



FY 2026-30 Five-Year Financial Plan

May 1, 2025



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Director of Finance

Benefits of the plan



Promotes long-term financial stability and sustainability



Aligns financial decisions with priorities and strategic plans



Anticipates future challenges and opportunities



Supports transparency and accountability in budgeting



Helps maintain healthy reserves and responsible debt levels

Governmental Funds Plan



Baseline

“Known knowns” such as wages and benefits, current debt service, inflationary growth, projected revenue growth. Approximates property tax revenues at the no new revenue rate (NNR). Cash funding for drainage CIP.

Scenario 1

Baseline scenario but incorporates Certificates of Obligation to fund all drainage projects and sets the property tax rate between NNR and voter approval rate to maintain a 50% operating reserve.

Scenario 2

Baseline scenario but incorporates Certificates of Obligation to fund all drainage projects and sets the property tax rate between NNR and voter approval rate to maintain a 30% operating reserve.

Baseline Assumptions



Revenues

- Property tax rate set to approximate no-new-revenue rate, 5% increase in taxable values per year
- 3.0% increase in sales tax revenue per year
- 45.0% decrease in interest revenue over 5 years
- 1.5% increase in other revenue sources

Expenditures

- 4.5% increase in personnel costs per year
- 5.0% increase in health insurance, and facility, engineering, and software contracts
- Incremental increases to ensure fire and EMS services under a contract model
- 2% increase all other expenditures
- Assumes \$20,000/year of new equipment for Public Safety and \$50,000/year for Public Works
- Assumes no new FTEs
- Cash funding all approved drainage projects

Drainage Capital Improvements Plan



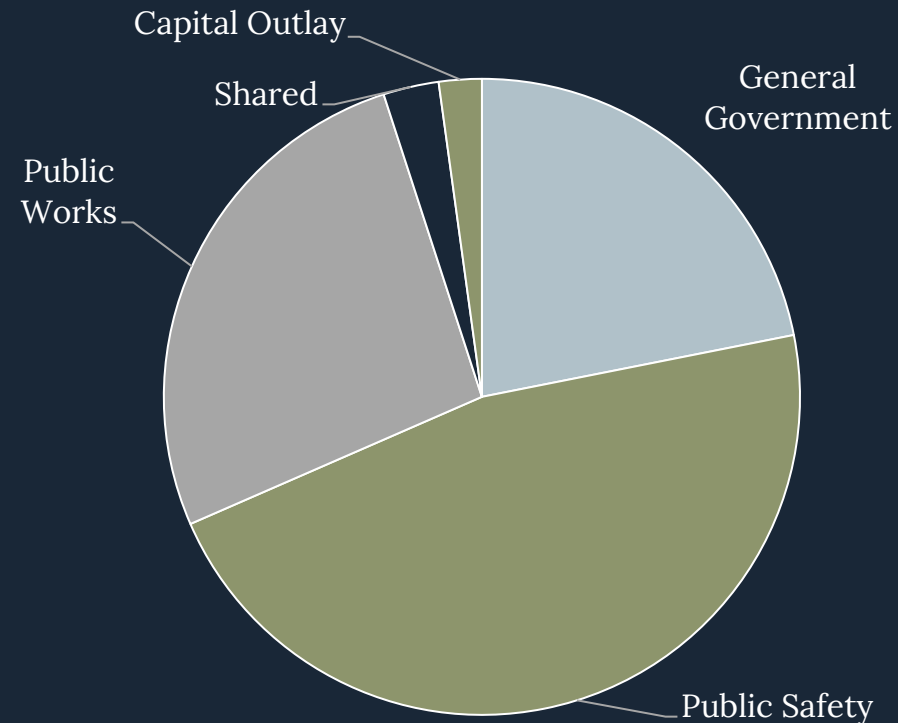
	2025	2026	2027	2028	2029
8472 Rolling Acres Trail	\$67,600	\$162,240			
8040 Rolling Acres Trail	\$67,600	\$162,240			
Vestal Park Culvert	\$113,844				
8426 Triple Crown			\$253,094		
8312 Triple Crown			\$269,967		
32030 Scarteen				\$72,331	\$193,853
31988 Scarteen				\$100,000	
7644 Pimlico Lane				\$100,000	
8045 Flagstone Hill					\$100,000
8402 Battle Intense					\$200,000
Total	\$249,044	\$324,480	\$523,062	\$272,331	\$493,853

