

CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: February 3, 2026

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**To:** Honorable Mayor and City Councilmembers  
**From:** Budget Committee Members  
Vice Mayor Maurer  
Councilmember Carter  
Interim City Manager Mary Gourley  
Ana Kwong – Administrative Services Director

**Responsible Department:** Administrative Services  
**Subject:** Discuss and Consideration of Adoption of Resolution Approving the Mid-Year Budget Adjustments to the City of Sebastopol Budget for FY2025-26

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**RECOMMENDATIONS:**

The item is recommending the City Council approve Adoption of Resolution Approving the Mid-Year Budget Adjustments to the City of Sebastopol Budget for FY2025-26.

**PROCESS OF AGENDA ITEM:**

1. Presentation of agenda item by the Requestor or Responsible Department
2. Questions and discussion from Councilmembers
3. Public comment period
4. Council deliberation and motion

**EXECUTIVE SUMMARY:**

The City of Sebastopol's mid-year budget review provides an update on key financial factors affecting the FY 2025–26 budget. This process, conducted after the second fiscal quarter, allows departments to present revised revenue and expenditure projections, ensuring greater budget transparency and accuracy. The recommends adjustments that will increase the planned General Fund reserve contribution by \$466,500. These changes reflect temporary (one time) cost savings, particularly in administration, planning and building, and more realistic revenue expectations. The proposed adjustments will raise the City's reserve level to 29.3%, exceeding policy minimums and supporting fiscal stability.

**BACKGROUND:**

The City Council adopted the FY 2025-26 budget on July 1, 2025. That budget was presented with a planned surplus to reserves of \$3,945. As part of transparency and best practices, the Council conducts a mid year budget review to consider any mid year budget amendments needed. The mid-year budget amendment process occurs annually after the end of the second quarter of the fiscal year. The mid-year budget process provides an opportunity for the Administrative Services Department to provide an update to the City Council on the major financial factors affecting the City's current fiscal year budget. The mid-year budget review is not intended to be a full discussion of the budget, but is an opportunity for City Council to:

1. Ask specific questions to each Department
2. Review the General Fund and other funds;
3. Make adjustments to achieve a more accurate budget for the current fiscal year (resulting in greater budget transparency); and
4. Help shape the development of next year's budget.

**DISCUSSION:**

The Budget Committee held publicly noticed meetings with a majority of department heads in attendance to review and revise mid-year revenue projections and expenditures estimates for the General Fund, Special Revenue Fund, Water and Sewer Enterprise Funds, and other significant revenue categories.

This adjustment results in a new surplus of \$466,500 higher than the originally adopted budget surplus of \$3,945. The Budget Committee acknowledges the ongoing efforts of City department heads, who remain committed to monitoring appropriations and achieving further savings wherever possible. The Committee is pleased to report that this proposed adjusted budget meets and exceeds the Council's reserve policy minimum of 15%, with a goal of 20%. The original FY 2025–26 adopted budget projected a reserve level of 25.5%; this proposed adjustment increases that projection to 29.3%.

While changes in anticipated revenues do not require formal City Council action, they are presented here to provide a clear picture of updated financial expectations and a more accurate benchmark for measuring end-of-year results. Revenue increases are also recommended for recording to ensure transparency and maintain the City's commitment to not increasing net General Fund costs. Total expenditure appropriations can only be increased by formal action of the City Council.

**STAFF ANALYSIS****General Fund Revenues:**

The mid-year revenue projection reflects an overall increase of \$10,635, driven by various minor adjustments based on actual collections. One area of uncertainty remains building permit fees. Through the first six months, collections total \$321,000; however, most building activity typically occurs in the spring. With several housing projects in the pipeline, there is still a reasonable expectation that the \$1,100,000 budget target can be met by June.

Sales tax revenue is also showing a slight decline. This adjustment reflects the latest data from the City's sales tax consultant, based on spending through the third quarter of September 2025. As you are aware, market conditions remain volatile, and the full impact of tariffs is still uncertain.

On a positive note, property tax revenue is projected to increase by \$95,000, which is a routine adjustment based on the December's property tax distribution. Minor adjustments to franchise fees, charges for services, and miscellaneous revenue reflect current collection trends and are based on actual year-to-date collections and projections through the end of the fiscal year.

The summary table below reflects the results of the analysis and the recommended adjustments to the revenue accounts. A detailed breakdown of each revenue line item is provided as an attachment for further reference.

Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Proposed Budget Adjustment	\$ Inc/(Dec) Adjusted vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
<u>OPERATING REVENUE</u>					
Property Tax	3,642,556	3,639,105	3,734,475	95,370	2.6%
Real Property Transfer Tax	62,203	50,000	50,000	-	0.0%
Sales Taxes	5,015,507	6,130,700	6,067,200	(63,500)	-1.0%
User Taxes	925,705	962,050	962,050	-	0.0%
Transient Occupancy Tax	480,263	534,500	534,500	-	0.0%
Franchise Fees	490,118	530,000	522,000	(8,000)	-1.5%
Licenses & Permits	676,253	1,244,000	1,244,000	-	0.0%
Fines & Special Assessments	70,935	77,300	77,300	-	0.0%
Intergovernmental Revenues	27,724	20,200	20,200	-	0.0%
Interest & Rents	166,399	157,450	157,450	-	0.0%
Charges for Services	182,375	162,300	153,065	(9,235)	-5.7%
Miscellaneous Revenue	393,335	110,790	106,790	(4,000)	-3.6%
Cost Allocation Plan	1,761,797	1,796,323	1,796,323	-	0.0%
Transfers In	209,622	275,000	275,000	-	0.0%
<b>TOTAL REVENUES</b>	<b>14,104,792</b>	<b>15,689,718</b>	<b>15,700,353</b>	<b>10,635</b>	<b>0.1%</b>

#### General Fund Expenditures:

Budgets for City administration—including City Council, City Manager, City Attorney, and Assistant City Manager/City Clerk—show notable changes this fiscal year.

- City Council Budget: Reduced by \$17,000, primarily from lower contracted audio/visual service costs driven by shorter meeting durations, along with lower shuttle fare expenses.
- City Manager's Budget: Decreased by \$289,000 due to vacancy and salary savings
- Assistant City Manager / City Clerk Budget: Shows an increase in salary costs due to the removal of the citywide vacancy-savings adjustment applied in the last budget cycle. As there is only one employee in this department there is no vacant position; therefore this has been removed. Eliminating this adjustment aligns the budget with current staffing levels.

The Administrative Services budget also saw a modest decrease across several accounts, reflecting more accurate estimates based on actual spending patterns.

In the Planning and Building departments, budgets have been reduced as well, mainly due to salary savings from multiple vacancies within the planning team and the absence of an administrative technician during the first half of the fiscal year in the building department. It's important to note that these salary savings are a one-time occurrence and should not be considered ongoing reductions.

The Ives Pool budget reduction reflects a decrease in projected electricity costs for PG&E. This reduction directly impacts the general fund by lowering the amount reimbursed as miscellaneous income.

Overall, these adjustments reflect a combination of temporary cost management factors, resulting in a more efficient allocation of resources for only this current fiscal period.

The table below reflects the results of the analysis and recommended adjustments to expenditures accounts:

Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Proposed Budget Adjustment	\$ Inc/(Dec) Adjusted vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
<u>OPERATING EXPENDITURE - By Department</u>					
City Council	176,804	183,214	165,952	(17,262)	-9.4%
City Manager	827,312	581,282	292,508	(288,774)	-49.7%
City Attorney	646,785	643,750	643,750	-	0.0%
Assistant City Manager   City Clerk	457,159	470,818	478,180	7,362	1.6%
Administrative Services (Finance)	1,385,796	1,466,539	1,452,124	(14,415)	-1.0%
Planning	657,815	701,666	652,812	(48,854)	-7.0%
Building	303,081	437,909	354,908	(83,001)	-19.0%
Fire & Prevention	1,492,276	1,247,640	1,247,640	-	0.0%
Police	5,123,538	5,767,329	5,767,329	-	0.0%
Public Works	2,298,834	2,650,318	2,650,318	-	0.0%
Senior Center	42,620	47,650	47,650	-	0.0%
PW-Community Center	172,309	164,202	164,202	-	0.0%
PW-Ives Pool	212,031	225,761	218,781	(6,980)	-3.1%
Non Departmental	97,126	146,940	146,940	-	0.0%
Debt Service Payments	269,979	150,755	150,755	-	0.0%
Transfers Out	300,000	800,000	800,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>14,463,465</b>	<b>15,685,773</b>	<b>15,233,849</b>	<b>(451,924)</b>	<b>-2.9%</b>

#### 5-Years Financial Forecast:

This packet includes two scenarios for the five-year financial forecast: one excluding the a hotel and another assuming the a hotel becomes operational in FY28-29. Please note that the forecast does not incorporate potential outcomes from ongoing labor negotiations with bargaining groups.

