



First-Quarter Financial Review Fiscal Year 2025

Finance Committee
November 19, 2024





Recommendation to Finance Committee

- ✓ Receive a report from staff on the status of revenues and expenditures in relation to budget for the three months ended September 30, 2024;
- ✓ Accept the Fiscal Year (FY) 2025 Interim Financial Statements for the three months ended September 30, 2024;
- ✓ Recommend that Council adopt a Resolution of the Council of the City of Santa Barbara Amending Resolution 24-066, to Approve Proposed First-Quarter (Q1) Adjustments to FY2025 Revenue and Expenditure Appropriations as Detailed in the Attached Schedule of Proposed Q1 Adjustments; and
- ✓ Recommend that Council adopt a Resolution of the Council of the City of Santa Barbara Amending the Position Salary Control Resolution 24-110 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 November 30, 2024, Unless Otherwise Noted.



Agenda

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

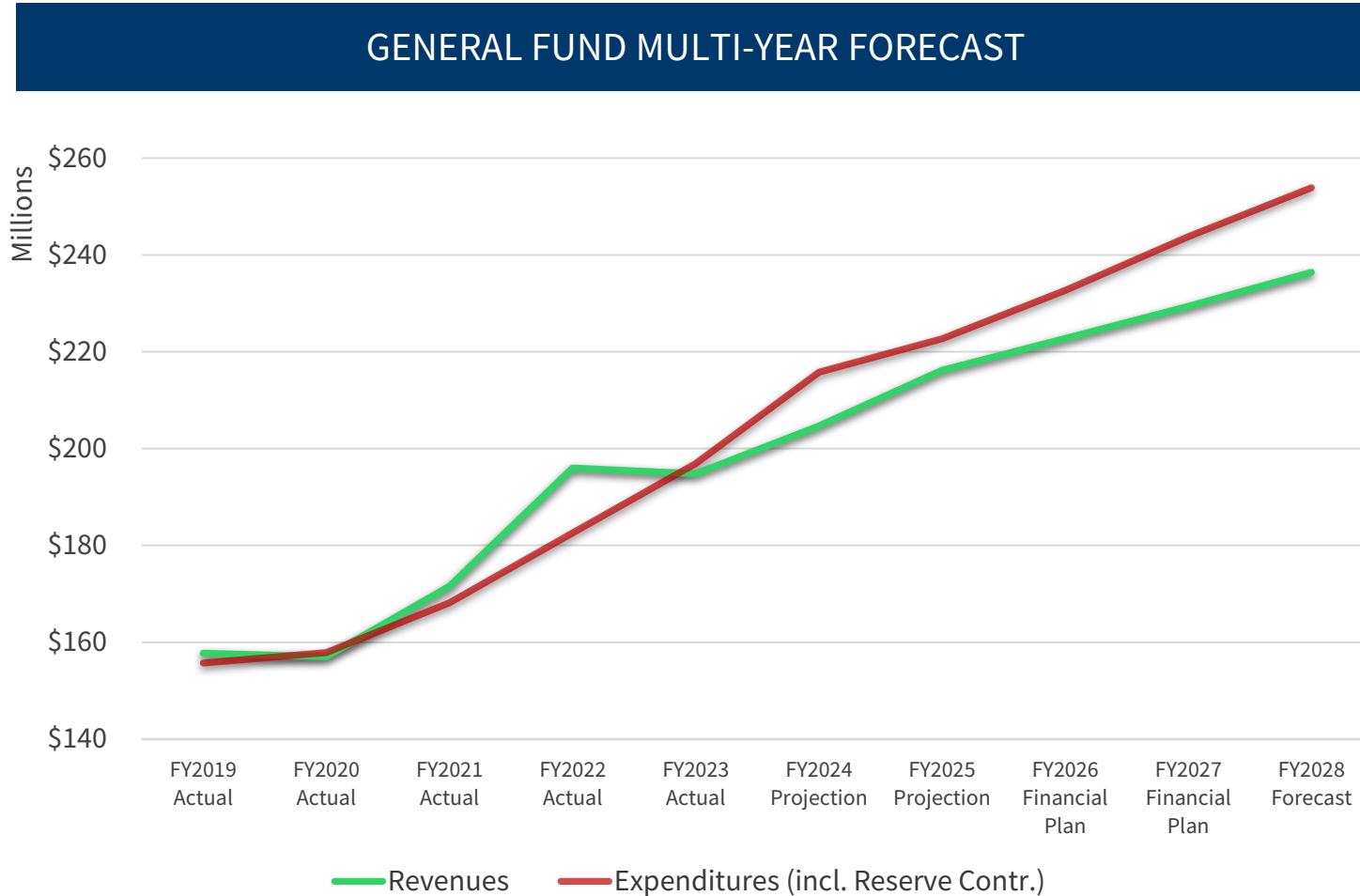
General Fund Overview





Long-Range Financial Planning

Pre-Measure I Implementation



- Five-year forecast prepared with annual budget, updated regularly
- Projected “deficits” assume current service delivery model & 100% staffing
- The City adopts a revenue & cost recovery policy to ensure optimal cost recovery for direct services provided to the community



Long-Range Financial Planning

Pre-Measure I Implementation

GENERAL FUND MULTI-YEAR FORECAST



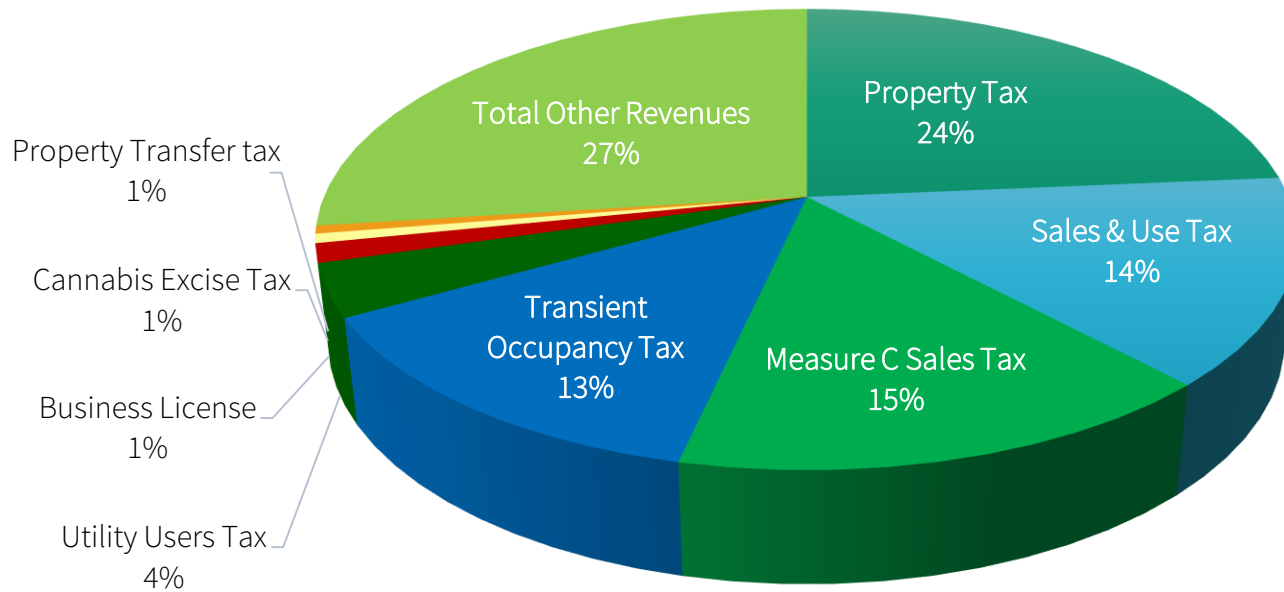
- Measure I – general purpose half-percent transactions & use tax on November ballot – will generate \$3.0M for FY2025 & \$15.1M annually



