



FINANCE DEPARTMENT

**FOURTH-QUARTER FINANCIAL REVIEW
FISCAL YEAR 2024**

Finance Committee – September 24, 2024

Recommendation to Finance Committee

- A. Receive a report from staff on the status of revenues and expenditures in relation to budget for the twelve months ended June 30, 2024;
- B. Accept the Fiscal Year (FY) 2024 Interim Financial Statements for the twelve months ended June 30, 2024;
- C. Recommend that Council adopt a Resolution of the Council of the City of Santa Barbara Amending Resolution 23-076, to Approve Proposed Fourth-Quarter (Q4) adjustments to FY2024 revenue and expenditure appropriations as detailed in the attached Schedule of Proposed Q4 Adjustments; and
- D. Recommend that Council adopt a Resolution of the Council of the City of Santa Barbara Amending the Position Salary Control Resolution 24-071 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 21, 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

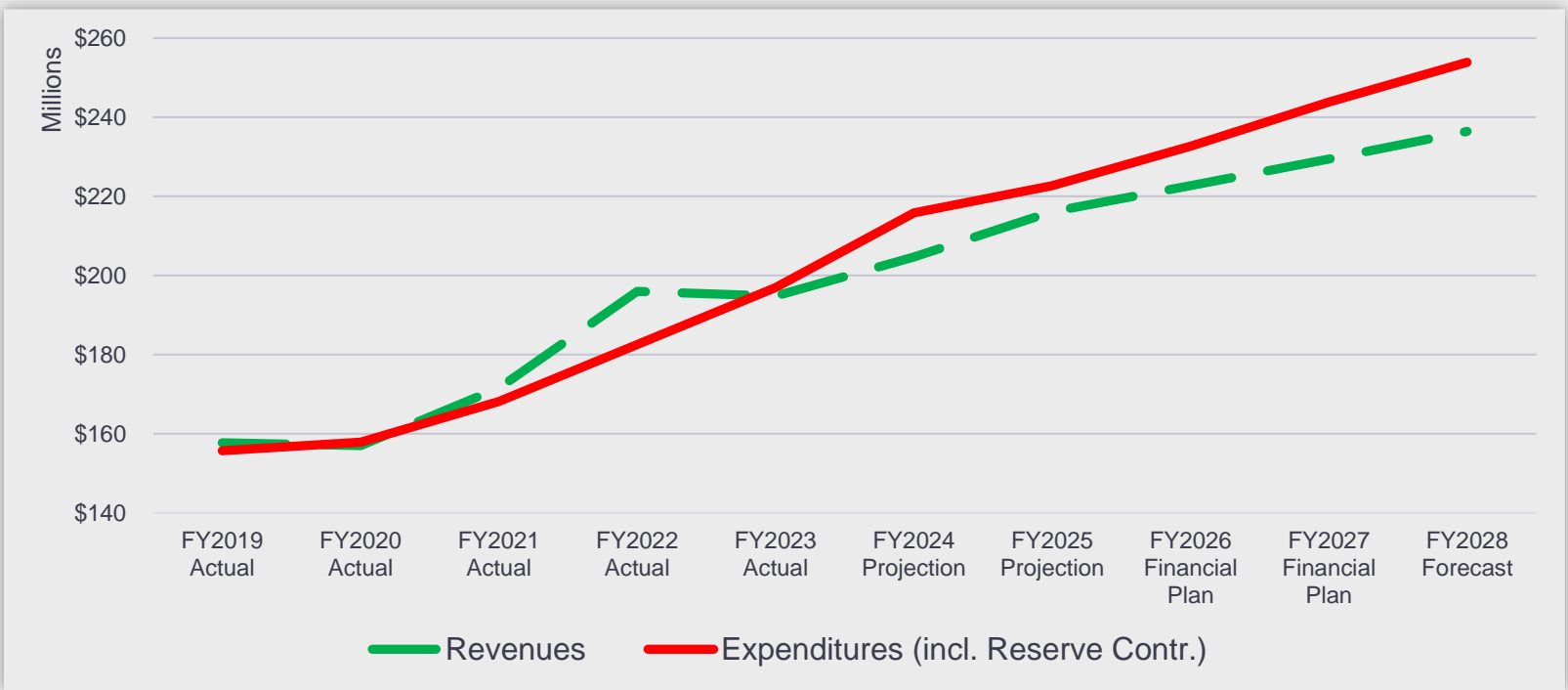


FY2024 Annual Financial Review Process

- Monthly financial statements
- Quarterly financial statements & projections
 - ✓ • **Q1** – Finance Committee December 2023
 - ✓ • **Q2** – City Council March 2024
 - ✓ • **Q3** – Finance Committee May 2024
 - ✓ • **Q4** – Finance Committee September 2024
- Annual Comprehensive Financial Report – December 2024

