

City of Sedona Short Term Rental Monitoring Program Update

Presentation to Council
May 28, 2024



The Short-Term Rental Program To-Date

Sedona's permit program launched on January 20, 2023; active for 16 months.
Currently at a compliance level of 97% as of March 30, 2024.

Of 1154 properties actively advertising for short-term rental:

- 1121 are permitted and in compliance.
- 33 were noticed through certified mail that a permit was required.
- 22 properties with expired permits or no prior permit received citations for permit non-compliance.
- Of the 22 properties receiving citations:
 - 7 properties were adjudicated and received fines for permit non-compliance; 0.6% of all advertising properties.

The Emergency contact list was published on the city website in January 2024; updated on alternating months.



The Short-Term Rental Program To-Date Continued

Disposition of warned and cited properties January – April 2024:

- 11 properties were **cited** for Never Obtaining a Permit:
 - 7 properties obtained permits; citations dismissed.
 - 4 properties adjudicated; each property fined \$595.00.
- 71 properties were **warned** for Advertising on Expired Permits:
 - 42 properties renewed their permits; citations dismissed.
 - 17 properties stopped advertising; citations dismissed. They are monitored monthly for any resumed activity.
 - 12 properties were cited for advertising on expired permits.
- 12 properties were **cited** for Advertising on Expired Permits:
 - 8 properties renewed permits; citations dismissed.
 - 1 property stopped advertising; citation dismissed.
 - 3 properties adjudicated; each property fined \$595.00.



The Short-Term Rental Program To-Date Continued

May compliance and enforcement actions currently in progress

- Of the 4 properties cited for never obtaining permits:
 - One property has stopped advertising. They will be checked monthly for resumed advertising.
 - Two properties have 2nd citations in progress.
 - 1 property has a 3rd citation in progress.
- Of the newly advertising 36 properties that received an initial notice of the permit requirement through certified mail:
 - 12 properties obtained permits.
 - 5 properties stopped advertising.
 - 4 properties were mis-identified by GovOS; advertisements attached did not represent those properties.
 - 3 properties require further research for correct contact addresses.
 - 8 properties gave no response; citations in progress.
- 8 properties cited for advertising with expired permits.
- 1 property will be cited for never obtaining a permit. Listings taken down in 2023 have become active again.



Additional Enforcement Opportunities

Permit renewals are not approved without a valid TPT License. Enforcement will be stricter in 2025. Owners will receive automated reminders 60 days prior to their permit expiration date, but no further warnings for expired permits. Citations will be issued when permits expire if owners continue to advertise.

Permit applications or renewals receive a review of the online listings for each property. Properties with code violations for more units than allowed by that parcel's zoning, a second full kitchen, or added rooms with no egress are given to Code Enforcement for investigation.

Addressing Neighbor Notification and Sex Offender Screenings:

- An audit of ten permitted properties for Neighbor Notification and sex offender screening compliance will be conducted during the summer months. Emailed notice of the upcoming audit will be sent to all owners in June. Owners unable to provide sufficient evidence of compliance will receive citations.



Continuing Program Development – In Progress

Holding meetings with other cities to discuss their programs and compare practices.

- The Short-Term Rental Specialist and Code Enforcement have met with Flagstaff, Prescott, Scottsdale, Chandler, Cottonwood and Lake Havasu City.
- At 97%, Sedona has the highest level of permit compliance of the cities spoken to. Currently, Scottsdale and Lake Havasu City are enforcing permit, noise, and party violations. They also pursue building and other code violations. Sedona's enforcement practices are consistent with those communities' practices.
- These meetings serve to create working relationships and gather participants for a quarterly or twice yearly short-term rental regulators meeting.



Continuing Program Development – In Progress

Meetings with Property Managers

- Meetings with property managers were held in the month of May to distribute Good Neighbor Brochures, share updates and clarify understandings of city code and how the short-term rental program operates.
- All attending property managers confirmed their commitment to be responsive and proactive partners in managing complaints and promoting visitor education.
- The group requested a monthly meeting to stay on top of issues and continue improving how we work together. Those meetings will begin in June.



Program Framework

Arizona State Law. State law defines the short-term rental-specific citations that can be counted as strikes towards revoking a permit:

- Noise and permit non-compliance citations that are adjudicated count as three strikes towards a permit revocation.
- Lack of Neighbor Notifications, lack of sex offender screenings, and building code citations that are adjudicated can count as three strikes towards a permit revocation.
- Hosting an event such as a wedding, reception, or party requires just a single strike if adjudicated, for permit revocation.
- Hosting a sex offender, prostitution, drug activity, etc., felonies committed by the owner or their designee, operating a retail space, group home or rehab home in a short-term rental require a single strike if adjudicated, for a revoked permit.



Program Framework Continued

Violations not counted as strikes towards revoking a permit:

- *Trash, lighting, weeds* or other aesthetic, solid waste disposal or parking code citations are not strikes unless a serious threat to public health and safety but can incur citations.

State law requires that except for the areas specifically outlined in state law, short-term rentals are to be regulated in the same manner as residential properties.



Program Constraints

Software: GovOS provides limited services:

- Maintaining the database and fee payment software.
- Collecting online short-term rental listings and matching them with property addresses.
- Staffing the 24/7 issues hotline and reporting complaints.
- Staffing a customer support line for owners with software issues.

