



# Fourth-Quarter Financial Review Fiscal Year 2025

Finance Committee  
September 16, 2025





# Recommendation to Finance Committee

- ✓ Hear a report from staff on the status of revenues and expenditures in relation to budget for the twelve months ended June 30, 2025;
- ✓ Receive the Fiscal Year (FY) 2025 Interim Financial Statements for the twelve months ended June 30, 2025;
- ✓ Recommend that Council adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Amending Resolution 25-052, to Approve Proposed Fourth-Quarter (Q4) Adjustments to FY2025 Revenue and Expenditure Appropriations as Detailed in the Attached Schedule of Proposed Q4 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 25-053 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 September 20, 2025.



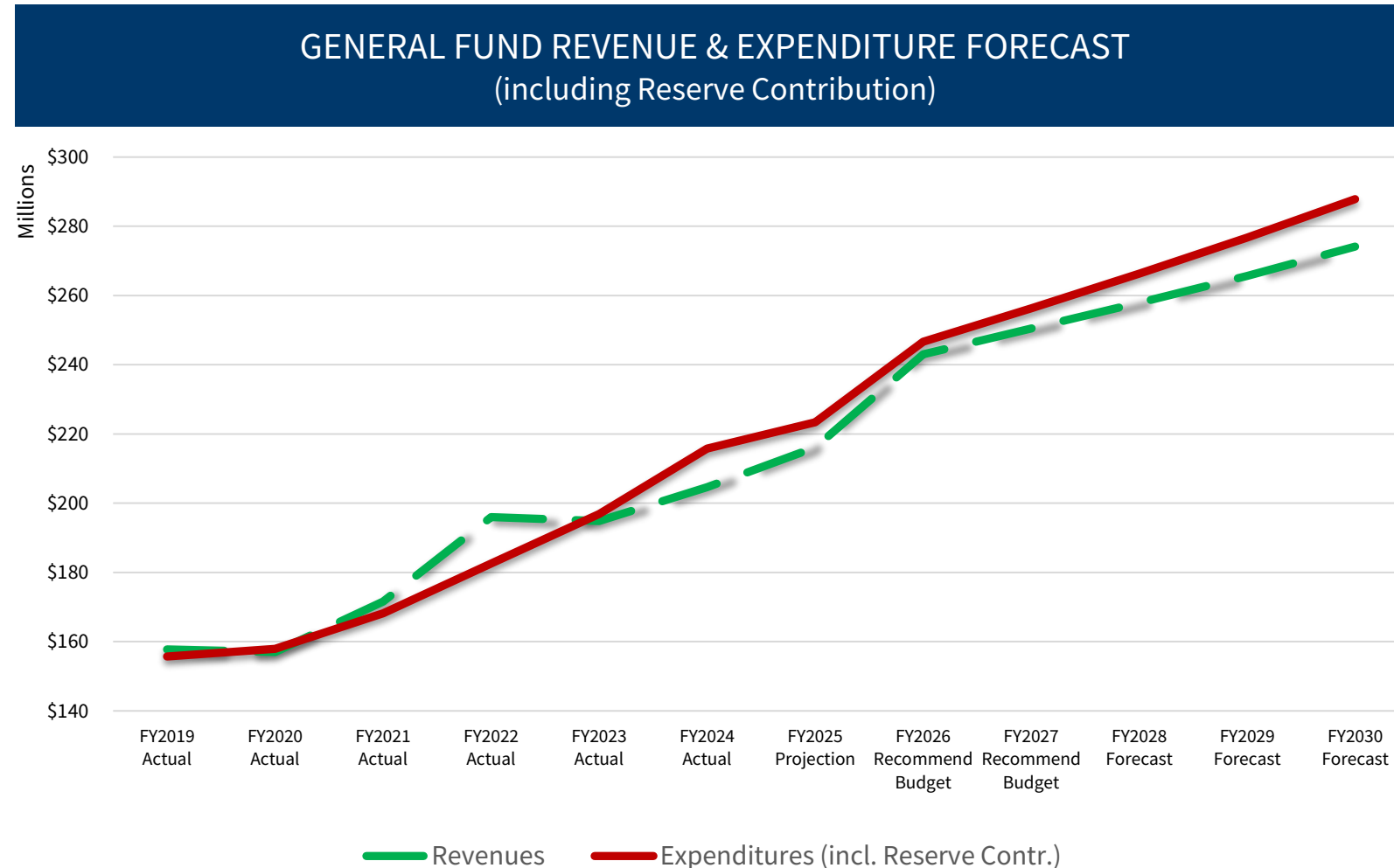


# Agenda

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



# General Fund Multi-Year Forecast



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



# General Fund Multi-Year Forecast

\$ Millions	FY2025 Actual Pre-Audit	FY2026 Adopted Budget	FY2027 Adopted Budget	FY2028 Forecast	FY2029 Forecast	FY2030 Forecast
Revenues	\$214.7	\$242.9	\$250.3	\$257.8	\$265.6	\$274.00
Expenditures*	\$231.4	\$244.5	\$256.2	\$266.1	\$276.4	\$287.5
<b>Surplus / (Deficit)</b>	<b>\$(16.7)</b>	<b>\$(1.6)</b>	<b>\$(5.9)</b>	<b>\$(8.2)</b>	<b>\$(10.8)</b>	<b>\$(13.4)</b>

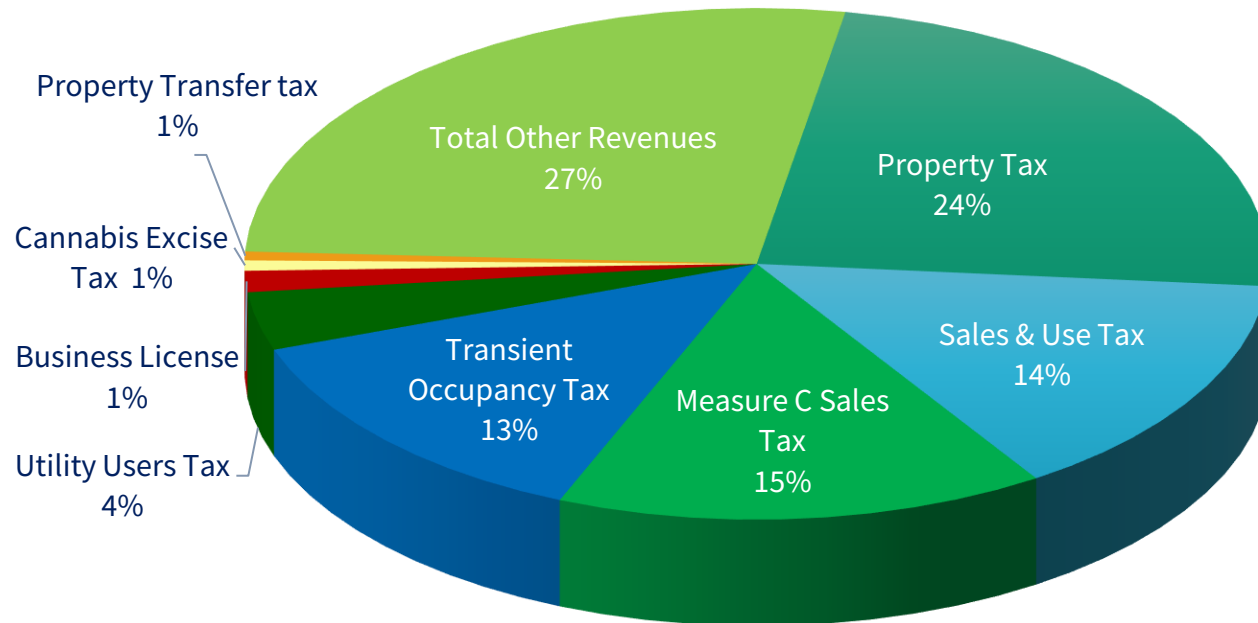
\*Expenditures include the reserve contribution in order to meet the City Council Reserve Policy target. Measure C Revenues & Expenditures are also included.



