



Fiscal Year 2024-25 Fourth Quarter Report

FISCAL YEAR 2024-25 – FOURTH QUARTER REPORT

Overview

This financial report provides an overview of the City of Roseville's financial status through the fourth quarter of fiscal year (FY) 2024-25 (July 1, 2024, through June 30, 2025) for:

- (1) the General Fund;
- (2) the major enterprise operating funds; and
- (3) revenues in other selected funds.

General Fund Summary

The City ended FY 2024-25 in a strong overall financial position, with the General Fund reporting revenues above budget and expenditures below appropriations. This favorable outcome reflects continued resilience in key revenue sources, effective expenditure management, and successful cost recovery practices across departments.

General Fund operating revenues exceeded budget estimates by 2 percent (approximately \$5.4 million), driven by strong performance across several major categories. Sales and Use Tax revenues (Bradley-Burns and Measure B combined) outperformed estimates by 1.4 percent (\$1.4 million), closing the year at \$71.1 million for Bradley-Burns and \$29.9 million for Measure B. These results were consistent with expectations, as sales tax activity showed a modest recovery during the year, despite factors slowing overall sales tax growth, including high interest rates, a continued shift toward non-taxable service-related spending, and broader economic uncertainties.

Property tax revenues remained a stable and significant revenue source, totaling \$76.7 million, approximately 2 percent (\$1.6 million) above budget, representing a 5.7 percent increase over the prior fiscal year. This growth reflects sustained residential property values and continued new construction activity. Transient Occupancy Tax (TOT) revenues also exceeded expectations, ending the year at \$7.3 million, or 1 percent above budget, indicating steady lodging activity.

Development activity continued with an upward trend during FY2024-25. Building permit revenues, plan check fees, and engineering inspection fees collectively ended the year approximately \$0.6 million above budget estimates. Revenues in other categories closed the year approximately 11 percent above budget (\$1.9 million).

General Fund spending concluded the fiscal year 3 percent below budget, primarily due to position vacancies, cost savings in professional services, and lower-than-anticipated spending on materials, services, and supplies across several departments.

The combined surplus for FY2024-25 amounts to \$11.64 million, as presented in the following table:

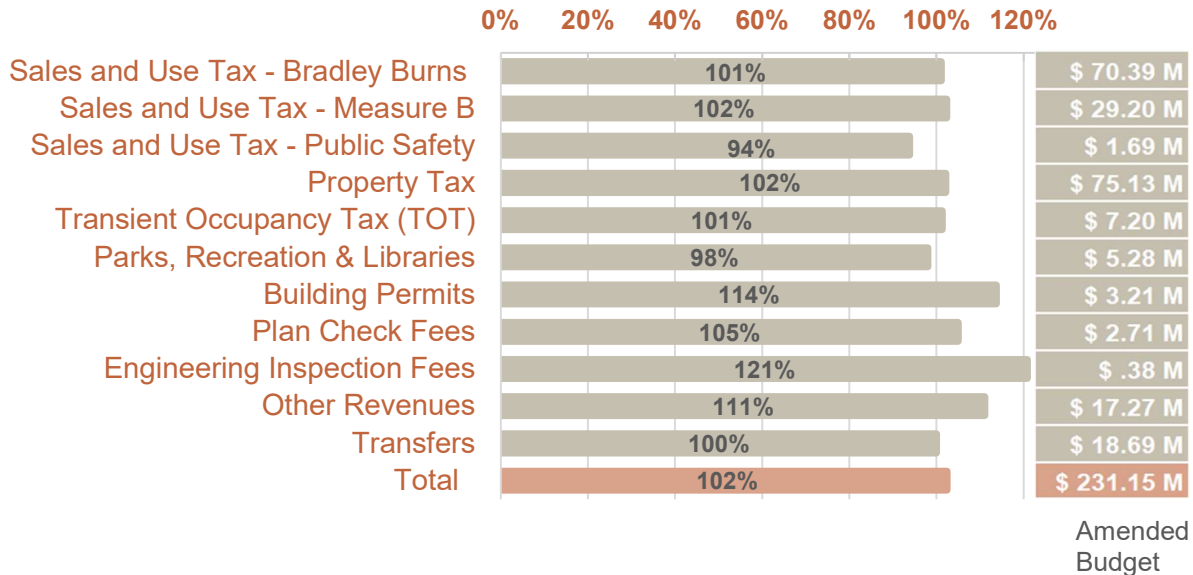
General Fund FY2024-25 Year-End Results (Operating and Non-Operating)	Variance from Budget (\$)
Sales and Use Tax - Bradley Burns	747,000
Sales and Use Tax - Measure B	680,000
Property Tax	1,574,000
Other Revenues	2,447,000
Revenue surplus	5,448,000
Expenditure savings	6,193,000
Total General Fund Year-End Surplus	\$ 11,641,000

General Fund: Operating Revenues

The following table displays cumulative General Fund operating revenue through the fourth quarter and a revenue budget to actual comparison for FY2024-25.

