

# General Fund Long Range Financial Model Update

---

Nicole Gonzales, Director of Finance

# History and Background



# General Fund Long Range Financial Model Update



- What is the Model?
  - The Model is a dynamic and interactive tool that provides staff with the ability to forecast both revenue and expenditures based on historical, current, and expected economic trends.
  - The Model also can run hypothetical scenarios in real time to forecast both short-term and long-term fiscal implications.

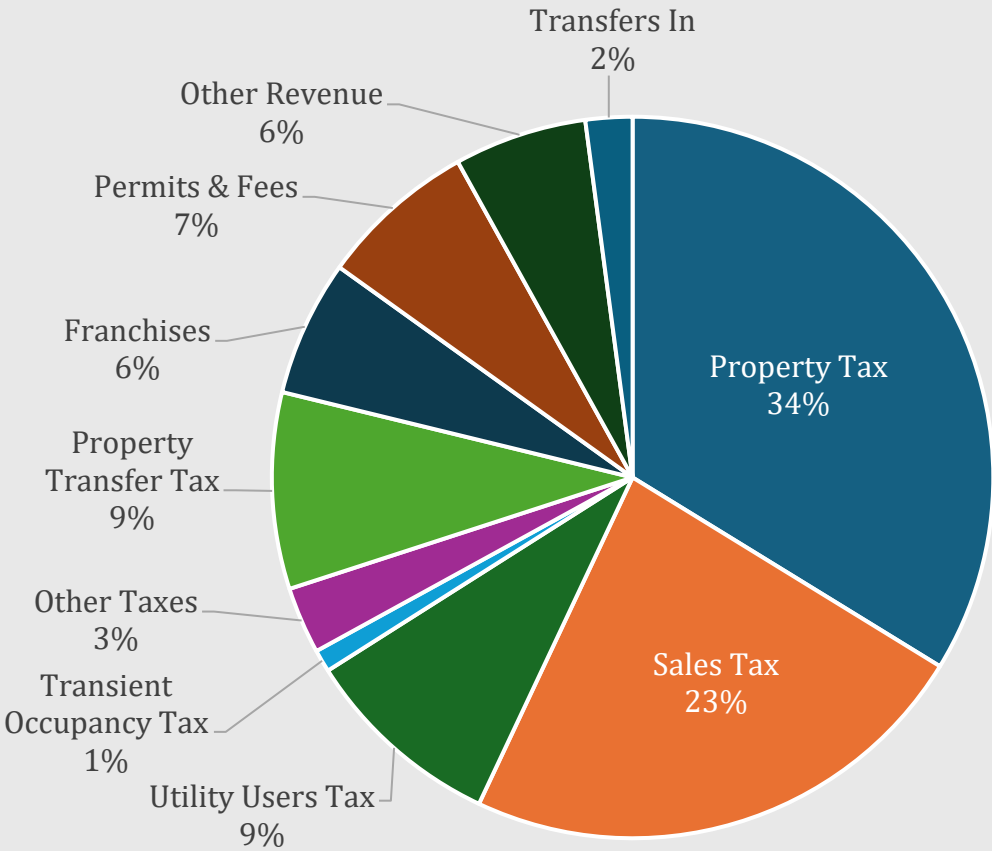
# Overview of General Fund Long Range Forecast

---

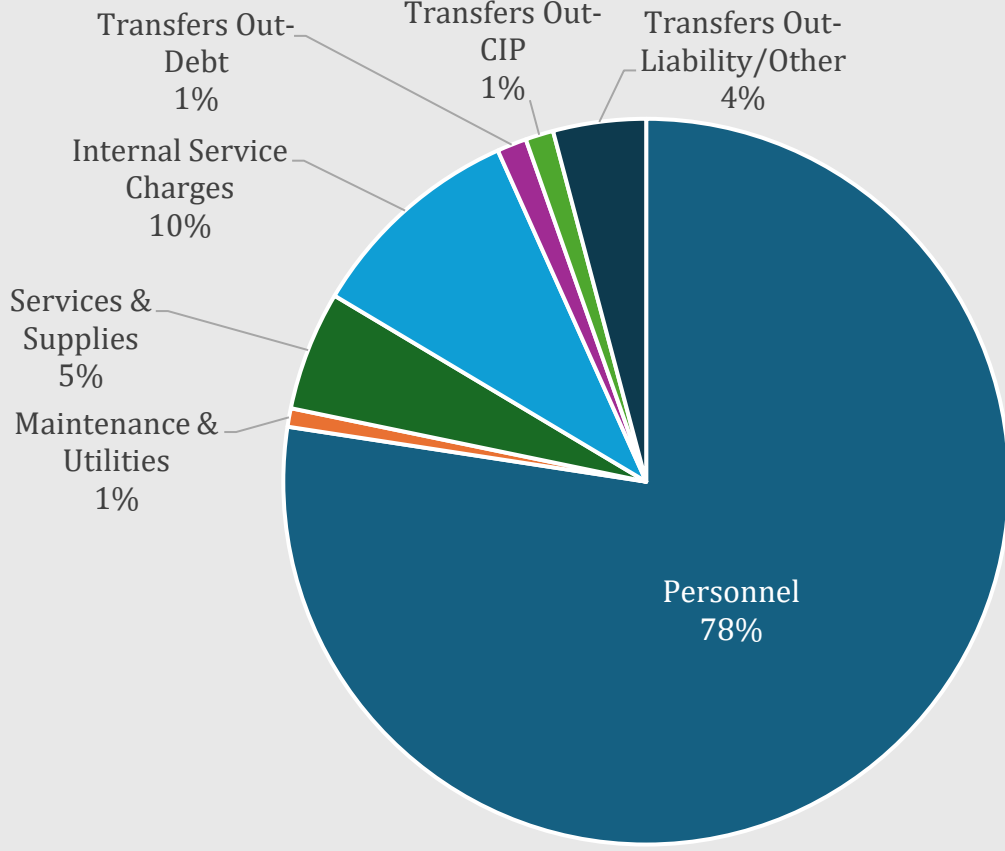
# FY 2024 Adopted General Fund Budget Overview



