



**GENERAL FUND  
LONG TERM FINANCIAL PLAN  
FISCAL YEARS 2020 - 2030**



# Long-Term Financial Plan FY 2020 - 2030

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

- Projects budgetary surpluses/shortfalls
- Encourage discussion to proactively address the City's long-range funding needs

The LTFP is not a budget

- Highlights the need to prioritize the allocation of City resources to ensure the continuation of delivering core services



# LTFP Revenue Assumptions

- Major Revenues growth assumptions:
  - Property Tax and MVLF: 3% per year
  - Sales Tax: 1% per year
  - Measure P and Measure A Sales Tax: 1% per year
  - Franchise Fees: approximately 2% per year
  - Utility Users Taxes: approximately 1% per year
  - Transient Occupancy Tax: 2% per year



# LTFP Revenue Assumptions (cont.)

- Development revenue projections based on continued development in the City
- The use of reserve funds is not assumed
- The forecast projects modest continued growth throughout the term of the plan



# Revenue Projections (FY2020 – FY2025)

Description	Forecast FY 2020	Forecast FY 2021	Forecast FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025
<b>Revenue Projections (millions)</b>						
Property Taxes	\$ 36.36	\$ 37.45	\$ 38.57	\$ 39.72	\$ 40.91	\$ 42.13
Sales Tax	\$ 34.04	\$ 34.38	\$ 34.72	\$ 35.07	\$ 35.42	\$ 35.77
Measure P Sales Tax	\$ 18.96	\$ 19.15	\$ 19.34	\$ 19.53	\$ 19.73	\$ 19.92
Measure A Sales Tax	\$ 18.96	\$ 19.15	\$ 19.34	\$ 19.53	\$ 19.73	\$ 19.92
Franchise Fees	\$ 11.93	\$ 12.16	\$ 12.41	\$ 12.66	\$ 12.91	\$ 13.17
Utility Users Taxes	\$ 5.63	\$ 5.66	\$ 5.69	\$ 5.72	\$ 5.75	\$ 5.78
Transient Occupancy Taxes	\$ 4.59	\$ 5.09	\$ 5.66	\$ 5.78	\$ 5.91	\$ 6.04
Motor Vehicle License Fees	\$ 22.54	\$ 23.22	\$ 23.92	\$ 24.63	\$ 25.37	\$ 26.13
<b>SUBTOTAL MAJOR DISCRETIONARY REVENUES</b>	<b>\$ 153.00</b>	<b>\$ 156.24</b>	<b>\$ 159.63</b>	<b>\$ 162.64</b>	<b>\$ 165.71</b>	<b>\$ 168.86</b>
Development Revenue	\$ 2.06	\$ 2.06	\$ 2.07	\$ 2.08	\$ 2.08	\$ 2.09
Licenses and Permits	\$ 1.48	\$ 1.51	\$ 1.54	\$ 1.57	\$ 1.60	\$ 1.63
Fines, Forfeitures & Penalties	\$ 1.27	\$ 1.29	\$ 1.32	\$ 1.34	\$ 1.37	\$ 1.40
Use of Money and Property	\$ 2.55	\$ 2.57	\$ 2.59	\$ 2.61	\$ 2.63	\$ 2.66
Other Local Taxes	\$ 2.62	\$ 2.65	\$ 2.68	\$ 2.70	\$ 2.73	\$ 2.76
Police Grants	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84
Other Agency Revenue	\$ 2.27	\$ 2.30	\$ 2.32	\$ 2.34	\$ 2.36	\$ 2.39
Charges for Services	\$ 7.95	\$ 7.99	\$ 8.03	\$ 8.08	\$ 8.12	\$ 8.17
Interfund Reimbursements	\$ 9.74	\$ 9.83	\$ 9.49	\$ 9.58	\$ 9.68	\$ 9.77
Other Revenues - Miscellaneous	\$ 1.07	\$ 1.08	\$ 1.08	\$ 1.09	\$ 1.09	\$ 1.10
Transfers From Other Funds	\$ 12.20	\$ 12.20	\$ 12.20	\$ 12.20	\$ 12.20	\$ 12.20
<b>SUBTOTAL OTHER REVENUES</b>	<b>\$ 44.04</b>	<b>\$ 44.31</b>	<b>\$ 44.15</b>	<b>\$ 44.43</b>	<b>\$ 44.71</b>	<b>\$ 45.00</b>
<b>SUBTOTAL NEW DEVELOPMENT REVENUES</b>	<b>\$ -</b>	<b>\$ 3.36</b>	<b>\$ 4.13</b>	<b>\$ 4.46</b>	<b>\$ 4.77</b>	<b>\$ 5.07</b>
<b>TOTAL REVENUES</b>	<b>\$ 197.03</b>	<b>\$ 203.92</b>	<b>\$ 207.91</b>	<b>\$ 211.53</b>	<b>\$ 215.19</b>	<b>\$ 218.93</b>
<b>Year-over-Year Change</b>		<b>3.49%</b>	<b>1.96%</b>	<b>1.74%</b>	<b>1.73%</b>	<b>1.73%</b>



