



# FY24 Preliminary Year-End Status and FY25 AAO1

Budget and Finance Policy Committee  
7 November 2024

# PURPOSE AND OVERVIEW

- Summary of Preliminary FY24 Year-End Status for General Fund
  - General Fund Revenues
  - General Fund Expenditures
- FY25 AAO1
  - Purpose
  - Summary of Requests
  - Fund Balance Calculations
- Discussion

# FY24 GENERAL FUND YEAR-END STATUS

	Adopted	Preliminary Actual
Revenues	\$266,418,342	\$273,390,623
Expenditures	276,548,969	288,270,886
Fund Balance Usage	(10,130,627)	(14,880,263)

*\*FY 2024 Preliminary and based upon unaudited actuals and subject to change*

- **FY24 Budget Adopted balanced by using \$10M of fund balance to close deficit as expenditures outpaced revenues**
- **FY24 Year-End closes with use of \$15M in fund balance, slightly less than anticipated**

# FY24 GENERAL FUND REVENUES

- Secured property tax **up** \$5.6M or 7% more than in FY23
- Property transfer tax **down** -\$5.3M or 23% compared to FY23
- Measure P **down** \$-3.9M or 39% in FY24
- Secured Property Tax and Vehicle in Lieu revenue growth **decrease** to 10.8% in FY 2023 to 7.256% in FY 2024 and 6.39% for FY 2025.
- Interest Income **up** \$3.0M or 25.1% more than FY 2023.
- Business license Taxes **up** \$1.9M or 8.7% more
- Weakness in two other key General Fund business categories: Sales Taxes and TOT.

# FY 2023 AND 2024 GENERAL FUND REVENUES

Revenue Categories	FY 2024				FY 2023				Comparison FY24 vs FY23	
	Adopted	Actual	Variance	% Received	Adopted	Actual	Variance	% Received	Amount	%
	(a)	(b)	c=(b) - (a)	(d) = (b)/(a)	(e)	(f)	g=(f) - (e)	(h) = (f)/(g)	(i) = (b) - (f)	(j) = (i)/(f)
Secured Property	\$84,725,717	\$84,850,061	\$124,344	100.15%	\$75,664,920	\$79,260,689	\$3,595,769	104.75%	5,589,372	7.05%
Redemptions -Regular	831,441	842,794	11,353	101.37%	831,441	738,032	-93,409	88.77%	104,762	14.19%
Supplemental Taxes	3,400,000	2,842,273	(557,727)	83.60%	2,000,000	3,561,752	1,561,752	178.09%	(719,479)	-20.20%
Unsecured Property Taxes	3,806,995	4,506,444	699,449	118.37%	3,516,000	3,830,697	314,697	108.95%	675,747	17.64%
Property Transfer Tax	22,873,786	17,549,598	(5,324,188)	76.72%	34,462,172	22,878,336	-11,583,836	66.39%	(5,328,738)	-23.29%
Property Transfer Tax-Measure P (New December 21, 2018)	10,189,500	6,272,861	(3,916,639)	61.56%	14,073,750	10,199,580	-3,874,170	72.47%	(3,926,719)	-38.50%
Sales Taxes	19,654,225	18,717,040	(937,185)	95.23%	19,016,546	19,194,971	178,425	100.94%	(477,931)	-2.49%
Soda Taxes	1,147,387	1,101,210	(46,177)	95.98%	990,210	1,162,310	172,100	117.38%	(61,100)	-5.26%
Utility Users Taxes	17,454,320	17,209,441	(244,879)	98.60%	13,800,000	17,634,565	3,834,565	127.79%	(425,124)	-2.41%
Transient Occupancy Taxes	8,374,588	8,224,852	(149,736)	98.21%	5,000,000	8,671,689	3,671,689	173.43%	(446,837)	-5.15%
Less: TOT rebates owed (a)		(1,245,529)				(1,193,778)			(51,751)	4.34%
Short-term Rentals	1,400,000	1,475,488	75,488	105.39%	1,000,000	1,372,439	372,439	1,000,000	103,049	7.51%
Business License Tax	21,560,783	23,755,728	2,194,945	110.18%	19,000,000	21,854,193	2,854,193	115.02%	1,901,535	8.70%
Recreational Cannabis	1,000,000	152,834	(847,166)	15.28%	1,400,000	997,572	-402,428	71.26%	(844,738)	-84.68%
U1 Revenues	5,900,000	6,322,118	422,118	107.15%	4,900,000	5,844,564	944,564	119.28%	477,554	8.17%
Other Taxes (excluding Redemptions-Regular)	2,593,129	4,460,116	1,866,987	172.00%	1,800,000	4,717,855	2,917,855	262.10%	(257,739)	-5.46%
Vehicle In-Lieu Taxes	17,811,134	17,875,821	64,687	100.36%	15,926,168	16,659,665	733,497	104.61%	1,216,156	7.30%
Parking Fines-Regular Collections	5,800,000	6,034,375	234,375	104.04%	4,326,450	5,875,858	1,549,408	135.81%	158,517	2.70%
Parking Fines-Booting Collections			0				0	#DIV/0!	-	#DIV/0!
Moving Violations	132,600	166,152	33,552	125.30%	132,600	149,420	16,820	112.68%	16,732	11.20%
Ambulance Fees	5,350,779	7,910,668	2,559,889	147.84%	3,880,779	5,143,120	1,262,341	132.53%	2,767,548	53.81%
Interest Income	8,826,211	15,155,999	6,329,788	171.72%	6,000,000	12,117,025	6,117,025	201.95%	3,038,974	25.08%
Franchise Fees	1,720,056	2,008,162	288,106	116.75%	1,613,283	1,822,528	209,245	112.97%	185,634	10.19%
Other Revenue	7,668,797	6,889,503	(779,294)	89.84%	6,729,977	9,043,937	2,313,960	134.38%	(2,154,434)	-23.82%
IDC Reimbursement	6,104,970	6,720,690	615,720	110.09%	5,490,000	6,758,577	1,268,577	123.11%	(37,887)	-0.56%
Transfers	13,591,924	13,591,924	0	100.00%	17,096,148	16,846,585	-249,563	98.54%	(3,254,661)	-19.32%
			-				0		-	
<b>Total Revenue:</b>	<b>\$271,918,342</b>	<b>\$273,390,623</b>	<b>\$1,472,281</b>	<b>100.54%</b>	<b>\$258,650,444</b>	<b>\$275,142,181</b>	<b>\$16,491,737</b>	<b>106.38%</b>	<b>(\$1,751,558)</b>	<b>-0.64%</b>