GovOs software is not smart software. The City's contract with GovOS is configured for all Sedona data use to be self-service; all changes are made manually, one account at a time. Continual tasks include:

- Locate and resolve all data errors.
- Educate GovOS staff on how to work with our accounts to respond correctly to complaints and any account maintenance.
- Run all reports and filter for accuracy.
- Manage all US mail and email notices: set up letters, identify recipients in software and execute delivery.
- Manage ongoing data updates for changes in ownership or rental status.

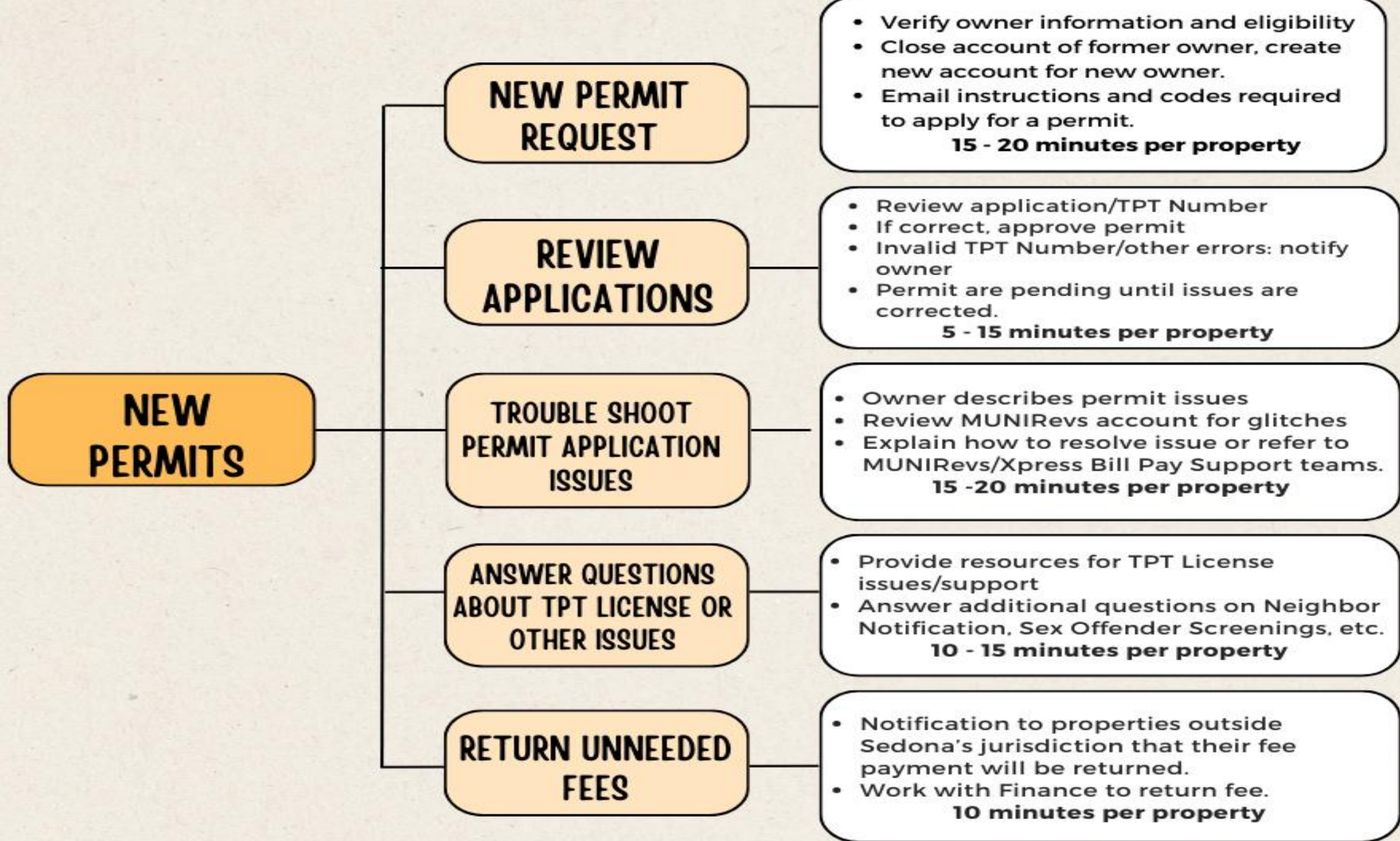


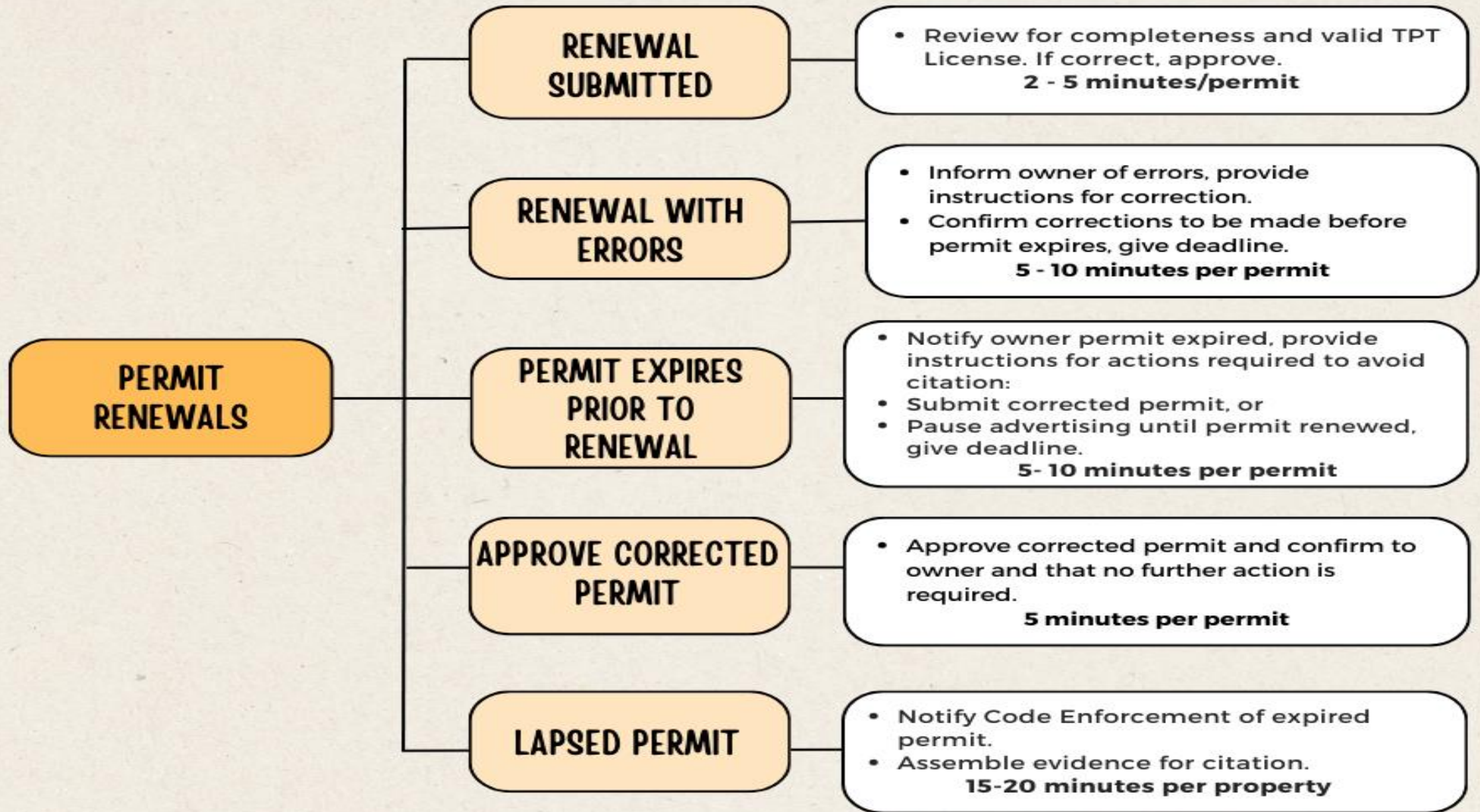
Program Constraints Continued

Permitting and enforcement are communication-intensive processes.

- The city website offers detailed information on Sedona's requirements for operating a short-term rental within city limits. Despite the available information, the short-term rental program receives an ongoing stream of questions that require a more detailed response. While the volume of questions varies based on permit renewals, requests for more information about operating a short-term rental in Sedona are constant.
- MUNIRevs software is not intuitive. Owners receive step by step instructions that explain how to apply for or renew a permit or make account updates. However, many users require more in-depth explanations for the task they are completing.