# Revenue Projections (FY2026 – FY2030)

Description	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030
<b>Revenue Projections (millions)</b>					
Property Taxes	\$ 43.39	\$ 44.69	\$ 46.03	\$ 47.40	\$ 48.82
Sales Tax	\$ 36.13	\$ 36.49	\$ 36.86	\$ 37.22	\$ 37.60
Measure P Sales Tax	\$ 20.12	\$ 15.24	\$ -	\$ -	\$ -
Measure A Sales Tax	\$ 20.12	\$ 20.32	\$ 20.53	\$ 20.73	\$ 20.94
Franchise Fees	\$ 13.43	\$ 13.70	\$ 13.97	\$ 14.25	\$ 14.54
Utility Users Taxes	\$ 5.81	\$ 5.83	\$ 5.86	\$ 5.89	\$ 5.92
Transient Occupancy Taxes	\$ 6.16	\$ 6.30	\$ 6.43	\$ 6.57	\$ 6.71
Motor Vehicle License Fees	\$ 26.92	\$ 27.73	\$ 28.56	\$ 29.41	\$ 30.30
<b>SUBTOTAL MAJOR DISCRETIONARY REVENUES</b>	<b>\$ 172.08</b>	<b>\$ 170.30</b>	<b>\$ 158.23</b>	<b>\$ 161.49</b>	<b>\$ 164.82</b>
Development Revenue	\$ 2.10	\$ 2.10	\$ 2.11	\$ 2.11	\$ 2.12
Licenses and Permits	\$ 1.66	\$ 1.70	\$ 1.73	\$ 1.77	\$ 1.80
Fines, Forfeitures & Penalties	\$ 1.43	\$ 1.46	\$ 1.48	\$ 1.51	\$ 1.54
Use of Money and Property	\$ 2.68	\$ 2.70	\$ 2.73	\$ 2.75	\$ 2.77
Other Local Taxes	\$ 2.79	\$ 2.81	\$ 2.84	\$ 2.87	\$ 2.90
Police Grants	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84
Other Agency Revenue	\$ 2.41	\$ 2.44	\$ 2.46	\$ 2.49	\$ 2.51
Charges for Services	\$ 8.21	\$ 8.26	\$ 8.30	\$ 8.35	\$ 8.39
Interfund Reimbursements	\$ 9.87	\$ 9.97	\$ 10.07	\$ 10.17	\$ 10.27
Other Revenues - Miscellaneous	\$ 1.10	\$ 1.11	\$ 1.12	\$ 1.12	\$ 1.13
Transfers From Other Funds	\$ 12.20	\$ 12.20	\$ 12.20	\$ 12.20	\$ 12.20
<b>SUBTOTAL OTHER REVENUES</b>	<b>\$ 45.29</b>	<b>\$ 45.58</b>	<b>\$ 45.88</b>	<b>\$ 46.17</b>	<b>\$ 46.47</b>
<b>SUBTOTAL NEW DEVELOPMENT REVENUES</b>	<b>\$ 5.34</b>	<b>\$ 5.54</b>	<b>\$ 5.68</b>	<b>\$ 5.83</b>	<b>\$ 5.99</b>
<b>TOTAL REVENUES</b>	<b>\$ 222.71</b>	<b>\$ 221.42</b>	<b>\$ 209.79</b>	<b>\$ 213.49</b>	<b>\$ 217.28</b>
<b>Year-over-Year Change</b>	<b>1.73%</b>	<b>-0.58%</b>	<b>-5.25%</b>	<b>1.76%</b>	<b>1.77%</b>