Revenue Type	Amended Budget	Cumulative Revenues	Balance Remaining	% of Budget Collected
Sales and Use Tax – Bradley-Burns	\$ 70,385,000	\$ 71,131,698	\$ 746,698	101%
Sales and Use Tax – Measure B	29,200,000	29,880,035	680,035	102%
Sales and Use Tax – State Aid for Public Safety	1,687,000	1,582,845	(104,155)	94%
Property Tax	75,126,000	76,699,912	1,573,912	102%
Transient Occupancy Tax (TOT)	7,200,000	7,294,764	94,764	101%
Parks, Recreation & Libraries Programs	5,279,735	5,173,466	(106,269)	98%
Building Permits	3,212,920	3,654,226	441,306	114%
Plan Check Fees	2,705,700	2,839,894	134,194	105%
Engineering Inspection Fees	380,450	459,811	79,361	121%
Other Revenues	17,274,084	19,182,687	1,908,603	111%
Transfers	18,694,658	18,694,658	-	100%
TOTAL	\$ 231,145,547	\$ 236,593,996	\$ (5,448,449)	102%

**General Fund Operating Revenues
Cumulative Percentage of Revenue Collected
July 1, 2024 – June 30, 2025**

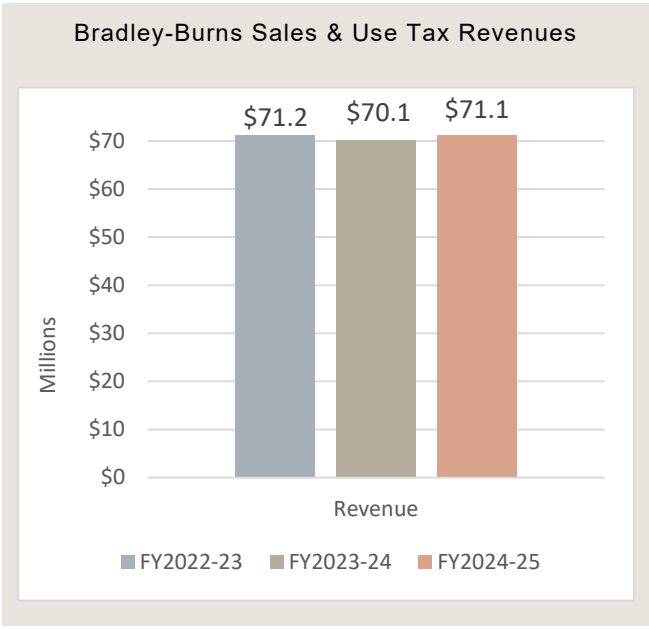


General Fund operating revenues ended the year 2 percent above budget, totaling \$5.4 million over estimates, reflecting strong performance across several major revenue categories. Combined sales tax (Bradley Burns and Measure B) revenues outperformed estimates by 1.4 percent (\$1.4 million). Property tax revenues also remained strong in FY2024-25, surpassing the budget estimate by \$1.6 million. In addition, building permits, plan check fees, and engineering inspection fees ended the year above budget by \$0.6 million, while other revenues were \$1.9 million above projections.

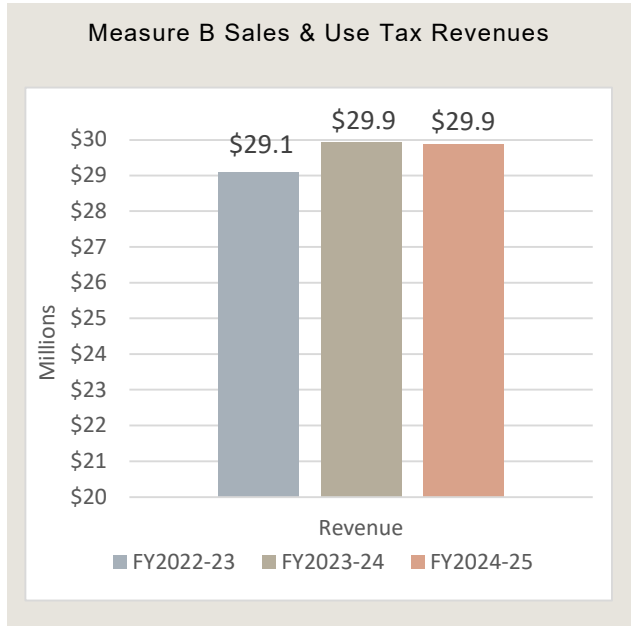
Bradley-Burns and Measure B Sales Tax

The City's Bradley Burns and Measure B Sales and Use tax revenues closed the year at \$71.1 and \$29.9 million, respectively. Bradley Burns sales tax exceeded budget estimates by one percent (\$0.75 million), and Measure B sales tax finished two percent above budget (\$0.68 million). These results were largely anticipated, as revenue data throughout the year indicated a slight recovery in sales and use tax growth. As mentioned previously, the slowing revenue growth is attributed to the ongoing impact of high interest rates and a shift in consumer spending towards service-related purchases, which are not taxable.

