

FIVE-YEAR FINANCIAL PLAN

FY 2024-2028



Five-Year Financial Plan

Scott M. Huizenga, Assistant City Manager
March 2, 2023

Planning and Budget Cycle or “The Circle of Life”

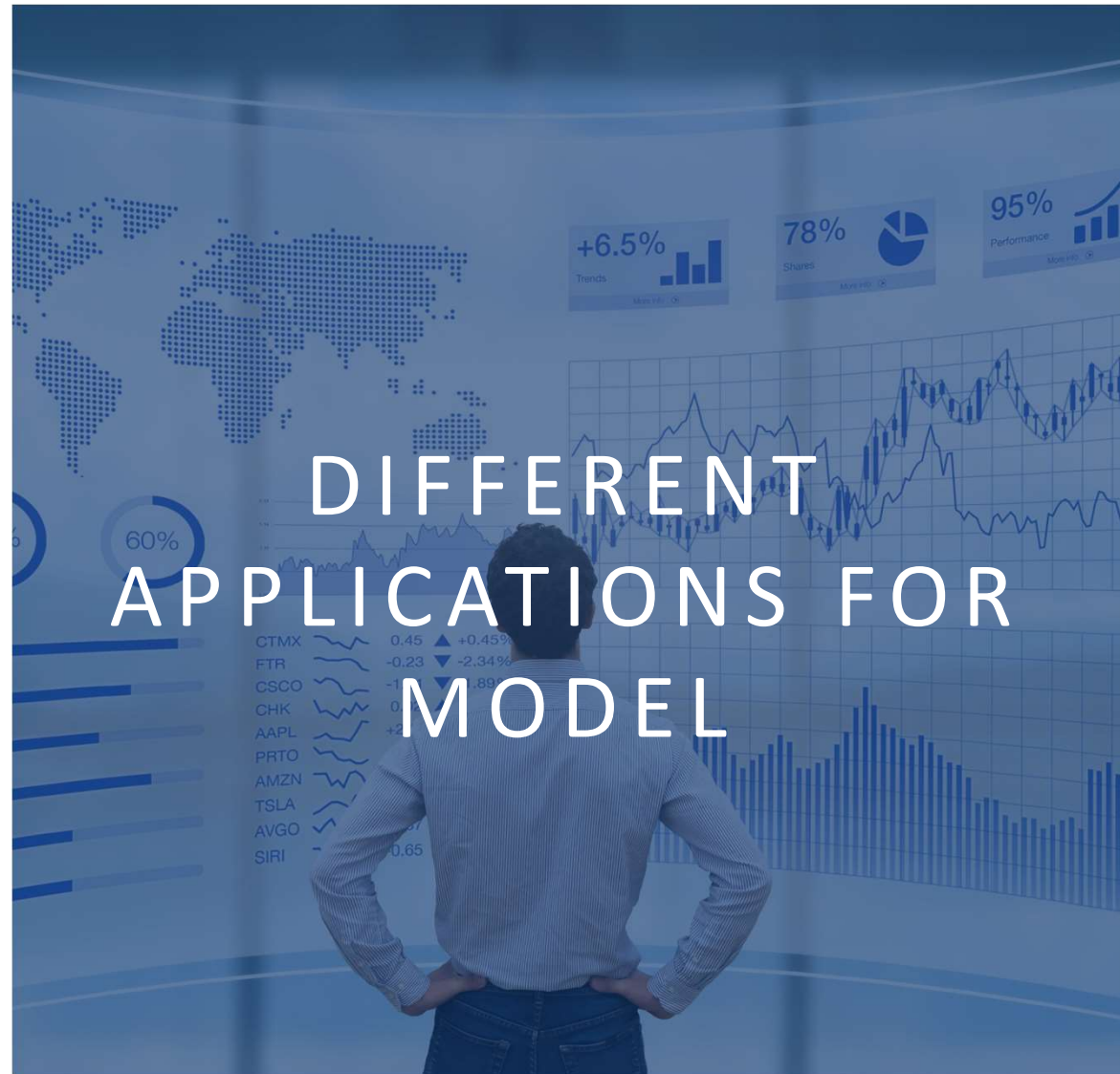


(Or, when everything is a priority, nothing is a priority)

- Wages and Benefits
- Capital Improvements
- Maintenance
- Debt Service



- March 2023 “Beta” version
- Scenarios, not projections
 - New revenues or expenditures
 - Labor projections
 - Capital improvements
 - Debt Service
 - Reserves
- On-demand analysis, e.g. impact of new programs
- Sets the stage for Strategic Plan and Annual Budget



FIVE-YEAR FINANCIAL PLAN SCENARIOS



Baseline Scenario

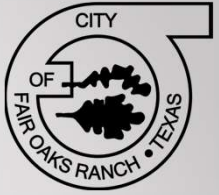
“Known knowns” e.g. wages and benefits, current debt service, inflationary growth, projected revenue growth

