



City of Sebastopol

**CITY OF SEBASTOPOL CITY COUNCIL**

**AGENDA ITEM REPORT FOR MEETING OF: May 5, 2026**

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**To:** Honorable Mayor and City Councilmembers  
**From:** Ana Kwong – Administrative Services Director  
**Responsible Department:** Administrative Services  
**Subject:** FY25-26 Quarter 3 (January – March 2026) Financial Updates  
 General Fund and Enterprise Funds

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**RECOMMENDATION:**

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

**PROCESS OF AGENDA ITEM:**

- a. Introduction of agenda item by City staff
- b. Questions and discussion from Councilmembers
- c. Open for Public Comment
- d. Council Discussion
- e. Receipt of Report

**EXECUTIVE SUMMARY:**

As of March 31, 2026, the City’s General Fund revenues are at approximately 58.8% of the annual budget. This variance is largely the result of timing, not a revenue shortfall. Major revenue sources such as sales tax and transient occupancy tax are typically received two months in arrears, and other revenues do not come in evenly throughout the year. As a result, the current 16% gap from the 75% benchmark reflects normal timing differences rather than underperformance.

Using the best information available as of March 31, 2026, the Water Fund has billed 64.3% of its budgeted annual revenues, with expenses at 69.3% of the adjusted budget for the fiscal year. Similarly, the Wastewater Fund has billed 62.8% of its full-year budgeted revenues, while expenses are at 64.6% of the adjusted budget. Overall, both enterprise funds are generally tracking in line with expectations at this point in the fiscal year.

**BACKGROUND:**

This report summarizes the City’s General Fund performance through the third quarter of FY 2025-26, using the most current financial information available as of March 31, 2026. It reflects revenues and expenditures recorded to date and provides an overview of the City’s financial position as approximately 75% of the fiscal year has elapsed. The update explains timing-related variances between actual results and the adjusted budget, particularly for revenue sources that are received in the 4<sup>th</sup> quarter of the fiscal year. The report also includes a year-over-year comparison to the same period in the prior fiscal year to identify areas of growth and items that warrant continued monitoring.

In addition, this report provides an overview of the City’s Enterprise Funds performance for the third quarter of FY 2025-26, based on financial data available as of March 31, 2026. It presents revenues and expenditures recorded to date, offering a snapshot of the enterprise funds’ financial position at this stage of the fiscal year. Revenue billings reflect approximately eight months of activity, consistent with bi-monthly billing and collection cycles.

**DISCUSSION:**

**General Fund:**

Revenues in this update are reported on a cash basis, meaning amounts are recognized when received rather than when earned. As of this reporting period, the City has received the first installment of property tax payments, which is the City’s second largest revenue source. This installment represents approximately 56% of the annual property tax budget, largely because some property owners pay their full annual obligation upfront rather than splitting payments



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into two installments. As of the preparation of this staff report, the City has also received the second property tax installment; when this is taken into account, property tax revenues are tracking in line with the adjusted budget.

Beyond property taxes, other major revenue sources—such as sales tax and transient occupancy tax—do not follow a uniform monthly collection pattern. These revenues are often received later in the fiscal year or reported in arrears, which can temporarily make certain categories appear under budget at this point in time. These variances are primarily timing related and are not indicative of a structural revenue issue in the General Fund.

On the expenditure side, spending patterns also do not occur evenly throughout the year. Certain costs are incurred periodically or front loaded, which can cause individual accounts to appear over or under budget during interim reporting periods. However, when viewed holistically, overall spending remains aligned with annual projections.

**Enterprise Funds:**

The Enterprise Funds are used to account for services that are self-supporting, where the costs of providing service are primarily recovered through user fees and charges rather than tax revenues. This includes essential services such as water and wastewater, covering activities such as operations, maintenance, billing and collections, administration, financing, and debt service. The primary revenue source for these funds is customer charges for water use, wastewater collection, and fees related to new service connections.

On the revenue side, the City is now in its second year of implementing water and wastewater rate increases. As a result, the Enterprise Funds’ financial position has improved, with revenues exceeding annual expenses, generating a positive net impact rather than the shortfalls experienced in prior years. These funds are used to establish reserves or to save for future large capital projects.

On the expenditure side, Enterprise Fund spending also reflects non-linear timing. Water and Wastewater expenditures are tracking slightly below the 75% benchmark. These fluctuations are typical and largely reflect the timing of operational activities and capital work. Overall, the Enterprise Funds continues to function as a self- supporting model, ensuring that utility services are delivered in a financially responsible manner and managed with long term sustainability in mind.

**STAFF ANALYSIS:**

**General Fund Revenues:**

Description	2024-25 Actual	Y-T-D Actual 3/31/25	2025-26 Adopted Budget	2025-26 Adjusted Budget	Y-T-D Actual 3/31/26	% of Adjusted Budget
<b>OPERATING REVENUE</b>						
Property Tax	3,642,556	1,923,289	3,639,105	3,734,475	2,013,507	53.9%
Real Property Transfer Tax	62,203	44,532	50,000	50,000	35,751	71.5%
Sales Taxes	5,015,508	2,742,256	6,130,700	6,067,200	3,469,967	57.2%
User Taxes	925,705	628,548	962,050	962,050	637,478	66.3%
Transient Occupancy Tax	480,263	287,719	534,500	534,500	293,694	54.9%
Franchise Fees	490,118	234,064	530,000	522,000	262,117	50.2%
Licenses & Permits	676,253	354,874	1,244,000	1,244,000	638,028	51.3%
Fines & Special Assessments	70,935	61,384	77,300	77,300	52,645	68.1%
Intergovernmental Revenues	27,724	17,596	20,200	20,200	10,224	50.6%
Interest & Rents	166,399	76,787	157,450	157,450	109,135	69.3%
Charges for Services	182,375	126,161	162,300	153,065	134,964	88.2%
Miscellaneous Revenue	393,335	383,475	110,790	106,790	99,549	93.2%
Cost Allocation Plan	1,761,797	1,321,348	1,796,323	1,796,323	1,347,242	75.0%
Transfers In	209,622	132,489	275,000	275,000	129,500	47.1%
<b>TOTAL REVENUES</b>	<b>14,104,793</b>	<b>8,334,522</b>	<b>15,689,718</b>	<b>15,700,353</b>	<b>9,233,801</b>	<b>58.8%</b>



