



# Second-Quarter Financial Review Fiscal Year 2025

Finance Committee  
February 25, 2025





# Recommendation to Finance Committee

- ✓ Hear a report from staff on the status of revenues and expenditures in relation to budget for the six months ended December 31, 2024;
- ✓ Receive the Fiscal Year (FY) 2025 Interim Financial Statements for the six months ended December 31, 2024;
- ✓ Recommend that Council adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Amending Resolution 24-130, to Approve Proposed Second-Quarter (Q2) Adjustments to FY2025 Revenue and Expenditure Appropriations as Detailed in the Attached Schedule of Proposed Q2 Adjustments; and
- ✓ Recommend that Council adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Amending the Position Salary Control Resolution 24-131 for Authorized Positions for Fiscal Year 2025. The Human Resources Department Requests Council Approval for the Following Adjustments, Including the Following Position Changes, and the Corresponding Salary Document Updates. Changes Are Effective December 31, 2024.



# Agenda

1. General Fund Overview
2. Enterprise Funds Overview
3. Proposed Budget Adjustments
4. Position Changes
5. Questions, Public Comment, & Discussion

# General Fund Overview

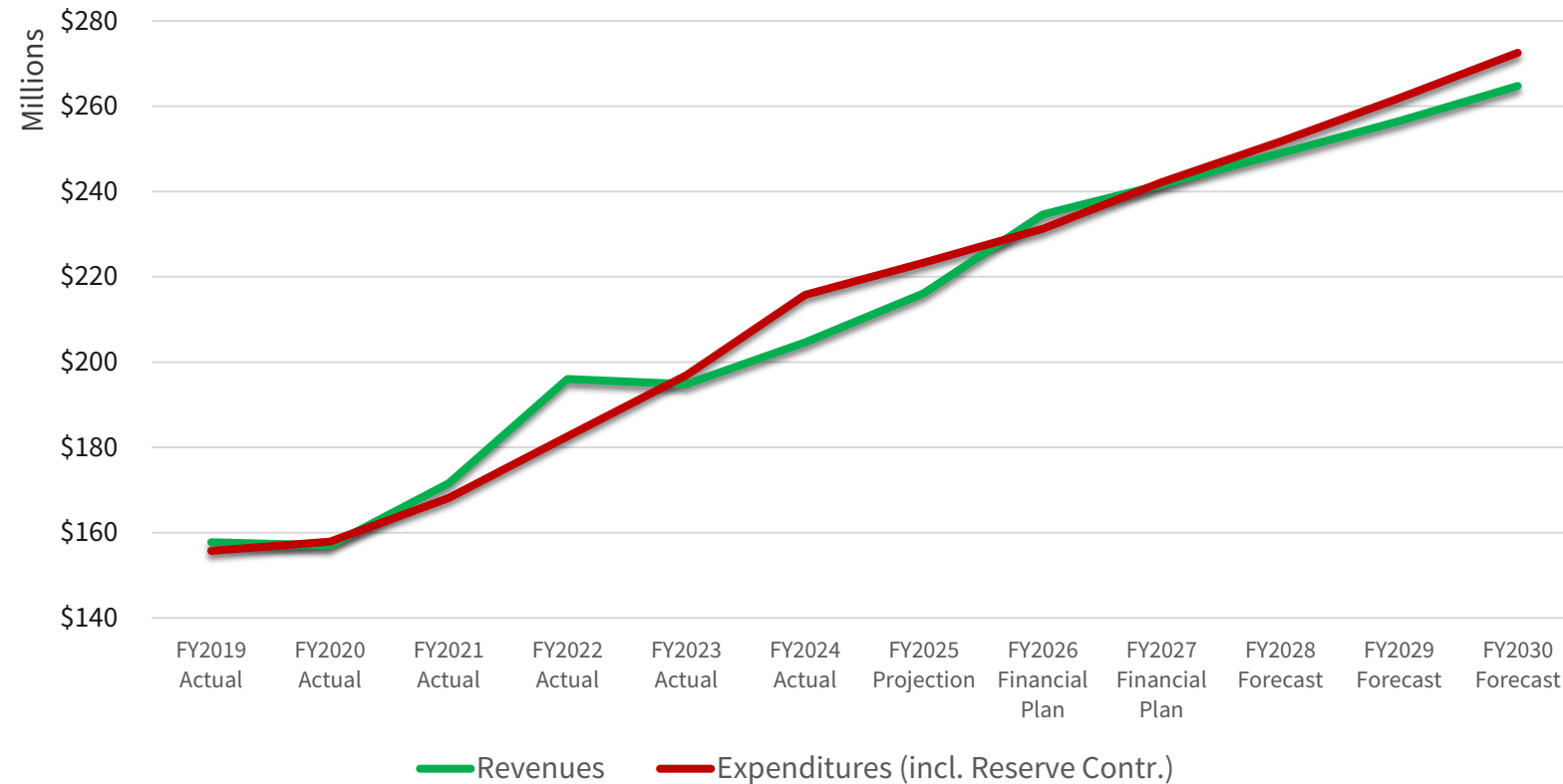
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# General Fund Multi-Year Forecast