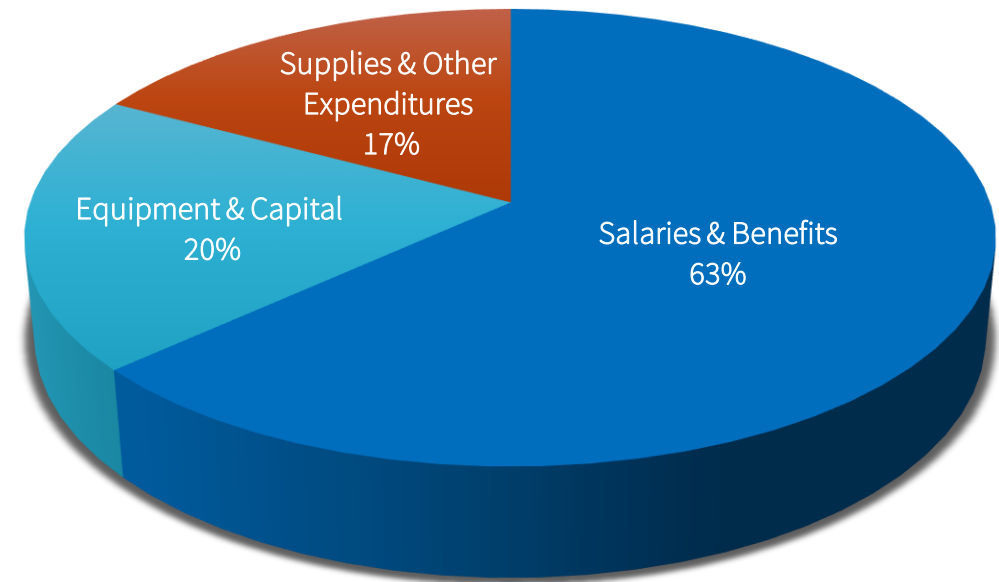
General Fund Revenues & Expenditures

Fiscal Year 2025 – Adopted Budget

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 Q1 Actual	Actual % of Revised Budget
Revenues	\$182.7	\$185.8	\$34.1	18.4%
Expenditures	\$187.3	\$192.5	\$44.0	22.9%
Surplus / (Deficit)	\$(4.6)	\$(6.7)	\$(9.9)	0.0%
Measure C				
Revenues	\$33.4	\$33.4	\$8.0	24.0%
Expenditures	\$37.3	\$37.3	\$8.3	22.2%
Total Surplus / (Deficit) Without Measure C	\$(3.9)	\$(3.9)	\$(0.3)	



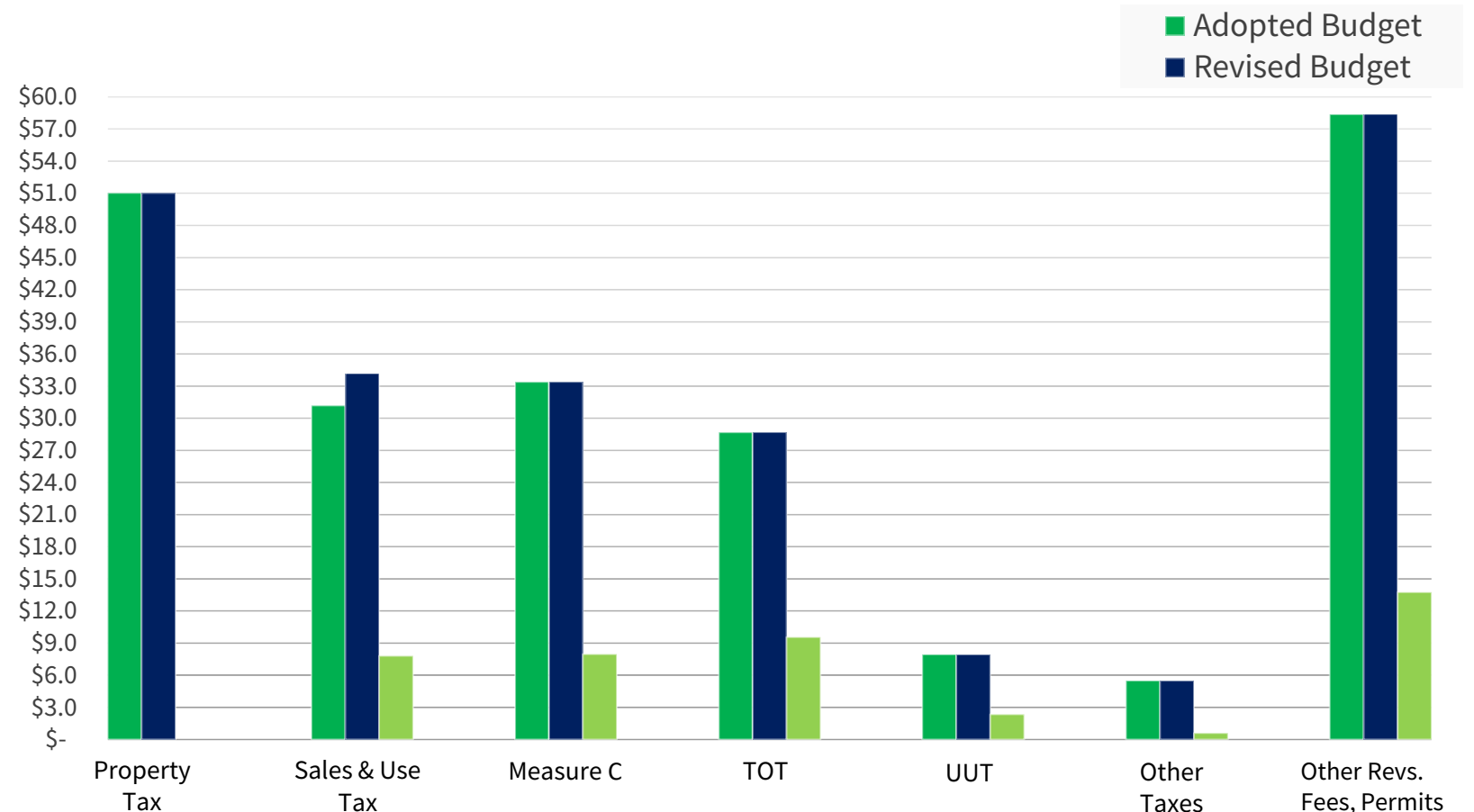
General Fund Tax Summary (Q1 – Fiscal Year 2025)