\$1,613,726

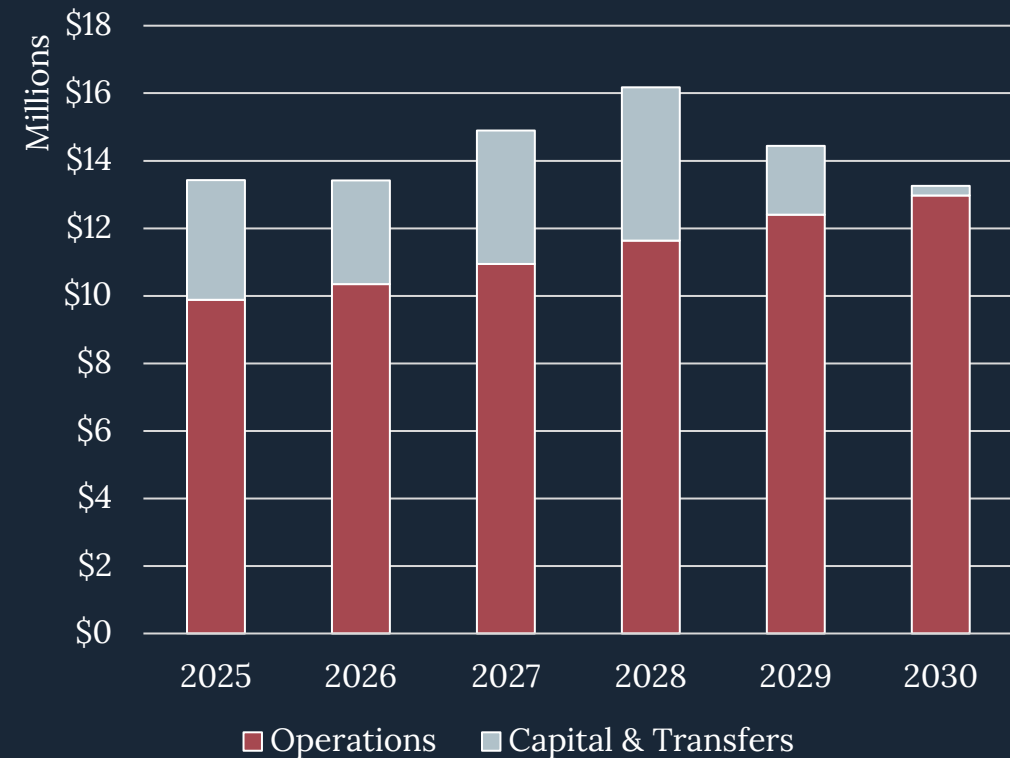
Portfolio of Services



FY 2030 Projected Governmental Expenditures



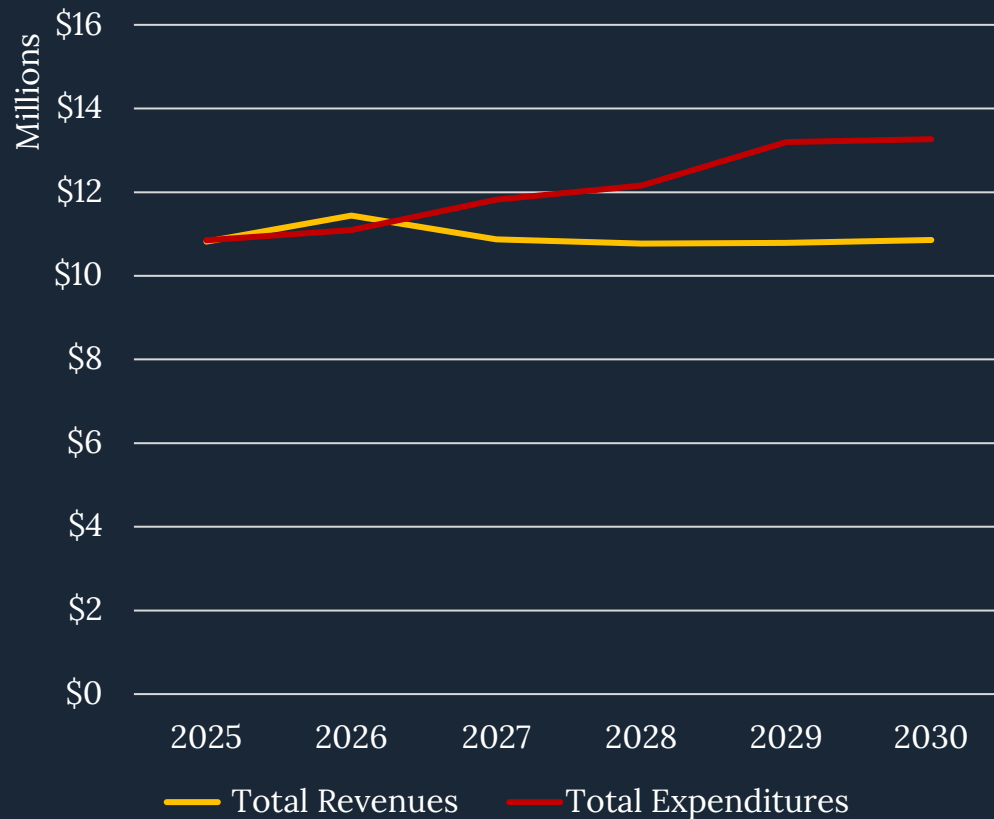
Projected Governmental Operations vs Capital Expenditures



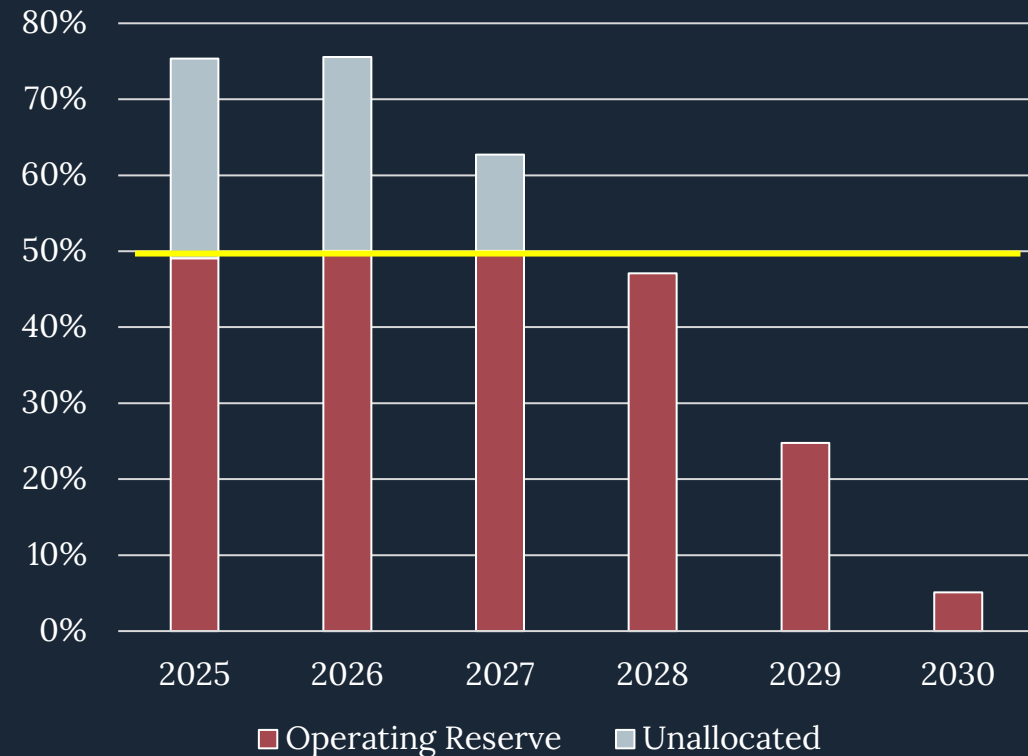
Baseline Dashboard



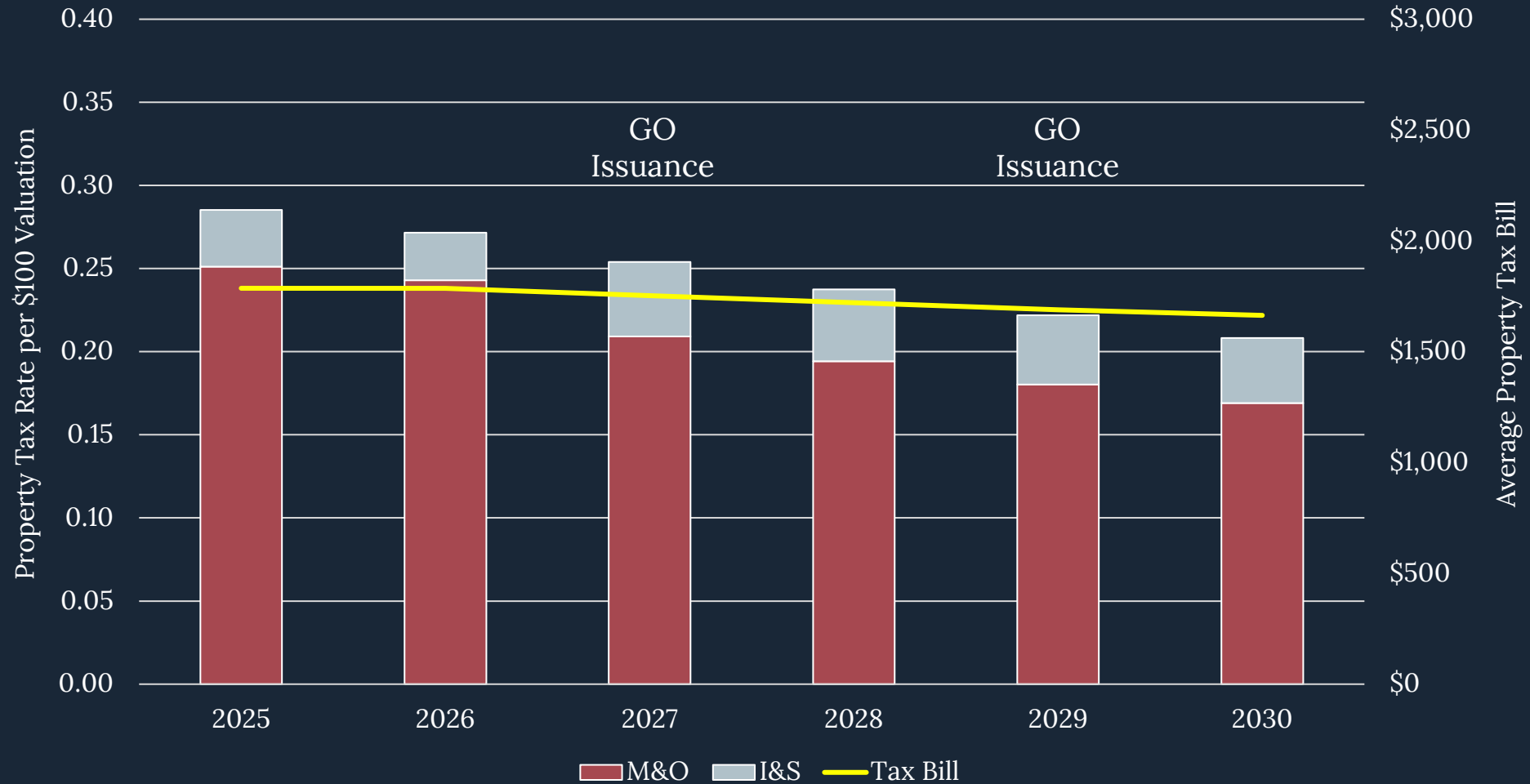
Revenues and Expenditures



Reserves as a Percent of Operating Expenditures



Property Tax Rates - Baseline



Scenario I Assumptions



Change from Baseline

Revenues

- Property tax rate adjusted to maintain a 50% operating reserve. The rates fall between the no-new-revenue rate and voter approval rate