This snapshot reflects the most current information available. As we begin the FY26-27 budget preparation process and receive updated data, these projections will be revised accordingly. All figures are subject to change as new information emerges.

#### Special Revenue Fund:

##### **Fund 220 – Fire Impact Fee**

Per the agreement with Gold Ridge Fire District, the City is required to transfer any fire impact fee fund balance to the District at the start of each fiscal year. When the FY25-26 budget was developed, this agreement had not yet been finalized, so no budget was allocated for the fire impact fee payment to GRFD. This adjustment is a formality to honor the agreement. Future budgets will include an estimate for this annual pass-through payment to GRFD.

#### Enterprise Fund:

##### **Water Fund:**

Minor adjustments to the Water Fund resulted in an overall \$10,040 surplus. Each account was reviewed, and adjustments were applied where appropriate. Salaries increased by \$14,245 due to the removal of vacancy savings originally applied during budget development. Previously, vacancy savings were applied uniformly across all positions, regardless of whether a vacancy existed. As staff is going through this mid-year budget review process, leaving these savings in place no longer reflected actual expenses, so they were removed. This increase was partially offset by reductions in some benefits' accounts, contracted services, as several expenses came in lower than budgeted.

**Wastewater Fund:**

Minor adjustments to the Wastewater Fund resulted in an overall \$6,400 surplus. Each account was reviewed, and adjustments were applied where appropriate. Salaries increased by \$12,000 due to the removal of vacancy savings originally applied during budget development. Previously, vacancy savings were applied uniformly across all positions, regardless of whether a vacancy existed. As staff is going through this mid-year budget review process, leaving these savings in place no longer reflected actual expenses, so they were removed. This increase was partially offset by reductions in some benefits' accounts, services and supplies, as several expenses came in lower than budgeted.

**BUDGET COMMITTEE REVIEW:**

The Budget Committee reviewed the mid-year budget amendment at its scheduled January 12, 2026 meeting.

**CITY COUNCIL GOALS/PRIORITIES/AND OR GENERAL PLAN CONSISTENCY:**

Goal 5 – Long Term Financial Sustainability

Achieving Greater Fiscal Resilience and Long Term Fiscal Sustainability

**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 schedule meeting date.

**FISCAL IMPACT:**

The fiscal impact as stated above for various revenue and expenses accounts by departments. The mid-year adjustments improve the General Fund position by \$466,500, increasing the originally budgeted surplus from \$3,945 to a significantly higher level due to onetime salary savings from vacancies. Revenues increase by \$10,635, and expenditure adjustments across departments produce reduction in expenditures reductions. The Water Fund gains a \$10,040 surplus, and the Wastewater Fund gains a \$6,400 surplus. Overall, the City's fiscal position remain stable but cautious.

**OPTIONS:**

Here are some options for the City Council to consider:

1. Adopt the Mid-Year Budget Adjustments as recommended.
2. Take no action and retain the originally adopted budget without changes.

**ATTACHMENTS:**

General Fund Summary Page Budget

General Fund Detailed Revenue Page

General Fund Budget Adjustment Expense Forms by Department

Fire Impact Fee Fund

Water Summary & Detailed Pages Budget

Wastewater Summary & Detailed Pages Budget

Resolution

**APPROVALS:**

Department Head Approval: Approval Date: 1/5/26

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

The proposed action is not a project under the California Environmental Quality Act (CEQA)

Administrative Services (Financial) Approval Date: 1/5/26

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

Account Code (if applicable)

City Attorney Approval:

Approval Date: 1/21/26

City Manager Approval:

Approval Date: 1/21/26

GENERAL FUND FY 25-26 MID YEAR BUDGET ADJUSTMENT					
Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Proposed Budget Adjustment	\$ Inc/(Dec) Adjusted vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
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User Taxes	925,705	962,050	962,050	-	0.0%
Transient Occupancy Tax	480,263	534,500	534,500	-	0.0%
Franchise Fees	490,118	530,000	522,000	(8,000)	-1.5%
Licenses & Permits	676,253	1,244,000	1,244,000	-	0.0%
Fines & Special Assessments	70,935	77,300	77,300	-	0.0%
Intergovernmental Revenues	27,724	20,200	20,200	-	0.0%
Interest & Rents	166,399	157,450	157,450	-	0.0%
Charges for Services	182,375	162,300	153,065	(9,235)	-5.7%
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<b>Net General Fund Surplus/(Deficit)</b>	<b>(358,673)</b>	<b>3,945</b>	<b>466,504</b>		

GENERAL FUND REVENUES DETAILED FY 25-26 MIDYEAR BUDGET ADJUSTMENT					
Revenue Categories	2024-25 Actual	2025-26 Adopted Budget	2025-26 Estimated Year-End	% Inc/(Dec) Estimated vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
3000 - Property Tax Secured / Unsecured	2,650,054	2,626,755	2,679,290	52,535	2.0%
3002 - Real Property Transfer Tax	62,203	50,000	50,000	-0	0.0%
3004 - Property Tax in Lieu of VLF	992,502	1,012,350	1,055,185	42,835	4.2%
<b>Property Tax</b>	<b>3,704,759</b>	<b>3,689,105</b>	<b>3,784,475</b>	<b>95,370</b>	<b>2.6%</b>
3010 - Sales Tax-Bradley Burn	2,248,299	2,212,000	2,188,000	-24,000	-1.1%
3011 - Sales Tax-1/4 cent (T)	763,260	772,000	755,000	-17,000	-2.2%
3012 - Sales Tax-1/2 cent (Q)	1,529,446	1,544,000	1,510,000	-34,000	-2.2%
3018 - Sales Tax-1/2 cent (U)	370,737	1,500,000	1,510,000	10,000	0.7%
3014 - Sales Tax-Prop 172	103,766	102,700	104,200	1,500	1.5%
<b>Sales Taxes</b>	<b>5,015,507</b>	<b>6,130,700</b>	<b>6,067,200</b>	<b>-63,500</b>	<b>-1.0%</b>
3020 - Transient Occupancy Tax	480,263	534,500	534,500	-0	0.0%
				-0	0.0%
3050 - Garbage Franchise	302,261	330,000	330,000	-0	0.0%
3051 - PG&E Franchise	121,902	125,000	125,000	-0	0.0%
3052 - Cable TV Franchise	65,955	75,000	67,000	-8,000	-10.7%
<b>Franchise Fees</b>	<b>490,118</b>	<b>530,000</b>	<b>522,000</b>	<b>-8,000</b>	<b>-1.5%</b>
3055 - Vehicle in lieu Tax	11,862	12,500	12,500	-0	0.0%
3056 - UUT PG&E	488,518	494,100	494,100	-0	0.0%
3057 - UUT Sonoma Clean Power	122,164	129,150	129,150	-0	0.0%
3058 - UUT Garbage	98,326	108,200	108,200	-0	0.0%
3059 - UUT Cable	71,201	77,000	77,000	-0	0.0%
3060 - UUT Misc	132,562	140,600	140,600	-0	0.0%
3061 - UUT (AB-1717)	1,072	500	500	-0	0.0%
<b>User Taxes</b>	<b>925,705</b>	<b>962,050</b>	<b>962,050</b>	<b>-0</b>	<b>0.0%</b>
3101 - Business License	139,028	140,000	140,000	-0	0.0%
3102 - Business License-Late Fees	4,399	4,000	4,000	-0	0.0%
3103 - Building Permits	532,826	1,100,000	1,100,000	-0	0.0%
<b>Licenses &amp; Permits</b>	<b>676,253</b>	<b>1,244,000</b>	<b>1,244,000</b>	<b>-0</b>	<b>0.0%</b>
3105 - Vehicle/ Criminal Code Fines	14,643	12,500	12,500	-0	0.0%
3106 - Parking Fines	14,278	18,000	18,000	-0	0.0%
3107 - RBS Training Fees	14,200	14,800	14,800	-0	0.0%
3110 - Business License - DSA 70% \$1	5,213	5,500	5,500	-0	0.0%
3202 - State Mandated Cost Reimb	22,602	26,500	26,500	-0	0.0%
<b>Fines &amp; Special Assessments</b>	<b>70,935</b>	<b>77,300</b>	<b>77,300</b>	<b>-0</b>	<b>0.0%</b>