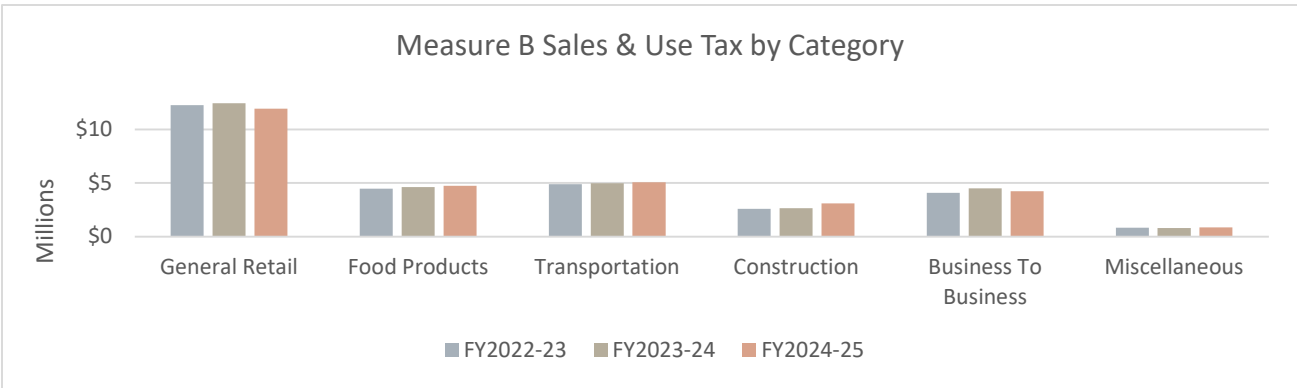
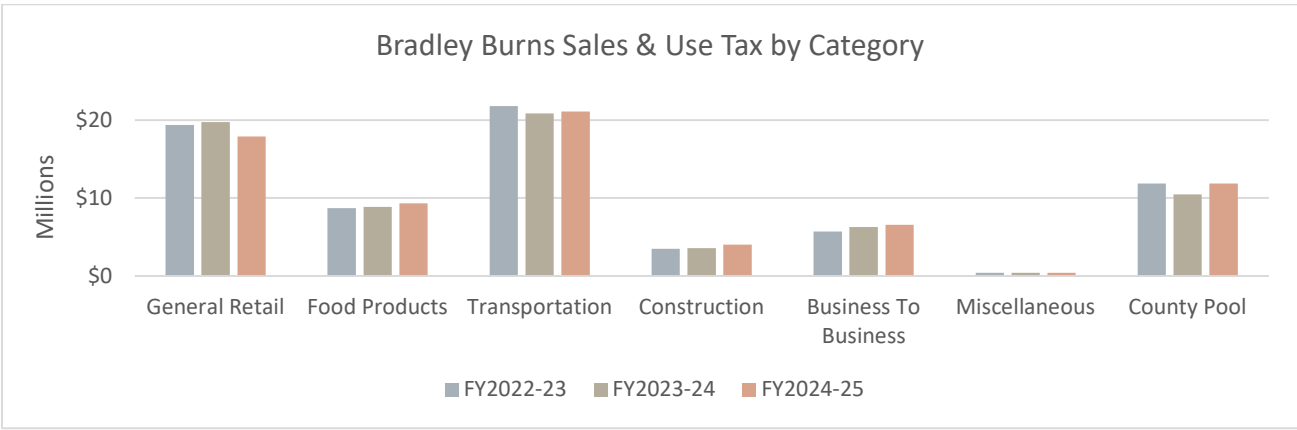
The graphs provided below show Bradley Burns and Measure B Sales and Use Tax revenues collected over the past three fiscal years and by business category.



*Total Revenue before state administrative fees



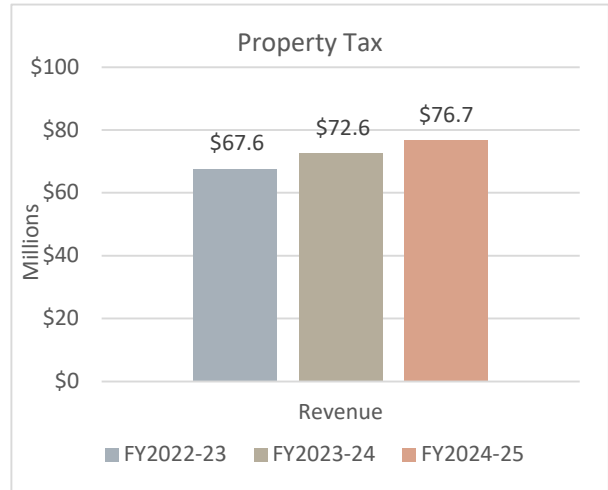
*Total Revenue before state administrative fees



Additional Sales Tax Information: The City's sales tax consultant has prepared a detailed sales tax and business activity report (attached at the end of this report) that provides a list of the top 25 sales tax remitters, a summary of cash receipts, and sales tax data by economic category.

