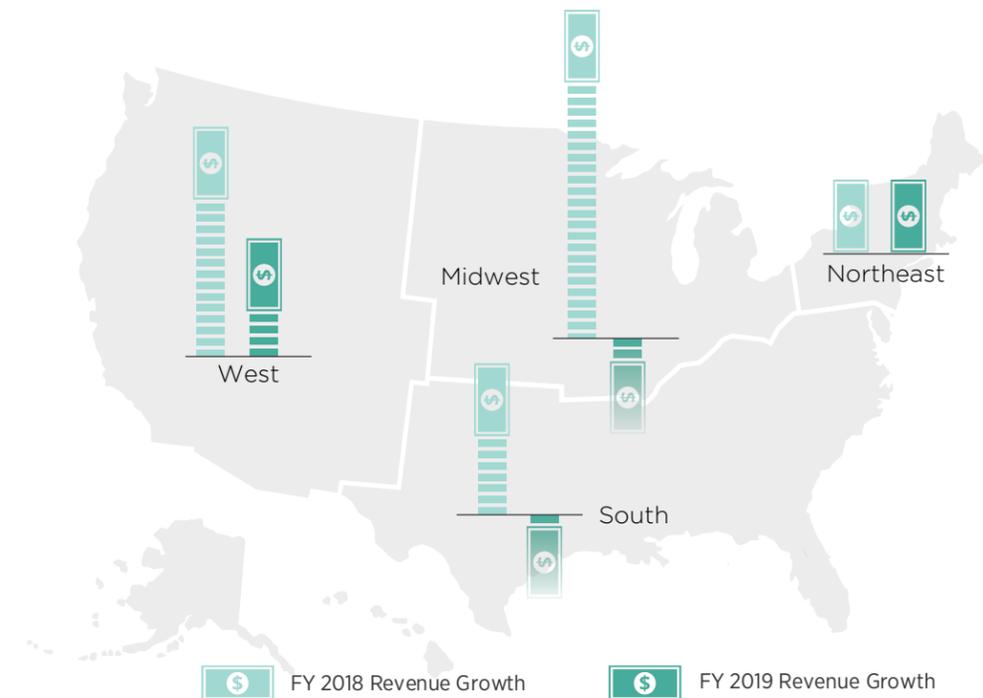
Sales Tax

While property tax revenues are considered a lagged indicator of economic changes, sales taxes are elastic – or more responsive to economic changes – and often better reflect fiscal shifts. This is because people tend to spend more on goods and services when consumer confidence is high, and vice versa.

Last year represented a somewhat pleasant surprise for governments as they had budgeted for anemic growth (0.2%), and instead total sales tax revenues grew by 1.9 percent in fiscal year 2018. However, officials are remaining cautious and have budgeted for just 0.30 percent growth in fiscal 2019.

Last year, smaller cities saw faster sales tax revenue growth than larger cities. The differences may indicate that while larger cities are nearing the end of their economic expansion, smaller cities have a little more room to grow. Tempe, Arizona, in its annual report noted its nearly 6 percent increase in sales tax revenues was due to a commercial and residential development construction boom in recent years. Smaller mid-sized cities saw the biggest growth (2.73%) while larger mid-sized cities posted the lowest growth (1.21%). The picture for 2019, however, looks very different. Smaller- and larger mid-sized cities are expecting essentially flat revenue or a slight decline. Meanwhile the smallest and largest cities have budgeted for revenue increases by 0.76 percent and 0.61 percent, respectively (**Figure 11**).

By region, the Midwest saw the most robust growth of sales tax receipts in fiscal year 2018, with revenues increasing by 3.82 percent. The South saw the slowest growth of 1.14 percent. There are not enough cities that collect sales tax from the Northeast in our dataset to draw generalizations about the region. Looking ahead, all other regions have muted expectations, with the Midwest and South expecting slight declines. Cities in the West are expecting minimal growth of 0.71 percent (**Figure 12).**

Income Tax

Like sales taxes, income taxes are a more elastic source of revenue. At the city level, income tax revenues are driven primarily by income and wages, rather than by capital gains (New York City is a notable exception). There are not enough cities that collect income tax in our dataset to draw generalizations by region or population size. But on the whole, income tax receipts grew 0.62 percent in fiscal year 2018, with an anticipated growth of 0.74 percent in fiscal 2019.

