

CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: May 6, 2025

=====

To: Honorable Mayor and City Councilmembers
From: Ana Kwong – Administrative Services Director
Subject: FY24-25 Quarter 3 Financial Update – General Fund

=====

RECOMMENDATION:

Staff recommends the Sebastopol City Council receive year-to-date financial information for the General Fund.

=====

EXECUTIVE SUMMARY:

The Adopted FY24-25 budget initially included a deficit of \$698,000. Based on results available through March 31, 2025, we project a year-end deficit of \$407,000, which is \$291,000 less than the adopted budget.

The primary reasons for these changes include a \$174,000 decrease in revenue from:

- a. Adding \$375,000 in estimated revenue from Measure U for April-June collections.
- b. A reduction of \$549,000 in revenue, including \$405,000 ¹ in building fees revenue, reallocating a planned \$238,000 transfer of funds from Measure H for a payment on a fire engine (that payment will occur from the Measure H account, per Council approval from the last quarter update); \$22,000 reduction in transfer in from inclusionary housing due to no expenses to offset, and other changes in revenue netting a increase of \$116,000.

¹Building fees are subject to the unpredictable nature of development. As time has passed and the market has fluctuated, predicting these collections has become increasingly challenging. The Building Department has made their best estimates based on the most likely scenarios.

Changes in expenses totaling \$415,000 which include:

- a. We have salary savings of \$361,000 from vacant positions. However, there has been an increase of \$312,000 in contracts to cover for consulting cost and backfilling of vacancies and other needs. Other changes decreased expenditures by \$128,000.
- b. Shifting the cost for the \$238,000 lease payment for the fire engine to Measure H.

| | Adopted Budget | Adjusted Budget | Preliminary Projection |
|--------------------|-----------------------|------------------------|-------------------------------|
| Revenues | 14,304,463 | \$14,141,412 | \$14,180,051 |
| Expenditures | 15,002,049 | \$15,121,937 | \$14,587,510 |
| Net Results | \$ (697,586) | \$ (980,525) | \$ (407,459) |

BACKGROUND:

This document presents the City’s General Fund performance through the third quarter of the current fiscal year, offering the most accurate information available as of March 31, 2025. As the third quarterly report of the year, it provides sufficient data to forecast the budget through June, despite the fact that some major revenue sources, such as the property tax payment, have not yet been received, and sales tax is historically two months behind. While the report includes actual data for the current period, projections are based on the best estimates available.

Additionally, while we have data for certain categories of revenues and expenses, it is important to note that funds are not received or expended in a linear, equal amount each month throughout the year. For instance, the PG&E franchise fee is received once annually, Transient Occupancy Taxes are typically one month behind, and the building fees may be received as late as mid-June.

REVENUES: The financial information reported includes transactions through March 31, 2025, 9 months through the fiscal year. The current actual collection shows total general fund revenue is \$8.3M, which equates to 58.9% of budget. Specific items attributed to year-to-date income are as follows:

| Description | 2023-24 Actual | 2024-25 Adopted Budget | 2024-25 Adjusted Budget | Preliminary Year-end Projection | Y-T-D Actual 3/31/25 | Footnote | % of Budget |
|-----------------------------|-------------------|------------------------|-------------------------|---------------------------------|----------------------|---------------|--------------|
| OPERATING REVENUE | | | | | | | |
| Property Tax | 3,443,916 | 3,620,000 | 3,620,000 | 3,620,000 | 1,923,289 | ¹ | 53.1% |
| Real Property Transfer Tax | 36,506 | 40,000 | 40,000 | 52,000 | 44,532 | ² | 111.3% |
| Sales Taxes | 4,626,788 | 4,563,925 | 4,563,925 | 4,782,900 | 2,742,256 | ³ | 60.1% |
| User Taxes | 871,287 | 887,175 | 887,175 | 887,975 | 628,543 | ⁴ | 70.8% |
| Transient Occupancy Tax | 519,452 | 519,000 | 519,000 | 519,000 | 287,719 | ⁵ | 55.4% |
| Franchise Fees | 489,591 | 502,250 | 502,250 | 502,250 | 234,064 | ⁶ | 46.6% |
| Licenses & Permits | 498,057 | 1,442,500 | 1,442,500 | 1,089,000 | 354,875 | ⁷ | 24.6% |
| Fines & Special Assessments | 70,560 | 66,700 | 66,700 | 71,285 | 61,385 | ⁸ | 92.0% |
| Intergovernmental Revenues | 438,560 | 22,890 | 22,890 | 30,390 | 17,596 | ⁹ | 76.9% |
| Interest & Rents | 159,790 | 132,250 | 132,250 | 131,900 | 76,786 | ¹⁰ | 58.1% |
| Charges for Services | 158,110 | 136,800 | 136,800 | 159,800 | 126,160 | ¹¹ | 92.2% |
| Miscellaneous Revenue | 89,505 | 183,225 | 258,225 | 408,140 | 383,475 | ¹² | 148.5% |
| Cost Allocation Plan | 2,476,141 | 1,761,797 | 1,761,797 | 1,761,797 | 1,321,348 | | 75.0% |
| Transfers In | 102,000 | 425,951 | 187,900 | 163,614 | 132,489 | ¹³ | 70.5% |
| TOTAL REVENUES | 13,980,263 | 14,304,463 | 14,141,412 | 14,180,051 | 8,334,516 | | 58.9% |