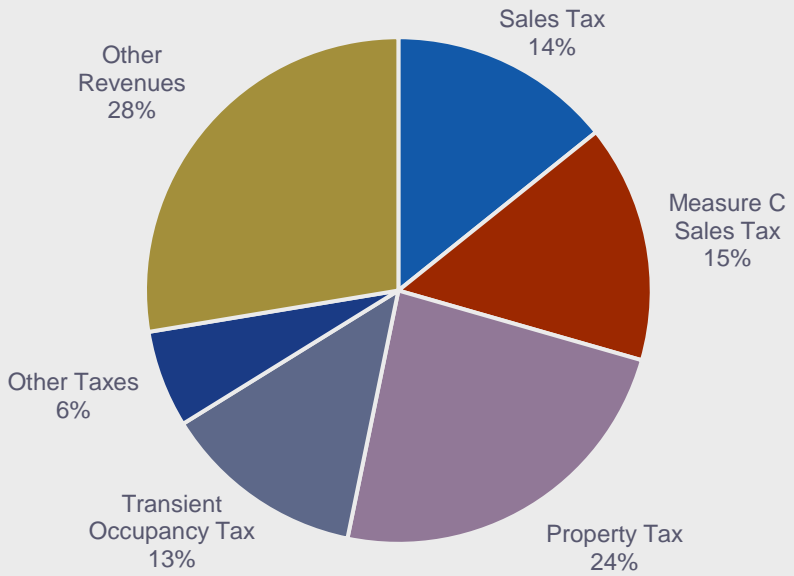
General Fund Overview

General Fund Multi-Year Forecast

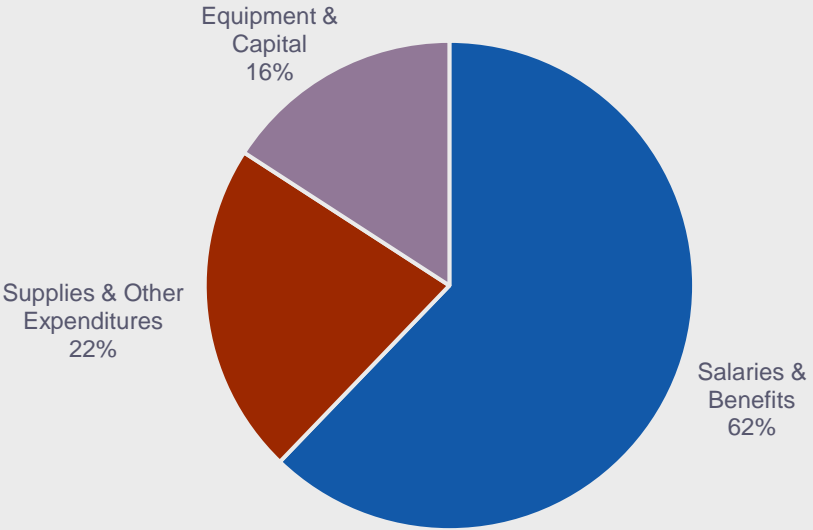


General Fund Revenues & Expenditures

FY2024 General Fund Revenues



FY2024 General Fund Expenditures





General Fund Financial Overview

- Adopted & Revised budgets include prior year Measure C revenues
- Revised budget includes carryforward appropriation from FY2023 for encumbrance & commitments continuing into FY2024
- Tax revenue softening
- Business License renewal by calendar year
- FY2024 projection to revised budget

GENERAL FUND \$ MILLIONS	FY2024 ADOPTED BUDGET	FY2024 REVISED BUDGET	ACTUALS FY2024 THROUGH Q4	ACTUALS PERCENT of REVISED BUDGET (Q4)
REVENUES				
Annual FY2024 Revenues	\$203.6	\$207.8	\$204.7	98.5%
Approved use of prior year Measure C Revenues	\$14.9	\$14.9	\$3.1	
Total Revenues	\$218.5	\$222.7	\$207.8	93.3%
Annual FY2024 Expenditures	\$221.5	\$227.8	\$215.4	94.6%
Surplus / (Deficit)	(\$2.9)	(\$5.1)	(\$7.7)	

