

FISCAL YEAR 2024-25 FOURTH QUARTER FINANCIAL REPORT

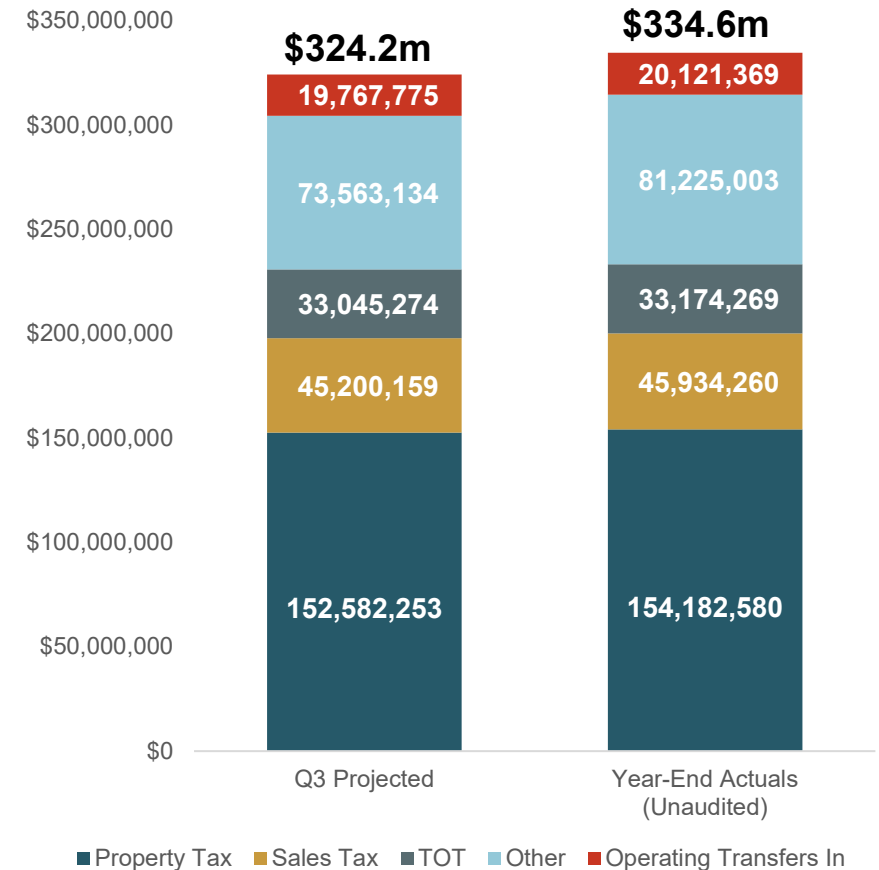
October 16, 2025
Finance Committee



FISCAL YEAR 2024-25 YEAR-END RESULTS SUMMARY OF FOURTH QUARTER CHANGES

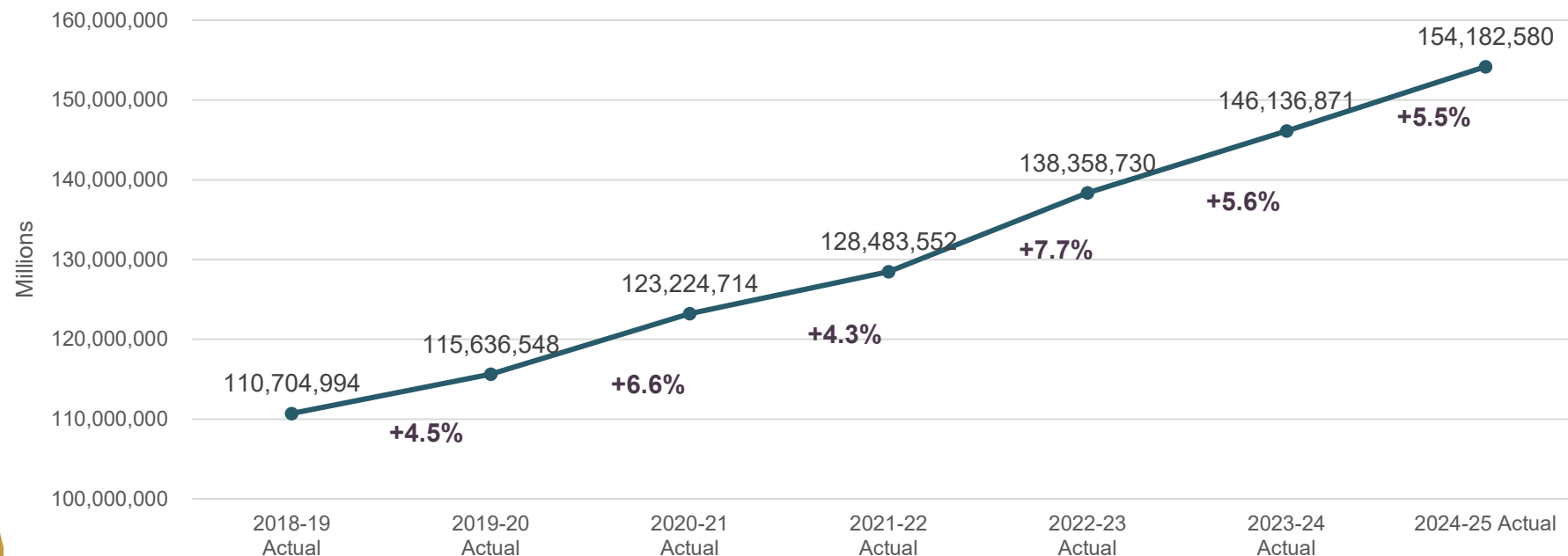
Changes from the Third Quarter to the Fourth Quarter

- Year-end results for Fiscal Year 2024-25 show an unrestricted General Fund operating surplus of \$13.8 million, which is \$5.4 million lower than previously forecasted. This variance is largely attributable to the following factors:
 - \$10.5 million in higher-than-projected General Fund Revenues compared to the prior quarter
 - \$1.4 million in additional expenditure savings identified at year-end
 - A \$5.5 million set-aside for the Contingency Reserve
 - An \$11.9 million set-aside for a property purchase