## GENERAL FUND MULTI-YEAR FORECAST



FY2019 through FY2030  
General Fund Revenues  
& Expenditures (including  
reserve target goals)



# General Fund Multi-Year Forecast

\$ Millions	FY2023 Actual	FY2024 Actual	FY2025 Projection	FY2026 Financial Plan	FY2027 Financial Plan
Revenues	\$194.8	\$204.6	\$216.1	\$234.6	\$241.6
Expenditures*	\$196.9	\$215.8	\$223.3	\$231.3	\$242.2
<b>Savings / (Deficit)</b>	<b>(\$2.1)</b>	<b>(\$11.1)</b>	<b>(\$7.2)</b>	<b>\$3.3</b>	<b>(\$0.5)</b>

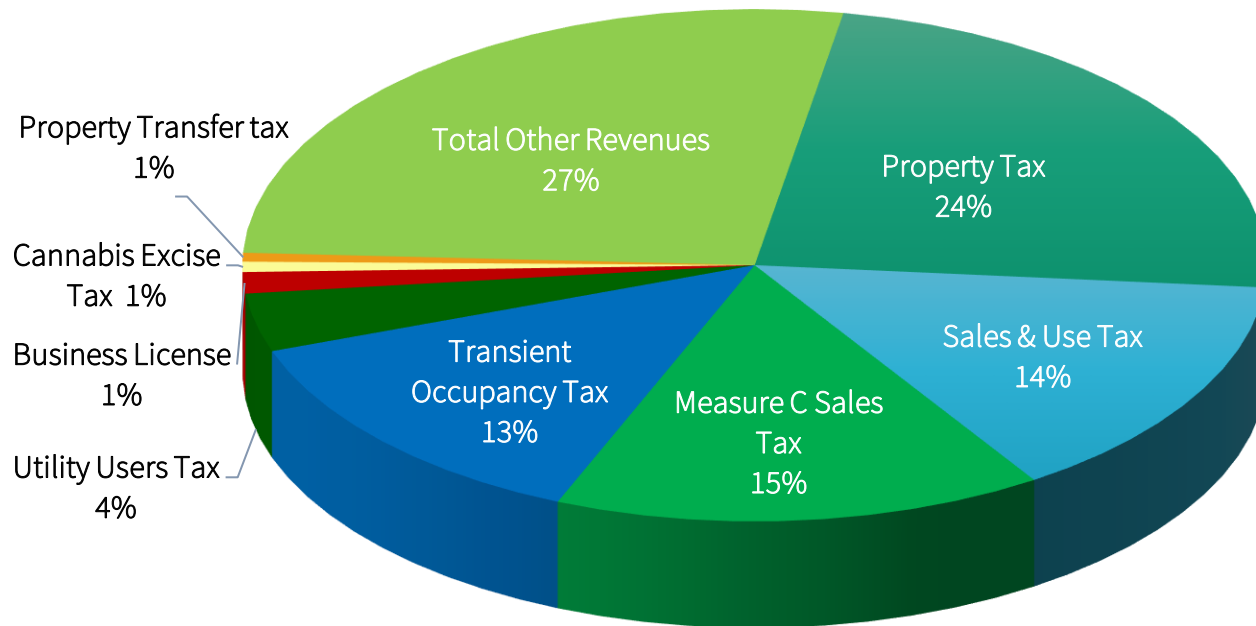
\*Expenditures include the reserve contribution in order to meet the City Council reserve policy target.



