

Memorandum

TO: City Council
FROM: Kevin Knopik , Finance Director
DATE: December 15, 2025
SUBJECT: Adoption of working capital targets and receipt of the 2026-2030 Five-Year Operating Plan
ITEM NUMBER: 8.d
SECTION: CONSENT AGENDA

REQUESTED MOTION

To adopt resolution number 25-94 to establish working capital targets as outlined in the Five-Year Operating Plan and formally receive the Five-Year Operating Plan for the years 2026 through 2030.

INTRODUCTION

Following the workshop review of the Five-Year Operating Plan (FYOP) the proposed resolution formally accepts the FYOP and adopts the working capital targets outlined on page 12. This is the tenth issuance of the City's FYOP.

DISCUSSION

A summary of the concepts behind the plan, the reason for reserves, and financial management strategies employed by the City is provided in the first 13 pages of the document. The summary also provides projected tax levies, property values, and planned debt issuance for the next 5 years.

WORKING CAPITAL TARGETS

Working capital targets for each operating fund are established and used to evaluate and establish tax levies and user fees during the City's budget process, and to assist the City in determining how one-time revenues may serve the City to improve fund balances, or support one-time capital costs in an effort to reduce demands on permanent capital project funds.

Depending on the timing of receipts for each fund, and the impact of debt payments and capital cost on cash flow, working capital targets generally fall into 4 different levels: governmental funds maintain 5 to 6 months coverage if revenue is received semi-annually, and 3 months if revenue is received monthly or quarterly; enterprise and internal service funds maintain 6 to 8 months coverage, and 2 to 3 years if the primary expense for the fund results from insurance claim losses.

RECOMMENDATION

Staff recommends adoption of the proposed resolution 25-94.

ATTACHMENTS

[2026-2030 FYOP Final.pdf](#)

[Res 25-94 FYOP 2026-2030.pdf](#)