



Third-Quarter Financial Review Fiscal Year 2025

Finance Committee
May 20, 2025





Recommendation to Finance Committee

- ✓ Hear a report from staff on the status of revenues and expenditures in relation to budget for the nine months ended March 31, 2025;
- ✓ Receive the Fiscal Year (FY) 2025 Interim Financial Statements for the nine months ended March 31, 2025;
- ✓ Recommend that Council adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Amending Resolution 25-018, to Approve Proposed Third-Quarter (Q3) Adjustments to FY2025 Revenue and Expenditure Appropriations as Detailed in the Attached Schedule of Proposed Q3 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 25-043 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 May 31, 2025.

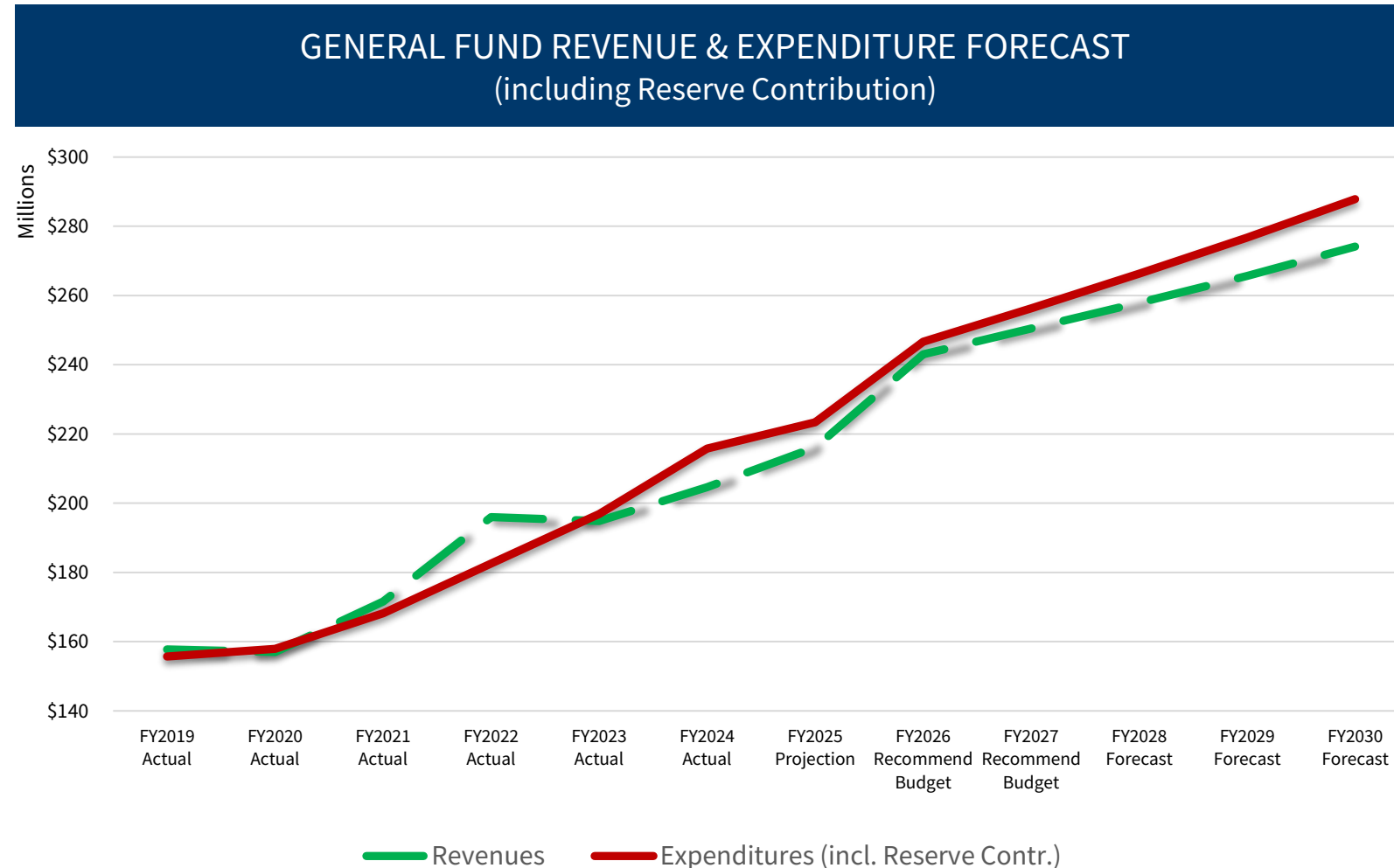


Agenda

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 Projection	FY2026 Recommended Budget	FY2027 Recommended Budget	FY2028 Forecast	FY2029 Forecast	FY2030 Forecast
Revenues	\$217.9	\$243.0	\$250.4	\$257.9	\$265.7	\$274.1
Expenditures*	\$225.9	\$246.6	\$256.3	\$266.3	\$276.8	\$287.9
Surplus / (Deficit)	(\$8.0)	(\$3.6)	(\$5.9)	(\$8.4)	(\$11.1)	(\$13.8)

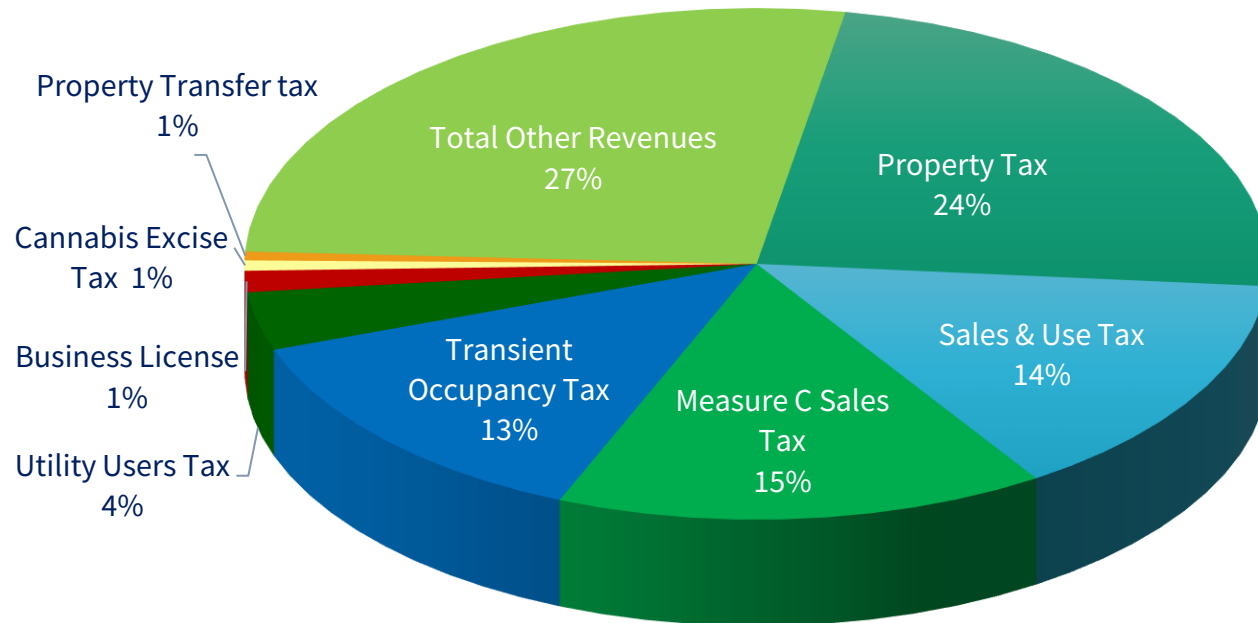
*Expenditures include the reserve contribution in order to meet the City Council reserve policy target. Measure C revenues & expenditures are also included.