- Property Tax:** The City receives property tax payments twice a year, in December and late April 2026. The second half of property tax distribution is anticipated to be disbursed by the County in late April.
- Property Transfer Tax:** The amount of \$44,532 represents 8 months of collections. The reason this revenue is at 111.3% of the budget is due to a commercial property transaction in October, which caused the transfer fee to be unusually large as this is a one-off event. As evidenced by the historical data, budgeting for this income is challenging due to the significant variability in collections over the past five years. Please refer to the table below for a detailed view of the historical collections.

| Real Property Transfer Tax | |
|-----------------------------------|------------------|
| Fiscal Year | Amount |
| FY23-24 | 36,505.71 |
| FY22-23 | 49,529.72 |
| FY21-22 | 59,492.86 |
| FY20-21 | 79,546.75 |
| FY19-20 | 38,065.72 |
| Average | 52,628.15 |

- Sales taxes:** Sales tax collections for the third quarter are recorded through January activities. The latest projection relies on Q3-2024 collections (July-September 2024), as Q4-2024 (October-December) data will not be available to the City until late April or early May. Whenever the City receives a quarterly sales update, the year-end projection is adjusted using the latest data provided by our sales tax consultant. According to

this recent data, it is anticipated that sales tax revenue through June will be 3.4% lower than the adopted budget. However, when one quarter of Measure U is factored in, the sales tax revenue actually shows an increase of 4.8%.

| FY24-25 Adopted Budget Compared to Year-End Projection | | | | |
|--|------------------------|-------------------|--|---|
| Revenue Categories | FY24-25 Adopted Budget | FY25-26 Projected | \$ Diff (FY24-25 Adopted vs. FY24-25 Projection) | % Diff (FY24-25 Adopted vs. FY24-25 Projection) |
| 3010 - Sales Tax-Bradley Burn | 2,173,000 | 2,073,000 | -100,000 | -4.6% |
| 3011 - Sales Tax-1/4 cent (T) | 760,000 | 744,000 | -16,000 | -2.1% |
| 3012 - Sales Tax-1/2 cent (Q) | 1,520,125 | 1,488,000 | -32,125 | -2.1% |
| 3014 - Sales Tax-Prop 172 | 110,800 | 102,900 | -7,900 | -7.1% |
| Total | 4,563,925 | 4,407,900 | -156,025 | -3.4% |
| 3018 - Sales Tax - 1/2 cent (U) | -0 | 375,000 | 375,000 | 0.0% |
| Grand Total - Combined | 4,563,925 | 4,782,900 | 218,975 | 4.8% |

Measure U: Collections for Measure U began April 1; we will receive our first monthly payment in June 2025. May and June payments will come in FY 25-26. Following standard accounting practices, we will account the funds received for these 3 months as FY 24-25 revenue since this is the fiscal year activities in which they are being collected. We project that quarter of revenue at \$375,000.

The Measure U policy adopted by the Council recommended not allocating this revenue until our projections for the current fiscal year are clear. Based on the information in this report, we will need this fiscal year’s Measure U revenue to meet the projections included in this report and avoid a larger deficit. This is consistent with the overall intent of Measure U to maintain City services.

4. **User Taxes:** The city imposes a tax on the usage of telephone, garbage, and cable services, which is collected by these providers and remitted to the city on a monthly and quarterly basis. Due to the significant increase in electricity costs, residents are facing higher electric bills, leading to an increase in the utility user tax. Although the city is receiving more revenue from PG&E, the preliminary projection will remain unchanged from the adopted budget. This is because the overall percentage collection in this user tax category is still below the 75% mark. Therefore, it is prudent to maintain a conservative approach and avoid being overly aggressive.
5. **Transient Occupancy Tax:** The city has received nearly 55% of TOT budgeted revenue, which comes from hotel/motel, bed, and breakfast inn room rentals in Sebastopol. This year-to-date amount of \$288,000 represents 7 months of Transient Occupancy Tax (TOT) activities. Given this seasonality, the adopted budget will not change.

| Fiscal Year | Quarter | Transient Occupancy Tax | |
|-------------|----------------|-------------------------|---|
| FY24-25 | Q1 - July-Sept | \$ 146,213.61 | |
| | Q2 - Oct-Dec | \$ 101,713.73 | |
| | Q3 - Jan-Mar | \$ 39,791.59 | * |
| | Total | \$ 287,718.93 | |
| FY23-24 | Q1 - July-Sept | \$ 149,832.27 | |
| | Q2 - Oct-Dec | \$ 112,696.35 | |
| | Q3 - Jan-Mar | \$ 67,980.24 | * |
| | Total | \$ 330,508.86 | |

-12.9%

* This does not reflect the Fairfield Hotel payments for Feb/March & Air BnB for March

6. **Franchise Fees:** The franchise fee category includes PG&E, Garbage, and Cable TV/Video. The PG&E franchise fees are normally received in late April. The Video franchise fees are submitted quarterly, and collections to-date have been received through February for garbage only.

7. **Licenses & Permits:** Most of these fees are collected when building permits are issued, and their timing can vary throughout the year depending on the development period. The majority of the building fees revenue comes from development-related activity.

