



STAFF REPORT – CITY COUNCIL MEETING

TO: Honorable Mayor and City Council Members

FROM: Tabatha Miller, Finance Director

PREPARER: Tabatha Miller, Finance Director

DATE: May 8, 2025

TITLE: **Review Proposed Fiscal Year 2025/2026 General Fund Budget, Fiscal Year 2025/2026 Measure H Requested Appropriations; and Preview Other City Funds.**

RECOMMENDATION:

It is recommended that the Council receive the staff report, review the Proposed Fiscal Year (FY) 2025-26 General Fund Budget, review the FY 2025-26 Measure H Requested Appropriations, preview other City Funds and provide staff direction, as appropriate.

INTRODUCTION:

The General Fund is used to account for the general operations of the City such as Police, City Administration, and more. It is used to account for all financial resources, including property tax, sales tax, business license tax, transient occupancy tax, license and permits, fines and forfeits, except those required to be accounted for in another fund.

BACKGROUND:

Because the General Fund accounts for all resources and expenditures not required to be segregated, it has the most flexibility in how it is expended. However, it can also be the most competitive funding source because of its flexibility and the number of City programs and services dependent on it for funding.

Measure H, the three-quarter (3/4) cent tax to support community-identified priorities, received 65% voter support in the November 5, 2024, election. The estimated \$2.6 million in additional revenue each year will fund emergency and climate change response, services to address homelessness and its impacts, mental health response to crisis, essential city services and maintenance and expansion of sidewalks, bike lanes, transit, roads, parks and trails.

Although Measure H is a general tax, staff is committed to ensuring transparency and accountability for the use of those funds.

BUDGET/FISCAL IMPACT:

The budget development process, including the direction provided by the City Council during the Budget Work Sessions, will frame the final budget/fiscal impact that is presented to City Council for possible adoption on June 18, 2025.

RECOMMENDED COUNCIL ACTION:

1. Receive a staff report.
2. Review the proposed FY 2025-26 General Fund Budget.
3. Review the FY 2025-26 Measure H Requested Appropriations.
4. Preview other City Funds; and
5. Provide staff direction, as appropriate.

ATTACHMENTS:

- A. Preliminary FY 2025-26 General Fund and Other Selected Funds Budget Summaries
- B. Preliminary FY 2025-26 Measure H Requests
- C. Preliminary Recommended FY 2025-26 Measure H Summary