- Individual accounts for each owner and the property to be permitted must be created, along with two account-specific codes required to apply for a permit, that must be emailed to the owner for each account. Accounts for properties sold or no longer short-term renting are closed and taken off the active list to ensure accurate reporting. Changes in ownership and account status are ongoing and require regular maintenance.
- All communications; in-person, email, and telephone, are handled by the short-term rental specialist; changes and communications are noted in each account to maintain data accuracy.







SHORT-TERM RENTAL COMPLAINTS

COMPLAINT MADE TO HOTLINE 24/7

- Short-term rental hotline receives complaint.
- Call to emergency contact or PD Dispatch.
- Follow up call to complainant
- Complaint details and responses recorded in LodgingRevs.

COMPLAINT REVIEW 5 - 30 MINS

- Complaints reviewed daily.
- Code notified of trash/lighting/other issues.
- PD response to noise violations recorded.
- Follow up email to complainant if needed required.

FURTHER DETAIL FOR CODE 5 - 10 MINS

Discuss details of complaint with Code Enforcement concerning repeating patterns of issue, or history of property, relevant to current complaint.

HOTLINE ISSUE FOLLOW UP UP 10 MINS

- Provide detailed report to GovOS when complaint is not handled correctly by GovOS staff.
- Request explanation and corrective response.