Additionally, this category includes business license fees, with the bulk of collections occurring during the renewal period in December and January, which is the due date for business license renewal before late fees are assessed. We have collected 93% of the budgeted business license revenue. Overall, the collection in this category has reached 25% of the budgeted revenue due to the timing of development fees. We anticipate receiving building fee permit payments for larger projects closer to the end of the fiscal year.

8. **Fines & Special Assessments:** This category includes vehicle code violations and parking fines. Year-to-date total collections have reached 92% of this category budget, largely due to the state mandated cost reimbursement for racial and ID profiling. This involves compensating local governments for the expenses incurred in complying with state laws aimed at preventing and addressing racial and identity profiling by law enforcement agencies. To support these efforts, the state provides financial reimbursement to local governments for the costs associated with implementing these requirements.

9. **Intergovernmental Revenues:** This category includes reimbursement from other agencies, and it can vary throughout the year and challenge to predict. For the second quarter of the fiscal year, the city has only received the second quarter of casino mitigation income and has not yet received POST reimbursement.

10. **Interests and Rents:** Fluctuations in cash balances throughout the year may cause variations in interest income. This category should meet its target as the cash position remains stable.

11. **Charges for Services:** A few line items in this category has exceeded expectation.

12. **Miscellaneous Revenue:** This category includes reimbursement for chemicals and electricity the city pays on behalf of the pool. The electricity bills for the pool have been lower than expected so far in this fiscal

year. Therefore, this is a direct correlation with lower expenses and lower reimbursement. This category also includes the reimbursement from the new hauler to cover the City's upfront cost for R3 consulting support in selecting the new garbage hauler.

- 13. **Transfer In:** This category is currently at 71%, slightly below the 75% mark for the third quarter. There will be no transfer from the inclusionary housing fund, as the planned expenses will not be incurred.

| Description | 2024-25 Adopted Budget | 2024-25 Adjusted Budget | 2024-25 Preliminary Year End | 2024-25 YTD Actual |
|--|------------------------|-------------------------|------------------------------|--------------------|
| Transfer in | | | | |
| From Building, Facilities & Infra Reserve (Fund 103) | 41,400 | 41,400 | 39,114 | 39,114 |
| From Vehicle Abatement (Fund 125) | 4,500 | 4,500 | 4,500 | 3,375 |
| From Inclusionary Housing (Fund 205) | 22,000 | 22,000 | - | - |
| From Police Grant (Fund 209) | 120,000 | 120,000 | 120,000 | 90,000 |
| From Measure H (Fund 248) | 238,051 | - | - | - |
| 3999 - Transfers In | 425,951 | 187,900 | 163,614 | 132,489 |

EXPENSES: The third quarter fiscal year expenses for the General Fund are summarized below. Most departments are trending under the 75% mark, some departments have exceeded it. It's important to note that expenditures are not linear.

| Description | 2023-24 Actual | 2024-25 Adopted Budget | 2024-25 Adjusted Budget | Preliminary Year-end Projection | Y-T-D Actual 3/31/25 | Footnote | % of Budget |
|--|-------------------|------------------------|-------------------------|---------------------------------|----------------------|--------------|--------------|
| OPERATING EXPENDITURE - By Department | | | | | | | |
| 10 - City Council | 202,385 | 198,625 | 200,125 | 191,689 | 120,044 | | 60.0% |
| 11 - City Manager | 518,664 | 698,885 | 773,885 | 754,515 | 495,844 | | 64.1% |
| 12 - City Attorney | 759,058 | 647,900 | 647,900 | 622,900 | 440,552 | | 68.0% |
| 13 - City Clerk | 366,405 | 430,771 | 477,471 | 473,951 | 343,696 | | 72.0% |
| 14 - Administrative Services (Finance) | 1,314,441 | 1,436,923 | 1,447,765 | 1,402,477 | 1,015,428 | | 70.1% |
| 21 - Community Development | 532,564 | 616,426 | 640,301 | 640,630 | 494,037 | | 77.2% |
| 22 - Building | 214,977 | 302,220 | 305,036 | 297,001 | 199,040 | | 65.3% |
| 31 - Fire & Prevention | 1,230,393 | 1,535,910 | 1,538,726 | 1,536,410 | 906,292 | | 58.9% |
| 32 - Police | 4,995,733 | 5,366,488 | 5,530,162 | 5,274,987 | 3,829,047 | | 69.2% |
| 40 - Senior Center | 72,703 | 41,038 | 41,314 | 26,788 | 19,354 | | 46.8% |
| 41 - Public Works | 2,154,659 | 2,322,099 | 2,349,901 | 2,353,716 | 1,610,292 | | 68.5% |
| 42 - PW-Community Center | 279,473 | 169,724 | 170,834 | 159,496 | 112,275 | | 65.7% |
| 43 - PW-Ives Pool | 249,957 | 297,301 | 298,829 | 228,707 | 172,122 | | 57.6% |
| 00 - Non Departmental | 210,838 | 191,645 | 191,645 | 116,200 | 64,819 | | 33.8% |
| Debt Service Payments | 300,407 | 446,094 | 208,043 | 208,043 | 179,391 | ^a | 86.2% |
| Transfers Out | 864,763 | 300,000 | 300,000 | 300,000 | - | ^b | 0.0% |
| TOTAL EXPENDITURES | 14,267,418 | 15,002,049 | 15,121,937 | 14,587,510 | 10,002,232 | | 66.1% |

- a. **Debt Service Payments:** Debt service payment will be at budget by the end of the fiscal year.

b. **Transfer-out:** The adopted budget of \$300,000 is planned for transfer out to building, facilities and infrastructure and equipment, technology & vehicle reserve. This transfer will occur in the 4th quarter.

