

STAFF REPORT

DATE: April 7, 2026

TO: City Council

FROM: Alberto Preciado, Finance Director
Lewis Clarke-Wardle, Financial Analyst

SUBJECT: FY 2025/26 Mid-Year Budget Update and Mid-Year Budget Amendments

Recommendation

- 1) Accept the mid-year report as informational. This report reflects revenue and expenditure results through the second quarter of Fiscal Year (FY) 2025/26; and
- 2) Approve a Resolution (Attachment 4) amending the FY 2025/26 Budget.

Executive Summary

This informational item presents revenue and expenditure results for the first six months of FY 2025/26. In summary, the City's overall tax and fees revenues are at or above expectations, with the exception of cannabis tax, which is significantly lower than projected. Overall, General Fund obligations are within budget, with some capital expenditures exceeding budgeted amounts. General Fund reserve is projected to decrease to 8.9%. This projected change is caused by the finalization of prior period financial statements, prior-year expenditure encumbrances being rolled forward into the current year budget, and the net effect of proposed midyear budget adjustments.

Salaries and wages, including overtime, through the second quarter of FY 2025/26 for all departments are tracking at 39.6%, or \$32.4 million of the current \$81.8 million revised salaries and wages budget. Of the projected \$2.6 million General Fund vacancy savings, \$2.2 million is being allocated among various General Fund departments. The remaining balance is projected to be allocated to internal service funds. This is a result of vacancies requiring backfill in certain departments and delays in hiring full time staff, as well as increases in overtime that will ultimately be reimbursed by contract and grant revenue.

Overall, other funds are generally tracking as anticipated based on the nature of each fund.

Fiscal Impact

This informational item presents revenue and expenditure results for the first six months of FY 2025/26. All notable events listed in this report provide context to the second quarter of FY 2025/26 financial results. The General Fund (001) revenue ended the quarter at \$23.2 million or 24% of the \$95.6 million revised budget and expenditures ended at \$42.9 million or 42% of the \$102.4 million revised budget. The revised budget here is inclusive of proposed budget amendments.

The General Fund Reserve Policy currently in effect was adopted by City Council resolution number 16-060 in 2016. The policy indicates that the City shall strive to maintain a reserve equal to 15% of the General Fund expenditures. Up to 5% of the general fund reserve may be allocated to special capital projects if the 15% threshold is met. Any amount in excess of the reserve target can be used to offset deficits in other funds and to fund non-recurring operating or capital needs. The projected General Fund ending available fund balance is 8.9%, which includes the budget amendments proposed in this staff report. The projected available fund balance is below the adopted budget estimate of 11.5%. The projected General Fund Reserve includes projected twelve-month revenue recognition from the newly approved additional 1% local sales tax that went into effect on April 1, 2025.

In addition to providing a budget update based on the second quarter financial activity, staff is proposing various budget amendments to the FY 2025/26 Budget, as detailed in Attachment 4A. With the proposed changes, the General Fund revenue will increase by \$500,000 and appropriations will increase by \$1.0 million. The net impact of the proposed amendments on all other funds will increase revenues by \$400,000 and appropriations by \$500,000.

Council Goals

Ensure Fiscal and Economic Stability.

Background and Analysis

This budget report summarizes the revenue and expenditure results through the first six months of FY 2025/26 for all funds. The report also provides a summary of the personnel and overtime expenditures, General Fund balance summary, and a summary of proposed amendments.

General Fund

The General Fund serves as the main revenue source and operating fund for many of the services the city provides. These services include public safety (police and fire), street maintenance, parks and recreation, neighborhood and community services, among others. Additionally, the budgets for the City Council, City Manager's Office, and City Attorney are mainly supported by the General Fund. The funding for these activities comes primarily from general tax revenues, including sales and property taxes, motor vehicle-in-lieu fees, municipal service taxes, as well as income from permits, fees, and investment earnings.

General Fund revenues received through the second quarter totaled \$23.2 million, approximately 24% of the revised budget. Breakdowns by fund grouped into the General Fund are presented in Attachment 1. Revenues by type for the stand-alone General Fund (001) are presented in Attachment 3.

FY 2025/26 General Fund Revenue

	FY2024/25 Actual (Unaudited)	Adopted Budget	Revised Budget (as of 12/31/25)	Adjustments	Revised Budget (w/2nd Qrt Adj.)	YTD Actual (as of 12/31/25)	%
Revenues							
Property Tax	\$ 20,813,502	\$ 21,710,000	\$ 21,710,000	\$ -	\$ 21,710,000	\$ -	0%
Sales Tax	23,800,701	32,310,000	32,310,000	(100,000)	32,210,000	11,053,498	34%
Real Property Transfer Tax	276,061	270,000	270,000	-	270,000	-	0%
Municipal Services Tax	5,501,554	5,493,600	5,493,600	-	5,493,600	2,334,670	42%
Business License	2,204,516	2,250,000	2,250,000	-	2,250,000	361,842	16%
Cannabis Tax	1,528,580	1,710,000	1,710,000	(510,000)	1,200,000	496,207	41%
Franchise Fee	2,361,105	2,240,000	2,240,000	-	2,240,000	487,571	22%
Transient Occupancy Tax	3,329,205	2,987,000	2,987,000	-	2,987,000	1,111,963	37%
Motor Vehicle In-Lieu	8,983,728	9,250,000	9,250,000	100,000	9,350,000	-	0%
Sub-total Taxes	68,798,952	78,220,600	78,220,600	(510,000)	77,710,600	15,845,751	20%
Fines and Forfeitures	777,163	505,000	505,000	-	505,000	255,655	51%
Use of Money and Property	1,214,596	1,410,719	1,410,719	750,000	2,160,719	754,882	35%
Intergovernmental	2,707,310	2,388,156	2,388,156	25,000	2,413,156	569,264	24%
Charges for Current Services	10,324,254	10,534,823	10,482,323	165,000	10,647,323	4,982,904	47%
Other	1,233,892	506,940	567,880	104,845	672,725	801,245	119%
Transfer In	-	1,470,789	1,470,789	-	1,470,789	-	0%
Total General Fund Revenue	\$ 85,056,166	\$ 95,037,027	\$ 95,045,467	\$ 534,845	\$ 95,580,312	\$ 23,209,701	24%

The major General Fund revenues are property taxes and sales taxes. Property taxes are received in three installments, with first one received in January (50%), the second in May (45%), and the last one in August (5%). The timing of property tax payments means actual payments are not included as revenue received for the mid-year budget, which explains why total revenue received is at the 24% rate noted above. Property taxes, excluding motor vehicle in-lieu fees, make up 23% of the total General Fund revenues. Comparing to the adopted budget, property taxes are projected to come in at the budgeted amount. Property tax in lieu of motor vehicle fees (MVLFF) is projected to increase slightly from the adopted budget of \$9.3 million. Two main drivers in the property tax revenue growth are changes from assessed value increases and increases caused by transfer of ownership. Additional property tax highlights are provided in Attachment 5.

In the first six months of the fiscal year, the number of single-family home sales decreased approximately 20% from the same period in the prior year. However, median sale price of single-family homes in Davis increased slightly from \$887,000 in 2024 to \$906,250 in 2025. This is a 2.2% increase. Decreased sales are indicative of the higher cost and continually depressed inventory. Total assessed value in Davis increased 4.4% over the last year, which is slightly lower than Yolo County's 4.6% increase in assessed value.

Sales tax receipts generally lag two months between when the taxable sales occur and when the City receives the tax. Although the City did not receive November and December sales tax receipts until after the end of the second quarter, as of December 2025 sales tax revenue still totaled \$11.1 million, approximately 34% of the revised budget.

Sales taxes make up 34% of the total General Fund revenues and are prone to greater variation than property tax. Sales taxes (1% Bradley-Burns and 2% District Tax, including Measure Q) are projected to come in \$100,000 below the original FY26 adopted budget.

Because of the lag from when sales occur to the when tax is distributed, the City did not start receiving the Measure Q tax dollars until June 2025. Of note, 1% Bradley-Burns tax has been declining or showing very slow growth over the last several years. This pattern is expected to continue due to the uncertainty surrounding new tariffs and the continued evolution of the retail industry, both contributing to the slightly reduced revenue estimate for this specific tax. High gasoline prices in the 3rd quarter of the fiscal year may cause a temporary increase in revenues, but the impact is not currently measurable. Additional sales tax highlights covering the third quarter of calendar year 2025 are provided in Attachment 6.