GENERAL FUND REVENUES DETAILED FY 25-26 MIDYEAR BUDGET ADJUSTMENT					
Revenue Categories	2024-25 Actual	2025-26 Adopted Budget	2025-26 Estimated Year-End	% Inc/(Dec) Estimated vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
3203 - POST Reimb	32	-0	-0	-0	0.0%
3204 - Casino Mitigation	20,192	20,200	20,200	-0	0.0%
3206 - County Grant	7,500	-0	-0	-0	0.0%
3207 - State Grant	-0	-0	-0	-0	0.0%
3209 - Federal Grant	-0	-0	-0	-0	0.0%
<b>Intergovernmental Revenues</b>	<b>27,724</b>	<b>20,200</b>	<b>20,200</b>	<b>-0</b>	<b>0.0%</b>
3300 - Interest Income	118,282	100,000	100,000	-0	0.0%
3308 - Interest Income- FMV	-18,421	-0	-0	-0	0.0%
3301 - Cell Tower Lease Rental	37,540	44,300	44,300	-0	0.0%
3302 - City Property Rental - Little League	4,396	3,150	3,150	-0	0.0%
3304 - City Property Rental - Parking Space	430	500	500	-0	0.0%
3305 - City Property Rental - Palm Ave	3,500	2,500	2,500	-0	0.0%
3390 - Lease Interest Income	9,422	-0	-0	-0	0.0%
3401 - Plaza and Special Event Fees	11,250	7,000	7,000	-0	0.0%
<b>Interest &amp; Rents</b>	<b>166,399</b>	<b>157,450</b>	<b>157,450</b>	<b>-0</b>	<b>0.0%</b>
3404 - Credit Card Transaction Fee	1,934	2,000	2,000	-0	0.0%
3405 - Finance Fee	6,486	7,000	7,000	-0	0.0%
3425 - Fire Dept Fees	68,125	40,000	40,000	-0	0.0%
3426 - Planning Fees	35,721	38,000	38,000	-0	0.0%
3441 - Encroachment Permits Fee	26,540	30,000	24,000	-6,000	-20.0%
3442 - Grading Permit Fee	1,130	2,000	1,200	-800	-40.0%
3445 - Public Works Services	2,053	7,500	2,000	-5,500	-73.3%
3502 - Police Services	25,494	18,000	25,500	7,500	41.7%
3504 - Impounded Vehicle Release Fee	2,003	1,800	1,800	-0	0.0%
3505 - Police Reports Copy Fee	1,545	2,000	2,000	-0	0.0%
3506 - Police False Alarms Fee	60	-0	-0	-0	0.0%
3507 - Police OT Reimbursement	2,964	6,000	1,565	-4,435	-73.9%
3615 - Solar Payback	8,320	8,000	8,000	-0	0.0%
<b>Charges for Services</b>	<b>182,375</b>	<b>162,300</b>	<b>153,065</b>	<b>-9,235</b>	<b>-5.7%</b>
3801 - Sales of Surplus Equipment	870	-0	-0	-0	0.0%
3804 - Insurance Claims	39,973	500	500	-0	0.0%
3805 - Miscellaneous Income	830	500	3,000	2,500	500.0%
3806 - Donations & Contributions	253,000	500	2,000	1,500	300.0%
3807 - Rebates	17,332	15,300	15,300	-0	0.0%
3810 - Pool Expense Reimbursement	81,331	93,990	85,990	-8,000	-8.5%
<b>Miscellaneous Revenue</b>	<b>393,335</b>	<b>110,790</b>	<b>106,790</b>	<b>-4,000</b>	<b>-3.6%</b>
3998 - Cost Allocation Plan	1,761,797	1,796,323	1,796,323	-0	0.0%
3999 - Transfers In	209,622	275,000	275,000	-0	0.0%
<b>Total Revenue</b>	<b>14,104,792</b>	<b>15,689,718</b>	<b>15,700,353</b>	<b>10,635</b>	<b>0.1%</b>

## Budget Amendment Form

For Administrative Services use only  
 Data Entry \_\_\_\_\_  
 Date \_\_\_/\_\_\_/\_\_\_

**Instructions:**

- Use this form to create or adjust the adopted budget between line items expense
- Attach justification and documentation requiring change to the adopted budget.
- If the amendment involves changes to salary/benefit, funding a new position, or revising a job classification, it follows a different process that requires a meeting with the Interim City Manager
- Use the Line Item table below to review budget items.

Submit this form directly to the Administrative Services Department.

<b>General Information</b>								
		Department	City Council					
Contact Person: N/A		Phone No	N/A					
<b>Budget Amendment</b>								
Item	Dept/Division Name	Fund Number	Department Number	Object Code	Action to be Taken	Adopted Budget	Change +/-	Revised Budget
1	City Council - Benefits	100	10	41xx	Decrease	31,884	(1,479)	30,405
2	City Council - Contracted Svs	100	10	4210	Decrease	54,400	(10,100)	44,300
3	City Council - Misc Sys/Supplies	100	10	43xx	Increase	12,280	466	12,746
4	City Council - Community Suppt	100	10	4890	Decrease	14,400	(6,150)	8,250
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>TOTAL</b>						<b>112,964</b>	<b>(17,263)</b>	<b>95,701</b>

**Comments/Justification:**

- 1) A decrease of \$1,479 in overall benefits based on actual costs.
- 2) A \$10,100 decrease in contracted services for audio and video support due to shorter meeting durations.
- 3) An overall net increase of \$466 in services and supplies, reflecting a decrease in office supplies and an increase in dues and subscriptions.
- 4) A \$6,150 decrease due to shuttle fare costs coming in lower than estimated.

Attach justification memo for budget change if need more space.

Approvals	
Department Head Signature	Date
City Manager Signature	Date

## Budget Amendment Form

For Administrative Services use only  
 Data Entry \_\_\_\_\_  
 Date \_\_\_/\_\_\_/\_\_\_

**Instructions:**

- Use this form to create or adjust the adopted budget between line items expense
- Attach justification and documentation requiring change to the adopted budget.
- If the amendment involves changes to salary/benefit, funding a new position, or revising a job classification, it follows a different process that requires a meeting with the Interim City Manager
- Use the Line Item table below to review budget items.

Submit this form directly to the Administrative Services Department.

**General Information**

Contact Person: N/A	Department	City Manager
	Phone No	N/A

Budget Amendment								
Item	Dept/Division Name	Fund Number	Department Number	Object Code	Action to be Taken	Adopted Budget	Change +/-	Revised Budget
1	City Manager - Salary	100	11	40xx	Decrease	240,630	(189,830)	50,800
2	City Manager - Benefits	100	11	41xx	Decrease	147,952	(76,971)	70,981
3	City Manager - Contracted Svs	100	11	4210	Increase	110,500	(14,250)	96,250
4	City Manager - Svs & Supplies	100	11	43xx	Decrease	25,095	(2,542)	22,553
5	City Manager - Conf/Training	100	11	45xx	Decrease	4,700	(4,310)	390
6	City Manager - Telecommunication	100	11	4750	Decrease	3,420	(870)	2,550
								-
								-
								-
								-
								-
								-
<b>TOTAL</b>						<b>532,297</b>	<b>(288,773)</b>	<b>243,524</b>

**Comments/Justification:**

- 1) A decrease of \$189,830 due to the position remaining vacant
- 2) A decrease of \$76,971 due to the position remaining vacant
- 3) A decrease in contracted services because financial forecast support was provided only on an as-needed basis.
- 4) A decrease of \$2,542 because certain dues and subscriptions will not be paid this year due to the vacancy.
- 5) A decrease of \$4,310 because no conference or training expenses will be incurred.
- 6) A decrease of \$870 because the cell phone service was cancelled due to the vacancy.