"

Property tax revenues increased everywhere except the Midwest.

SANDUSKY, OHIO

Ability to Meet Needs

Despite slower growth and in some cases, decline, in city fiscal conditions, finance officers are generally optimistic about the ability of their local government to meet financial needs. Three in four finance officers (76%) report that their city was better able this year over last to meet the financial needs of their community (**Figure 13**).

By population size and region, more large city finance officers (88%) and those in the South (82%) are optimistic than finance officers in other types of communities (**Figures 14 and 15**).

Figure 14 Is your community better able or less able than last year to meet financial needs? (by population size)

- ■ Less Able (%)
- ■ BetterAble (%)

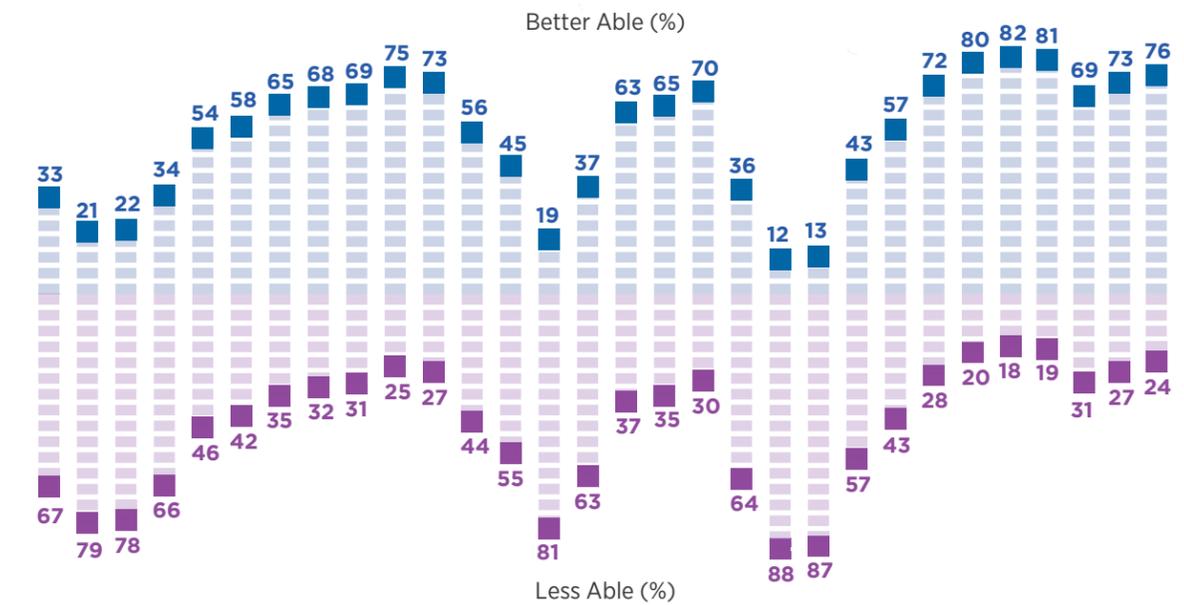**Figure 13** Is your community better able or less able than last year to meet financial needs?