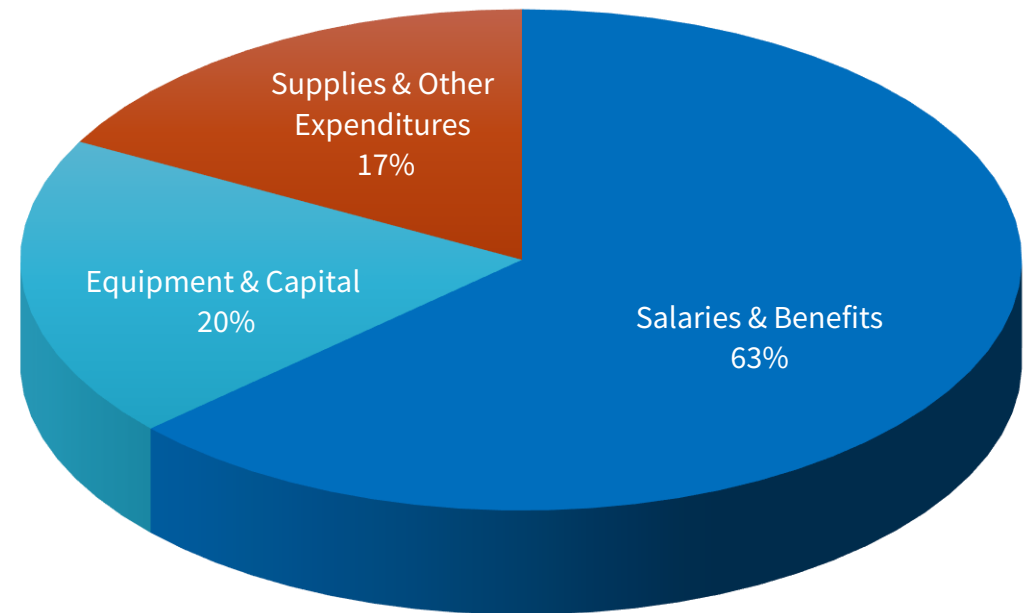
General Fund Revenues & Expenditures

Fiscal Year 2025 – Adopted Budget

Revenues



Expenditures



General Fund Overview

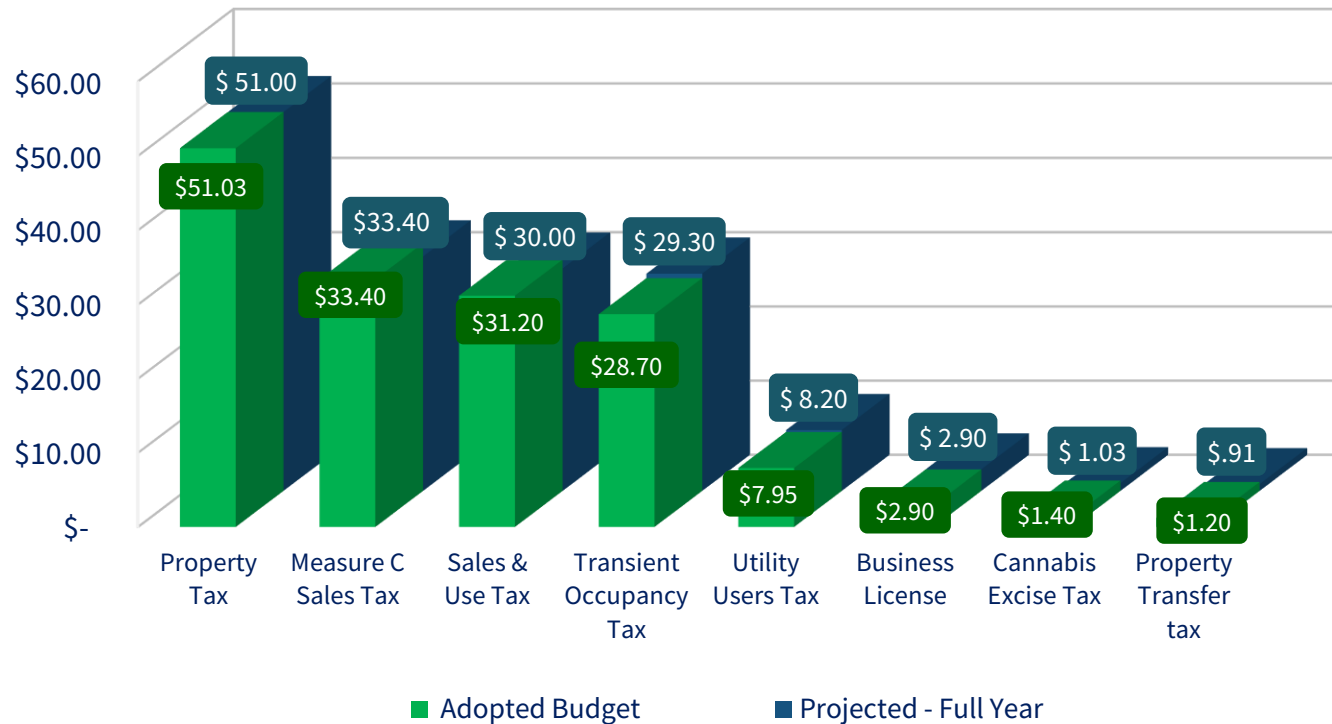




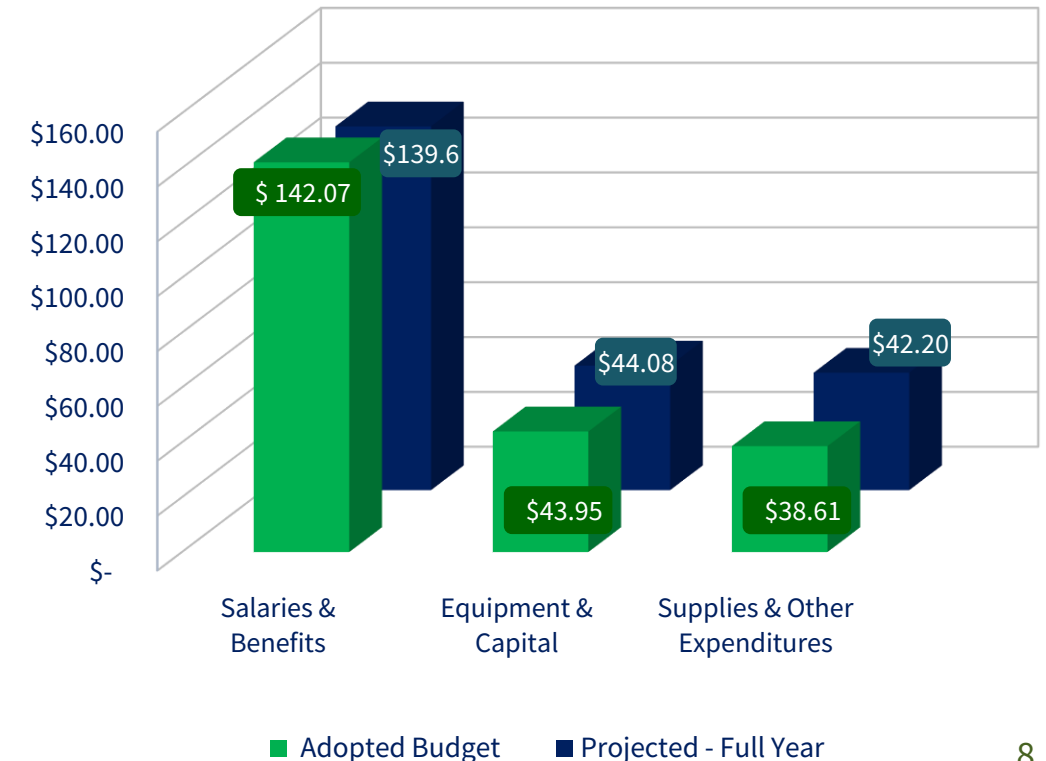
General Fund Revenues & Expenditures

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 Q3 Actual	Actual % of Revised Budget	FY2025 Projection
Revenues	\$182.7	\$185.4	\$122.9	66.3%	\$184.5
Expenditures	\$187.3	\$195.6	\$137.6	70.4%	\$188.6
Contribution to Reserves	\$3.2	\$3.2	\$0.0		\$3.2
Surplus / (Deficit)	(\$7.8)	(\$13.4)	(\$14.7)	0.0%	(\$7.3)

Measure C	FY2025 Adopted Budget	FY2025 Revised Budget	FY2025 Q3 Actual	Actual % of Revised Budget	FY2025 Projection
Revenues	\$33.4	\$33.4	\$23.8	71.4%	\$33.4
Expenditures	\$37.3	\$37.3	\$28.8	77.3%	\$37.3
Total Surplus / (Deficit)	(\$3.9)	(\$3.9)	(\$5.0)	0.0%	(\$3.9)