Attach justification memo for budget change if need more space.

**Approvals**

Department Head Signature	Date
City Manager Signature	Date

# Budget Amendment Form

For Administrative Services use only  
Data Entry \_\_\_\_\_  
Date \_\_\_/\_\_\_/\_\_\_

### Instructions:

- Use this form to create or adjust the adopted budget between line items expense
- Attach justification and documentation requiring change to the adopted budget.
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- Use the Line Item table below to review budget items.

Submit this form directly to the Administrative Services Department.

<b>General Information</b>		
Contact Person: N/A	Department	ACM   City Clerk
	Phone No	N/A

**Comments/Justification:**

- 1) The increase in salary reflects the removal of the vacancy-savings adjustment that was applied citywide during the last budget development, regardless of whether a department had vacant positions. Eliminating this adjustment brings the budget in line with current staffing conditions
- 2) A decrease of \$886 in overall benefits based on actual costs.
- 3) & 4) Reductions in contracted services, supplies, and telecommunications reflect updated spending patterns based on current usage

Attach justification memo for budget change if need more space.

Approvals	
Department Head Signature	Date
City Manager Signature	Date

## Budget Amendment Form

For Administrative Services use only  
Data Entry \_\_\_\_\_  
Date \_\_\_/\_\_\_/\_\_\_

### Instructions:

- Use this form to create or adjust the adopted budget between line items expense
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- Use the Line Item table below to review budget items.

Submit this form directly to the Administrative Services Department.

<b>General Information</b>		
Contact Person: N/A	Department	Admin Svcs (Finance)
	Phone No	N/A

**Comments/Justification:**

- 1) & 2) The decrease in salary and benefits is due to a vacant position.
- 3) The increase in contracted services reflects temporary coverage costs incurred during the three-month period when one position was vacant.
- 4) Overall increases in services & supplies, and telecommunications reflect updated spending patterns based on current usage

Attach justification memo for budget change if need more space.

Approvals	
Department Head Signature	Date
City Manager Signature	Date

## Budget Amendment Form

For Administrative Services use only  
Data Entry \_\_\_\_\_  
Date \_\_\_/\_\_\_/\_\_\_

### Instructions:

- Use this form to create or adjust the adopted budget between line items expense
- Attach justification and documentation requiring change to the adopted budget.
- If the amendment involves changes to salary/benefit, funding a new position, or revising a job classification, it follows a different process that requires a meeting with the Interim City Manager
- Use the Line Item table below to review budget items.

Submit this form directly to the Administrative Services Department.

General Information		
Contact Person: N/A	Department	Planning
	Phone No	N/A

**Comments/Justification:**

1) & 2) The decrease in salary and benefits is due to a vacant positions.  
3) The increase in contracted services reflects temporary coverage costs incurred for the duration of these vacant positions

Attach justification memo for budget change if need more space.

Approvals	
Department Head Signature	Date
City Manager Signature	Date

## Budget Amendment Form

For Administrative Services use only  
 Data Entry \_\_\_\_\_  
 Date \_\_\_/\_\_\_/\_\_\_

**Instructions:**

- Use this form to create or adjust the adopted budget between line items expense
- Attach justification and documentation requiring change to the adopted budget.
- If the amendment involves changes to salary/benefit, funding a new position, or revising a job classification, it follows a different process that requires a meeting with the Interim City Manager
- Use the Line Item table below to review budget items.

Submit this form directly to the Administrative Services Department.

<b>General Information</b>								
					Department	Building		
					Phone No	N/A		
<b>Budget Amendment</b>								
<b>Item</b>	<b>Dept/Division Name</b>	<b>Fund Number</b>	<b>Department Number</b>	<b>Object Code</b>	<b>Action to be Taken</b>	<b>Adopted Budget</b>	<b>Change +/-</b>	<b>Revised Budget</b>
1	Building - Salary	100	22	40xx	Decrease	85,076	(44,476)	40,600
2	Building - Benefits	100	22	41xx	Decrease	64,337	(45,269)	19,068
3	Building- Recruitment	100	22	4230	Increase	257,400	6,500	263,900
4	Building- Services & Supplies	100	22	43xx	Decrease	4,850	(1,755)	3,095
5	Building- Telecommunications	100	22	4750	Increase	-	2,000	2,000
<b>TOTAL</b>					<b>411,663</b>	<b>(83,000)</b>	<b>328,663</b>	

**Comments/Justification:**

- 1) & 2) The decrease in salary and benefits is due to a vacant positions.
- 3) The increase in recruitment cost reflects actual cost for recruitment to fill vacant position as it was not previously budgeted
- 4) A decrease in services and supplies reflect actual spending pattern
- 5) The increase in telecommunication due to shared services that was not previously budgeted

Attach justification memo for budget change if need more space.

<b>Approvals</b>	
Department Head Signature	Date
City Manager Signature	Date

## Budget Amendment Form

For Administrative Services use only  
Data Entry \_\_\_\_\_  
Date / /

### Instructions:

- Use this form to create or adjust the adopted budget between line items expense
- Attach justification and documentation requiring change to the adopted budget.
- If the amendment involves changes to salary/benefit, funding a new position, or revising a job classification, it follows a different process that requires a meeting with the Interim City Manager
- Use the Line Item table below to review budget items.

Submit this form directly to the Administrative Services Department.

**Comments/Justification:**

- 1) The increase in salary reflects the removal of the vacancy-savings adjustment that was applied citywide during the last budget development, regardless of whether a department had vacant positions. Eliminating this adjustment brings the budget in line with current staffing conditions
- 2) A decrease in PG&E utility costs reflects updated and more accurate usage patterns.

Attach justification memo for budget change if need more space.