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As of March 31, 2026, General Fund revenues total \$9.23 million, representing 58.8% of the FY 2025-26 adjusted budget of \$15.70 million. Through the third quarter of FY 2025-26 (as of March 31, 2026), General Fund revenues total \$9.23 million, an increase of approximately \$899,000 (10.8%) compared to the same period last year, when revenues totaled \$8.33 million. Overall revenues are also tracking in line with expectations at 58.8% of the adjusted annual budget.

The largest contributor to the quarter-over-quarter revenue increase is sales tax, which rose by approximately \$728,000 compared to the third quarter of the prior fiscal year, reflecting voter-approved local sales tax measures. Additional year-over-year changes were observed in licenses and permits, driven by increased development-related activity, and interest earnings, reflecting higher interest rates. These gains were partially offset by a reduction in miscellaneous revenues, as the prior year included one-time reimbursement revenues from the new solid waste hauler related to staff support and operational assistance provided during service implementation. Property tax revenues also posted a modest increase, consistent with assessed valuation growth and normal revenue timing.

**Overall Assessment**

At the close of the third quarter, General Fund revenues are outperforming the prior fiscal year and remain aligned with the adjusted budget on an aggregate basis. While individual revenue categories will continue to fluctuate based on timing and economic conditions, no significant revenue shortfalls are evident at this stage of the fiscal year. As we approach the end of the fiscal year, staff will continue to closely monitor economically sensitive revenues, particularly sales tax and development-related revenues, through the remainder of the year.

**General Fund Expenditures:**

Description	2024-25 Actual	Y-T-D Actual 3/31/25	2025-26 Adopted Budget	2025-26 Adjusted Budget	Y-T-D Actual 3/31/26	% of Adjusted Budget
<b>OPERATING EXPENDITURE - By Department</b>						
City Council	176,804	120,044	183,214	165,951	117,207	70.6%
City Manager	827,312	495,844	581,282	292,508	144,677	49.5%
City Attorney	646,785	440,552	643,750	643,750	279,437	43.4%
Assistant City Manager   City Clerk	457,159	343,696	470,818	478,180	366,895	76.7%
Administrative Services (Finance)	1,385,796	1,015,428	1,466,539	1,452,124	1,065,643	73.4%
Planning	657,815	494,037	701,666	652,812	419,112	64.2%
Building	303,081	199,040	437,909	354,908	213,774	60.2%
Fire & Prevention	1,492,276	906,292	1,247,640	1,247,640	1,217,911	97.6%
Police	5,123,538	3,829,047	5,767,329	5,775,329	4,087,891	70.8%
Senior Center	2,298,834	19,354	47,650	47,650	16,423	34.5%
Public Works	42,620	1,610,292	2,650,318	2,650,318	1,634,072	61.7%
Community Center	172,309	112,275	164,202	164,201	88,422	53.9%
Ives Pool	212,031	172,122	225,761	218,781	105,098	48.0%
Non Departmental	97,126	64,819	146,940	146,940	119,769	81.5%
Debt Service Payments	269,979	179,391	150,755	150,755	150,754	100.0%
Transfers Out	300,000	-	800,000	800,000	51	0.0%
<b>TOTAL EXPENDITURES</b>	<b>14,463,465</b>	<b>10,002,233</b>	<b>15,685,773</b>	<b>15,241,847</b>	<b>10,027,136</b>	<b>65.8%</b>

As of March 31, 2026, General Fund expenditures total \$10.03 million, representing 65.8% of the FY 2025-26 adjusted budget of \$15.24 million. At the same point in the prior fiscal year, expenditures totaled \$10.00 million, indicating that overall spending is largely flat year-over-year. At the close of the third quarter, General Fund expenditures are generally aligned with the adjusted budget, with variances largely explained by timing, staffing, and scheduled payments rather than unforeseen cost pressures or savings. Staff will continue to monitor departments that are trending above the expected benchmark while recognizing that several costs are front-loaded and expected to normalize by year-end.



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**Transfer-out:** Measure U is a voter-approved sales tax that helps fund road repairs, public safety, and city facilities. In FY 2025-26, Measure U is projected to generate about \$1.51 million. The City budgeted \$800,000 for priority projects such as pavement repairs, Police Station emergency improvements, and a fuel station upgrade at the Corporation Yard. Only about \$290,000 is expected to be spent this year, with the remaining \$510,000 carried forward into FY 2026-27 to complete projects already approved. Overall, Measure U funds are being used consistent with the City Council’s adopted Measure U spending policy, with spending paced over multiple years to support long-term infrastructure needs.

**Water Fund:**

The City is now in its second year of implementing water rate adjustments, which have supported continued operational stability and a strengthening financial position within the Water Fund. As of the third quarter, year-to-date revenues total \$2.24 million, representing 64.3% of the adjusted annual budget. Expenditures during this period total \$2.05 million, or 69.3% of the budget. This results in a positive net position of approximately \$187,000.

The net position is lower than the \$611,000 reported at the same point in the prior fiscal year, primarily due to the timing of revenue billing. Billing occurs on a bi-monthly basis, and service periods from July 1, 2025 through February 28, 2026 have been billed to date. Billing for the March–April 2026 service period is scheduled for May 5, 2026, and billing for the May–June 2026 service period is scheduled for July 5, 2026. At this point last year, revenues reflected nine months of billing. Despite this timing difference, overall revenue and expenditure performance remains consistent with third-quarter expectations.