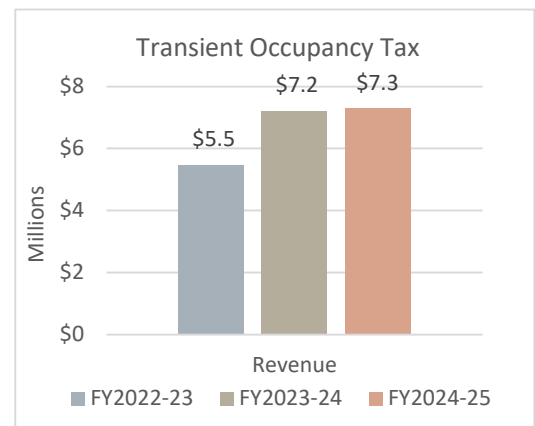
Property Tax

Property tax revenue for FY2024-25 is based on assessed valuation as of January 1, 2024. The City's property tax revenues surpassed estimates by two percent, reaching \$76.7 million compared to the \$75.1 million budgeted. This performance represents a 5.7 percent increase over the prior fiscal year, reflecting continued strength in residential property values and growth from new construction activity. The accompanying graph illustrates property tax revenue trends over the past three fiscal years, highlighting the sustained upward trajectory of this revenue source.



Transient Occupancy Tax (TOT)

The City's TOT, or hotel tax, totaled \$7.3 million through year end, exceeding budget estimates by one percent or \$94,764.



Parks, Recreation & Libraries (PRL) Programs

PRL program revenues concluded the year two percent below the annual budget target. Despite this variance, year-end revenues increased by 7.4 percent compared to FY2023-24. This growth was supported by strong program participation, sustained membership levels, and consistent demand for facility and picnic rentals.

Building Permits, Plan Check Fees, Engineering Inspection Fees

Building permit revenues and plan check fees ended the year above budget, driven by sustained levels of development activity. During FY2024-25, the City experienced a slight decrease, compared to the prior year, in issued single-family residential building permits; however, this

shortfall was offset by a substantial increase in multi-family residential permits issued. Engineering inspection fees also ended the year in excess of budget, primarily due to sustained levels of encroachment permits and planning permit reviews. The Development Services Department recovers the cost of staff labor for utility infrastructure related inspections from the utility franchise fees received in the General Fund.

Other Revenues

Other revenues include reimbursements from the state; development reimbursement activity; property transfer tax; business license tax; rental payments; and animal licensing, passport processing, permit franchise, and other fees. Revenues in this category ended the year 11 percent above budget (\$1.9 million). The primary drivers of this positive variance include higher-than-anticipated interest and investment revenues (\$0.9 million), business license tax and other permits and fees (\$0.8 million), property transfer tax revenues (\$0.1 million), and recoveries of uncollectible accounts (\$0.1 million).

