



# Multi-Year Financial Outlook (2027-2031)

February 16, 2026



# Agenda

- Purpose of long-range plan
- Structural Balancing Act
- FY 2027 – 2031 Revenue
- FY 2027 – 2031 Expenditures
- Summary



# Purpose of Multi-Year Financial Outlook

- Shared understanding of fiscal constraints
- Allows Council to focus on long-term objectives, encourages strategic thinking, and promotes overall awareness for fiscal management
- Serve as a planning tool and not a budget - estimates are based on early and preliminary information that will be refined and adjusted
- Highlights strategic challenges of customer expectations with limited resources
- Provides ability to be pro-active in decision-making

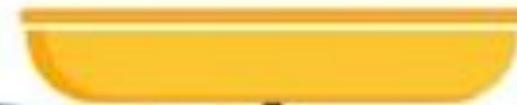
# Structural Balancing Act

## Are all programs properly funded?

Generate More  
Revenue (minimize  
impact to taxpayers)



Reduce  
Costs (minimize impact  
on services)



# Why Strategy and Budget Must Align

- Strategy without funding can't be executed
- More priorities than available resources
- Limited flexibility due to rising fixed and contractual obligations
- Tradeoffs are unavoidable
- Today's choices shape future flexibility

# Balancing the Budget

- State legislative impacts on the City's ability to generate revenue
- Sales tax revenue is volatile and local rate is at the State cap
- Setting appropriate cost recovery plan for fees
- Avoiding use of one-time revenue (fund balance)

# Balancing the Budget

- Maintaining employee pay increases (goal to reach “living wage”)
- City continuing to absorb healthcare increases for non-uniform employees
- Fire and Police collective bargaining agreements (to be renewed in 2026 and 2027 respectively)
- Debt vs Pay-Go (cash in annual budget) – street maintenance, vehicles, facilities, information technology



# Multi-Year Financial Outlook



# Purpose of Multi-Year Financial Outlook

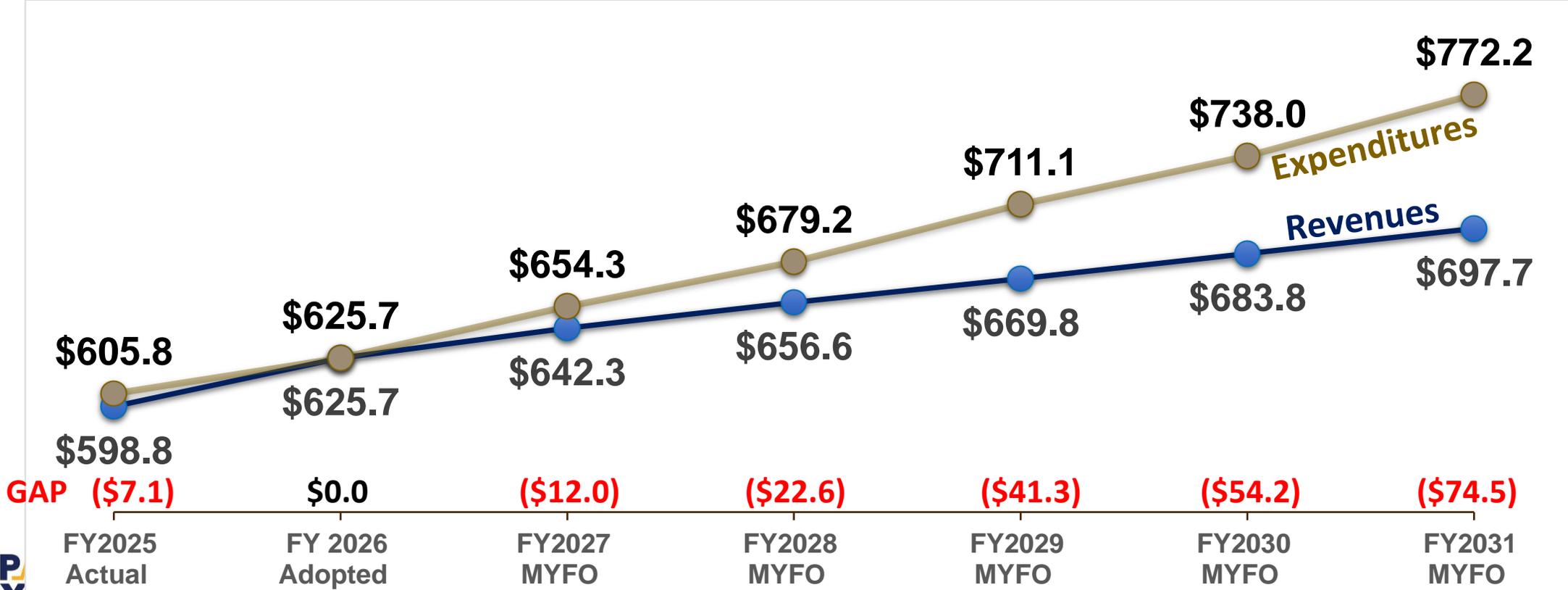
- Remember – **this is not a budget.** It serves as a planning tool
- Estimates include various assumptions and are based on preliminary information that revised
- Highlights challenges of projected cost drivers with limited revenue growth



# FY 2027 – FY 2031 Budget Impacts

- Property valuation growth returning to historic avg.
- Sales tax volatility
- Public Safety staffing and collective bargaining agreements
- Workforce Investments – pay, healthcare, and other benefits
- Increasing fixed/mandated costs – ex. elections, appraisal services,
- Inflationary impacts on contracts, materials, supplies, etc.