Tax Source	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	YTD Actual (\$ Millions)	% Used with Revised Budget	FY2024 Q1 Actual (\$ Millions)	% Change with FY2025
Property Tax	\$51.0	\$51.0	\$0.00	0%	\$0.0	0%
Sales & Use Tax	\$31.2	\$31.2	\$7.80	25%	\$7.6	3%
Measure C Sales Tax	\$33.4	\$33.4	\$8.00	24%	\$7.9	1%
Measure I Sales Tax	\$0.0	\$3.0	\$0.00	0%	\$0.0	0%
Transient Occupancy Tax	\$28.7	\$28.7	\$9.60	33%	\$8.5	13%
Utility Users Tax	\$7.9	\$7.9	\$2.40	30%	\$1.8	33%
Business Tax Certificates	\$2.9	\$2.9	\$0.09	3%	\$0.2	-55%
Cannabis Excise Tax	\$1.4	\$1.4	\$0.30	21%	\$0.3	0%
Property Transfer Tax	\$1.2	\$1.2	\$0.20	17%	\$0.2	0%
TOTAL TAXES	\$157.80	\$160.80	\$28.39		\$26.50	



General Fund Revenues (in Millions)

Adopted &
Revised Budgets
with YTD Actual
(Q1 – 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	58	\$590,000	\$124,000

Fiscal Year 2025

Period	# of Settlements	General Fund	Measure B
3 Months	23	\$487,000	\$97,000



General Fund Expenditures FY2025

Department	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q1 Exclude Encumbrance (\$ Millions)	% Used with Revised Budget	Encumbrance	% Used with Revised Budget (after Encumbrance applied)
Mayor & Council	\$3.5	\$3.5	\$0.7	20%	\$1.0	49%
City Attorney	\$5.9	\$6.0	\$1.2	20%	\$0.3	25%
City Administrator	\$4.5	\$4.7	\$0.9	19%	\$0.1	21%
Human Resources	\$2.8	\$3.0	\$0.6	20%	\$0.3	30%
Finance	\$8.2	\$9.2	\$1.7	18%	\$0.5	24%
General Government	\$24.8	\$26.4	\$5.2	20%	\$2.3	28%
Police	\$56.8	\$57.9	\$13.6	23%	\$0.5	24%
Fire	\$39.9	\$40.2	\$9.6	24%	\$0.2	24%
Public Safety	\$96.7	\$98.2	\$23.2	24%	\$0.7	24%