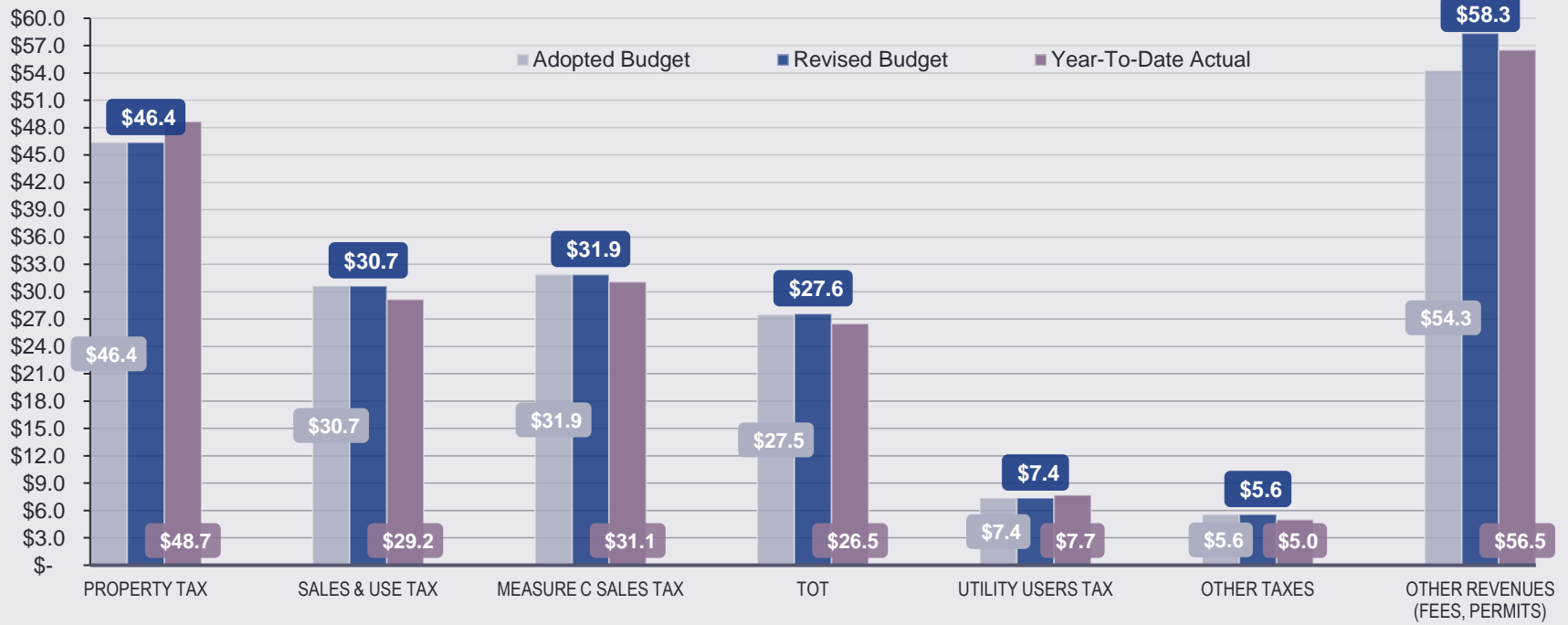
Carryforwards

- Appropriation from a prior fiscal year that is carried forward into the current fiscal year to be encumbered &/or spent \$9.4M
- Routine annual budget process after budget adoption
- City Council resolution adopted every year to authorize
- City Administrator review of all requests
- 37 General Fund requests for one-time projects totaling \$6.5M
- Many other one-time & capital project requests

General Fund Tax Summary (12 months ended June 30, 2024)