# FY 2027 – FY 2031 MYFO



# FY 2027 – 2031 General Fund Forecast

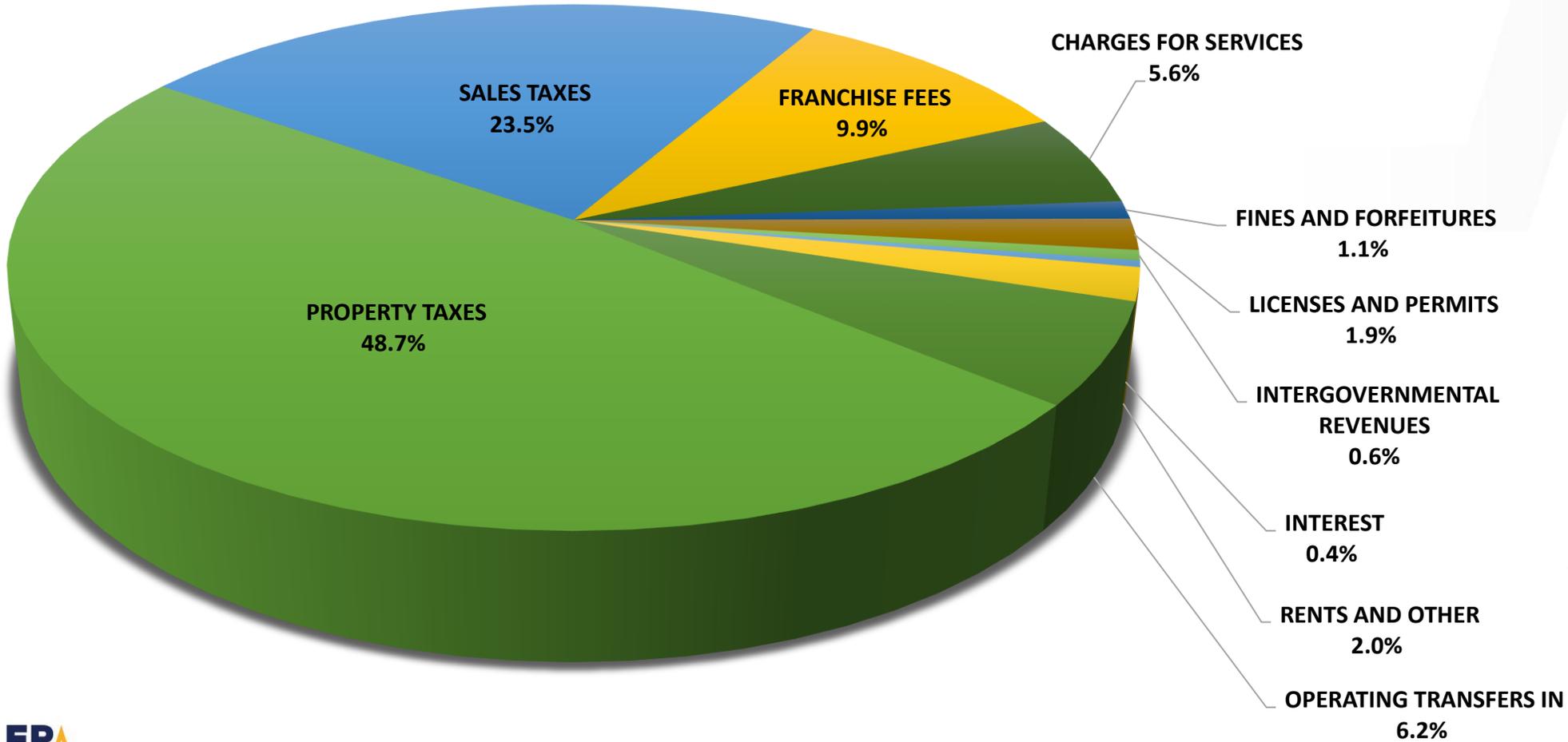
\$ in Millions	FY2025 Actual	FY 2026 Adopted	FY2027 MYFO	FY2028 MYFO	FY2029 MYFO	FY2030 MYFO	FY2031 MYFO
<b>TOTAL REVENUE</b>	\$ 598.8	\$ 625.7	\$ 642.3	\$ 656.6	\$ 669.8	\$ 683.8	\$ 697.7
<b>TOTAL EXPENDITURES</b>	\$ 605.8	\$ 625.7	\$ 654.3	\$ 679.2	\$ 711.1	\$ 738.0	\$ 772.2
<b>GAP</b>	<b>\$ (7.1)</b>	<b>\$ 0.00</b>	<b>(12.0)</b>	<b>(22.6)</b>	<b>(41.3)</b>	<b>(54.2)</b>	<b>(74.5)</b>