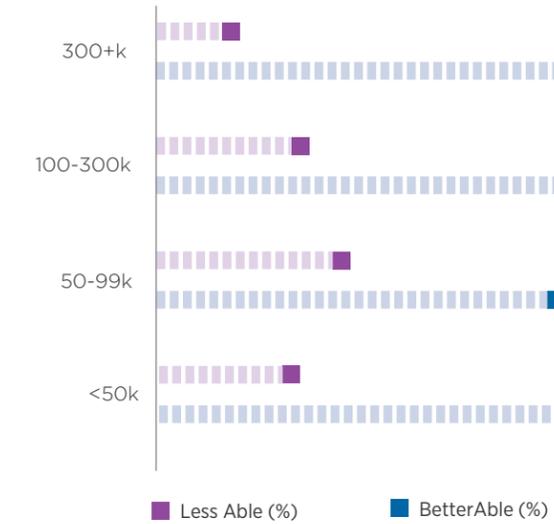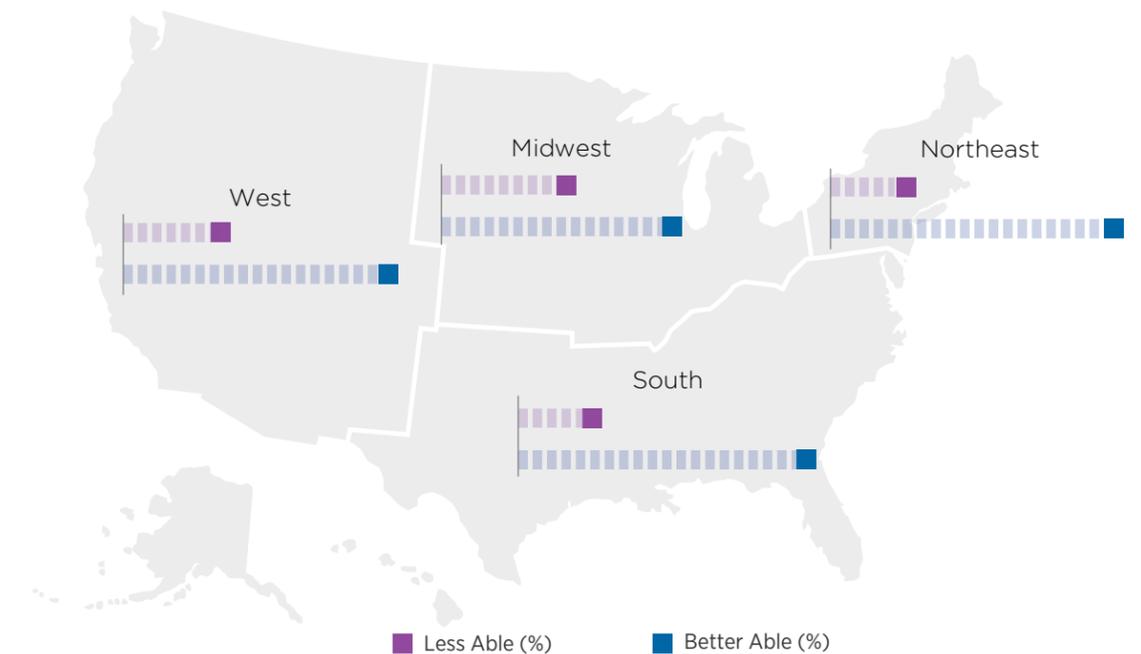**Figure 15** Is your community better able or less able than last year to meet financial needs? (by region)

- ■ Less Able (%)
- ■ Better Able (%)

"

Cautious optimism defines city fiscal conditions in 2019.

GREEN BAY, WISCONSIN

Beyond 2019

The general optimism that finance officers demonstrate in some parts of the country (especially the nation's large cities outside the Midwest) is somewhat tempered by their expectations of future challenges.

Cities in the Midwest appear to be struggling most, and perhaps are the first to show signs of the next economic downturn. Interestingly, finance officers in the Midwest and in small cities are also least likely to think a recession will occur in the short term.

Fiscal Year 2018 Snapshot (by population)

	300k +	100k-299k	50k-99k	<50k
GF Revenue	0.63%	0.28%	1.07%	0.66%
GF Expenditures	2.89%	-0.03%	1.70%	0.34%
Sales Tax Revenue	1.82%	1.21%	2.73%	2.17%
Property Tax Revenue	2.83%	0.66%	0.26%	2.10%

Fiscal Year 2018 Snapshot by region

	Northeast	Midwest	West	South
GF Revenue	1.62%	-4.36%	2.29%	0.56%
GF Expenditures	2.81%	0.51%	1.19%	2.62%
Sales Tax Revenue	--*	3.82%	2.33%	1.14%
Property Tax Revenue	0.68%	-0.56%	3.42%	1.78%

* There are not enough cities in our dataset from the Northeast that collect sales tax to draw generalizations about the region.

Beyond 2019, several factors, including inflation and city-state fiscal relations, will significantly impact the ability of cities to remain fiscally resilient in the face of looming economic headwinds. A majority of cities are maintaining taxation and fee levels heading into 2020 (**see Appendix**).