# Expenditure LTFP Assumptions

- Personnel Services
  - Includes a 2% wage inflation per year
  - PERS costs reflect estimated contribution rates provided by CalPERs Valuation Report as of June 30, 2017
  - Salary savings is calculated at approximately 2% per year (Salaries/PERS/Medicare)
  - Includes Flex/Insurance increases of 2.75% for Misc and 5.5% for Safety per year
  - An increase in Workers Compensation contributions



# Expenditure LTFP Assumptions (cont.)

- Supplies and Services
  - Assumes Millenia and Bayfront fire stations open in FY2020 and FY2022 respectively
  - Includes Bayfront Project financial commitments
- Other expenditure categories:
  - Utilities at 5% per year net of new renewable energy projects
  - Other Expenses at 2% per year
  - Transfers Out includes expenditures related to debt service payments and anticipated transfers to other funds



# Expenditure Projections (FY2020 – FY2025)



Description	Forecast FY 2020	Forecast FY 2021	Forecast FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025
<b>Expenditure Projections (millions)</b>						
Personnel Services	\$ 92.38	\$ 93.59	\$ 94.89	\$ 96.66	\$ 98.47	\$ 100.32
Retirement - PERS	\$ 29.54	\$ 33.51	\$ 36.19	\$ 38.50	\$ 40.02	\$ 41.76
Health Insurance	\$ 13.60	\$ 13.86	\$ 14.21	\$ 14.79	\$ 15.40	\$ 16.03
Salary Savings (On Going)	\$ (1.75)	\$ (1.77)	\$ (1.79)	\$ (1.81)	\$ (1.83)	\$ (1.85)
<b>SUBTOTAL PERSONNEL SERVICES EXPENDITURES</b>	<b>\$ 133.76</b>	<b>\$ 139.19</b>	<b>\$ 143.50</b>	<b>\$ 148.14</b>	<b>\$ 152.05</b>	<b>\$ 156.26</b>
Supplies and Services	\$ 16.54	\$ 17.22	\$ 18.35	\$ 16.65	\$ 17.09	\$ 17.09
Utilities	\$ 5.11	\$ 4.53	\$ 4.79	\$ 5.07	\$ 5.40	\$ 5.71
Other Expenses	\$ 0.90	\$ 0.93	\$ 0.93	\$ 0.95	\$ 0.97	\$ 0.99
Equipment (Capital not CIP)	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
Internal Services	\$ 3.02	\$ 3.08	\$ 3.14	\$ 3.20	\$ 3.26	\$ 3.33
Measure A Obligations	\$ 18.96	\$ 19.15	\$ 19.34	\$ 19.53	\$ 19.73	\$ 19.92
Transfers/Debt Service	\$ 24.94	\$ 26.01	\$ 26.13	\$ 26.40	\$ 26.57	\$ 26.74
<b>SUBTOTAL OTHER EXPENDITURES</b>	<b>\$ 69.69</b>	<b>\$ 71.13</b>	<b>\$ 72.89</b>	<b>\$ 72.02</b>	<b>\$ 73.24</b>	<b>\$ 74.00</b>
<b>SUBTOTAL NEW DEVELOPMENT EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 2.14</b>	<b>\$ 2.88</b>	<b>\$ 2.99</b>	<b>\$ 3.11</b>	<b>\$ 3.23</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 203.45</b>	<b>\$ 212.45</b>	<b>\$ 219.27</b>	<b>\$ 223.15</b>	<b>\$ 228.40</b>	<b>\$ 233.49</b>
<b>Year-over-Year Change</b>		<b>4.43%</b>	<b>3.21%</b>	<b>1.77%</b>	<b>2.35%</b>	<b>2.23%</b>
<b>HIGH PRIORITY PROGRAMS</b>						
Millenia Fire Station Staffing	\$ 0.42	\$ -	\$ -	\$ -	\$ -	\$ -
Peace Officer Funding	\$ 0.81	\$ 1.72	\$ 2.71	\$ 3.80	\$ 4.96	\$ 6.24
<b>SUBTOTAL HIGH PRIORITY PROGRAMS</b>	<b>\$ 1.23</b>	<b>\$ 1.72</b>	<b>\$ 2.71</b>	<b>\$ 3.80</b>	<b>\$ 4.96</b>	<b>\$ 6.24</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 204.68</b>	<b>\$ 214.17</b>	<b>\$ 221.98</b>	<b>\$ 226.95</b>	<b>\$ 233.36</b>	<b>\$ 239.73</b>