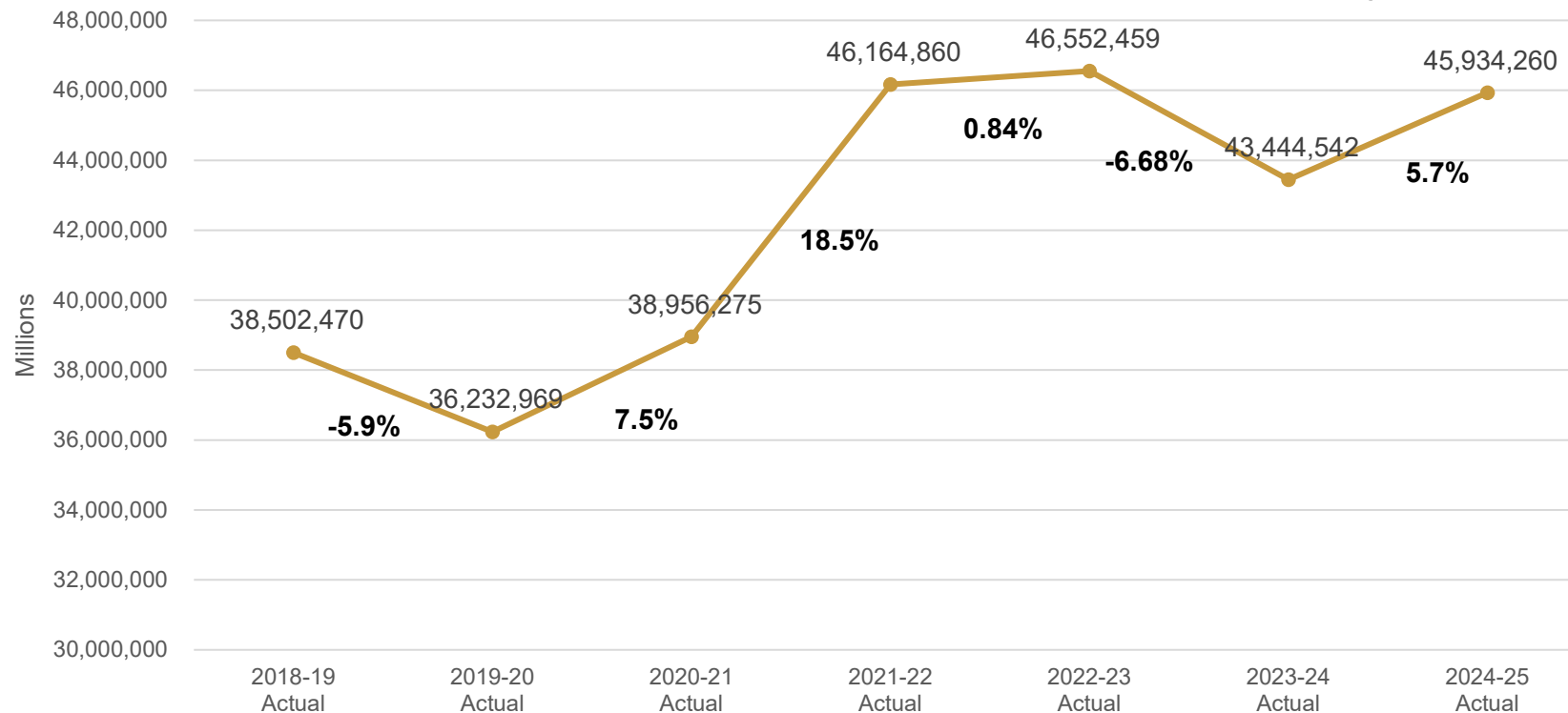
PROPERTY TAX REVENUE

- Property tax revenue is the City's largest source of revenue and is projected to increase by \$8 million (5.5%) over last fiscal year. The year-end actual is \$1.6 million higher than projected at Q3 largely due to higher residual tax revenue from the dissolution of the former redevelopment agency and supplemental taxes.