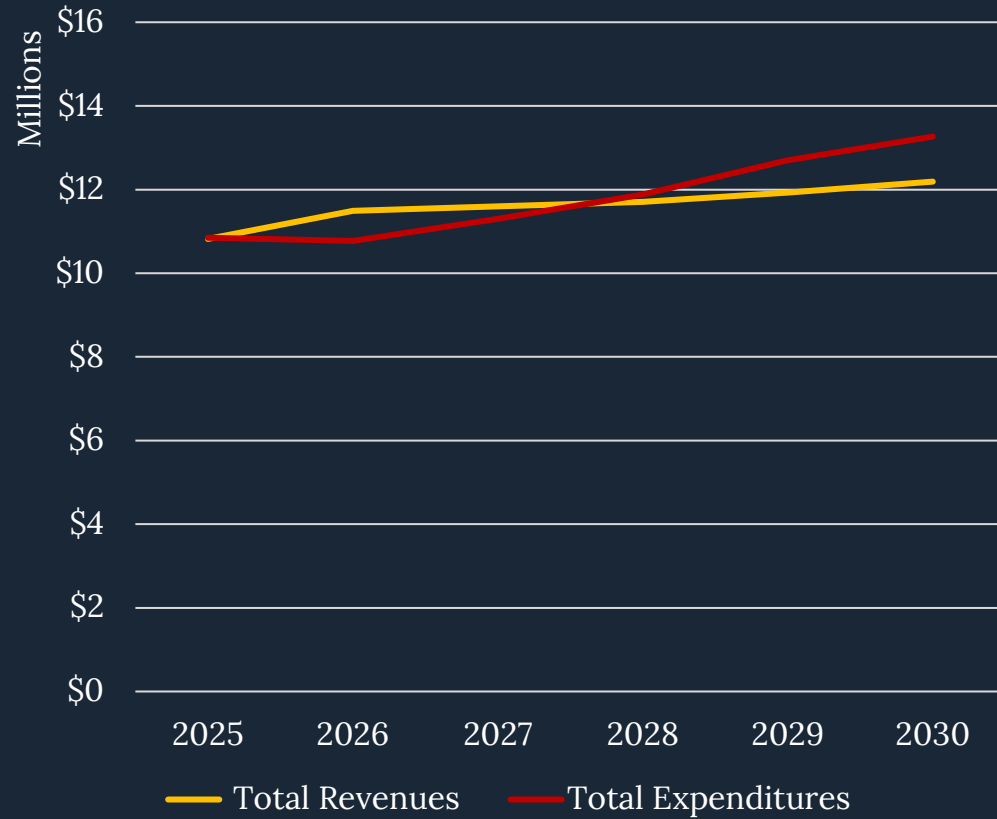
Expenditures

- Certificates of obligation issued for approved drainage CIP

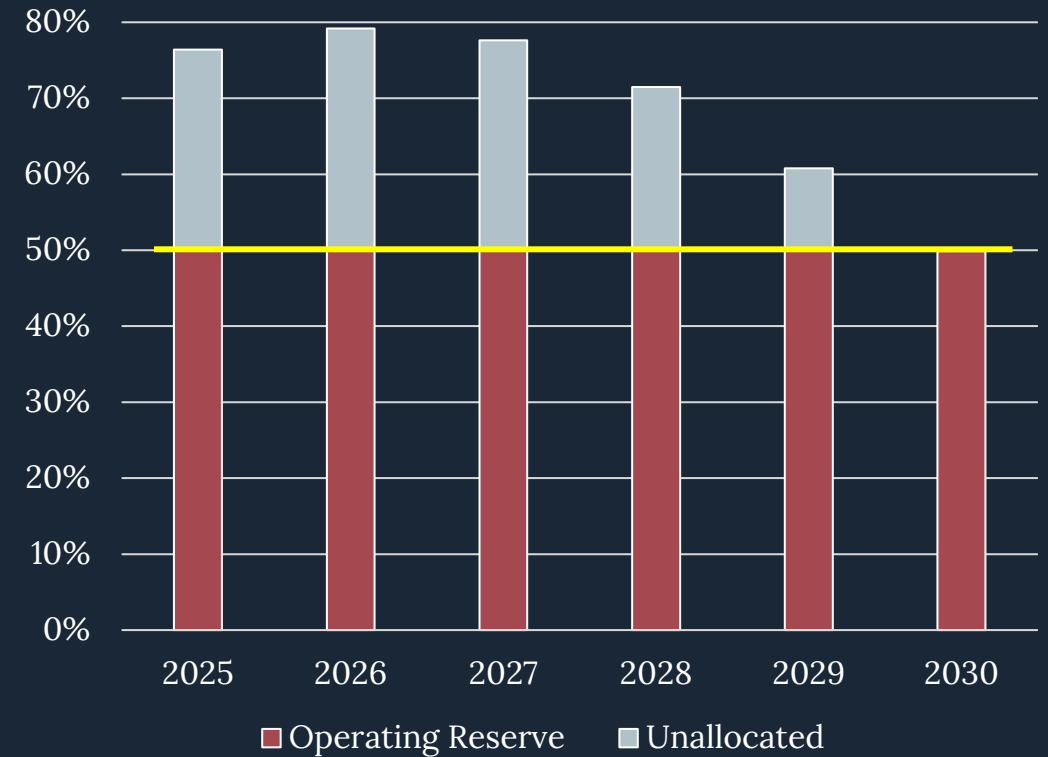
Scenario I Dashboard



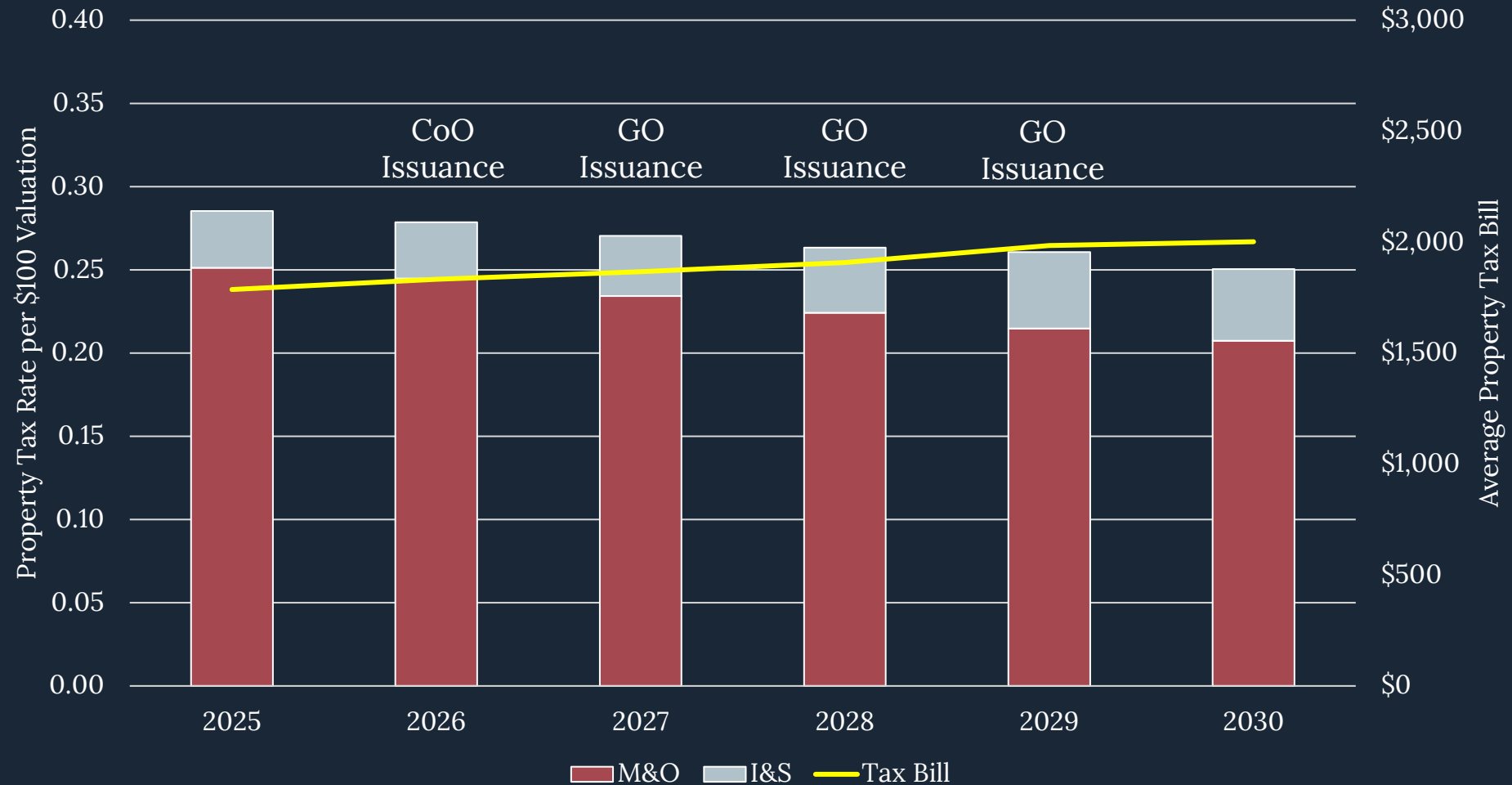
Revenues and Expenditures



Reserves as a Percent of Operating Expenditures



Property Tax Rates – Scenario I



Scenario 2 Assumptions



Changes from Baseline

Policy

- The operating reserve requirement is lowered to 30%, or 3.6 months

Revenues

- Property tax rate adjusted to maintain a 30% operating reserve. The rates fall between the no-new-revenue rate and voter approval rate