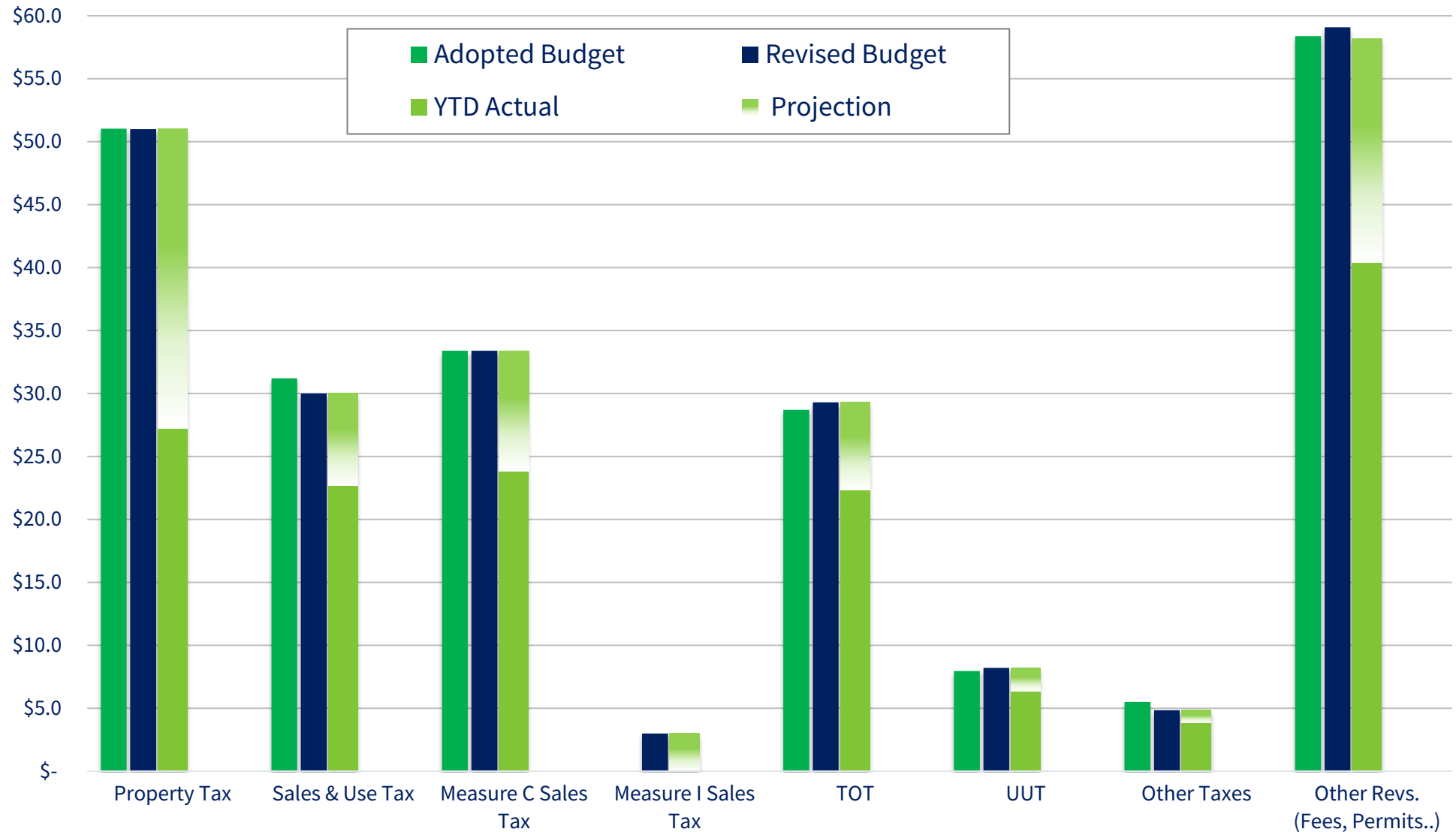
General Fund Tax Summary (Q3 – Fiscal Year 2025)