# FY24 GENERAL FUND EXPENDITURES

Department	FY 2024 Adopted	FY 2024 Adjusted	Year-End Actuals	Balance	Percent Expended
Mayor and Council	4,772,190	5,015,865	4,214,204.25	801,661	84%
City Auditor	3,136,323	3,056,436	3,086,586.01	-30,150	101%
Rent Board	550,000	554,216	554,214.06	2	100%
Police Accountability	1,142,593	1,500,502	1,212,487.43	288,014	81%
City Manager's Office	13,150,234	15,932,008	15,467,856.17	464,152	97%
City Attorney	4,304,039	6,147,342	5,342,910.08	804,432	87%
City Clerk	2,547,276	2,495,516	2,120,066.87	375,449	85%
Finance	8,179,370	8,557,762	7,205,766.34	1,351,996	84%
Human Resources	3,467,541	3,852,911	3,826,825.99	26,085	99%
Information Technology	1,526,760	1,759,177	1,077,795.91	681,381	61%
Health, Housing & Community Services	31,429,102	39,372,752	36,900,801.45	2,471,950	94%
Parks, Recreation, and Waterfront	9,359,349	18,275,666	12,650,269.77	5,625,396	69%
Planning	3,277,246	4,526,313	3,161,113.73	1,365,200	70%
Public Works	6,558,529	11,980,902	7,108,574.64	4,872,327	59%
Police	83,606,570	86,646,613	86,417,408.80	229,626	100%
Fire	39,546,063	40,121,637	47,931,969.11	-7,810,332	119%
Non-Departmental	59,995,782	69,765,715	49,992,035.75	19,773,679	72%
<b>Total</b>	<b>276,548,969</b>	<b>319,561,332</b>	<b>288,270,886</b>	<b>31,290,867</b>	<b>90%</b>

# FY25 AAO AMENDMENT PURPOSE

- Purpose to increase FY25 appropriation (spending level) over adopted budget
- Includes automatic Encumbrance Rollovers of contractual obligations entered into in fiscal year 2024, which had not been paid as of June 30, 2024
- Includes establishment of new grant budgets in other funds
- Includes FY24 carryover requests for continuation or completion of approved capital projects, programs, and priorities (such as Tier 1 items funded in FY24)
- Includes new FY25 funding requests over adopted budget

# FY 2025 AAO#1 ALL FUNDS SUMMARY

Fund Name	Requested Encumbrance	Requested Carryover	Requested Adjustments	Total
General Fund (011)	\$30,334,347	\$12,497,294	\$5,640,640	\$48,472,281
CIP Fund (501)	\$6,521,803	\$18,004,308	\$690,000	\$25,216,111
All Other Funds	\$74,208,703	\$103,709,690	\$28,672,834	\$206,591,227
<b>Total</b>	<b>\$111,064,853</b>	<b>\$134,211,292</b>	<b>\$35,003,474</b>	<b>\$280,279,619</b>

# ADJUSTMENT TYPES

- **Encumbrance Rollovers** are contractual obligations entered into in fiscal year 2024 which had not been paid as of June 30, 2024. Funding for these “encumbered” obligations is brought forward into the current fiscal year to provide for payment of these commitments.
- **Unencumbered Carryover** – funds that were appropriated in the **previous** fiscal year for specific one-time commitments and projects that were not spent and will be needed to start or continue those specific commitments in the current fiscal year.
  - Savings from prior fiscal year not intended to support unfunded discretionary expenditures in current fiscal year or increase baseline
  - Salary savings are one-time and cannot support ongoing personnel costs or other ongoing operational costs. Savings typically go 100% toward fund balance
- **Other Adjustments**- either obligations that occurred after budget adoption (i.e. labor agreement) or requests for new funding

# SUMMARY OF FUNDING REQUESTS

List of Budget Requests	Amount
Mayor's Supplemental Budget Recommendation	16,568,492
Council Referrals (07-01-2024 through 11-12-2024)	2,632,000
General Fund AAO 1 - New Request	4,600,706
General Fund AAO 1 - Carryover Request - Charter Offices	594,026
General Fund AAO 1 - Carryover Request - Department	12,639,029
<b>Total</b>	<b><u>37,034,253</u></b>

# FUND BALANCE CONSIDERATIONS

- Investment policy to allocate income over baseline to Section 115 Trust, Reserves and Capital
  - FY25 Adopted Budget includes use of \$3M of Trust for pension costs
- Fund balance amount not allocated to reserves to address future budget deficits, address other unexpected operating costs that are not emergencies that require use of reserves
- Once fund balance is used, the only way to replenish is to either have savings (greater revenue return and/or decreased spending)

# FY25 AAO AMENDMENT TIMING

- Budget and Finance Policy Committee November 7 and 14
- 1<sup>st</sup> reading Council November 19
- 2<sup>nd</sup> reading Council December 3