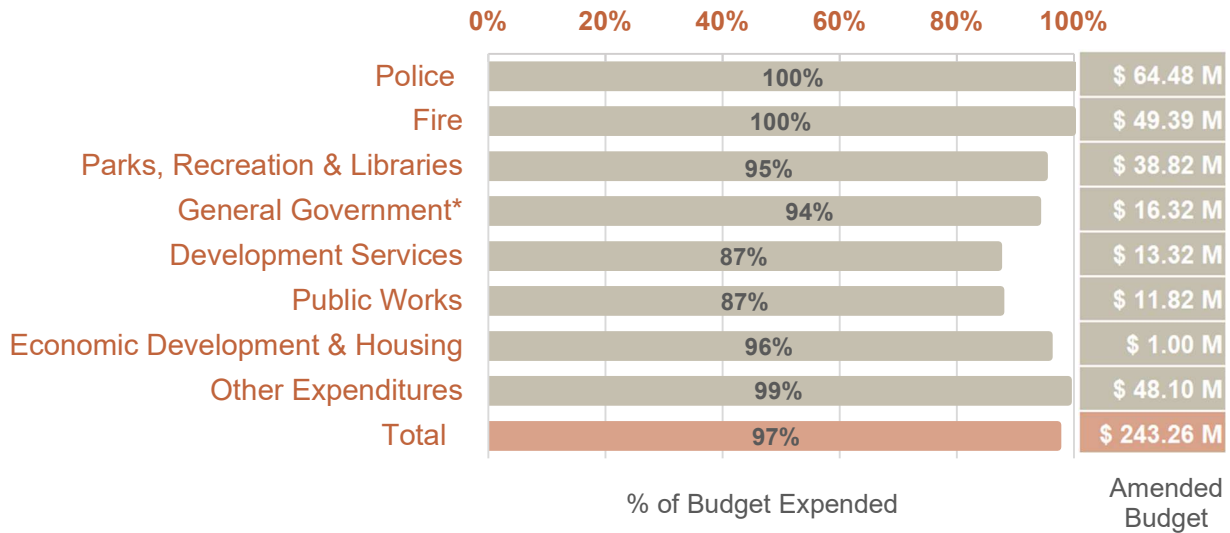
General Fund: Operating Expenditures

Department	Amended Budget	Cumulative Expenditures	Variance	% of Budget Expended
Police	\$ 64,484,141	\$ 64,482,257	\$ (1,884)	100%
Fire	49,393,426	49,273,287	(120,139)	100%
Parks, Recreation & Libraries	38,823,298	36,850,471	(1,972,827)	95%
General Government*	16,320,261	15,308,163	(1,012,098)	94%
Development Services	13,317,113	11,599,267	(1,717,846)	87%
Public Works	11,822,829	10,342,797	(1,480,032)	87%
Economic Development & Housing	1,000,672	958,057	(42,615)	96%
Other Expenditures (Includes Annexation Payments and Transfers Out)	48,099,121	47,648,750	(450,371)	99%
TOTAL	\$ 243,260,861	\$ 236,463,049	\$ (6,797,812)	97%
Encumbrance Reserve**	(604,840)	\$ -	(604,840)	
TOTAL	\$ 242,656,021	\$ 236,463,049	\$ (6,192,972)	97%

*The General Government departments are City Council, City Manager's Office, City Attorney's Office, City Clerk, Finance, Public Affairs and Communications, and Human Resources.

** The encumbrance reserve is for future expenditures that have been committed but will be paid in a future fiscal year.

**General Fund Department Operating Expenditures
Cummulative Percentage of Budget Expended
July 1, 2024 – June 30, 2025**



General Fund expenditures through the end of the fiscal year were three percent below estimates. Lower spending across General Fund departments was primarily due to cost savings from vacant positions in PRL, general government departments, Development Services, and Public Works, as well as underspending on materials, services, and supplies. Some examples include:

- The City’s public safety departments (Police and Fire) were on budget through the end of the fiscal year. Anticipated overages in the Police Department, driven by overtime, lower-than-expected workers’ compensation reimbursements, and additional SPCA charges for animal intakes exceeding contract limits, were fully offset by General Fund savings generated in other operational areas and contingency funds.
- PRL expenditures ended the fiscal year 5 percent under budget, primarily due to position vacancies and cost savings in professional services, utility charges, and maintenance costs.
- Development Services expenditures finished the year under budget at 87 percent of budget, primarily due to higher-than-anticipated reimbursements from full cost recovery development projects, salary savings from vacant positions, and lower-than-expected professional services costs.
- Public Works expenditures ended the year at 87 percent of budget due to a combination of factors, including staff vacancies, higher-than-anticipated secondary labor cost recovery, and reimbursed costs received within the Engineering and Street Maintenance Divisions. Additional favorable variances are attributable to cost savings in professional services, utility charges, and routine maintenance expenses.

- Economic Development (including the Housing Division) closed the year at 96 percent of the budget due to lower-than-expected expenditures on professional services, software, and training in Economic Development and salary savings in the Housing Division.

Enterprise Funds: Operating Revenues

The table below displays data for operating revenue in the City’s seven enterprise funds. Following the table are details on each.

BUDGET TO CUMULATIVE REVENUE COMPARISON
July 1, 2024 – June 30, 2025

	Amended Budget	Cumulative Revenues	Balance Remaining	% of Budget Collected
Electric	\$ 225,921,521	\$ 237,037,199	\$ 11,115,678	105%
Water Operations	44,659,688	46,810,043	2,150,355	105%
Wastewater Operations	59,996,002	61,240,135	1,244,133	102%
Waste Services Operations	42,728,728	45,119,088	2,390,360	106%
Transit	8,708,215	6,728,937	(1,979,278)	77%
Transportation	1,854,457	1,688,123	(166,334)	91%
Youth Development	9,376,218	7,887,081	(1,489,137)	84%

- **Electric Fund**

Electric revenues exceeded budget by \$11.1 million (5 percent), driven primarily by stronger-than-expected electric utility sales. Key contributors to this variance include:

- Retail electric revenues were \$10.7 million above budget, reflecting warmer-than-average temperatures that increased residential demand.
- Higher consumption by commercial customers contributed \$2.9 million in additional revenue.
- Wholesale power sales outperformed budget expectations by \$1.7 million, further contributing to the overall positive operating revenue variance.

These favorable variances were partially offset by a \$4.2 million shortfall due to lower-than-expected load from a large industrial customer, resulting in a net \$11.1 million positive variance.

▪ **Water Operations Fund**

Revenues in the Water Operations Fund closed the fiscal year \$2.2 million (5 percent) above budget. The favorable variance was primarily attributable to:

- Utility service charges exceeded budget by \$1.5 million, driven by higher-than-anticipated water usage, which more than offset lower-than-forecasted meter service charges.
- Wheeling revenues were \$0.4 million above budget, resulting from unforeseen demand from the Placer County Water Agency (PCWA).
- Higher than anticipated interest revenue exceeded budget by \$0.3 million.

