

**Sebastopol Deficit Solutions - Calculation Sheet #1** (Drafted by Diana Rich, on Nov 10, 2023. See resource list below.)

**Overview - New Funding Needed for Sebastopol to Achieve a Balanced Budget with 15% in Reserves by 2029-30**

\$10.4M total in new funds are needed by 2029-30.

\$2.5 annually beginning on July 1, 2026 and increasing 3% annually, would meet the goal.

Forecast-Add \$2.5M 7/1/26	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
<b>Current Forecast</b>								
Revenue	\$10,860,460	\$11,022,140	\$11,259,630	\$11,497,043	\$11,732,327	\$11,967,541	\$12,202,394	\$13.3M Total Deficit
Expenses	(\$12,537,996)	(\$12,489,796)	(\$12,827,017)	(\$13,239,030)	(\$13,656,076)	(\$14,311,580)	(\$14,781,697)	\$10.4M in new \$\$
Deficit/Surplus	(\$1,677,536)	(\$1,467,656)	(\$1,567,387)	(\$1,741,987)	(\$1,923,749)	(\$2,344,039)	(\$2,579,303)	Balanced budgets
Add \$2.5M starting 7/1/26	\$0	\$0	\$0	\$2,486,000	\$2,560,580	\$2,637,397	\$2,716,519	15% reserve
Forecast-\$2.5M as of 7/1/26	(\$1,677,536)	(\$1,467,656)	(\$1,567,387)	\$744,013	\$636,831	\$293,358	\$137,216	
<b>Reserve-w/\$2.5M</b>								
Start of Year Reserves	\$5,118,800	\$3,441,264	\$1,973,608	\$406,221	\$1,150,234	\$1,787,065	\$2,080,423	
Amount used or added	(\$1,677,536)	(\$1,467,656)	(\$1,567,387)	\$744,013	\$636,831	\$293,358	\$137,216	
End of Year Reserves	\$3,441,264	\$1,973,608	\$406,221	\$1,150,234	\$1,787,065	\$2,080,423	\$2,217,640	
Reserve as % of Expenses	27.4%	15.8%	3.2%		13.1%	14.5%	15.0%	
Ref: Reserves Before \$2.5M 7/1/26	27.4%	15.8%	3.2%	-10.1%	-23.9%	-39.2%	-55.4%	

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

Resources:

[2023-24 Adopted Sebastopol Budget](#)

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