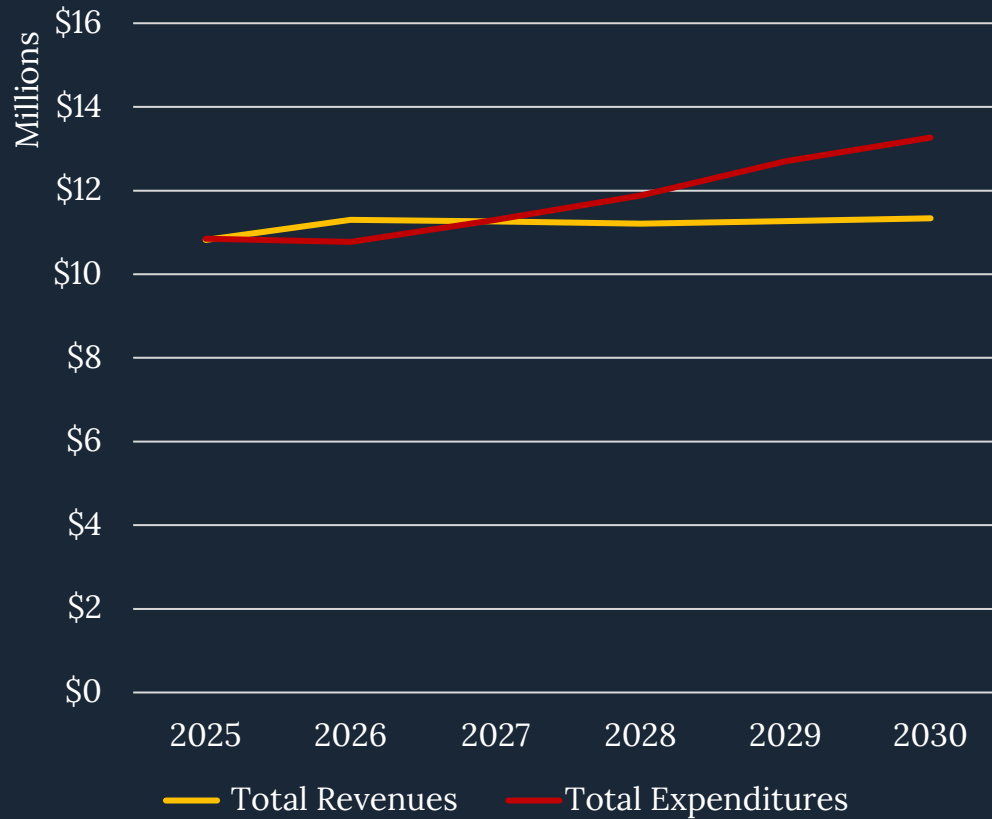
Expenditures

- Certificates of obligation issued for approved drainage CIP

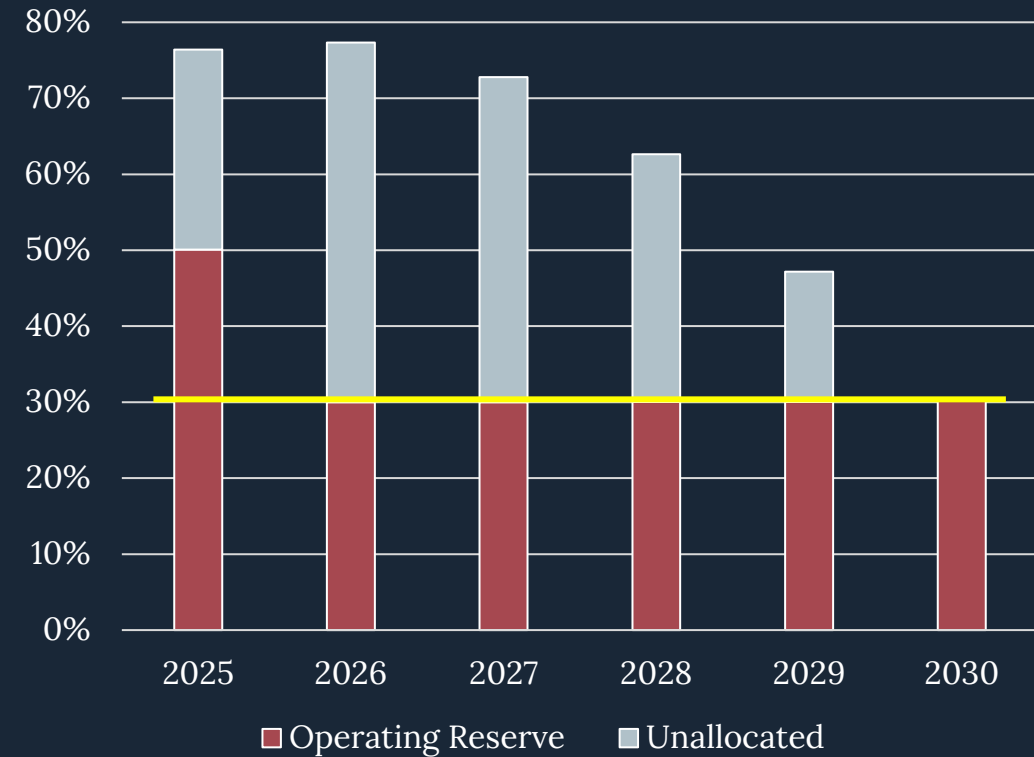
Scenario 2 Dashboard



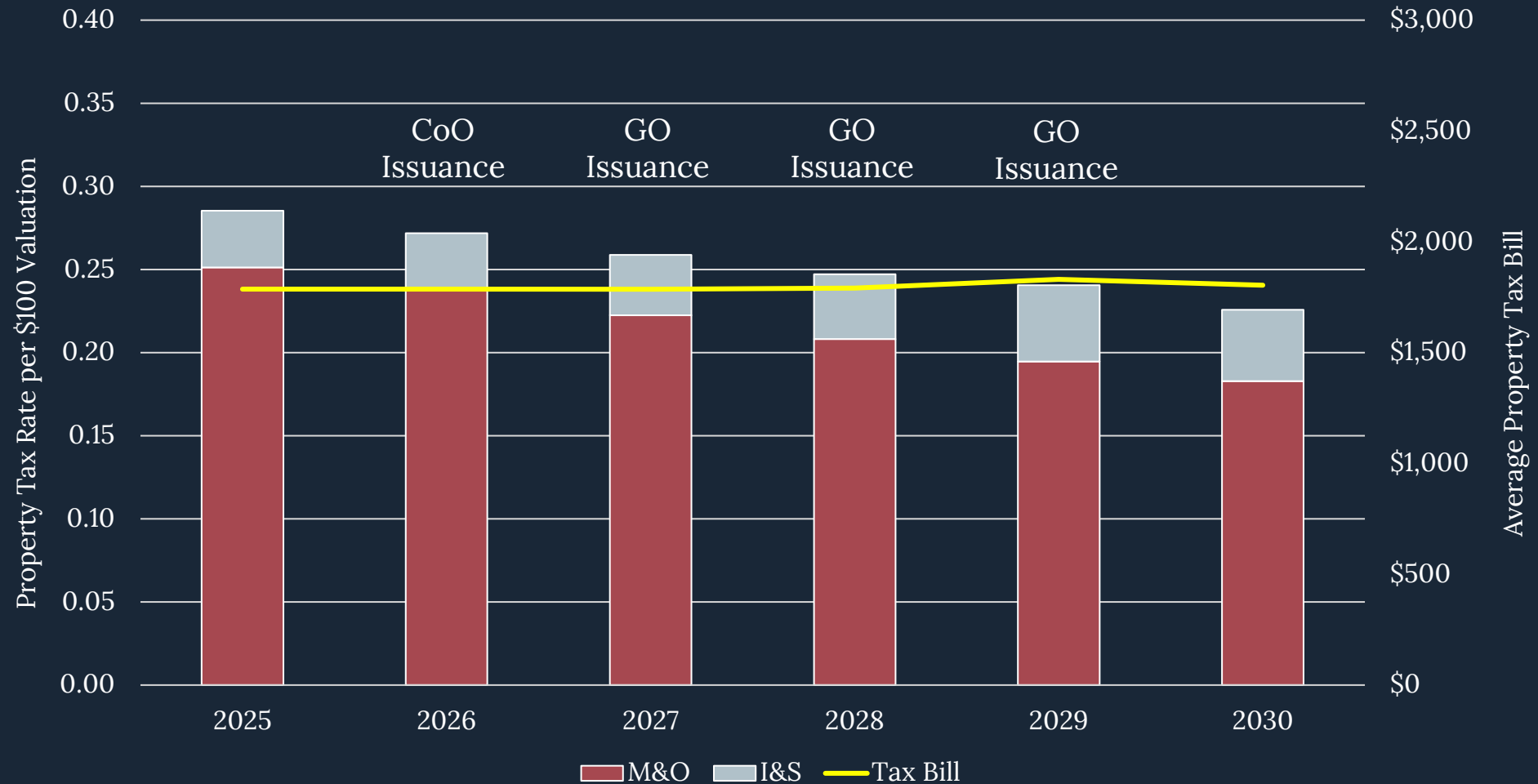
Revenues and Expenditures



Reserves as a Percent of Operating Expenditures



Property Tax Rates – Scenario 2



Utility Fund Plan



Baseline

“Known knowns” such as wages and benefits, current debt service, inflationary growth, projected revenue growth with current water and wastewater rates.

Scenario 1

Baseline scenario and increases the water rates based on the rate calculation model to fund operations and maintain a 9-month reserve.

Baseline Assumptions