PUBLIC COMMENT:

As of the writing of this staff report, the City has not received any public comment on this item. However, if staff receives public comment from interested parties following the publication and distribution of this staff report, such comments will be provided to the City Council as supplemental materials before or at the meeting.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

FISCAL IMPACT:

There is no fiscal impact in receiving this informational financial update.

RESTATED RECOMMENDATION:

That the City Council receive year-to-date financial information.

OPTIONS:

There are no options to consider.

ATTACHMENTS:

Quarterly Financial Reports
Power Point Presentation

APPROVALS:

Department Head Approval: Approval Date: 4/8/2025

CEQA Determination (Planning): Approval Date: N/A

The proposed action is / is not exempt from the requirements of the California Environmental Quality Act (CEQA)

Administrative Services/Financial Approval: Approval Date: 4/8/2025

Costs authorized in City Approved Budget: Yes No N/A

Account Code (f applicable) _____

City Attorney Approval: Approval Date: N/A

City Manager Approval: Approval Date: _____

GENERAL FUND FY24-25 QUARTER 3 REPORTING - BY DEPARTMENT



| Description | 2023-24 Actual | 2024-25 Adopted Budget | 2024-25 Adjusted Budget | Preliminary Year-end Projection | Y-T-D Actual 3/31/25 | Footnote | % of Budget |
|--|-------------------|------------------------|-------------------------|---------------------------------|----------------------|----------|--------------|
| OPERATING REVENUE | | | | | | | |
| Property Tax | 3,443,916 | 3,620,000 | 3,620,000 | 3,620,000 | 1,923,289 | 1 | 53.1% |
| Real Property Transfer Tax | 36,506 | 40,000 | 40,000 | 52,000 | 44,532 | 2 | 111.3% |
| Sales Taxes | 4,626,788 | 4,563,925 | 4,563,925 | 4,782,900 | 2,742,256 | 3 | 60.1% |
| User Taxes | 871,287 | 887,175 | 887,175 | 887,975 | 628,543 | 4 | 70.8% |
| Transient Occupancy Tax | 519,452 | 519,000 | 519,000 | 519,000 | 287,719 | 5 | 55.4% |
| Franchise Fees | 489,591 | 502,250 | 502,250 | 502,250 | 234,064 | 6 | 46.6% |
| Licenses & Permits | 498,057 | 1,442,500 | 1,442,500 | 1,089,000 | 354,875 | 7 | 24.6% |
| Fines & Special Assessments | 70,560 | 66,700 | 66,700 | 71,285 | 61,385 | 8 | 92.0% |
| Intergovernmental Revenues | 438,560 | 22,890 | 22,890 | 30,390 | 17,596 | 9 | 76.9% |
| Interest & Rents | 159,790 | 132,250 | 132,250 | 131,900 | 76,786 | 10 | 58.1% |
| Charges for Services | 158,110 | 136,800 | 136,800 | 159,800 | 126,160 | 11 | 92.2% |
| Miscellaneous Revenue | 89,505 | 183,225 | 258,225 | 408,140 | 383,475 | 12 | 148.5% |
| Cost Allocation Plan | 2,476,141 | 1,761,797 | 1,761,797 | 1,761,797 | 1,321,348 | | 75.0% |
| Transfers In | 102,000 | 425,951 | 187,900 | 163,614 | 132,489 | 13 | 70.5% |
| TOTAL REVENUES | 13,980,263 | 14,304,463 | 14,141,412 | 14,180,051 | 8,334,516 | | 58.9% |
| OPERATING EXPENDITURE - By Department | | | | | | | |
| 10 - City Council | 202,385 | 198,625 | 200,125 | 191,689 | 120,044 | | 60.0% |
| 11 - City Manager | 518,664 | 698,885 | 773,885 | 754,515 | 495,844 | | 64.1% |
| 12 - City Attorney | 759,058 | 647,900 | 647,900 | 622,900 | 440,552 | | 68.0% |
| 13 - City Clerk | 366,405 | 430,771 | 477,471 | 473,951 | 343,696 | | 72.0% |
| 14 - Administrative Services (Finance) | 1,314,441 | 1,436,923 | 1,447,765 | 1,402,477 | 1,015,428 | | 70.1% |
| 21 - Community Development | 532,564 | 616,426 | 640,301 | 640,630 | 494,037 | | 77.2% |
| 22 - Building | 214,977 | 302,220 | 305,036 | 297,001 | 199,040 | | 65.3% |
| 31 - Fire & Prevention | 1,230,393 | 1,535,910 | 1,538,726 | 1,536,410 | 906,292 | | 58.9% |
| 32 - Police | 4,995,733 | 5,366,488 | 5,530,162 | 5,274,987 | 3,829,047 | | 69.2% |
| 40 - Senior Center | 72,703 | 41,038 | 41,314 | 26,788 | 19,354 | | 46.8% |
| 41 - Public Works | 2,154,659 | 2,322,099 | 2,349,901 | 2,353,716 | 1,610,292 | | 68.5% |
| 42 - PW-Community Center | 279,473 | 169,724 | 170,834 | 159,496 | 112,275 | | 65.7% |
| 43 - PW-Ives Pool | 249,957 | 297,301 | 298,829 | 228,707 | 172,122 | | 57.6% |
| 00 - Non Departmental | 210,838 | 191,645 | 191,645 | 116,200 | 64,819 | | 33.8% |
| Debt Service Payments | 300,407 | 446,094 | 208,043 | 208,043 | 179,391 | a | 86.2% |
| Transfers Out | 864,763 | 300,000 | 300,000 | 300,000 | - | b | 0.0% |
| TOTAL EXPENDITURES | 14,267,418 | 15,002,049 | 15,121,937 | 14,587,510 | 10,002,232 | | 66.1% |
| Net Surplus/(Deficit) | (287,155) | (697,586) | (980,525) | (407,459) | (1,667,716) | | |