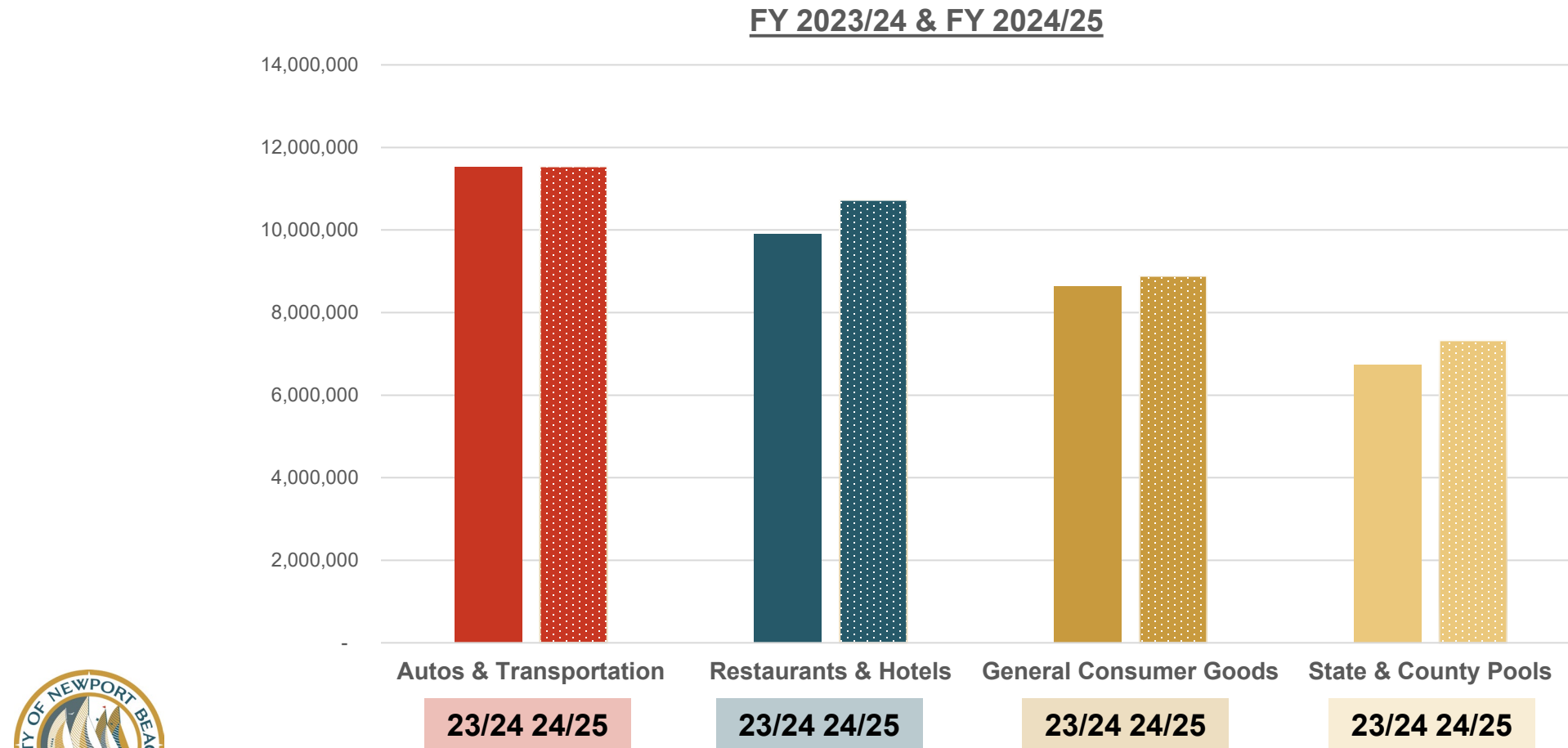


SALES TAX REVENUE

- Sales tax revenue is the City's second largest source of revenue and came in \$0.7 million (1.6%) higher than the amount projected in the third quarter budget update. Year-end actuals reflect an increase of \$2.5 million from the prior year.



SALES TAX REVENUE BY MAJOR INDUSTRY GROUPS



OTHER GENERAL FUND REVENUES

Other general fund revenues exceeded Q3 projections by \$7.7 million, or 10%:

- Investment earnings exceeded projected amounts by \$3 million
- Service Fees and Charges exceeded projected amounts by \$1.4 million
 - Paramedic service fees, short-term lodging renewal fees, and other miscellaneous fees
- Miscellaneous revenues exceeded prior estimates by \$1.3 million
 - Lower than expected Bad Debt
- Parking revenues exceeded prior estimates by \$1 million
 - Higher parking rates and increased utilization
- Sales Tax revenue exceeded prior estimates by \$0.7 million
 - Consumer spending in restaurants and hotels and general consumer goods



GENERAL FUND EXPENDITURES

Revised Budget	\$ 324 million
Q3 Projected Actual	\$ 313.6 million
Year-end Actual	\$ 308.4 million

- \$7 million of savings in salaries and benefits due to vacancies and unspent health benefit allocations.
- \$3.8 million in ongoing projects or encumbrances were carried forward to FY2025-26.



FISCAL YEAR 2024-25 FULL-YEAR SUMMARY AND BREAKDOWN

Summary of Year-End Results and Uses of Funds

- Year-end results for Fiscal Year 2024-25 reflect an unrestricted General Fund operating surplus of \$13.8 million, based on the following:
 - \$334.6 million in total revenues, less \$308.4 million in expenditures
 - Less \$5.5 million set-aside for the Contingency Reserve
 - Less \$11.9 million set-aside for a property purchase
 - Plus \$5.0 million in Net Carryover Resources
- These components together account for the City's year-end surplus of \$13.8 million.
- Since the City pre-funded surplus funds at the beginning of the fiscal year towards paying down the pension liability, it is recommended that the entire unrestricted surplus be allocated towards infrastructure or neighborhood capital improvements.



RECOMMENDED ACTION

- Review and discuss this report
- Provide any recommendations for consideration by the City Manager and the City Council. Staff recommendation:
 - a) Allocate the full \$13.8 toward future capital projects by transferring it to the Facilities Financing Plan (FFP) Fund.



Questions?

