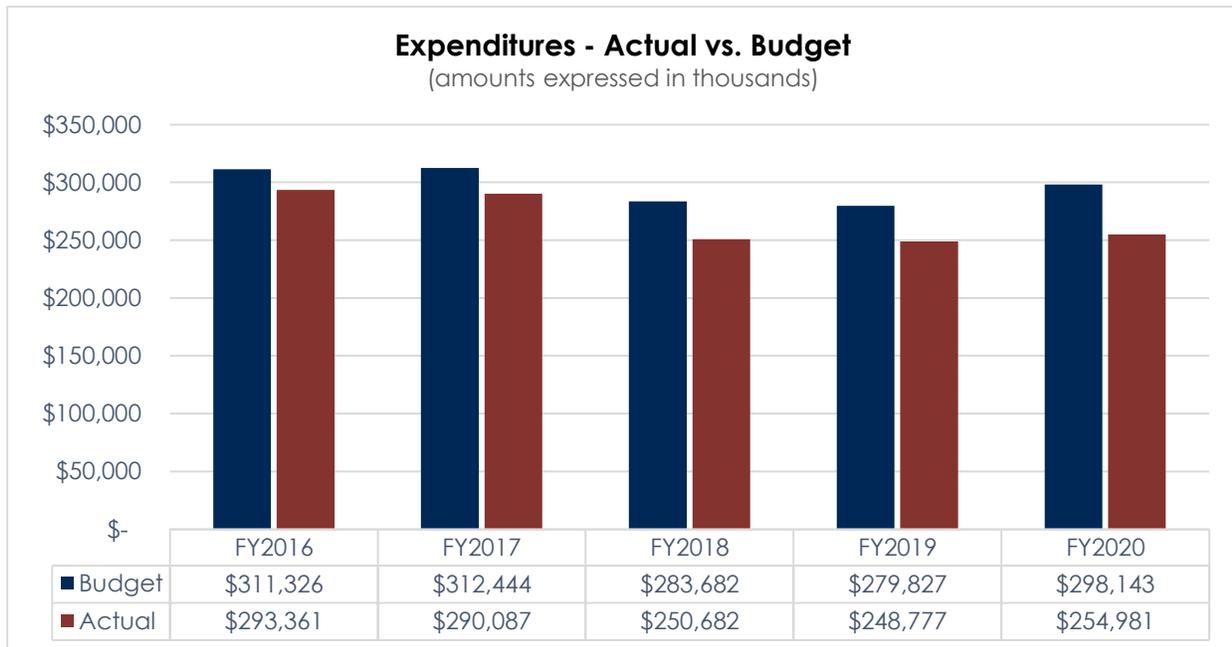
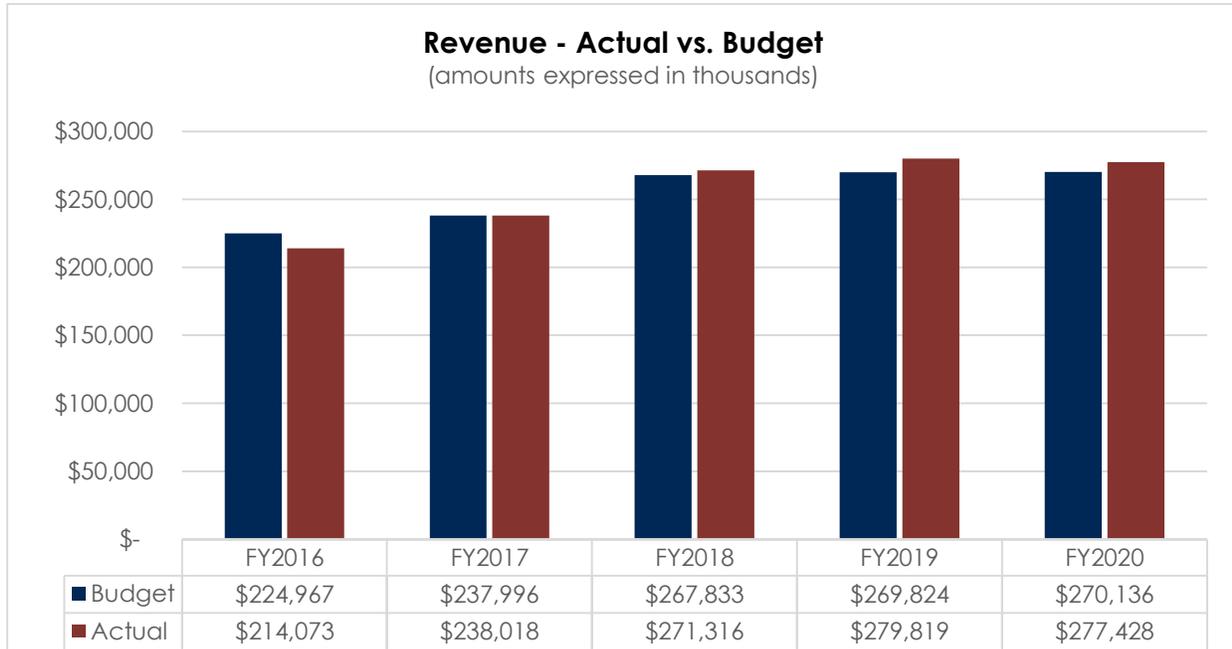