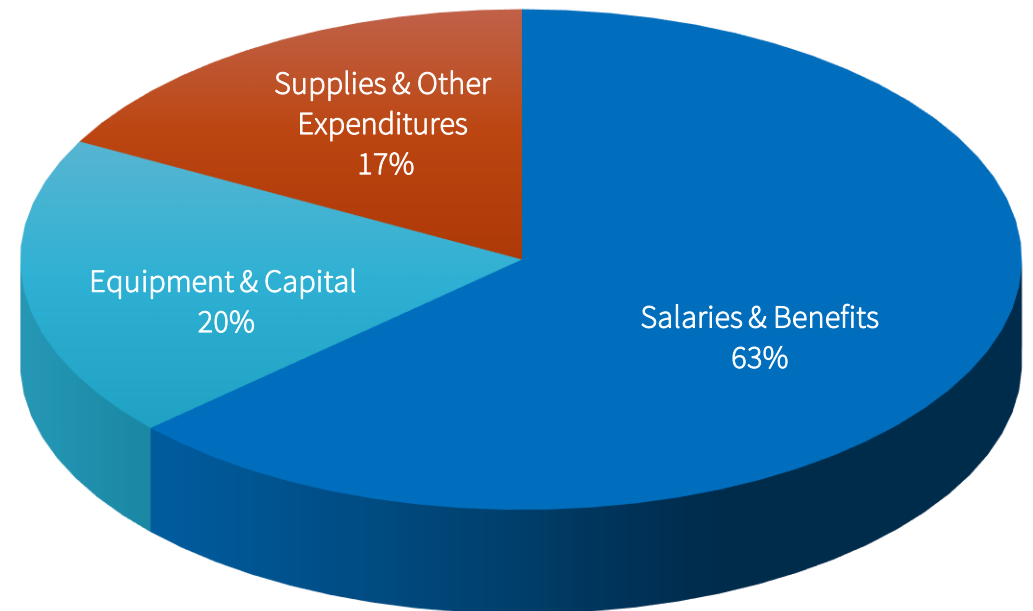
# General Fund Revenues & Expenditures

Fiscal Year 2025 – Adopted Budget

Revenues



Expenditures

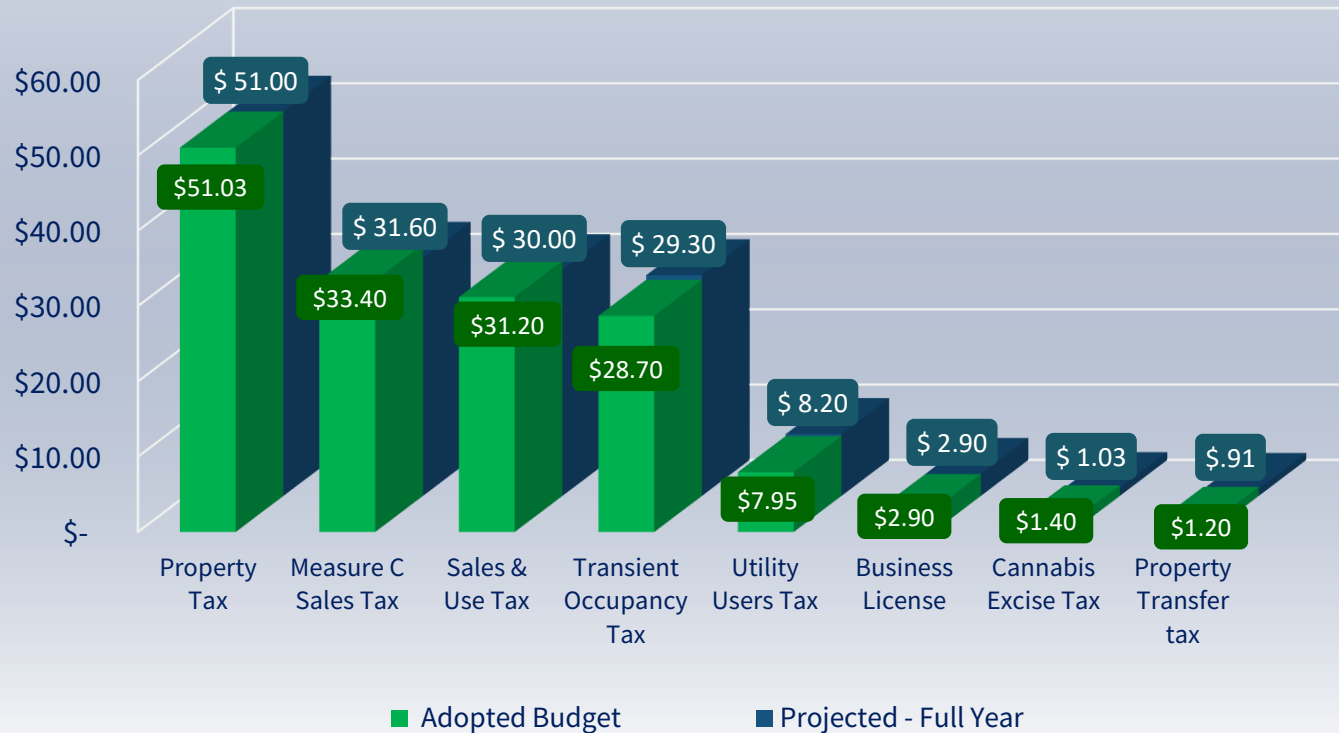




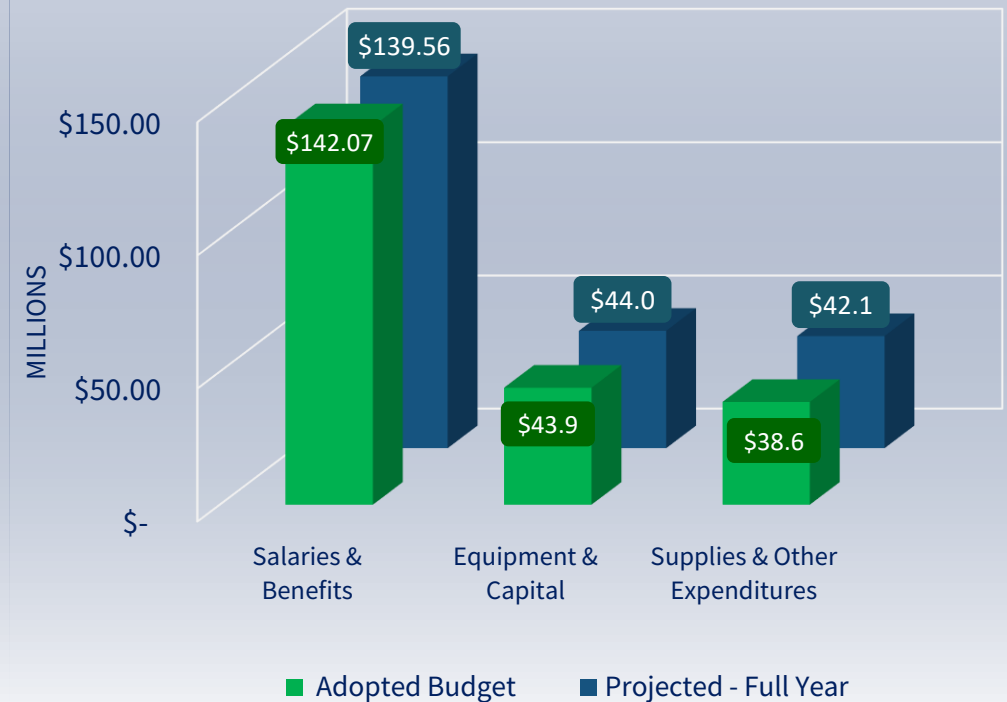
# General Fund Revenues & Expenditures

## Adopted Budget Versus Projections – Fiscal Year 2025

### REVENUES



### EXPENDITURES







# General Fund Overview

- Revised Budget includes Carryforward appropriation from FY2024 for encumbrance & commitments continuing into FY2025
- Tax revenue softening
- Business license renewal by calendar year

General Fund (\$ Millions)	FY2025 Adopted Budget	FY2025 Revised Budget	FY2025 Q2 Actual	Actual % of Revised Budget	FY2025 Projection
<b>Revenues</b>	\$182.7	\$185.8	\$85.2	45.8%	\$184.5
<b>Expenditures</b>	\$187.3	\$192.5	\$93.4	48.1%	\$188.5
<b>Contribution to Reserves</b>	\$3.2	\$3.2	\$0.0		\$3.2
<b>Surplus / (Deficit)</b>	<b>\$(7.8)</b>	<b>\$(9.9)</b>	<b>\$(8.2)</b>	0.0%	<b>\$(7.2)</b>
Measure C	FY2025 Adopted Budget	FY2025 Revised Budget	FY2025 Q2 Actual	Actual % of Revised Budget	FY2025 Projection
<b>Revenues</b>	\$33.4	\$33.4	\$16.0	48.0%	\$31.6
<b>Expenditures</b>	\$37.3	\$37.3	\$16.0	43.0%	\$37.3
<b>Total Surplus / (Deficit) Without Measure C</b>	<b>\$(3.9)</b>	<b>\$(3.9)</b>	\$0.0		<b>\$(5.7)</b>