OWNER FOLLOW UP 10 MINS

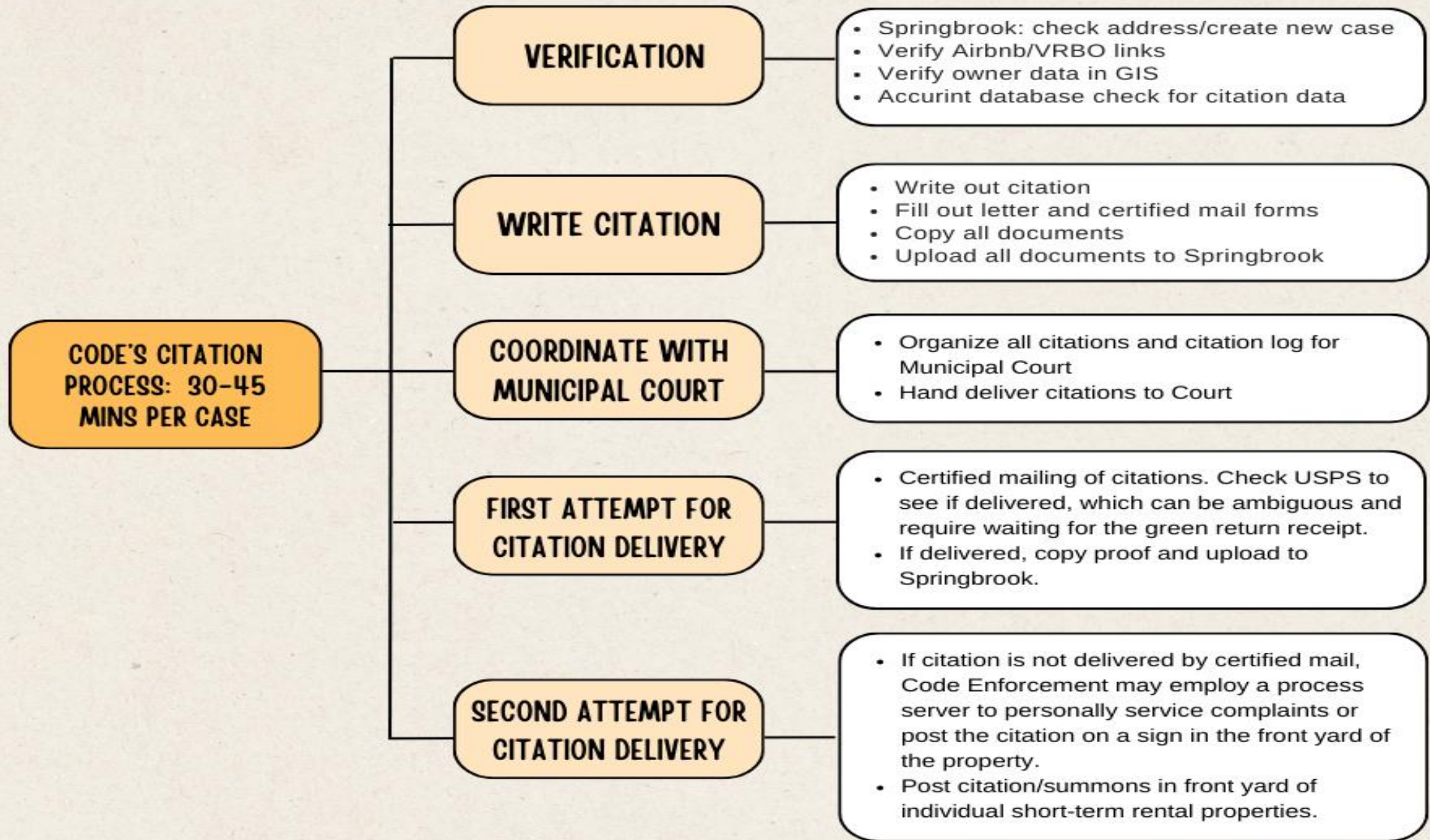
- Contact owner and/or Emergency Contact:
- When account was incorrect and Emergency Contact could not be reached
- Discuss any repeated issues to be addressed more effectively.

Program Constraints Continued

Code Enforcement staffing:

- The City's two-person Code Enforcement Team splits their efforts between short-term rental enforcement and enforcement of all other code related issues.
- The enforcement process is multi-stepped and time-intensive.
- Code Enforcement must coordinate their efforts with the schedule of the Court.
- There are limits on how many actions the team can manage at one time.





Expired Permit Enforcement Process: 42 - 72 days



Program Goals

Increase 24/7 short-term rental complaints hotline effectiveness:

- Develop short-term rental complaint resolution tracking. GovOS offers very little data and reporting capability.
- Develop complaint hotline user best practices video.



Program Goals Continued

- Expand working relationships with Sedona realtors. Use property manager meetings as a model for facilitating better communication and educational relationships with realtors.
- Develop an in-depth short-term rental owner education program. Using the working relationship and feedback from property managers as a model, develop a program for individual short-term rental owners. The program would focus on compliance, visitor education, reducing hotline issues, and increasing owner and visitor sensitivity to Sedona as a community.



Program Goals Continued

- Develop instructional and best practices videos for short-term rental owners to be published on the city website.
- Monthly attendance at Community Development Team meetings to align short-term rental regulation efforts with Code Enforcement, the Building Code Team and the Housing Program with their processes.



City Code Updates

Ideas staff is exploring for a short-term rental ordinance update:

- Prohibit advertising for special events at a short-term rental.
- Addition of a late penalty for failing to obtain a new permit or renew a permit before the existing permit expires.
- Clarify that each short-term rental unit at a single address requires a permit, no longer a single permit per address regardless of the number of units.
- Permits do not transfer, even if the ownership on an LLC is transferred.
- Clarify that it is a violation to book guests for a short-term rental without a permit, not just to advertise.
- Exploration of the addition of a Hearing Administrator.