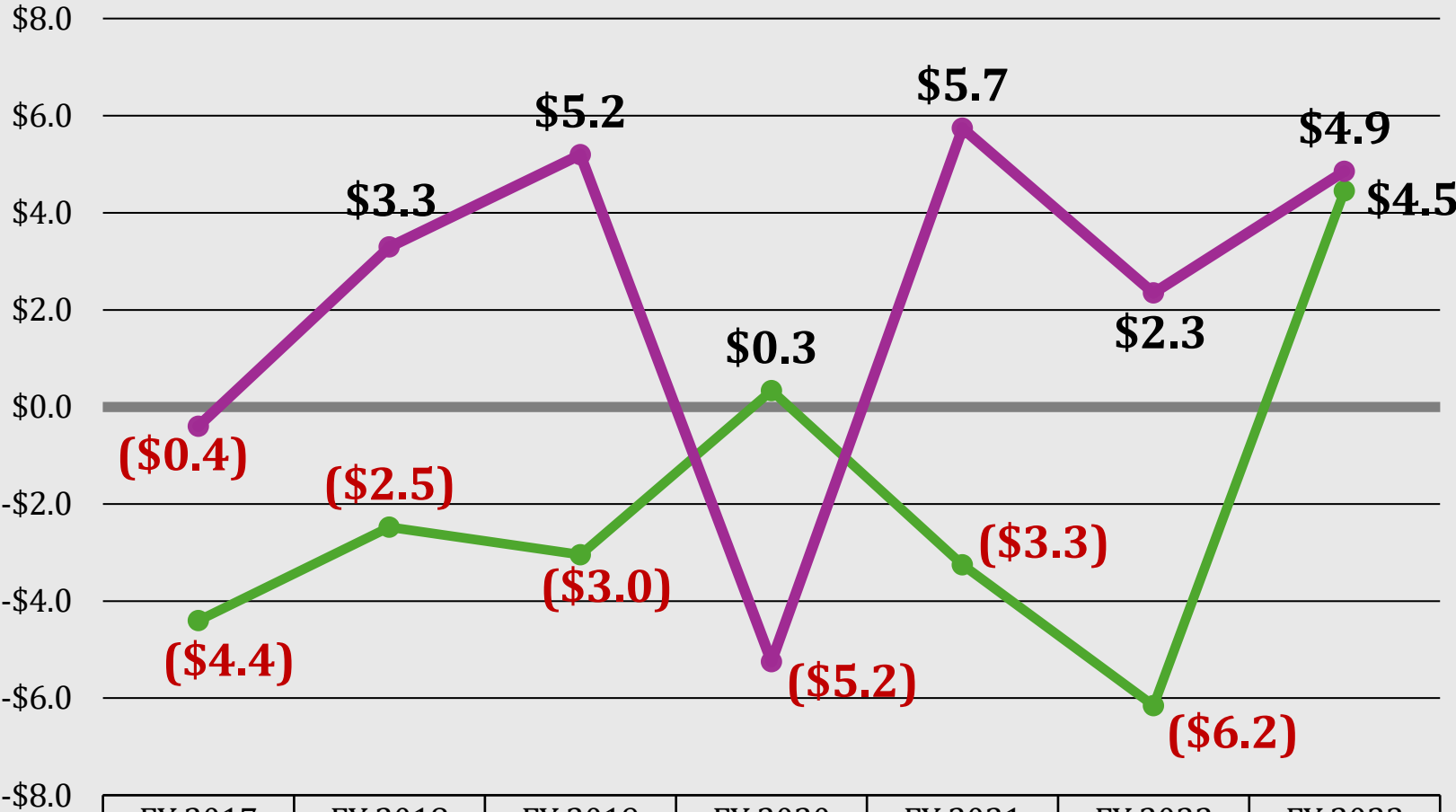
## Revenue



## Expenditures



# General Fund Reserves: Budget vs. Actuals



Budget Reserves - Surplus/(Use)	(\$4.4)	(\$2.5)	(\$3.0)	\$0.3	(\$3.3)	(\$6.2)	\$4.5
Actual Reserves - Surplus/(Use)	(\$0.4)	\$3.3	\$5.2	(\$5.2)	\$5.7	\$2.3	\$4.9