# Expenditure Projections (FY2026 – FY2030)



Description	Forecast	Forecast	Forecast	Forecast	Forecast
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Expenditure Projections (millions)</b>					
Personnel Services	\$ 102.20	\$ 104.12	\$ 106.10	\$ 108.11	\$ 111.15
Retirement - PERS	\$ 43.51	\$ 45.32	\$ 47.22	\$ 49.20	\$ 51.26
Health Insurance	\$ 16.69	\$ 17.38	\$ 18.11	\$ 18.86	\$ 19.65
Salary Savings (On Going)	\$ (1.87)	\$ (1.89)	\$ (1.91)	\$ (1.93)	\$ (1.95)
<b>SUBTOTAL PERSONNEL SERVICES EXPENDITURES</b>	<b>\$ 160.53</b>	<b>\$ 164.94</b>	<b>\$ 169.51</b>	<b>\$ 174.24</b>	<b>\$ 180.11</b>
Supplies and Services	\$ 17.23	\$ 17.59	\$ 17.95	\$ 18.32	\$ 18.69
Utilities	\$ 6.04	\$ 6.39	\$ 6.76	\$ 7.16	\$ 7.57
Other Expenses	\$ 1.02	\$ 1.03	\$ 1.05	\$ 1.07	\$ 1.09
Equipment (Capital not CIP)	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
Internal Services	\$ 3.40	\$ 3.46	\$ 3.53	\$ 3.60	\$ 3.68
Measure A Obligations	\$ 20.12	\$ 20.32	\$ 20.53	\$ 20.73	\$ 20.94
Transfers/Debt Service	\$ 26.92	\$ 21.97	\$ 7.38	\$ 7.48	\$ 7.49
<b>SUBTOTAL OTHER EXPENDITURES</b>	<b>\$ 74.95</b>	<b>\$ 70.99</b>	<b>\$ 57.42</b>	<b>\$ 58.58</b>	<b>\$ 59.67</b>
<b>SUBTOTAL NEW DEVELOPMENT EXPENDITURES</b>	<b>\$ 3.34</b>	<b>\$ 3.47</b>	<b>\$ 3.57</b>	<b>\$ 3.62</b>	<b>\$ 3.62</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 238.82</b>	<b>\$ 239.40</b>	<b>\$ 230.50</b>	<b>\$ 236.44</b>	<b>\$ 243.39</b>
<b>Year-over-Year Change</b>	<b>2.28%</b>	<b>0.24%</b>	<b>-3.71%</b>	<b>2.58%</b>	<b>2.94%</b>
<b>HIGH PRIORITY PROGRAMS</b>					
Millenia Fire Station Staffing	\$ -	\$ -	\$ -	\$ -	\$ -
Peace Officer Funding	\$ 7.59	\$ 9.05	\$ 10.52	\$ 11.98	\$ 13.47
<b>SUBTOTAL HIGH PRIORITY PROGRAMS</b>	<b>\$ 7.59</b>	<b>\$ 9.05</b>	<b>\$ 10.52</b>	<b>\$ 11.98</b>	<b>\$ 13.47</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 246.41</b>	<b>\$ 248.45</b>	<b>\$ 241.02</b>	<b>\$ 248.42</b>	<b>\$ 256.87</b>