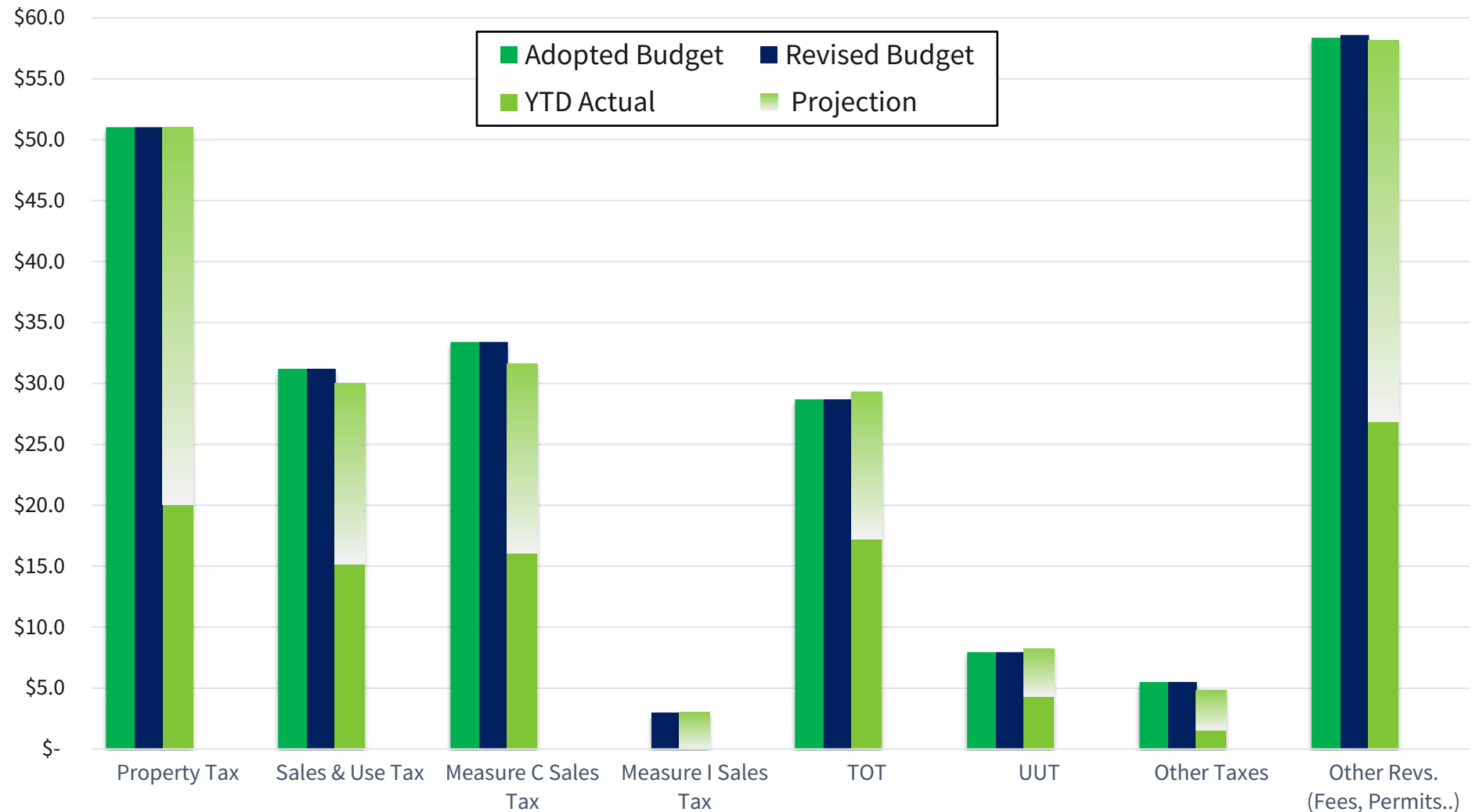
# General Fund Tax Summary (Q2 – Fiscal Year 2025)