▪ **Wastewater Operations Fund**

Revenues in the Wastewater Operations Fund ended the fiscal year \$1.2 million (2 percent) above budget. Key contributors to this variance include:

- Utility service charges exceeding budget by \$2.0 million, primarily due to stronger-than-anticipated residential account growth.
- Recycled Water Sales were nearly \$0.8 million above budget. This revenue source can fluctuate based on weather conditions, regulatory requirements, drought impacts, customer usage patterns, and an expanding customer base.
- Renewable Natural Gas (RNG) sales revenues exceeded expectations by \$0.09 million, as an increasing number of Waste Services vehicles used RNG produced at the Pleasant Grove Wastewater Treatment Plant.
- Additional favorable factors include unbudgeted FEMA reimbursements of \$0.3 million, energy rebates totaling \$0.06 million from Wesco Energy and Pacific Gas and Electric for the Pleasant Grove Wastewater Treatment Plant, and higher-than-anticipated interest earnings of \$0.3 million.

These positive variances were partially offset by a \$0.09 million shortfall in permit inspection fees and wastewater operating reimbursements from regional partners that were \$2.2 million below budget. Reimbursement revenues are inherently difficult to forecast, as they are based on actual operating expenditures and each partner's proportional volumetric share for the fiscal year.

▪ **Waste Services Operations Fund**

Waste Services Operations Fund revenues ended the fiscal year \$2.4 million (6 percent) above budget, driven primarily by:

- Utility service charges of \$1.8 million above budget, reflecting greater-than-anticipated residential account growth.
- Interest earnings exceeded budget by \$0.3 million.
- Franchise hauler fees of \$0.05 million above budget, attributable to higher-than-projected solid waste tonnage.
- Unbudgeted cardboard hauling revenues totaling \$0.2 million.

▪ **Transit Fund and Transportation Fund**

Revenues for the Transit and Transportation Funds ended the year below budget but aligned with actual expenditures, reflecting the nature of Local Transportation Funds (LTF), a primary funding source for both funds. LTF revenues are restricted to eligible activities and are directly tied to actual spending needs. Roseville Transit experienced a 30 percent increase in ridership compared to the previous year, which will help offset the request for LTF needed to fund the gap between revenues and expenditures. In addition, lower costs incurred during the year for eligible transit operations and the use of fund balance reduced the amount of revenue recognized. Similarly, Transportation Fund revenues were below budget due to lower-than-anticipated expenditures, including salary savings and unspent materials, services, and supplies funding, as detailed further in this report.

▪ **Youth Development Fund**

Revenues in the Youth Development Fund ended the year at 84 percent of the budget. Although registration held steady for preschool and grant-funded programs, Adventure Club registrations were slightly lower than anticipated due to a second state-mandated after-school program provider offering a similar service to families on school campuses. Additionally, limited staffing resources have made expanding registration at multiple Adventure Club sites challenging, impacting the ability to generate additional revenue.

The Youth Development Fund ended FY2024-25 with a deficit, as revenues did not meet expenditures. Staff plan to recommend eliminating the deficit in FY2025-26 with a transfer from year-end General Fund surplus, derived from PRL operating budget savings and additional General Fund support.

Enterprise Funds: Operating Expenditures

The table below displays data for operating expenditures in the City’s seven enterprise funds. Following the table are details on each.

BUDGET TO CUMULATIVE EXPENDITURE COMPARISON
July 1, 2024 – June 30, 2025

	Amended Budget	Cumulative Expenditures	Variance	% of Budget Expended
Electric	\$ 199,992,253	\$ 185,256,911	\$ (14,735,342)	93%
Water Operations	44,360,915	37,323,909	(7,037,006)	84%
Wastewater Operations	59,898,760	54,917,656	(4,981,104)	92%
Waste Services Operations	48,921,556	43,865,336	(5,056,220)	90%
Transit	8,686,560	7,695,522	(991,038)	89%
Transportation	1,766,204	1,664,231	(101,973)	94%
Youth Development	9,200,345	8,382,481	(817,864)	91%

▪ **Electric Fund**

Electric expenses finished the year \$14.7 million under budget, driven by multiple factors:

- Power supply costs were \$4.1 million below budget, reflecting lower-than-anticipated cost of purchasing renewable energy credits.
- Generation costs were \$1.2 million under budget, driven by reduced variable maintenance and chemical usage associated with extended outages at the Roseville Energy Park (REP).
- Spending on public programs and contracted services was \$2.0 million below budget, primarily due to project delays.
- Cost savings of \$4.2 million were from lower-than-expected maintenance activities, professional services, and small equipment purchases.
- Personnel costs were \$2.6 million under budget due to salary savings, and labor cost reimbursements exceeded expectations by \$0.6 million.