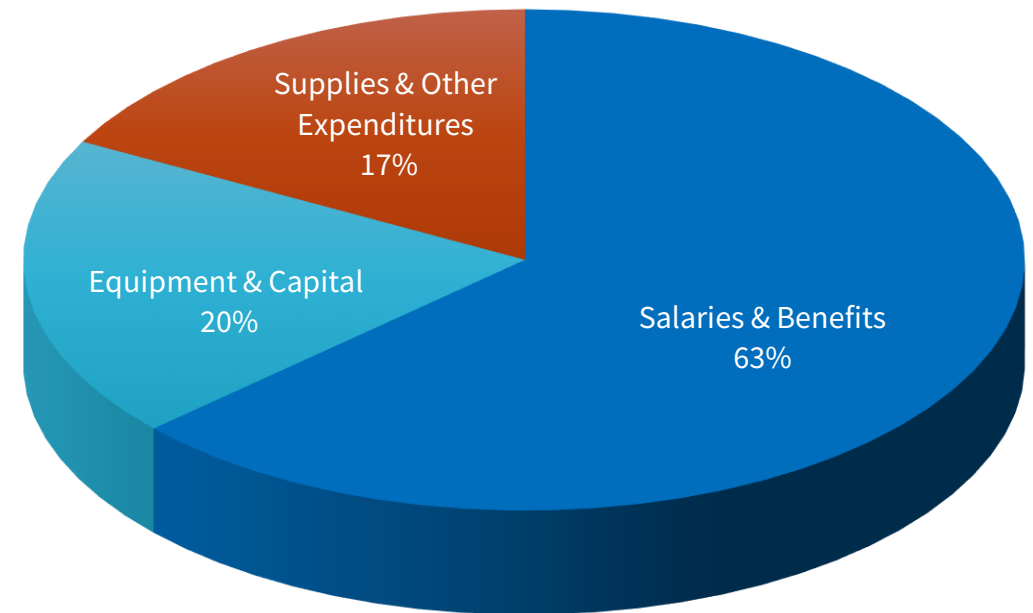
# General Fund Revenues & Expenditures

Fiscal Year 2025 – Adopted Budget

Revenues



Expenditures





# General Fund Overview

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# 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 Q4 Actual Pre-audit	Actual % of Revised Budget	FY2024 Actual
<b>Revenues</b>	\$182.7	\$186.8	\$183.2*	98.1%	\$173.3
<b>Expenditures</b>	\$187.5	\$195.7	\$190.0	97.1%	\$181.2
<b>Contribution to Reserves</b>	\$3.2	\$3.2	\$0.0	0.0%	\$0.0
<b>Surplus / (Deficit)</b>	(\$8.0)	(\$12.1)	(\$6.8)	0.0%	(\$7.9)

Measure C	FY2025 Adopted Budget	FY2025 Revised Budget	FY2025 Q4 Actual	Actual % of Revised Budget	FY2024 Actual
<b>Revenues</b>	\$33.4	\$33.4	\$31.5	94.3%	\$31.1
<b>Expenditures</b>	\$37.1	\$37.3	\$41.3	110.7%	\$34.2
<b>Total Surplus / (Deficit)</b>	(\$3.7)	(\$3.9)	(\$9.8)	0.0%	(\$3.1)

\*Additional Measure I revenue for FY2025 – \$3.0M





# General Fund Tax Summary (Q4 – Fiscal Year 2025)

\* \$3.8M with accrual

Tax Source	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	YTD Actual (\$ Millions)	% Used with Adopted Budget	FY2024 Q4 Actual (\$ Millions)
Property Tax	\$51.0	\$51.0	\$50.7	99%	\$48.7
Sales & Use Tax	\$31.2	\$30.0	\$29.9	96%	\$29.1
Measure C Sales Tax	\$33.4	\$33.4	\$31.5	94%	\$31.1
Measure I Sales Tax	\$0.0	\$3.0	\$0.9*	0%	\$0.0
Transient Occupancy Tax	\$28.7	\$29.3	\$29.3	102%	\$26.5
Utility Users Tax	\$8.0	\$8.2	\$8.9	111%	\$7.3
Business Tax Certificates	\$2.9	\$2.9	\$2.7	93%	\$2.9
Cannabis Excise Tax	\$1.4	\$1.0	\$1.0	71%	\$1.3
Property Transfer Tax	\$1.2	\$0.9	\$0.9	75%	\$0.8
<b>TOTAL TAXES</b>	<b>\$157.8</b>	<b>\$159.7</b>	<b>\$155.8</b>		<b>\$147.7</b>