PAYGO Scenario

“Fixes” the Baseline – Modifies the CIP/SAP project schedule to allow for Pay As You Go Funding

Bond Scenario

“Fixes” the Baseline – Incorporates a bond program to fund identified CIP projects with original timelines



Baseline Assumptions

Revenues

- 3.5% increase in Property Tax revenue
- 3.0% increase in Sales Tax revenue each year
- 1.5% increase for all other revenue

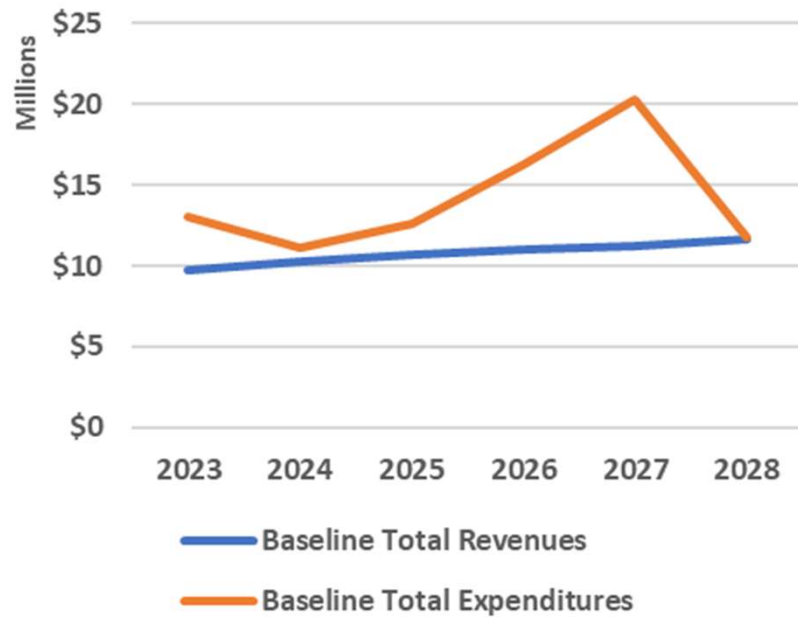
Expenditures

- 2.5% increase in wages for employee merit
- 2% Cost of Living Adjustment (COLA) each year
- 5% increase in health insurance, facility and engineering contracts, software
- 2% all other expenditures
- No other significant changes

