

# FY 2025/26 Third Quarter Financial Update

Finance Department

**Budget Engagement Commission**  
August 13, 2026

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## Fiscal Health and Outlook



Overall, the City maintains  
a strong financial position



Risk that expenditure will  
continue to outpace  
revenue growth



Significant uncertainty of  
future fiscal outlook remains



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## GENERAL FUND & MEASURE Z RESERVE BALANCES

| General Fund                                 |                          |
|----------------------------------------------|--------------------------|
| Policy Reserves                              | Balance<br>(in millions) |
| Emergency Reserve (15%)                      | \$ 57.32                 |
| Contingency Reserve (5%)                     | 19.11                    |
| <b>Total</b>                                 | <b>\$ 76.43</b>          |
| Other Reserves                               |                          |
| Reserved for Section 115 Trust Contributions | \$ 18.23                 |
| Infrastructure Reserve                       | 2.74                     |
| Technology Reserve                           | 5.00                     |
| Water GFT Escrow                             | 25.82                    |
| Section 115 Trust                            | 100.32                   |
| Undesignated                                 | -                        |
| <b>Total</b>                                 | <b>\$ 152.11</b>         |
| <b>Total Reserves</b>                        | <b>\$ 228.54</b>         |

| Measure Z                                                                                                                                                                                                                          |                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
|                                                                                                                                                                                                                                    | Balance<br>(in millions) |
| Available Fund Reserves*                                                                                                                                                                                                           | \$ 23.86                 |
| Policy Reserve                                                                                                                                                                                                                     | 5.00                     |
| <b>Total</b>                                                                                                                                                                                                                       | <b>\$ 28.86</b>          |
| * Reflects projected fund balance as of the end of the third quarter including encumbrances, carryovers, and recommended adjustments.<br>* Measure Z fund balance is anticipated to be drawn down over the adopted five-year plan. |                          |



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## GENERAL FUND & MEASURE Z OVERVIEW

| FY 2025/26 Summary         |                        |                               |                            |                       |
|----------------------------|------------------------|-------------------------------|----------------------------|-----------------------|
|                            | Adopted Budget         | Council Approved Adjustments* | Q3 Recommended Adjustments | Final Adjusted Budget |
| <b>General Fund</b>        |                        |                               |                            |                       |
| Revenue/Transfers In       | \$ 382,157,213         | \$ 4,566,713                  | \$ 701,234                 | \$ 387,425,160        |
| Expenditure/Transfers Out  | 382,157,213            | 4,566,713                     | 701,234                    | 387,425,160           |
| <b>Surplus/(Deficit)</b>   | <b>\$ -</b>            | <b>\$ -</b>                   | <b>\$ -</b>                | <b>\$ -</b>           |
| <b>Measure Z</b>           |                        |                               |                            |                       |
| Revenue/Transfers In       | \$ 84,096,000          | \$ (220,000)                  | \$ -                       | \$ 83,876,000         |
| Expenditure/Transfers Out  | 107,253,487            | \$ (3,189,981)                | -                          | 104,063,506           |
| <b>Surplus/(Deficit)**</b> | <b>\$ (23,157,487)</b> | <b>\$ (2,969,981)</b>         | <b>\$ -</b>                | <b>(20,187,506)</b>   |

\* Excludes encumbrances and carryovers and various net zero adjustments, which do not have a net impact the on surplus/deficit calculation.

\*\* Reflects continued strategic draw on available Measure Z fund balance as adopted in the FY 2025/26 budget.



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## GENERAL FUND REVENUES

| General Fund (in millions)               |                             |                      |                     |              |
|------------------------------------------|-----------------------------|----------------------|---------------------|--------------|
| Revenue Category                         | Amended Budget (Through Q2) | Proposed Adjustments | Year End Projection | % Change     |
| Property Taxes                           | \$ 97.97                    | \$ -                 | \$ 97.97            | -            |
| Sales Tax                                | 94.97                       | -                    | 94.97               | -            |
| Cannabis Tax                             | .25                         | -                    | .25                 | -            |
| Utility Users Tax                        | 36.32                       | -                    | 36.32               | -            |
| Transient Occupancy Tax                  | 8.93                        | -                    | 8.93                | -            |
| Franchise Fees                           | 6.16                        | -                    | 6.16                | -            |
| Licenses & Non-Developer Permits         | 12.11                       | -                    | 12.11               | -            |
| Non-Development Charges for Services     | 12.21                       | -                    | 12.21               | -            |
| Development Fees & Charges               | 7.74                        | -                    | 7.74                | -            |
| General Fund Transfer                    | 59.33                       | -                    | 59.33               | -            |
| Measure Z Transfer                       | 18.27                       | -                    | 18.27               | -            |
| Public Safety Support (Measure Z)        | 7.37                        | -                    | 7.37                | -            |
| Other Revenues & Transfers In            | 25.11                       | 0.70                 | 25.11               | 2.8%         |
| <b>Total Revenues &amp; Transfers In</b> | <b>\$ 386.72</b>            | <b>\$ 0.70</b>       | <b>\$ 387.42</b>    | <b>0.18%</b> |