Budget Reserves - Surplus/(Use)      Actual Reserves - Surplus/(Use)



# General Fund 5-Year Forecast

<b>GENERAL FUND FORECAST</b> <i>in thousands</i>	<b>Adopted FY 2024 Year 1</b>	<b>Forecast FY 2025 Year 2</b>	<b>Forecast FY 2026 Year 3</b>	<b>Forecast FY 2027 Year 4</b>	<b>Forecast FY 2028 Year 5</b>	<b>Forecast FY 2029 Year 6</b>
Revenues	\$199,883	\$210,508	\$215,772	\$217,540	\$221,096	\$228,187
Expenditures	\$204,978	\$214,216	\$220,363	\$226,720	\$230,939	\$239,093
<b><i>Net Change in Reserve - Surplus / (Shortfall)</i></b>	<b>(\$5,095)</b>	<b>(\$3,708)</b>	<b>(\$4,590)</b>	<b>(\$9,180)</b>	<b>(\$9,843)</b>	<b>(\$10,906)</b>
<b>Beginning Balance</b>	<b>\$42,723</b>	<b>\$37,628</b>	<b>\$33,920</b>	<b>\$29,330</b>	<b>\$20,150</b>	<b>\$10,307</b>
<b><i>Net Change in Reserve - Surplus / (Shortfall)</i></b>	<b>(\$5,095)</b>	<b>(\$3,708)</b>	<b>(\$4,590)</b>	<b>(\$9,180)</b>	<b>(\$9,843)</b>	<b>(\$10,906)</b>
<b>Ending Balance</b>	<b>\$37,628</b>	<b>\$33,920</b>	<b>\$29,330</b>	<b>\$20,150</b>	<b>\$10,307</b>	<b>(\$599)</b>
Target to maintain 20% GF Reserves of Expenditures	\$40,996	\$42,843	\$44,073	\$45,344	\$46,188	\$47,819
General Fund Reserve Level as % of Total Expenditures	18.4%	15.8%	13.3%	8.9%	4.5%	<b>(0.3%)</b>
Amount Above or (Below) Target 20%	(\$3,367)	(\$8,923)	(\$14,743)	(\$25,194)	(\$35,881)	(\$48,418)
Percentage Above or (Below) Target 20%	<b>(8.2%)</b>	<b>(20.8%)</b>	<b>(33.5%)</b>	<b>(55.6%)</b>	<b>(77.7%)</b>	<b>(101.3%)</b>

# General Fund Model Assumptions

---



# Revenue Assumptions

General

Property Tax

Sales Tax

Utility User Tax  
(UUT)

Other Taxes

Licenses/ Permits/  
Fees

Cost Allocation  
Transfer-In

Intergovernmental

Interest

Other Revenue

# Expenditures Assumptions

General

Staffing

Salary

Merit/Turnover

PERS Employee  
Contribution

PERS Cost Share  
Contribution From  
Labor Groups

Medical

Workers  
Compensation

Retiree Medical

Maintenance &  
Utilities

Services & Supplies

Internal Service Fees

# Interactive Budget Model

---

Run Scenarios: Better Understand Fiscal  
Impacts

# Revenue & Expenditure Scenarios



**TOT Increase to  
12%**

Increase of  
approximately \$1.0M  
annually



**TOT Increase to  
14%**

Increase of  
approximately \$1.5M  
annually



**5% Reduction in  
Variable  
Expenditures**

Decrease of \$2.1M  
annually



**Cost Allocation  
Plan Update**

Increase of  
approximately \$1.0M  
annually



**1% COLA  
Increase**

Increase of  
approximately \$1.0M  
annually

# Questions & Discussion



# Next Steps

---

# Next Steps



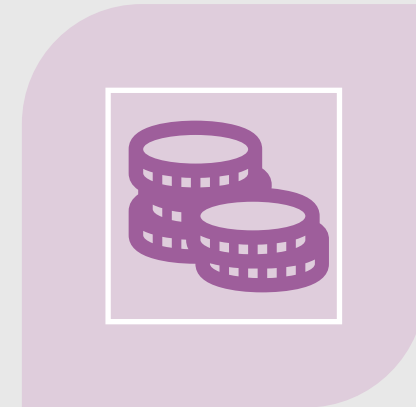
March 2024

FY 2024 Mid-year Review  
And General Fund Long  
Range Financial Model



March/April 2024

Presentation By Economist  
*(pending availability)*



May 2024

FY 2025 Saturday Budget  
Work Session