# MYFO Revenues



# FY 2026 General Fund Revenues



# FY 2027 – 2031

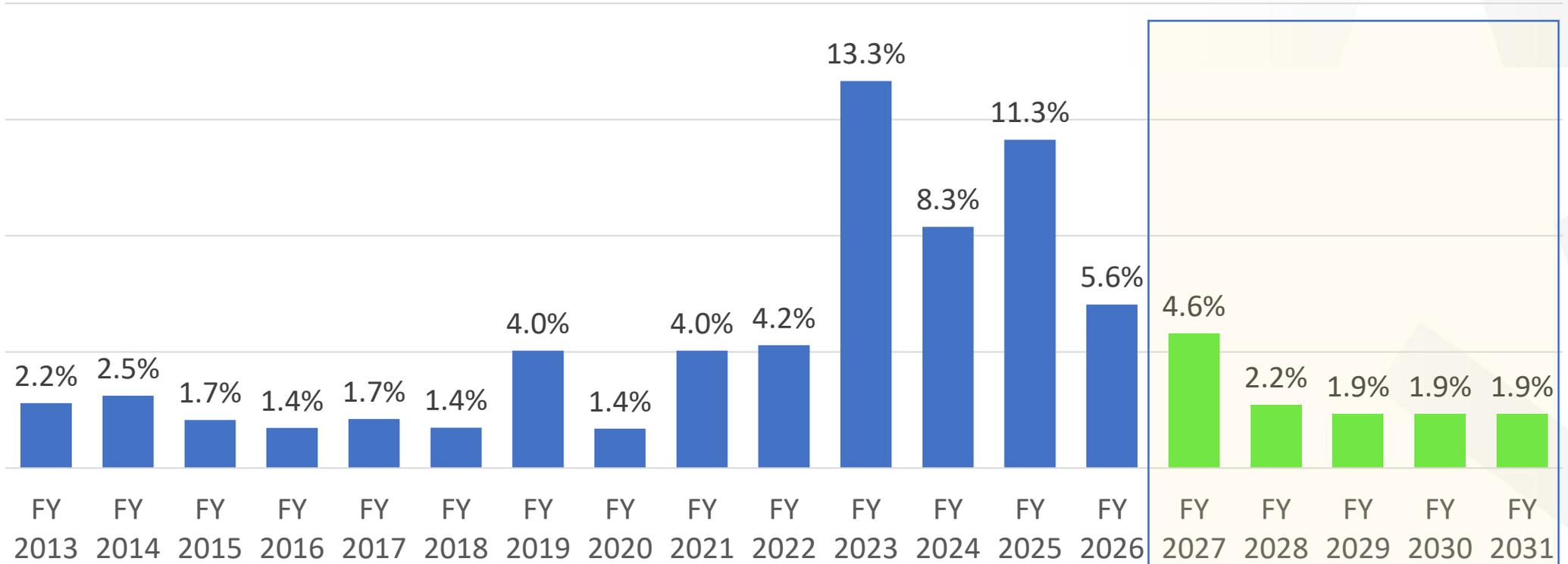
## General Fund Revenue Forecast

\$ in Millions	FY2025 Actual	FY2026 Adopted	FY2027 MYFO	FY2028 MYFO	FY2029 MYFO	FY2030 MYFO	FY2031 MYFO
<b>REVENUES</b>							
Property Taxes	\$ 280.4	\$ 304.9	\$ 320.9	\$ 327.9	\$ 333.9	\$ 340.1	\$ 346.4
Sales Taxes	140.7	146.7	151.0	156.0	161.2	166.5	172.1
Franchise Fees	58.7	61.7	61.0	61.5	62.1	62.7	63.4
Charges for Services	34.7	35.2	35.0	35.7	36.0	36.6	36.8
Fines and Forfeitures	7.1	7.0	6.3	6.4	6.6	6.7	6.8
Licenses and Permits	12.3	12.1	12.0	12.0	12.0	12.0	12.0
Intergovernmental Revenues	3.6	3.9	3.9	3.9	3.9	3.9	3.9
Interest	8.9	2.5	2.5	2.5	2.5	2.5	2.5
Rents and Other	12.6	12.6	12.1	12.4	12.7	13.0	13.3
Other Sources (Uses)	0.5	-	0.5	0.5	0.5	0.5	0.5
Operating Transfers In	39.1	35.7	37.0	37.7	38.5	39.2	40.0
<b>Total Revenues</b>	<b>\$ 598.8</b>	<b>\$ 622.4</b>	<b>\$ 642.3</b>	<b>\$ 656.6</b>	<b>\$ 669.8</b>	<b>\$ 683.8</b>	<b>\$ 697.7</b>
Net \$ Increase		\$ 23.7	\$ 19.9	\$ 14.3	\$ 13.2	\$ 13.9	\$ 13.9
Net % Increase		4.0%	3.2%	2.2%	2.0%	2.1%	2.0%

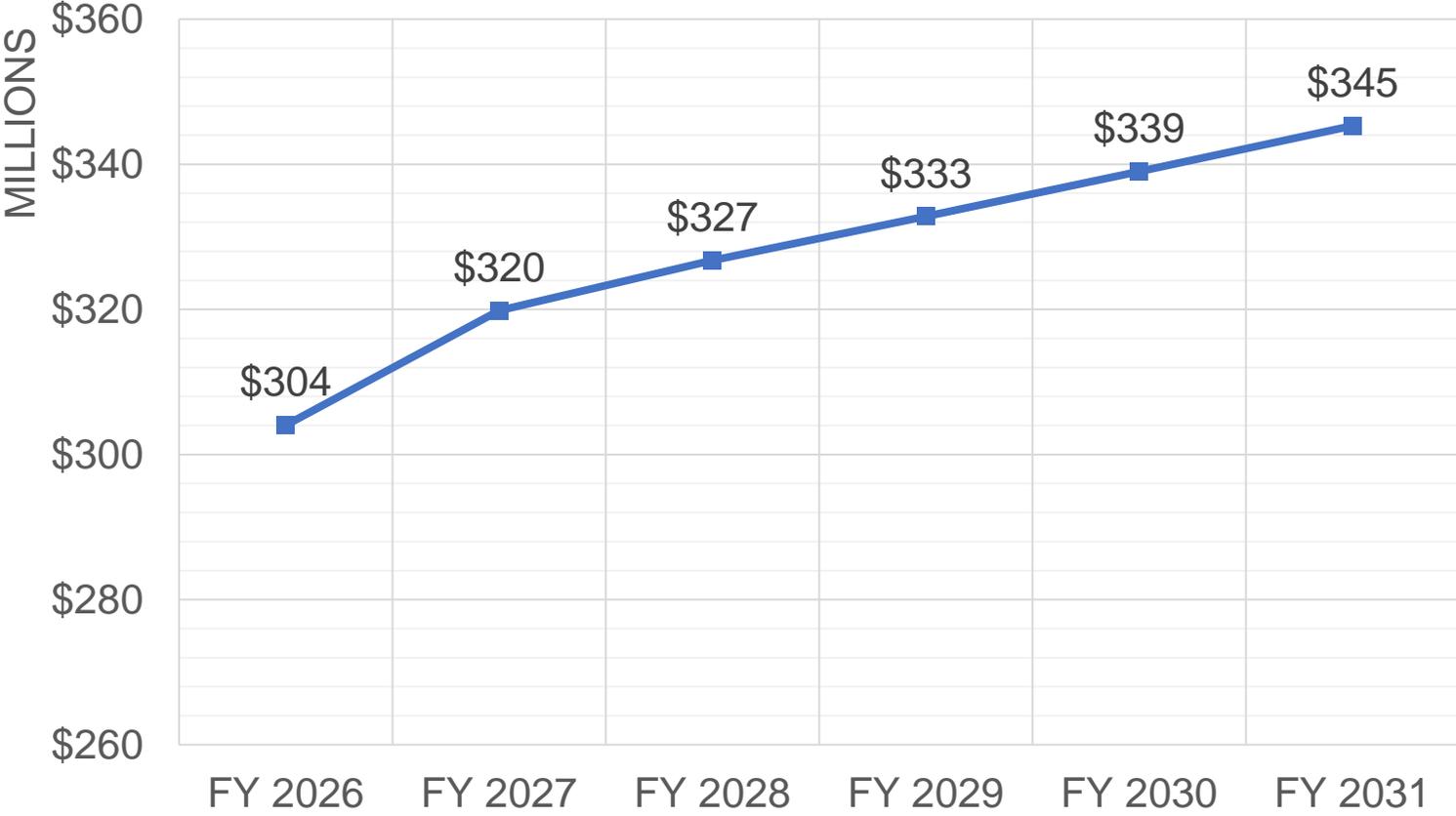
# Future Revenue Assumptions

- Property Taxes
  - Projected to see property valuation growth slow
  - Operating and Maintenance Tax Rate stays the same in future years
- Sales tax growth
  - Projected annual growth of 3.4%
  - Local, regional, national economic analysis
- Fees
  - Does not include any potential fee increases