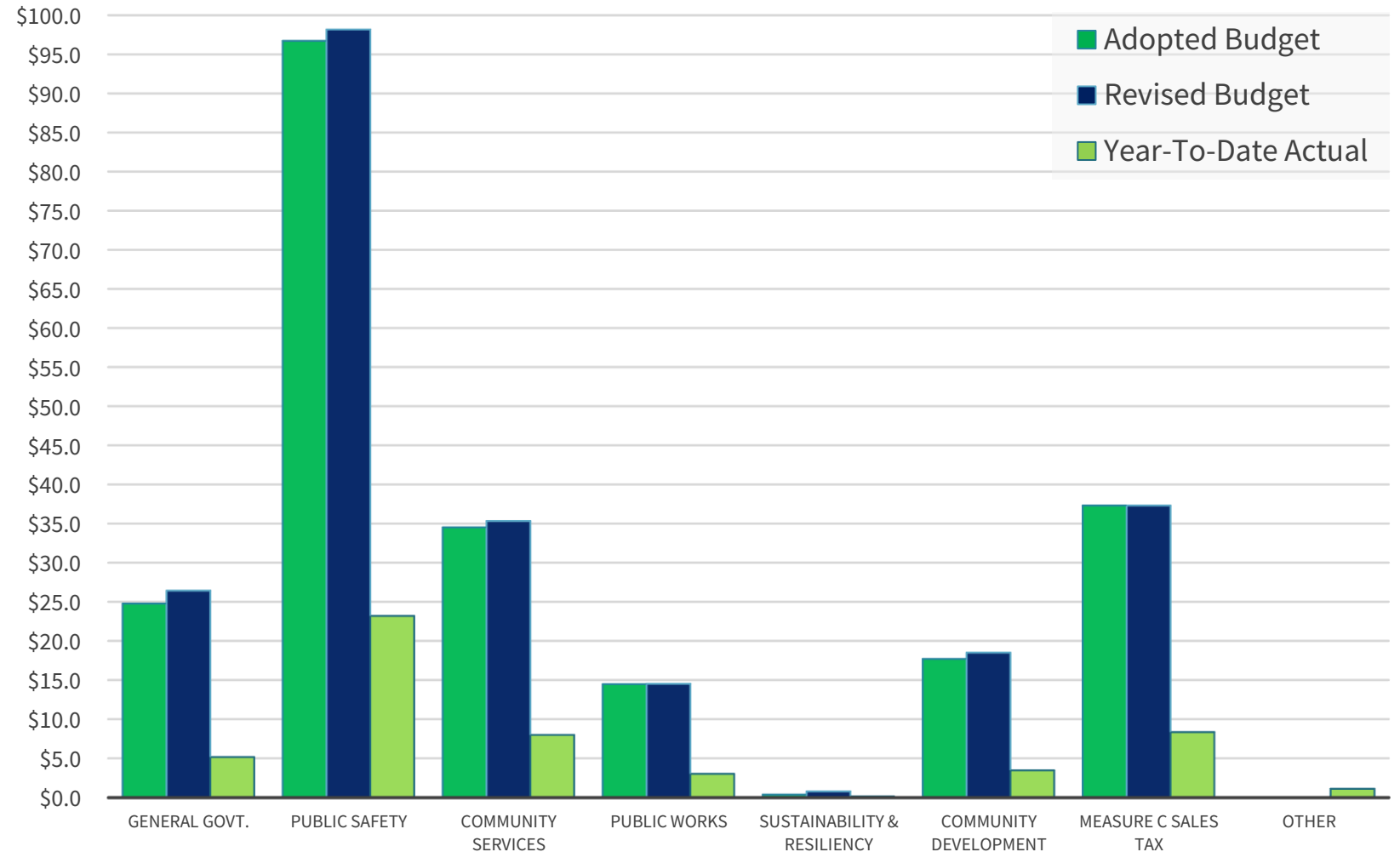
General Fund Expenditures FY2025 *Includes \$6M reduction

Department	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q1 Exclude Encumbrance (\$ Millions)	% Used with Revised Budget	Encumbrance	% Used with Revised Budget (after Encumbrance applied)
Parks & Recreation	\$25.5	\$26.1	\$6.2	24%	\$1.2	28%
Library	\$9.00	\$9.2	\$1.8	20%	\$0.2	22%
Community Services	\$34.5	\$35.3	\$8.00	23%	\$1.4	27%
Public Works	\$14.5	\$14.5	\$3.00	21%	\$0.1	21%
Sustainability & Resilience	\$0.4	\$0.8	\$0.1	13%	\$0.1	25%
Community Development	\$17.7	\$18.5	\$3.5	19%	\$0.6	22%
Sub Total Expenditures	\$188.5	\$193.7	\$43.0	22%	\$5.1	25%
Measure C Sales Tax	\$37.3	\$37.3	\$8.3	22%	\$0.0	22%
Non - Departmental	\$(1.2)*	\$(1.2)*	\$1.1	-92%	\$0.0	-92%
Total Expenditures	\$224.6	\$229.8	\$52.4	23%	\$5.1	25%