GENERAL FUND FY24-25 QUARTER 3 REPORTING - BY CATEGORY

| Description | 2023-24 Actual | 2024-25 Adopted Budget | 2024-25 Adjusted Budget | Preliminary Year-end Projection | Y-T-D Actual 3/31/25 | Footnote | % of Budget |
|---|-------------------|------------------------|-------------------------|---------------------------------|----------------------|--------------|--------------|
| OPERATING REVENUE | | | | | | | |
| Property Tax | 3,443,916 | 3,620,000 | 3,620,000 | 3,620,000 | 1,923,289 | 1 | 53.1% |
| Real Property Transfer Tax | 36,506 | 40,000 | 40,000 | 52,000 | 44,532 | 2 | 111.3% |
| Sales Taxes | 4,626,788 | 4,563,925 | 4,563,925 | 4,782,900 | 2,742,256 | 3 | 60.1% |
| User Taxes | 871,287 | 887,175 | 887,175 | 887,975 | 628,543 | 4 | 70.8% |
| Transient Occupancy Tax | 519,452 | 519,000 | 519,000 | 519,000 | 287,719 | 5 | 55.4% |
| Franchise Fees | 489,591 | 502,250 | 502,250 | 502,250 | 234,064 | 6 | 46.6% |
| Licenses & Permits | 498,057 | 1,442,500 | 1,442,500 | 1,089,000 | 354,875 | 7 | 24.6% |
| Fines & Special Assessments | 70,560 | 66,700 | 66,700 | 71,285 | 61,385 | 8 | 92.0% |
| Intergovernmental Revenues | 438,560 | 22,890 | 22,890 | 30,390 | 17,596 | 9 | 76.9% |
| Interest & Rents | 159,790 | 132,250 | 132,250 | 131,900 | 76,786 | 10 | 58.1% |
| Charges for Services | 158,110 | 136,800 | 136,800 | 159,800 | 126,160 | 11 | 92.2% |
| Miscellaneous Revenue | 89,505 | 183,225 | 258,225 | 408,140 | 383,475 | 12 | 148.5% |
| Cost Allocation Plan | 2,476,141 | 1,761,797 | 1,761,797 | 1,761,797 | 1,321,348 | | 75.0% |
| Transfers In | 102,000 | 425,951 | 187,900 | 163,614 | 132,489 | 13 | 70.5% |
| TOTAL REVENUES | 13,980,263 | 14,304,463 | 14,141,412 | 14,180,051 | 8,334,516 | | 58.9% |
| Operating Expenditure - Category | | | | | | | |
| Salaries & Wages | 4,705,009 | 4,620,599 | 4,858,840 | 4,568,818 | 3,369,447 | | 69.3% |
| Benefits | 3,039,292 | 3,592,787 | 3,620,986 | 3,283,837 | 2,479,197 | | 68.5% |
| Contracted Services | 2,601,237 | 3,189,634 | 3,279,634 | 3,501,679 | 2,094,106 | | 63.9% |
| Services & Supplies | 900,303 | 979,593 | 979,593 | 885,991 | 545,500 | | 55.7% |
| Conference & Training Expense | 39,828 | 68,870 | 70,370 | 57,145 | 41,276 | | 58.7% |
| Utilities | 276,257 | 456,382 | 456,382 | 475,091 | 319,973 | | 70.1% |
| Telecommunications | 78,058 | 80,880 | 80,880 | 77,735 | 54,150 | | 67.0% |
| Council Objectives | 60,418 | 6,500 | 6,500 | 10,060 | 10,962 | | 168.6% |
| Allocated Insurance | 1,192,721 | 1,100,910 | 1,100,910 | 1,100,911 | 825,684 | | 75.0% |
| Capital Outlay | 209,126 | 159,800 | 159,800 | 118,200 | 82,547 | | 51.7% |
| Debt Service Payments | 300,407 | 446,094 | 208,043 | 208,043 | 179,391 | ^a | 86.2% |
| Transfers Out | 864,763 | 300,000 | 300,000 | 300,000 | - | ^b | 0.0% |
| TOTAL EXPENDITURES | 14,267,418 | 15,002,049 | 15,121,938 | 14,587,510 | 10,002,232 | | 66.1% |
| Net General Fund Surplus/(Deficit) | (287,155) | (697,586) | (980,526) | (407,459) | (1,667,716) | | |