Final Notes

- Sedona's short-term rental permitting program is at 97% compliance. Capturing the final 3% permit compliance will be ongoing due to changes in property ownership and rental status.
- Sedona's short-term rental permit compliance is largely voluntary and has been achieved through owner education.
- Sedona's permit compliance is higher than any of the cities we've met with to-date. Only Scottsdale and Lake Havasu City are enforcing permit and code compliance. Sedona's practices are consistent with their programs.
- A monthly report of permitted properties is provided to the Arizona Water Company and to the City's Wastewater Department to support their studies on water use and wastewater generated by short-term rentals. The emergency contact list is provided to the Sedona Fire District office.
- This program has received a large number of thank you's from owners and property managers for providing instructions for maintaining compliance and being good neighbors in Sedona.



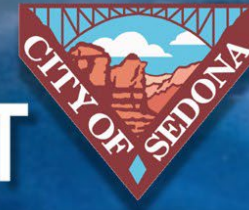
Questions?



**City Council
Tentative Budget Adoption**

May 28, 2024

FY 24-25 ANNUAL BUDGET



FY 2024-25 Budget Calendar

	Participants	Date
City Manager review with departments	CM, Finance, Staff	February 20-28, 2024
CBWG review of Decision Packages/finalize recommendations to Council	CBWG, CMO, Finance, Staff	February 29, 2024
City Manager final approval of proposed budget amounts	CM, Finance	March 4, 2024
Dept revisions based on CM meetings due	Staff	March 7, 2024
Proposed budget distributed to City Council	Finance	March 28, 2024
City Council work sessions	Council, Staff	April 17-18, 2024
Dept revisions based on work sessions due	Staff	April 25, 2024
City Council adoption of tentative budget	Council, Staff	★ May 28, 2024
Board Adoption of Tentative CFD Budget	Board, Staff	★ May 28, 2024
Dept revisions based on tentative adoption due	Staff	June 3, 2024
City Council adoption of final budget	Council, Staff	June 25, 2024
Board Adoption of Final CFD Budget	Board, Staff	June 25, 2024
Dept Final Narrative Revisions Due	Staff	July 3, 2024

Revenue Forecasts

Special Thanks for Input Provided

Lauren
Browne

Michelle
Kostecki

Cari Meyer



FY 24-25 ANNUAL BUDGET

Community Survey

Special Thanks for Input Provided



FY 24-25 ANNUAL BUDGET



Citizens Budget Work Group

Special Thanks for Input Provided

Jack Benzie

Patricia
Livingstone

Robert
Masters

Ed
Southwell

Lance
Waldrop

Daniel
Wiencek

Mei Wei
Wong

Lynn
Zonakis

Thank You!



FY 24-25 ANNUAL BUDGET



For years of service

Special Thanks

Cherie
White



FY 24-25 ANNUAL BUDGET



FY 2025 Tentative Budget Changes

All Funds	FY 2025 Budget (in thousands)
FY25 Adopted Budget - Total Expenditures	\$100,338
FY23 surplus allocations	\$3,600
New debt service estimate	\$900
CIP Increases ⁽¹⁾	\$1,082
Operations Increases attributed to operations ⁽²⁾	\$159
Increase attributed to the addition of the court decision package	\$77
Tentative Expenditures FY25	\$106,156
<i>Net increases to council adopted budget</i>	<i>\$5,818</i>

⁽¹⁾ PT-04b 700,000 increase; PT-08 300,00 decrease; SUS-09 350,000 increase; PW-09 180,000 decrease; WW-16 155,000 increase; PR-03c 251,890 increase; PR-09 105,000 increase.

⁽²⁾ 70,000 in carryovers from FY24; 70,000 GIS analyst position overlap; 19,000 in miscellaneous increases



FY 24-25 ANNUAL BUDGET



FY 2025 Budget is Balanced⁽¹⁾

All Funds	FY 2025 Budget (in millions)
Estimated July 1, 2024 Fund Balances	\$116.4
Estimated Revenues	69.9
Less Estimated Policy Reserves as of June 30, 2025:	
Operating Reserves ⁽¹⁾	(12.5)
Capital Reserves	(29.4)
Equipment Replacement Reserves	(5.6)
Major Maintenance Reserve	(0.3)
Streets Rehab/Preservation Reserve	(0.3)
Future Transit System Implementation	(5.3)
Reserve for Loans	(22.2)
Total Resources Available	\$110.7
Budgeted Expenditures	(106.2)
Excess Resources Available	\$ 4.5

⁽¹⁾ Reserves fully funded in accordance with policy.

FY 24-25 ANNUAL BUDGET



Revenues & Other Financing Sources by Type

(in Thousands)

	FY 2025 Proposed	FY 2024 Budget	Increase/ (Decrease)	%
Ongoing Revenues				
City Sales Taxes	\$33,187	\$30,384	\$2,803	9%
Bed Taxes	9,261	8,025	1,236	15%
State Shared Revenues	5,349	5,830	(481)	(8%)
Other Intergovernmental	359	793	(434)	(55%)
Wastewater Charges for Services	6,250	6,270	(20)	(<1%)
Other Miscellaneous	8,880	8,964	(84)	(1%)
Subtotal Ongoing Revenues	\$63,285	\$60,266	\$3,020	5%
One-Time Revenues				
Other Intergovernmental	4,409	3,969	439	11%
Other Miscellaneous	1,698	1,890	(191)	(10%)
Contingent Revenues	500	500	-	0%
Subtotal One-Time Revenues	\$ 6,607	\$ 6,358	\$ 248	4%
Subtotal All Revenues	\$69,892	\$66,624	\$3,268	5%
Other Financing Sources				
Bonds Issued ⁽¹⁾	\$ 18,000	\$ -	\$ -	0%
Grand Totals	\$87,892	\$66,624	\$3,268	5%

⁽¹⁾ Potential bond issuance for Uptown parking garage anticipated to be issued in FY 2024, but assumed to be issued in FY 2025 in the FY 2024 budget process.