Tax Source	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	YTD Actual (\$ Millions)	% Used with Revised Budget	FY2025 Projection (\$ Millions)	FY2024 Q2 Actual (\$ Millions)
Property Tax	\$51.0	\$51.0	\$20.0	<b>39%</b>	\$51.0	\$19.7
Sales & Use Tax	\$31.2	\$31.2	\$15.2	<b>49%</b>	\$30.0	\$14.9
Measure C Sales Tax	\$33.4	\$33.4	\$16.0	<b>48%</b>	\$31.6	\$15.8
Measure I Sales Tax	\$0.0	\$3.0	\$0.0	<b>0%</b>	\$3.0	\$0.0
Transient Occupancy Tax	\$28.7	\$28.7	\$17.2	<b>60%</b>	\$29.3	\$15.3
Utility Users Tax	\$7.9	\$7.9	\$4.3	<b>54%</b>	\$8.2	\$4.0
Business Tax Certificates	\$2.9	\$2.9	\$0.6	<b>21%</b>	\$2.9	\$0.4
Cannabis Excise Tax	\$1.4	\$1.4	\$0.5	<b>36%</b>	\$1.0	\$0.6
Property Transfer Tax	\$1.2	\$1.2	\$0.3	<b>25%</b>	\$0.9	\$0.4
<b>TOTAL TAXES</b>	<b>\$157.8</b>	<b>\$160.8</b>	<b>\$74.1</b>		<b>\$157.9</b>	<b>\$71.1</b>



# General Fund Revenues (in Millions)

Budgets with  
YTD Actual &  
Projection  
(Q2 – FY2025)





# Short-Term Rental

The Short-Term Rental (STR) Enforcement Pilot Program was launched by the City Attorney's Office on August 1, 2023.



The Pilot Program was funded by the City Council on April 25, 2023, with the goal of increasing the enforcement of illegal short-term rentals operating in the City & gain a better understanding of the type, seasonality, location, & number of short-term rentals existing in the City.

## Fiscal Year 2024

Period	# of Settlements	General Fund	Measure B
11 Months	59	\$602,000	\$126,000

## Fiscal Year 2025

Period	# of Settlements	General Fund	Measure B
6 Months	36	\$904,000	\$165,000



# General Fund Expenditures FY2025

Department	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q2 Exclude Encumbrance (\$ Millions)	% Used with Revised Budget	Encumbrance	Projected Full Year
Mayor & Council	\$3.5	\$3.7	\$1.9	50%	\$0.8	\$3.6
City Attorney	\$5.9	\$6.2	\$2.6	42%	\$0.3	\$6.2
City Administrator	\$4.5	\$4.7	\$2.0	42%	\$0.2	\$4.6
Human Resources	\$2.8	\$3.0	\$1.3	44%	\$0.3	\$3.0
Finance	\$8.2	\$9.0	\$3.6	39%	\$0.7	\$9.0
<b>General Government</b>	<b>\$24.8</b>	<b>\$26.7</b>	<b>\$11.3</b>	<b>43%</b>	<b>\$2.3</b>	<b>\$26.5</b>
Police	\$56.8	\$57.8	\$28.0	48%	\$0.7	\$56.2
Fire	\$39.9	\$40.4	\$20.1	50%	\$0.2	\$40.4
<b>Public Safety</b>	<b>\$96.7</b>	<b>\$98.2</b>	<b>\$48.1</b>	<b>49%</b>	<b>\$0.9</b>	<b>\$96.6</b>