\$ MILLIONS	ADOPTED BUDGET	REVISED BUDGET	YEAR-TO-DATE ACTUAL Q4	VARIANCE with REVISED BUDGET	% VARIANCE REVISED BUDGET with ACTUAL	PRIOR YEAR YEAR-TO-DATE ACTUAL	CHANGE FROM FY2023
Property Tax	\$46.4	\$46.4	\$48.7	\$2.30	105%	\$46.0	6%
Sales & Use Tax	\$30.6	\$30.6	\$29.1	(\$1.5)	95%	\$29.0	0%
Measure C Sales Tax	\$31.9	\$31.9	\$31.1	(\$0.8)	97%	\$30.7	1%
Transient Occupancy Tax	\$27.5	\$27.6	\$26.5	(\$1.1)	96%	\$26.2	1%
Utility Users Tax	\$7.4	\$7.4	\$7.7	\$0.30	104%	\$7.9	(3%)
Business License	\$2.9	\$2.9	\$2.8	(\$0.1)	97%	\$2.7	4%
Cannabis Excise Tax	\$1.5	\$1.5	\$1.3	(\$0.2)	87%	\$1.4	(7%)
Property Transfer Tax	\$1.2	\$1.2	\$0.8	(\$0.4)	67%	\$0.9	(11%)
TOTAL TAXES	\$149.4	\$149.5	\$148.0	(\$1.5)	99%	\$144.8	2%

General Fund – Revenues (in Millions)
Fiscal Year 2024
Revised Budget & Projection with Year-to-Date Actual



Short-Term Rental Enforcement Program

- 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.
- Transient Occupancy Tax (TOT) payments collected as a part of this program are as follows:

STR TOT	# SETTLEMENTS	GENERAL FUND	MEASURE B
FY2024 Twelve Months	58	\$590,000	\$124,000

General Fund – Expenditures

\$ MILLIONS	ADOPTED BUDGET	REVISED BUDGET	YEAR-TO-DATE ACTUAL (without Encumbrance)	% VARIANCE	YEAR-TO-DATE VARIANCE (without Encumbrance)	ENCUMBRANCE	REMAINING BUDGET after ENCUMBRANCES
Mayor & Council	\$3.33	\$3.40	\$3.36	99%	(\$0.04)	\$0.02	\$0.02
City Attorney	\$5.31	\$6.63	\$4.84	73%	(\$1.79)	\$0.09	\$1.70
City Administrator	\$3.56	\$4.26	\$4.11	96%	(\$0.15)	\$0.05	\$0.01
Human Resources	\$2.38	\$2.96	\$2.84	96%	(\$0.12)	\$0.18	(\$0.06)
Finance	\$7.61	\$7.82	\$7.19	92%	(\$0.63)	\$0.70	(\$0.07)
General Government	\$22.16	\$25.07	\$22.34	89%	(\$2.72)	\$1.04	\$1.69
Police	\$58.06	\$59.74	\$53.39	89%	(\$6.35)	\$0.61	\$5.74
Fire	\$33.96	\$37.44	\$36.82	98%	(\$0.62)	\$0.14	\$0.48
Public Safety	\$92.02	97.18	\$90.21	93%	(\$6.97)	\$0.75	\$6.22