# Taxable Property Valuations Historical and Projected



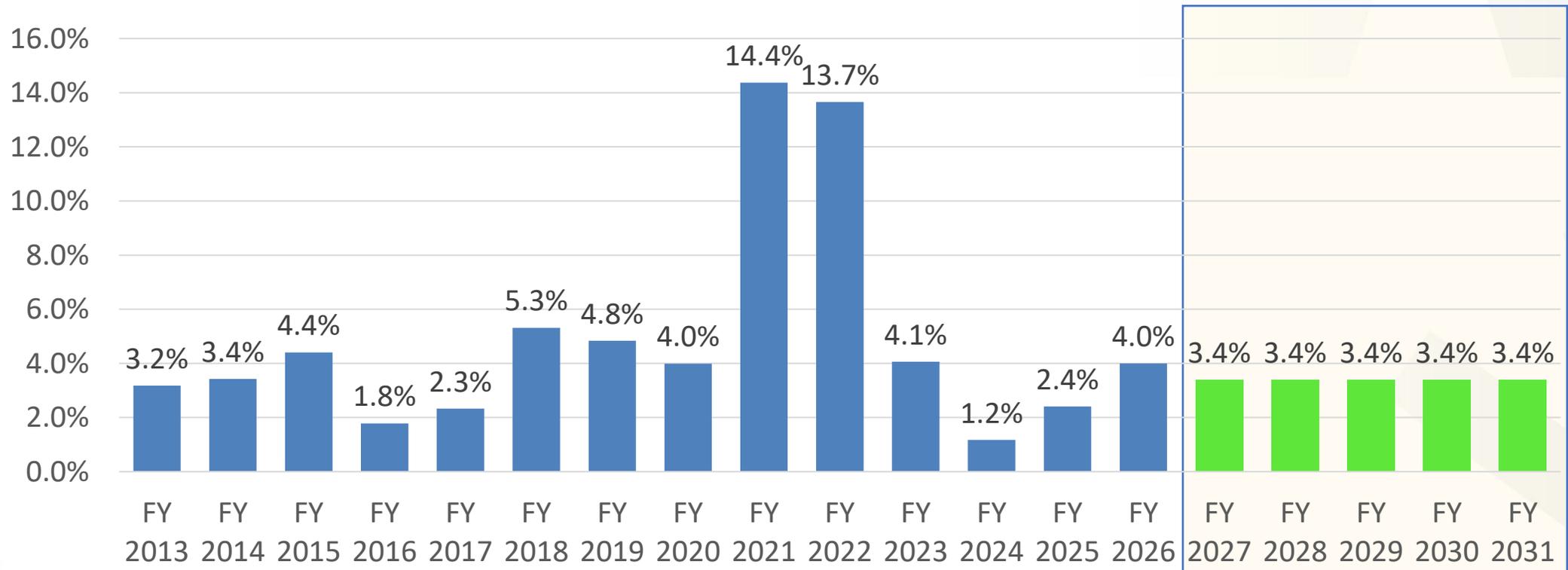
# Property Tax Revenue



### Key Assumptions

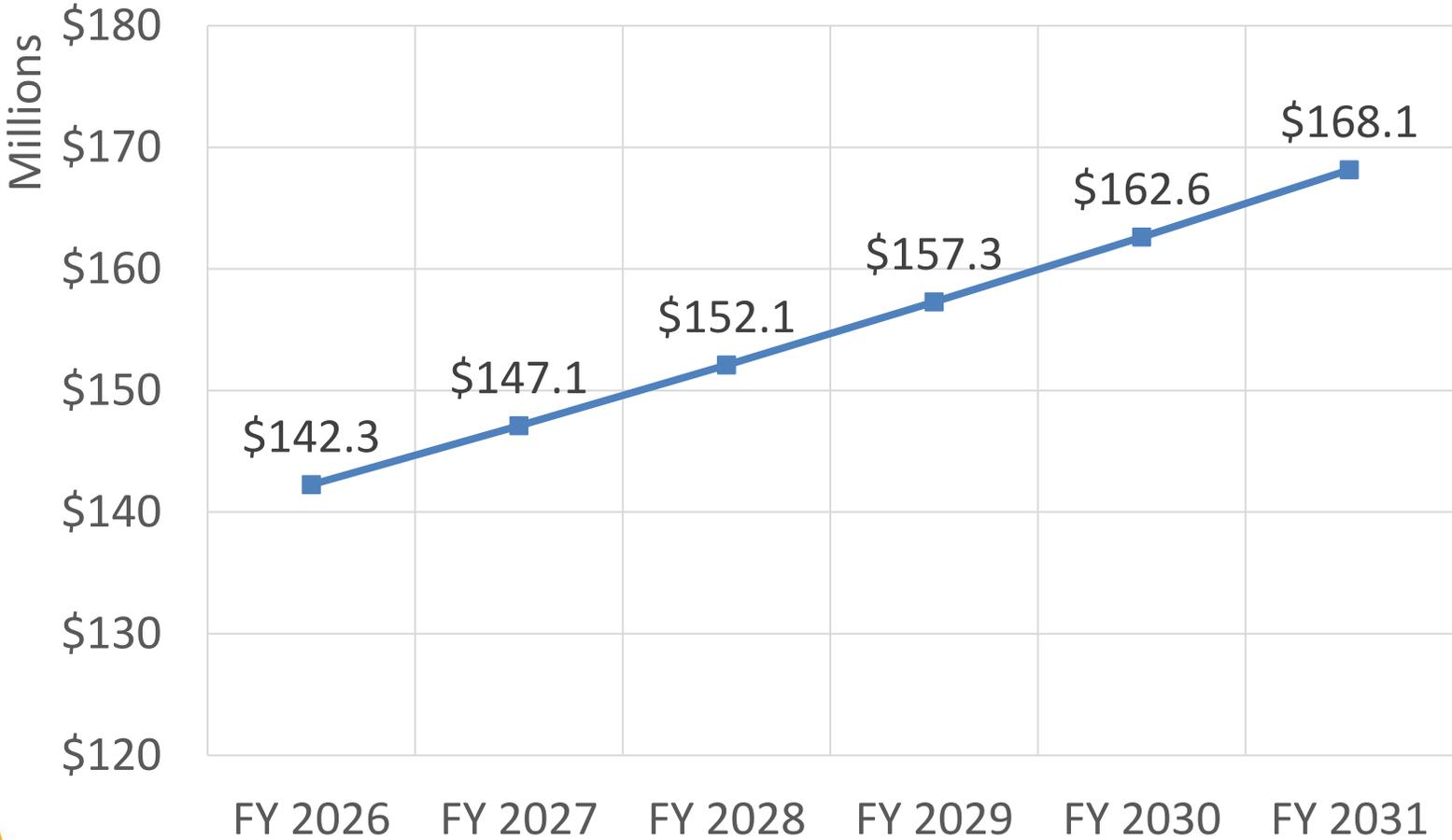
- Property valuation growth
- Maintaining same O&M tax rate

