

	CITY OF PALM DESERT ADMINISTRATIVE PROCEDURES	
	<i>Subject</i>	Long Term Financial Planning Policy
	<i>Policy No.</i>	FIN – 016
	<i>Date</i>	Issued: January 22, 2026
	<i>Approved by</i>	Resolution No. 2026- __ Authorizing a Long Term Financial Planning Policy
	<i>Authored by</i>	Finance Department

I. PURPOSE

The Government Finance Officers Association (GFOA) recommends that governments adopt a long-term financial plan of at least five years into the future. A long-term financial planning policy is intended to assist City leaders (elected officials and City management) in making prudent and informed financial decisions regarding economic development, tax policy and labor negotiations. Credit rating agencies encourage long-term financial planning and generally favor government entities with such plans when assigning bond ratings.

II. POLICY:

The City shall adopt a long-term financial plan spanning at least five years for all major City funds (e.g., General, Fire, Housing Authority, Desert Willow, etc.) in conjunction with the proposed annual budget. The long-term financial plan should incorporate the following elements as relevant and appropriate:

- An analysis of economic and demographic data at the national, state and local level;
- Past revenue and expenditure trends;
- Forecast assumptions;
- Forecasts of major revenues and expenditures based on known data, documented assumptions, and input from subject matter experts, and various internal and external stakeholders; and
- Compliance with existing City fiscal policies.