| GENERAL FUND REVENUES DETAILED FY24-25 QUARTER 3 REPORTING | | | | | | | |
|---|------------------|------------------------|-------------------------|---------------------------------|----------------------|----------|--------------|
| The information pertaining to each footnote is located in the section that follows the transfers schedule | | | | | | | |
| Revenue Categories | 2023-24 Actual | 2024-25 Adopted Budget | 2024-25 Adjusted Budget | Preliminary Year-end Projection | Y-T-D Actual 3/31/25 | Footnote | % of Budget |
| 3000 - Property Tax Secured / Unsecured | 2,487,900 | 2,595,000 | 2,595,000 | 2,595,000 | 1,427,038 | 1 | 55.0% |
| 3002 - Real Property Transfer Tax | 36,506 | 40,000 | 40,000 | 52,000 | 44,532 | 2 | 111.3% |
| 3004 - Property Tax in Lieu of VLF | 956,016 | 1,025,000 | 1,025,000 | 1,025,000 | 496,251 | | 48.4% |
| Property Tax | 3,480,422 | 3,660,000 | 3,660,000 | 3,672,000 | 1,967,821 | | 53.8% |
| 3010 - Sales Tax-Bradley Burn | 2,199,730 | 2,173,000 | 2,173,000 | 2,073,000 | 1,331,853 | | 61.3% |
| 3011 - Sales Tax-1/4 cent (T) | 770,928 | 760,000 | 760,000 | 744,000 | 446,884 | | 58.8% |
| 3012 - Sales Tax-1/2 cent (Q) | 1,550,631 | 1,520,125 | 1,520,125 | 1,488,000 | 892,058 | | 58.7% |
| 3018 - Sales Tax-1/2 cent (U) | -0 | -0 | -0 | 375,000 | -0 | | 0.0% |
| 3014 - Sales Tax-Prop 172 | 105,500 | 110,800 | 110,800 | 102,900 | 71,461 | | 64.5% |
| Sales Taxes | 4,626,788 | 4,563,925 | 4,563,925 | 4,782,900 | 2,742,256 | 3 | 60.1% |
| 3020 - Transient Occupancy Tax | 519,452 | 519,000 | 519,000 | 519,000 | 287,719 | 5 | 55.4% |
| 3050 - Garbage Franchise | 296,817 | 301,350 | 301,350 | 301,350 | 200,689 | | 66.6% |
| 3051 - PG&E Franchise | 121,383 | 124,025 | 124,025 | 124,025 | -0 | | 0.0% |
| 3052 - Cable TV Franchise | 71,390 | 76,875 | 76,875 | 76,875 | 33,375 | | 43.4% |
| Franchise Fees | 489,591 | 502,250 | 502,250 | 502,250 | 234,064 | 6 | 46.6% |
| 3055 - Vehicle in lieu Tax | 9,291 | 10,000 | 10,000 | 11,800 | 11,862 | | 118.6% |
| 3056 - UUT PG&E | 429,651 | 428,600 | 428,600 | 428,600 | 328,902 | | 76.7% |
| 3057 - UUT Sonoma Clean Power | 128,152 | 135,300 | 135,300 | 135,300 | 86,608 | | 64.0% |
| 3058 - UUT Garbage | 96,555 | 98,400 | 98,400 | 98,400 | 65,285 | | 66.3% |
| 3059 - UUT Cable | 72,492 | 76,875 | 76,875 | 76,875 | 47,349 | | 61.6% |
| 3060 - UUT Misc | 135,059 | 136,500 | 136,500 | 136,500 | 88,167 | | 64.6% |
| 3061 - UUT (AB-1717) | 88 | 1,500 | 1,500 | 500 | 372 | | 24.8% |
| User Taxes | 871,287 | 887,175 | 887,175 | 887,975 | 628,543 | 4 | 70.8% |
| 3101 - Business License | 142,770 | 140,000 | 140,000 | 140,000 | 129,890 | | 92.8% |
| 3102 - Business License-Late Fees | 6,388 | 2,500 | 2,500 | 4,000 | 3,817 | | 152.7% |
| 3103 - Building Permits | 348,900 | 1,300,000 | 1,300,000 | 945,000 | 221,167 | | 17.0% |
| 3104 - Pet Shelter Release Fee | -0 | -0 | -0 | -0 | -0 | | 0.0% |
| Licenses & Permits | 498,057 | 1,442,500 | 1,442,500 | 1,089,000 | 354,875 | 7 | 24.6% |
| 3105 - Vehicle/ Criminal Code Fines | 13,906 | 13,700 | 13,700 | 13,700 | 10,100 | | 73.7% |
| 3106 - Parking Fines | 20,760 | 18,000 | 18,000 | 18,000 | 9,788 | | 54.4% |
| 3107 - RBS Training Fees | 11,600 | 12,000 | 12,000 | 12,000 | 14,200 | | 118.3% |
| 3110 - Business License - DSA 70% \$1 | 5,415 | 5,000 | 5,000 | 5,000 | 4,712 | | 94.2% |
| 3202 - State Mandated Cost Reimb | 18,880 | 18,000 | 18,000 | 22,585 | 22,584 | | 125.5% |
| Fines & Special Assessments | 70,560 | 66,700 | 66,700 | 71,285 | 61,385 | 8 | 92.0% |
| 3203 - POST Reimb | 2,703 | 2,700 | 2,700 | 2,700 | -0 | | 0.0% |
| 3204 - Casino Mitigation | 24,224 | 20,190 | 20,190 | 20,190 | 10,096 | | 50.0% |
| 3206 - County Grant | 60,000 | -0 | 7,500 | 7,500 | 7,500 | | 100.0% |
| 3207 - State Grant | 351,632 | -0 | -0 | -0 | -0 | | 0.0% |
| 3209 - Federal Grant | -0 | -0 | -0 | -0 | -0 | | 0.0% |
| Intergovernmental Revenues | 438,560 | 22,890 | 22,890 | 30,390 | 17,596 | 9 | 76.9% |