# Sales Tax Growth Historical and Projected



# Sales Tax

## Projected Revenue Growth

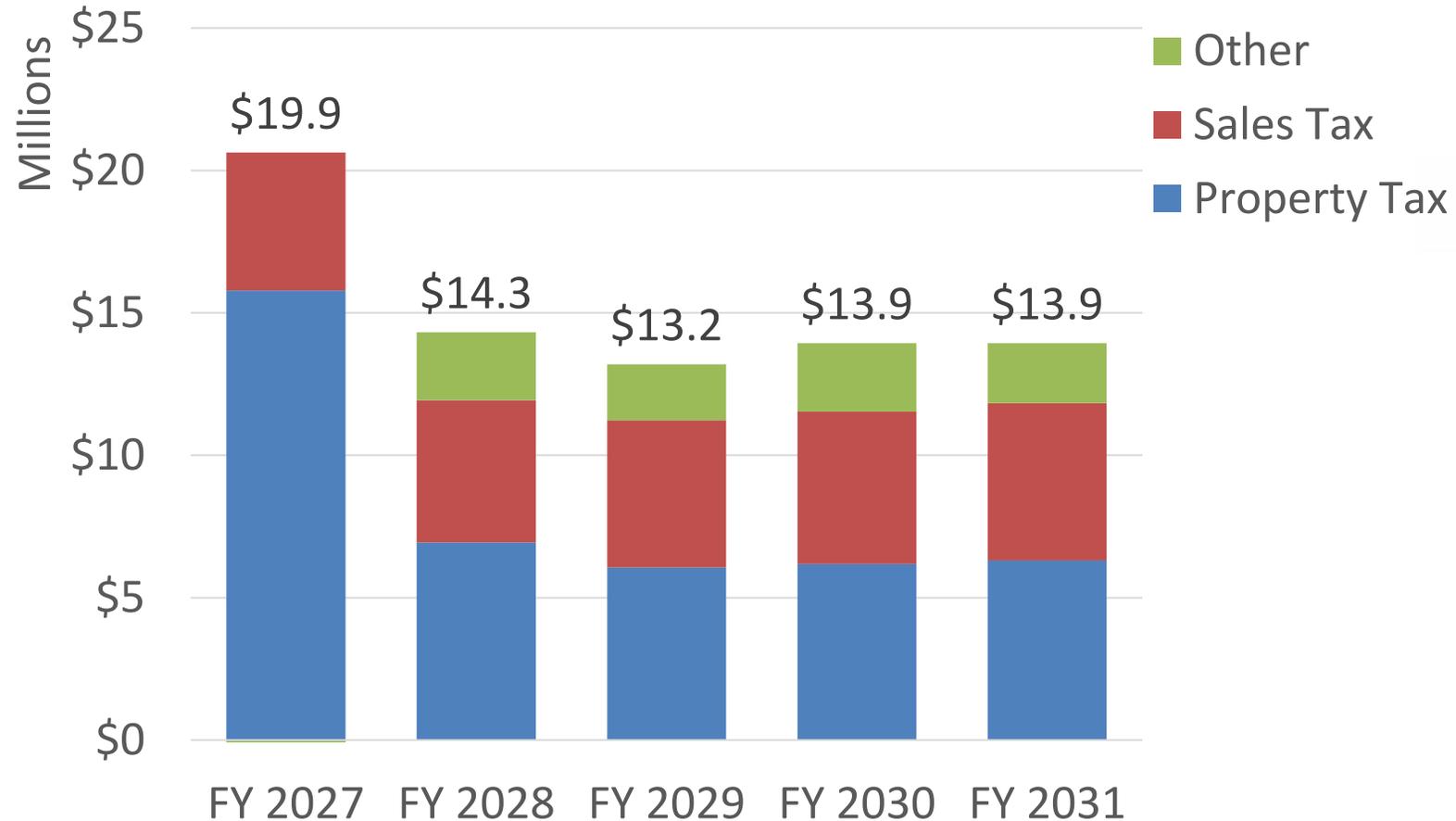


Sales Tax revenue projected to grow on average 3.4% annually



FY 2026 is projected year-end amount

# Projected Annual Revenue Growth (New Revenue)



Property and Sales Tax (avg. 92% of annual revenue growth)