# Fiscal Projections Summary (FY2020 – FY2025)

Description	Forecast FY 2020	Forecast FY 2021	Forecast FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025
<b>Revenue Projections (millions)</b>						
SUBTOTAL MAJOR DISCRETIONARY REVENUES	\$ 153.00	\$ 156.24	\$ 159.63	\$ 162.64	\$ 165.71	\$ 168.86
SUBTOTAL OTHER REVENUES	\$ 44.04	\$ 44.31	\$ 44.15	\$ 44.43	\$ 44.71	\$ 45.00
SUBTOTAL NEW DEVELOPMENT REVENUES	\$ -	\$ 3.36	\$ 4.13	\$ 4.46	\$ 4.77	\$ 5.07
<b>TOTAL REVENUES</b>	<b>\$ 197.03</b>	<b>\$ 203.92</b>	<b>\$ 207.91</b>	<b>\$ 211.53</b>	<b>\$ 215.19</b>	<b>\$ 218.93</b>
Year-over-Year Change		3.49%	1.96%	1.74%	1.73%	1.73%
<b>Expenditure Projections (millions)</b>						
PERSONNEL SERVICES EXPENDITURES	\$ 133.76	\$ 139.19	\$ 143.50	\$ 148.14	\$ 152.05	\$ 156.26
OTHER EXPENDITURES	\$ 69.69	\$ 71.13	\$ 72.89	\$ 72.02	\$ 73.24	\$ 74.00
NEW DEVELOPMENT EXPENDITURES	\$ -	\$ 2.14	\$ 2.88	\$ 2.99	\$ 3.11	\$ 3.23
<b>TOTAL EXPENDITURES</b>	<b>\$ 203.45</b>	<b>\$ 212.45</b>	<b>\$ 219.27</b>	<b>\$ 223.15</b>	<b>\$ 228.40</b>	<b>\$ 233.49</b>
Year-over-Year Change		4.43%	3.21%	1.77%	2.35%	2.23%
<b>TOTAL GENERAL FUND SURPLUS/(DEFICIT)</b>	<b>\$ (6.41)</b>	<b>\$ (8.54)</b>	<b>\$ (11.36)</b>	<b>\$ (11.62)</b>	<b>\$ (13.21)</b>	<b>\$ (14.57)</b>
<b>SURPLUS/(DEFICIT) AS % OF BUDGET</b>		<b>-4.02%</b>	<b>-5.18%</b>	<b>-5.21%</b>	<b>-5.78%</b>	<b>-6.24%</b>
<b>HIGH PRIORITY PROGRAMS</b>						
Millenia Fire Station Staffing	\$ 0.42	\$ -	\$ -	\$ -	\$ -	\$ -
Peace Officer Funding	\$ 0.81	\$ 1.72	\$ 2.71	\$ 3.80	\$ 4.96	\$ 6.24
<b>TOTAL GENERAL FUND SURPLUS/(DEFICIT)</b>	<b>\$ (7.64)</b>	<b>\$ (10.25)</b>	<b>\$ (14.07)</b>	<b>\$ (15.42)</b>	<b>\$ (18.17)</b>	<b>\$ (20.81)</b>
<b>SURPLUS/(DEFICIT) AS % OF BUDGET</b>		<b>-4.83%</b>	<b>-6.42%</b>	<b>-6.91%</b>	<b>-7.96%</b>	<b>-8.91%</b>

Annual deficit range for FY 2021 (dollars): \$8.5 - \$10.3 million  
 (% of annual budget): 4.0% - 4.8%