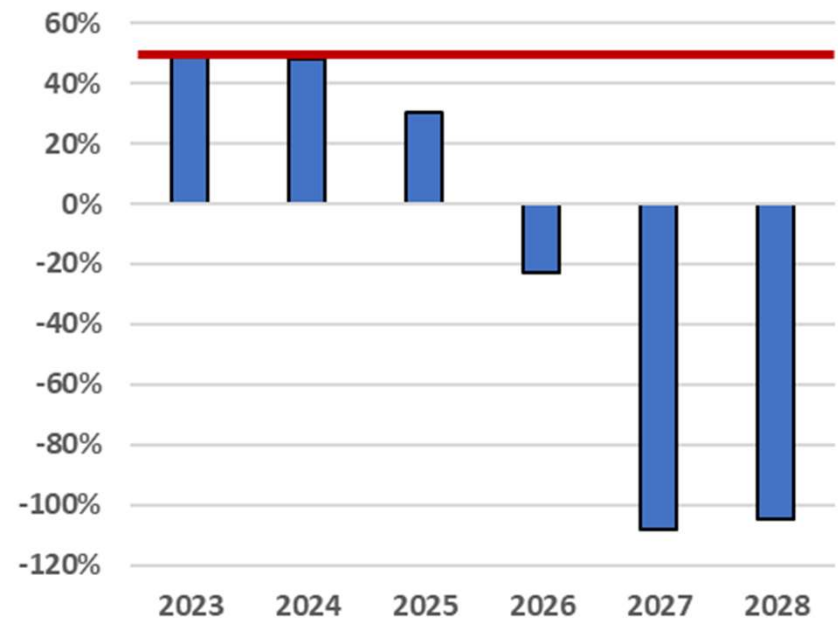


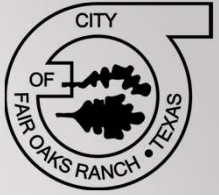
Baseline Scenario Dashboard

Revenues and Expenditures
Baseline



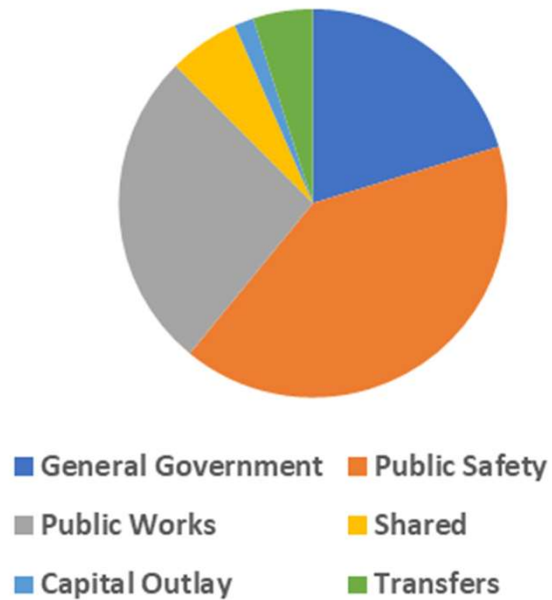
Reserves as a Percent of Operating Expenditures
Baseline



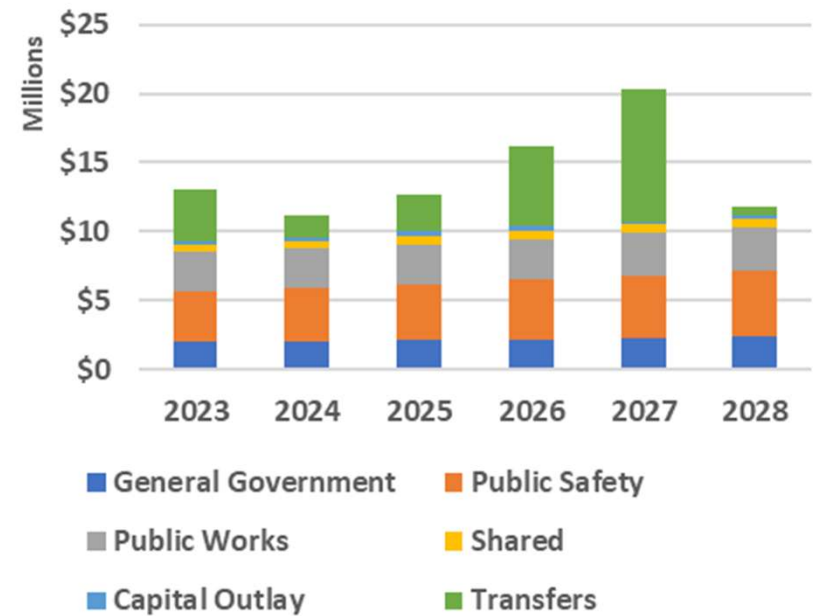


Baseline Scenario Dashboard

FY 2028 Projected General Fund Expenditures
Baseline



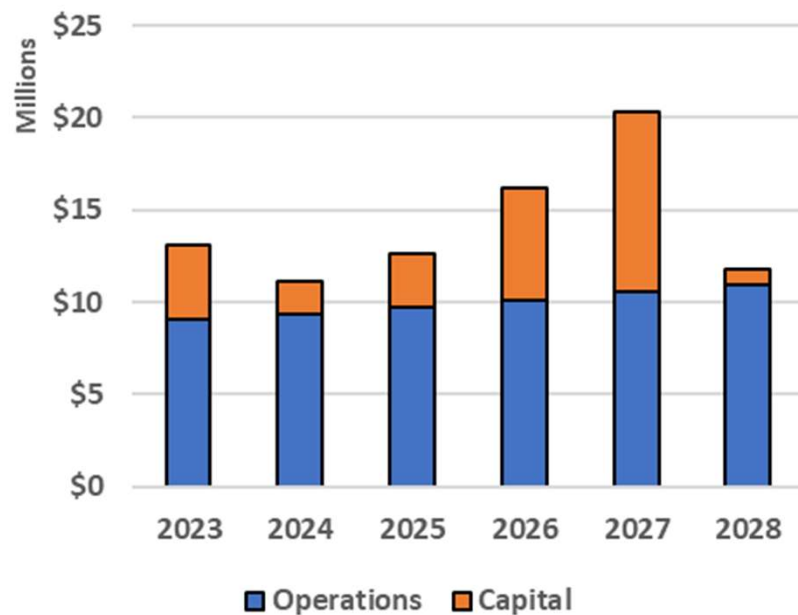
Expenditures Allocated by Program
Baseline