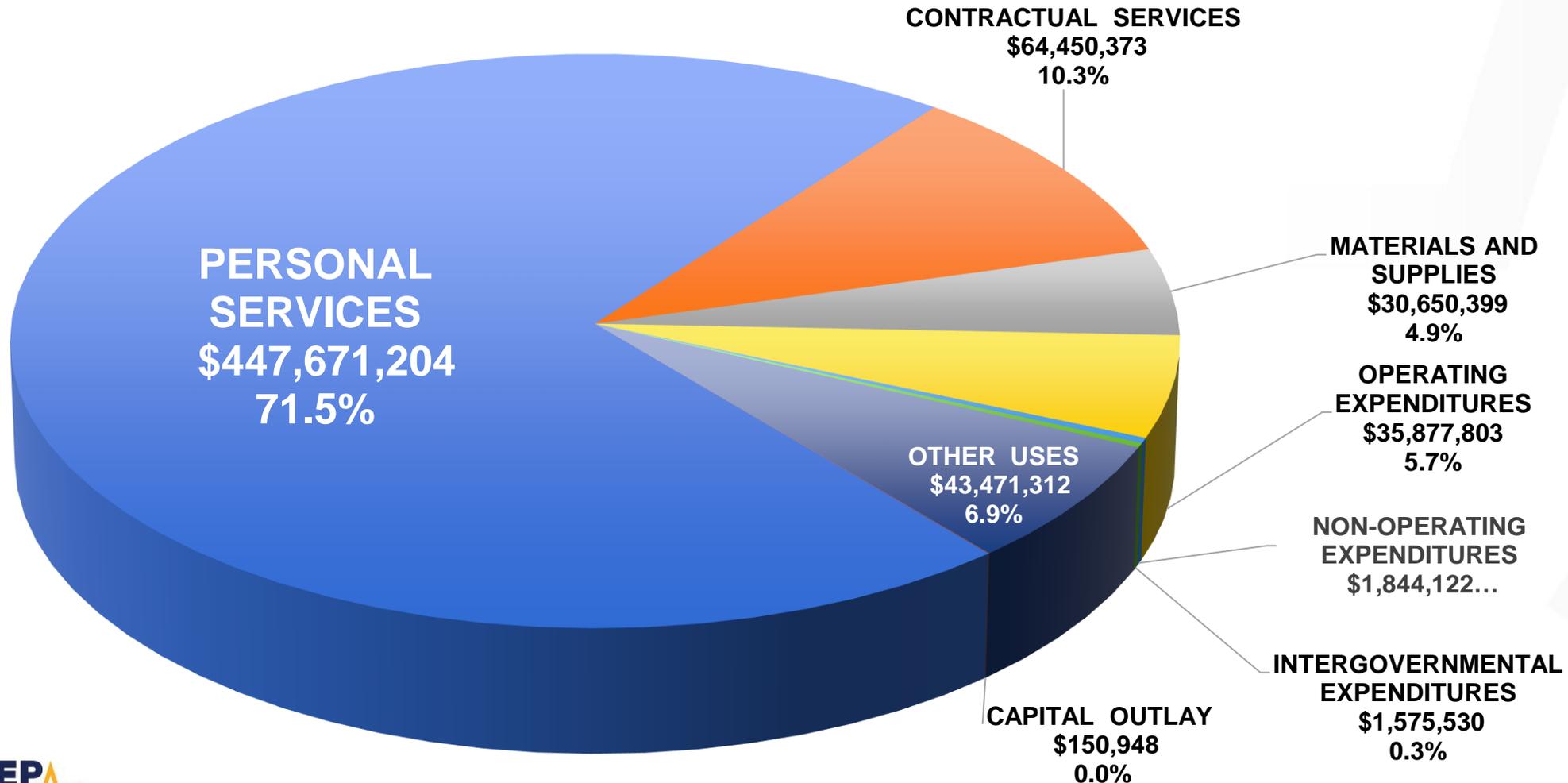
- Property tax - 55%
- Sales tax - 37%



# MYFO Expenditures



# FY 2026 General Fund Expenditures



# FY 2027 – 2031 General Fund Expenditures Forecast

\$ in Millions	FY2025 Actual	FY2026 Adopted	FY2027 MYFO	FY2028 MYFO	FY2029 MYFO	FY2030 MYFO	FY2031 MYFO
<b>EXPENDITURES</b>							
Salaries & Wages	\$ 314.4	\$ 332.4	\$ 342.1	\$ 359.1	\$ 376.9	\$ 395.6	\$ 415.3
Employee Benefits	119.5	115.3	128.7	134.5	140.6	147.0	153.7
Contractual Services	1.8	1.7	1.8	1.9	2.0	2.1	2.2
Professional Services	13.1	13.0	14.9	15.3	15.7	16.1	16.5
Outside Contracts	37.5	42.1	43.9	43.9	48.1	47.4	51.0
Interfund Services	5.4	4.9	5.4	5.5	5.6	5.7	5.8
Operating Leases	2.5	2.7	2.9	2.5	3.1	2.6	3.2
Fuel and Lubricants	3.4	3.9	3.8	3.8	3.9	4.0	4.1
Materials and Supplies	15.8	16.1	16.2	16.5	16.9	17.3	17.8
Maintenance and Repairs	8.8	8.8	8.8	8.9	9.1	9.1	9.2
Minor Equip. and Furniture	2.9	1.8	1.7	1.7	1.8	1.8	1.9
Communications	2.1	2.9	2.8	2.9	3.0	3.2	3.3
Utilities	22.4	23.5	23.6	24.3	25.1	25.9	26.7
Travel	0.5	0.8	0.8	0.8	0.8	0.8	0.8
Other Operating Exp.	5.4	8.6	7.9	8.0	8.0	8.0	8.1
Community Service Projects	0.0	0.2	0.2	0.2	0.2	0.2	0.2
Other Non-Operating Exp	1.1	1.7	2.1	2.1	2.1	2.2	2.2
Grant Match	1.3	1.6	1.4	1.4	1.5	1.5	1.5
Operating Transfers Out	46.7	43.5	44.5	45.5	46.5	47.3	48.3
Capital Outlay	1.0	0.2	0.3	0.3	0.3	0.3	0.3
<b>Total Expenditures</b>	<b>\$ 605.8</b>	<b>\$ 625.7</b>	<b>\$ 653.3</b>	<b>\$ 679.2</b>	<b>\$ 711.1</b>	<b>\$ 738.0</b>	<b>\$ 772.2</b>
Net \$ Increase		\$ 19.9	\$ 28.6	\$ 24.9	\$ 31.9	\$ 26.9	\$ 34.2
Net % Increase		3.3%	4.6%	3.8%	4.7%	3.8%	4.6%

# Future Expenditures Assumptions

## Salaries and Benefits

- Non-Uniform Compensation
  - Full-year impact of Jan. 2026 pay increases
  - Next stages of compensation adjustments
    - Annual increase in minimum wage – target “living wage” over the next five years
    - % increase across-the-board for non-uniform employees
  - Health Care increases
- Uniform Compensation - Fire and Police Collective Bargaining Agreements

# Future Expenditures Assumptions

## Other Increases

- Increase in contractual services and materials/supplies
- FY 2027, 2029, and 2031 elections
- Increase in utility expenses
- Central Appraisal District – appraisal services
- Information Technology contracts

# Projected Major Cost Drivers

## Annual Increases

\$ In Millions	FY 2027 MYFO	FY 2028 MYFO	FY 2029 MYFO	FY 2030 MYFO	FY 2031 MYFO
Police Steps / COLA (staffing & CBA)	\$ 8.0	\$ 8.4	\$ 8.8	\$ 9.2	\$ 9.7
Fire Steps / COLA (staffing & CBA)	8.5	8.4	9.0	9.5	10.1
Civilian Comp. and Health Care	7.3	5.5	6.1	6.4	6.7
Elections	1.6	-	2.5	-	1.8
Animal Services	1.0	1.0	1.0	1.0	1.0
	\$ 26.4	\$ 23.2	\$ 27.4	\$ 26.1	\$ 29.3

# Civilian Compensation Increases

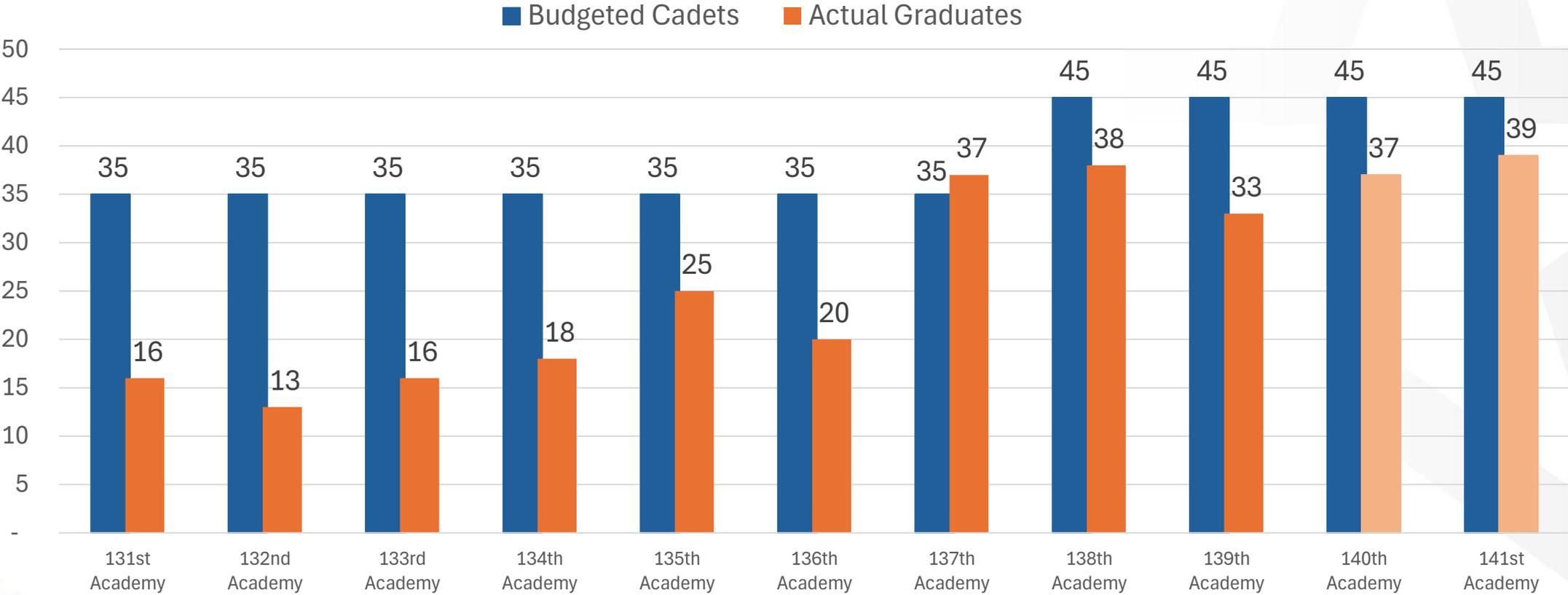
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Civilian Compensation Increases</b>	Equity Adjustments +1.5% ATB + Lump Sums \$500/\$250	Increase Min Wage \$11.11 to \$12.11	Increase Min Wage \$12.11 to \$13.11	Increase Min Wage \$13.11 to \$15.75	Adjusted pay scale for PM (that was needed due to GS increase in prior year), addressed equity differentiation for tenured staff and 1% ATB	Increase Min Wage and ATB targeting “living wage” over the next five years