Business License revenue was \$400,000 or 16% of the revised budget as of December 2025. The renewal of business licenses occurs during December and January. Business License Tax is expected to be on budget.

The FY 2025/26 marks the eighth year of cannabis businesses operating and making tax payments. Once again, revenues are falling short of expectations, as for the current fiscal year the City expects to receive \$1.2 million, which is approximately \$500,000 million below the adopted Budget. This continues to be a statewide trend and is being observed across all cannabis business types (manufacturing, retail, delivery and distribution).

Transient Occupancy Tax is expected to hit the adopted budget of \$2.9 million set at the start of the fiscal year.

Overall, net General Fund revenues are tracking within or slightly above expectation.

Total General Fund expenditures at six months mark are at 42%. Expenditures for most departments are tracking at 47%.

A budget adjustment is proposed to increase appropriations to close out two capital projects within the Capital Projects and Internal Service Funds: Russell Blvd Corridor Improvements and Facility Maintenance Improvements; additionally, a budget adjustment is proposed for the City to take over the administration of the Respite Center. The latter is a net change in costs from professional services to the cost of two temporary part-time positions. Refer to Attachment 2 "Expenditures by Fund" for a detailed breakdown of all the funds that are categorized as General Fund in the Annual Comprehensive Financial Report.

Special Revenue Funds

Special revenue funds account for activities funded by special purpose revenues, that is, revenues that are legally restricted for a specific purpose. Special Revenue Funds such as Public Safety Grants Fund, Community Development Block Grant (CDBG), Federal and State Highway Grants, and Operations Grants administered by the City are included in this category.

Through the second quarter of FY 2025/26, Special Revenue Fund expenditures are reported at \$1.7 million, which is 22.9% of the \$7.5 million adjusted budget. A budget

adjustment is proposed to fund the City's use of a property manager for affordable housing properties that were previously managed by a contractor.

Capital Projects Funds

Capital Projects Funds are primarily comprised of Development Impact Fee Funds. Development Impact Fee Funds are financed through fees collected from development projects to pay for all or a portion of the costs related to providing public infrastructure to the new developments. These fees are usually imposed to help reduce the economic burden on local jurisdictions that are experiencing population growth.

Capital Projects Fund revenues came in at \$2.2 million, which is 33% of the revised budget of \$6.7 million. The Development Impact Fees revenues budgeted at \$400,000 have only collected \$100,000 as of December 2025. Nonetheless, staff is being vigilant about this revenue source in similar ways as with the Construction Tax, where a number of ready-to-start projects continue to be delayed because of high interest rates, increasing construction costs, the general economic outlook and, currently, the impact from imposed tariffs. This is a cause for concern as it relates to funding capital improvements.

Capital Projects Funds expenditures were \$4.1 million, which is 126.2% of the \$3.2 million revised budget. Overall, expenditures in these funds typically are incurred for project activities occurring during summer and spring. A budget adjustment from the General Fund is proposed to cover project expenditures for the Russell Blvd Corridor Improvements and to account for increased project expenditures that are grant-funded.

Enterprise Funds

Enterprise Funds, also known as Proprietary Funds, consist of revenue and expenses related to providing water, wastewater, solid waste, and storm drainage services to customers who are primarily external.

The operating revenues for Wastewater and Storm Drainage Funds are tracking below expectations, at 46.6% and 48.9% of the revised budget through the first six months of FY 2025/26, respectively, whereas the Solid Waste Fund is at 59.3% of the revised budget. Water Fund operating revenues are at 31.5% of the Revised Budget. Lower water revenues are a result of the residents' continued active conservation efforts. It is expected that the water consumption will increase in the spring and summer months as ratepayers begin to use more water for irrigation. Non-grant Transportation Funds have not yet been received and are currently at 0.4% of the Revised Budget due to timing of expenses being reimbursed by the grant funds and recording of the revenue activities.

The expenses for these funds through the second quarter are at \$35.8 million (44%) of the \$81.5 million revised budget. About \$6.7 million of the total expenses is attributed to the capital improvement activities.

A budget adjustment is being proposed to cover Yolobus expenditures from FY 2024/25 that were not invoiced by the Yolo Transportation District in the prior year. Additionally, a budget request is being proposed to shift street-sweeping costs from the Solid Waste fund to the Storm Drainage Maintenance Fund.

Internal Service Funds

Internal Service Funds account for goods or services provided by one department to other departments on a cost-reimbursement basis. Internal services include information technology, facilities, fleet, and self-insurance programs.

Through the second quarter of FY 2025/26, Internal Service Funds expenses are reported at \$20.0 million, which is 48.4% of the \$41.2 million revised budget. A budget adjustment of \$275,000 from the General Fund is proposed to increase appropriations for facility maintenance projects such as the Cannery Barn Cooler Upgrade, 1815 5th Street Gate, and the Veteran Memorial Center's roof.

Custodial Funds

Custodial Funds collect cash via special assessments, clearance funds and tax collection to be held temporarily for an authorized recipient to whom it will later be disbursed. The recipient may be another fund, or an individual, or firm, or even another jurisdiction.

Revenues in Custodial Funds are collected at the same time the property taxes are collected.

The 1990 Public Financing Authority Bond, Community Facility Districts Mace Ranch, and Cannery Agency Funds show \$1.6 million in expenditures, which is 54.6% of the revised budget. Most expenditures in these funds represent principal and interest payments, which are typically made in the first half of the fiscal year.

Personnel

The regular salaries and wages, including overtime for FY 2025/26 are presented in the table below.

Citywide Personnel Expenditures Second Quarter Fiscal Year 2025/26												
Salaries and Wages							Overtime					
Expenditures by Department	Original Budget	Adjusted Budget	Revised Budget Adjustments (w/2nd Q Adj.)	Actuals (unaudited)	% Exp.	Original Budget	Adjusted Budget	Adjustments	Budget (w/2nd Q Adj.)	Actual (unaudited)	% Exp.	
City Manager/Council	\$ 3,622,672	\$ 3,622,672	\$ (200,000)	\$ 3,422,672	\$ 1,378,942	40.3%	\$ 5,605	\$ 5,605	\$ 5,605	\$ 4,301	76.7%	
Social Services and Housing	1,366,160	1,366,160	39,800	1,405,960	545,647	38.8%	-	-	-	-	0.0%	
Human Resources	974,276	974,276	-	974,276	390,946	40.1%	3,297	3,297	3,297	109	3.3%	
Information Systems	2,032,618	2,032,618	(350,000)	1,682,618	738,569	43.9%	7,034	7,034	7,034	354	5.0%	
Finance Department	2,922,189	2,922,189	(400,000)	2,522,189	1,005,622	39.9%	-	-	-	3,304	n/a	
Community Development	4,906,617	4,906,617	(400,000)	4,506,617	1,538,230	34.1%	4,945	4,945	4,945	4,476	90.5%	
Parks & Community Services	8,616,236	8,616,236	7,000	8,623,236	3,702,466	42.9%	88,140	88,140	88,140	60,179	68.3%	
Fire	13,809,813	13,809,813	(400,000)	13,409,813	5,518,392	41.2%	1,967,569	1,967,569	1,967,569	913,082	46.4%	
Police	22,629,821	22,629,821	(500,000)	22,129,821	8,788,787	39.7%	374,373	650,176	-	650,176	691,314	106.3%
PW Utilities and Operations	18,116,428	18,116,428	-	18,116,428	6,907,928	38.1%	390,142	390,142	390,142	241,897	62.0%	
PW Engineering & Transpor	5,381,370	5,381,370	(750,000)	4,631,370	1,683,639	36.4%	29,453	29,453	29,453	22,398	76.0%	
Capital Improvements/Debt	-	-	500,000	500,000	193,451	-	-	-	-	7,833	n/a	
Vacancy Savings	(2,600,000)	(2,600,000)	2,600,000	-	11,939	-	-	-	-	-	0.0%	
Total	\$ 81,778,200	\$ 81,778,200	\$ 146,800	\$ 81,925,000	\$ 32,404,558	39.6%	\$ 2,870,558	\$ 3,146,361	\$ -	\$ 3,146,361	\$ 1,949,247	62.0%

Salaries and wages, including overtime, through the second quarter of FY 2025/26 for all departments are tracking at 40.4%, or \$34.4 million of the \$85.1 million revised budget. The Parks and Community Services (PCS) and Social Services and Housing (SSH) departments are recommended for increase in the personnel budget. Additional

appropriations are to increase DCT driver wages to remain competitive with Yolobus and Unitrans, and to pay for temporary part-time staffing for the Respite Center (offset by savings in contract services).