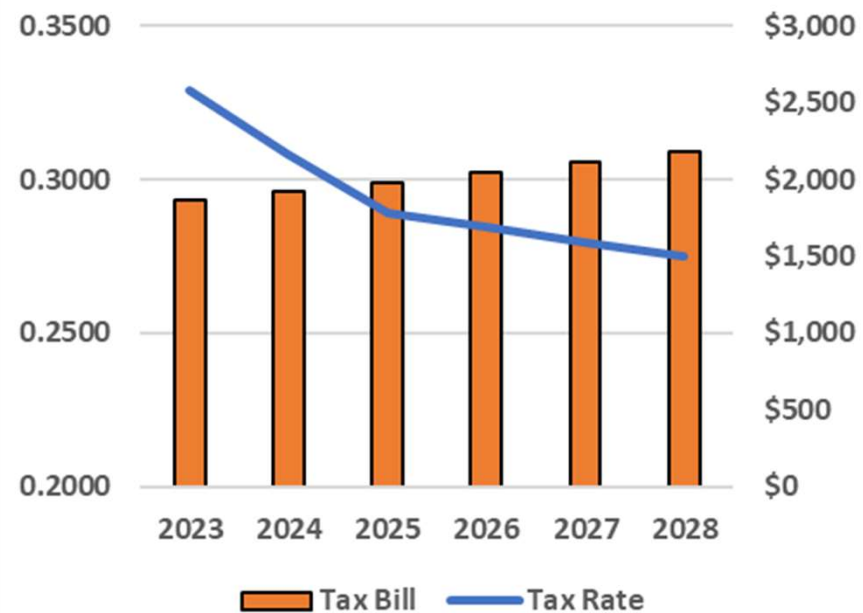


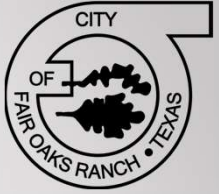
Baseline Scenario Dashboard

Projected Operations vs Capital Expenditures
Baseline



Property Tax Rate and Average Tax Bill
Baseline





PAYGO Assumptions

All Baseline Assumptions

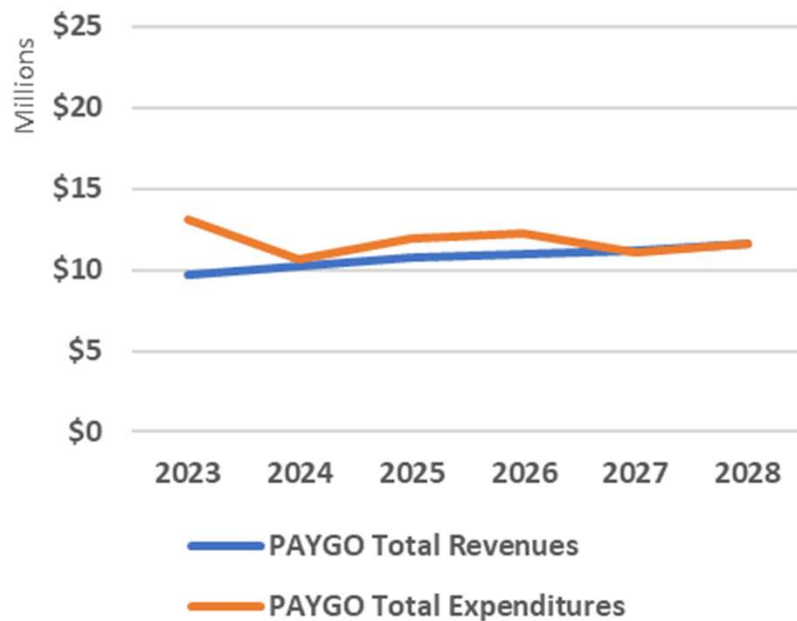
Plus:

- Modifying the CIP/SAP project schedule to allow for Pay As You Go (PAYGO) Funding