Although inflation in the broader economy has been extremely low over the past few years, this has not been the case for the local government sector. In stark contrast to the Consumer Price Index, U.S. Bureau of Economic Analysis' Implicit Price Deflator for State & Local Government Purchases rose 3.17 percent between 2017 and 2018. The price of goods and services purchased by local governments, especially healthcare, is rising much more quickly than the basket of goods and services purchased by the typical consumer.[8] This means that the purchasing power of the public sector is weakening in relation to other parts of the economy, and having a large impact on city budgets. When not adjusted for inflation, revenue growth is weak but still positive. In real terms, however, general fund revenues for the sector overall are budgeted for decline in FY 2019.

In addition, in recent years, many state governments have pursued aggressive actions that impede the ability of cities to raise revenues, to spend according to community priorities and to respond to economic and other local conditions. For example, this year the Texas state legislature signed into law a bill to cap local property tax revenue growth at 3.5 percent. When paired with the rapid rise in the cost of goods and services purchased by local governments, this limited

revenue growth pushes the limits of fiscal sustainability.

In addition to preemptions that have been in place for years in states like Michigan and Colorado, new legislation was passed this year to cap local spending in Iowa, to require elections for tax increases in Texas, and to prevent cities from imposing their own commercial activity taxes in Oregon.[9] These regulations and policies restrict cities from accessing revenues and making impactful investments during economic growth periods, which in turn makes them less resilient during downturns.

City fiscal conditions are a reflection of underlying economic factors. An overall positive assessment by finance directors signals their confidence in the state of the economy over the past year. Budgeted revenue declines for upcoming fiscal year, however, portend more turbulent times ahead as economic pressures on city budgets begin to mount. Cautious optimism defines city fiscal conditions in 2019.

THE LAG BETWEEN ECONOMIC AND CITY FISCAL CONDITIONS

In economic terms, the "lag" refers to the amount of time between economic conditions changing and those conditions having an impact on city revenue collections. In general, cities seem to feel the impacts of changing economic conditions quite early. However, because most fiscal reporting occurs on an annual basis, those impacts tend not to become evident until some point after they have started to occur.

How long is the lag? The lag can last anywhere from 18 months to several years and is largely related to the timing of property tax collections. Because property tax bills are calculated based on property assessments from a previous year, dips in real estate prices rarely occur simultaneously with economic downturns. Sales and income tax collections also exhibit lags due to various collection and administrative issues, but such lags typically do not last for more than a few months.

Figure 2 shows year-to-year changes in city general fund revenues and expenditures. It includes markers for the official U.S. recessions from 1991, 2001 and 2007, with

low points, or "troughs," occurring in March 1991, November 2001 and June 2009.[10] When we overlay data from NLC's annual surveys, we find that the low points for city revenues and expenditures lag about two years behind the onset of recessions. For instance, the low point for the 1991 recession occurred in 1993, approximately two years after the trough (the recession took place between March 1991 and March 1993). Additionally, during the 2001 recession, that low point occurred in 2003, approximately 18 months after the trough (that recession lasted from November 2001 to April 2003).

It should be noted, however, that because the annual NLC City Fiscal Conditions survey is conducted at slightly different times each year, there is some degree of error in the lengths of these lags. For instance, had the survey been conducted in November 1992 rather than in April 1993, we might have seen the effects of changing economic conditions earlier. Nevertheless, the evidence suggests that it takes 18-24 months for the effects of changing economic conditions to become evident in city budgets.

Lag Between Economic and City Fiscal Conditions
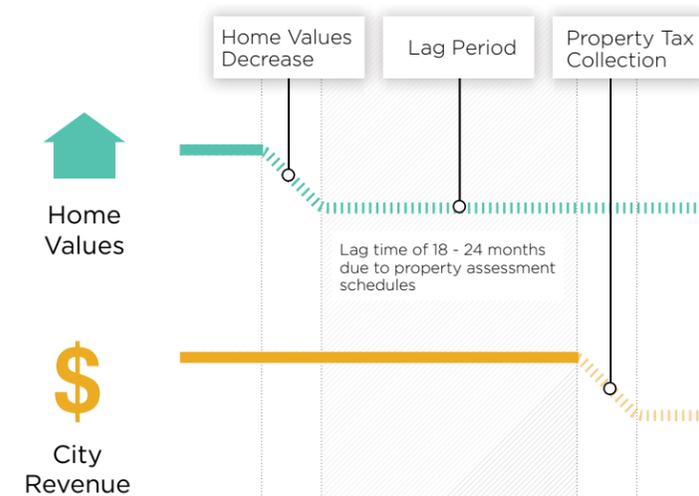
About the Survey