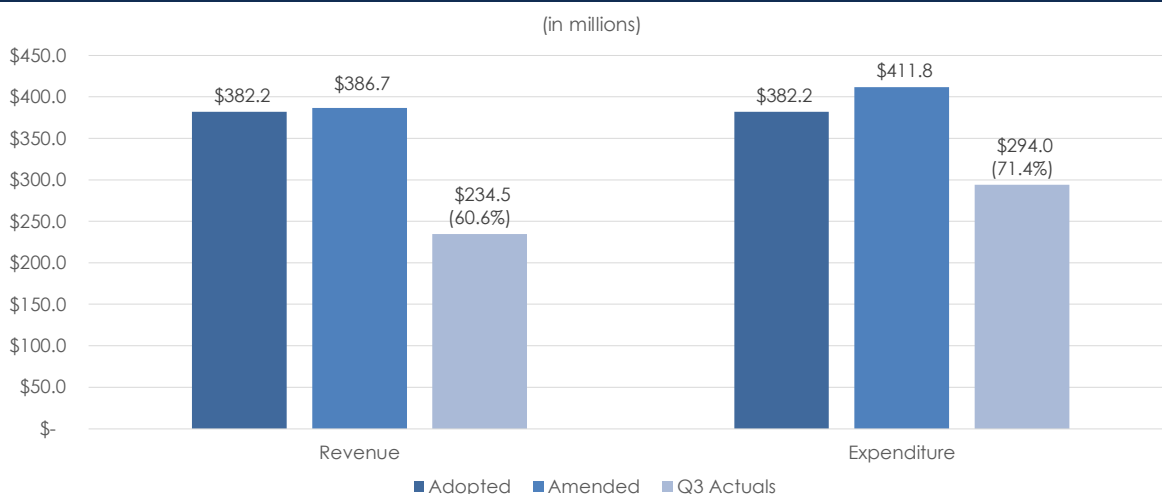


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## GENERAL FUND



Amended Budget includes prior fiscal year encumbrances and carryovers.

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## MEASURE Z SPENDING PLAN

| (in millions)                     | Actuals         |                  |                  |                  | Projected        |
|-----------------------------------|-----------------|------------------|------------------|------------------|------------------|
|                                   | 2022            | 2023             | 2024             | 2025             | 2026             |
| Revenue                           | \$ 83.91        | \$ 85.84         | \$ 84.20         | \$83.67          | \$ 83.88         |
| Expenditures                      | (67.45)         | (69.61)          | (86.10)          | 100.90           | (104.06)         |
| Encumbrances & Carryovers         |                 |                  |                  |                  | (44.44)          |
| <b>Net Change in Fund Balance</b> | <b>\$ 16.46</b> | <b>\$16.24</b>   | <b>\$(1.91)</b>  | <b>\$(17.23)</b> | <b>\$(64.63)</b> |
| Beginning Fund Balance            | \$ 74.94        | \$ 91.40         | \$ 107.63        | \$ 105.72        | \$ 88.49         |
| Net Change in Fund Balance        | 16.46           | 16.24            | (1.91)           | (17.23)          | (64.63)          |
| <b>Ending Fund Balance</b>        | <b>\$ 91.40</b> | <b>\$ 107.63</b> | <b>\$ 105.72</b> | <b>\$ 88.49</b>  | <b>\$ 23.86</b>  |