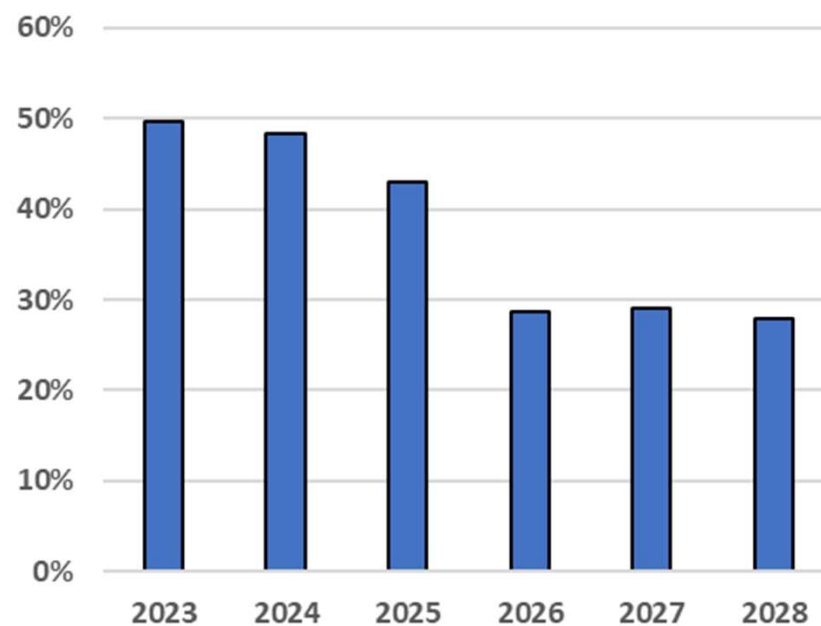


PAYGO Scenario Dashboard

**Revenue and Expenditures
PAYGO**



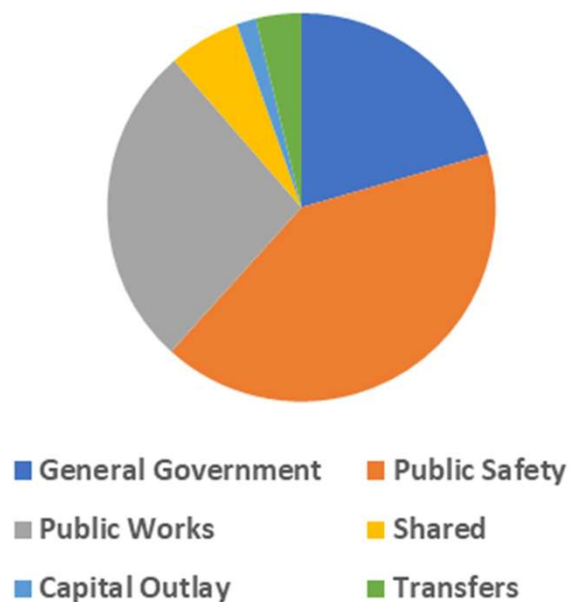
**Reserves as a Percent of Operating Expenditures
PAYGO**



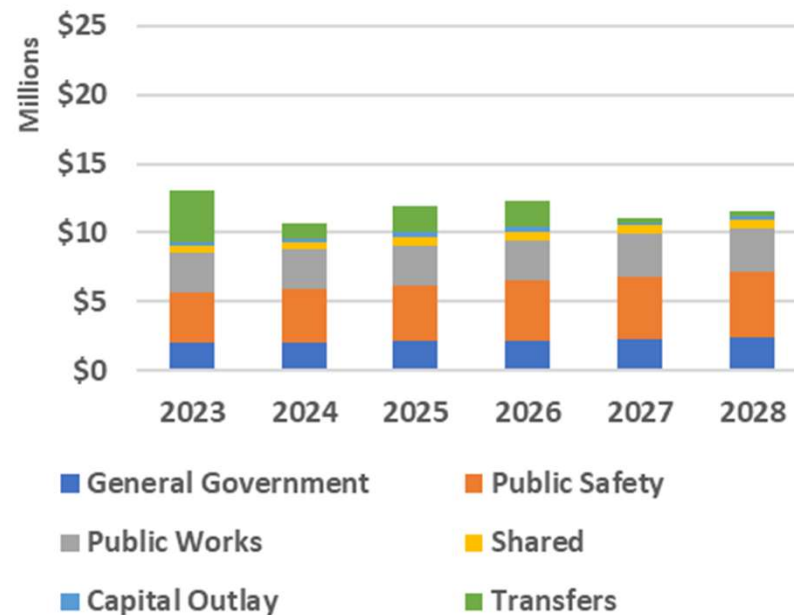


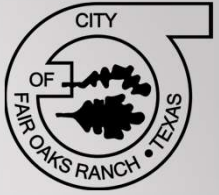
PAYGO Scenario Dashboard

**FY 2028 Projected General Fund Expenditures
PAYGO**



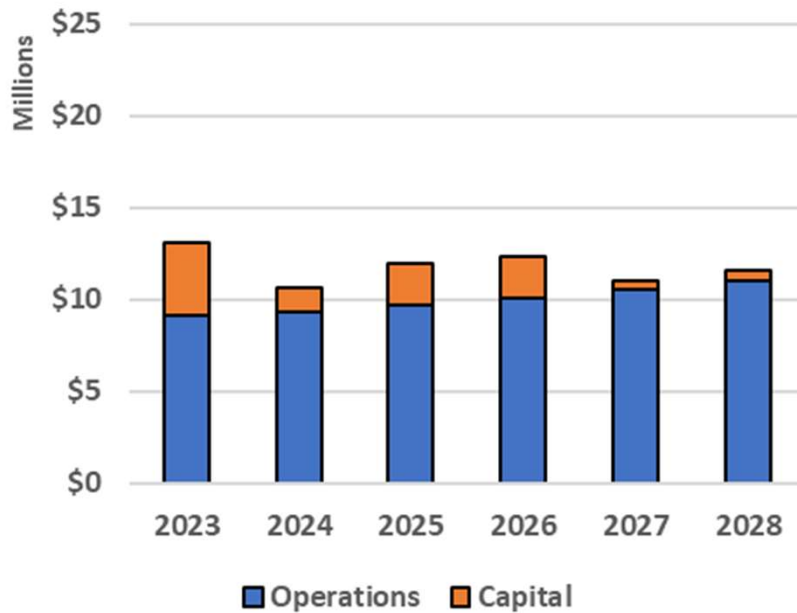
**Expenditures Allocated by Program
PAYGO**