Revenues Changes

(in Thousands)

FY 2024 Budget	\$66,627
City sales tax increase	2,803
Bed tax increase	1,236
State shared income tax (urban revenue sharing) decrease	(672)
Yavapai County Flood Control decrease	(150)
Transit operating grants decrease	(139)
Transit CIP grants decrease	(448)
Add Safe Place to Park grant	366
Congressionally Directed Funding for emergency operations center	900
One-time development impact fees decrease	(295)
Information Technology internal charges decrease	(297)
Miscellaneous decreases	(39)
FY 2025 Budget	\$69,892

FY 24-25 ANNUAL BUDGET



Expenditures by Type

(in Thousands)

	FY2024 Budget	FY2025 Base	Increase/ (Decrease)	% Increase/ (Decrease)
Ongoing:				
Personnel	18,951	21,122	2,171	11%
Operations	16,961	19,553	2,592	15%
Subtotal Operational Costs - Ongoing	35,912	40,675	4,763	13%
One-Time:				
Personnel	1,342	4,169	2,827	211%
Operations	4,180	4,063	(117)	-3%
Subtotal Operational Costs – One-Time	5,522	8,232	2,710	49%
Subtotal All Operational Costs	41,434	48,907	7,473	18%
Debt Service	7,425	8,128	703	9%
Contingencies	3,331	957	(2,374)	-71%
Subtotal Operating Budget	52,191	57,992	5,801	11%
Capital Improvement Projects ⁽¹⁾	33,629	48,164	14,535	43%
Totals	85,820	106,156	20,336	24%

⁽¹⁾ Does not include projects funded by the Community Facilities Districts. Those projects will be included in the budget proposals for those separate entities.

Salary & Benefit Changes

(in Thousands)

FY 2024 Budget	\$20,293
Decision Packages (including \$4.1M for FY25 one-time PSPRS contribution) FY23 Surplus	5,035
Net wage, allowance, and other position adjustments	923
Health insurance 6% rate increase (net employee plan changes)	40
ASRS <1% rate decrease (increases due to net wage adjustments)	85
Increase for PSPRS level-funding amount	100
Decrease for PSPRS FY24 one-time contribution (FY25 amount in Decision Packages above)	(1,200)
Net increase to other benefits	15
FY 2025 Budget	\$25,291

FY 24-25 ANNUAL BUDGET



Decision Packages Included – Salary & Benefits

Department	Description	Requested FTEs	One-Time Costs	Ongoing Costs	Total Request
Human Resources	HR Specialist	1.0	5,800	85,700	91,500
Comm, Tourism & Econ Init.	Tourism Coordinator	1.0	6,550	125,170	131,720
Public Works	Program Manager (Parking/Trails)	1.0	5,870	141,790	147,660
Public Works	Custodial Maintenance Worker/EV Work Truck	1.0	-	88,140	88,140
Public Works	Facilities Maintenance Worker/EV Van	1.0	5,870	102,220	108,090
Police	Evidence Technician PT to FT	0.3	-	43,810	43,810
Police	Victim Services Specialist/Background Investigator	1.0	2,900	79,970	82,870
Police	Reallocation of 4 Part-Time CSAs to 2 FT CSOs	0.1	10,680	95,370	106,050
Municipal Court	Ongoing Temporary Court Clerk	0.8	-	58,250	58,250
Municipal Court 	New Court Clerk Position - Post-Adjudicated Cases	1.0	-	77,300	77,300
Police	PSPRS One-Time Contribution (1)	0.0	4,100,000	-	4,100,000
	Total All Funds	8.1	\$4,137,670	\$ 897,720	\$5,035,390

(1) Council allocated an additional 2.6 million from the FY23 surplus to fully fund the PSPRS pension liability.

Operations Changes

(in Thousands)

