

ATTACHMENT A
RRIO 5-Year Revenue, Expenditure, and Fund Balance Projection

The proposed revenue forecast shows a decline in revenue in 2020 because under the existing five-year cycle there would be a large number of \$175 property base fees collected in 2020 and 2021 before revenue drops off for three years. Under the new proposed fee structure, the base fee is \$70 but is collected every two years. Starting in 2021, as the two-year cycles begin to compound, the projected revenue increases and stabilizes.

Revenue

	2019	2020	2021	2022	2023
No Change (current fees, 5-year cycle)	\$1,011,619	\$2,457,716	\$2,759,464	\$963,318	\$596,854
Proposed (revised fees, 2-year cycle)	\$1,950,794	\$1,780,020	\$3,114,912	\$2,195,937	\$3,518,915
Revenue change resulting from proposal	\$939,176	(\$677,697)	\$355,448	\$1,232,619	\$2,922,061

Expenditures

	2019	2020	2021	2022	2023
No Change (current fees, 5-year cycle)	\$2,044,532	\$2,072,545	\$2,120,651	\$2,004,763	\$2,019,818
Proposed (revised fees, 2-year cycle)	\$2,044,532	\$2,072,545	\$2,120,651	\$2,160,607	\$1,963,998

Fund Balance

	2019	2020	2021	2022	2023
No Change (current fees, 5-year cycle)	(\$6,526,571)	(\$5,865,208)	(\$4,688,304)	(\$5,796,322)	(\$7,417,046)
Proposed (revised fees, 2-year cycle)	(\$5,223,706)	(\$5,016,334)	(\$4,454,314)	(\$4,086,511)	(\$3,062,886)

Note: the revenue estimates in this table are derived from the RRIO fee model which assumes future fee increases to cover labor cost COLAs, including an increase in inspection fees in 2021 and an increase in registration/renewal fees in 2023.

Note: expenditure estimates are from the RRIO fee model based on May 2018 assumptions about current and future labor costs, overhead, etc. These estimates may not necessarily reflect the Mayor’s proposed budget.