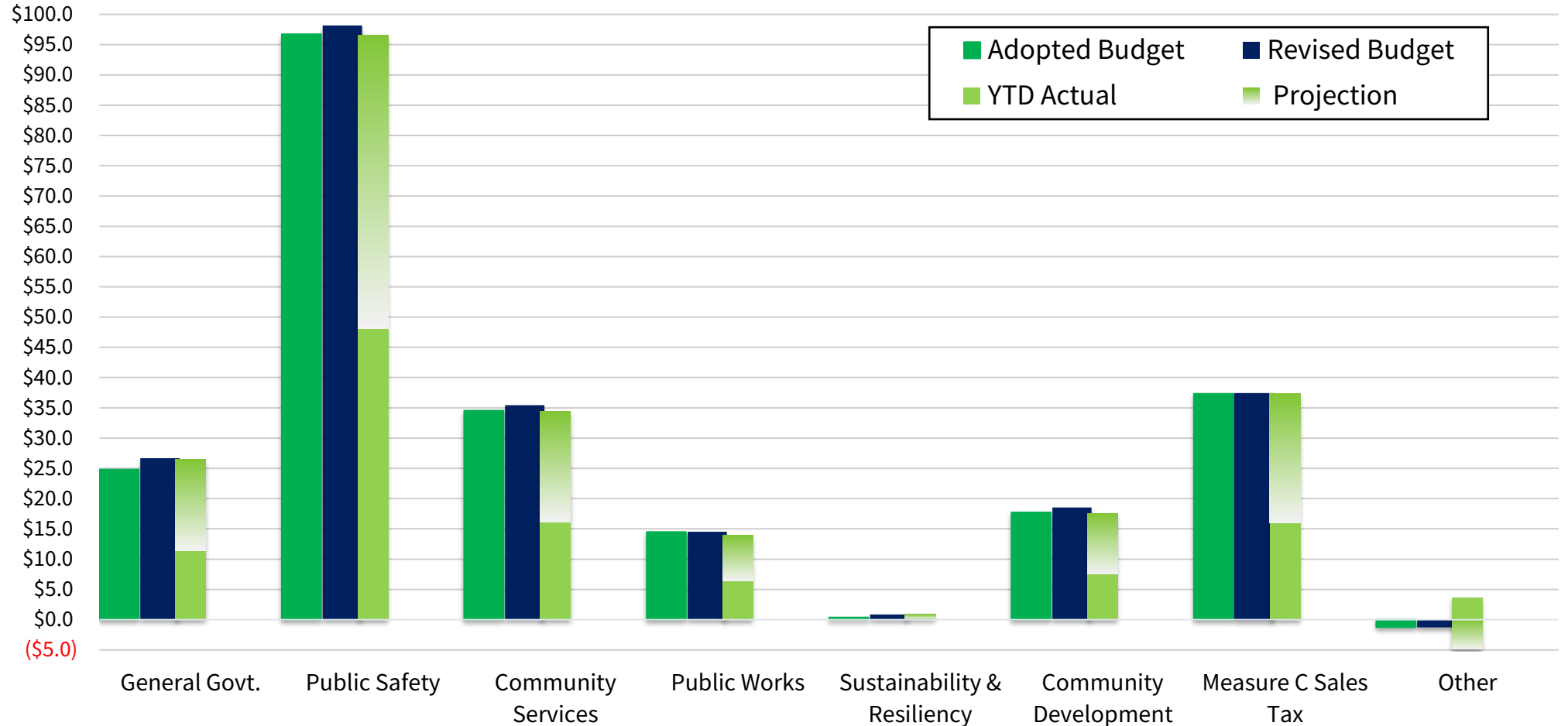
# General Fund Expenditures FY2025 \*Includes \$6M reduction

Department	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q2 Exclude Encumbrance (\$ Millions)	% Used with Revised Budget	Encumbrance	Projected Full Year
Parks & Recreation	\$25.5	\$26.3	\$12.1	46%	\$0.9	\$26.1
Library	\$9.0	\$9.2	\$4.0	43%	\$0.2	\$8.3
<b>Community Services</b>	<b>\$34.5</b>	<b>\$35.4</b>	<b>\$16.1</b>	<b>45%</b>	<b>\$1.1</b>	<b>\$34.4</b>
Public Works	\$14.5	\$14.5	\$6.4	44%	\$0.1	\$13.9
Sustainability & Resilience	\$0.4	\$0.9	\$0.2	25%	\$0.4	\$0.9
Community Development	\$17.7	\$18.5	\$7.5	41%	\$1.5	\$17.6
<b>Sub Total Expenditures</b>	<b>\$32.5</b>	<b>\$33.9</b>	<b>\$14.2</b>	<b>42%</b>	<b>\$2.0</b>	<b>\$32.4</b>
Measure C Sales Tax	\$37.3	\$37.3	\$16.0	43%	\$0.0	\$37.3
Non - Departmental	(\$1.2)*	(\$1.3)*	\$3.7	-285%	\$0.0	(\$1.2)*
<b>Total Expenditures</b>	<b>\$224.6</b>	<b>\$230.2</b>	<b>\$109.4</b>	<b>48%</b>	<b>\$6.3</b>	<b>\$225.9</b>



# General Fund Expenditures (in Millions)

Budgets with  
YTD Actual &  
Projection  
(Q2 – FY2025)





