



Financial Management Plan Update

July 7, 2026



Financial Management Plan

- What is it?
 - ✓ Excel based projection model forecasting future revenues and expenditures for all major governmental funds
 - ✓ Provides longer term perspective on budgeting and financial planning
 - ✓ More recent model focus has been on levy limits

Model Assumptions

- Valuation
 - ✓ Net New Construction – 1.46% (Half of 5-Year Average)
 - ✓ TID Closures

TID No.	Closure Date	Est. % Levy Inc.	Budget Year
8 & 9	9-2-2025	2.74%	2027
13	Prior to 4-15-28	0.51%	2029
11	Prior to 4-15-30	0.58%	2031
15	Prior to 4-15-31	0.15%	2031

Model Assumptions

- TID 8 & 9 Closure

	Final Incremental Value January 1, 2025	TID OUT Equalized Value January 1, 2025	Incremental Value/ TID OUT Value
TID 8	131,621,800	5,899,027,200	2.231%
TID 9	192,064,900	5,899,027,200	3.256%
Total Percentage			5.487%
x 50% = Allowable Levy Increase			2.744%

Model Assumptions

- Expenses

Category	% Increase
Health Insurance	6%
Union Wages (steps + COLA)	5%
Non-Union Wages (steps + COLA)	4%
Other Insurance	4%
Services, Supplies	1%

- Over 75% of City budget is wages, benefits and other employee related costs.
- Average annual increase of 4% - 6% as compared to 1.46% projected net new construction (allowable levy increase) drives the projected shortfall.

Model Assumptions

- Incorporates ELT Revenue & Expenditure Recommendations

Budget Year	Net Reduction in Costs
2027	\$1,627,191
2028	\$2,340,032
2029	\$3,046,643

Debt Service Projections

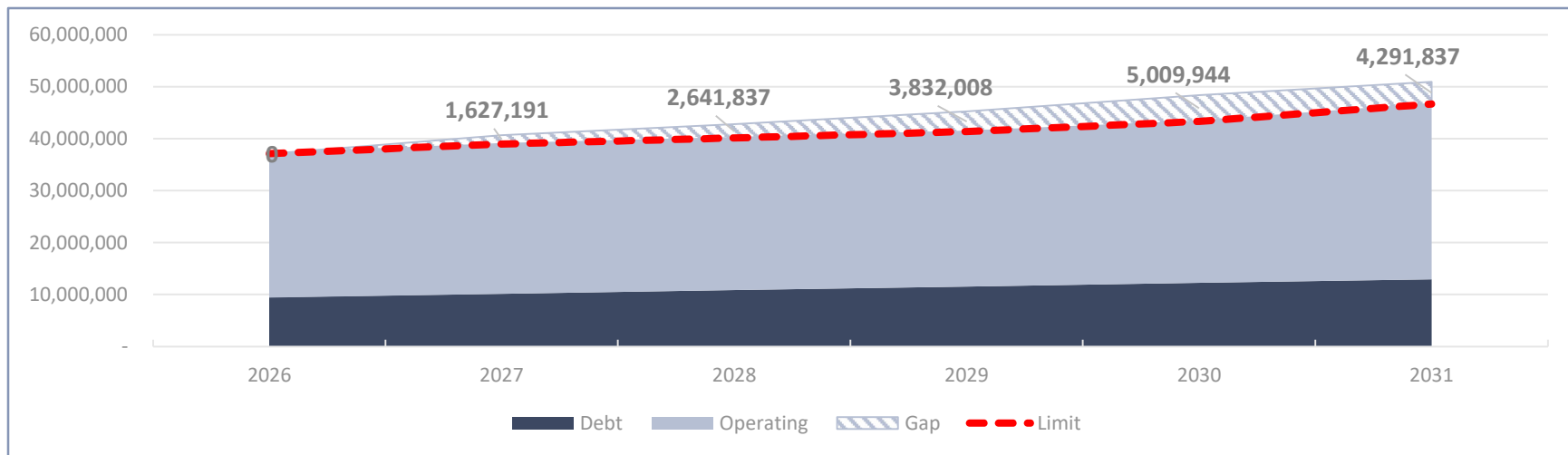
- FMP Model forecasts debt service levy based on CIP