At the time of FY 2025/26 budget development, staff projected to have \$2.6 million of vacancy savings in the General Fund, which are allocated to specific General Fund departments at mid-year review. Based on current projections, this amount is being allocated to departments. It is possible that by the end of the fiscal year more vacancy savings will be realized; however, it is difficult to determine at this time.

Staff will bring amendments to the Authorized Positions Listing to Council at a later date.

Overtime

Overtime expenditures are tracking above budget for most departments. This is partially a result of vacancies requiring backfill in certain departments, delays in hiring full time staff, and increased reimbursable overtime.

In particular, the Police Department overtime costs are exceeding the budget through the second quarter due to a combination of vacancies as well as reimbursable overtime that will be offset by grant revenues. The Fire Department overtime is expected to stay within budget.

Summary

In summary, the City's overall tax and fees revenues are at, or in some cases, above expectations. The exception is cannabis tax revenue, which is declining on par with statewide trends. Overall, General Fund obligations are within budget. General Fund reserve is projected to decrease to 8.9% due to use of reserves for capital projects and prior-year expenses. Staff will monitor the near future outlook of the economy and its effects locally as a result of continued external political and economic matters, high inflation and high interest rates for the remaining months of the fiscal year as well as coming fiscal years.

Fiscal Year 2026/27 Budget

City staff is developing the Mid-Cycle Budget Update, with an eye to reducing the expenditure burden on the General Fund. Significant cuts to programs and staff may be unavoidable. The mid-cycle revision to the FY 2026/27 Budget is expected to be presented to the City Council for review and comment in May 2026 to be adopted in June 2026.

Attachments:

1. Revenues by Fund
2. Expenditures by Fund
3. General Fund Summary

4. Resolution: FY 2025/26 Mid-Year Budget Amendments
5. Davis Property Tax Newsletter
6. Davis Sales Tax Update 3Qrt2025

City of Davis
Revenues by Fund
Second Quarter Fiscal Year 2025/26

Fund Number	Fund Name	Adopted Budget	Revised Budget as of 12/31/25	Mid-Year Adjustments	Revised Budget (w/ 2nd Q Adj.)	YTD Actuals	%
001	General Fund	95,037,027	95,045,467	534,845	95,580,312	23,209,701	24.3%
006	Utility Receipt Clearing	-	-	-	-	166,758	N/A
195	Building Administration and Permits	1,313,192	1,313,192	-	1,313,192	1,565,962	119.2%
Total General Fund		96,350,219	96,358,659	534,845	96,893,504	24,942,421	25.7%
109	Gas Tax Fund	1,907,469	1,907,469	-	1,907,469	811,074	42.5%
113	Road Maintenance & Rehab SB1 Gas Tax Fund	1,768,084	1,768,084	-	1,768,084	601,198	34.0%
Total Gas Tax Fund		3,675,553	3,675,553	-	3,675,553	1,412,272	38.4%
114	Police Grants Fund	-	316,941	-	316,941	130,388	41.1%
115	TDA Non-Transit Use Fund	979,591	979,591	-	979,591	-	0.0%
135	Open Space Fund	734,000	734,000	-	734,000	-	0.0%
151	Cable TV Capital Fund	88,000	88,000	-	88,000	17,952	20.4%
Total Cable TV Fund		88,000	88,000	-	88,000	17,952	20.4%
155	Public Safety Grants Fund	141,000	141,000	-	141,000	6,616	4.7%
160	Low/Mod Housing Fund	395,000	395,000	(21,000)	374,000	446,633	119.4%
161	HOME Program Grants	1,721,839	1,721,839	-	1,721,839	-	0.0%
162	CalHOME	7,000	7,000	-	7,000	-	0.0%
Total Housing Fund		2,123,839	2,123,839	(21,000)	2,102,839	446,633	21.2%
165	Municipal Arts Fund	45,000	45,000	-	45,000	-	0.0%
190	Agriculture Land Conservation	2,000	2,000	-	2,000	-	0.0%
191	Habitat Land Conservation - Prop 70	80,000	80,000	-	80,000	3,957	4.9%
205	Subdivision In Lieu Park Payments (Quimby)	-	-	-	-	-	N/A
208	In Lieu Of Parking Payments	3,000	3,000	-	3,000	-	0.0%
209	Parking Revenue Fund	55,500	55,500	-	55,500	19,647	35.4%
210	Federal/State Hwy Grants	373,000	442,600	-	442,600	-	0.0%
215	Community Development Block Grant	253,077	253,077	-	253,077	414,602	163.8%
216	General Operating Grants	24,089	583,938	-	583,938	208,625	35.7%
217	Economic Stimulus Grants (ARPA)	-	-	-	-	-	N/A
716	Davisville Book Fund	20	20	-	20	25	125.0%
717	Brinley/Hattie Weber Fund	40	40	-	40	-	0.0%
Total Special Revenue Funds		8,577,709	9,524,099	(21,000)	9,503,099	2,660,717	28.0%
012	General Capital Projects Fund	5,700,000	6,000,000	35,129	6,035,129	210,456	3.5%
200	Construction Tax	146,084	146,084	-	146,084	217,453	148.9%
456	Davis Research Park Improvement Fund	5,000	5,000	-	5,000	-	0.0%
465	Capital Grants Fund	-	-	100,035	100,035	1,662,821	1662.2%
468	Davis Land Acquisition Fund	-	-	-	-	-	N/A
476	Downtown Area Capital Revitalization Fund	-	-	-	-	-	N/A
480	Development Impact Fees/MPFP	5,000	5,000	-	5,000	-	0.0%
481	Development Impact Fees - General Facilities	57,780	57,780	-	57,780	18,217	31.5%
482	Development Impact Fees - Open Space	27,260	27,260	-	27,260	5,454	20.0%
483	Development Impact Fees - Parks	135,280	135,280	-	135,280	31,634	23.4%
484	Development Impact Fees - Public Safety	29,840	29,840	-	29,840	10,695	35.8%
485	Development Impact Fees - Road Way	161,860	161,860	-	161,860	52,446	32.4%
Total Development Impact Fees Funds		417,020	417,020	-	417,020	118,446	28.4%
Total Capital Projects Funds		6,269,104	6,569,104	135,164	6,704,268	2,209,176	33.0%
511	Water Fund - Maintenance & Operation	24,914,800	24,914,800	-	24,914,800	11,800,144	47.4%
512	Water Fund - Capital Replacement Reserve	13,242,675	13,242,675	-	13,242,675	648	0.0%
513	Water Fund - Capital Expansion	30,000	30,000	-	30,000	231,432	771.4%
Total Water Fund		38,187,475	38,187,475	-	38,187,475	12,032,224	31.5%
520	Solid Waste Fund	16,920,450	16,920,450	-	16,920,450	10,032,464	59.3%
531	Wastewater Fund - Maintenance & Operation	15,895,290	15,895,290	-	15,895,290	9,539,186	60.0%
532	Wastewater Fund - Capital Replacement Reserve	4,594,530	4,594,530	-	4,594,530	-	0.0%
533	Wastewater Fund - Capital Expansion	220,000	220,000	-	220,000	112,060	50.9%
Total Sewer Fund		20,709,820	20,709,820	-	20,709,820	9,651,246	46.6%