The City Fiscal Conditions survey is a national email survey of finance officers in U.S. cities conducted from May to July of each year. Surveys were emailed to city finance officers from 1396 cities with populations greater than 10,000. Officers were asked to give their assessments of their cities' fiscal conditions. The survey also requested budget and finance data from all but nearly 200 of the largest cities; data for those cities were collected directly from online city budget documents. In total, the 2019 data were drawn from 554 cities and yielded a response rate of 40 percent. The data allow for generalizations about the fiscal conditions in cities.

POPULATION	RESPONSES	%
300k +	55	10%
100k -299k	131	24%
50k-99k	146	26%
10k-49k	222	40%
TOTAL	554	100%

REGION	RESPONSES	%
Northeast	52	9%
Midwest	125	23%
South	185	33%
West	192	35%
Total	554	100%

Much of the statistical data presented here must also be understood within the context of cross-state variations in tax authority, functional responsibilities and accounting systems. The number and scope of governmental functions influence both revenues and expenditures. For example, many Northeastern cities are responsible for funding not only general government functions but also public education. Additionally, some cities are required by their states to assume more social welfare responsibilities or traditional county functions.

Cities also vary according to their revenue-generating authority. Certain states — notably Kentucky, Michigan, Ohio and Pennsylvania — allow their cities to tax earnings and wages. Meanwhile, several cities — such as those in Colorado, Louisiana, New Mexico and Oklahoma — depend heavily on sales tax revenues. Moreover, state laws vary in how they require cities to account for funds.

When we report on fiscal data such as general fund revenues and expenditures, we are referring to all responding cities' aggregated fiscal data. Therefore, the data are influenced by relatively larger cities that have more substantial budgets and that deliver services to a preponderance of the nation's residents.

When we report on non-fiscal data — such as finance officers' assessments of their cities' ability to meet fiscal needs, or factors they perceive as affecting their budgets — we refer to the percentage of officers responding in a particular way. Each city's response to these questions is weighted equally, regardless of population size.

Endnotes

1   Qualitative, non-fiscal data represents each city's response to thequestion, meaning all cities are weighted equally.

2   U.S. Home Sales Stumble, as Pricey West Coast Markets Suffer Declines, The Wall Street Journal, July 23, 2019. https://www.wsj.com/articles/u-s-existing-home-sales-decreased-1-7-in-june-11563890555

3   U.S. business investment downturn could pressure slowing economy, Reuters, Sept. 26, 2019. reuters.com/article/us-usa-economy/us-business-investment-downturn-could-pressure-slowing-economy-idUSKBN1WB1PV

4   "Fiscal year" is the calendar year for which the budget cycle ends, regardless of month. Given that for some cities the survey period occurs before the end of their fiscal year, current fiscal year data (i.e., FY 2019) are reported as "budgeted."

5   Revenues and expenditures are adjusted for inflation by subtracting the year-over-year change in the Implicit Price Deflator for State & Local Government Purchases (S&L IPD) as defined by the U.S. Bureau of Economic Analysis. The change from 2017-2018 was 3.17% and for 2018-2019 was 1.4%, using the average of the first two quarters of 2019.

6   Although cities across population sizes and regions, except the Midwest, experienced growth in revenues in current terms, the value of their revenues declined significantly when adjusted for inflation.