Service Period	Billing Date	Status
July–August 2025	September 9, 2025	Billed
September–October 2025	November 5, 2025	Billed
November–December 2025	January 7, 2026	Billed
January–February 2026	March 4, 2026	Billed
March–April 2026	May 5, 2026	Not yet billed
May–June 2026	July 5, 2026	Not yet billed

Operating expenditures—which include salaries and wages, employee benefits, contracted services, debt service payments, cost allocation plan charges, and transfers out—are currently tracking at 69.3% of the annual budget. This level is below the standard 75% year-to-date benchmark, largely due to normal expenditure timing. As the fiscal year progresses and remaining obligations are incurred, spending is expected to align more closely with year-end budgeted levels.

Overall, the Water Fund continues to perform within expected parameters for the third quarter, with current variances primarily attributable to billing and expenditure timing rather than underlying structural issues.

**Wastewater Fund:**

The quarterly financial report for the Wastewater Fund reflects the same billing cycle as the Water Fund, covering the period from July through February. For this period, revenue collections total 62.8% of the annual budget, which is generally consistent with expectations given the timing of billings and collections to date.

On the expenditure side, costs are tracking at 64.6% of the annual budget, slightly below the 75% year-to-date benchmark. This variance is primarily attributable to the timing of Subregional wastewater contract payments. Specifically, the expenditures reflected to date cover eight months of service rather than the full nine months typically expected by this point in the fiscal year. As the fiscal year progresses toward June and remaining contractual obligations are invoiced and paid, expenditures are anticipated to align more closely with budgeted projections.



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Overall, the Wastewater Fund continues to operate within expected financial parameters, with current variances largely driven by normal timing factors rather than underlying budgetary concerns.

**BUDGET COMMITTEE REVIEW**

As of the preparation of this staff report, the Budget Committee has not yet reviewed the quarterly financial update. The Committee is scheduled to review the update on May 4 and will provide any additional information at the May 5, 2026 City Council 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

**Action Plan 2** – Quarterly Financial Report

General Fund: A quarterly update is an essential tool for monitoring and managing the financial health of an organization. It provides a snapshot of the financial performance over the past three months, allowing City Council to assess progress, identify trends, and make informed decisions.

**FISCAL IMPACT:**

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

**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.

**RESTATED RECOMMENDATION:**

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

**CITY COUNCIL OPTION(S):**

There are no options to consider.