City of Davis
Revenues by Fund
Second Quarter Fiscal Year 2025/26

Fund Number	Fund Name	Adopted Budget	Revised Budget as of 12/31/25	Mid-Year Adjustments	Revised Budget (w/ 2nd Q Adj.)	YTD Actuals	%
541	Storm Drainage Fund - Maintenance & Operation	4,234,591	4,234,591	-	4,234,591	2,549,137	60.2%
542	Storm Drainage Fund - Capital Replacement Reserve	968,400	968,400	-	968,400	-	0.0%
543	Storm Drainage Fund - Capital Expansion	15,000	15,000	-	15,000	2,080	13.9%
544	Storm Sewer/Drainage Fund - Quality Fund	-	-	-	-	-	N/A
	Total Storm Drainage Fund	5,217,991	5,217,991	-	5,217,991	2,551,217	48.9%
570	Public Transportation Fund	4,331,286	4,331,286	-	4,331,286	18,332	0.4%
571	Public Transportation Fund - Non-TDA	-	-	-	-	5,578,663	N/A
	Total Transportation Fund	4,331,286	4,331,286	-	4,331,286	5,596,995	129.2%
	Total Enterprise Funds	85,367,022	85,367,022	-	85,367,022	39,864,146	46.7%
020	Employee Benefits Fund	4,460,000	4,460,000	-	4,460,000	200,000	4.5%
620	General Services Fund	347,000	347,000	-	347,000	173,463	50.0%
621	Fleet Replacement Fund	3,342,430	3,342,430	-	3,342,430	1,605,245	48.0%
622	Fleet Operations Fund	1,869,700	1,869,700	-	1,869,700	929,850	49.7%
623	IS Replacement Fund	845,450	845,450	-	845,450	407,821	48.2%
624	IS Operations Fund	3,560,000	3,560,000	-	3,560,000	1,891,313	53.1%
626	Facility Replacement Fund	304,477	304,477	300,000	604,477	104,850	17.3%
628	Equipment Maintenance Fund	598,238	598,238	-	598,238	285,871	47.8%
629	Duplicating/Postal Services Fund	3,000	3,000	-	3,000	-	0.0%
	Total General Service Fund	10,870,295	10,870,295	300,000	11,170,295	5,398,413	48.3%
625	Facility Maintenance Fund	3,284,000	3,284,000	-	3,284,000	1,639,317	49.9%
630	City Self-Insurance/Payroll Liabilities Fund	15,737,500	15,737,500	-	15,737,500	6,262,138	39.8%
631	Risk Management	7,811,000	7,811,000	-	7,811,000	3,401,547	43.5%
	Total Internal Service Funds	42,162,795	42,162,795	300,000	42,462,795	16,901,415	39.8%
337	1990 Public Financing Authority Bond	945,000	945,000	-	945,000	319	0.0%
338	Mace Ranch CFD Fund	299,000	299,000	-	299,000	1,548	0.5%
340	Cannery CFD Fund	653,000	653,000	-	653,000	14,025	2.1%
359	University Research Park Reserve Fund	300	300	-	300	-	0.0%
895	Redevelopment Obligation Retirement Fund-Debt Service	1,990,580	1,990,580	-	1,990,580	405,376	20.4%
	Total Successor Agency Funds	1,990,580	1,990,580	-	1,990,580	405,376	20.4%
	Total All Funds	242,614,729	243,869,559	949,009	244,818,568	86,999,143	35.5%

City of Davis
Expenditures by Fund
Second Quarter Fiscal Year 2025/26

Fund Number	Fund Name	Adopted Budget	Revised Budget as of 12/31/25	Mid-Year Adjustments	Revised Budget (w/ 2nd Q Adj.)	YTD Actuals	%
001	General Fund	97,939,794	101,377,974	1,019,109	102,397,083	42,898,429	41.9%
002	Utility Receipt Clearing	-	-	-	-	0	N/A
195	Building Administration and Permits	3,899,864	4,467,491	-	4,467,491	1,483,895	33.2%
Total General Fund		101,839,658	105,845,465	1,019,109	106,864,574	44,382,324	41.5%
109	Gas Tax Fund	1,720,730	1,778,088	-	1,778,088	80,520	4.5%
113	Road Maintenance & Rehab SB1 Gas Tax Fund	1,900,000	-	-	-	-	N/A
	Total Gas Tax	3,620,730	1,778,088	-	1,778,088	80,520	4.5%
114	Police Grants Fund	-	316,941	-	316,941	20,330	6.4%
115	TDA Non Transit Use Fund	500,000	-	-	-	681,460	N/A
135	Open Space Fund	519,898	554,227	-	554,227	216,726	39.1%
151	Cable TV Capital Fund	81,150	81,150	-	81,150	69,803	86.0%
	Total Cable TV Fund	81,150	81,150	-	81,150	69,803	86.0%
155	Public Safety Grants Fund	240,000	241,405	-	241,405	51,012	21.1%
160	Low/Mod Housing Fund	477,925	490,603	138,000	628,603	191,947	30.5%
161	HOME Program Grants	1,721,839	1,739,581	-	1,739,581	3,347	0.2%
162	CalHOME	-	1,070	-	1,070	-	0.0%
	Total Housing Fund	2,199,764	2,231,254	138,000	2,369,254	195,294	8.2%
165	Municipal Arts Fund	123,021	138,021	-	138,021	7,527	5.5%
190	Agriculture Land Conservation	7,003	7,003	-	7,003	251	3.6%
191	Habitat Land Conservation - Prop 70	105,181	105,181	-	105,181	25,670	24.4%
205	Subdivision In Lieu Park Payments (Quimby)	-	-	-	-	-	N/A
209	Parking Revenue Fund	26,410	26,410	-	26,410	5,879	22.3%
210	Federal/State Hwy Grants	373,000	442,600	-	442,600	-	0.0%
215	Community Development Block Grant	453,077	710,385	-	710,385	316,958	44.6%
216	General Operating Grants	24,089	696,843	-	696,843	41,801	6.0%
217	Economic Stimulus Grants	-	-	-	-	-	N/A
716	Davisville Book Fund	-	-	-	-	-	N/A
717	Brinley/Hattie Weber Fund	-	-	-	-	-	N/A
Total Special Revenue Funds		8,273,323	7,329,508	138,000	7,467,508	1,713,231	22.9%
012	General CIP Fund	5,700,000	320,000	35,129	355,129	1,432,636	403.4%
200	Construction Tax	-	-	-	-	576,599	N/A
456	Davis Research Park Improvement Fund	-	-	-	-	-	N/A
465	Capital Grants Fund	2,657,267	-	100,035	100,035	4,433	4.4%
476	Downtown Area Capital Revitalization Fund	-	-	-	-	11,018	N/A
460	Arlngtn Blvd Ben Area Fnd	-	-	-	-	-	N/A
468	Land Acquisition Fund	1,470,789	1,470,789	-	1,470,789	-	0.0%
480	Development Impact Fees/MPFP	-	-	-	-	-	N/A
481	Development Impact Fees - General Facilities	-	-	-	-	578,378	N/A
482	Development Impact Fees - Open Space	50,000	121,000	-	121,000	774	0.6%
483	Development Impact Fees - Parks	933,521	487,326	-	487,326	422,584	86.7%
484	Development Impact Fees - Public Safety	-	687,082	-	687,082	198,074	28.8%
485	Development Impact Fees - Road Way	-	19,212	-	19,212	865,801	4506.6%
	Total Development Impact Fees Funds	983,521	1,314,620	-	1,314,620	2,065,611	157.1%
Total Capital Projects Funds		10,811,577	3,105,409	135,164	3,240,573	4,090,297	126.2%
511	Water Fund - Maintenance & Operation	28,190,478	29,221,559	-	29,221,559	6,220,823	21.3%
512	Water Fund - Capital Replacement Reserve	12,341,007	8,141,007	-	8,141,007	2,445,694	30.0%
513	Water Fund - Capital Expansion	-	-	-	-	-	N/A
	Total Water Fund	40,531,485	37,362,566	-	37,362,566	8,666,517	23.2%
520	Solid Waste Fund	16,634,956	16,412,848	(200,000)	16,212,848	8,364,781	51.6%
531	Wastewater Fund - Maintenance & Operation	15,844,987	16,951,941	-	16,951,941	5,972,432	35.2%
532	Wastewater Fund - Capital Replacement Reserve	2,597,530	2,097,530	-	2,097,530	3,988,471	190.2%
	Total Sewer Fund	18,442,517	19,049,471	-	19,049,471	9,960,903	52.3%
541	Storm Drainage Fund - Maintenance & Operation	4,001,359	4,204,160	200,000	4,404,160	1,199,048	27.2%
542	Storm Drainage Fund - Capital Replacement Reserve	968,400	630,721	-	630,721	251,704	39.9%
543	Storm Drainage - Capital Expansion	-	-	-	-	-	N/A
544	Storm Sewer/Drainage Fund - Quality Fund	-	8,881	-	8,881	31,805	358.1%
	Total Storm Drainage Fund	4,969,759	4,843,762	200,000	5,043,762	1,482,557	29.4%
570	Public Transportation Fund	3,531,286	3,531,286	306,673	3,837,959	1,906,203	49.7%
571	Public Transportation Fund - Non-TDA	-	-	-	-	5,463,117	N/A
	Total Transportation	3,531,286	3,531,286	306,673	3,837,959	7,369,320	192.0%
Total Enterprise Funds		84,110,003	81,199,933	306,673	81,506,606	35,844,078	44.0%