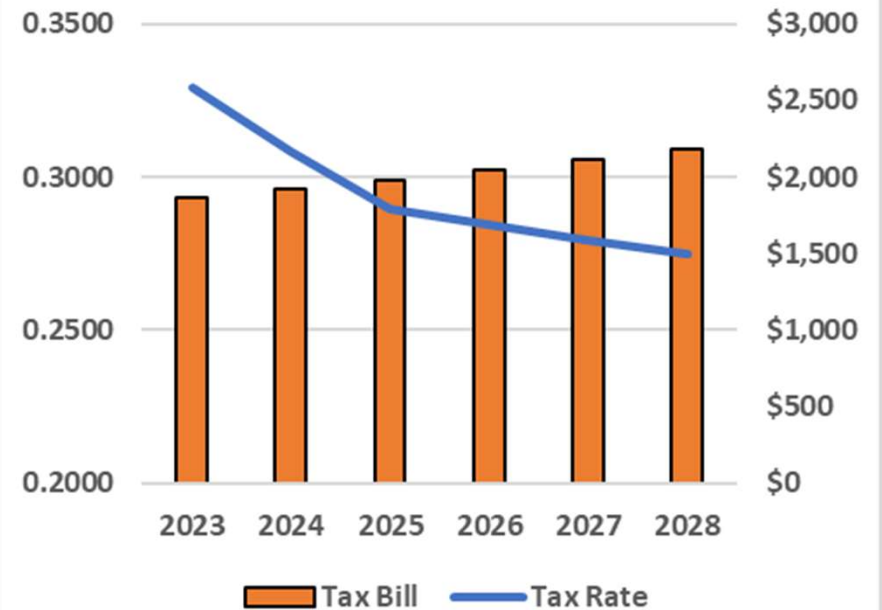


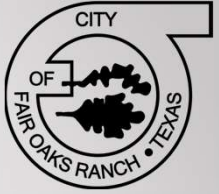
PAYGO Scenario Dashboard

**Projected Operations vs Capital Expenditures
PAYGO**



**Property Tax Rate and Average Tax Bill
PAYGO**





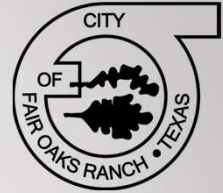
Bond Program Assumptions

All Baseline Assumptions

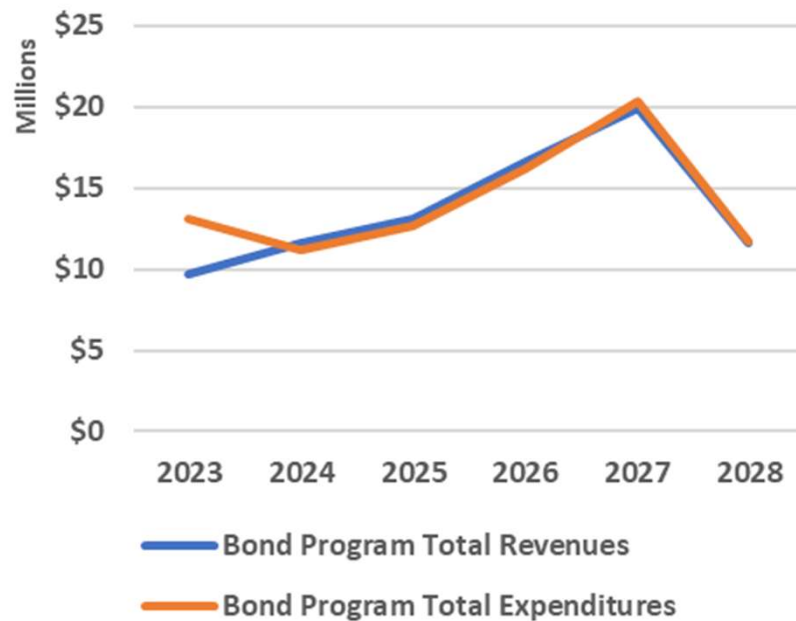
Plus:

- Incorporating an \$18 million bond program disbursed in three tranches, with 20-year terms at 3.5% interest.

