

**Sebastopol Deficit Solutions - Calculation Sheet #2** (Drafted by Diana Rich, on Nov 10, 2023. See resource list below.)

**1/2% Sales Tax Plus \$700K beginning July 1, 2027**

\$8.9M from 1/2% Sales Tax plus additional \$2.2M needed over the course of 3 years from July 2027 to 2029-30

Likely success in meeting \$10.4M need- remaining \$2.2M needed beyond 1/2% sales tax is relatively minimal and there is time to accumulate it.

<b>.5% SALES TAX, PLUS \$700K STARTING JULY 1, 2027</b>							
<b>Current Forecast</b>	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Revenue	\$10,860,460	\$11,022,140	\$11,259,630	\$11,497,043	\$11,732,327	\$11,967,541	\$12,202,394
Expenses	<u>(\$12,537,996)</u>	<u>(\$12,489,796)</u>	<u>(\$12,827,017)</u>	<u>(\$13,239,030)</u>	<u>(\$13,656,076)</u>	<u>(\$14,311,580)</u>	<u>(\$14,781,697)</u>
Deficit/Surplus	<u>(\$1,677,536)</u>	<u>(\$1,467,656)</u>	<u>(\$1,567,387)</u>	<u>(\$1,741,987)</u>	<u>(\$1,923,749)</u>	<u>(\$2,344,039)</u>	<u>(\$2,579,303)</u>
Add 1/2% Sales Tax 2024	NA	\$390,250	\$1,612,000	\$1,661,000	\$1,707,000	\$1,750,000	\$1,791,000 *
Add \$700K more July 1, 2027	NA	NA	NA	NA	<u>\$700,000</u>	<u>\$742,000</u>	<u>\$786,520</u>
<b>Forecast-1/2% Sales Tax+\$700K</b>	<u>(\$1,677,536)</u>	<u>(\$1,077,406)</u>	\$44,613	<u>(\$80,987)</u>	\$483,251	\$147,961	<u>(\$1,783)</u>
<b>Reserve-1/2% Sales Tax+\$700K</b>	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Start of Year Reserves	\$5,118,800	\$3,441,264	\$2,363,858	\$2,408,471	\$2,327,484	\$2,810,735	\$2,958,696
Amount used or added	<u>(\$1,677,536)</u>	<u>(\$1,077,406)</u>	<u>\$44,613</u>	<u>(\$80,987)</u>	<u>\$483,251</u>	<u>\$147,961</u>	<u>(\$1,783)</u>
End of Year Reserves	\$3,441,264	\$2,363,858	\$2,408,471	\$2,327,484	\$2,810,735	\$2,958,696	\$2,956,913
Reserve as % of Expenses	27.4%	18.9%	18.8%	17.6%	20.6%	20.7%	20.0%

\$13.3M Total Deficit

\$11.1K new \$\$:

\$8.9M Tax \$\$

\$2.2M add'l \$\$

Balanced budgets (mostly)

15% reserve achieved

\* 3% increase each year to get to this final amount...

Resources:

[2023-24 Adopted Sebastopol Budget](#)

[Oct 17 Staff Report with Revenue Options](#)