**City of Davis
Expenditures by Fund
Second Quarter Fiscal Year 2025/26**

Fund Number	Fund Name	Adopted Budget	Revised Budget as of 12/31/25	Mid-Year Adjustments	Revised Budget (w/ 2nd Q Adj.)	YTD Actuals	%
020	Employee Benefits Fund	4,100,000	4,100,000	-	4,100,000	2,267,092	55.3%
620	General Services Fund	409,846	409,846	-	409,846	153,252	37.4%
621	Fleet Replacement Fund	2,773,100	3,270,596	-	3,270,596	589,235	18.0%
622	Fleet Operations Fund	2,377,876	2,787,082	-	2,787,082	1,024,888	36.8%
623	IS Replacement Fund	665,000	670,713	-	670,713	118,631	17.7%
624	IS Operations Fund	3,811,004	3,835,572	(350,000)	3,485,572	1,289,193	37.0%
626	Facility Replacement Fund	520,100	28,500	275,000	303,500	100,010	33.0%
628	Equipment Maintenance Fund	258,500	325,737	-	325,737	76,753	23.6%
629	Duplicating/Postal Services Fund	158,693	158,693	-	158,693	68,161	43.0%
	Total General Service Fund	10,974,119	11,486,739	(75,000)	11,411,739	3,420,123	30.0%
625	Facility Maintenance Fund	3,052,278	3,094,574	-	3,094,574	1,771,172	57.2%
630	City Self-Insurance/Payroll Liabilities Fund	15,612,500	15,613,645	-	15,613,645	6,075,671	38.9%
631	Risk Management	7,054,289	7,064,488	-	7,064,488	6,456,529	91.4%
	Total Internal Service Funds	40,793,186	41,359,446	(75,000)	41,284,446	19,990,587	48.4%
337	1990 Public Financing Authority Bond	950,000	950,000	-	950,000	859,599	90.5%
338	Mace Ranch CFD Fund	1,291,071	1,291,071	-	1,291,071	263,726	20.4%
340	Cannery CFD Fund	657,263	657,263	-	657,263	459,348	69.9%
	Total Agency Funds	2,898,334	2,898,334	-	2,898,334	1,582,673	54.6%
891	Redevelopment Obligation Retirement Fund	0	0	-	-	0	N/A
895	Redevelopment Obligation Retirement Fund-Debt Service	1,879,556	1,879,556	-	1,879,556	1,400,150	74.5%
	Total Successor Agency Funds	1,879,556	1,879,556	-	1,879,556	1,400,150	74.5%
	Total All Funds	250,605,637	243,617,651	1,523,946	245,141,597	109,003,340	44.5%



FY 2025/26 General Fund (001) Summary

	Adopted Budget	Revised Budget (as of 12/31/25)	Adjustments	Revised Budget (w/2nd Qrt Adj.)	YTD Actual (as of 12/31/25)	%
Revenues						
Property Tax	\$ 21,710,000	\$ 21,710,000	\$ -	\$ 21,710,000	\$ -	0%
Sales Tax	32,310,000	32,310,000	(100,000)	32,210,000	11,053,498	34%
Real Property Transfer Tax	270,000	270,000	-	270,000	-	0%
Muni Services/Parks Maint. Tax	5,493,600	5,493,600	-	5,493,600	2,334,670	42%
Business License	2,250,000	2,250,000	-	2,250,000	361,842	16%
Cannabis Tax	1,710,000	1,710,000	(510,000)	1,200,000	496,207	41%
Franchise Fee	2,240,000	2,240,000	-	2,240,000	487,571	22%
Transient Occupancy Tax	2,987,000	2,987,000	-	2,987,000	1,111,963	37%
Motor Vehicle In-Lieu	9,250,000	9,250,000	100,000	9,350,000	-	0%
Sub-total Taxes	78,220,600	78,220,600	(510,000)	77,710,600	15,845,751	20%
Fines and Forfeitures	505,000	505,000	-	505,000	255,655	51%
Use of Money and Property	1,410,719	1,410,719	750,000	2,160,719	754,882	35%
Intergovernmental	2,388,156	2,388,156	25,000	2,413,156	569,264	24%
Charges for Current Services	10,534,823	10,482,323	165,000	10,647,323	4,982,904	47%
Other	506,940	567,880	104,845	672,725	801,245	119%
Transfer In	1,470,789	1,470,789	-	1,470,789	-	0%
Total General Fund Revenue	95,037,027	95,045,467	534,845	95,580,312	23,209,701	24%
Expenditures						
City Attorney	121,725	121,725	-	121,725	36,313	30%
City Manager's Office/City Council	5,030,814	5,617,415	(200,000)	5,417,415	1,801,166	33%
Social Services and Housing	2,423,100	2,477,846	(100,000)	2,377,846	848,721	36%
Finance	2,202,339	2,461,101	(400,000)	2,061,101	554,721	27%
Human Resources	753,595	770,216	-	770,216	305,193	40%
Community Development	2,951,682	3,574,710	(400,000)	3,174,710	1,126,707	35%
Parks & Community Services	17,720,681	17,917,075	50,000	17,967,075	8,449,313	47%
Fire	19,925,240	20,162,484	(374,110)	19,788,374	9,311,800	47%
Police	28,775,416	28,943,945	(500,000)	28,443,945	13,465,323	47%
Public Works - Engineering/Transp	5,909,658	6,697,647	343,219	7,040,866	3,102,884	44%
Public Works - Utilities & Ops	8,461,187	8,965,096	-	8,965,096	3,723,657	42%
Debt Service	214,022	214,022	-	214,022	107,011	50%
Non Departmental	(2,149,665)	(2,145,308)	2,600,000	454,692	65,620	14%
Transfers Out	5,600,000	5,600,000	-	5,600,000	-	0%
Total Expenditure	97,939,794	101,377,974	1,019,109	102,397,083	42,898,429	42%
Beginning Fund Balance	12,101,310	13,937,000	-	13,937,000	13,937,000	
Net Annual Activity	(2,902,767)	(6,332,507)	(484,264)	(6,816,771)	(19,688,728)	
Release/(Use) of Fund Balance:						
Committed (encumbrances)	2,043,000	2,043,000	-	2,043,000	2,043,000	
Assigned (ERP, OPEB)	-	-	-	-	-	
Ending Available Fund Balance	\$ 11,241,543	\$ 9,647,493	\$ (484,264)	\$ 9,163,229	\$ (3,708,728)	
as % of Expenditures	11.5%	9.5%		8.9%		

RESOLUTION NO. 26-XXX, SERIES 2026

RESOLUTION AMENDING THE FISCAL YEAR 2025/26 BUDGET

WHEREAS, on June 17, 2025, the City Council did adopt a budget representing the financial plan for conducting the affairs of the City of Davis for the Fiscal Years beginning July 1, 2025, and ending June 30, 2027; and

WHEREAS, staff recommends that City Council adjust the fiscal year 2025/26 budget for revised revenue projections, corrections to the adopted budget, and additional expenditure appropriations as part of the mid-year review; and

WHEREAS, staff is proposing that the General Fund revenue budget be increased by \$534,845 and appropriations be increased by \$1,019,109, and that the other City funds revenue budgets be increased by \$414,164 and expenditure appropriations be increased by \$504,837, as set forth in Exhibit A attached hereto; and

WHEREAS, Finance Department staff is working with City departments to ensure all projects and operations are adequately funded; and

WHEREAS, the Council has considered the report and recommendations of the City Manager on the budget amendments and has determined that the budget amendments are both fair and appropriate; and

WHEREAS, the City Council has given this budget due consideration as to its projected revenues, anticipated expenditures, and available fund balances; and

WHEREAS, this budget adjustment ensures that the City of Davis has exercised prudent judgment in its fiduciary responsibility as guardian of the public tax dollars in a publicly transparent manner.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Davis does hereby approve the amendments to the City's fiscal year 2025/26 Budget by increasing General Fund revenue estimates by \$534,845; by increasing expenditure appropriations for the General Fund by \$1,019,109; by increasing estimated revenues in the non-General Funds by \$414,164; and by increasing expenditure appropriations in the non-General Funds by \$504,837 as set for the in Exhibit A attached hereto and incorporated herein by reference.