\* ATB – Across the Board increases

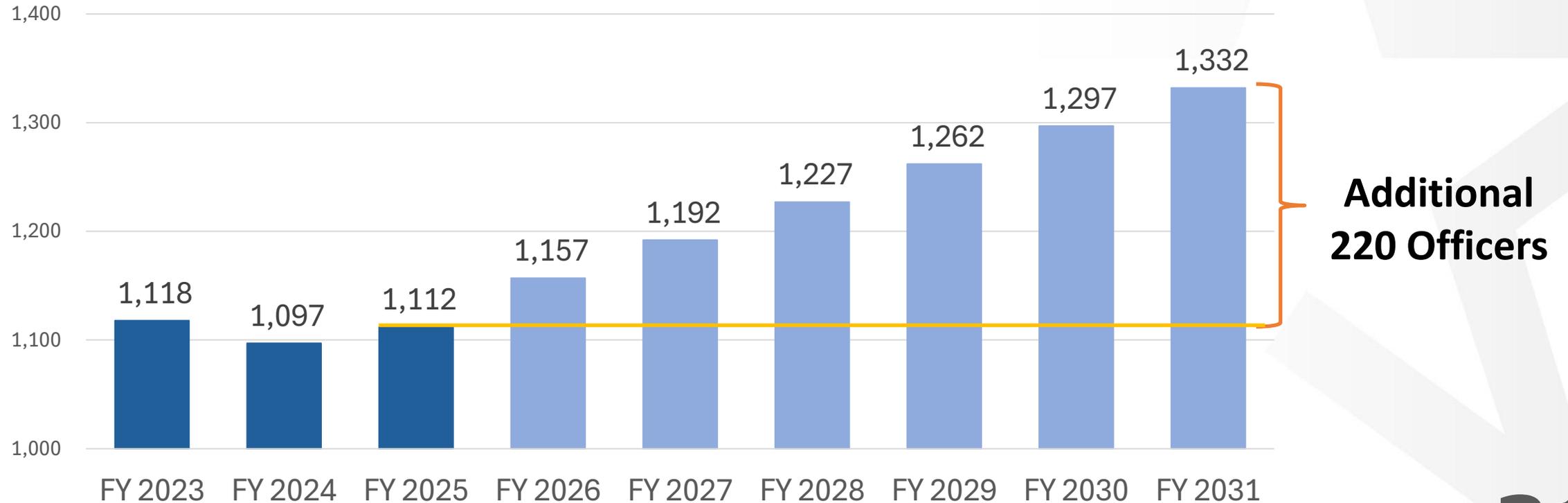
# Public Safety

- Continue to be major cost driver
- Police and Fire Collective bargaining agreements
- Staffing plans – growth requirements
- Maintaining \$9.4 million annual pay-go for vehicles/equipment