7   Detroit Fails To Collect 20 Percent of Property Taxes Owed, Michigan Capitol Confidential, Jan. 26, 2018. https://www.michigancapitolconfidential.com/detroit-fails-to-collect-20-percent-of-property-taxes-owed

8   The "Real" Story Behind State and Local Government Inflation, The North Star Policy Institute, Feb. 29, 2019. https://northstarpolicy.org/the-real-story-behind-state-and-local-government-inflation (add full citation)

9   The Growing Shadow of State Interference: Preemption in the 2019 State Legislative Sessions. Report by Local Solutions Support Center, State Innovation Exchange. August 2019. http://www.supportdemocracy.org/wp-content/uploads/2019/07/LSSCSiXReportAugust2019.pdf

10 National Bureau of Economic Research. US Business Cycle Expansions and Contractions, http://www.nber.org/cycles.html

Appendix

Expenditure Actions in FY 2019

	Increased	Maintained	Decreased
Infrastructure Spending	72%	25%	3%
Human Services	32%	66%	2%
Public Safety	77%	22%	1%
Education	16%	82%	2%
Other Services	48%	49%	3%
Privatization	16%	80%	4%
Inter-local Agreements	21%	78%	1%
Municipal Workforce	52%	42%	6%
Employee Wages	91%	9%	0%
Retiree Pension	45%	54%	1%
Retiree Health	42%	54%	3%
Scope of Capital Projects	63%	32%	5%

Revenue Actions in FY 2019

	Increased	Maintained	Decreased	Not Authorized or Applicable
Property Tax Rate	29%	50%	11%	11%
Sales Tax Rate	9%	54%	1%	37%
Income Tax Rate	0%	19%	1%	79%
Rates of Other Taxes	10%	58%	1%	30%
Number of Other Taxes	7%	62%	0%	31%
Tax Base Unrelated to Growth	7%	54%	2%	37%
Number/Level of impact or development fees	26%	70%	4%	
Level of other fees or charges	43%	56%	1%	
Number of other fees or charges	26%	73%	1%	

Data Tables

Figure 2: Year over Year Change in General Fund Revenues and Expenditures

	Revenues	Expenditures
1986	4.18%	3.78%
1987	0.34%	-0.11%
1988	3.57%	1.97%
1989	0.70%	-0.32%
1990	-0.37%	1.88%
1991	-0.73%	0.58%
1992	0.07%	-0.48%
1993	0.60%	-0.72%
1994	0.99%	0.59%
1995	1.31%	1.58%
1996	2.91%	3.92%
1997	1.48%	1.42%
1998	2.21%	1.38%
1999	0.17%	1.15%
2000	1.01%	0.80%
2001	-0.51%	2.03%
2002	0.01%	3.10%
2003	-0.66%	-1.14%
2004	-1.00%	-0.44%
2005	1.61%	0.06%
2006	1.85%	1.89%
2007	-0.41%	2.45%
2008	-1.12%	0.43%
2009	-2.42%	0.83%
2010	-4.68%	-5.28%
2011	-1.94%	-3.64%
2012	-1.97%	-1.29%
2013	0.44%	-0.18%
2014	0.81%	1.12%
2015	3.91%	3.76%
2016	3.47%	3.04%
2017	1.25%	2.16%
2018	0.59%	1.83%
2019 (budgeted)	-0.81%	2.28%

Figure 8: Year over Year Change in General Fund Sales and Property Tax Receipts

Year	Sales Tax Collections	Income Tax Collections	Property Tax Collections
1996	3.50%	-0.20%	1.20%
1997	3.10%	0.90%	1.70%
1998	5.70%	3.80%	1.20%
1999	1.15%	-0.35%	0.25%
2000	2.51%	-0.39%	0.61%
2001	-6.01%	-0.91%	1.29%
2002	-3.08%	-4.88%	4.72%
2003	-2.12%	-3.62%	1.58%
2004	0.53%	-2.77%	2.83%
2005	1.22%	-0.48%	2.92%
2006	3.67%	2.97%	4.67%
2007	-0.85%	-3.05%	5.75%
2008	-2.19%	-2.19%	1.73%
2009	-6.49%	1.38%	4.32%
2010	-9.34%	-1.91%	-2.86%
2011	1.96%	-2.14%	-3.54%
2012	5.16%	3.36%	-1.49%
2013	2.29%	1.95%	-2.80%
2014	2.68%	-2.12%	1.98%
2015	5.68%	6.01%	3.96%
2016	3.26%	4.56%	5.11%
2017	1.80%	1.30%	2.60%
2018	1.88%	0.62%	1.84%
2019 (budgeted)	0.30%	0.74%	2.00%