Tax Source	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	YTD Actual (\$ Millions)	% Used with Revised Budget	FY2025 Projection (\$ Millions)	FY2024 Q3 Actual (\$ Millions)
Property Tax	\$51.0	\$51.0	\$27.2	53%	\$51.0	\$26.4
Sales & Use Tax	\$31.2	\$30.0	\$22.7	76%	\$30.0	\$22.1
Measure C Sales Tax	\$33.4	\$33.4	\$23.8	71%	\$33.4	\$23.8
Measure I Sales Tax	\$0.0	\$3.0	\$0.0	0%	\$3.0	\$0.0
Transient Occupancy Tax	\$28.7	\$29.3	\$22.3	76%	\$29.3	\$19.9
Utility Users Tax	\$7.9	\$8.2	\$6.4	78%	\$8.2	\$5.8
Business Tax Certificates	\$2.9	\$2.9	\$2.5	86%	\$2.9	\$2.4
Cannabis Excise Tax	\$1.4	\$1.0	\$0.7	70%	\$1.0	\$0.9
Property Transfer Tax	\$1.2	\$0.9	\$0.7	78%	\$0.9	\$0.6
TOTAL TAXES	\$157.8	\$159.7	\$106.3		\$159.7	\$101.9



General Fund Revenues (in Millions)

Budgets with
YTD Actual &
Projection
(Q3 – 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
9 Months	44	\$1,006,000	\$185,000



General Fund Expenditures FY2025

Department	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q3 Exclude Encumbrance (\$ Millions)	% Used with Revised Budget	Encumbrance	Projected Full Year
Mayor & Council	\$3.5	\$3.7	\$2.6	72%	\$0.4	\$3.6
City Attorney	\$5.9	\$5.9	\$3.6	61%	\$0.4	\$6.2
City Administrator	\$4.5	\$5.1	\$3.2	63%	\$0.3	\$4.6
Human Resources	\$2.8	\$3.0	\$2.0	65%	\$0.3	\$3.0
Finance	\$8.2	\$9.0	\$5.5	62%	\$0.7	\$9.0
General Government	\$24.9	\$26.7	\$16.9	64%	\$2.1	\$26.4
Police	\$56.8	\$59.4	\$41.3	70%	\$1.1	\$56.2
Fire	\$39.9	\$40.4	\$29.3	73%	\$0.3	\$40.4
Public Safety	\$96.7	\$99.8	\$70.6	71%	\$1.4	\$96.6