PASSED AND ADOPTED by the City Council of the City of Davis on this 7th day of April, 2026, by the following vote:

AYES:

NOES:

Donna Neville
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

**City of Davis
FY 2025/26 Mid-Year Budget Review
Proposed Budget Amendments**

	<u>Revenue/ Transfers In</u>	<u>Expenditures/ Transfers Out</u>	<u>Fund Balance/ Reserves</u>
<u>GENERAL FUND (001)</u>			
<u>General Fund Unrestricted Revenue</u>			
To revise general revenues			
Sales Tax (including Measure Q)	(100,000)	-	
Cannabis tax	(510,000)	-	
Motor Vehicle In-Lieu	100,000	-	
Use of Money and Property	750,000	-	
Intergovernmental	25,000	-	
Parking fees, regulatory fees and other	190,000	-	
Total General Revenue	455,000	-	455,000
<u>Program Revenues and Expenditures</u>			
To update departmental revenue and expenditures projections:			
<u>Fire</u>			
Purchase of Class A uniforms for new firefighters	-	10,890	(10,890)
Cancer screening per Fire MOU's	-	15,000	(15,000)
Redistribution of vacancy savings	-	(400,000)	400,000
<u>Police</u>			
Redistribution of vacancy savings	-	(500,000)	500,000
<u>Community Development</u>			
Redistribution of vacancy savings	-	(400,000)	400,000
<u>City Manager</u>			
Redistribution of vacancy savings	-	(200,000)	200,000
<u>Finance</u>			
Redistribution of vacancy savings	-	(400,000)	400,000
<u>Social Services and Housing</u>			
Rental and lease revenue	104,845	-	104,845
Staffing for Respite Center	-	139,800	(139,800)
Supplies and Food for Respite Center	-	10,500	(10,500)
Reduce contractor fees for Respite Center	-	(150,300)	150,300
Redistribution of vacancy savings	-	(100,000)	100,000
<u>Engineering & Transportation</u>			
Increase in gas and electric charges	-	50,000	(50,000)
Increase in rent for ET Trailer	-	3,000	(3,000)
Cover project overages in General Capital Projects Fund ET8342	-	265,219	(265,219)
Cover project overages in Facility Maintenance Fund ET7908	-	275,000	(275,000)
Adjust salaries and benefits budget for costs allocated to CIP projects	-	(500,000)	500,000
CIP overhead allocation adjustment	-	500,000	(500,000)
Redistribution of vacancy savings	-	(250,000)	250,000
			-
<u>Parks and Community Services</u>			
Transfer to Aquatics Replacement Fund Per Community Pool Lease Agreement	(25,000)		(25,000)
Increase for sports field revitalization treatment at Community Park, Arroyo, Westwood, and Walnut		50,000	(50,000)
<u>Non-Departmental</u>			
Redistribution of vacancy savings		2,600,000	(2,600,000)
Total, General Fund	\$ 534,845	\$ 1,019,109	\$ (484,264)

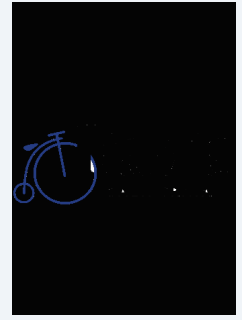
**City of Davis
FY 2025/26 Mid-Year Budget Review
Proposed Budget Amendments**

			Revenue/ Transfers In	Expenditures/ Transfers Out	Fund Balance/ Reserves
<u>OTHER FUNDS</u>					
<u>General Capital Projects Fund (012)</u>					
Revenue	Project Contribution	ET8342	(230,090)	-	(230,090)
Revenue	General Fund transfer to cover project expenditures for Russell Blvd corridor	ET8342	265,219	-	265,219
Capital Outlay	General Fund transfer to cover project expenditures for Russell Blvd corridor	ET8342	-	35,129	(35,129)
Total General Capital Projects Fund			<u>35,129</u>	<u>35,129</u>	<u>-</u>
<u>Low/Mod Housing Fund (160)</u>					
Revenue	Less revenue from Admin/Monitoring Fee reimbursement		(15,000)	-	(15,000)
Revenue	Less Rent/Lease revenue		(6,000)	-	(6,000)
Expenses	Maintenance costs previously covered by contractor		-	18,000	(18,000)
Expenses	Property manager fees		-	120,000	(120,000)
Total Low/Mod Housing Fund			<u>(21,000)</u>	<u>138,000</u>	<u>(159,000)</u>
<u>Capital Grants Fund (465)</u>					
Revenue	Increased state grant revenue	ET0004	100,035	-	100,035
Capital Outlay	Increased project expenditures	ET0004	-	100,035	(100,035)
Total Development Impact Fee-Park Fund			<u>100,035</u>	<u>100,035</u>	<u>-</u>
<u>Solid Waste Fund (520)</u>					
Expenses	Shift street sweeping expense to Storm Drainage Maintenance & Operation		-	(200,000)	200,000
Total Solid Waste Fund			<u>-</u>	<u>(200,000)</u>	<u>200,000</u>
<u>Storm Drainage Fund - Maintenance and Operation (541)</u>					
Expenses	Shift street sweeping expense to Storm Drainage Maintenance & Operation		-	200,000	(200,000)
Total Storm Drainage Fund - Maintenance and Operation			<u>-</u>	<u>200,000</u>	<u>(200,000)</u>
<u>Public Transportation Fund (570)</u>					
Expenses	Prior year Yolobus obligation, not invoiced until current year		-	299,673	(299,673)
Expenses	DCT driver wage increase		-	7,000	(7,000)
Total Public Transportation Fund			<u>-</u>	<u>306,673</u>	<u>(306,673)</u>
<u>Information Systems Operations Fund (624)</u>					
Expenses	Redistribution of vacancy savings		-	(350,000)	350,000
Total IS Operations Fund			<u>-</u>	<u>(350,000)</u>	<u>350,000</u>
<u>Facility Maintenance Fund (626)</u>					
Revenue	General Fund transfer to Aquatics Replacement Fund Per Community Pool Lease Agreement		25,000	-	25,000
Revenue	General Fund transfer to cover project expenditures	ET7908	275,000	-	275,000
Capital Outlay	Cover project overages in Facility Maintenance Fund	ET7908	-	275,000	(275,000)
Total Facility Maintenance Fund			<u>300,000</u>	<u>275,000</u>	<u>25,000</u>
Total, Other Funds			<u>\$ 414,164</u>	<u>\$ 504,837</u>	<u>\$ (90,673)</u>

THE CITY OF DAVIS

PROPERTY TAX NEWSLETTER

TAX YEAR 2025/26



TAXABLE ASSESSED VALUE
\$11.9 BILLION

+4.4%
DAVIS

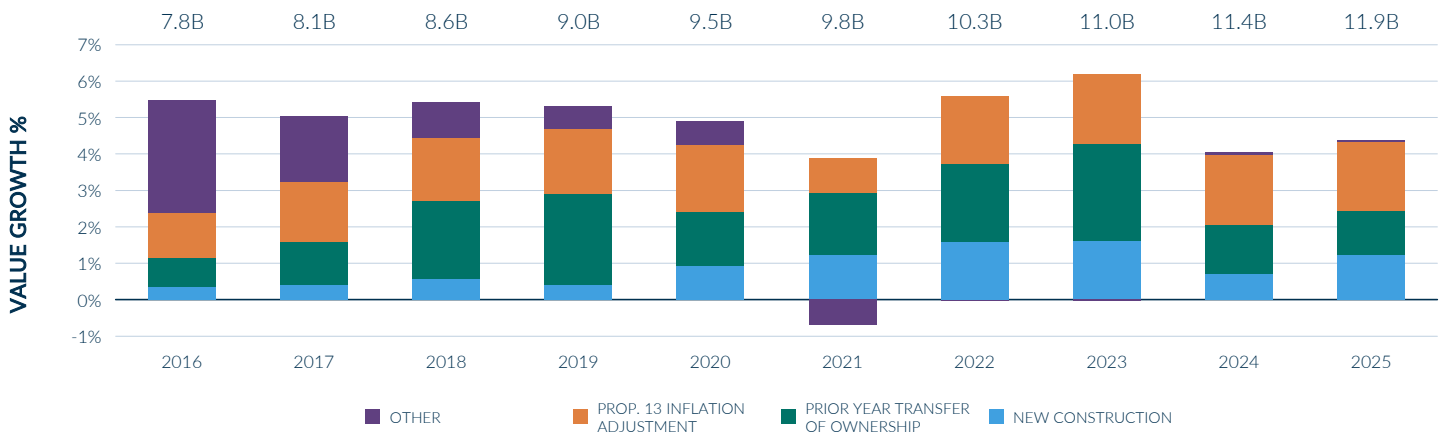


4.6%
COUNTY



HISTORY OF VALUE CHANGES BY CAUSE

INCLUDING TOTAL ASSESSED VALUE



The Other change category may include effects of assessment appeals, multi parcel sales, and changes to secured exemptions, personal property, or utility-owned property values