Approvals	
Department Head Signature	Date
City Manager Signature	Date

**City of Sebastopol General Fund Forecast****NO HOTEL**

(\$ in 000)	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Property Tax	\$3,643	\$3,734	\$3,884	\$3,962	\$4,080	\$4,284	\$4,497
Sales Tax	2,352	2,292	2,245	2,234	2,325	2,414	2,501
Measure T/Q Sales Tax	2,293	2,265	2,218	2,205	2,297	2,387	2,474
Measure U Sales Tax	371	1,510	1,469	1,535	1,655	1,700	1,745
Utility Users Tax	914	950	949	975	1,002	1,030	1,058
Transient Occup Tax	480	535	537	565	610	627	644
Other Taxes	715	736	749	754	767	788	809
Intergovernmental	62	59	59	59	59	59	59
Building Permits	533	1,100	400	408	416	424	433
Fees & Charges	185	152	148	147	153	160	167
Interest	109	100	46	36	27	19	12
Other Revenues	476	196	198	200	203	205	207
Transfers In	210	275	126	127	128	130	131
Cost Allocation*	1,762	1,796	1,837	1,878	1,920	1,964	2,008
<b>Total Revenue</b>	<b>14,105</b>	<b>15,700</b>	<b>14,864</b>	<b>15,086</b>	<b>15,643</b>	<b>16,189</b>	<b>16,745</b>
Salaries	4,261	4,120	4,796	4,976	5,163	5,356	5,557
Part-time	106	62	63	64	65	67	68
Overtime	325	182	188	193	199	205	211
Pension	1,725	1,898	1,910	1,936	2,035	2,014	1,991
Health/OPEB	956	1,172	1,213	1,249	1,286	1,325	1,364
Other Personnel	1,048	1,000	1,029	1,062	1,095	1,130	1,165
Vacancy Savings	-	(148)	(368)	(379)	(394)	(404)	(414)
Subtotal Personnel	8,421	8,286	8,832	9,102	9,450	9,693	9,943
Services & Supplies	4,049	4,584	4,699	4,816	4,936	5,060	5,186
Liability Insurance	655	759	778	797	817	838	859
Utilities	555	522	535	549	562	576	591
Contributions	69	8	8	9	9	9	9
Debt Service	270	151	158	111	86	86	86
Capital/Other Tfrs Out	443	924	727	744	796	817	838
Asset Preservation/Adds	-	-	300	308	315	323	331
<b>Total Expense</b>	<b>14,463</b>	<b>15,234</b>	<b>16,037</b>	<b>16,436</b>	<b>16,972</b>	<b>17,402</b>	<b>17,843</b>
Net Annual	(359)	467	(1,173)	(1,349)	(1,329)	(1,212)	(1,099)
Pension Trust Contribs	-	-	382	387	407	403	398
Balance Sheet Adjusts	(30)	-	-	-	-	-	-
Beginning Fund Balance	5,698	5,310	5,776	4,985	4,023	3,101	2,291
Ending Fund Balance	5,310	5,776	4,985	4,023	3,101	2,291	1,591
less: Committed/Assigned	1,306	1,306	1,306	1,086	866	646	426
<b>Unassigned Balance</b>	<b>4,004</b>	<b>4,470</b>	<b>3,679</b>	<b>2,937</b>	<b>2,235</b>	<b>1,645</b>	<b>1,165</b>
Pension Trust (105)	3,199	3,343	3,112	2,865	2,586	2,300	2,005
Total Avail Balance	7,203	7,813	6,791	5,801	4,821	3,945	3,170
Unassign as % of Tot Exp	27.7%	29.3%	22.9%	17.9%	13.2%	9.5%	6.5%

**City of Sebastopol General Fund Forecast****BARLOW HOTEL 27-28**

(\$ in 000)	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Property Tax	\$3,643	\$3,734	\$3,884	\$3,962	\$4,080	\$4,284	\$4,497
Sales Tax	2,352	2,292	2,245	2,234	2,325	2,414	2,501
Measure T/Q Sales Tax	2,293	2,265	2,218	2,205	2,297	2,387	2,474
Measure U Sales Tax	371	1,510	1,469	1,535	1,655	1,700	1,745
Utility Users Tax	914	950	949	975	1,002	1,030	1,058
Transient Occup Tax	480	535	537	833	1,266	1,377	1,488
Other Taxes	715	736	749	754	767	788	809
Intergovernmental	62	59	59	59	59	59	59
Building Permits	533	1,100	400	408	416	424	433
Fees & Charges	185	152	148	147	153	160	167
Interest	109	100	46	39	36	36	37
Other Revenues	476	196	198	200	203	205	207
Transfers In	210	275	126	127	128	130	131
Cost Allocation*	1,762	1,796	1,837	1,878	1,920	1,964	2,008
<b>Total Revenue</b>	<b>14,105</b>	<b>15,700</b>	<b>14,864</b>	<b>15,357</b>	<b>16,309</b>	<b>16,956</b>	<b>17,614</b>
Salaries	4,261	4,120	4,796	4,976	5,163	5,356	5,557
Part-time	106	62	63	64	65	67	68
Overtime	325	182	188	193	199	205	211
Pension	1,725	1,898	1,910	1,936	2,035	2,014	1,991
Health/OPEB	956	1,172	1,213	1,249	1,286	1,325	1,364
Other Personnel	1,048	1,000	1,029	1,062	1,095	1,130	1,165
Vacancy Savings	-	(148)	(368)	(379)	(394)	(404)	(414)
Subtotal Personnel	8,421	8,286	8,832	9,102	9,450	9,693	9,943
Services & Supplies	4,049	4,584	4,699	4,816	4,936	5,060	5,186
Liability Insurance	655	759	778	797	817	838	859
Utilities	555	522	535	549	562	576	591
Contributions	69	8	8	9	9	9	9
Debt Service	270	151	158	111	86	86	86
Capital/Other Tfrs Out	443	924	727	744	796	817	838
Asset Preservation/Adds	-	-	300	308	315	323	331
<b>Total Expense</b>	<b>14,463</b>	<b>15,234</b>	<b>16,037</b>	<b>16,436</b>	<b>16,972</b>	<b>17,402</b>	<b>17,843</b>
Net Annual	(359)	467	(1,173)	(1,079)	(664)	(445)	(230)
Pension Trust Contribs	-	-	382	387	407	403	398
Balance Sheet Adjusts	(30)	-	-	-	-	-	-
Beginning Fund Balance	5,698	5,310	5,776	4,985	4,293	4,037	3,994
Ending Fund Balance	5,310	5,776	4,985	4,293	4,037	3,994	4,163
less: Committed/Assigned	1,306	1,306	1,306	1,086	866	646	426
<b>Unassigned Balance</b>	<b>4,004</b>	<b>4,470</b>	<b>3,679</b>	<b>3,207</b>	<b>3,171</b>	<b>3,348</b>	<b>3,737</b>
Pension Trust (105)	3,199	3,343	3,112	2,865	2,586	2,300	2,005
Total Avail Balance	7,203	7,813	6,791	6,072	5,757	5,648	5,742
Unassign as % of Tot Exp	27.7%	29.3%	22.9%	19.5%	18.7%	19.2%	20.9%

<b>FIRE FACILITIES FEE FUND 220</b>					
<b>DESCRIPTION</b>	<b>2024-25 Actual</b>	<b>2025-26 Adopted Budget</b>	<b>2025-26 Proposed Budget Adjustment</b>	<b>\$ Inc/(Dec) Adjusted vs. Adopted Budget</b>	<b>% Change Adjusted vs. Adopted Budget</b>
<u>OPERATING REVENUE</u>					
Interest & Rents	150	1,000	250	-750	-75.0%
Charges for Services	1,000	138,082	5,000	-133,082	-96.4%
<b>TOTAL REVENUE</b>	<b>1,150</b>	<b>139,082</b>	<b>5,250</b>	<b>-133,832</b>	<b>-96.2%</b>
<u>OPERATING EXPENSES</u>					
Miscellaneous Expense	-	-	4,145	4,145	0.0%
Transfer Out	-	-	-	-0	0.0%
<b>TOTAL OPERATING EXPENSE</b>	<b>-</b>	<b>-</b>	<b>4,145</b>	<b>(4,145)</b>	<b>0.0%</b>
<b>NET BUDGETARY RESULT</b>	<b>1,150</b>	<b>139,082</b>	<b>1,105</b>		
Addition/(Use) of Reserves	1,150	139,082	1,105		
Beginning Fund Balance (Estimated)	2,996	4,147	4,147		
Ending Fund Balance (Estimated)	4,147	143,229	5,252		



**WATER OPERATING FUND - 500**  
**FINANCIAL REPORTING**

Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Proposed Budget Adjustment	\$ Inc/(Dec)	% Inc/(Dec)
				Adjusted vs. Adopted Budget	Adjusted vs. Adopted Budget
<b>OPERATING REVENUE</b>					
Usage Charges - Single Family	1,782,411	1,764,321	1,764,321	(0)	0.0%
Usage Charges - Commercial	1,429,003	1,510,087	1,510,087	(0)	0.0%
Usage Charges - Water Tower	45,047	54,500	54,500	0	0.0%
Interest Income	45,171	75,000	75,000	-	0.0%
New Service Fee	10,200	10,000	9,600	(400)	-4.0%
Penalties	22,067	20,000	21,375	1,375	6.9%
Miscellaneous Income	45,965	44,000	44,600	600	1.4%
<b>TOTAL REVENUE</b>	<b>3,379,864</b>	<b>3,477,908</b>	<b>3,479,483</b>	<b>1,575</b>	<b>0.0%</b>
<b>OPERATING EXPENDITURE</b>					
Salaries & Wages	359,327	370,268	384,513	14,245	3.8%
Benefits	282,390	244,830	233,946	(10,884)	-4.4%
Contracted Services	159,241	328,800	319,470	(9,330)	-2.8%
Services & Supplies	195,954	222,490	219,990	(2,500)	-1.1%
Conference & Training Expense	4,439	5,000	5,000	-	0.0%
Utilities	235,947	317,350	317,350	-	0.0%
Allocated Insurance	81,510	104,755	104,755	-	0.0%
Capital Outlay	-	160,500	160,500	-	0.0%
Debt Service Payments	52,229	252,657	252,657	-	0.0%
Cost Allocation Plan	852,863	845,358	845,358	-	0.0%
Transfers Out	50,230	115,000	115,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>2,274,130</b>	<b>2,967,008</b>	<b>2,958,539</b>	<b>(8,469)</b>	<b>-0.3%</b>
Net Surplus/(Deficit)	<b>1,105,734</b>	<b>510,900</b>	<b>520,944</b>		



