

# COMMUNITY CONNECTION

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## Long-Term Financial Plan

The City's Finance Department recently presented the Fiscal Years 2025-2034 General Fund Long-Term Financial Plan (Plan), a long-range fiscal planning tool to identify financial trends, project budget surpluses or deficits, and encourage discussion to proactively address the City's long-range needs.

The City's General Fund departments provide the core community services such as public safety, parks and recreation, library, public works, and engineering as well as support services such as financial, legal, and human resources. These core services are primarily supported by the City's

major revenues (Property Tax, Sales Tax, Measure P Sales Tax, and Measure A Sales Tax).

The Plan presents a baseline scenario for the City's General Fund resources over a ten-year period, including information for planned expenditure commitments and maintenance of current service levels and financial reserve targets. Staff reviewed historical and current data, conducted economic research, and worked closely with experts from Beacon Economics to develop assumptions for the City's major revenues.

The Plan provides the City Council, City departments, key stakeholders, and the public an overview of the fiscal health of the

City's General Fund based on various financial and service-level assumptions over the next 10 years.

Based on baseline projections required to maintain current service levels in the General Fund, growth in expenditures is anticipated to outpace the growth in revenues from Fiscal Year 2025 (FY 2025) to Fiscal Year 2027 (FY 2027). This structural shortfall is projected in the first three years of the 10-year period. The overall General Fund shortfall is projected to fluctuate beginning in FY 2025 at approximately \$2.1 million and ending in FY 2027 at approximately \$0.7 million. General Fund surpluses are projected for FY 2028 at \$1.1 million through FY 2034 at \$7.5 million. Should projected expenditures exceed projected revenues in any given year, the City Manager will identify steps to mitigate the shortfalls prior to presenting a balanced budget to the City Council for consideration during the annual budget development process.





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A detailed table is provided in the full Plan report which can be viewed on the City's [website](#).

Staff monitors Plan projections throughout the year and provides regular updates on the City's current financial performance to City Council via quarterly financial reports. The Plan will also serve as a guideline in the development of the Fiscal Year 2025 General Fund budget to be released in April.