PROPERTY HIGHLIGHTS

The largest secured roll increase was reported on a vacant sites on unaddressed parcels owned by Anton Research Park Owners LLC with growth of \$36 million. The development at this location is a future apartment complex. 10 of the 200 units will be affordable apartments and will receive an exemption in the future once occupied. A vacant site at 1800 Research Park Drive owned by San Carlos Retail Venture LP increased \$27 million after the addition of the same amount in improvement values between tax years. This is the location for Aggie Square, a UC Davis project that is a mixed-use campus development featuring modern offices, apartments, and retail space. The first residential building, ANOVA Aggie Square, is a *(continued on next page)*

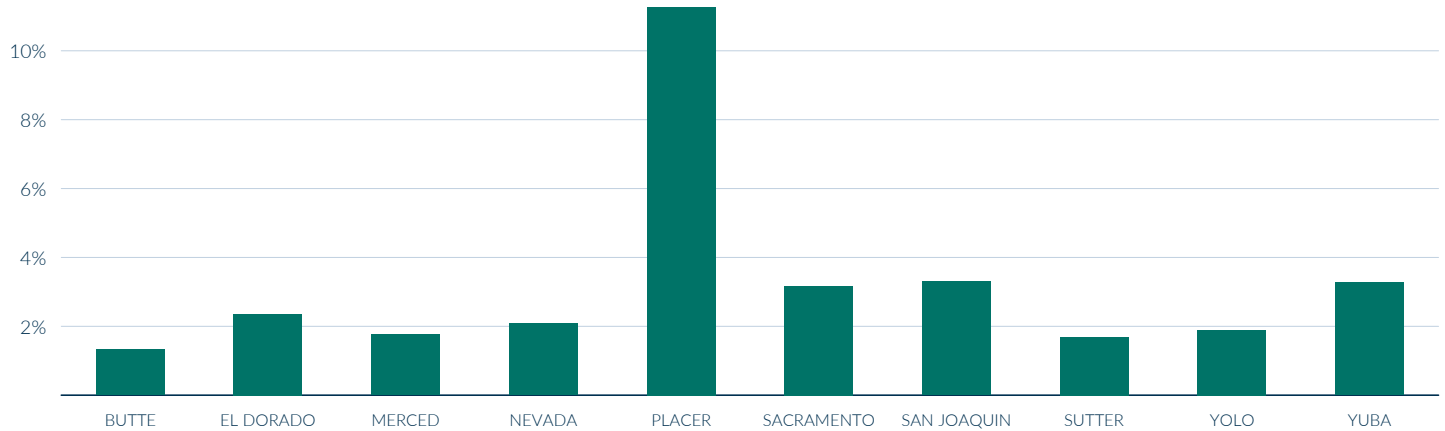


TOP 10 OWNERS WITH PRIMARY USE CATEGORY, TOTAL VALUE AND % OF ALL VALUE

1	TILDEN-LAFAYETTE LLC	RESIDENTIAL	\$172 MILLION	1.45%
2	GPAI DAVIS STUDENT HOUSING LLC	RESIDENTIAL	\$89.3 MILLION	0.75%
3	3820 CHILES OWNER LLC	RESIDENTIAL	\$81.8 MILLION	0.69%
4	PAC WEST DIVERSIFIED LP	COMMERCIAL	\$77.5 MILLION	0.65%
5	ANTON RESEARCH PARK OWNERS LLC	VACANT	\$68.9 MILLION	0.58%
6	URP INVESTORS LP	COMMERCIAL	\$64.8 MILLION	0.54%
7	TANGLEWOOD APARTMENTS LLC	RESIDENTIAL	\$64.6 MILLION	0.54%
8	BT-SORRENTO LLC	RESIDENTIAL	\$64.0 MILLION	0.54%
9	CALIFORNIA STUDENT LIVING DAVIS PROPERTY	RESIDENTIAL	\$61.4 MILLION	0.52%
10	UCD J STREET OWNER LLC	RESIDENTIAL	\$57.9 MILLION	0.49%

TOP 10 TOTAL **\$803 MILLION** **6.74%**

ESTIMATED VALUE GROWTH FROM SALE TRANSFERS AS A PERCENTAGE OF TAXABLE VALUE BY COUNTY



PROPERTY HIGHLIGHTS

(continued from previous page)

252-bed student housing community.

Of the six largest declines in the top 40 deviation report, three of the property reductions were the result of successful appeal activity. They include two multifamily residential sites owned by BT Sorrento LLC at 1540 Valdora Street and BT Avalon LLC at 1617 Valdora Street. The reductions were \$5.4 million and \$4 million respectively. The third appeal was on a commercial property at 1731 Research Park Drive owned by Devi Plaza LLC that was granted a \$1.6 million reduction as the result of a successful appeal action. This is a commercial office building.

DETACHED SINGLE-FAMILY HOMES MEDIAN SALE PRICE HISTORY

YEAR	SALES	MEDIAN PRICE	CHG %
2016	317	\$615,000	8.4%
2017	480	\$660,000	7.3%
2018	454	\$715,000	8.3%
2019	415	\$725,000	1.4%
2020	371	\$730,000	0.7%
2021	430	\$801,500	9.8%
2022	331	\$880,000	9.8%
2023	276	\$900,000	2.3%
2024	280	\$887,000	-1.4%
2025*	214	\$906,250	2.2%

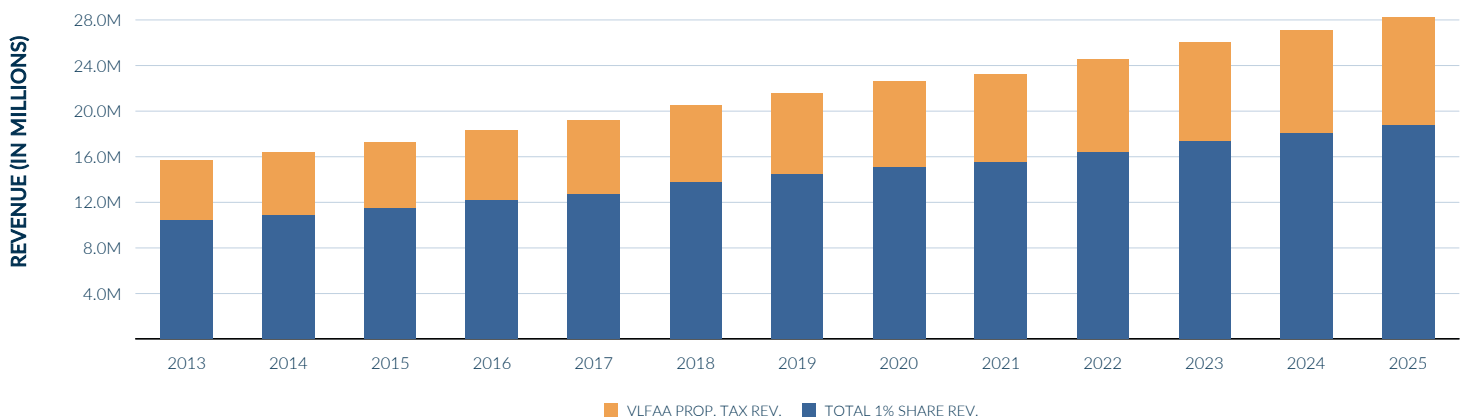
* Year-to-Date (through August 2025)



REAL ESTATE TRENDS

Through June 2025, about one-third of the 43 counties where we purchase sales data are still experiencing declines in median sale prices. In many areas, however, home sales rebounded in June ending three months of median price declines. The mostly modest year-over-year median sales price changes for June 2025 showed the State's Far North area having the strongest price growth at 13.7%; the Central Coast grew by 11.4%; Southern California grew by 1.9%; and, the San Francisco Bay area grew by 1.0%. The Central Valley area posted a median sales price decline, slipping down by 0.8%. The median sale price of Davis detached single-family homes from January through August 2025 was \$906,250, an increase of \$19,250 (2.2%) from 2024's median price.