## Detail - Water Operation Fund - 500

### Budget Expenditures

Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Proposed Budget Adjustment	\$ Inc/(Dec) Adjusted vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
<b>Salaries &amp; Wages</b>					
4010 - Salaries - Full Time	318,931	345,813	345,813	-	0.0%
4011 - Salaries - Part Time	-	-	-	-	0.0%
4012 - Overtime	21,733	24,500	24,500	-	0.0%
4013 - Standby/Shift	14,914	14,200	14,200	-	0.0%
4090 - Vacancy Savings	-	(14,245)	-	14,245	-100.0%
4023 - One Time Payment	7,650	-	-	-	0.0%
4990 - Staff-Time Projects Reimb	(3,900)	-	-	-	0.0%
<b>Total Salaries &amp; Wages</b>	<b>359,327</b>	<b>370,268</b>	<b>384,513</b>	<b>14,245</b>	<b>3.8%</b>
<b>Benefits</b>					
4100 - Employee Benefits	(8,986)	-	-	-	0.0%
4102 - Uniform Allowance	2,550	-	3,200	3,200	0.0%
4105 - Medicare & Fica	5,318	5,014	5,014	-	0.0%
4110 - CalPERS Employer Rate	115,268	33,983	33,983	-	0.0%
4111 - CalPERS UAL Cost	60,746	73,475	71,025	(2,450)	-3.3%
4130 - Health Insurance	94,970	115,634	104,000	(11,634)	-10.1%
4150 - Dental Insurance	9,740	11,067	11,067	-	0.0%
4151 - Vision Insurance	1,026	1,088	1,088	-	0.0%
4181 - Long Term Disability Insurance	999	2,982	2,982	-	0.0%
4182 - Short Term Disability Insurance	414	497	497	-	0.0%
4183 - EAP (Employee Asst Prog)	103	280	280	-	0.0%
4184 - Life Insurance	242	810	810	-	0.0%
<b>Total Benefits</b>	<b>282,390</b>	<b>244,830</b>	<b>233,946</b>	<b>(10,884)</b>	<b>-4.4%</b>
<b>Contracted Services</b>					
4210 - Professional Contract Services	140,875	310,800	295,470	(15,330)	-4.9%
4211 - Banking Fees	18,366	18,000	24,000	6,000	33.3%
<b>Total Contracted Services</b>	<b>159,241</b>	<b>328,800</b>	<b>319,470</b>	<b>(9,330)</b>	<b>-2.8%</b>
<b>Services &amp; Supplies</b>					
4301 - Bad Debt Expense	2,110	5,000	2,500	(2,500)	-50.0%
4310 - Office Supplies	-	1,500	1,500	-	0.0%
4330 - Misc Supplies & Services	171,106	182,090	182,090	-	0.0%
4332 - Janitorial & Safety Supplies	-	1,200	1,200	-	0.0%
4361 - Meter Replacement Program	5,992	7,500	7,500	-	0.0%
4365 - Fire Hydrant Replacement Program	13,203	10,000	10,000	-	0.0%
4366 - Backflow Prevention Program	222	5,200	5,200	-	0.0%
4380 - Vehicle Maintenance	3,321	10,000	10,000	-	0.0%
<b>Total Services &amp; Supplies</b>	<b>195,954</b>	<b>222,490</b>	<b>219,990</b>	<b>(2,500)</b>	<b>-1.1%</b>
<b>Conference &amp; Training Expense</b>					
4510 - Conference & Training	3,051	3,000	3,000	-	0.0%
4515 - Meetings & Travel	1,388	2,000	2,000	-	0.0%
<b>Total Conference &amp; Training Expense</b>	<b>4,439</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>0.0%</b>
<b>Utilities</b>					
4710 - Utilities - Gas & Electric	230,402	310,000	310,000	-	0.0%
4750 - Telecommunications	5,544	7,350	7,350	-	0.0%
<b>Total Utilities</b>	<b>235,947</b>	<b>317,350</b>	<b>317,350</b>	<b>-</b>	<b>0.0%</b>



### Detail - Water Operation Fund - 500

#### Budget Expenditures

Description	2024-25	2025-26	2025-26 Proposed Budget Adjustment	\$ Inc/(Dec) Adjusted vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
	Actual	Adopted Budget			
<b>Allocated Insurance   Others</b>					
4996 - Allocated Liability Insurance	53,266	71,485	71,485	-	0.0%
4997 - Allocated Wrkrs Comp Insurance	28,244	33,270	33,270	-	0.0%
4998 - Cost Allocation Plan (CAP)	852,863	845,358	845,358	-	0.0%
4999 - Transfers Out	50,230	115,000	115,000	-	0.0%
5100 - Capital Outlay	-	160,500	160,500	-	0.0%
<b>Total Allocated Insurance   Others</b>	<b>984,603</b>	<b>1,225,613</b>	<b>1,225,613</b>	-	<b>0.0%</b>
<b>Debt Service</b>					
6100 - Principal	-	198,633	198,633	-	0.0%
6200 - Interest	52,229	54,024	54,024	-	0.0%
<b>Total Debt Service</b>	<b>52,229</b>	<b>252,657</b>	<b>252,657</b>	-	<b>0.0%</b>
<b>TOTAL</b>	<b>2,274,130</b>	<b>2,967,008</b>	<b>2,958,539</b>	<b>(8,469)</b>	<b>-0.3%</b>



## WASTEWATER OPERATING FUND - 510

### FINANCIAL REPORTING

Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Proposed Adjusted Budget	\$ Inc/(Dec) Adjusted vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
<u>OPERATING REVENUE</u>					
Usage Charges - Single Family	2,378,207	2,535,849	2,535,849	(0)	0.0%
Usage Charges - Commercial	2,295,499	2,639,354	2,639,354	0	0.0%
Interest Income	11,305	20,000	20,000	-	0.0%
Penalties	20,310	20,000	20,000	-	0.0%
<b>TOTAL REVENUE</b>	<b>4,705,321</b>	<b>5,215,203</b>	<b>5,215,203</b>	<b>-</b>	<b>0.0%</b>
<u>OPERATING EXPENDITURE</u>					
Salaries & Wages	310,272	325,142	337,382	12,240	3.8%
Benefits	245,639	219,286	206,320	(12,966)	-5.9%
Contracted Services	2,149,631	129,550	132,400	2,850	2.2%
Subregional O&M	-	1,953,889	1,953,889	-	0.0%
Services & Supplies	29,268	107,000	99,000	(8,000)	-7.5%
Conference & Training Expense	3,175	8,000	8,000	-	0.0%
Utilities	68,698	65,198	64,698	(500)	-0.8%
Allocated Insurance	57,066	68,905	68,905	-	0.0%
Capital Outlay	-	148,000	148,000	-	0.0%
Debt Service Payments	25,668	119,888	119,888	-	0.0%
Cost Allocation Plan	908,934	950,965	950,965	-	0.0%
4999 - Transfers Out	32,551	187,000	187,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>3,830,902</b>	<b>4,282,823</b>	<b>4,276,447</b>	<b>(6,376)</b>	<b>-0.1%</b>
Net Surplus/(Deficit)	874,419	932,380	938,756		