# Enterprise Funds Overview





# Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q2 FY2025 (\$ Millions)	% Used with Revised Budget	Projected Full Year (\$ Millions)	Q2 FY2024 (\$ Millions)
<b>Water</b>						
Revenues	\$80.6	\$80.6	\$42.5	53%	\$78.4	\$39.6
Expenses	\$83.8	\$87.2	\$37.1	43%	\$81.0	\$36.7
<b>Operating Income (Loss)</b>	<b>\$(3.1)</b>	<b>\$(6.6)</b>	<b>\$5.4</b>		<b>\$(2.6)</b>	<b>\$2.9</b>
<b>Wastewater</b>						
Revenues	\$31.3	\$31.3	\$16.2	52%	\$31.5	\$14.7
Expenses	\$32.0	\$33.8	\$13.9	41%	\$33.1	\$12.5
<b>Operating Income (Loss)</b>	<b>\$(0.7)</b>	<b>\$(2.5)</b>	<b>\$2.3</b>		<b>\$(1.6)</b>	<b>\$2.1</b>
<b>Solid Waste</b>						
Revenues	\$40.3	\$40.6	\$20.1	49%	\$41.4	\$19.4
Expenses	\$39.6	\$40.6	\$15.0	37%	\$40.2	\$15.2
<b>Operating Income (Loss)</b>	<b>\$0.7</b>	<b>\$0.0</b>	<b>\$5.1</b>		<b>\$1.2</b>	<b>\$4.2</b>



# Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q2 FY2025 (\$ Millions)	% Used with Revised Budget	Projected Full Year (\$ Millions)	Q2 FY2024 (\$ Millions)
<b>Clean Energy</b>						
Revenues	\$53.3	\$53.3	\$20.2	38%	\$51.0	\$21.4
Expenses	\$55.5	\$58.4	\$22.8	39%	\$55.7	\$13.4
<b>Operating Income (Loss)</b>	<b>\$(2.1)</b>	<b>\$(5.1)</b>	<b>\$(2.5)</b>		<b>\$(4.7)</b>	<b>\$8.0</b>
<b>Airport</b>						
Revenues	\$32.7	\$32.7	\$16.1	49%	\$32.7	\$14.8
Expenses	\$33.0	\$36.9	\$16.7	45%	\$38.0	\$13.2
<b>Operating Income (Loss)</b>	<b>\$(0.3)</b>	<b>\$(4.2)</b>	<b>\$(0.7)</b>		<b>\$(5.4)</b>	<b>\$1.6</b>
<b>Waterfront</b>						
Revenues	\$20.5	\$20.5	\$10.8	53%	\$20.5	\$10.8
Expenses	\$21.1	\$21.3	\$10.3	49%	\$21.3	\$9.4
<b>Operating Income (Loss)</b>	<b>\$(0.6)</b>	<b>\$(0.8)</b>	<b>\$0.4</b>		<b>\$(0.8)</b>	<b>\$1.4</b>



# Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q2 FY2025 (\$ Millions)	% Used with Revised Budget	Projected Full Year (\$ Millions)	Q2 FY2024 (\$ Millions)
<b>Downtown Parking</b>						
Revenues	\$15.4	\$15.4	\$5.6	36%	\$11.8	\$5.3
Expenses	\$13.6	\$12.7	\$5.6	44%	\$12.4	\$5.8
<b>Operating Income (Loss)</b>	<b>\$1.7</b>	<b>\$2.7</b>	<b>\$0.0</b>		<b>\$(0.6)</b>	<b>\$(0.5)</b>
<b>Golf</b>						
Revenues	\$4.7	\$4.7	\$2.5	53%	\$4.7	\$2.4
Expenses	\$4.4	\$4.4	\$1.9	45%	\$4.4	\$1.6
<b>Operating Income (Loss)</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>\$0.6</b>		<b>\$0.3</b>	<b>\$0.8</b>



# Proposed Budget Amendments

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## General Fund & Special Revenue Funds

- Increase appropriations in the Police Station Capital Fund funded from the revenue bond proceed to help cover the costs to build the new Police Station.

➡ \$107.7M Revenues

➡ \$107.7M Expenditures

- Decrease appropriations in the Measure C Capital Fund (3010) Non-Building Improvements to transfer to the Streets Grant Capital Fund (3410) for the ATP Cliff Drive Project.

➡ \$1.9M Revenues

➡ \$1.9M Expenditures

## Enterprise Funds

- Decrease estimated revenue in Downtown Parking. On-Street Paid Parking was not approved by Council but included in adopted budget.

➡ \$(2.5)M Revenues

- Increase estimated revenues to transfer in from the Airport Capital Fund to cover expenditure in the Airport Operation Fund.

➡ \$1.1M Revenues

# Position Changes

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- **Finance Department:**  
Reclassification of Accounting Assistant position to a Finance Analyst I position to align with added responsibilities.
- **Information Technology Department:**  
Reclassification of Electronics Communication Technician II position to a Network Analyst. Reclassification is due to operational and business needs of the electronics team.



# Questions, Public Comment, & Discussion