General Fund Expenditures (in Millions)

Adopted &
Revised Budgets
with YTD Actual
(Q1 – FY2025)





Enterprise Funds Overview



Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q1 FY2025 (\$ Millions)	% Used with Revised Budget	Q1 FY2024 (\$ Millions)	% Change with FY2025
Water						
Revenues	80.6	80.6	19.0	23.6%	18.4	3.3%
Expenses	83.8	86.9	17.1	19.7%	15.0	14.0%
Operating Income (Loss)	\$(3.2)	\$(6.3)	\$1.9		\$3.4	
Wastewater						
Revenues	31.3	31.3	7.9	25.2%	7.2	9.7%
Expenses	32.0	33.1	6.3	19.0%	5.5	14.5%
Operating income (Loss)	\$(0.7)	\$(1.8)	\$1.5		\$1.7	
Solid Waste						
Revenues	40.3	40.3	8.8	21.8%	9.6	-8.3%
Expenses	39.6	40.6	6.6	16.3%	7.5	12.0%
Operating income (Loss)	\$0.7	\$(0.3)	\$2.2		\$2.1	



Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q1 FY2025 (\$ Millions)	% Used with Revised Budget	Q1 FY2024 (\$ Millions)	% Change with FY2025
Clean Energy						
Revenues	53.3	53.3	7.3	13.7%	7.8	-6.4%
Expenses	55.5	58.4	9.3	15.9%	3.5	165.7%
Operating Income (Loss)	\$(2.2)	\$(5.1)	\$(2.0)		\$4.3	
Airport						
Revenues	32.7	32.7	8.3	25.4%	6.4	29.7%
Expenses	33.0	36.2	7.5	20.7%	6.2	21.0%
Operating income (Loss)	\$(0.3)	\$(3.5)	\$0.8		\$0.2	
Waterfront						
Revenues	20.5	20.5	5.6	27.3%	5.7	-1.7%
Expenses	21.1	21.4	5.0	23.4%	4.7	6.4%
Operating income (Loss)	\$(0.6)	\$(0.9)	\$0.6		\$1.0	



Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q1 FY2025 (\$ Millions)	% Used with Revised Budget	Q1 FY2024 (\$ Millions)	% Change with FY2025
Downtown Parking						
Revenues	\$15.4	\$15.4	\$2.8	18.2%	\$2.6	7.7%
Expenses	\$13.6	\$13.8	\$2.5	18.2%	\$2.6	-3.8%
Operating Income (Loss)	\$1.8	\$1.6	\$0.3		\$0.0	
Golf						
Revenues	\$4.7	\$4.7	\$1.4	29.8%	\$1.4	0.0%
Expenses	\$4.4	\$4.4	\$0.9	20.5%	\$0.7	28.6%
Operating income (Loss)	\$0.3	\$0.3	\$0.5		\$0.7	



Proposed Budget Amendments





General Fund & Special Revenue Funds

- Decrease appropriations to clear transfer budgets for Measure C. Revenues originally posted to Fund 1000 will now be posted directly in the revenue fund under Measure C Fund 3010 & offset expenditures will be eliminated.
 - ➡ \$33.4 M Revenues
 - ➡ \$37.3 M Expenditures
- Increase appropriation in the Measure A Capital Fund 3440 to transfer out to the Streets Grant Capital Fund 3410 to support the Carpinteria Street Bridge Replacement project.
 - ➡ \$735.5K

Enterprise Funds

- Decrease appropriation to correct clerical error & to balance transfers per the planned and approved FY2025 budget.
 - ➡ \$1.0M Expenses
- Increase appropriations in the Wastewater Fund 5100 to transfer out to Wastewater Capital Fund 5110 to cover the costs related to the sewer line on Las Alturas Road that was damaged by the February 2024 storm.
 - ➡ \$750K Expenses

Position Changes





- Community Development Department:
Reclassification of Senior Commission Secretary position to an Administrative Assistant, effective November 30, 2024
- Sustainability & Resilience Department:
Delete one (1) full-time Administrative Specialist, effective November 30, 2024



Questions, Public Comment, & Discussion