Detail - Wastewater Operating Fund 510					
Budget Expenditures					
Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Proposed Adjusted Budget	\$ Inc/(Dec) Adjusted vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
<b>OPERATING EXPENDITURE</b>					
<b>Salaries &amp; Wages</b>					
4010 - Salaries - Full Time	271,638	306,282	306,282	-	0.0%
4012 - Overtime	19,884	19,600	19,600	-	0.0%
4013 - Standby/Shift	11,850	11,500	11,500	-	0.0%
4090 - Vacancy Savings	-	(12,240)	-	12,240	-100.0%
4023 - One Time Payment	6,900	-	-	-	0.0%
<b>Total Salaries &amp; Wages</b>	<b>310,272</b>	<b>325,142</b>	<b>337,382</b>	<b>12,240</b>	<b>3.8%</b>
<b>Benefits</b>					
4100 - Employee Benefits	(13,479)	-	-	-	0.0%
4102 - Uniform Allowance	2,300	2,300	3,000	700	30.4%
4105 - Medicare & Fica	4,544	4,441	4,441	-	0.0%
4110 - CalPERS Employer Rate	107,191	30,519	30,519	-	0.0%
4111 - CalPERS Employer Rate-Unfunded	53,360	63,200	60,970	(2,230)	-3.5%
4130 - Health Insurance	81,089	103,436	92,000	(11,436)	-11.1%
4150 - Dental Insurance	8,315	9,934	9,934	-	0.0%
4151 - Vision Insurance	875	977	977	-	0.0%
4181 - Long Term Disability Insurance	810	2,982	2,982	-	0.0%
4182 - Short Term Disability Insurance	340	407	407	-	0.0%
4183 - EAP (Employee Asst Prog)	88	280	280	0	0.0%
4184 - Life Insurance	207	810	810	-	0.0%
<b>Total Benefits</b>	<b>245,639</b>	<b>219,286</b>	<b>206,320</b>	<b>(12,966)</b>	<b>-5.9%</b>
<b>Contracted Services</b>					
4210 - Professional Contract Services	2,131,265	110,250	110,250	-	0.0%
4210 - Subregional O&M	-	1,953,889	1,953,889	-	0.0%
4211 - Banking Fees	18,366	19,300	22,150	2,850	14.8%
<b>Total Contracted Services</b>	<b>2,149,631</b>	<b>2,083,439</b>	<b>2,086,289</b>	<b>2,850</b>	<b>0.1%</b>
<b>Bad Debt Expense</b>					
4301 - Bad Debt Expense	2,486	5,000	2,500	(2,500)	-50.0%
<b>Total Bad Debt Expense</b>	<b>2,486</b>	<b>5,000</b>	<b>2,500</b>	<b>(2,500)</b>	<b>-50.0%</b>
<b>Services &amp; Supplies</b>					
4330 - Misc Supplies & Services	71,961	89,500	89,500	-	0.0%
4332 - Janitorial & Safety Supplies	-	1,500	-	(1,500)	-100.0%
<b>Total Services &amp; Supplies</b>	<b>71,961</b>	<b>91,000</b>	<b>89,500</b>	<b>(1,500)</b>	<b>-1.6%</b>
<b>Special Programs</b>					
4227 - Sewer Lateral Grant Program	(50,000)	-	-	-	0.0%
4360 - Conservation Rebate Program	-	1,000	-	(1,000)	-100.0%
<b>Total Special Programs</b>	<b>(50,000)</b>	<b>1,000</b>	<b>-</b>	<b>(1,000)</b>	<b>-100.0%</b>
<b>Vehicle Expense</b>					
4380 - Vehicle Maintenance	4,822	10,000	7,000	(3,000)	-30.0%
<b>Total Vehicle Expense</b>	<b>4,822</b>	<b>10,000</b>	<b>7,000</b>	<b>(3,000)</b>	<b>-30.0%</b>
<b>Conference &amp; Training Expense</b>					
4510 - Conference & Training	915	5,000	5,000	-	0.0%



Detail - Wastewater Operating Fund 510					
Budget Expenditures					
Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Proposed Adjusted Budget	\$ Inc/(Dec) Adjusted vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
4515 - Meetings & Travel	2,260	3,000	3,000	-	0.0%
<b>Total Conference &amp; Training Expense</b>	<b>3,175</b>	<b>8,000</b>	<b>8,000</b>		
<b>Utilities</b>					
4710 - Utilities - Gas & Electric	64,505	60,000	60,000	-	0.0%
4711 - Utilities - City Bill	3,080	3,198	3,198	-	0.0%
<b>Total Utilities</b>	<b>67,586</b>	<b>63,198</b>	<b>63,198</b>		
<b>Telecommunications</b>					
4750 - Telecommunications	1,113	2,000	1,500	(500)	-25.0%
<b>Total Telecommunications</b>	<b>1,113</b>	<b>2,000</b>	<b>1,500</b>	<b>(500)</b>	<b>-25.0%</b>
<b>Allocated Insurance</b>					
4996 - Allocated Liability Insurance	30,012	40,285	40,285	-	0.0%
4997 - Allocated Wrkrs Comp Insurance	27,053	28,620	28,620	-	0.0%
<b>Total Allocated Insurance</b>	<b>57,066</b>	<b>68,905</b>	<b>68,905</b>		
<b>G &amp; A Allocation</b>					
4998 - G & A Allocation	908,934	950,965	950,965	-	0.0%
<b>Total G &amp; A Allocation</b>	<b>908,934</b>	<b>950,965</b>	<b>950,965</b>		
<b>Transfers Out</b>					
4999 - Transfers Out	32,551	187,000	187,000	-	0.0%
<b>Total Transfers Out</b>	<b>32,551</b>	<b>187,000</b>	<b>187,000</b>		
<b>Capital Outlay</b>					
5100 - Capital Outlay	-	148,000	148,000	-	0.0%
<b>Total Capital Outlay</b>	<b>-</b>	<b>148,000</b>	<b>148,000</b>		
<b>Debt Service Payments</b>					
6100 - Principal	-	97,127	97,127	-	0.0%
6200 - Interest	25,668	22,761	22,761	-	0.0%
<b>Total Debt Service Payments</b>	<b>25,668</b>	<b>119,888</b>	<b>119,888</b>		
<b>TOTAL</b>	<b>3,830,902</b>	<b>4,282,823</b>	<b>4,276,447</b>	<b>(6,376)</b>	<b>-0.1%</b>

RESOLUTION NUMBER: XXXX-2026

A RESOLUTION OF THE SEBASTOPOL CITY COUNCIL APPROVING ADJUSTMENTS TO THE BUDGET OF  
FISCAL YEAR 2025-26

WHEREAS, the City of Sebastopol City Council did, on July 1 2025, adopt the budget for fiscal year 2025-26; and

WHEREAS, the City of Sebastopol mid-year budget review provides an update on key financial factors affecting the FY 2025–26 budget; and

WHEREAS, the mid-year budget review is not intended to be a full discussion of the budget, but is an opportunity for City Council to:

1. Review the General Fund and other funds;
2. Make adjustments to achieve a more accurate budget for the current fiscal year (resulting in greater budget transparency); and
3. To help shape the development of next year's budget.