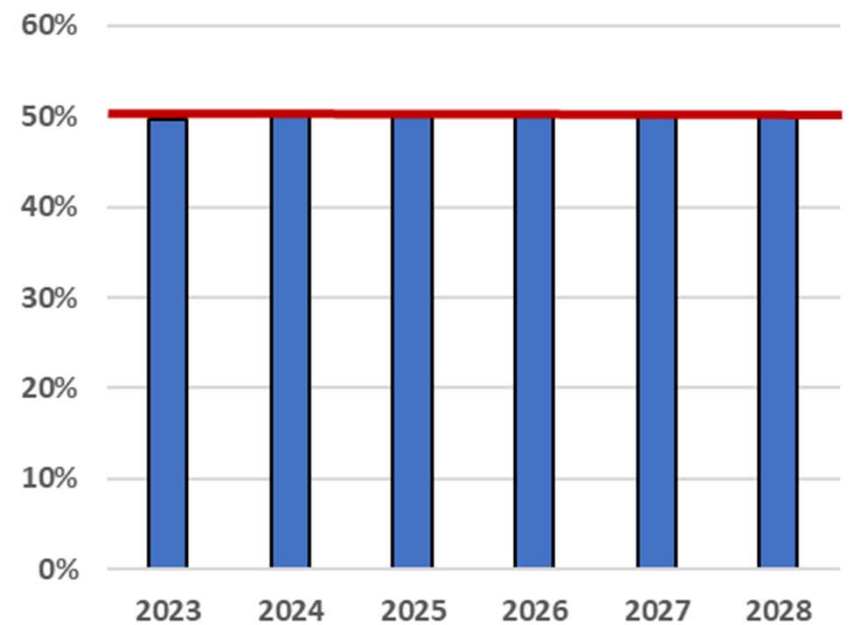
Bond Program Scenario Dashboard



Revenue and Expenditures
Bond Program



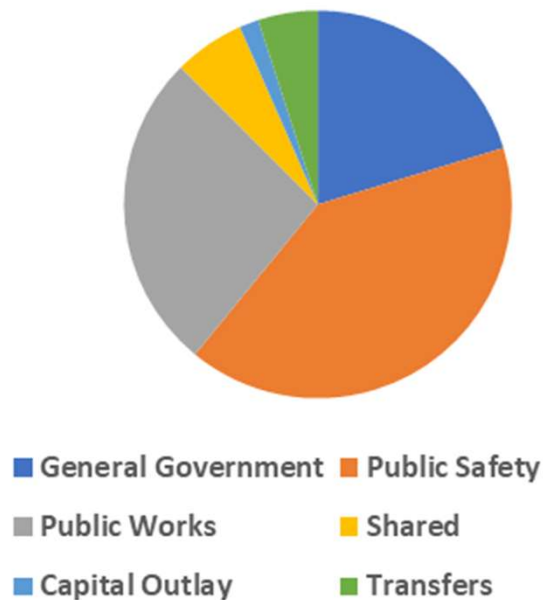
Reserves as a Percent of Operating Expenditures
Bond Program



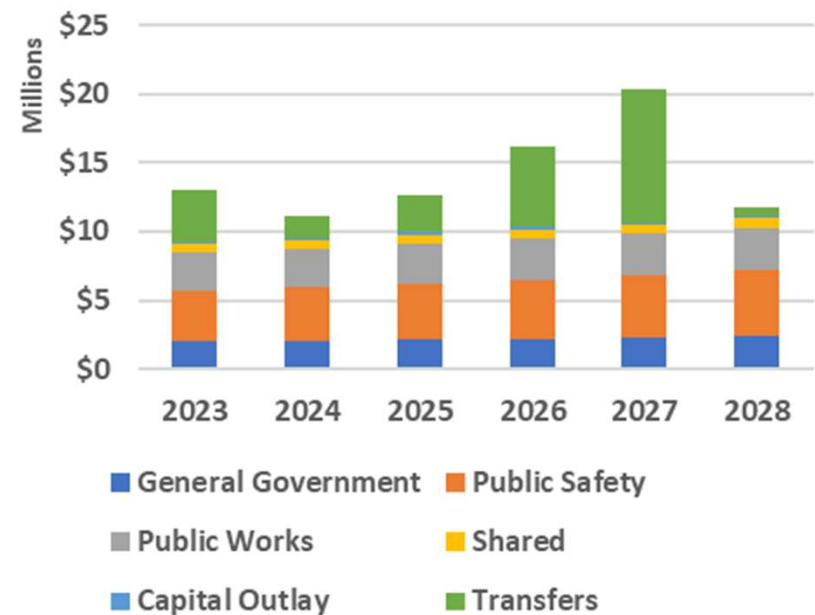
Bond Program Scenario Dashboard



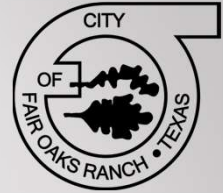
FY 2028 Projected General Fund Expenditures
Bond Program