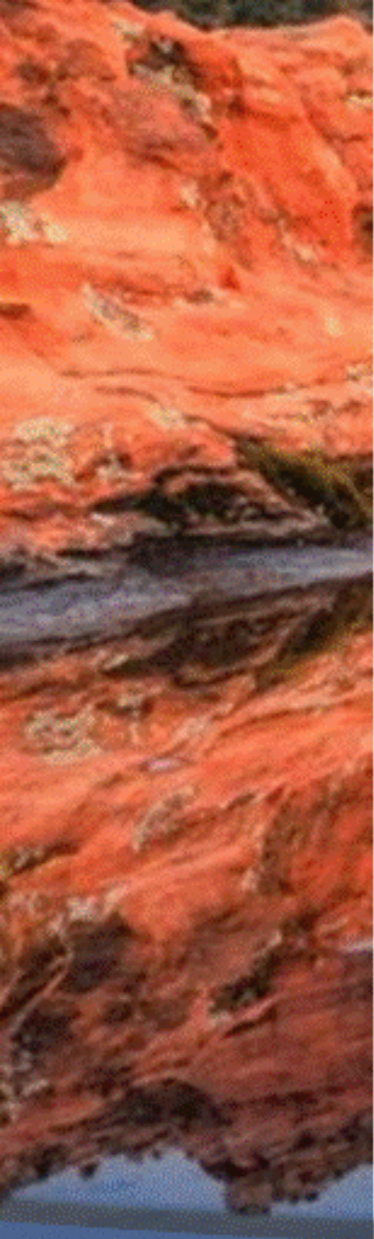
FY 2024 Budget	\$21,141
Decision Packages	359
Increase for in-house Tourism Bureau ⁽¹⁾	248
Increase for public transit including Verde Shuttle	450
Increase for streets maintenance including one-time and streets rehab	385
Increase for facilities maintenance including utilities	110
Increase to indirect cost allocations for Information Technology	297
Increase to Small Grant program	150
FY24 budget carryover	390
Miscellaneous increases	133
FY 2025 Budget	\$23,663

FY 24-25 ANNUAL BUDGET



Decision Packages Included – Operations

Department	Description	One-Time Costs	Ongoing Costs	Total Request
Comm, Tourism & Econ Init.	Destination Marketing	-	200,000	200,000
Parks & Recreation	Autism & Sensory Awareness Guides and Training	7,600	3,200	10,800
Parks & Recreation	Skate Park Lighting in Posse Grounds	68,500		68,500
	General Fund Total	76,100	203,200	279,300
Public Works	Snowplow/Supervisor Truck	22,000	22,800	44,800
	Streets Fund Total	22,000	22,800	44,800
Information Technology	WW Wi-Fi	35,000	-	35,000
	Information Technology Fund Total	35,000	-	35,000
	Grand Total	\$ 133,100	\$ 226,000	\$ 359,100



CIP Changes

(in Thousands)

(including 1% Arts Transfers and CFD Funding)


FY 2024 Budget	\$34,008
Arts & Culture decrease	(113)
Information Technology increase	550
Municipal Court decrease	(79)
Parks & Recreation decrease	(803)
Police increase	384
Public Transit increase	520
Public Works increase	253
Sedona in Motion increase	11,865
Storm Drainage decrease	(785)
Streets & Transportation decrease	(650)
Sustainability increase	102
Wastewater increase	3,080
FY 2025 Budget	\$48,332



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Debt Service Changes

(in Thousands)

FY 2024 Budget	\$7,425
Elimination of Series 1998 bond payment	(4,310)
Change in Second Series 2015 bond payment	7
Change in Series 2021 bond payment	4,105
Change in Second Series 2022 bond payment	(1)
Change in trustee administration fees	(1)
 Estimated Series 2024 interest payment ⁽¹⁾	900
FY 2025 Budget	\$8,228

⁽¹⁾ Final amount determined June 11th; actual will be updated for final budget adoption.

FY 24-25 ANNUAL BUDGET



Contingency Changes

(in Thousands)

FY 2024 Budget	\$3,331
Eliminate tourism initiatives contingency	(568)
Add Housing Fund contingency based on available balance	57
Eliminate ARPA contingency	(1,863)
FY 2025 Budget	\$957

FY 2025 Contingencies Totals

(in Thousands)

	General Fund	Housing Fund	Grants, Donations, & Restricted Funds	Wastewater Enterprise Fund
General operating contingency	\$200	\$ -	\$ -	\$100
Remaining available fund balance	-	57	-	-
Unknown grants and donations	-	-	500	-
Judgments	100	-	-	-
Total Budgeted	\$300	\$57	\$500	\$100

FY 24-25 ANNUAL BUDGET



FY 2025 Inter-Fund Transfers

Transfers In										
	Streets Fund	Housing Fund	Capital Improvements Fund	Dev. Impact Fees Funds	Art in Public Places Fund	Public Transit Enterprise Fund	Wastewater Enterprise Fund	Info. Tech. Internal Service Fund	Totals	
<u>Transfers Out</u>										
General Fund	\$1,938,220	\$900,000	\$12,300,000	\$ -	\$ -	\$ 365,840	\$3,000,000	\$35,000	18,539,060	
Grants, Donations & Restricted Funds	-	-	-	-	-	-	1,911,860	-	1,911,860	
Transportation Sales Tax Fund	-	-	8,027,180	-	-	3,814,150	-	-	11,841,330	
Capital Improvements Fund	-	-	-	1,311,520	42,900	-	-	-	1,354,420	
Totals	\$1,938,220	\$900,000	\$20,327,180	\$1,311,520	\$42,900	\$4,179,990	\$4,911,860	\$35,000	\$33,646,670	

Capital Improvements by Category

(including 1% Arts Transfers and CFD Funding)

(In Thousands)

Category	Carryover	New Appropriation	FY 2025 Proposed
Sedona in Motion ⁽¹⁾	28,024,222	4,040,488	32,064,710
Wastewater	4,409,789	3,827,331	8,237,120
Parks & Recreation	2,324,402	699,028	3,023,430
Public Transit ⁽¹⁾	849,053	1,451,947	2,301,000
Information Technology	1,150,000		1,150,000
Police		600,000	600,000
Sustainability	61,800	372,500	434,300
Public Works		252,500	252,500
Storm Drainage		150,000	150,000
Arts & Culture	119,000		119,000
Total	36,938,266	11,393,794	48,332,060