Year	Net Levy*	Increase	Debt Prin.	% Limit
2026	9,444,527		113,635,075	33%
2027	10,141,371	696,844	115,569,339	32%
2028	10,838,688	697,317	125,413,872	33%
2029	11,533,995	695,308	129,229,802	32%
2030	12,232,269	698,274	126,487,379	29%
2031	12,932,254	699,985	128,122,758	28%
2032	13,627,538	695,284	124,881,376	26%
2033	14,323,653	696,115	124,832,694	24%
2034	15,019,513	695,860	119,856,475	22%
2035	15,717,445	697,933	131,222,361	23%
2036	16,416,097	698,651	122,050,000	20%
2037	12,506,500	(3,909,597)	107,340,000	16%

*General obligation debt service payments are exempt from levy limits

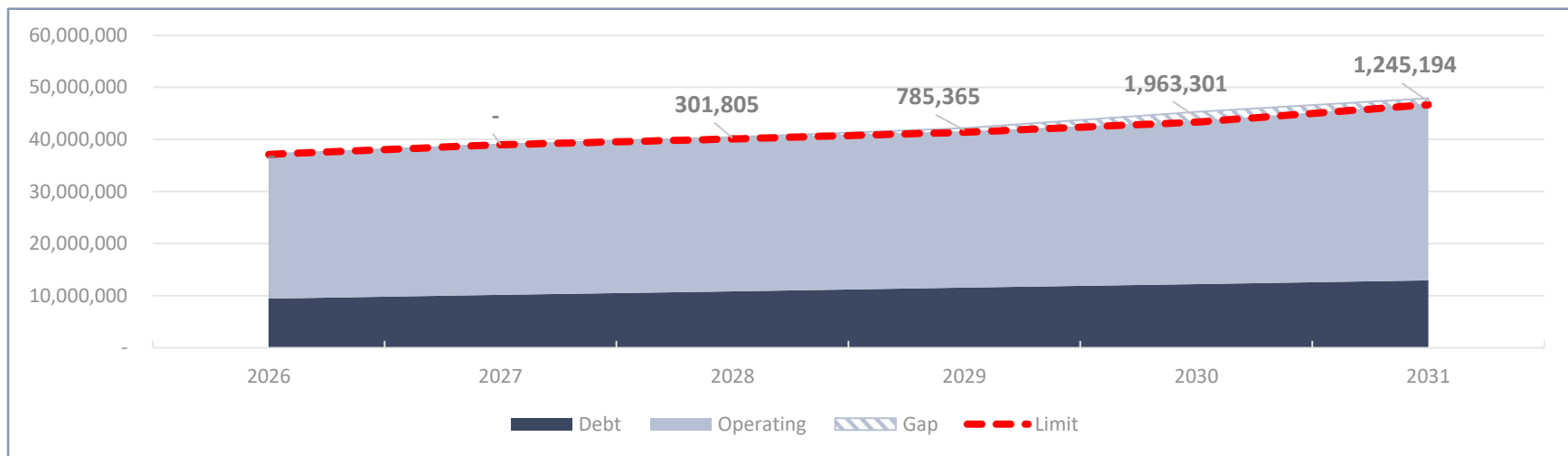
Levy Limit – Without ELT Recommendations

Budget Year	2026	2027	2028	2029	2030	2031
Projected	\$ 37,136,625	\$ 40,637,186	\$ 42,774,182	\$ 45,241,191	\$ 48,353,890	\$ 50,977,673
Allowed	\$ 37,136,626	\$ 39,009,995	\$ 40,132,345	\$ 41,409,183	\$ 43,343,946	\$ 46,685,836
Gap	\$ -	\$ 1,627,191	\$ 2,641,837	\$ 3,832,008	\$ 5,009,944	\$ 4,291,837



Levy Limit – With ELT Recommendations

Budget Year	2026	2027	2028	2029	2030	2031
Projected	\$ 37,136,625	\$ 39,009,995	\$ 40,434,150	\$ 42,194,548	\$ 45,307,247	\$ 47,931,030
Allowed	\$ 37,136,625	\$ 39,009,995	\$ 40,132,345	\$ 41,409,183	\$ 43,343,946	\$ 46,685,836
Gap	\$ -	\$ -	\$ 301,805	\$ 785,365	\$ 1,963,301	\$ 1,245,194



Council Policy Direction Needed

- Live within levy limits
 - ✓ 1.46% annual levy increase (model assumption) vs. majority of expenses increasing 4% – 6%
 - Since 2009, Net New Construction ranged from 0.959% to 5.219%
 - As City's value increases, takes more new construction to achieve same percentage increase
 - ✓ A sustained program of annual cuts or increased non-property tax revenue will be needed to remain under limit
- Consider another referendum



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