WHEREAS, these adjustments resulted in a new surplus of \$466,500 higher than the originally adopted budget surplus of \$3,945:

THEREFORE, BE IT RESOLVED, that the City Council of the City of Sebastopol adopts the following changes to the operating budgets for 2025-26 by fund and by account:

**GENERAL FUND**  
**FY 25-26 MID YEAR BUDGET ADJUSTMENT**

Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Proposed Budget Adjustment	\$ Inc/(Dec) Adjusted vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
<b>OPERATING REVENUE</b>					
Property Tax	3,642,556	3,639,105	3,734,475	95,370	2.6%
Real Property Transfer Tax	62,203	50,000	50,000	-	0.0%
Sales Taxes	5,015,507	6,130,700	6,067,200	(63,500)	-1.0%
User Taxes	925,705	962,050	962,050	-	0.0%
Transient Occupancy Tax	480,263	534,500	534,500	-	0.0%
Franchise Fees	490,118	530,000	522,000	(8,000)	-1.5%
Licenses & Permits	676,253	1,244,000	1,244,000	-	0.0%
Fines & Special Assessments	70,935	77,300	77,300	-	0.0%
Intergovernmental Revenues	27,724	20,200	20,200	-	0.0%
Interest & Rents	166,399	157,450	157,450	-	0.0%
Charges for Services	182,375	162,300	153,065	(9,235)	-5.7%
Miscellaneous Revenue	393,335	110,790	106,790	(4,000)	-3.6%
Cost Allocation Plan	1,761,797	1,796,323	1,796,323	-	0.0%
Transfers In	209,622	275,000	275,000	-	0.0%
<b>TOTAL REVENUES</b>	<b>14,104,792</b>	<b>15,689,718</b>	<b>15,700,353</b>	<b>10,635</b>	<b>0.1%</b>
<b>OPERATING EXPENDITURE - By Department</b>					
City Council	176,804	183,214	165,952	(17,262)	-9.4%
City Manager	827,312	581,282	292,508	(288,774)	-49.7%
City Attorney	646,785	643,750	643,750	-	0.0%
Assistant City Manager   City Clerk	457,159	470,818	478,180	7,362	1.6%
Administrative Services (Finance)	1,385,796	1,466,539	1,452,124	(14,415)	-1.0%
Planning	657,815	701,666	652,812	(48,854)	-7.0%
Building	303,081	437,909	354,908	(83,001)	-19.0%
Fire & Prevention	1,492,276	1,247,640	1,247,640	-	0.0%
Police	5,123,538	5,767,329	5,767,329	-	0.0%
Public Works	2,298,834	2,650,318	2,650,318	-	0.0%
Senior Center	42,620	47,650	47,650	-	0.0%
PW-Community Center	172,309	164,202	164,202	-	0.0%
PW-Ives Pool	212,031	225,761	218,781	(6,980)	-3.1%
Non Departmental	97,126	146,940	146,940	-	0.0%
Debt Service Payments	269,979	150,755	150,755	-	0.0%
Transfers Out	300,000	800,000	800,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>14,463,465</b>	<b>15,685,773</b>	<b>15,233,849</b>	<b>(451,924)</b>	<b>-2.9%</b>
<b>Net General Fund Surplus/(Deficit)</b>	<b>(358,673)</b>	<b>3,945</b>	<b>466,504</b>		

**FIRE FACILITIES FEE FUND 220**

DESCRIPTION	2024-25 Actual	2025-26 Adopted Budget	2025-26 Proposed Budget Adjustment	\$ Inc/(Dec) Adjusted vs. Adopted Budget	% Change Adjusted vs. Adopted Budget
<b><u>OPERATING REVENUE</u></b>					
Interest & Rents	150	1,000	250	-750	-75.0%
Charges for Services	1,000	138,082	5,000	-133,082	-96.4%
<b>TOTAL REVENUE</b>	<b>1,150</b>	<b>139,082</b>	<b>5,250</b>	<b>-133,832</b>	<b>-96.2%</b>
<b><u>OPERATING EXPENSES</u></b>					
Miscellaneous Expense	-	-	4,145	4,145	0.0%
Transfer Out	-	-	-	-0	0.0%
<b>TOTAL OPERATING EXPENSE</b>	<b>-</b>	<b>-</b>	<b>4,145</b>	<b>(4,145)</b>	<b>0.0%</b>
<b>NET BUDGETARY RESULT</b>	<b>1,150</b>	<b>139,082</b>	<b>1,105</b>		



## WATER OPERATING FUND - 500

### FINANCIAL REPORTING

Description	2024-25	2025-26	2025-26 Proposed Budget Adjustment	\$ Inc/(Dec)	% Inc/(Dec)
	Actual	Adopted Budget		Adjusted vs. Adopted Budget	Adjusted vs. Adopted Budget
<b>OPERATING REVENUE</b>					
Usage Charges - Single Family	1,782,411	1,764,321	1,764,321	(0)	0.0%
Usage Charges - Commercial	1,429,003	1,510,087	1,510,087	(0)	0.0%
Usage Charges - Water Tower	45,047	54,500	54,500	0	0.0%
Interest Income	45,171	75,000	75,000	-	0.0%
New Service Fee	10,200	10,000	9,600	(400)	-4.0%
Penalties	22,067	20,000	21,375	1,375	6.9%
Miscellaneous Income	45,965	44,000	44,600	600	1.4%
<b>TOTAL REVENUE</b>	<b>3,379,864</b>	<b>3,477,908</b>	<b>3,479,483</b>	<b>1,575</b>	<b>0.0%</b>
<b>OPERATING EXPENDITURE</b>					
Salaries & Wages	359,327	370,268	384,513	14,245	3.8%
Benefits	282,390	244,830	233,946	(10,884)	-4.4%
Contracted Services	159,241	328,800	319,470	(9,330)	-2.8%
Services & Supplies	195,954	222,490	219,990	(2,500)	-1.1%
Conference & Training Expense	4,439	5,000	5,000	-	0.0%
Utilities	235,947	317,350	317,350	-	0.0%
Allocated Insurance	81,510	104,755	104,755	-	0.0%
Capital Outlay	-	160,500	160,500	-	0.0%
Debt Service Payments	52,229	252,657	252,657	-	0.0%
Cost Allocation Plan	852,863	845,358	845,358	-	0.0%
Transfers Out	50,230	115,000	115,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>2,274,130</b>	<b>2,967,008</b>	<b>2,958,539</b>	<b>(8,469)</b>	<b>-0.3%</b>
Net Surplus/(Deficit)	<b>1,105,734</b>	<b>510,900</b>	<b>520,944</b>		



## WASTEWATER OPERATING FUND - 510

### FINANCIAL REPORTING

Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Proposed Adjusted Budget	\$ Inc/(Dec) Adjusted vs. Adopted Budget	% Inc/(Dec) Adjusted vs. Adopted Budget
<b><u>OPERATING REVENUE</u></b>					
Usage Charges - Single Family	2,378,207	2,535,849	2,535,849	(0)	0.0%
Usage Charges - Commercial	2,295,499	2,639,354	2,639,354	0	0.0%
Interest Income	11,305	20,000	20,000	-	0.0%
Penalties	20,310	20,000	20,000	-	0.0%
<b>TOTAL REVENUE</b>	<b>4,705,321</b>	<b>5,215,203</b>	<b>5,215,203</b>	<b>-</b>	<b>0.0%</b>
<b><u>OPERATING EXPENDITURE</u></b>					
Salaries & Wages	310,272	325,142	337,382	12,240	3.8%
Benefits	245,639	219,286	206,320	(12,966)	-5.9%
Contracted Services	2,149,631	129,550	132,400	2,850	2.2%
Subregional O&M	-	1,953,889	1,953,889	-	0.0%
Services & Supplies	29,268	107,000	99,000	(8,000)	-7.5%
Conference & Training Expense	3,175	8,000	8,000	-	0.0%
Utilities	68,698	65,198	64,698	(500)	-0.8%
Allocated Insurance	57,066	68,905	68,905	-	0.0%
Capital Outlay	-	148,000	148,000	-	0.0%
Debt Service Payments	25,668	119,888	119,888	-	0.0%
Cost Allocation Plan	908,934	950,965	950,965	-	0.0%
4999 - Transfers Out	32,551	187,000	187,000	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>3,830,902</b>	<b>4,282,823</b>	<b>4,276,447</b>	<b>(6,376)</b>	<b>-0.1%</b>
<b>Net Surplus/(Deficit)</b>	<b>874,419</b>	<b>932,380</b>	<b>938,756</b>		

IN COUNCIL DULY PASSED this 3<sup>rd</sup> day of February 2026.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

APPROVED: \_\_\_\_\_

Jill McLewis  
Mayor, City of Sebastopol

**VOTE:**

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_

Mary Gourley, Interim City Manager/Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM: \_\_\_\_\_  
Alex Mog, City Attorney