ASSESSED VALUE-BASED REVENUE HISTORY BY COMPONENT



CITY OF DAVIS

SALES TAX UPDATE

3Q 2025 (JULY - SEPTEMBER)



DAVIS

TOTAL: \$ 2,253,871

9.4%
3Q2025



2.2%
COUNTY

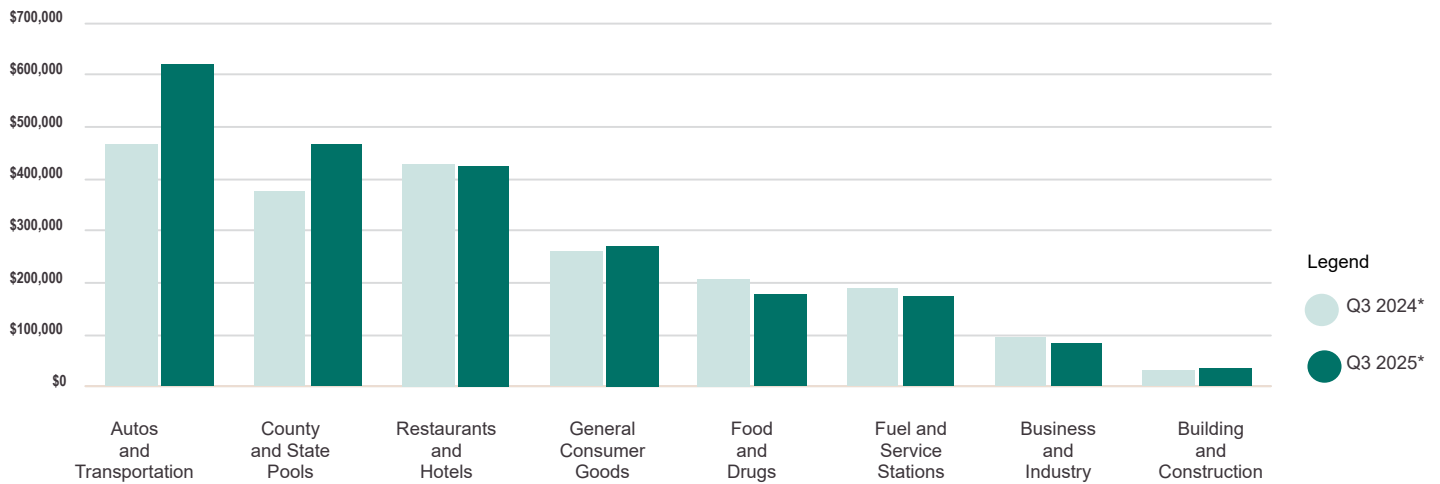


1.9%
STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



Measure Q (2025)

TOTAL: \$5,990,969



CITY OF DAVIS HIGHLIGHTS

Davis' receipts from July through September were 15.8% above the third sales period in 2024. Excluding reporting aberrations, actual sales were up 9.4%.

The autos-transportation category enjoyed outstanding earnings from new car dealers and auto leasing as businesses provided incentives to buyers. In addition, the state-county pools, which is the City's second largest income classification, had excellent results with a 23.1% return as several businesses in the pools performed well. General consumer goods saw modest gross receipts at family apparel stores as consumers continue to shop for bargains.

The food-drugs group had meager profits from cannabis stores and from other negative business activity in this sector. Service stations felt shrinking revenues as fuel prices declined for the seventh consecutive quarter and drivers continue to limit their non-essential trips. Likewise, the business-industry group experienced dreary earnings from medical/biotech during this period.

The City's new voter-approved district tax, Measure Q, generated \$5,990,969 in its second quarter of implementation.

Net of aberrations, taxable sales for all of Yolo County grew 2.2% over the comparable time period; the Sacramento region was up 1.3%.



TOP 25 PRODUCERS

- 76 Circle K
- Arco AM PM
- Chevron
- Chevron Fast & Easy Mart
- Crepeville
- CVS Pharmacy
- Davis Ace Hardware & Aggie Hardware
- F Street Dispensary
- Hanlees Chevrolet
- Hanlees Chrysler Dodge Jeep Ram Kia
- Hanlees Nissan
- Hanlees Toyota
- HME
- Holman Fleet Management Services
- In N Out Burger
- McDonald's
- Mikuni Japanese Restaurant & Sushi Bar
- Nordstrom Rack
- Nugget Market
- Safeway
- Shell
- Shottenkirk Honda of Davis
- Target
- TJ Maxx
- Trader Joe's



STATEWIDE RESULTS

California’s local one-cent sales and use tax receipts for July through September were 1.9% higher than the same quarter last year, after adjusting for accounting anomalies. While growth appears modest, calendar year 2025 remains on pace to rebound following two years of declines. Combined with second-quarter activity, the summer period posted a 1% improvement over the 2024 season.

Sustained consumer trends reflected a willingness to spend while remaining cost-conscious and prioritizing value. Online retailers, reporting to both business-industry and countywide use tax pools (depending on inventory location at purchase), recorded the strongest gains. This momentum extended to brick-and-mortar retailers, which also posted modest improvements. Seasonal “back-to-school” activity boosted men’s and family apparel along with shoe stores, lifting the General Goods sector and enhancing expectations for the upcoming holiday shopping period.

Tax receipts from restaurants edged higher, supported by households’ continued desire to eat out. Despite balancing higher menu prices, tip fatigue, and tighter margins, casual dining establishments generated the largest gains. Overall, summer performance appeared stable but lacked the tourism surge many had hoped for.

Offsetting positive results was a decline in revenue from fuel-service stations—marking the 10th out of the last 11 quarters with negative year-over-year change. This trend is largely tied to West Texas Intermediate (WTI) crude oil prices, which hit their lowest monthly levels since 2021. While lower gas prices may encourage spending in other categories, potential oil refinery closures in the coming year could keep per-gallon prices elevated.

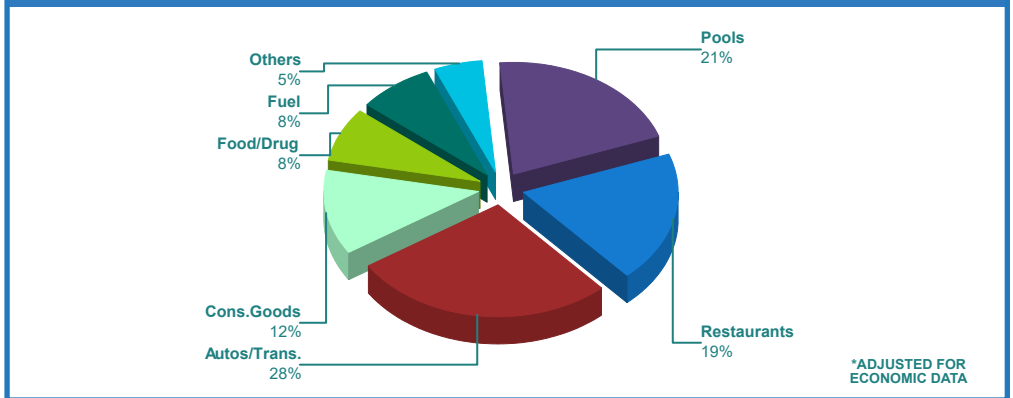
The food and drug sector continued its downward trend as grocers remitted fewer taxes, reflecting the challenge of generating taxable revenue amid rising food prices. Drug store filings have declined throughout the year, driven partly by increased access to medications through ecommerce platforms and a contraction in physical store footprints due to over-saturation and chain bankruptcies.

Two sectors poised to benefit from lower short-term interest rates—autos-transportation and building-construction—repeated a pattern of lackluster returns. A minor uptick came from new auto sales and leasing, while building material

suppliers struggled during the summer, likely creating pent-up demand for repairs and improvements ahead.

With the Federal Reserve considering additional rate changes in early 2026, optimism for improved consumer financing conditions and stronger sales tax receipts remains. As national tariff and trade talks ease, inflationary pressures will continue to shape spending behavior. For now, calendar year 2025 closes with sluggish but stable performance, awaiting broader economic shifts.

REVENUE BY BUSINESS GROUP Davis This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Davis Business Type	Q3 '25*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	371.3	7.6% ↑	0.5% ↑	2.4% ↑
Casual Dining	211.3	-1.5% ↓	5.4% ↑	2.0% ↑
Service Stations	172.2	-9.3% ↓	-16.1% ↓	-5.0% ↓
Quick-Service Restaurants	106.0	-1.0% ↓	-6.7% ↓	-1.1% ↓
Fast-Casual Restaurants	101.9	2.7% ↑	1.4% ↑	-0.7% ↓
Grocery Stores	99.0	-2.2% ↓	-0.6% ↓	-2.0% ↓
Used Automotive Dealers	43.8	-8.5% ↓	-17.3% ↓	-9.5% ↓
Cannabis Related	40.8	-28.6% ↓	8.7% ↑	1.4% ↑
Auto Repair Shops	30.3	-9.2% ↓	-0.1% ↓	-6.2% ↓
Sporting Goods/Bike Stores	20.5	-10.1% ↓	-2.2% ↓	-1.9% ↓

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars