

CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: February 3, 2026

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

RECOMMENDATIONS:

The item is recommending the City Council adopt the Mid-Year Budget Adjustments

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 \$476,000. 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 29.5%, exceeding policy minimums and supporting fiscal stability.

BACKGROUND:

In an effort to provide benefits of budget transparency, these meetings are open to the public. As the committee meetings are agendized in accordance with the Brown Act and allow the opportunity for the community to attend these meetings and provide input into the mid-year budget review process. The City understands that open and transparent budget process fosters trust in the community and clarity about the use of public funds, which is necessary to support better fiscal outcomes and accountabilities.

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. 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 each department to update 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. 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.

DISCUSSION:

The Budget Committee held publicly noticed meetings with department heads in attendance to review and revise mid-year revenue projections and expenditures estimates for the General Fund, Water and Sewer Enterprise Funds, and other significant revenue categories. Based on this review, the recommendation adjustments accordingly.

A revised budget is presented here, which includes an additional planned contribution of \$476,000 to General Fund reserves. This adjustment results in a surplus that is \$472,000 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 25.6%; this proposed adjustment increases that projection to 27.9%.

As noted above, the mid-year budget process provides an opportunity for each department to update the City Council on major financial factors affecting the current fiscal year and to reexamine revenue projections as more information becomes available after adoption of the original budget in July.

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 is 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 \$6,600, 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 table below reflects the results of the analysis and recommended adjustments to revenue accounts:

Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Estimated Year-End	\$ Inc/(Dec) Estimated vs. Adopted Budget	% Inc/(Dec) Estimated 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	102,800	(7,990)	-7.2%
Cost Allocation Plan	1,761,797	1,796,323	1,796,323	-	0.0%
Transfers In	209,622	275,000	275,000	-	0.0%
TOTAL REVENUES	14,104,792	15,689,718	15,696,363	6,645	0.0%

General Fund Expenditures:

The budgets for City administration—including City Council, City Manager, City Attorney, and Assistant City Manager/City Clerk—are experiencing significant changes this fiscal year, primarily due to vacancy/salary savings, especially within the City Manager’s budget. For the City Council, there was a notable reduction of \$19,000, which can be attributed to savings in contracted services for audio and video support. This was largely a result of shorter meeting durations, which reduced the need for extended technical assistance. Additionally, shuttle fare expenses came in under budget, further contributing to overall savings.

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 Estimated Year-End	\$ Inc/(Dec) Estimated vs. Adopted Budget	% Inc/(Dec) Estimated vs. Adopted Budget
OPERATING EXPENDITURE - By Department					
City Council	176,804	183,214	164,429	(18,785)	-10.3%
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	647,565	(54,101)	-7.7%
Building	303,081	437,909	354,908	(83,001)	-19.0%
Fire & Prevention	1,492,276	1,247,640	1,245,313	(2,327)	-0.2%
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	214,791	(10,970)	-4.9%
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%
TOTAL EXPENDITURES	14,463,465	15,685,773	15,220,762	(465,011)	-3.0%

5-Years Financial Forecast:

This packet includes two scenarios for the five-year financial forecast: one excluding the hotel and another assuming the 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. Going forward, the budget will include an estimated amount for this annual payment.

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 will be reviewing the mid-year budget amendment on January 12, 2026.

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 accounts and departments.

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

Special Revenue Fund – Fire Impact Fee

5-Year Financial Forecast – No hotel and with hotel

Water Summary Page Budget

Sewer Summary Page Budget

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: Pending

City Manager Approval: Approval Date: Pending

GENERAL FUND FY 25-26 MID YEAR BUDGET ADJUSTMENT					
Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Estimated Year-End	\$ Inc/(Dec) Estimated vs. Adopted Budget	% Inc/(Dec) Estimated 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	102,800	(7,990)	-7.2%
Cost Allocation Plan	1,761,797	1,796,323	1,796,323	-	0.0%
Transfers In	209,622	275,000	275,000	-	0.0%
TOTAL REVENUES	14,104,792	15,689,718	15,696,363	6,645	0.0%
<u>OPERATING EXPENDITURE - By Department</u>					
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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	647,565	(54,101)	-7.7%
Building	303,081	437,909	354,908	(83,001)	-19.0%
Fire & Prevention	1,492,276	1,247,640	1,245,313	(2,327)	-0.2%
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	214,791	(10,970)	-4.9%
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%
TOTAL EXPENDITURES	14,463,465	15,685,773	15,220,762	(465,011)	-3.0%
Net General Fund Surplus/(Deficit)	(358,673)	3,945	475,601		

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) Estimated 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%
Property Tax	3,704,759	3,689,105	3,784,475	95,370	2.6%
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%
Sales Taxes	5,015,507	6,130,700	6,067,200	-63,500	-1.0%
3020 - Transient Occupancy Tax	480,263	534,500	534,500	-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%
Franchise Fees	490,118	530,000	522,000	-8,000	-1.5%
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%
User Taxes	925,705	962,050	962,050	-0	0.0%
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%
Licenses & Permits	676,253	1,244,000	1,244,000	-0	0.0%
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%
Fines & Special Assessments	70,935	77,300	77,300	-0	0.0%

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) Estimated 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%
Intergovernmental Revenues	27,724	20,200	20,200	-0	0.0%
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%
Interest & Rents	166,399	157,450	157,450	-0	0.0%
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%
Charges for Services	182,375	162,300	153,065	-9,235	-5.7%
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	82,000	-11,990	-12.8%
Miscellaneous Revenue	393,335	110,790	102,800	-7,990	-7.2%
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%
Total Revenue	14,104,792	15,689,718	15,696,363	6,645	0.0%

FIRE FACILITIES FEE FUND 220					
DESCRIPTION	2024-25 Actual	2025-26 Adopted Budget	2025-26 Estimated Year-End	\$ Inc/(Dec) Estimated vs. Adopted Budget	% Change Estimated vs. Adopted Budget
<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%
TOTAL REVENUE	1,150	139,082	5,250	-133,832	-96.2%
<u>OPERATING EXPENSES</u>					
Miscellaneous Expense	-	-	4,145	4,145	0.0%
Transfer Out	-	-	-	-0	0.0%
TOTAL OPERATING EXPENSE	-	-	4,145	(4,145)	0.0%
NET BUDGETARY RESULT	1,150	139,082	1,105		
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		

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	38	29	22	16
Other Revenues	476	192	194	196	199	201	203
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
Total Revenue	14,105	15,696	14,861	15,084	15,641	16,189	16,745
Salaries	4,261	4,120	4,713	4,890	5,073	5,263	5,461
Part-time	106	62	63	64	65	67	68
Overtime	325	182	188	193	199	205	211
Pension	1,725	1,895	1,900	1,926	2,024	2,003	1,980
Health/OPEB	956	1,172	1,213	1,249	1,286	1,325	1,364
Other Personnel	1,048	1,000	1,049	1,082	1,116	1,152	1,188
Vacancy Savings	-	(148)	(365)	(376)	(391)	(401)	(411)
Subtotal Personnel	8,421	8,283	8,761	9,028	9,374	9,613	9,861
Services & Supplies	4,049	4,573	4,687	4,805	4,925	5,048	5,174
Liability Insurance	655	759	778	797	817	838	859
Utilities	555	523	536	550	563	577	592
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
Total Expense	14,463	15,221	15,956	16,351	16,885	17,311	17,750
Net Annual	(359)	476	(1,095)	(1,267)	(1,243)	(1,123)	(1,005)
Pension Trust Contribs	-	-	380	385	405	401	396
Balance Sheet Adjusts	(30)	-	-	-	-	-	-
Beginning Fund Balance	5,698	5,310	5,785	5,070	4,188	3,349	2,627
Ending Fund Balance	5,310	5,785	5,070	4,188	3,349	2,627	2,018
less: Commit/Assign	1,306	1,306	1,306	1,086	866	646	426
Unassigned Balance	4,004	4,479	3,764	3,102	2,483	1,981	1,592
Pension Trust (105)	3,199	3,343	3,114	2,869	2,593	2,309	2,017
Total Avail Balance	7,203	7,823	6,878	5,971	5,076	4,290	3,609
Unassign as % of Tot Exp	27.7%	29.4%	23.6%	19.0%	14.7%	11.4%	9.0%

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	40	38	39	42
Other Revenues	476	192	194	196	199	201	203
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
Total Revenue	14,105	15,696	14,861	15,354	16,307	16,955	17,614
Salaries	4,261	4,120	4,713	4,890	5,073	5,263	5,461
Part-time	106	62	63	64	65	67	68
Overtime	325	182	188	193	199	205	211
Pension	1,725	1,895	1,900	1,926	2,024	2,003	1,980
Health/OPEB	956	1,172	1,213	1,249	1,286	1,325	1,364
Other Personnel	1,048	1,000	1,049	1,082	1,116	1,152	1,188
Vacancy Savings	-	(148)	(365)	(376)	(391)	(401)	(411)
Subtotal Personnel	8,421	8,283	8,761	9,028	9,374	9,613	9,861
Services & Supplies	4,049	4,573	4,687	4,805	4,925	5,048	5,174
Liability Insurance	655	759	778	797	817	838	859
Utilities	555	523	536	550	563	577	592
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
Total Expense	14,463	15,221	15,956	16,351	16,885	17,311	17,750
Net Annual	(359)	476	(1,095)	(997)	(578)	(356)	(136)
Pension Trust Contribs	-	-	380	385	405	401	396
Balance Sheet Adjusts	(30)	-	-	-	-	-	-
Beginning Fund Balance	5,698	5,310	5,785	5,070	4,458	4,285	4,330
Ending Fund Balance	5,310	5,785	5,070	4,458	4,285	4,330	4,590
less: Commit/Assign	1,306	1,306	1,306	1,086	866	646	426
Unassigned Balance	4,004	4,479	3,764	3,372	3,419	3,684	4,164
Pension Trust (105)	3,199	3,343	3,114	2,869	2,593	2,309	2,017
Total Avail Balance	7,203	7,823	6,878	6,241	6,012	5,993	6,181
Unassign as % of Tot Exp	27.7%	29.4%	23.6%	20.6%	20.3%	21.3%	23.5%



WATER OPERATING FUND - 500
FINANCIAL REPORTING

Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Estimated Year-End	\$ Inc/(Dec)	% Inc/(Dec)
				Estimated vs. Adopted Budget	Estimated vs. Adopted Budget
OPERATING REVENUE					
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%
TOTAL REVENUE	3,379,864	3,477,908	3,479,483	1,575	0.0%
OPERATING EXPENDITURE					
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%
TOTAL EXPENDITURES	2,274,130	2,967,008	2,958,539	(8,469)	-0.3%
Net Surplus/(Deficit)	1,105,734	510,900	520,944		



Detail - Water Operation Fund - 500

Budget Expenditures

Description	2024-25	2025-26	2025-26 Estimated Year-End	\$ Inc/(Dec)	% Inc/(Dec)
	Actual	Adopted Budget		Estimated vs. Adopted Budget	Estimated vs. Adopted Budget
Salaries & Wages					
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%
Total Salaries & Wages	359,327	370,268	384,513	14,245	3.8%
Benefits					
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%
Total Benefits	282,390	244,830	233,946	(10,884)	-4.4%
Contracted Services					
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%
Total Contracted Services	159,241	328,800	319,470	(9,330)	-2.8%
Services & Supplies					
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%
Total Services & Supplies	195,954	222,490	219,990	(2,500)	-1.1%
Conference & Training Expense					
4510 - Conference & Training	3,051	3,000	3,000	-	0.0%
4515 - Meetings & Travel	1,388	2,000	2,000	-	0.0%
Total Conference & Training Expense	4,439	5,000	5,000	-	0.0%
Utilities					
4710 - Utilities - Gas & Electric	230,402	310,000	310,000	-	0.0%
4750 - Telecommunications	5,544	7,350	7,350	-	0.0%
Total Utilities	235,947	317,350	317,350	-	0.0%



Detail - Water Operation Fund - 500

Budget Expenditures

Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Estimated Year-End	\$ Inc/(Dec) Estimated vs. Adopted Budget	% Inc/(Dec) Estimated vs. Adopted Budget
Allocated Insurance Others					
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%
Total Allocated Insurance Others	984,603	1,225,613	1,225,613	-	0.0%
Debt Service					
6100 - Principal	-	198,633	198,633	-	0.0%
6200 - Interest	52,229	54,024	54,024	-	0.0%
Total Debt Service	52,229	252,657	252,657	-	0.0%
TOTAL	2,274,130	2,967,008	2,958,539	(8,469)	-0.3%

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WASTEWATER FUND - 510

FINANCIAL REPORTING

Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Estimated Year-End	\$ Inc/(Dec) Estimated vs. Adopted Budget	% Inc/(Dec) Estimated 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%
TOTAL REVENUE	4,705,321	5,215,203	5,215,203	-	0.0%
<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%
TOTAL EXPENDITURES	3,830,902	4,282,823	4,276,447	(6,376)	-0.1%
Net Surplus/(Deficit)	874,419	932,380	938,756		



Detail - Wastewater Fund 510					
Budget Expenditures					
Description	2024-25 Actual	2025-26 Adopted Budget	2025-26 Estimated Year-End	% Inc/(Dec) Estimated vs. Adopted Budget	% Inc/(Dec) Estimated vs. Adopted Budget
OPERATING EXPENDITURE					
Salaries & Wages					
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%
Total Salaries & Wages	310,272	325,142	337,382	12,240	3.8%
Benefits					
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%
Total Benefits	245,639	219,286	206,320	(12,966)	-5.9%
Contracted Services					
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%
Total Contracted Services	2,149,631	2,083,439	2,086,289	2,850	0.1%
Bad Debt Expense					
4301 - Bad Debt Expense	2,486	5,000	2,500	(2,500)	-50.0%
Total Bad Debt Expense	2,486	5,000	2,500	(2,500)	-50.0%
Services & Supplies					
4330 - Misc Supplies & Services	71,961	89,500	89,500	-	0.0%
4332 - Janitorial & Safety Supplies	-	1,500	-	(1,500)	-100.0%
Total Services & Supplies	71,961	91,000	89,500	(1,500)	-1.6%
Special Programs					
4227 - Sewer Lateral Grant Program	(50,000)	-	-	-	0.0%
4360 - Conservation Rebate Program	-	1,000	-	(1,000)	-100.0%
Total Special Programs	(50,000)	1,000	-	(1,000)	-100.0%
Vehicle Expense					
4380 - Vehicle Maintenance	4,822	10,000	7,000	(3,000)	-30.0%
Total Vehicle Expense	4,822	10,000	7,000	(3,000)	-30.0%
Conference & Training Expense					
4510 - Conference & Training	915	5,000	5,000	-	0.0%



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