Revenues

- Water service rates at current level
- Wastewater service rates at current level
- Projecting a decrease in drought surcharge revenue
- 45.0% decrease in interest revenue over 5 years
- 1.5% increase in other revenue sources

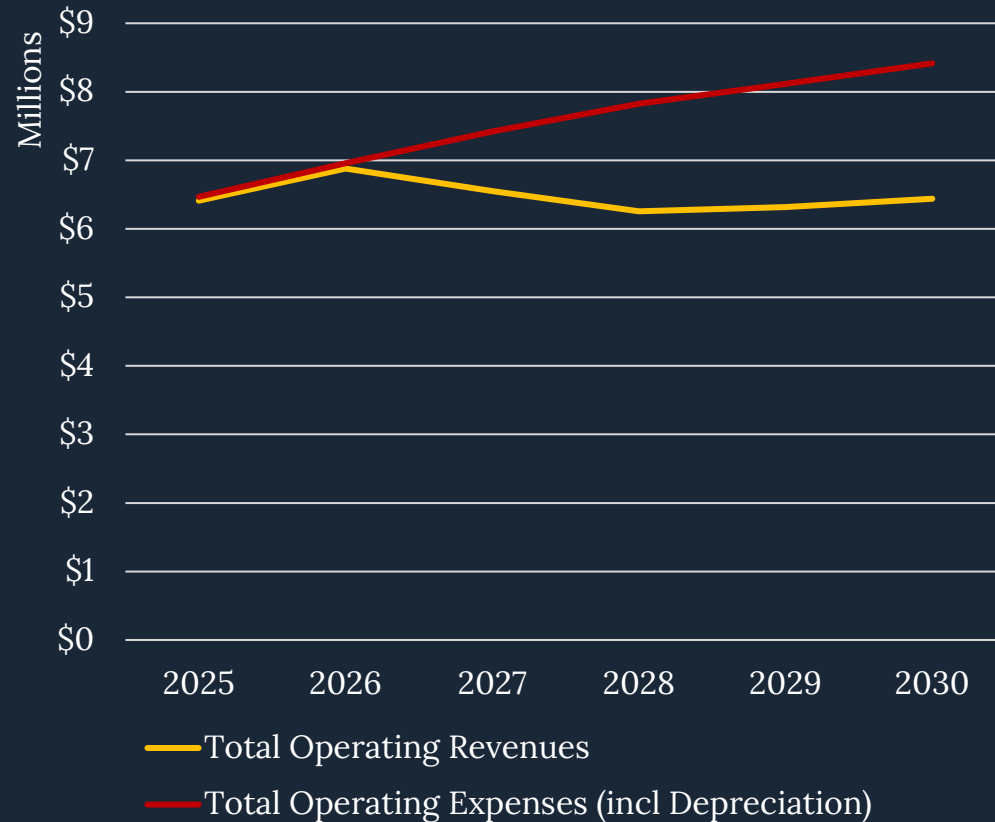
Expenditures

- 4.5% increase in personnel costs per year
- 5.0% increase in health insurance, and facility, engineering, and software contracts
- 5.0% increase in GBRA fees
- Assumes \$25,000/yr of new equipment for water and wastewater
- Assumes \$10,000/yr of new operational capital for water and wastewater
- Assumes no new FTEs
- Approved CIP funded with scheduled CO issuances (Series 2025 and 2026)

