

Item 8.2: General Fund Long Term Financial Plan

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General Fund

Long-Term Financial Plan

The General Fund Long-Term Financial Plan (LTFP) serves as a long-range fiscal planning tool

- Applies to General Fund only
- Projects funding surpluses/shortfalls
- Encourages discussion to proactively address the City's long-range funding needs
- ***Not a budget***, but highlights the need to plan for the allocation of City resources for continued delivery of core services at **current service levels**

LTFP Framework and Assumptions



TEN-YEAR PLAN



ASSUMES NORMAL
ECONOMIC CONDITIONS



ASSUMES CURRENT
SERVICE LEVELS



INCLUDES NEW
FACILITIES

LTFP Summary

FY 2026 – FY 2035

(In millions)

	Amended		Forecasted (In Millions)								
	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues											
Major Discretionary Revenues	220.5	229.8	239.4	249.1	258.2	268.3	278.8	290.4	301.2	312.5	324.3
Other Revenues	66.2	54.5	55.6	56.3	57.1	58.0	58.8	59.7	60.6	61.5	62.4
New Development Revenues	-	2.7	3.5	3.8	4.0	4.1	4.2	4.4	4.5	4.7	4.8
Total General Fund Revenues	286.8	286.9	298.4	309.2	319.3	330.3	341.8	354.4	366.3	378.7	391.5
Year-over-Year Change	-	0.1%	4.0%	3.6%	3.3%	3.4%	3.5%	3.7%	3.4%	3.4%	3.4%
Expenditures											
Personnel Services Expenditures	149.6	158.0	166.5	172.7	178.8	183.9	188.4	193.9	199.7	205.5	211.5
Other Expenditures	138.3	127.3	131.4	135.4	138.1	142.2	147.2	153.0	160.2	165.8	172.8
New Development Expenditures	-	5.9	5.6	5.2	5.5	5.4	5.7	5.8	6.1	6.8	7.1
Total General Fund Expenditures	287.9	291.2	303.6	313.3	322.4	331.6	341.3	352.7	366.0	378.1	391.3
Year-over-Year Change	-	1.1%	4.3%	3.2%	2.9%	2.8%	2.9%	3.3%	3.8%	3.3%	3.5%
General Fund Surplus / (Deficit)	(1.2)	(4.3)	(5.1)	(4.1)	(3.1)	(1.3)	0.4	1.7	0.3	0.6	0.2
Surplus/(Deficit) as a % of Budget	-0.4%	-1.5%	-1.7%	-1.3%	-1.0%	-0.4%	0.1%	0.5%	0.1%	0.2%	0.0%

Major Contributors to Shortfall

- Increase in labor and pension costs
- Other Expenditures cost increases
 - Bayfront fire station costs
 - Millenia library operating costs
 - Insurance Costs
 - Contractual increases tied to CPI/inflation

LTFP Major Revenue Assumptions

Revenue Category	FY 2026 Growth Rate Compared to Amended FY 2025 Budget	FY 2027 – FY 2035 Growth Rates
Property Tax	6.0%	4.0% - 6.0%
Motor Vehicle License Fee (MVLFF)	6.2%	4.0% – 6.2%
Sales Tax	3.0%	3.0% – 4.0%
Measure P (Sales Tax)	3.0%	3.0% – 4.0%
Measure A (Sales Tax)	3.0%	3.0% – 4.0%
Franchise Fees	2.0%	2.0%
Transient Occupancy Tax (TOT)	5.9%	2.1% – 5.9%
Utility Users’ Tax (UUT)	-0.1%	-0.1% - 0.0%

Revenue Projections

FY 2026 – FY 2030

(In millions)