**ATTACHMENTS:**

Third Quarter Financial Reports

- 1. General Fund
- 2. Measure U Overview
- 3. Enterprise Fund

**APPROVALS:**

Department Head Approval: Approval Date: 4/23/26

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: 4/23/26

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

Account Code (f applicable) \_\_\_\_\_

City Attorney Approval: Approval Date: 4/29/26

City Manager Approval: Approval Date: 4/29/26

**GENERAL FUND  
JANUARY - MARCH 2026  
QUARTER 3 REPORTING**

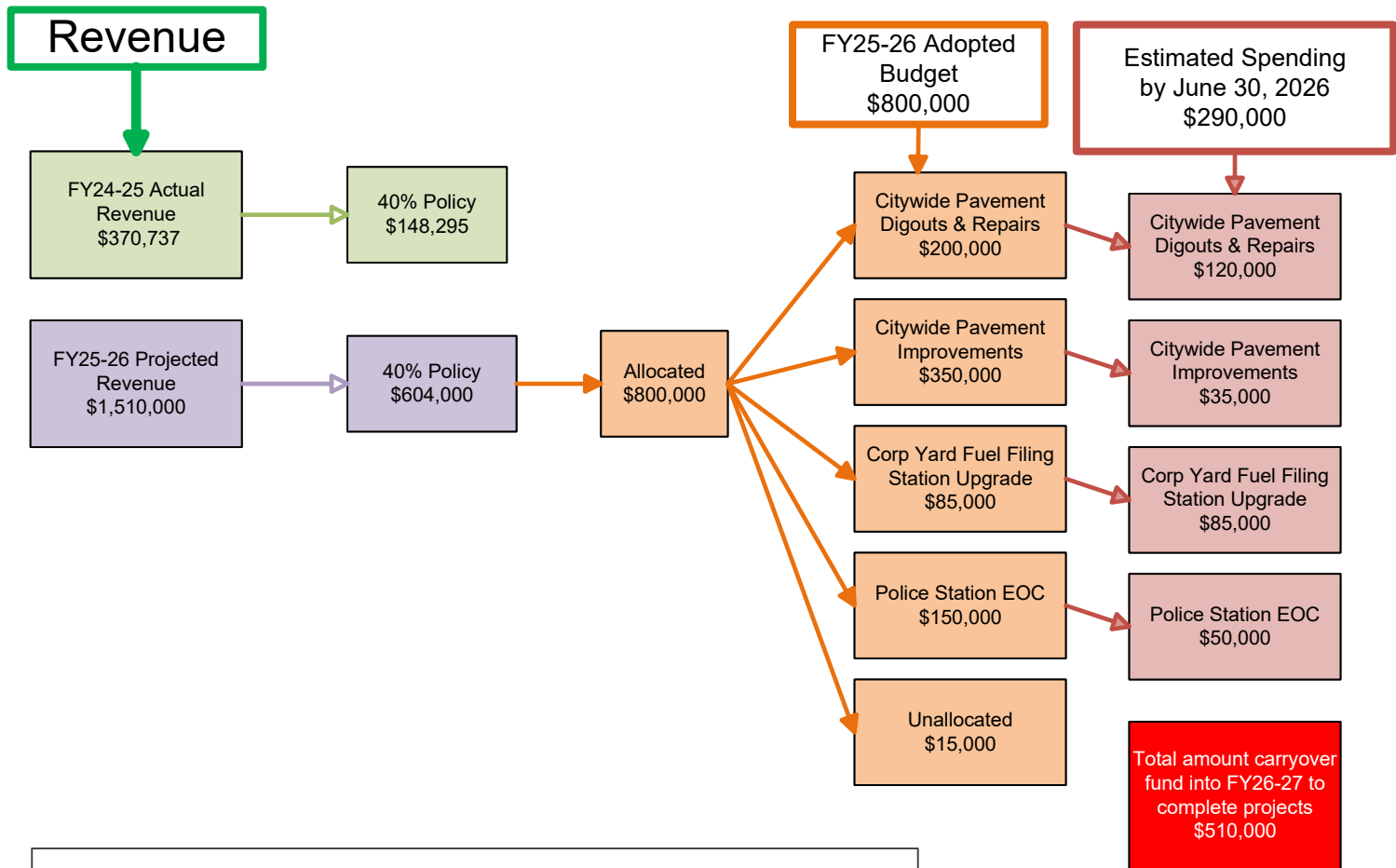


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<b>Net Surplus/(Deficit)</b>	<b>(358,672)</b>	<b>(1,667,711)</b>	<b>3,945</b>	<b>458,506</b>	<b>(793,334)</b>	

GENERAL FUND REVENUES DETAILED						
JANUARY - MARCH 2026						
QUARTER 3 REPORTING						
Revenue Categories	2024-25 Actual	Y-T-D Actual 3/31/25	2025-26 Adopted Budget	2025-26 Adjusted Budget	Y-T-D Actual 3/31/26	% of Adjusted Budget
3000 - Property Tax Secured / Unsecured	2,650,054	1,427,038	2,626,755	2,679,290	1,485,915	55.5%
3002 - Real Property Transfer Tax	62,203	44,532	50,000	50,000	35,751	71.5%
3004 - Property Tax in Lieu of VLF	992,502	496,251	1,012,350	1,055,185	527,592	50.0%
<b>Property Tax</b>	<b>3,704,759</b>	<b>1,967,821</b>	<b>3,689,105</b>	<b>3,784,475</b>	<b>2,049,258</b>	<b>54.1%</b>
3010 - Sales Tax-Bradley Burn	2,248,299	1,331,853	2,212,000	2,188,000	1,243,666	56.8%
3011 - Sales Tax-1/4 cent (T)	763,260	446,884	772,000	755,000	443,081	58.7%
3012 - Sales Tax-1/2 cent (Q)	1,529,446	892,058	1,544,000	1,510,000	874,465	57.9%
3018 - Sales Tax-1/2 cent (U)	370,737	-0	1,500,000	1,510,000	836,830	55.4%
3014 - Sales Tax-Prop 172	103,766	71,461	102,700	104,200	71,925	69.0%
<b>Sales Taxes</b>	<b>5,015,508</b>	<b>2,742,256</b>	<b>6,130,700</b>	<b>6,067,200</b>	<b>3,469,967</b>	<b>57.2%</b>
3020 - Transient Occupancy Tax	480,263	287,719	534,500	534,500	293,694	54.9%
3050 - Garbage Franchise	302,261	200,689	330,000	330,000	232,561	70.5%
3051 - PG&E Franchise	121,902	-0	125,000	125,000	-0	0.0%
3052 - Cable TV Franchise	65,955	33,375	75,000	67,000	29,556	44.1%
<b>Franchise Fees</b>	<b>490,118</b>	<b>234,064</b>	<b>530,000</b>	<b>522,000</b>	<b>262,117</b>	<b>50.2%</b>
3055 - Vehicle in lieu Tax	11,862	11,862	12,500	12,500	11,502	92.0%
3056 - UUT PG&E	488,518	328,902	494,100	494,100	334,899	67.8%
3057 - UUT Sonoma Clean Power	122,164	86,608	129,150	129,150	84,250	65.2%
3058 - UUT Garbage	98,326	65,285	108,200	108,200	75,652	69.9%
3059 - UUT Cable	71,201	47,349	77,000	77,000	45,552	59.2%
3060 - UUT Misc	132,562	88,167	140,600	140,600	85,294	60.7%
3061 - UUT (AB-1717)	1,072	375	500	500	330	65.9%
<b>User Taxes</b>	<b>925,705</b>	<b>628,548</b>	<b>962,050</b>	<b>962,050</b>	<b>637,478</b>	<b>66.3%</b>
3101 - Business License	139,028	129,890	140,000	140,000	128,779	92.0%
3102 - Business License-Late Fees	4,399	3,817	4,000	4,000	2,261	56.5%
3103 - Building Permits	532,826	221,167	1,100,000	1,100,000	506,988	46.1%
<b>Licenses &amp; Permits</b>	<b>676,253</b>	<b>354,874</b>	<b>1,244,000</b>	<b>1,244,000</b>	<b>638,028</b>	<b>51.3%</b>
3105 - Vehicle/ Criminal Code Fines	14,643	10,100	12,500	12,500	11,544	92.4%
3106 - Parking Fines	14,278	9,788	18,000	18,000	13,005	72.2%
3107 - RBS Training Fees	14,200	14,200	14,800	14,800	-0	0.0%
3110 - Business License - DSA 70% \$1	5,213	4,712	5,500	5,500	4,867	88.5%
3202 - State Mandated Cost Reimb	22,602	22,584	26,500	26,500	23,229	87.7%
<b>Fines &amp; Special Assessments</b>	<b>70,935</b>	<b>61,384</b>	<b>77,300</b>	<b>77,300</b>	<b>52,645</b>	<b>68.1%</b>