▪ **Water Operations Fund**

Expenses in the Water Operations Fund ended the fiscal year \$7.0 million (16 percent) below budget. The favorable variance was primarily driven by:

- Salary savings of \$2.6 million due to staff vacancies resulting from challenges in recruiting experienced personnel. While modest savings were realized in overtime, the majority of personnel savings were vacancy-related.
- Underspending of professional services by \$1.5 million due to key staff vacancies, resulting in delays of several projects and studies.
- Potable water generation costs were \$0.6 million below budget. These costs are budgeted to align with contracted raw water volumes and may fluctuate due to weather conditions, regulatory factors, drought impacts, and customer demand.
- Underspending of various repairs and maintenance accounts by \$0.6 million

▪ **Wastewater Operations Fund**

Expenses in the Wastewater Operations Fund ended the fiscal year \$5.0 million (8 percent) below budget, reflecting efficiency gains and proactive energy management. The cost savings were primarily driven by the following:

- Salary savings of \$2.0 million related to vacancies. Similar to the Water Utility, hiring experienced employees has been difficult, resulting in salary savings and lower-than-budgeted training and travel expenses.
- Cost savings of \$1.3 million from reduced utility charges. Infrastructure upgrades that focus on energy efficiency are resulting in lower-than-expected utility costs.
- Cost savings of \$0.77 million related to repairs and maintenance, due to fewer unexpected breakdowns, more efficient use of the equipment, and successful preventative maintenance strategies that reduced the need for costly repairs.

▪ **Waste Services Operations Fund**

Expenditures in the Waste Services Operations Fund ended the fiscal year \$5.0 million (10 percent) below budget. Key factors contributing to this variance include:

- Salary savings of \$1.3 million related to vacancies due to difficulties recruiting experienced employees.
- Professional services savings of \$1.4 million, primarily due to delays in implementing new technology associated with fleet expansion. Licensing and monitoring fees were also lower than anticipated, as fewer vehicles were placed into service. Additionally, the planned SB 1383 (California law that mandates reductions in short-lived climate pollutants, particularly methane, by redirecting organic waste from landfills) compliance assistance study was deferred to FY2025-26.

- Fuel cost savings of \$0.3 million, reflecting the continued transition of the Waste Services fleet to Renewable Natural Gas (RNG). Staff continues to refine fuel cost projections as the transition progresses.
- Cost saving of \$0.8 million related to vehicle replacement. Market instability has introduced complexity into forecasting replacement costs.
- Underspending of various repairs and maintenance accounts by \$0.8 million due to fewer than anticipated maintenance needs.

Remaining cost savings across the Water, Wastewater, and Waste Services operations funds are attributable to modest underspending in emergency contingency funds, training and development, and other operational expenses while continuing to provide reliable, high-quality, and uninterrupted utility services.

Net positive year-end results in all three Environmental Utilities operating funds (Water, Wastewater, and Waste Services) will be transferred to rehabilitation funds for projects, or to rate stabilization funds to mitigate future rate increases.

▪ **Transit Fund and Transportation Fund**

Expenditures for the Transit Fund ended the year below budget at 89 percent due to several factors, including:

- Lower-than-expected contracted transit operator services.
- Deferred timing of shelter replacement costs and the implementation of new routes, which include printing and advertising expenses for the new transit service guides and bus shelter route maps.
- Savings in training and development costs and reduced repair and maintenance needs.

Transportation expenditures ended the fiscal year under budget at 94 percent due to the following:

- Lower-than-expected professional services and engineering and environmental services to update the Transportation Systems Management ordinance due to project timing.
- Savings in training and development expenses, and repairs and maintenance costs.

▪ **Youth Development Fund**

Expenses for the Youth Development Fund ended the fiscal year at 91 percent of the budget as PRL staff continues to take measures to reduce operational costs to offset the significant Adventure Club revenue shortfall.

Other Revenues: Fire Facilities, Public Facilities, and Strategic Improvement

BUDGET TO CUMULATIVE REVENUE COMPARISON July 1, 2024 – June 30, 2025

	FY2023-24	FY2024-25			
	Actuals	Amended Budget	Cumulative Revenues	Variance	% of Budget Collected
Fire Facilities	\$ 2,127,727	\$ 2,076,253	\$ 2,165,103	88,850	104%
Public Facilities	6,688,897	6,428,644	7,634,139	1,205,495	119%
Strategic Improvement	2,599,327	3,930,534	3,997,060	66,526	102%

The table above shows revenues in the Fire Facilities, Public Facilities, and Strategic Improvement Funds through the fourth quarter of FY2023-24 and FY2024-25. The revenue estimates for these three funds are generally based on a multi-year trend analysis of forecasted single-family, multi-family, and commercial development, as well as prior-year revenue collections. Revenues for these funds surpassed the budget estimate through year-end due to increased fee collections and higher-than-expected interest revenue. The Strategic Improvement Fund FY2024-25 amended budget includes a one-time transfer of \$1.75 million from the General Fund FY2023-24 year-end surplus to fund projects that provide an economic benefit to the City.