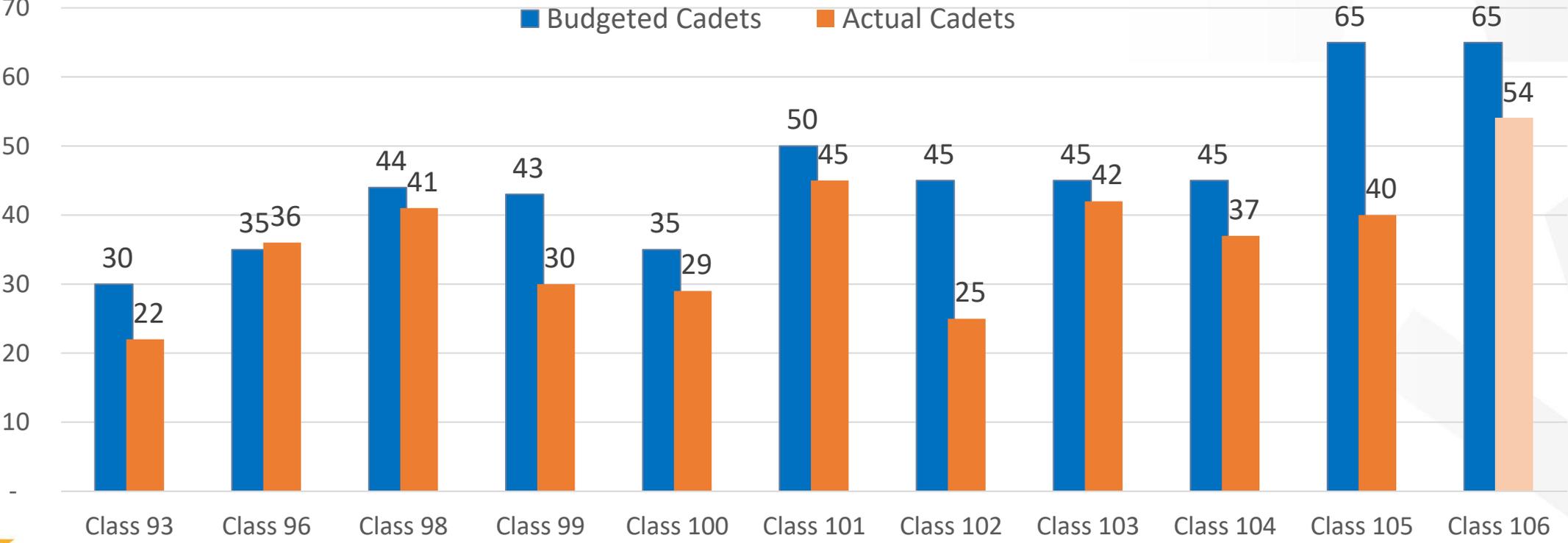
# Police Academies – Graduates



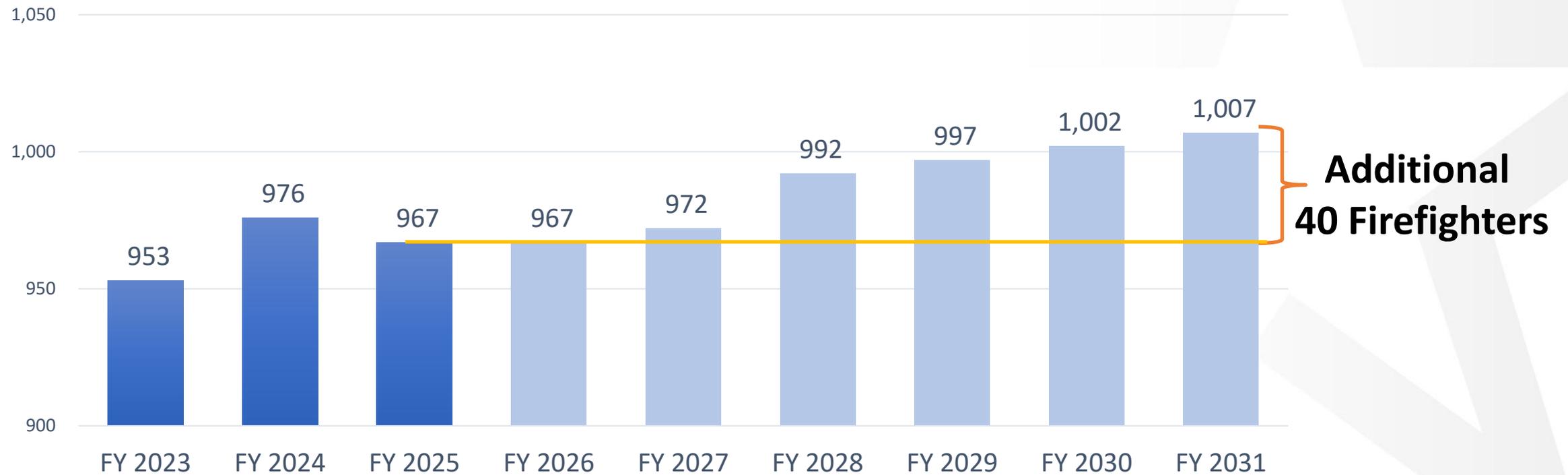
# Police Uniform Staffing Net Growth



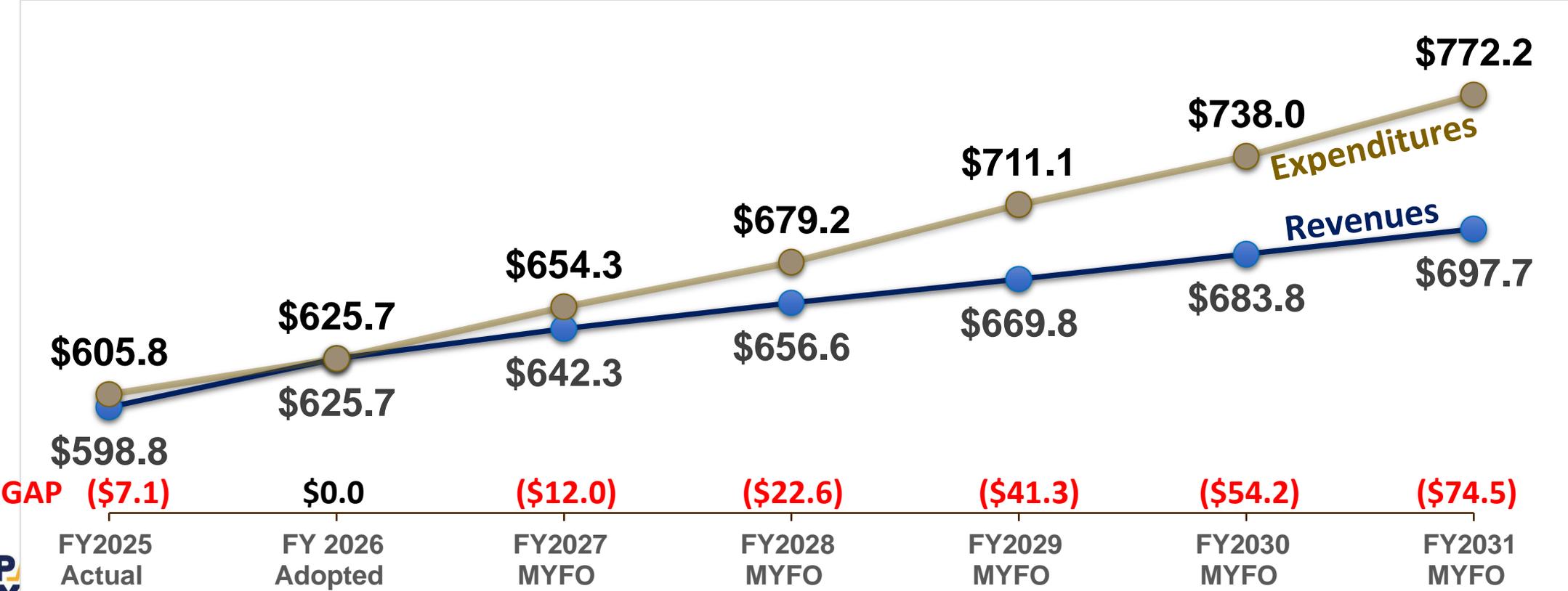
# Fire Academies – Graduates



# Fire Uniform Staffing



# FY 2027 – FY 2031 MYFO



# Summary

- Strategic Planning Session sets the direction for the future
- Fiscal constraints (ex. revenue limitations and contractual obligations) impact budget flexibility
- Implementation of Program Based Budgeting
  - Minimize budget complexity – easier to understand
  - Highlight quantity of services provided and expected outcomes
- Continue to focus on improving Council and community engagement throughout the process

## MISSION



Deliver exceptional services to support a high quality of life and place for our community.

## VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government.



## VALUES

Integrity, **R**espect, **E**xcellence,  
**A**ccountability, **P**eople