**GENERAL FUND REVENUES DETAILED
FY24-25 QUARTER 3 REPORTING**

The information pertaining to each footnote is located in the section that follows the transfers schedule

| Revenue Categories | 2023-24 Actual | 2024-25 Adopted Budget | 2024-25 Adjusted Budget | Preliminary Year-end Projection | Y-T-D Actual 3/31/25 | Footnote | % of Budget |
|---|-------------------|------------------------------|-------------------------------|---------------------------------------|----------------------------|---------------|---------------|
| 3300 - Interest Income | 97,452 | 77,000 | 77,000 | 75,000 | 35,277 | | 45.8% |
| 3301 - Cell Tower Lease Rental | 43,760 | 43,000 | 43,000 | 43,000 | 31,152 | | 72.4% |
| 3302 - City Property Rental - Little League | 2,683 | 2,300 | 2,300 | 3,700 | 3,448 | | 149.9% |
| 3304 - City Property Rental - Parking Space | 420 | 500 | 500 | 500 | 410 | | 82.0% |
| 3305 - City Property Rental - Palm Ave | 2,500 | 2,250 | 2,250 | 2,500 | 2,500 | | 111.1% |
| 3401 - Plaza and Special Event Fees | 12,975 | 7,200 | 7,200 | 7,200 | 4,000 | | 55.6% |
| Interest & Rents | 159,790 | 132,250 | 132,250 | 131,900 | 76,786 | ¹⁰ | 58.1% |
| 3404 - Credit Card Transaction Fee | 1,991 | 1,000 | 1,000 | 2,000 | 1,934 | | 193.4% |
| 3405 - Finance Fee | 6,902 | 5,000 | 5,000 | 5,000 | 4,911 | | 98.2% |
| 3425 - Fire Dept Fees | 45,248 | 40,000 | 40,000 | 40,000 | 38,400 | | 96.0% |
| 3426 - Planning Fees | 26,457 | 21,000 | 21,000 | 35,000 | 27,717 | | 132.0% |
| 3427 - Special Projects Plans/Specs | -0 | -0 | -0 | -0 | -0 | | 0.0% |
| 3428 - GIS Fees | -0 | -0 | -0 | -0 | -0 | | 0.0% |
| 3441 - Encroachment Permits Fee | 38,128 | 30,000 | 30,000 | 30,000 | 20,383 | | 67.9% |
| 3442 - Grading Permit Fee | 2,122 | 1,000 | 1,000 | 1,000 | 1,130 | | 113.0% |
| 3445 - Public Works Services | 9,965 | 7,500 | 7,500 | 7,500 | 1,535 | | 20.5% |
| 3502 - Police Services | 17,154 | 18,000 | 18,000 | 18,000 | 17,775 | | 98.7% |
| 3504 - Impounded Vehicle Release Fee | 2,070 | 1,800 | 1,800 | 1,800 | 1,423 | | 79.1% |
| 3505 - Police Reports Copy Fee | 5,405 | 4,000 | 4,000 | 4,000 | 1,125 | | 28.1% |
| 3506 - Police False Alarms Fee | -0 | -0 | -0 | -0 | 60 | | 0.0% |
| 3507 - Police OT Reimbursement | 2,668 | 7,500 | 7,500 | 7,500 | 2,964 | | 39.5% |
| 3615 - Solar Payback | -0 | -0 | -0 | 8,000 | 6,804 | | 0.0% |
| Charges for Services | 158,110 | 136,800 | 136,800 | 159,800 | 126,160 | ¹¹ | 92.2% |
| 3801 - Sales of Surplus Equipment | -0 | 10,000 | 10,000 | 1,000 | 870 | | 8.7% |
| 3804 - Insurance Claims | 450 | 500 | 500 | 9,240 | 9,247 | | 1849.5% |
| 3805 - Miscellaneous Income | 9,151 | 100 | 100 | 1,000 | 653 | | 652.7% |
| 3806 - Donations & Contributions | 500 | 500 | 75,500 | 300,000 | 300,500 | | 398.0% |
| 3807 - Rebates | 15,393 | 14,000 | 14,000 | 14,000 | 11,734 | | 83.8% |
| 3810 - Pool Expense Reimbursement | 64,011 | 158,125 | 158,125 | 82,900 | 60,471 | | 38.2% |
| Miscellaneous Revenue | 89,505 | 183,225 | 258,225 | 408,140 | 383,475 | ¹² | 148.5% |
| 3998 - Cost Allocation Plan | 2,476,141 | 1,761,797 | 1,761,797 | 1,761,797 | 1,321,348 | | 75.0% |
| 3999 - Transfers In | 102,000 | 425,951 | 187,900 | 163,614 | 132,489 | ¹³ | 70.5% |
| Total Revenue | 13,980,263 | 14,304,463 | 14,141,412 | 14,180,051 | 8,334,516 | | 58.9% |