# 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

Description	Period	# of Settlements	General Fund	Measure B
GF STR	12 Months	59	\$2,200,000	\$430,000
GF STR Settlement	N/A	N/A	\$1,200,000	\$220,000



# General Fund Expenditures FY2025

Department	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q4 Exclude Encumbrance (\$ Millions)	% Used with Revised Budget	Encumbrance
Mayor & Council	\$3.5	\$3.7	\$3.6	97%	\$0.0
City Attorney	\$5.9	\$5.9	\$5.0	85%	\$0.2
City Administrator	\$4.5	\$5.2	\$4.8	92%	\$0.2
Human Resources	\$2.8	\$2.9	\$2.7	93%	\$0.2
Finance	\$8.2	\$9.0	\$7.9	88%	\$0.9
<b>General Government</b>	<b>\$24.8</b>	<b>\$26.7</b>	<b>\$24.1</b>	<b>90%</b>	<b>\$1.4</b>
Police	\$56.8	\$59.3	\$56.8	96%	\$0.4
Fire	\$39.9	\$40.6	\$39.5	97%	\$0.2
<b>Public Safety</b>	<b>\$96.7</b>	<b>\$99.9</b>	<b>\$96.3</b>	<b>96%</b>	<b>\$0.6</b>





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

Department	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q4 Exclude Encumbrance (\$ Millions)	% Used with Revised Budget	Encumbrance
Parks & Recreation	\$25.5	\$26.2	\$24.6	94%	\$0.1
Library	\$9.0	\$8.9	\$8.2	92%	\$0.0
<b>Community Services</b>	<b>\$34.5</b>	<b>\$35.1</b>	<b>\$32.8</b>	<b>93%</b>	<b>\$0.1</b>
Public Works	\$14.5	\$14.4	\$13.4	93%	\$0.0
Sustainability & Resilience	\$0.4	\$0.8	\$0.6	71%	\$0.1
Community Development	\$17.7	\$18.5	\$16.7	90%	\$0.6
<b>Sub Total Expenditures</b>	<b>\$188.5</b>	<b>\$195.5</b>	<b>\$183.8</b>	<b>94%</b>	<b>\$2.8</b>
Measure C Sales Tax	\$37.3	\$37.3	\$41.3	111%	\$0.0
Non - Departmental	(\$1.2)*	\$0.3	\$6.2	2,456%	\$0.0
<b>Total Expenditures</b>	<b>\$224.6</b>	<b>\$233.0</b>	<b>\$231.4</b>	<b>99%</b>	<b>\$2.8</b>



# Enterprise Funds Overview



# Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q4 FY2025 (\$ Millions)	% Used with Revised Budget	Q4 FY2024 (\$ Millions)
<b>Water</b>					
Revenues	\$80.6	\$78.8	\$80.2	102%	\$72.9
Expenses	\$83.8	\$86.8	\$75.5	87%	\$77.9
<b>Operating Income (Loss)</b>	<b>\$(3.2)</b>	<b>\$(8.0)</b>	<b>\$4.7</b>		<b>\$(5.0)</b>
<b>Wastewater</b>					
Revenues	\$31.3	\$31.3	\$32.0	102%	\$29.4
Expenses	\$32.0	\$33.6	\$32.3	96%	\$28.9
<b>Operating Income (Loss)</b>	<b>\$(0.7)</b>	<b>\$(2.3)</b>	<b>\$(0.3)</b>		<b>\$0.5</b>
<b>Solid Waste</b>					
Revenues	\$40.3	\$40.7	\$40.4	99%	\$39.4
Expenses	\$39.6	\$40.7	\$38.8	95%	\$37.6
<b>Operating Income (Loss)</b>	<b>\$0.7</b>	<b>\$0.0</b>	<b>\$1.6</b>		<b>\$1.8</b>





# Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q4 FY2025 (\$ Millions)	% Used with Revised Budget	Q4 FY2024 (\$ Millions)
<b>Clean Energy</b>					
Revenues	\$53.3	\$53.3	\$45.2	85%	\$54.4
Expenses	\$55.5	\$58.3	\$56.3	97%	\$33.6
<b>Operating Income (Loss)</b>	<b>\$(2.2)</b>	<b>\$(5.0)</b>	<b>\$(11.1)</b>		<b>\$20.8</b>
<b>Airport</b>					
Revenues	\$32.7	\$33.8	\$33.8	100%	\$30.8
Expenses	\$33.0	\$39.5	\$35.7	90%	\$30.0
<b>Operating Income (Loss)</b>	<b>\$(0.3)</b>	<b>\$(5.7)</b>	<b>\$(1.9)</b>		<b>\$0.8</b>
<b>Waterfront</b>					
Revenues	\$20.5	\$20.5	\$20.9	102%	\$19.9
Expenses	\$21.1	\$21.4	\$20.4	95%	\$18.4
<b>Operating Income (Loss)</b>	<b>\$(0.6)</b>	<b>\$(0.9)</b>	<b>\$0.5</b>		<b>\$1.5</b>



# Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q4 FY2025 (\$ Millions)	% Used with Revised Budget	Q4 FY2024 (\$ Millions)
<b>Downtown Parking</b>					
Revenues	\$15.4	\$11.2	\$11.4	102%	\$10.6
Expenses	\$13.6	\$12.8	\$11.5	90%	\$11.6
<b>Operating Income (Loss)</b>	<b>\$1.8</b>	<b>\$(1.6)</b>	<b>\$(0.1)</b>		<b>\$(1.0)</b>
<b>Golf</b>					
Revenues	\$4.7	\$4.7	\$5.0	106%	\$4.7
Expenses	\$4.4	\$4.6	\$4.4	96%	\$3.6
<b>Operating Income (Loss)</b>	<b>\$0.3</b>	<b>\$0.1</b>	<b>\$0.6</b>		<b>\$1.1</b>

# Proposed Budget Amendments

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## General Fund & Special Revenue Funds

- Increase estimated revenues to reevaluate Measure C sales tax.  
➡ \$1.8M Revenues
- Increase appropriations to Transfer-Out of the General Fund for all inclusionary housing in-lieu of fees collected through June 30, that have not been previously transferred to the Local Housing Trust Fund (2160).  
➡ \$574.9K Expenditures
- Increase appropriations to transfer out from the Chapala De la Vina Green Lanes Project to the Resurface Program in the Measure A Capital Fund (3440). Project is now complete, and the extra funding is not needed.  
➡ \$137.6K Expenditures

## Enterprise Funds

- Increase estimated revenues to Transfer Funds collected for the replacement of returned Wastewater vehicles from Public Works – Fleet replacement to reimburse Public Works – Wastewater Treatment.  
➡ \$154.8K Revenues
- Increase appropriation to Transfer-Out of the Airport PFC Fund (5730) to the Airport Operating Fund (5700) and Airport Capital Fund (5710) for the ARFF Truck as approved by the FAA.  
➡ \$5.1M Expenditures

# Position Changes

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# Reclassifications

- City Administrator's Office
  - Administrator's Office Supervisor to Office Manager
- Community Development Department
  - Realign 5.0% salary differential between Senior Planner I and II
- Finance Department
  - Accounting Supervisor to Senior Accountant
- Human Resources Department
  - (2) Analyst I positions to (2) Analyst II positions
- Public Works Department
  - Administrative Assistant to Outreach Coordinator
- Sustainability & Resilience Department
  - Project Planner to Administrative Analyst III
  - Finance Analyst II to Business Manager





# Questions, Public Comment, & Discussion