⁽¹⁾ Spent on SIM/PT projects to date = \$45.2M (FY18-FY23 actual plus FY24 estimate)

Capital Improvements by Funding Source

(In Thousands)

Funding Source	FY 2025 Proposed
Unrestricted:	
Capital Reserves	\$ 7,401
Restricted:	
Debt Financing ⁽¹⁾	16,936
Transportation Sales Tax	9,608
Wastewater Revenues/Equipment Replacement Reserve	6,221
Development Impact Fees Funds	4,614
Grants and Donations	2,736
Equipment Replacement Reserve	421
Yavapai County Flood Control	150
Community Facilities Districts	125
1% for Arts	119
Total	\$48,332

⁽¹⁾ Assumed the \$25M bond proceeds will be fully spent in FY2025 and additional bonds issued for the Uptown parking garage.

Council Priorities Included

Priority Item	Budget Location	FY2025 Proposed Amount ⁽¹⁾	FY2024 Adopted Amount ⁽¹⁾
Traffic/transportation improvements	CIP	\$32,035,150	\$20,399,420
Public transit system	CIP	\$2,301,000	\$1,781,370
	<u>Operations</u>	<u>\$3,178,980</u>	<u>\$2,892,110</u>
	Total	\$5,479,980	\$4,673,480
Affordable/workforce housing & homelessness	Housing Fund Operations	\$ 519,350	\$ 557,350
	Steps to Recovery	\$ 406,100	\$ 406,100
	Safe Place to Park	<u>\$ 366,020</u>	<u>\$ 400,000</u>
	Total	\$1,291,470	\$1,363,450
		\$19,300,000 in balance sheet loans	\$18,900,000 in balance sheet loans
Climate Action Plan Goal 50/50 by 2030	CIP	\$18,017,780	\$15,891,015
	Sustainability	\$ 907,370	\$ 1,008,590
	PW	\$ 136,430	\$ 121,670
	<u>General Services</u>	<u>\$ 371,000</u>	<u>\$ 362,000</u>
	Total	\$19,432,580	\$17,383,275
Broadband	CTEI	\$10,000	\$10,000
Cultural Park planning/other property acquisitions	CIP	None in FY2025	None in FY2024
	ComDev	\$121,700	\$125,000

⁽¹⁾ Only includes costs for program staff time. Other city staff time not included.

Council Priorities Included

Priority Item	Budget Location	FY2025 Proposed Amount ⁽¹⁾	FY2024 Adopted Amount ⁽¹⁾
Manage impact from short-term rentals	Clerk	\$255,500	\$256,970
City Tourism Bureau management	CTEI	\$1,851,000	\$ 983,250
	IT	\$ 177,600	\$ 134,680
	Transit	<u>\$ 0</u>	<u>\$ 229,680</u>
		\$2,028,600	\$1,347,610
Airport	General Services	\$10,000	\$80,000

⁽¹⁾ Only includes costs for program staff time. Other city staff time not included.

⁽²⁾ Transit portion was coded to CTEI.

General Fund Surpluses

Fiscal Year	Surplus (in millions)
2015	\$ 2.9
2016	\$ 3.1
2017	\$ 2.8
2018	\$ 1.0
2019	\$ 2.3
2020	\$ 3.5
2021	\$12.2
2022	\$13.8
2023 ⁽¹⁾	\$10.8
2024 est.	\$11.1
2025 bud.	\$ 2.1

What is a surplus

Policy

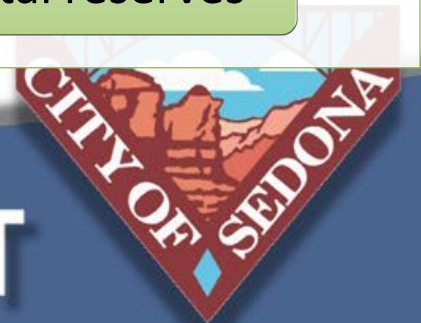
- Eliminate shortfalls in other funds
- Reduction or avoidance of debt
- One-time capital needs
- Tax, fee, or rate stabilization

\$5.8 M of FY23 surplus allocated in work sessions

- DP recommendation to use \$1.5M for PSPRS unfunded liability
- Council decision to apply additional \$2.6M to fully fund PSPRS liability
- \$1M used for Uptown Parking System
- \$400k loan to Housing Fund
- \$300k applied to Capital Reserves

\$9.5M of FY24 surplus applied to capital reserves

FY 24-25 ANNUAL BUDGET




Estimated Remaining General Fund Surplus Balances⁽¹⁾

	General Fund
Estimated Remaining Surpluses:	
FY 2024	\$1.6
FY 2025	2.1
Total	\$3.7

⁽¹⁾ Allocation of the remaining actual FY 2024 General Fund surplus to advance Council priorities will be determined during the FY 2026 budget process, and allocation of the actual FY 2025 General Fund surplus to advance Council priorities will be determined during the FY 2027 budget process.

FY 24-25 ANNUAL BUDGET





**Next Step -
Final Budget Adoption
June 25, 2024**

FY 24-25 ANNUAL BUDGET