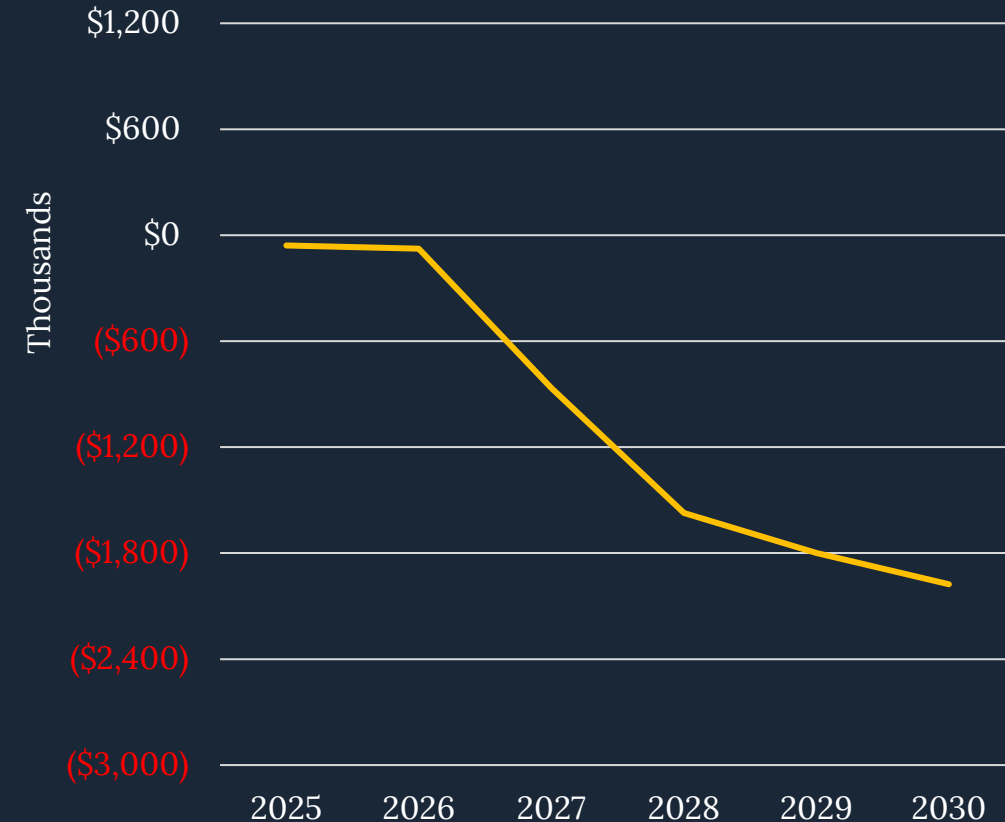
Baseline Dashboard



Operating Revenues and Expenses



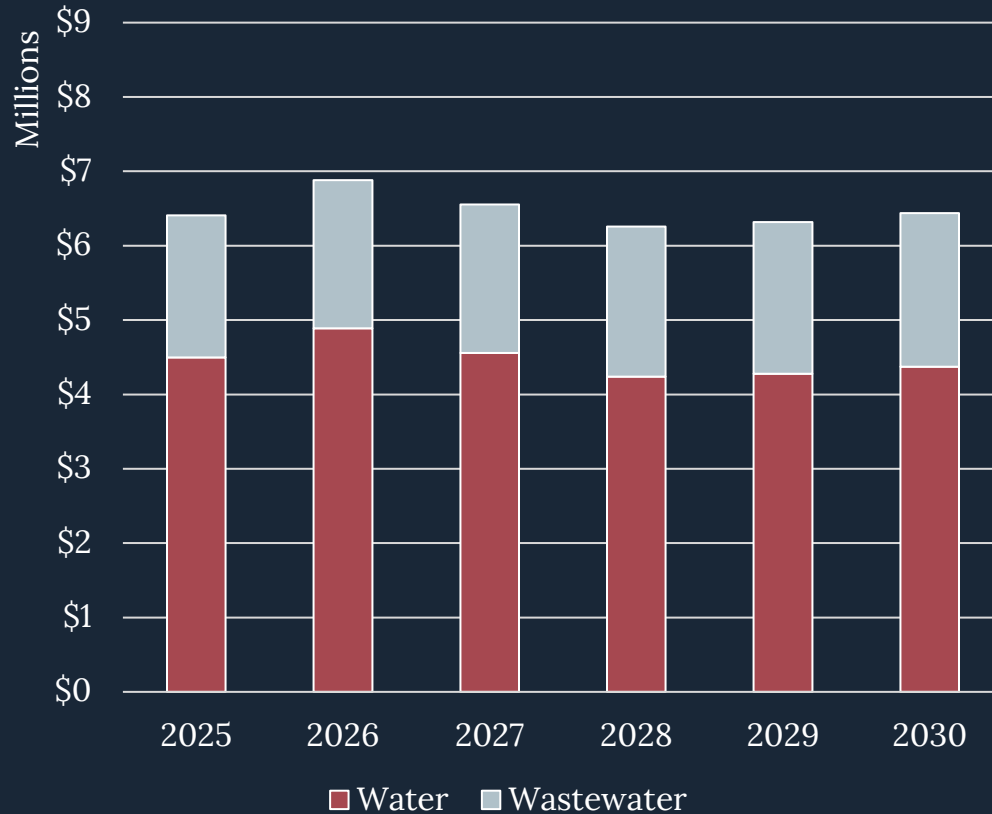
Operating Income/(Loss)



