



AGENDA NO: 6.c

MEETING DATE: November 12, 2025

Staff Report

TO: Honorable Mayor and City Council

DATE: October 29, 2025

FROM: Emily Conrad, Finance Director

SUBJECT: Approval of Fiscal Year 2024-25 Year-End Budget Amendments

RECOMMENDED ACTION

Adopt Resolution No. 57-25 approving FY 2024-25 Year-End Budget Adjustments.

DISCUSSION/FISCAL IMPACT

Year-End Budget Amendments

A few budget variances have been identified as staff prepares year-end entries to close out the FY 2024-25 books. Staff recommends that the City Council adopt Resolution No. 57-25 (Attachment 1) authorizing staff to proceed with FY 2024-25 year-end budget adjustments. With the approval of staff's recommendation, the year-end close-out process can continue in preparation for the auditor's final fieldwork and audit completion. The proposed year-end budget adjustments are generally minor, truing-up revenues and expenditures to actuals. In some cases when recognizing additional revenue, it is necessary to increase the expenditure budget by the same amount. This is true particularly for Governmental Capital Projects fund so that carryforward budget can be calculated accurately. The total increase to the citywide revenue budget is \$2,972,462.29 and the total increase to citywide expenditure budget is \$2,245,692.53. The adjustments are summarized below and a table of the changes can be viewed in Resolution No. 57-25 (Attachment 1). Detailed budget reports can be viewed in FY 2024-25 Budget Reports (Attachment 2).

- General Governmental Vehicle Replacement Fund (050) – Increase expenditure budget to reflect actual expenditures in excess of budget.
- State Gas Tax Fund (250) – Increase revenue budget to reflect actual revenue received; revenue is transferred for use in the general fund, therefore an equal increase to the expenditure budget is required
- Road Maintenance and Rehabilitation/SB1 Fund (260) – Increase revenue budget to reflect actual revenue received, both in FY 2023-24 and FY 2024-25; revenue is transferred for use by the Annual Pavement Management Program, therefore an equal increase to the expenditure budget is required
- Traffic Safety Fund (280) – Increase revenue budget to reflect actual revenue received; increase expenditure budget commensurate with the additional revenue
- Special Safety Grants Fund (282) – Increase expenditure budget to reflect actual vehicle

Prepared By: EC

Dept Review: _____

City Manager Review: AL

City Attorney Review: BS

maintenance costs spent by these dollars rather than General Fund

- Transit Operating Fund (301) – Increase expenditure budget to reflect first payment to SLO Regional Transit Authority (SLO RTA); expense was approved by City Council but budget amendment was not formally authorized
- Governmental Impact Fees (900) – Increase expenditure budget to reflect transfer of funds to Bonita Fire Station capital project; expense was approved by City Council but budget amendment was not formally authorized
- Governmental Capital Projects Fund (915) – Recognize actual revenue in excess of budgetary estimates, and increase expenditure budget by equal amount (FEMA grant reimbursement, Governmental Impact Fee transferred in, Road Maintenance and Rehabilitation prior and current year revenue transferred in, Morro Bay Beautiful donation, EV Charging Station grant, storm drain repair grant)
- State Park Marina (924) – Increase revenue budget to reflect actual revenue received; increase to the expenditure commensurate with the additional revenue

CONCLUSION

Staff recommends that the City Council adopt Resolution No. 57-25 approving FY 2024-25 Year-End Budget adjustments, allowing staff to continue preparing for the annual year-end audit and closing FY 2024-25 financial records.

ATTACHMENTS

1. Resolution No. 57-25 Approving Fiscal Year 2024-25 Year-End Budget Adjustments
2. FY 2024-25 Budget Reports