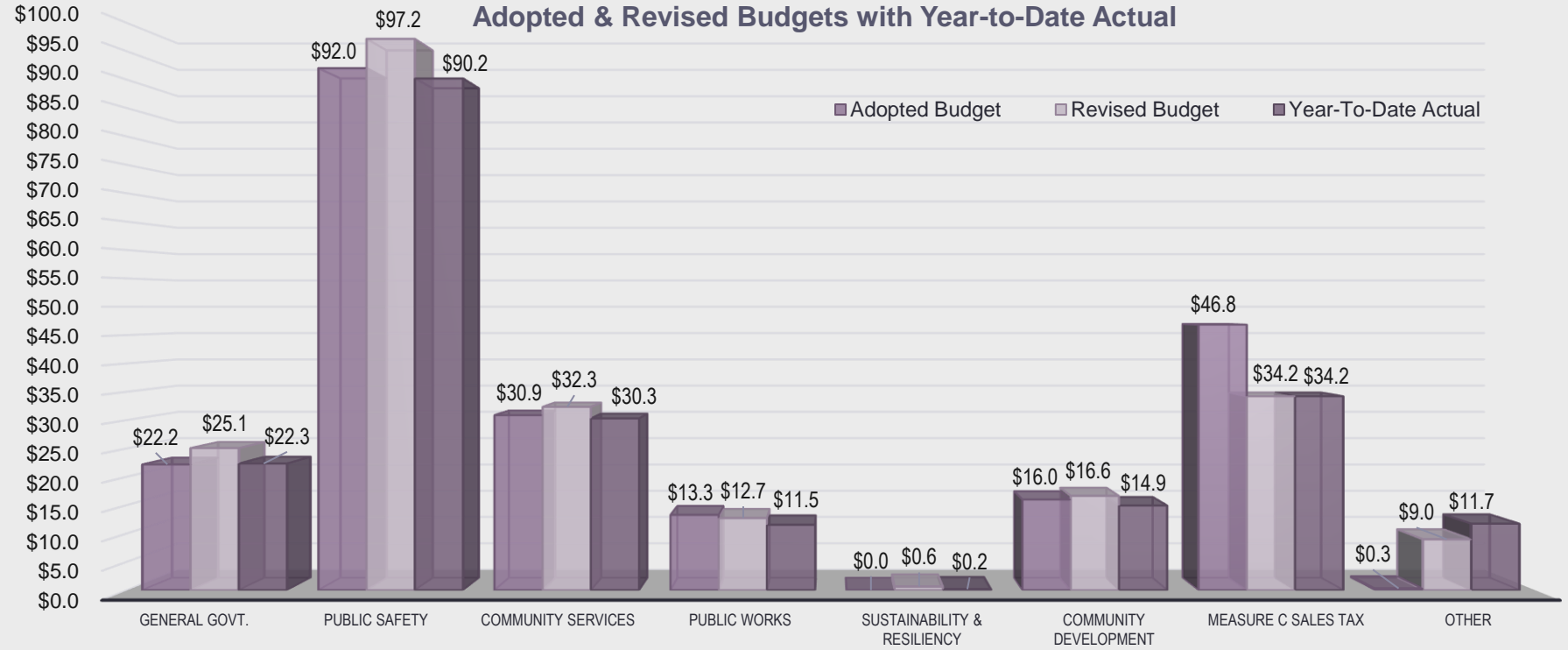
General Fund – Expenditures

\$ MILLIONS	ADOPTED BUDGET	REVISED BUDGET	YEAR-TO-DATE ACTUAL (without Encumbrance)	% VARIANCE	YEAR-TO-DATE VARIANCE (without Encumbrance)	ENCUMBRANCE	REMAINING BUDGET after ENCUMBRANCES
Parks & Recreation	\$23.44	\$23.74	\$22.29	94%	(\$1.45)	\$0.33	\$1.12
Library	\$7.43	\$8.60	\$8.02	93%	(\$0.58)	\$0.02	\$0.56
Community Services	\$30.87	\$32.34	\$30.31	94%	(\$2.04)	\$0.35	\$1.70
Public Works	\$13.29	\$12.72	\$11.53	91%	(\$1.19)	\$0.05	\$1.14
Sustainability & Resiliency	\$0.00	\$0.64	\$0.17	27%	(\$0.47)	\$0.13	\$0.34
Community Development	\$15.99	\$16.64	\$14.93	90%	(\$1.71)	\$0.54	\$1.17
Measure C Sales Tax	\$46.84	\$34.2	\$34.2	100%	\$0.00	\$0.00	\$0.00
Non-Departmental	\$0.30	\$8.97	\$11.73	131%	\$2.76	\$0.00	(\$2.75)
Total <u>All General Funds</u>	\$221.47	\$227.76	\$215.43	92%	\$12.33	\$2.86	\$9.51



General Fund – Expenditures (in Millions) Fiscal Year 2024

Adopted & Revised Budgets with Year-to-Date Actual





Enterprise Funds Overview

Enterprise Funds Revenues & Expenses (1 of 2)

\$ MILLIONS	ADOPTED BUDGET	REVISED BUDGET	YEAR-TO-DATE ACTUAL	YEAR-TO-DATE %	ENCUMBERED	LAST YEAR ACTUAL	% VARIANCE
Solid Waste Fund							
Revenues	\$38.2	\$38.5	\$38.9	101%	\$0.0	\$34.2	12%
Expenses	\$38.2	\$41.0	\$37.9	92%	\$0.5	\$32.9	12%
Add / (Use) Reserves	\$0.0	(\$2.5)	\$1.3			\$1.9	
Clean Energy Fund							
Revenues	\$47.7	\$47.7	\$51.3	108%	\$0.0	\$43.4	15%
Expenses	\$39.0	\$39.6	\$30.1	76%	\$1.4	\$37.6	(25%)
Add / (Use) Reserves	\$8.7	\$8.1	\$21.2			\$5.8	
Water Fund							
Revenues	\$74.7	\$75.9	\$73.3	96%	\$0.0	\$66.9	9%
Expenses	\$75.3	\$88.8	\$77.8	88%	\$2.8	\$65.8	15%
Add / (Use) Reserves	(\$0.6)	(\$12.9)	(\$4.5)			\$1.1	
Wastewater Fund							
Revenues	\$29.1	\$29.8	\$29.5	99%	\$0.0	\$27.0	9%
Expenses	\$29.3	\$31.1	\$28.8	93%	\$0.7	\$27.0	6%
Add / (Use) Reserves	(\$0.2)	(\$1.3)	\$0.7			\$0.0	