FY 2024-25
3RD QUARTER FINANCIAL
UPDATE
GENERAL FUND

May 6, 2025

FY 2024/25 Q3 GENERAL FUND OVERVIEW

| | |
|--------------------------|-----------|
| ADOPTED BUDGET DEFICIT | \$698,000 |
| PROJECTED BUDGET DEFICIT | \$407,000 |
| IMPROVE | \$291,000 |

FY 2024/25 Q3 GENERAL FUND REVENUE BY CATEGORIES

- ✓ Overall revenues are tracking slightly below budget due to timing

| | Adjusted Budget | Y-T-D Actual 3/31/25 | \$ Available from Budget | Actual As % of Budget |
|-----------------------------|----------------------|----------------------|--------------------------|-----------------------|
| Property Tax | \$ 3,620,000 | \$ 1,923,289 | \$ 1,696,711 | 53.1% |
| Real Property Transfer Tax | \$ 40,000 | \$ 44,532 | \$ (4,532) | 111.3% |
| Sales Taxes | \$ 4,563,925 | \$ 2,742,256 | \$ 1,821,669 | 60.1% |
| User Taxes | \$ 887,175 | \$ 628,543 | \$ 258,632 | 70.8% |
| Transient Occupancy Tax | \$ 519,000 | \$ 287,719 | \$ 231,281 | 55.4% |
| Franchise Fees | \$ 502,250 | \$ 234,064 | \$ 268,186 | 46.6% |
| Licenses & Permits | \$ 1,442,500 | \$ 354,875 | \$ 1,087,625 | 24.6% |
| Fines & Special Assessments | \$ 66,700 | \$ 61,385 | \$ 5,315 | 92.0% |
| Intergovernmental Revenues | \$ 22,890 | \$ 17,596 | \$ 5,294 | 76.9% |
| Interest & Rents | \$ 132,250 | \$ 76,786 | \$ 55,464 | 58.1% |
| Charges for Services | \$ 136,800 | \$ 126,160 | \$ 10,640 | 92.2% |
| Miscellaneous Revenue | \$ 258,225 | \$ 383,475 | \$ (125,250) | 148.5% |
| Cost Allocation Plan | \$ 1,761,797 | \$ 1,321,348 | \$ 440,449 | 75.0% |
| Transfers In | \$ 187,900 | \$ 132,489 | \$ 55,412 | 70.5% |
| Total Revenues | \$ 14,141,412 | \$ 8,334,516 | \$ 5,806,896 | 58.9% |

FY 2024/25 Q3 GENERAL FUND EXPENDITURES BY DEPARTMENTS

- Most departments are trending under the 75% mark, some departments have exceeded it. It's important to note that expenditures are not linear.

| | Adjusted Budget | Actual 3/31/25 | \$ Available from Budget | Actual As % of Budget |
|--|----------------------|----------------------|--------------------------|-----------------------|
| 10 - City Council | \$ 200,125 | \$ 120,044 | \$ 80,081 | 60.0% |
| 11 - City Manager | \$ 773,885 | \$ 495,844 | \$ 278,041 | 64.1% |
| 12 - City Attorney | \$ 647,900 | \$ 440,552 | \$ 207,348 | 68.0% |
| 13 - City Clerk | \$ 477,471 | \$ 343,696 | \$ 133,775 | 72.0% |
| 14 - Administrative Services (Finance) | \$ 1,447,765 | \$ 1,015,428 | \$ 432,337 | 70.1% |
| 21 - Community Development | \$ 640,301 | \$ 494,037 | \$ 146,264 | 77.2% |
| 22 - Building | \$ 305,036 | \$ 199,040 | \$ 105,996 | 65.3% |
| 31 - Fire & Prevention | \$ 1,538,726 | \$ 906,292 | \$ 632,434 | 58.9% |
| 32 - Police | \$ 5,530,162 | \$ 3,829,047 | \$ 1,701,115 | 69.2% |
| 40 - Senior Center | \$ 41,314 | \$ 19,354 | \$ 21,960 | 46.8% |
| 41 - Public Works | \$ 2,349,901 | \$ 1,610,292 | \$ 739,609 | 68.5% |
| 42 - PW-Community Center | \$ 170,834 | \$ 112,275 | \$ 58,559 | 65.7% |
| 43 - PW-Ives Pool | \$ 298,829 | \$ 172,122 | \$ 126,707 | 57.6% |
| 00 - Non Departmental | \$ 191,645 | \$ 64,819 | \$ 126,826 | 33.8% |
| Debt Service Payments | \$ 208,043 | \$ 179,391 | \$ 28,652 | 86.2% |
| Transfers Out | \$ 300,000 | \$ - | \$ 300,000 | 0.0% |
| Total Expenditures | \$ 15,121,937 | \$ 10,002,232 | \$ 5,119,705 | 66.1% |



COUNCIL QUESTIONS/DISCUSSIONS