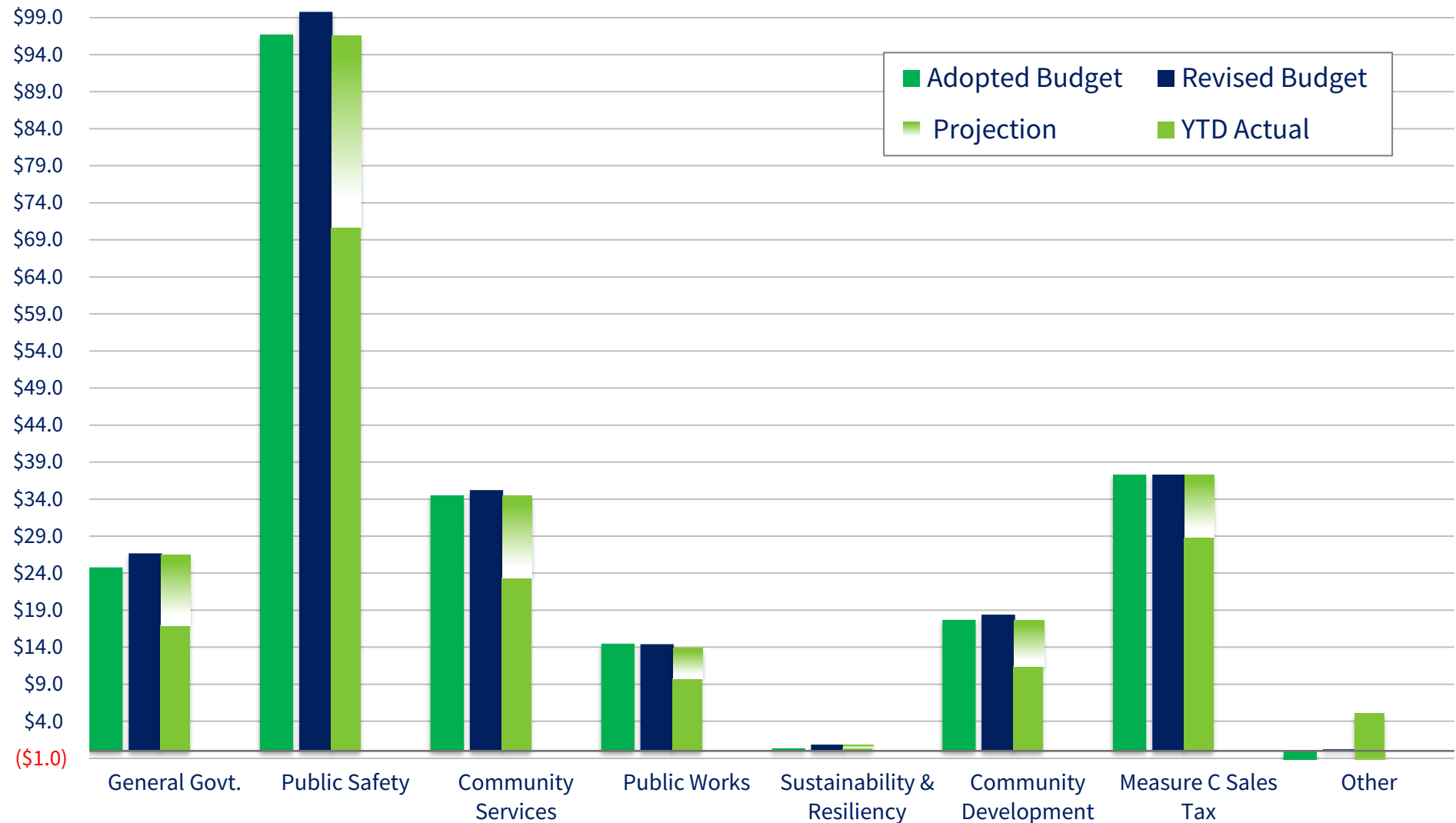
General Fund Expenditures FY2025 *Includes \$6M reduction

Department	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q3 Exclude Encumbrance (\$ Millions)	% Used with Revised Budget	Encumbrance	Projected Full Year
Parks & Recreation	\$25.5	\$26.3	\$17.4	66%	\$0.7	\$26.1
Library	\$9.0	\$9.0	\$5.9	66%	\$0.2	\$8.3
Community Services	\$34.5	\$35.3	\$23.3	66%	\$0.9	\$34.4
Public Works	\$14.5	\$14.4	\$9.8	68%	\$0.0	\$13.9
Sustainability & Resilience	\$0.4	\$0.9	\$0.4	43%	\$0.3	\$0.9
Community Development	\$17.7	\$18.4	\$11.4	62%	\$1.2	\$17.6
Sub Total Expenditures	\$32.5	\$33.7	\$21.6	64%	\$1.5	\$32.4
Measure C Sales Tax	\$37.3	\$37.3	\$28.8	77%	\$0.0	\$37.3
Non - Departmental	(\$1.2)*	\$0.2*	\$5.1	2,148%	\$0.0	(\$1.2)*
Total Expenditures	\$224.7	\$233.0	\$166.3	71%	\$5.9	\$225.9



General Fund Expenditures (in Millions)

Budgets with
YTD Actual &
Projection
(Q3 – FY2025)





Enterprise Funds Overview



Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q3 FY2025 (\$ Millions)	% Used with Revised Budget	Projected Full Year (\$ Millions)	Q3 FY2024 (\$ Millions)
Water						
Revenues	\$80.6	\$78.8	\$61.7	78%	\$78.4	\$56.0
Expenses	\$83.8	\$87.6	\$53.8	61%	\$81.0	\$52.0
Operating Income (Loss)	(\$3.2)	(\$8.8)	\$7.9		(\$2.6)	\$4.0
Wastewater						
Revenues	\$31.3	\$31.3	\$24.2	77%	\$31.5	\$21.7
Expenses	\$32.0	\$33.7	\$22.7	67%	\$33.1	\$20.4
Operating Income (Loss)	(\$0.7)	(\$2.4)	\$1.5		(\$1.6)	\$1.3
Solid Waste						
Revenues	\$40.3	\$40.6	\$30.3	75%	\$41.4	\$29.1
Expenses	\$39.6	\$40.6	\$27.1	67%	\$40.2	\$26.1
Operating Income (Loss)	\$0.7	\$0.0	\$3.2		\$1.2	\$3.0



Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q3 FY2025 (\$ Millions)	% Used with Revised Budget	Projected Full Year (\$ Millions)	Q3 FY2024 (\$ Millions)
Clean Energy						
Revenues	\$53.3	\$53.3	\$31.7	59%	\$51.0	\$34.7
Expenses	\$55.5	\$58.4	\$38.9	67%	\$55.7	\$21.8
Operating Income (Loss)	(\$2.2)	(\$5.1)	(\$7.2)		(\$4.7)	\$12.9
Airport						
Revenues	\$32.7	\$33.8	\$24.4	72%	\$32.7	\$21.9
Expenses	\$33.0	\$38.8	\$26.4	68%	\$38.0	\$21.1
Operating Income (Loss)	(\$0.3)	(\$5.0)	(\$2.0)		(\$5.3)	\$0.8
Waterfront						
Revenues	\$20.5	\$20.5	\$15.5	76%	\$20.5	\$14.8
Expenses	\$21.1	\$21.4	\$14.8	69%	\$21.3	\$13.4
Operating Income (Loss)	(\$0.6)	(\$0.9)	\$0.7		(\$0.8)	\$1.4



Enterprise Funds Operating Position FY2025

Enterprise Fund	Adopted Budget (\$ Millions)	Revised Budget (\$ Millions)	Q3 FY2025 (\$ Millions)	% Used with Revised Budget	Projected Full Year (\$ Millions)	Q3 FY2024 (\$ Millions)
Downtown Parking						
Revenues	\$15.4	\$15.0	\$8.3	56%	\$11.8	\$7.9
Expenses	\$13.6	\$12.7	\$8.5	67%	\$12.4	\$8.5
Operating Income (Loss)	\$1.8	\$2.3	(\$0.2)		(\$0.6)	(\$0.6)
Golf						
Revenues	\$4.7	\$4.7	\$3.5	74%	\$4.7	\$3.3
Expenses	\$4.4	\$4.4	\$2.8	64%	\$4.4	\$2.4
Operating Income (Loss)	\$0.3	\$0.3	\$0.7		\$0.3	\$0.9

Proposed Budget Amendments





General Fund & Special Revenue Funds

- Increase appropriations in community Promotions to pay for a special events consultant for Juneteenth, Solstice, Fiesta, & Milpas Parade
➡ \$53K Expenditures
- Increase estimated revenue in Fire Admin Mutual Aid for expected increase in revenue projections for the Eaton & Palisades response **AND** increase appropriations for reimbursable expenses on Fire Mutual Aid
➡ \$100K Revenues
➡ \$258K Expenditures

Enterprise Funds

- Decrease estimated revenues in hourly parking revenue to not exceed Council direction for the Adopted FY2025 Budget
➡ (\$3.8)M Revenues
- Increase appropriation in the Water Capital Fund to cover Non-building improvement project costs related to the Desalination Plant intake Pump platforms hazard mitigation project.
➡ \$860K Expenditures

Position Changes





Reclassifications

- Fire Department
 - Fire Inspector II to Fire Inspector III
- Human Resources Department
 - Human Resources Analyst II to Senior Human Resources Analyst
- Information Technology Department
 - Applications Administrator to Applications Analyst
 - Network Analyst to Senior Electronics Communication Technician
- Library Department
 - Library Technician to Library Systems Technician I
- Parks & Recreation Department
 - vacant Administrative Specialist position to Administrative Assistant
 - Grounds Maintenance Worker II to Tree Trimmer II
 - Recreation Specialist to Recreation Coordinator
- Public Works Department
 - vacant Accounting Assistant position to Administrative Assistant
- Sustainability & Resilience Department
 - Energy & Climate Specialist to Administrative Analyst II





Questions, Public Comment, & Discussion