# Fiscal Projections Summary (FY2026 – FY2030)

Description	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030
<b>Revenue Projections (millions)</b>					
SUBTOTAL MAJOR DISCRETIONARY REVENUES	\$ 172.08	\$ 170.70	\$ 159.05	\$ 162.74	\$ 166.53
SUBTOTAL OTHER REVENUES	\$ 45.29	\$ 45.60	\$ 45.91	\$ 46.22	\$ 46.52
SUBTOTAL NEW DEVELOPMENT REVENUES	\$ 5.34	\$ 5.54	\$ 5.68	\$ 5.83	\$ 5.99
<b>TOTAL REVENUES</b>	<b>\$ 222.71</b>	<b>\$ 221.84</b>	<b>\$ 210.64</b>	<b>\$ 214.80</b>	<b>\$ 219.04</b>
Year-over-Year Change	1.73%	-0.39%	-5.05%	1.97%	1.97%
<b>Expenditure Projections (millions)</b>					
PERSONNEL SERVICES EXPENDITURES	\$ 160.53	\$ 164.94	\$ 169.51	\$ 174.24	\$ 180.11
OTHER EXPENDITURES	\$ 74.95	\$ 71.39	\$ 58.24	\$ 59.84	\$ 61.38
NEW DEVELOPMENT EXPENDITURES	\$ 3.34	\$ 3.47	\$ 3.57	\$ 3.62	\$ 3.62
<b>TOTAL EXPENDITURES</b>	<b>\$ 238.82</b>	<b>\$ 239.80</b>	<b>\$ 231.32</b>	<b>\$ 237.70</b>	<b>\$ 245.10</b>
Year-over-Year Change	2.28%	0.41%	-3.53%	2.76%	3.12%
<b>TOTAL GENERAL FUND SURPLUS/(DEFICIT)</b>	<b>\$ (16.11)</b>	<b>\$ (17.96)</b>	<b>\$ (20.68)</b>	<b>\$ (22.90)</b>	<b>\$ (26.06)</b>
<b>SURPLUS/(DEFICIT) AS % OF BUDGET</b>	<b>-6.75%</b>	<b>-7.49%</b>	<b>-8.94%</b>	<b>-9.63%</b>	<b>-10.63%</b>
<b>HIGH PRIORITY PROGRAMS</b>					
Millenia Fire Station Staffing	\$ -	\$ -	\$ -	\$ -	\$ -
Peace Officer Funding	\$ 7.59	\$ 9.05	\$ 10.52	\$ 11.98	\$ 13.47
<b>TOTAL GENERAL FUND SURPLUS/(DEFICIT)</b>	<b>\$ (23.70)</b>	<b>\$ (27.01)</b>	<b>\$ (31.19)</b>	<b>\$ (34.87)</b>	<b>\$ (39.54)</b>
<b>SURPLUS/(DEFICIT) AS % OF BUDGET</b>	<b>-9.92%</b>	<b>-11.26%</b>	<b>-13.49%</b>	<b>-14.67%</b>	<b>-16.13%</b>

Annual Deficit range for FY 2030 (dollars): \$26.1 - \$39.5 million  
 (% of annual budget): 10.6% - 16.1%

## Key points from LTFP projections

- Annual increase in expenditures outpace revenues
  - Imbalance creates structural deficit each year
- Projections include revenue and transfer of funding to Measure P and Measure A funds
- Retirement Benefits – PERS payments increase from \$29.5 million in FY 2020 to \$51.3 million in FY 2030
  - Assumes all actuarial assumptions are met
- Future budget impacts
  - Completion of Millenia Fire Station
  - Pension System (CalPERS) discount rates



# Millenia Fire Station

- The City has applied for SAFER grant to minimize General Fund impact for first three years of operation
  - Per grant requirements, grant funding cannot supplant budgeted positions
- Staff will be required to return to Council for mid-year budget adjustment to appropriate operating costs with identified funding source

Projected Completion: Late Fiscal Year 2020

Projected staffing: 9 FTE positions

Preliminary estimated annual staffing cost: \$1.7 million

Potential funding sources: SAFER grant/General Fund/Measure A

# Pension

- City’s annual pension contribution made up of two parts:
  - Normal Cost Contribution
  - Unfunded Accrued Liability (UAL) contribution
- UAL contributions calculated by actuary and are impacted by multiple factors including:
  - Assumed interest return/discount rate on investment portfolio