GENERAL FUND REVENUES DETAILED						
JANUARY - MARCH 2026						
QUARTER 3 REPORTING						
Revenue Categories	2024-25 Actual	Y-T-D Actual 3/31/25	2025-26 Adopted Budget	2025-26 Adjusted Budget	Y-T-D Actual 3/31/26	% of Adjusted Budget
3203 - POST Reimb	32	-0	-0	-0	-0	0.0%
3204 - Casino Mitigation	20,192	10,096	20,200	20,200	10,224	50.6%
3206 - County Grant	7,500	7,500	-0	-0	-0	0.0%
3207 - State Grant	-0	-0	-0	-0	-0	0.0%
3209 - Federal Grant	-0	-0	-0	-0	-0	0.0%
<b>Intergovernmental Revenues</b>	<b>27,724</b>	<b>17,596</b>	<b>20,200</b>	<b>20,200</b>	<b>10,224</b>	<b>50.6%</b>
3300 - Interest Income	118,282	35,277	100,000	100,000	69,629	69.6%
3308 - Interest Income- FMV	-18,421	-0	-0	-0	-0	0.0%
3301 - Cell Tower Lease Rental	37,540	31,152	44,300	44,300	32,086	72.4%
3302 - City Property Rental - Little League	4,396	3,448	3,150	3,150	2,783	88.3%
3304 - City Property Rental - Parking Space	430	410	500	500	410	82.0%
3305 - City Property Rental - Palm Ave	3,500	2,500	2,500	2,500	2,250	90.0%
3390 - Lease Interest Income	9,422	-0			-0	0.0%
3401 - Plaza and Special Event Fees	11,250	4,000	7,000	7,000	1,977	28.2%
<b>Interest &amp; Rents</b>	<b>166,399</b>	<b>76,787</b>	<b>157,450</b>	<b>157,450</b>	<b>109,136</b>	<b>69.3%</b>
3404 - Credit Card Transaction Fee	1,934	1,934	2,000	2,000	1,177	58.9%
3405 - Finance Fee	6,486	4,911	7,000	7,000	4,953	70.8%
3425 - Fire Dept Fees	68,125	38,400	40,000	40,000	46,313	115.8%
3426 - Planning Fees	35,721	27,717	38,000	38,000	33,853	89.1%
3441 - Encroachment Permits Fee	26,540	20,383	30,000	24,000	16,558	69.0%
3442 - Grading Permit Fee	1,130	1,130	2,000	1,200	71	5.9%
3445 - Public Works Services	2,053	1,535	7,500	2,000	1,756	87.8%
3502 - Police Services	25,494	17,775	18,000	25,500	21,009	82.4%
3504 - Impounded Vehicle Release Fee	2,003	1,423	1,800	1,800	1,712	95.1%
3505 - Police Reports Copy Fee	1,545	1,125	2,000	2,000	740	37.0%
3506 - Police False Alarms Fee	60	60	-0	-0	-0	0.0%
3507 - Police OT Reimbursement	2,964	2,964	6,000	1,565	1,563	99.9%
3615 - Solar Payback	8,320	6,804	8,000	8,000	5,259	65.7%
<b>Charges for Services</b>	<b>182,375</b>	<b>126,161</b>	<b>162,300</b>	<b>153,065</b>	<b>134,964</b>	<b>88.2%</b>
3801 - Sales of Surplus Equipment	870	870	-0	-0	-0	0.0%
3804 - Insurance Claims	39,973	9,247	500	500	25,098	5019.5%
3805 - Miscellaneous Income	830	653	500	3,000	2,953	98.4%
3806 - Donations & Contributions	253,000	300,500	500	2,000	1,500	75.0%
3807 - Rebates	17,332	11,734	15,300	15,300	13,681	89.4%
3810 - Pool Expense Reimbursement	81,331	60,471	93,990	85,990	56,318	65.5%
<b>Miscellaneous Revenue</b>	<b>393,335</b>	<b>383,475</b>	<b>110,790</b>	<b>106,790</b>	<b>99,549</b>	<b>93.2%</b>
3998 - Cost Allocation Plan	1,761,797	1,321,348	1,796,323	1,796,323	1,347,242	75.0%
3999 - Transfers In	209,622	132,489	275,000	275,000	129,500	47.1%
<b>Total Revenue</b>	<b>14,104,793</b>	<b>8,334,522</b>	<b>15,689,718</b>	<b>15,700,353</b>	<b>9,233,802</b>	<b>58.8%</b>

# FY25-26 Measure U Overview



Note: From inception through the projected FY 2025-26 revenue, Measure U collections are estimated at \$1,880,737. Under the 40% policy guideline, the allowable amount would be \$752,295. The currently budgeted allocation is \$800,000, which exceeds the policy amount by \$47,705, or approximately 3.5% above the policy threshold.

**WATER OPERATING FUND  
JANUARY - MARCH 2026  
QUARTER 3 REPORTING**



Description	2024-25 Actual	Y-T-D Actual 3/31/25	2025-26 Adopted Budget	2025-26 Adjusted Budget	Y-T-D Actual 3/31/26	% of Adjusted Budget
<b>OPERATING REVENUE</b>						
Usage Charges - Residential	1,782,411	1,311,446	1,764,321	1,764,321	1,208,485	68.5%
Usage Charges - Commerical	1,429,003	1,060,010	1,510,087	1,510,087	948,292	62.8%
Usage Charges - Water Tower	45,047	33,964	54,500	54,500	37,764	69.3%
Interest Income	45,171	46,642	75,000	75,000	18,513	24.7%
New Service Fee	10,200	7,800	10,000	9,600	6,750	70.3%
Penalties	22,067	18,329	20,000	21,375	17,607	82.4%
Miscellaneous Income	45,965	874	44,000	44,600	800	1.8%
<b>TOTAL REVENUE</b>	<b>3,379,864</b>	<b>2,479,065</b>	<b>3,477,908</b>	<b>3,479,483</b>	<b>2,238,212</b>	<b>64.3%</b>
<b>OPERATING EXPENDITURE</b>						
Salaries & Wages	359,327	268,227	370,268	384,513	296,297	77.1%
Benefits	282,390	158,366	244,830	233,946	206,249	88.2%
Contracted Services	159,241	101,997	340,750	319,470	225,005	70.4%
Services & Supplies	195,954	140,966	244,000	219,990	112,674	51.2%
Conference & Training Expense	4,439	4,197	5,000	5,000	2,547	50.9%
Utilities	235,947	192,460	317,350	317,350	188,397	59.4%
Allocated Insurance	81,510	59,646	104,755	104,755	78,567	75.0%
Capital Outlay	-	-	267,500	160,500	11,988	7.5%
Debt Service Payments	461,365	277,508	252,657	252,657	245,349	97.1%
Cost Allocation Plan	852,863	639,647	845,358	845,358	634,019	75.0%
Transfers Out	50,230	25,322	115,000	115,000	50,075	43.5%
<b>TOTAL EXPENDITURES</b>	<b>2,683,266</b>	<b>1,868,336</b>	<b>3,107,468</b>	<b>2,958,540</b>	<b>2,051,165</b>	<b>69.3%</b>
<b>Net Surplus/(Deficit)</b>	<b>696,597</b>	<b>610,729</b>	<b>370,440</b>	<b>520,943</b>	<b>187,046</b>	



**Detail - Water Operation Fund - 500  
January - March 2026  
Quarter 3 Expenditures**

Description	2024-25 Actual	Y-T-D Actual 3/31/25	2025-26 Adopted Budget	2025-26 Adjusted Budget	Y-T-D Actual 3/31/26	% of Adjusted Budget
<b>Salaries &amp; Wages</b>						
4010 - Salaries - Full Time	318,931	234,079	345,813	345,813	266,991	77.2%
4012 - Overtime	21,733	16,257	24,500	24,500	18,848	76.9%
4013 - Standby	14,914	10,762	14,200	14,200	10,459	73.7%
4090 - Vacancy Savings	-	-	(14,245)	-	-	0.0%
4023 - One Time Payment	7,650	7,650	-	-	-	0.0%
4990 - PW/Staff Time Project Reimb	(3,900)	(520)	-	-	-	0.0%
<b>Total Salaries &amp; Wages</b>	<b>359,327</b>	<b>268,227</b>	<b>370,268</b>	<b>384,513</b>	<b>296,297</b>	<b>77.1%</b>
<b>Benefits</b>						
4102 - Uniform Allowance	2,550	2,550	-	3,200	3,203	100.1%
4105 - Medicare & Fica	5,318	3,946	5,014	5,014	4,355	86.9%
4110 - CalPERS Employer Rate	106,282	22,316	33,983	33,983	26,293	77.4%
4111 - CalPERS UAL Cost	60,746	45,679	73,475	71,025	71,021	100.0%
4130 - Health Insurance	94,970	74,026	115,634	104,000	90,194	86.7%
4150 - Dental Insurance	9,740	7,626	11,067	11,067	8,627	78.0%
4151 - Vision Insurance	1,026	807	1,088	1,088	850	78.1%
4181 - Long Term Disability Insurance	999	830	2,982	2,982	864	29.0%
4182 - Short Term Disability Insurance	414	315	497	497	546	109.8%
4183 - EAP (Employee Asst Prog)	103	80	280	280	100	35.8%
4184 - Life Insurance	242	191	810	810	197	24.3%
<b>Total Benefits</b>	<b>282,390</b>	<b>158,366</b>	<b>244,830</b>	<b>233,946</b>	<b>206,249</b>	<b>88.2%</b>
<b>Contracted Services</b>						
4210 - Professional Contract Services	140,875	89,746	322,750	295,470	206,215	69.8%
4211 - Banking Fees	18,366	12,250	18,000	24,000	18,789	78.3%
<b>Total Contracted Services</b>	<b>159,241</b>	<b>101,997</b>	<b>340,750</b>	<b>319,470</b>	<b>225,005</b>	<b>70.4%</b>
<b>Services &amp; Supplies</b>						
4301 - Bad Debt Expense	2,110	1,667	5,000	2,500	486	19.4%
4310 - Office Supplies	-	-	1,500	1,500	-	0.0%
4330 - Misc Supplies & Services	171,106	125,490	203,600	182,090	95,417	52.4%
4332 - Janitorial & Safety Supplies	-	-	1,200	1,200	-	0.0%
4361 - Meter Replacement Program	5,992	1,324	7,500	7,500	9,482	126.4%
4365 - Fire Hydrant Replacement Program	13,203	8,942	10,000	10,000	-	0.0%
4366 - Backflow Prevention Program	222	222	5,200	5,200	5,679	109.2%
4380 - Vehicle Maintenance	3,321	3,321	10,000	10,000	1,611	16.1%
<b>Total Services &amp; Supplies</b>	<b>195,954</b>	<b>140,966</b>	<b>244,000</b>	<b>219,990</b>	<b>112,674</b>	<b>51.2%</b>
<b>Conference &amp; Training Expense</b>						
4510 - Conference & Training	3,051	2,936	3,000	3,000	2,319	77.3%
4515 - Meetings & Travel	1,388	1,262	2,000	2,000	228	11.4%
<b>Total Conference &amp; Training Expense</b>	<b>4,439</b>	<b>4,197</b>	<b>5,000</b>	<b>5,000</b>	<b>2,547</b>	<b>50.9%</b>
<b>Utilities</b>						
4710 - Utilities - Gas & Electric	230,402	188,452	310,000	310,000	184,969	59.7%
4750 - Telecommunications	5,544	4,007	7,350	7,350	3,428	46.6%
<b>Total Utilities</b>	<b>235,947</b>	<b>192,460</b>	<b>317,350</b>	<b>317,350</b>	<b>188,397</b>	<b>59.4%</b>

**Detail - Water Operation Fund - 500  
January - March 2026  
Quarter 3 Expenditures**



Description	2024-25 Actual	Y-T-D Actual 3/31/25	2025-26 Adopted Budget	2025-26 Adjusted Budget	Y-T-D Actual 3/31/26	% of Adjusted Budget
<b>Allocated Insurance   Others</b>						
4996 - Allocated Liability Insurance	53,266	38,868	71,485	71,485	53,613	75.0%
4997 - Allocated Wrks Comp Insurance	28,244	20,778	33,270	33,270	24,954	75.0%
4998 - Cost Allocation Plan (CAP)	852,863	639,647	845,358	845,358	634,019	75.0%
4999 - Transfers Out	50,230	25,322	115,000	115,000	50,075	43.5%
5100 - Capital Outlay	-	-	267,500	160,500	11,988	7.5%
<b>Total Allocated Insurance   Others</b>	<b>984,603</b>	<b>724,615</b>	<b>1,332,613</b>	<b>1,225,613</b>	<b>774,648</b>	<b>63.2%</b>
<b>Debt Service</b>						
6100 - Principal	409,137	233,791	198,633	198,633	213,340	107.4%
6200 - Interest	52,229	43,717	54,024	54,024	32,008	59.2%
<b>Total Debt Service</b>	<b>461,365</b>	<b>277,508</b>	<b>252,657</b>	<b>252,657</b>	<b>245,349</b>	<b>97.1%</b>
<b>TOTAL</b>	<b>2,683,266</b>	<b>1,868,336</b>	<b>3,107,468</b>	<b>2,958,539</b>	<b>2,051,165</b>	<b>69.3%</b>



**WASTEWATER OPERATING FUND  
JANUARY - MARCH 2026  
QUARTER 3 REPORTING**

Description	2024-25 Actual	Y-T-D Actual 3/31/25	2025-26 Adopted Budget	2025-26 Adjusted Budget	Y-T-D Actual 3/31/26	% of Adjusted Budget
<b>OPERATING REVENUE</b>						
Service Charge - Residential	2,378,207	1,782,533	2,535,849	2,535,849	1,675,202	66.1%
Service Charge - Commercial	2,295,499	1,729,189	2,639,354	2,639,354	1,577,863	59.8%
Interest Income	11,305	11,880	20,000	20,000	6,697	33.5%
Penalties	20,310	16,587	20,000	20,000	17,668	88.3%
Transfers In	-0		-0	-0	-0	0.0%
<b>TOTAL REVENUE</b>	<b>4,705,321</b>	<b>3,540,189</b>	<b>5,215,203</b>	<b>5,215,203</b>	<b>3,277,430</b>	<b>62.8%</b>
<b>OPERATING EXPENDITURE</b>						
Salaries & Wages	310,272	227,210	325,142	337,382	259,641	77.0%
Benefits	245,639	136,151	219,286	206,320	181,196	87.8%
Contracted Services	(18,805)	18,658	129,550	132,400	45,208	34.1%
Subregional Cost	2,118,436	1,412,291	1,953,889	1,953,889	1,302,593	66.7%
Services & Supplies	79,268	27,736	107,000	99,000	31,164	31.5%
Conference & Training Expense	3,175	2,458	8,000	8,000	2,881	36.0%
Utilities	68,698	50,500	65,198	64,698	54,855	84.8%
Allocated Insurance	57,065	41,802	68,905	68,905	51,678	75.0%
Debt Service Payments	240,038	150,645	119,888	119,888	119,888	100.0%
Cost Allocation Plan	908,934	681,701	950,965	950,965	713,224	75.0%
Capital Outlay	-	-	68,000	148,000	-	0.0%
Transfers Out	32,551	32,402	187,000	187,000	51	0.0%
<b>TOTAL EXPENDITURES</b>	<b>4,045,271</b>	<b>2,781,554</b>	<b>4,202,823</b>	<b>4,276,449</b>	<b>2,762,378</b>	<b>64.6%</b>
<b>Net Surplus/(Deficit)</b>	<b>660,050</b>	<b>758,635</b>	<b>1,012,380</b>	<b>938,754</b>	<b>515,052</b>	