City of Roseville



Quarterly Report on Sales Tax and Business Activity

Top 25 Sales Tax Remitters

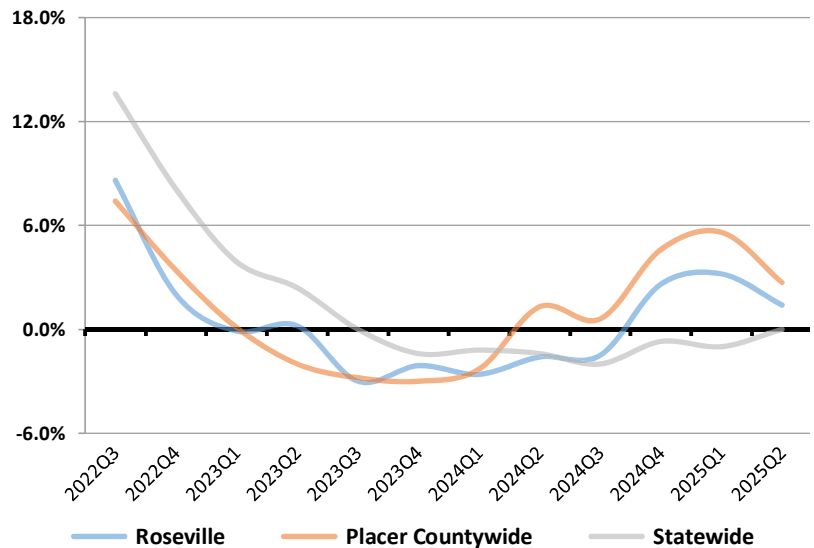
- APPLE STORES
- ARCO AM/PM MINI MARTS
- AUTONATION HONDA
- BMW OF ROSEVILLE
- CARMAX AUTO SUPERSTORES
- CHEVRON SERVICE STATIONS
- COSTCO WHOLESALE
- ECHOPARK AUTOMOTIVE
- FUTURE FORD
- GMC RELIABLE
- HOME DEPOT
- LEXUS OF ROSEVILLE
- MACY'S DEPARTMENT STORE
- MCKESSON MEDICAL -SURGICAL
- NIELLO ACURA
- NORDSTROM DEPARTMENT STORE
- ROSEVILLE CHEVROLET
- ROSEVILLE HYUNDAI
- ROSEVILLE KIA
- ROSEVILLE TOYOTA & SCION
- SAFeway SERVICE STATIONS
- SAM'S CLUB
- TARGET STORES
- VANDERBEEK MOTORS
- WAL MART STORES

2nd Quarter 2025 in Review

California sales tax cash receipts increased by 2% from the same quarter last year. In this jurisdiction sales tax cash receipts decreased by 2.2% from the same quarter last year due to a decrease of \$42,955,000 in Taxable Sales.

Cash Receipts	Quarter	Annual
Roseville	-2.2%	1.4%
Placer Countywide Pool	1.0%	14.3%
Placer Countywide	-1.8%	2.7%
Sacramento Valley Region	0.9%	0.8%
Statewide	2.0%	0.0%

Annualized Percent Change in Sales Tax Cash Receipts



Business Activity

- General Retail (e.g., dept. stores, misc. retail)
- Food Products (e.g., markets and restaurants)
- Transportation (e.g., new & used autos, gas stations)
- Construction (e.g., retail & wholesale construction)
- Business To Business (e.g., IT, industrial equip. etc.)

	Roseville		California	
	Quarter	Annual	Quarter	Annual
TOTAL LOCAL BUSINESS ACTIVITY	-4.0%	-1.5%	-1.9%	-2.5%
COUNTYWIDE POOL ACTIVITY	0.5%	13.2%	4.2%	3.5%

City of Roseville



News

- Economic Activity:** Real Gross Domestic Product (GDP) increased at an annual rate of 2.5% in the second quarter of 2025. U.S. inflation ticked up to 2.7% in June of 2025, down 6.4 percentage points from its most recent peak of 9.1% in June 2022. California's headline inflation increased to 3.0% year over year as of June 2025, up from 2.7% in August of 2024. (DIR, BEA, BLS, July Finance Bulletin)
- Employment:** The U.S. unemployment rate decreased slightly to 4.1% in June of 2025. California's unemployment rate increased by 0.1 percentage point to 5.4% as of June 2025, 0.4 percentage points higher than the September 2023 rate of 5.0%. (EDD, BLS, July Finance Bulletin)
- Personal Income:** U.S. personal income increased by 4.9% for the second quarter of 2025, compared to the same quarter previous year. Compensation of employees increased by 4.8%, while personal current taxes increased by 7.9% from the previous period, resulting in a net gain of 4.5% in disposable income. (BEA)

Roseville

Annual Per Capita Sales Tax
Adjusted for Inflation
(Constant 2021 \$)