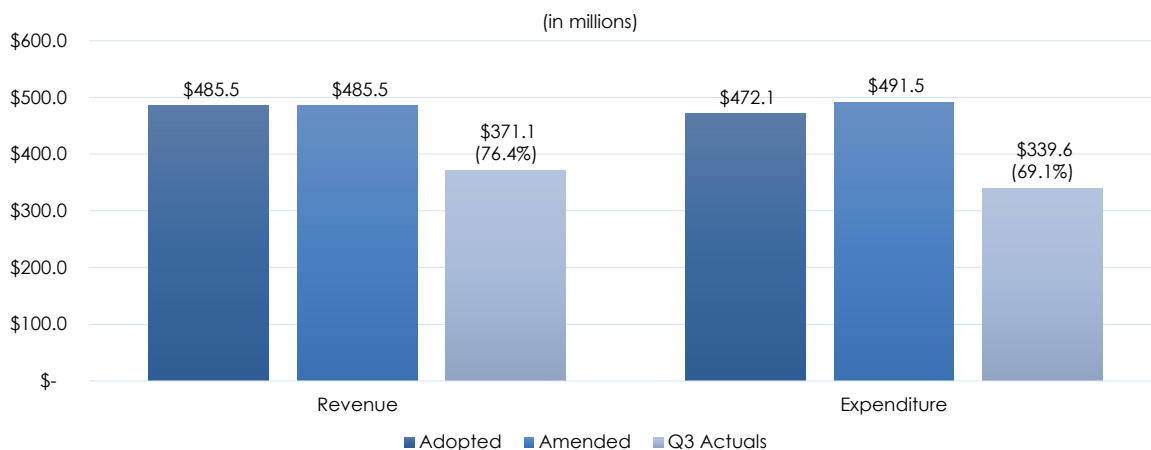


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## Electric Fund

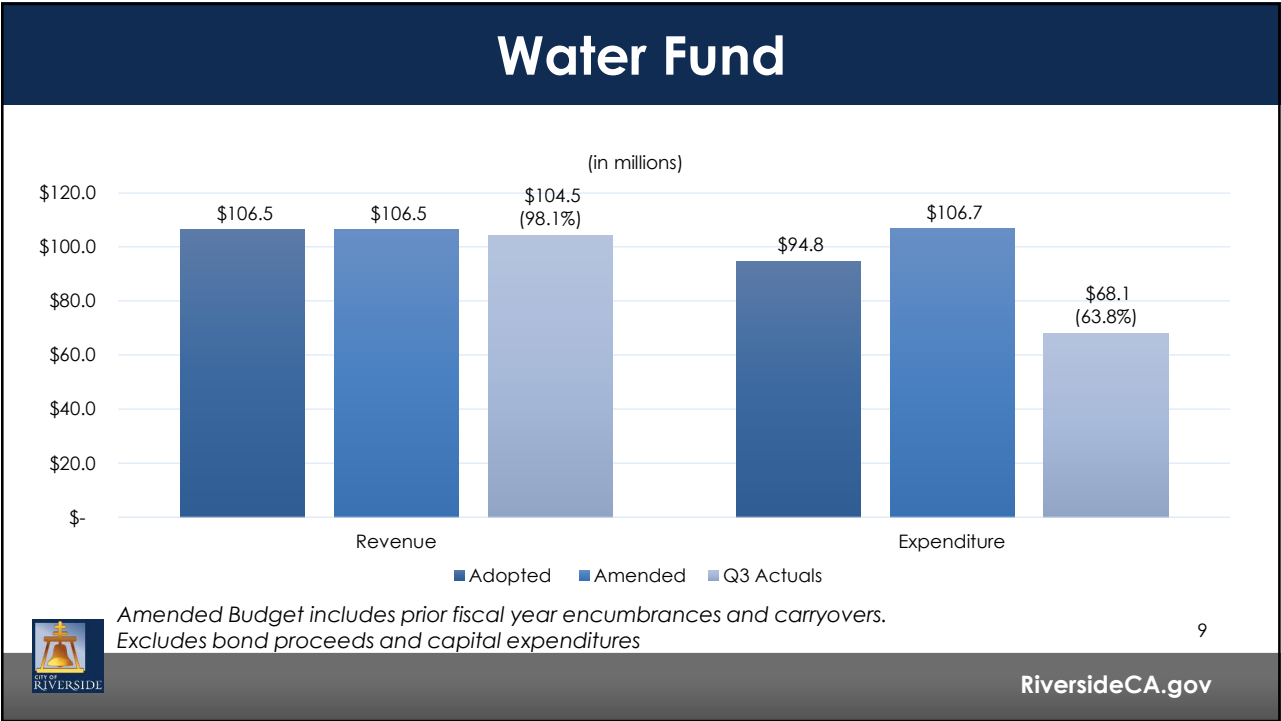


Amended Budget includes prior fiscal year encumbrances and carryovers.  
Excludes bond proceeds and capital expenditures