**Detail - Wastewater Operation Fund - 510  
JANUARY - MARCH 2026  
Quarter 3 Expenditures**

Description	2024-25 Actual	Y-T-D Actual 3/31/25	2025-26 Adopted Budget	2025-26 Adjusted Budget	Y-T-D Actual 3/31/26	% of Adjusted Budget
<b>OPERATING EXPENDITURE</b>						
<b>Salaries &amp; Wages</b>						
4010 - Salaries - Full Time	271,638	198,846	306,282	306,282	236,111	77.1%
4012 - Overtime	19,884	13,153	19,600	19,600	13,872	70.8%
4013 - Standby	11,850	8,311	11,500	11,500	9,659	84.0%
4090 - Vacancy Savings	-	-	(12,240)	-	-	0.0%
4023 - One Time Payment	6,900	6,900	-	-	-	0.0%
<b>Total Salaries &amp; Wages</b>	<b>310,272</b>	<b>227,210</b>	<b>325,142</b>	<b>337,382</b>	<b>259,641</b>	<b>77.0%</b>
<b>Benefits</b>						
4102 - Uniform Allowance	2,300	2,300	2,300	3,000	2,993	99.8%
4105 - Medicare & Fica	4,544	3,338	4,441	4,441	3,819	86.0%
4110 - CalPERS Employer Rate	93,712	19,451	30,519	30,519	23,593	77.3%
4111 - CalPERS Employer Rate-Unfunded	53,360	40,124	63,200	60,970	60,971	100.0%
4130 - Health Insurance	81,089	62,645	103,436	92,000	79,945	86.9%
4150 - Dental Insurance	8,315	6,453	9,934	9,934	7,672	77.2%
4151 - Vision Insurance	875	682	977	977	756	77.3%
4181 - Long Term Disability Insurance	810	673	2,982	2,982	728	24.4%
4182 - Short Term Disability Insurance	340	255	407	407	460	113.0%
4183 - EAP (Employee Asst Prog)	88	68	280	280	88	31.4%
4184 - Life Insurance	207	161	810	810	173	21.3%
<b>Total Benefits</b>	<b>245,639</b>	<b>136,151</b>	<b>219,286</b>	<b>206,320</b>	<b>181,196</b>	<b>87.8%</b>
<b>Contracted Services</b>						
4210 - Professional Contract Services	12,829	6,408	110,250	110,250	26,419	24.0%
4210 - Subregional O&M	2,118,436	1,412,291	1,953,889	1,953,889	1,302,593	66.7%
4211 - Banking Fees	18,366	12,250	19,300	22,150	18,789	84.8%
4227 - Private Swr Lateral Grant Program	(50,000)	-	-	-	-	0.0%
<b>Total Contracted Services</b>	<b>2,099,631</b>	<b>1,430,949</b>	<b>2,083,439</b>	<b>2,086,289</b>	<b>1,347,801</b>	<b>64.6%</b>
<b>Bad Debt Expense</b>						
4301 - Bad Debt Expense	2,486	1,960	5,000	2,500	675	27.0%
<b>Total Bad Debt Expense</b>	<b>2,486</b>	<b>1,960</b>	<b>5,000</b>	<b>2,500</b>	<b>675</b>	<b>27.0%</b>
<b>Services &amp; Supplies</b>						
4330 - Misc Supplies & Services	71,960	20,955	89,500	89,500	25,798	28.8%
4332 - Janitorial & Safety Supplies	-	-	1,500	-	-	0.0%
<b>Total Services &amp; Supplies</b>	<b>71,960</b>	<b>20,955</b>	<b>91,000</b>	<b>89,500</b>	<b>25,798</b>	<b>28.8%</b>
<b>Special Programs</b>						
4360 - Conservation Rebate Program	-	-	1,000	-	-	0.0%
<b>Total Special Programs</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Vehicle Expense</b>						
4380 - Vehicle Maintenance	4,822	4,822	10,000	7,000	4,692	67.0%
<b>Total Vehicle Expense</b>	<b>4,822</b>	<b>4,822</b>	<b>10,000</b>	<b>7,000</b>	<b>4,692</b>	<b>67.0%</b>
<b>Conference &amp; Training Expense</b>						
4510 - Conference & Training	915	809	5,000	5,000	2,762	55.2%
4515 - Meetings & Travel	2,260	1,649	3,000	3,000	119	4.0%
<b>Total Conference &amp; Training Expense</b>	<b>3,175</b>	<b>2,458</b>	<b>8,000</b>	<b>8,000</b>	<b>2,881</b>	<b>36.0%</b>



**Detail - Wastewater Operation Fund - 510  
JANUARY - MARCH 2026  
Quarter 3 Expenditures**

Description	2024-25 Actual	Y-T-D Actual 3/31/25	2025-26 Adopted Budget	2025-26 Adjusted Budget	Y-T-D Actual 3/31/26	% of Adjusted Budget
<b>Utilities</b>						
4710 - Utilities - Gas & Electric	64,505	47,817	60,000	60,000	52,306	87.2%
4711 - Utilities - City Bill	3,080	1,879	3,198	3,198	1,607	50.3%
<b>Total Utilities</b>	<b>67,585</b>	<b>49,696</b>	<b>63,198</b>	<b>63,198</b>	<b>53,914</b>	<b>85.3%</b>
<b>Telecommunications</b>						
4750 - Telecommunications	1,113	804	2,000	1,500	941	62.7%
<b>Total Telecommunications</b>	<b>1,113</b>	<b>804</b>	<b>2,000</b>	<b>1,500</b>	<b>941</b>	<b>62.7%</b>
<b>Allocated Insurance</b>						
4996 - Allocated Liability Insurance	30,012	21,900	40,285	40,285	30,213	75.0%
4997 - Allocated Wrkrs Comp Insurance	27,053	19,902	28,620	28,620	21,465	75.0%
<b>Total Allocated Insurance</b>	<b>57,065</b>	<b>41,802</b>	<b>68,905</b>	<b>68,905</b>	<b>51,678</b>	<b>75.0%</b>
<b>G &amp; A Allocation</b>						
4998 - Cost Allocation Plan (CAP)	908,934	681,701	950,965	950,965	713,224	75.0%
<b>Total G &amp; A Allocation</b>	<b>908,934</b>	<b>681,701</b>	<b>950,965</b>	<b>950,965</b>	<b>713,224</b>	<b>75.0%</b>
<b>Transfers Out</b>						
4999 - Transfers Out	32,551	32,402	187,000	187,000	51	0.0%
<b>Total Transfers Out</b>	<b>32,551</b>	<b>32,402</b>	<b>187,000</b>	<b>187,000</b>	<b>51</b>	<b>0.0%</b>
<b>Capital Outlay</b>						
5100 - Capital Outlay	-	-	68,000	148,000	-	0.0%
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>68,000</b>	<b>148,000</b>	<b>-</b>	<b>0.0%</b>
<b>Debt Service Payments</b>						
6100 - Principal	214,370	125,529	97,127	97,127	97,127	100.0%
6200 - Interest	25,668	25,116	22,761	22,761	22,761	100.0%
<b>Total Debt Service Payments</b>	<b>240,038</b>	<b>150,645</b>	<b>119,888</b>	<b>119,888</b>	<b>119,888</b>	<b>100.0%</b>
<b>TOTAL</b>	<b>4,045,271</b>	<b>2,781,554</b>	<b>4,202,823</b>	<b>4,276,447</b>	<b>2,762,378</b>	<b>64.6%</b>