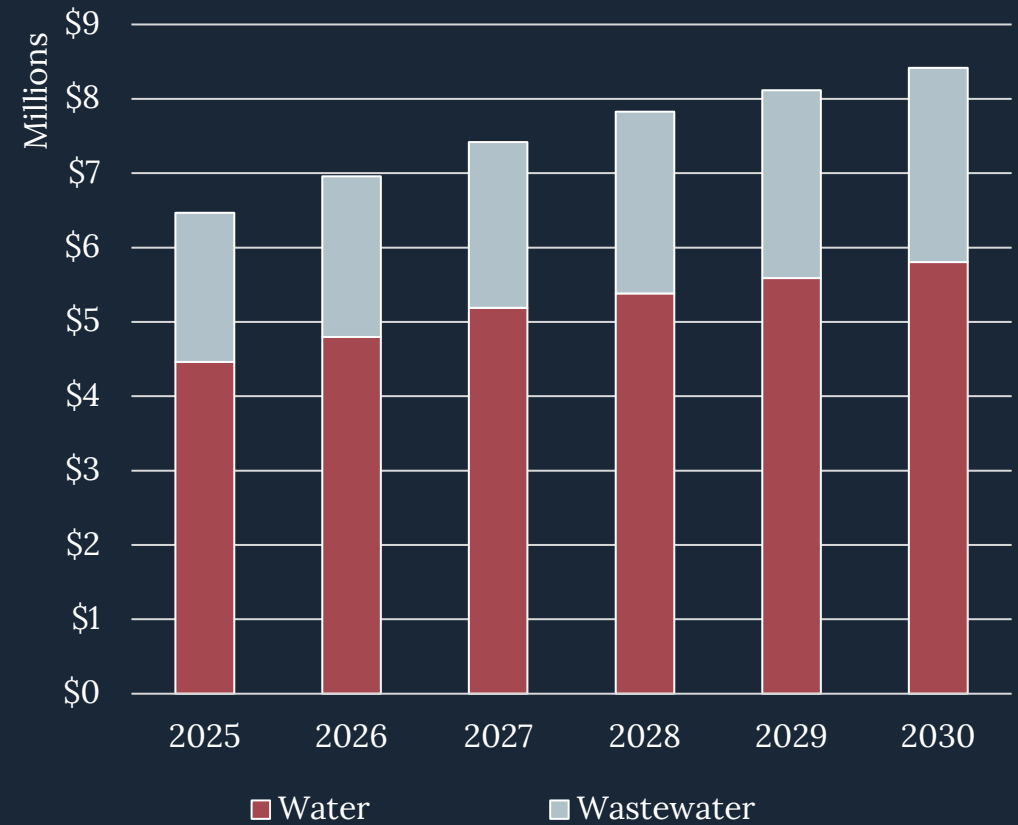
Baseline Dashboard



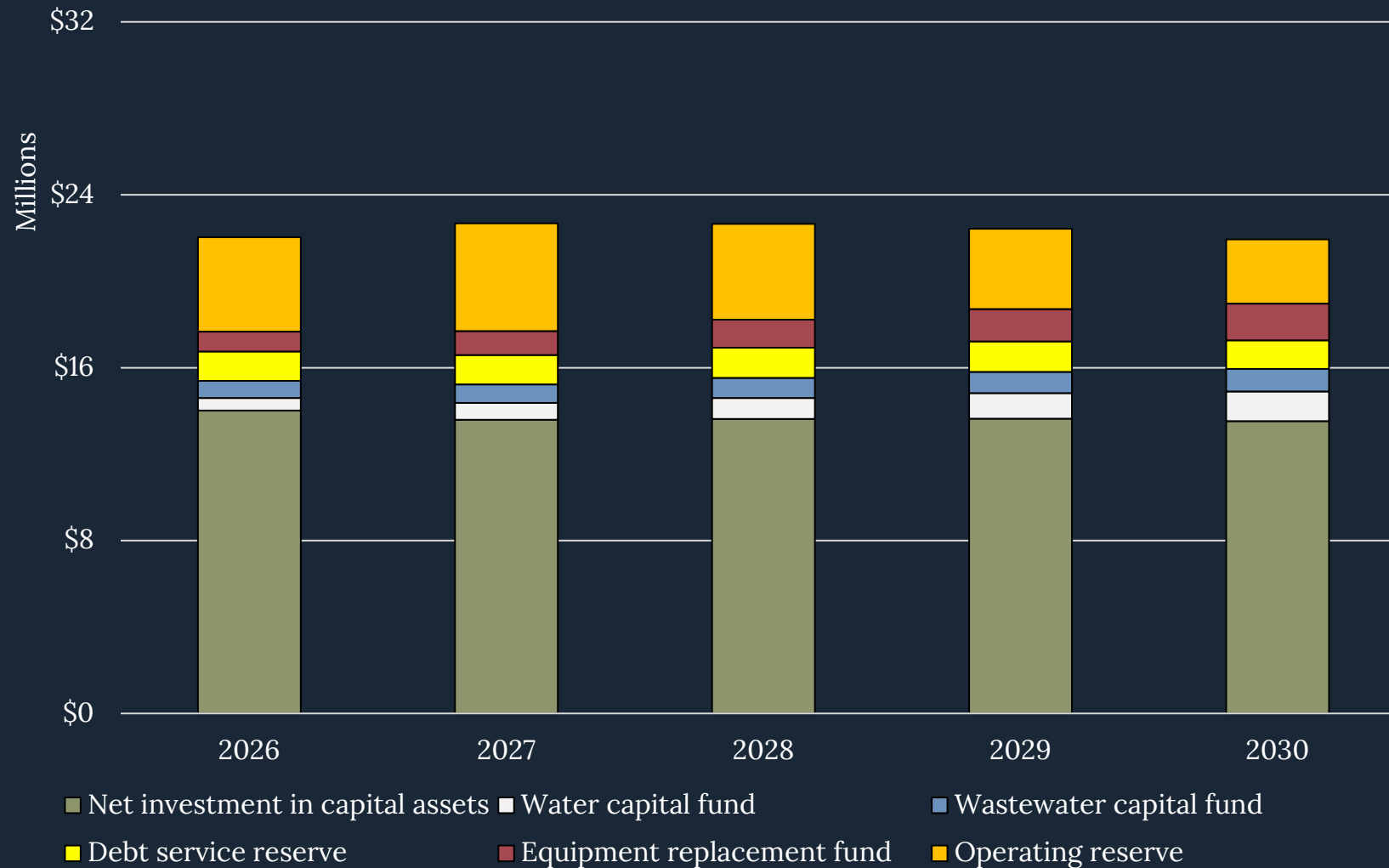
Revenues Allocated by Utility



Expenses Allocated by Utility



Baseline Net Position



Scenario I Assumptions



Changes from Baseline

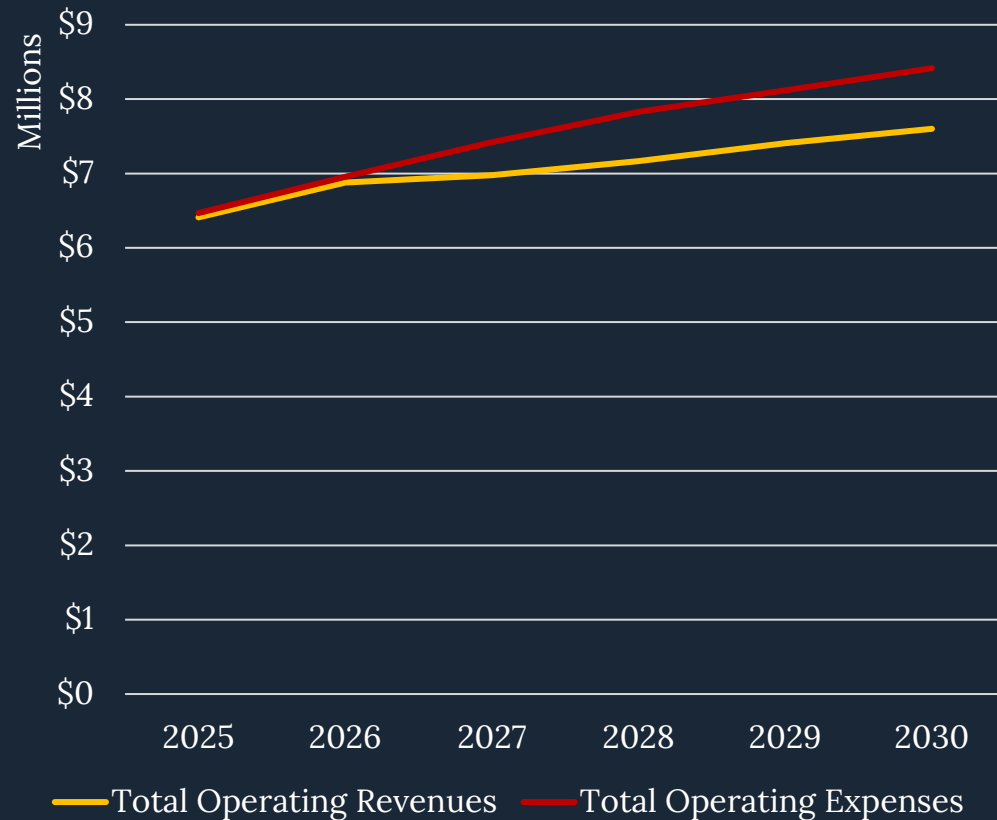
Revenues

- Increase in water service rates to cover operating expenses including depreciation while maintaining an operating reserve close to 9 months of operating expenses