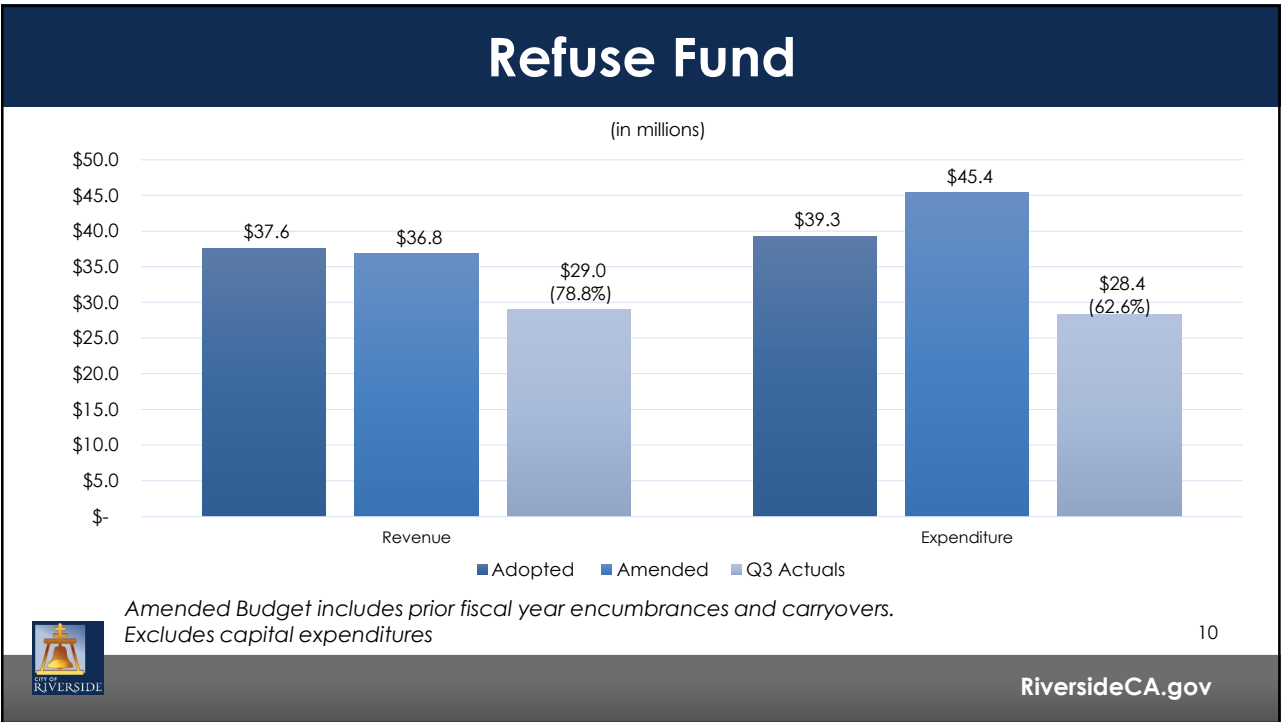
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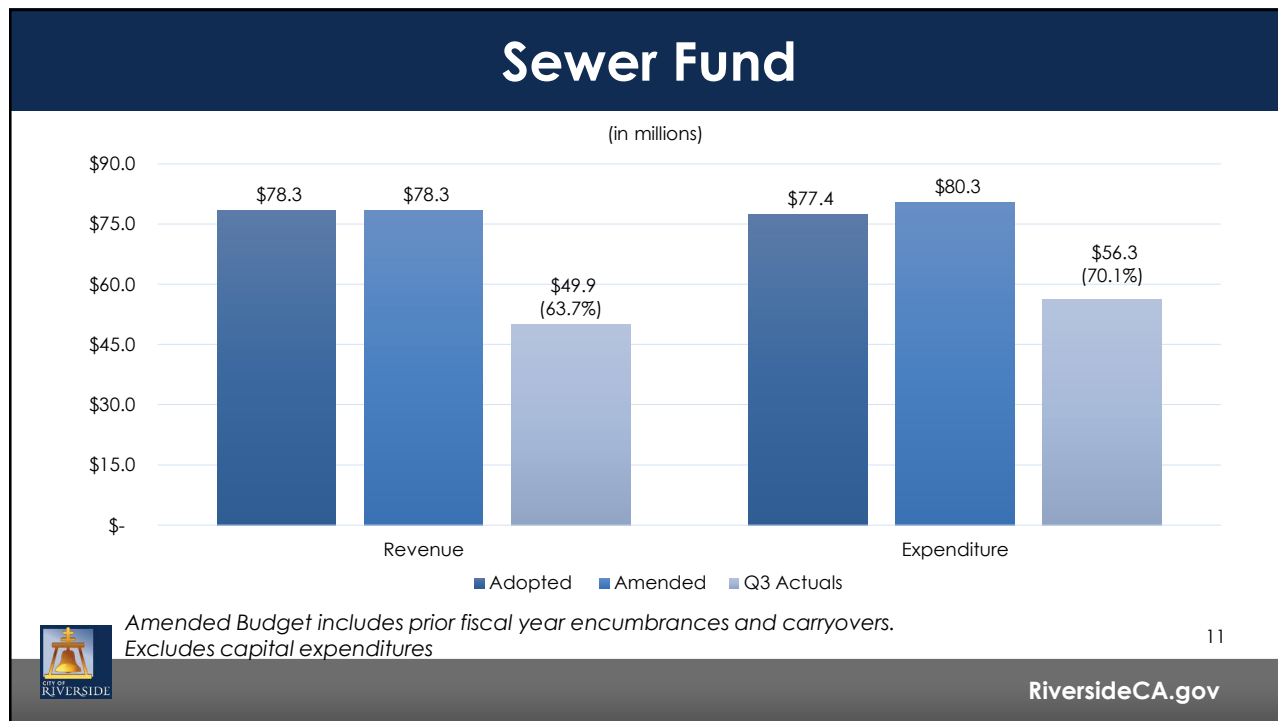
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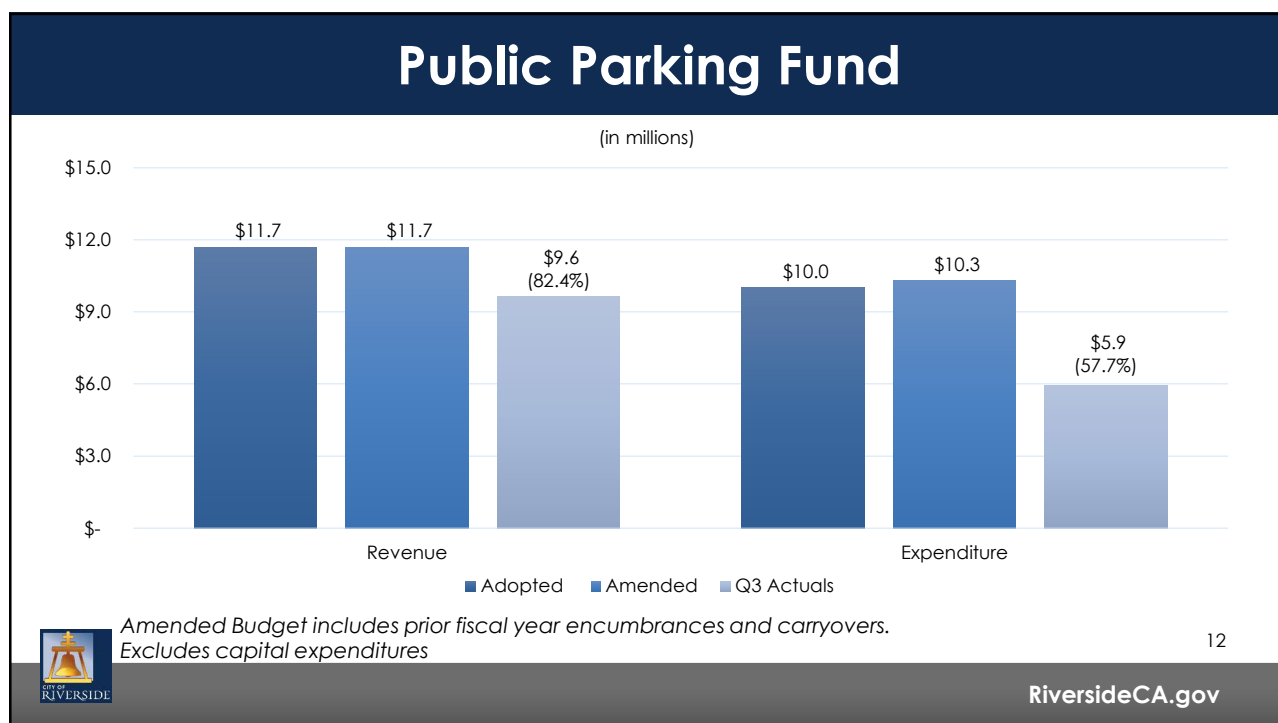
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## RECOMMENDATIONS

That the Budget Engagement Commission : 

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1. Receive the Fiscal Year 2025/26 Third Quarter Financial Update.



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