



FY 25-26 Budget: Issues and Challenges

City of Sebastopol
City Manager Don Schwartz
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Starting Point: Long-term Projections

- Projected FY 25-26 Deficit: \$296,000
- Projected future deficits: \$2 million



Measure U

- “To maintain Sebastopol’s City services”
- Does not provide funding for new initiatives or services
 - Unless you reduce something else




Measure U

Council Policy (non-binding):

1. 40%: maintain/repair streets, drainage, and parks (40% = \$375K)
2. Sufficient funding for public safety, including retaining Police staffing and sufficiently funding fire
3. Remainder: Other City services



New Positions?

- Staffing Study Identified Significant Needs
 - Most likely will need to replace existing to add new
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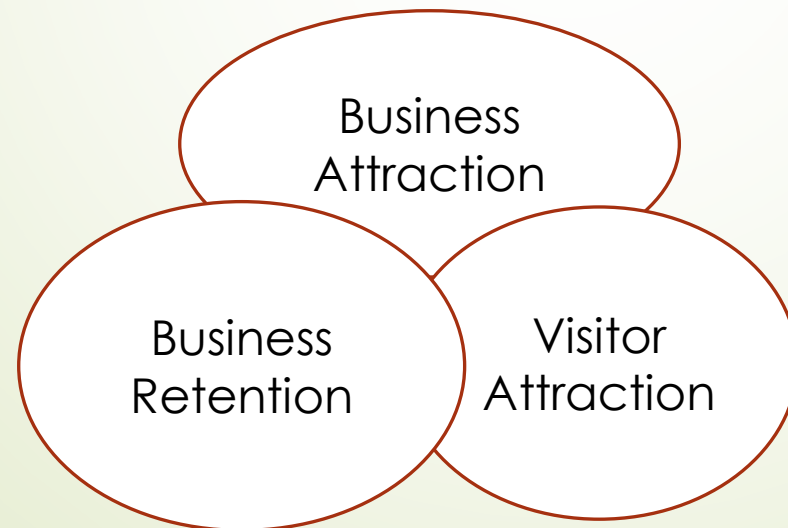


Facilities & Infrastructure: Balancing the Existing with Anything New

- ▶ Examples:
 - ▶ Trails prioritized in ATP
 - ▶ Pickleball courts
- ▶ We have many facilities and much infrastructure with great needs


Economic Development

- ▶ Can mean many things
- ▶ Includes potential EIFD and Hotels
- ▶ Potential framework:
 - ▶ Foundation of good planning practices and culture
 - ▶ Three overlapping components:





Efficiency Opportunities

- ▶ Technology: we are behind
 - ▶ Service models: leverage economies of scale
 - ▶ Fleet replacement?
 - ▶ Cross-training & more generic positions
 - ▶ As recommended in staffing study
 - ▶ Move Building Dept. to City Hall
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Consider Using Reserve Funds

- Buildings, Facilities, and Infrastructure
 - FY 24-25 Year-end Balance: \$1,040,000
 - Could complement Measure U
- Equipment, Technology, and Vehicles
 - FY 24-25 Year-end Balance: \$792,000



Additional Revenues: Recommendations from September

1. Expand Economic Development: Yes
 2. Pursue EIFD: Yes
 3. Review User Fees: In Spring
 4. Initiate Development Impact Fees: Not yet
 5. Update Building Valuation Fees: Done
 6. Consider Trench Cut Ordinance: Not yet
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Next Steps

- Staff Developing Recommendations
- Budget Committee to Review
- Goal-setting: April 1
- Follow up to goal-setting: April 15
- Completion of Rec. Budget: May
- Budget Hearings: June