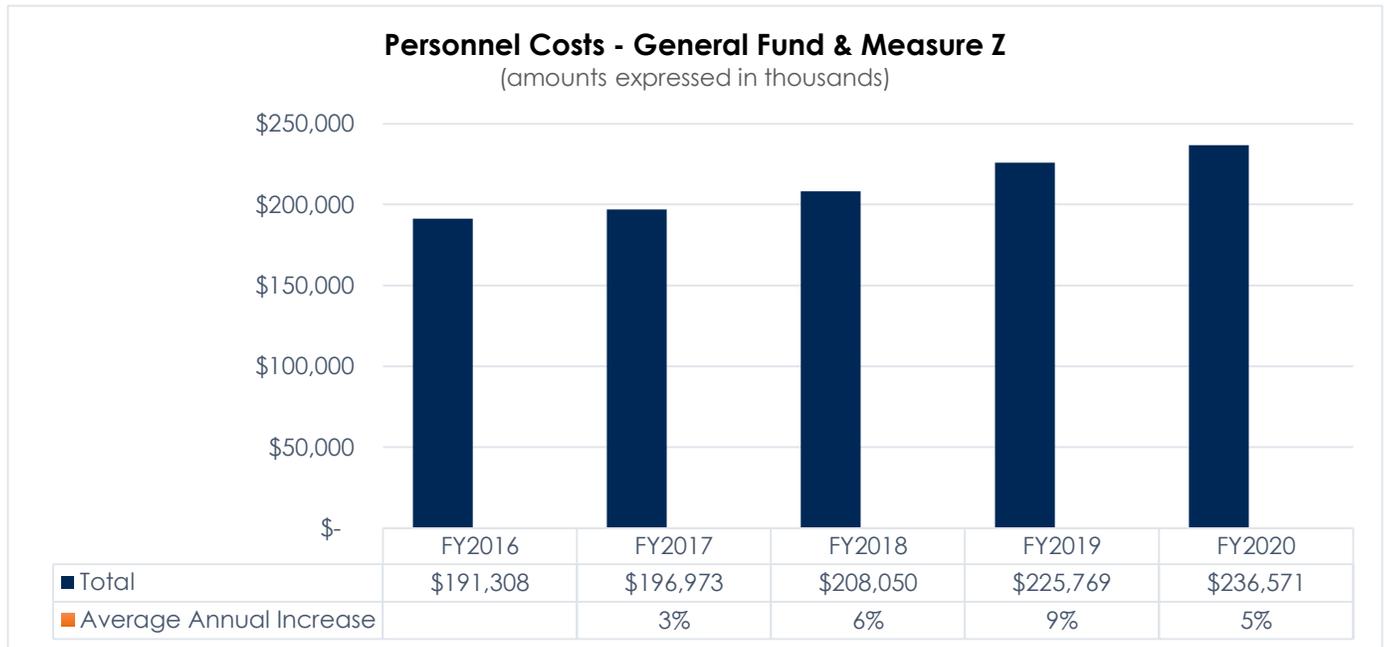
HISTORY OF GENERAL FUND AND MEASURE Z OPERATING REVENUE AND EXPENDITURES

The following charts provide a visual representation of the five-year history of General Fund and Measure Z operating revenues and expenditures combined, sourced from the City's audited Comprehensive Annual Financial Reports. Together, these two funds provide the revenue required to fund core City services primarily supported by tax revenue and the General Fund Transfer. Non-operating costs including transfers, debt activity, and sales of capital assets are excluded from the charts.



Personnel costs have risen due to the impacts of the Partnership Compensation Model (PCM) implemented in FY 2015/16 and the effect of new Measure Z revenue on the PCM, which maximized negotiated salary increases in FY 2017/18 and 2018/19. At the same time, the employee share of retirement costs began to shift to employees, as negotiated, with all City employees with the exception of those in the Police bargaining units contributing 100% of the employee share of retirement costs as of January 2021. The rising cost of CalPERS UAL payments has also added to the annual increase in personnel costs.

Prior to the restructuring of the General Fund, personnel costs made up approximately 68% of General Fund budget. After the restructuring, personnel costs were approximately 80% of the total budget. With the issuance of the Pension Obligation Bond in FY 2019/20, personnel costs are approximately 77% of the General Fund budget, inclusive of a \$10 million vacancy savings factor.



As of FY 2019/20, Public Safety accounts for 68% of personnel costs, followed by Public Service at 18% and Internal Service at 14%. Public Service departments include Community & Economic Development; Public Works; Parks, Recreation & Community Services; Library; and Museum.