Enterprise Funds Revenues & Expenses (2 of 2)

\$ MILLIONS	ADOPTED BUDGET	REVISED BUDGET	YEAR-TO-DATE ACTUAL	YEAR-TO-DATE %	ENCUMBERED	LAST YEAR ACTUAL	% VARIANCE
Airport Fund							
Revenues	\$29.5	\$30.9	\$30.8	99%	\$0.0	\$27.4	11%
Expenses	\$29.5	\$33.8	\$30.0	89%	\$1.0	\$29.9	0%
Add / (Use) Reserves	\$0.0	(\$2.9)	\$0.8			(\$2.5)	
Waterfront Fund							
Revenues	\$19.0	\$19.0	\$19.9	105%	\$0.0	\$19.0	5%
Expenses	\$19.1	\$19.3	\$18.4	96%	\$0.3	\$18.0	2%
Add / (Use) Reserves	(\$0.1)	(\$0.3)	\$1.5			\$1.0	
Golf Fund							
Revenues	\$4.2	\$4.5	\$4.7	105%	\$0.0	\$4.3	9%
Expenses	\$3.8	\$4.0	\$3.6	89%	\$0.0	\$3.7	(3%)
Add / (Use) Reserves	\$0.4	\$0.5	\$1.1			\$0.6	
Downtown Parking Fund							
Revenues	\$11.4	\$11.6	\$10.6	91%	\$0.0	\$10.3	2%
Expenses	\$11.8	\$12.0	\$11.6	95%	\$0.2	\$10.5	10%
Add / (Use) Reserves	(\$0.4)	(\$0.4)	(\$1.0)			(\$0.2)	

Proposed Budget Amendments



Proposed Budget Adjustments

General Fund

- Increase appropriations in building maintenance to align FY2024 budget with building maintenance rate model: \$590K
- Increase appropriations to correct the FY2022 & FY2023 underpayments for Schedule 1 leased fire trucks from the Fire Department to the Fleet replacement fund: \$313.2K
- Increase estimated revenue to transfer-in from Airport Operations Fund to reimburse the Police Department for staff member: \$278.6K



Proposed Budget Adjustments

Other Funds

- Increase estimated revenue in additional grant revenue for the Desalination Product water pump station upgrades project: \$1.14 Million
- Decrease appropriations in Transfer out to move out from Measure A. It was for the MarBorg Franchise agreement which the funds should have been transferred out from the General Fund: \$1.1 Million
- Increase appropriations to write-off loan receivables for an approved loan forgiveness of a Transition House loan. The property is located on East Ortega Street.



Position Changes

Position Changes – Quarter 4

1)

1. Add two (2) FTE Project Planners in Long Range Planning to support the Housing Element implementation efforts
2. Reclassification of a vacant position of Geographic Information Systems Coordinator to an Information Technology Administrator
3. Reclassification of a vacant Senior Library Technician position to a Library Systems Analyst
4. Increase two (2) .80 FTE Library Technician to full-time positions
5. Increase the .80 FTE Library Circulation Supervisor in the Library Department to full-time



Position Changes – Quarter 4

2)

6. Reclassify a Police Technician to a Police Services Coordinator in the Police Department
7. Create Fleet Services Technician Trainee Classification
8. Delete a vacant Streets Maintenance Crew Leader Position
9. Reclassify an Administrative Specialist in Public Works to an Administrative Assistant
10. Delete one (1) FTE Senior Property Management Specialist position in the Waterfront Department
11. Reclassify the Administrative Analyst II to an Administrative Analyst III in the Waterfront Department

Staff Recommendations

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