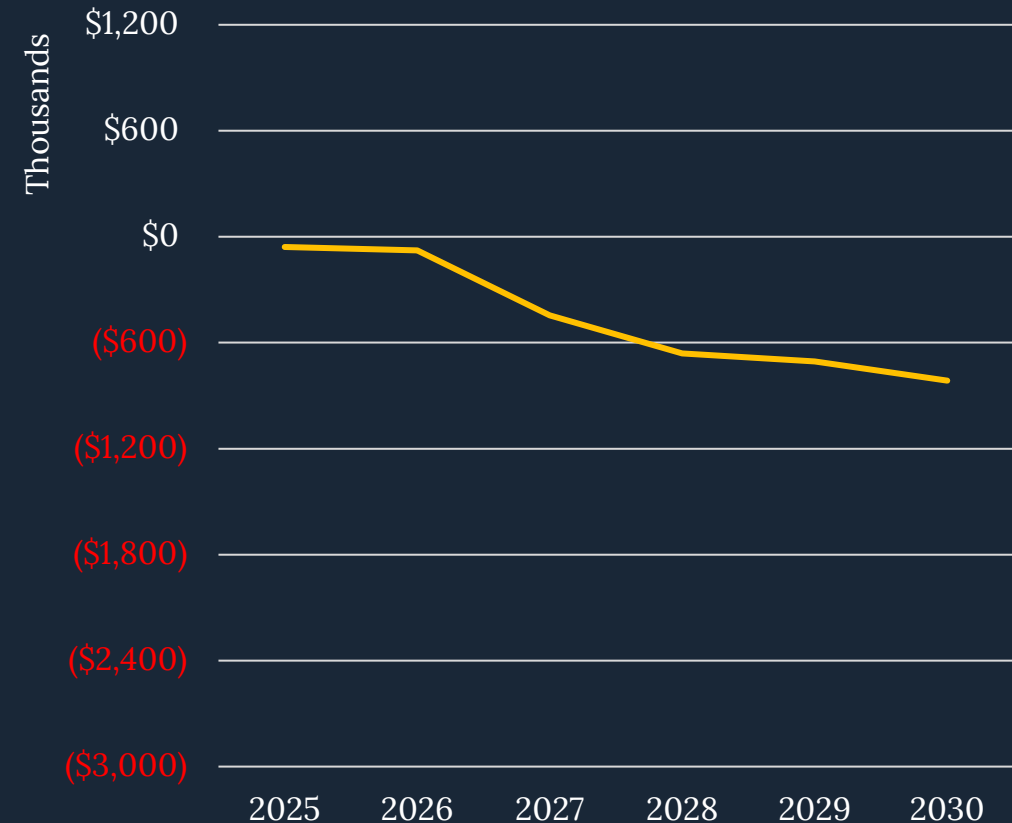
Scenario I Dashboard



Operating Revenues and Expenses



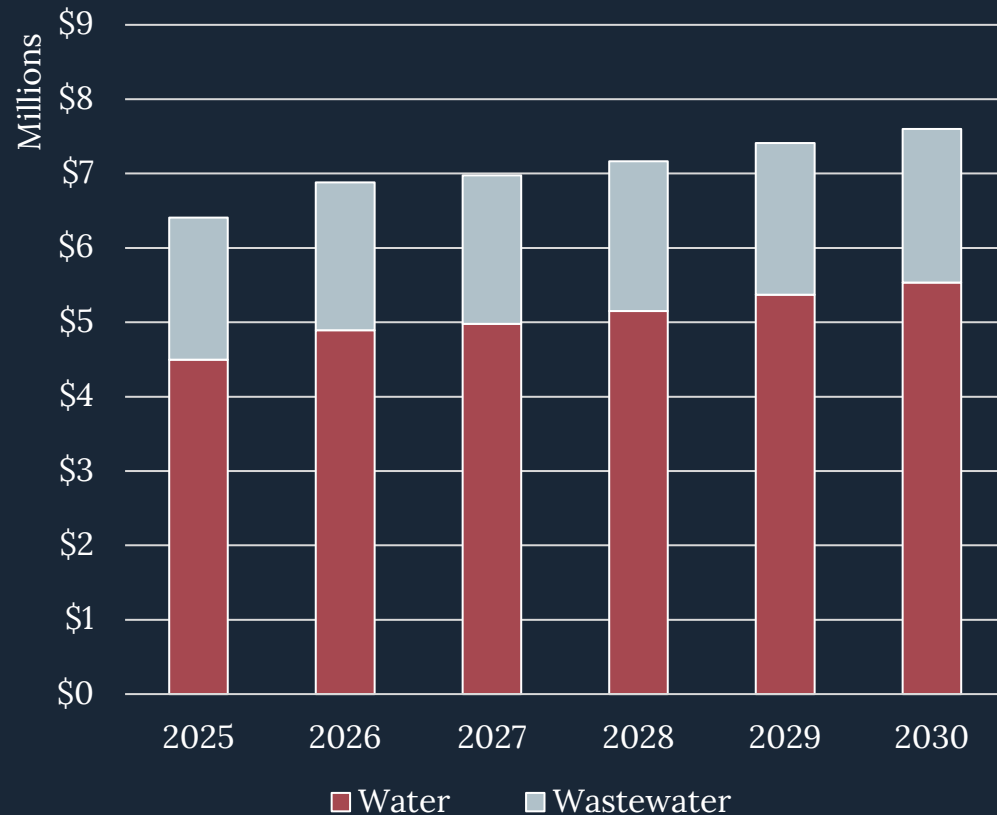
Operating Income/(Loss)



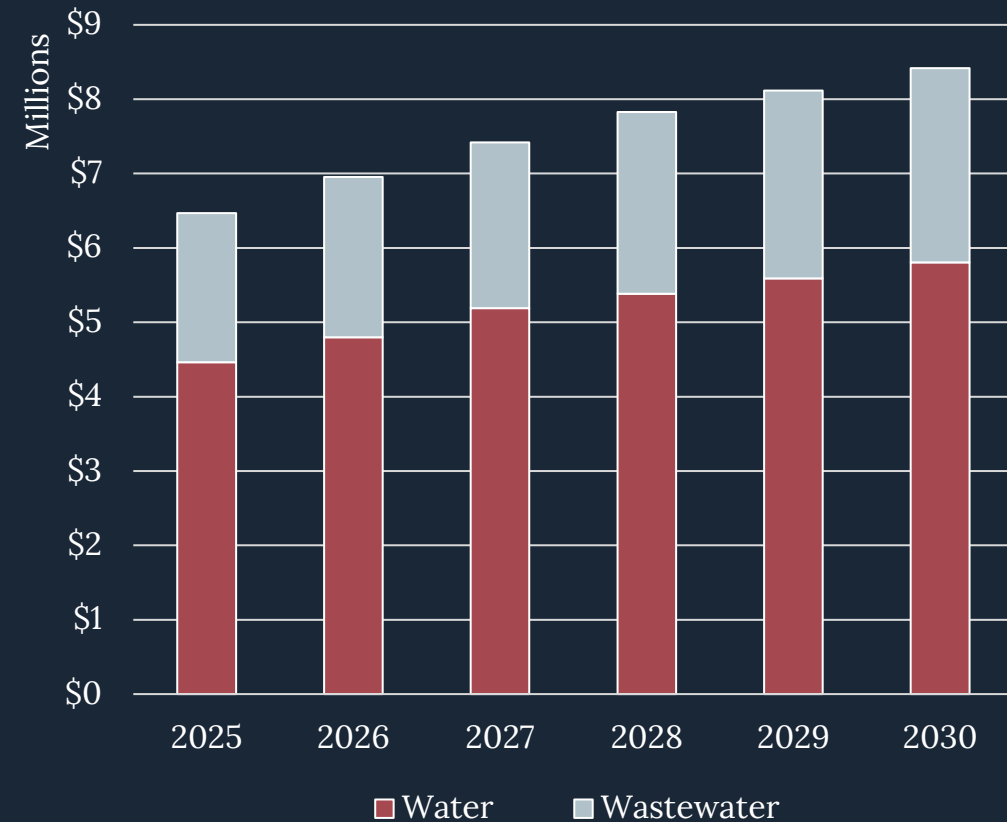
Scenario I Dashboard



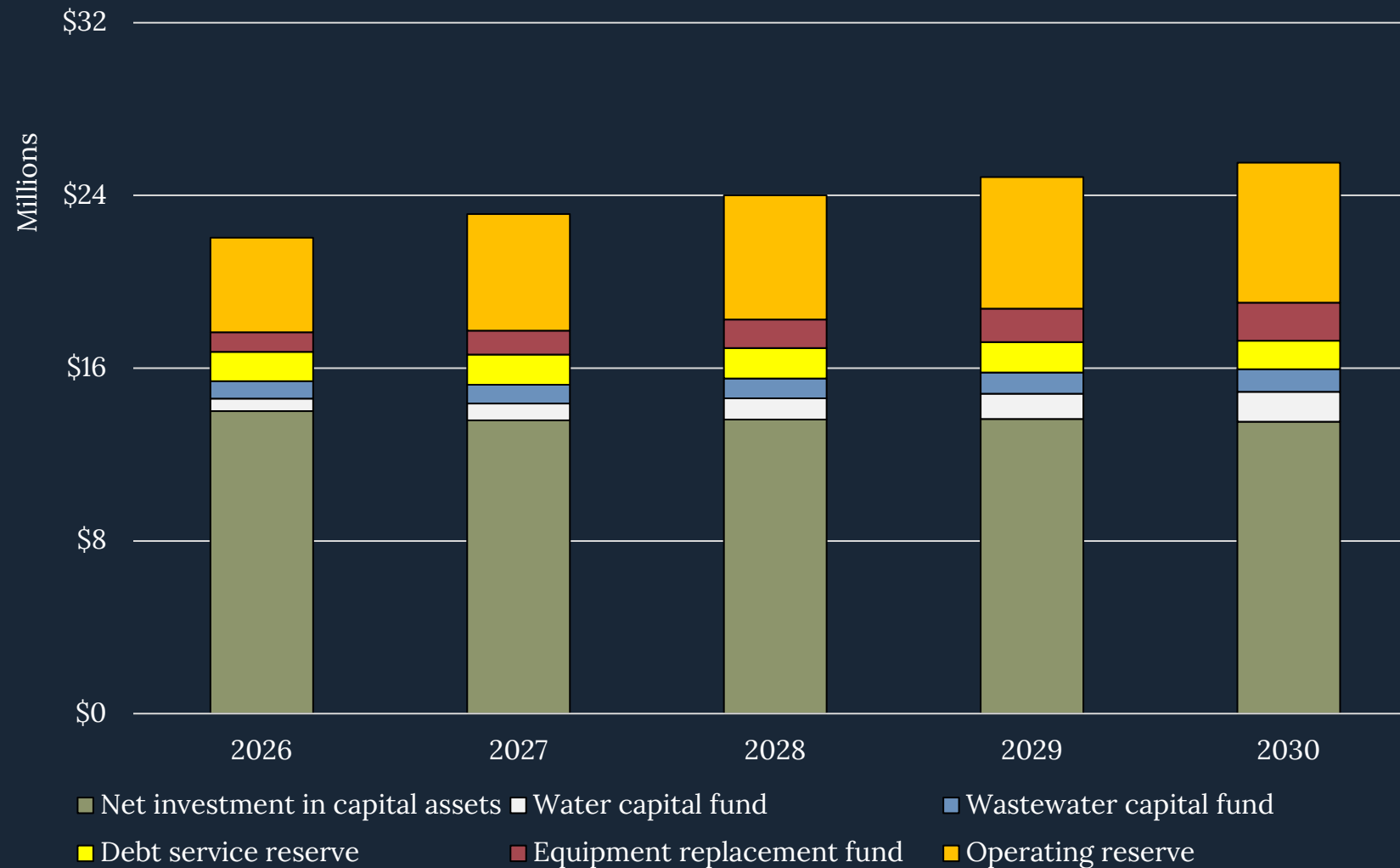
Revenues Allocated by Utility



Expenses Allocated by Utility



Scenario I Net Position



Next Steps



- Council direction on the plan:
 - Revenue and expense assumptions
 - Modeled scenarios
 - Drainage CIP funding
 - Policy revisions
 - Water rates (supporting operations)
- Bring Resolution to adopt the FY 2026-30 Financial Plan
- Develop the budget



Questions?