	Amended			Forecasted			
	FY	FY	FY	FY	FY	FY	
	2025	2026	2027	2028	2029	2030	
Revenues							
Property Taxes	\$ 53.1	\$ 56.2	\$ 59.6	\$ 63.2	\$ 66.4	\$ 69.7	
Sales Tax	48.0	49.4	50.9	52.5	54.0	55.9	
Measure P Sales Tax	29.3	30.2	31.1	32.0	33.0	34.2	
Measure A Sales Tax	29.3	30.2	31.1	32.0	33.0	34.2	
Franchise Fees	15.1	15.4	15.7	16.0	16.3	16.7	
Utility User Taxes	3.9	3.9	3.9	3.9	3.9	3.9	
Transient Occupancy Taxes	10.0	10.6	11.2	11.4	11.7	11.9	
Property Tax in lieu of VLF	31.9	33.8	35.9	38.0	39.9	41.9	
Major Discretionary Revenues	220.5	229.8	239.4	249.1	258.2	268.3	
Other Revenues	66.2	54.5	55.6	56.3	57.1	58.0	
New Development Revenues	-	2.7	3.5	3.8	4.0	4.1	
Total General Fund Revenues	\$ 286.8	\$ 286.9	\$ 298.4	\$ 309.2	\$ 319.3	\$ 330.3	
Year-over-Year Change	-	0.1%	4.0%	3.6%	3.3%	3.4%	

Revenue Projections

FY 2031 – FY 2035

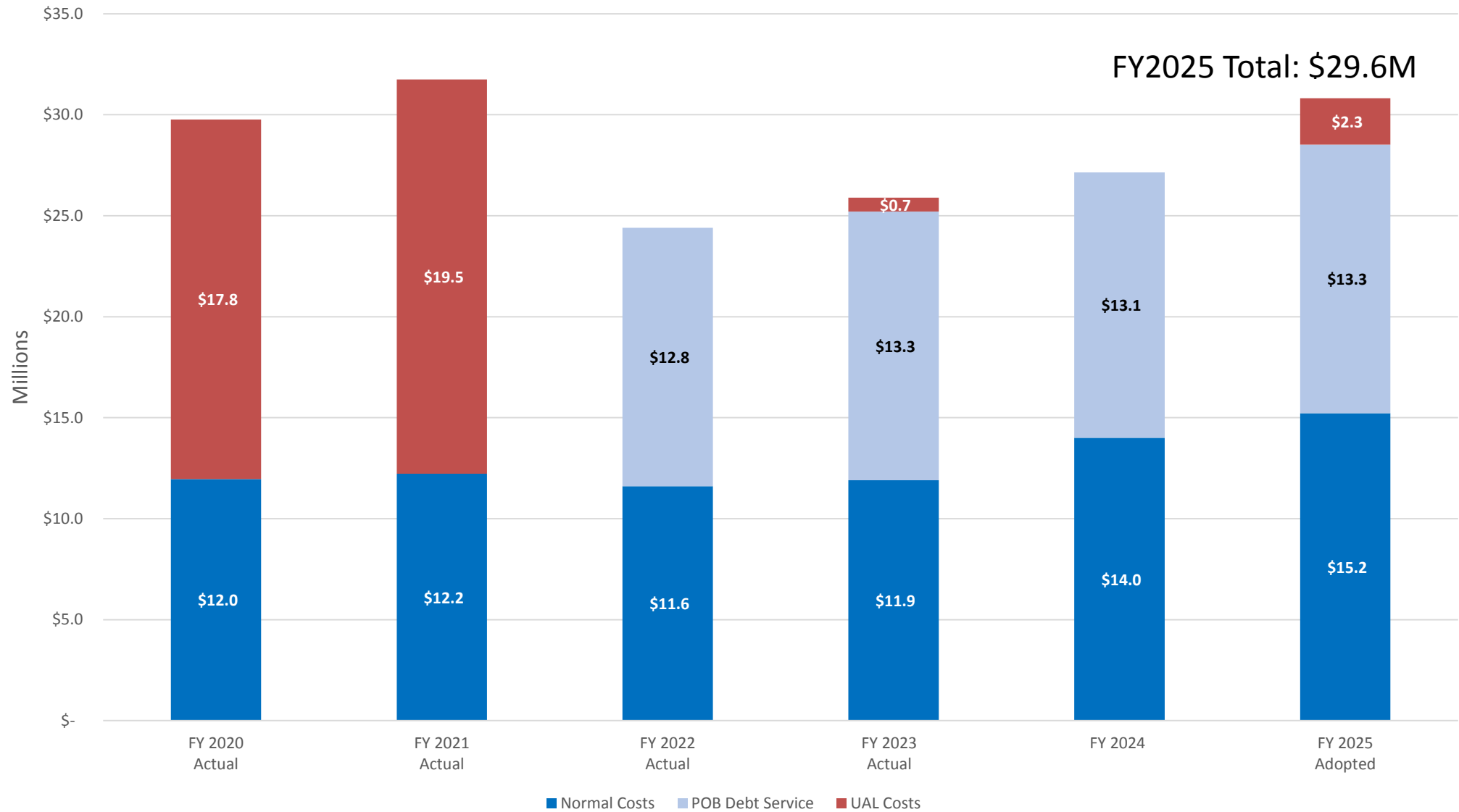
(In millions)

	Forecasted				
	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Revenues					
Property Taxes	\$ 73.2	\$ 76.8	\$ 79.9	\$ 83.1	\$ 86.4
Sales Tax	57.9	60.2	62.6	65.1	67.7
Measure P Sales Tax	35.3	36.8	38.2	39.8	41.3
Measure A Sales Tax	35.3	36.8	38.2	39.8	41.3
Franchise Fees	17.0	17.3	17.7	18.1	18.4
Utility User Taxes	3.9	3.9	3.9	3.9	3.9
Transient Occupancy Taxes	12.2	12.4	12.7	12.9	13.2
Property Tax in lieu of VLF	44.0	46.2	48.1	50.0	52.0
Major Discretionary Revenues	278.8	290.4	301.2	312.5	324.3
Other Revenues	58.8	59.7	60.6	61.5	62.4
New Development Revenues	4.2	4.4	4.5	4.7	4.8
Total General Fund Revenues	\$ 341.8	\$ 354.4	\$ 366.3	\$ 378.7	\$ 391.5
Year-over-Year Change	3.5%	3.7%	3.4%	3.4%	3.4%

LTFP Expenditure Assumptions

Expenditure Category	FY 2026 Growth Rate <small>Compared to Amended FY 2025 Budget</small>	FY 2027 – FY 2035 Growth Rate
Personnel Services	5.3%	2.8% - 5.4%
Retirement	5.4%	1.5% - 8.5%
Health Insurance	5.0%	5.0%
Liability Insurance	25.0%	5.0%
Supplies and Services	2.0%	2.0%
Utilities	5.2%	4.9%
Internal Services	3.1%	2.0%

Pension Related Costs



Expenditure Projections

FY 2026 – FY 2030

(In millions)

	Amended		Forecasted			
	FY	FY	FY	FY	FY	FY
	2025	2026	2027	2028	2029	2030
Expenditures						
Personnel Services	\$ 121.0	\$ 127.3	\$ 134.2	\$ 138.0	\$ 141.9	\$ 145.9
Retirement - PERS	15.4	14.1	14.5	14.9	14.9	15.0
Unfunded Accrued Liability (UAL)	2.3	4.6	5.4	6.7	8.1	8.4
Health Insurance	15.0	15.8	16.5	17.4	18.2	19.2
Salary Savings	(4.2)	(3.8)	(4.1)	(4.3)	(4.4)	(4.5)
Personnel Services Expenditures	149.6	158.0	166.5	172.7	178.8	183.9
Supplies and Services	25.0	27.8	28.6	29.5	30.4	31.3
Utilities	6.8	7.2	7.5	7.9	8.3	8.7
Other Expenses	2.4	1.9	1.9	2.0	2.0	2.1
Equipment (Capital not CIP)	0.2	0.2	0.2	0.2	0.2	0.2
Internal Services	4.6	4.7	4.8	4.9	5.0	5.1
Transfers Out	99.3	85.5	88.3	90.9	92.2	94.8
Other Expenditures	138.3	127.3	131.4	135.4	138.1	142.2
New Development Expenditures	-	5.9	5.6	5.2	5.5	5.4
Total General Fund Expenditures	\$ 287.9	\$ 291.2	\$ 303.6	\$ 313.3	\$ 322.4	\$ 331.6
Year-over-Year Change	-	1.1%	4.3%	3.2%	2.9%	2.8%

Expenditure Projections

FY 2031 – FY 2035

(In millions)

	Forecasted				
	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Expenditures					
Personnel Services	\$ 150.1	\$ 154.3	\$ 158.7	\$ 163.2	\$ 167.8
Retirement - PERS	15.1	15.5	16.1	16.4	16.8
Unfunded Accrued Liability (UAL)	7.8	7.8	7.7	7.7	7.7
Health Insurance	20.1	21.1	22.2	23.3	24.4
Salary Savings	(4.7)	(4.8)	(5.0)	(5.1)	(5.3)
Personnel Services Expenditures	188.4	193.9	199.7	205.5	211.5
Supplies and Services	32.3	33.2	34.3	35.3	36.4
Utilities	9.1	9.5	10.0	10.5	11.0
Other Expenses	2.2	2.2	2.3	2.4	2.4
Equipment (Capital not CIP)	0.2	0.2	0.2	0.2	0.2
Internal Services	5.2	5.3	5.4	5.6	5.7
Transfers Out	98.3	102.5	107.9	111.9	117.0
Other Expenditures	147.2	153.0	160.2	165.8	172.8
New Development Expenditures	5.7	5.8	6.1	6.8	7.1
Total General Fund Expenditures	\$ 341.3	\$ 352.7	\$ 366.0	\$ 378.1	\$ 391.3
Year-over-Year Change	2.9%	3.3%	3.8%	3.3%	3.5%

General Fund Reserves

Reserve Description	Reserve Target %	Target Met	Current Reserve Amount \$ (in millions)
Operating Reserve	15.0%	✓	\$27.3
Economic Contingency Reserve	5.0%	✓	\$9.1
Catastrophic Event Reserve	3.0%	✓	\$5.5
Pension Reserve ¹	15.0%	✓	\$23.4
Bond Call Reserve ¹	N/A	N/A	\$2.3
OPEB Reserve ¹	N/A	N/A	\$0.8

¹ Amounts reflect the General Fund portion of the total citywide reserve amount

Other Critical Needs and Risks

- Fiscal impacts from Federal and State actions
- Strategic Planning process
- Department budget requests: \$11.6 million
- Addressing deferred maintenance and capital needs
- Increased costs for insurance and utilities
- Economic downturn/recession

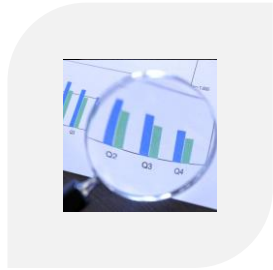


General Fund
Long-Term
Financial Plan
Fiscal Years
2026-2035

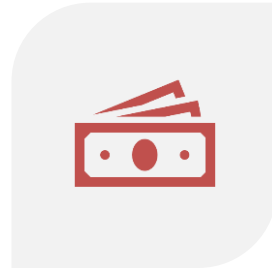


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Next Steps



MARCH 4TH – FISCAL
YEAR 2024-25 2ND
QUARTER FINANCIAL
REPORT PRESENTED TO
CITY COUNCIL



APRIL 16 & 23RD –
HOLD WORKSHOPS TO
PROVIDE THE PUBLIC AN
OVERVIEW OF FY 2025-
26 PROPOSED BUDGET



MAY 6TH – PRESENT
CITY MANAGER'S FY
2025-26 PROPOSED
BUDGET AND CIP
OVERVIEW TO THE CITY
COUNCIL



MAY 20TH – CITY
COUNCIL PUBLIC
HEARING AND
ADOPTION OF FY 2025-
26 PROPOSED BUDGET

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City Council Meeting
February 11, 2025