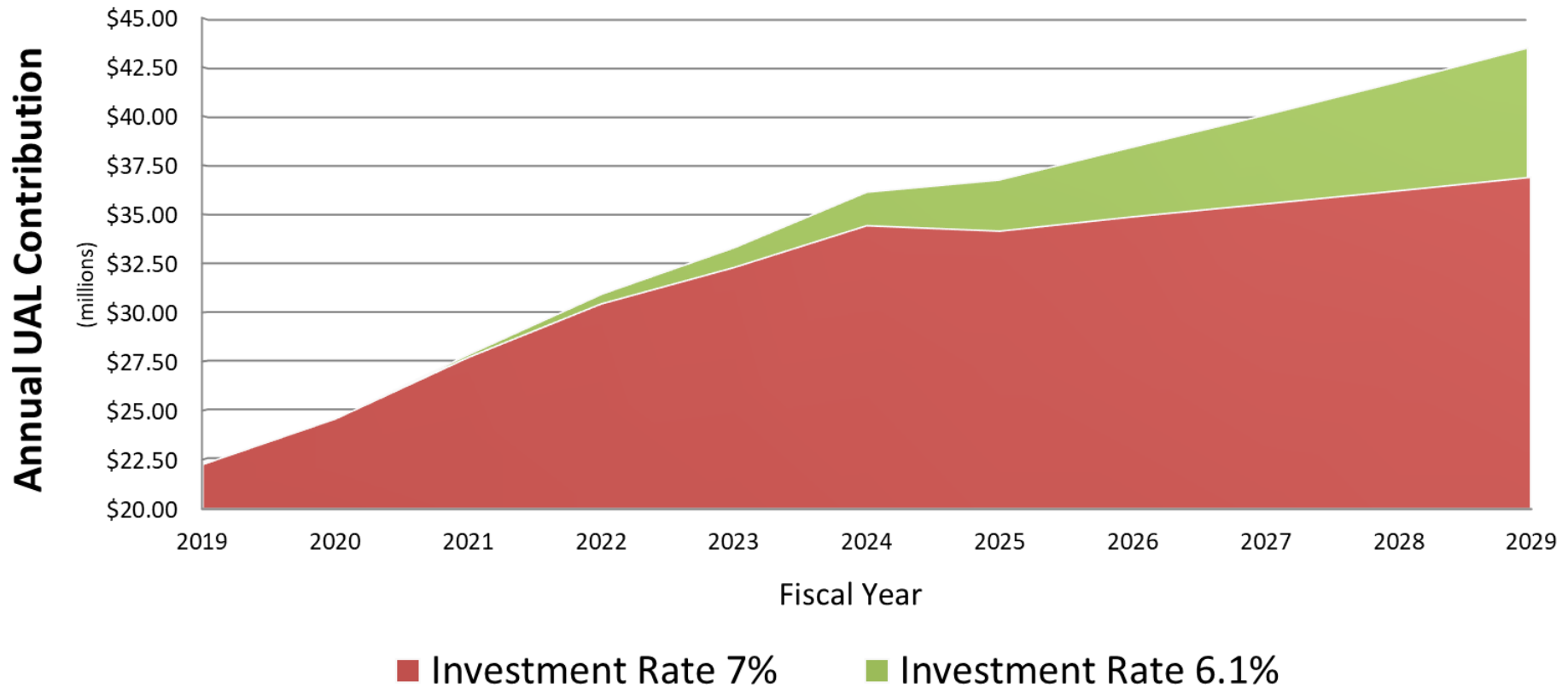
## Investment Return Sensitivity Analysis (in millions)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>Investment Rate 7%</b>	\$22.25	\$24.58	\$27.71	\$30.43	\$32.29	\$34.42	\$34.14	\$34.87	\$35.52	\$36.19	\$36.88
<b>Investment Rate 6.1%</b>	\$22.25	\$24.58	\$27.87	\$30.94	\$33.31	\$36.14	\$36.76	\$38.43	\$40.07	\$41.76	\$43.52
<b>Change in Contribution</b>	\$0.00	\$0.00	\$0.17	\$0.50	\$1.02	\$1.73	\$2.63	\$3.56	\$4.54	\$5.57	\$6.64



# Pension

## Investment Return Sensitivity Analysis





The LTFP projects future structural deficits throughout the Plan period

## **Potential actions to mitigate future deficits**

- Technology
- Operational Efficiency
- Policies for use of One-Time Funds
- Use of Public Private Partnerships
- Internship/Volunteer Programs
- Contract Services

# Next Steps

April - May	<ul style="list-style-type: none"> <li>• Staff will continue to develop the budget numbers.</li> </ul>
May – 15/16	<ul style="list-style-type: none"> <li>• Hold two public workshops to provide overview of proposed budget</li> </ul>
May 21	<ul style="list-style-type: none"> <li>• 3<sup>rd</sup> Quarter FY 2019 Financial Report</li> <li>• City Council: Present City Manager’s Proposed Fiscal Year 2019-20 All Funds Budget and CIP Overview</li> </ul>
June 4	<ul style="list-style-type: none"> <li>• Public Hearing and Recommend Council adoption of Proposed FY 2019-20 Budget (All Funds)</li> </ul>

QUESTIONS?