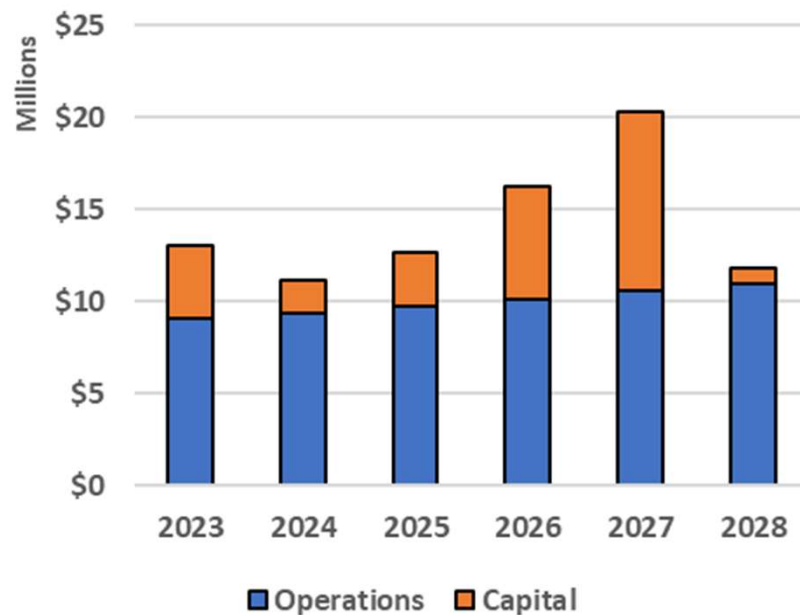
Expenditures Allocated by Program
Bond Program



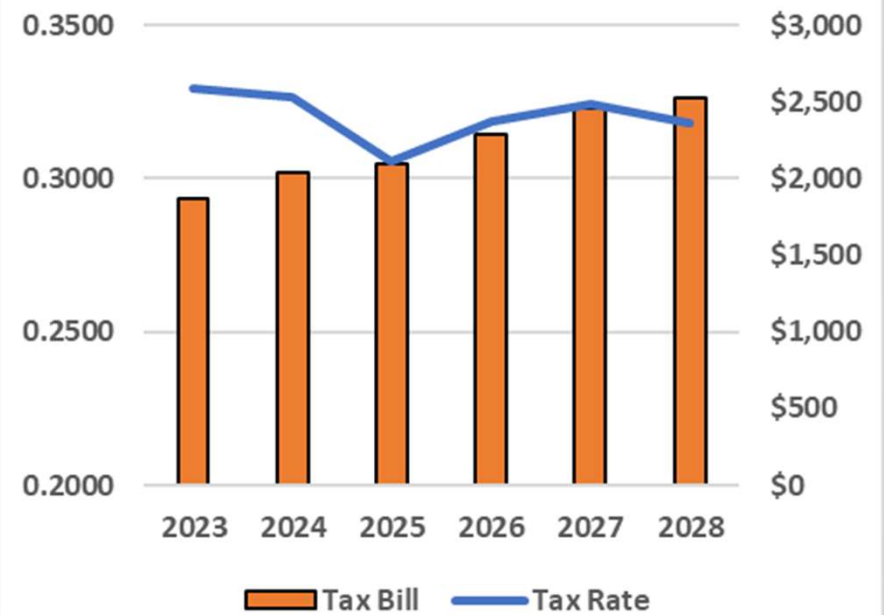
Bond Program Scenario Dashboard



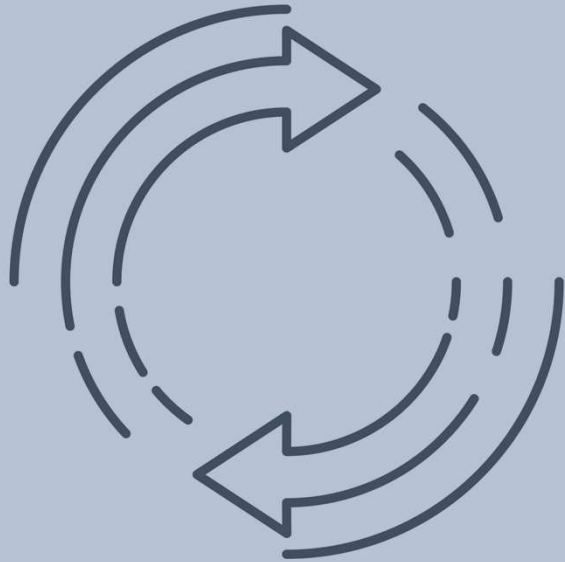
Projected Operations vs Capital Expenditures
Bond Program



Property Tax Rate and Average Tax Bill
Bond Program



SUMMARY



A strategic plan and long-term financial plan can:

- assess the current environment and respond to changes;
- develop commitment to the organization's vision and mission;
- achieve consensus on priorities and projects for achieving that mission.

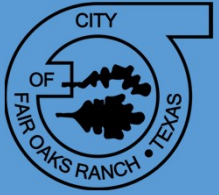
The FOR Strategic Action Plan:

- evolving, but has a well-developed outline and structure
- serves as the council “playbook” for policy and budget discussion
- designed as “rolling” plan, to be updated and refined as conditions change



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Questions?