



CITY OF BELVEDERE

FINANCE COMMITTEE

AGENDA

April 18, 2022
Via Zoom
1:00 p.m.

On March 3, 2020 Governor Newsom proclaimed a State of Emergency due to the COVID-19 pandemic that remains in effect. This meeting will be held remotely consistent with Executive Order N-29-20 and Assembly Bill 361, modifying provisions of the Brown Act to allow remote meetings at the current time. Members of the public are encouraged to participate remotely via Zoom or telephone pursuant to the information and link below.

Join Zoom Meeting

<https://us02web.zoom.us/j/88427920224?pwd=eVgxeGg1amlMNmlWOTFHS3FqWGUzdz09>

Meeting ID: 884 2792 0224

Passcode: 532291

Dial by your location

877 853 5247 US Toll-free

888 788 0099 US Toll-free

-
1. Approve minutes of December 1, 2021 Finance Committee meeting
 2. Review Draft FY2022-23 Budget and Five-Year Projections
 3. Discussion regarding Administrative Policy Manual: Section 2.5.6 Investment Approach
 4. New Business
 5. Adjourn

NOTICE: WHERE TO VIEW AGENDA MATERIALS

Staff reports and other writings distributed to the Committee, including those distributed after the posting date of this agenda, are available for public inspection at Belvedere City Hall, 450 San Rafael Avenue, Belvedere. (*Writings distributed to the City Council after the posting date of this agenda are available for public inspection at this location only.*) To request automatic mailing of agenda materials, please contact the City Clerk at 415/435-8908.

NOTICE: AMERICANS WITH DISABILITIES ACT

The following accommodations will be provided, upon request, to persons with a disability: agendas and/or agenda packet materials in alternate formats and special assistance needed to attend or participate in this meeting. Please make your request at the Office of the Finance Officer or by calling 415/435-3838. Whenever possible, please make your request four working days in advance.

FINANCE COMMITTEE
December 1, 2021
10:00 AM
Belvedere City Hall – Council Chambers
And on Zoom remote platform (hybrid meeting)

MINUTES

COMMITTEE PRESENT: Bob McCaskill, Justin Faggioli, Greg Ostroff, David Walker, John Wilton, Sally Wilkinson, Steve Block

COMMITTEE ABSENT: none

OTHERS PRESENT: City Manager – Craig Middleton,
Admin. Services Director – Amber Johnson
Interim Admin. Svcs. Dir. – Kristine Polian
Auditor – Vikki Rodriguez of Maze & Associates

CALL TO ORDER OF REGULAR MEETING

The meeting was called to order at 10:00 a.m.

SCHEDULED ITEMS

1. *Approve minutes of October 20, 2021 Finance Committee meeting.*

MOTION: Approve the minutes of the October 20, 2021, meeting.

Approval was unanimous.

2. *Review draft audited financial statements for fiscal year 2020/21 with representative from Maze & Associates:*

- a. Auditor review and required communications.*
- b. Discussion of audited financial statements.*
- c. Closed session with Auditors and non-staff members of Finance Committee.*

Vikki Rodriguez reviewed the required communication letter and the draft audit with the Committee. Staff left the room so that Ms. Rodriguez could conduct a management oversight discussion with the Committee. After the private discussion was completed, staff re-joined the public meeting room.

MOTION: Recommend Council acceptance of the audited financial statements with minor typographical revisions

Approval was unanimous.

(Item 2 continued)

d. Discussion of potential policy changes to reserve calculations and unassigned general fund balance.

e. Recommendations to Council regarding the financial statements potential policy changes

Staff proposed changes to policy language regarding reserve calculations and unassigned general fund balance. After some discussion, the Committee agreed on the following language:

General Fund Reserve Calculations – 2.2.2.A “Target”:

The City shall endeavor to achieve at year end a General Fund Reserve that totals one half of the General Fund expenditures, plus one half of the General Fund transfer to the Fire Fund, plus one half of annual debt service payments. For the purposes of this calculation, the expenditures from the 2nd year of the 5-year budget projection shall be used. For example, when calculating the General Fund reserve of fiscal year 2021-2022, the expenditures forecast in the fiscal year 2022-2023 shall be used. In addition, the transfers to the City’s 115 Pension Trust and/or any additional discretionary payments made to CalPERS will not be included in this calculation because they are discretionary in nature.

Re-name Seawall Reserve. – 2.2.2.D:

- Rename this policy from “Seawall” Reserve to “Critical Infrastructure” Reserve.
- Target: No change.
- Purpose: Replace with this language:
- The Critical Infrastructure Reserve is available to provide resources for potential future critical infrastructure capital projects in the City; both planned and emergency repair projects. The reserve is designed to reduce the City’s future needs for borrowing or bonding on these projects and could also be used as required grant matching funds.
- Classification: No change.

New Excess Funds Policy. – 2.2.3 – New Section Titled EXCESS FUND RESERVES:

At the end of the fiscal year, any unassigned funds that remain in the City’s General Fund after all other funds have been classified as Nonspendable, restricted, committed or assigned in accordance with GAAP and City Policy are considered excess fund reserves.

These excess fund reserves shall be transferred to the Critical Infrastructure Reserve and classified as assigned.

MOTION: Recommend Council approval of the policy language revisions and additions as stated.

Approval was unanimous.

ADJOURN

The meeting was adjourned at 11:42 a.m.

THE FOREGOING MINUTES were approved at a regular meeting of the Finance Committee on _____, by the following vote:

AYES: —
NOES: —
ABSENT: —
ABSTAIN: —

APPROVED _____
Bob McCaskill, Chair

ATTEST _____
Helga Cotter, Director of Admin. Services

CITY OF BELVEDERE

Memorandum

To: Finance Committee

From: Craig Middleton, City Manager
Helga Cotter, Administrative Services Director

Date: April 18, 2022

Subject: Preliminary Review of FY2022-23 Operating and Capital Budget

We are pleased to present a preliminary budget for FY2022-23 for your review. We are scheduled to take a draft budget to the City Council on May 9, 2022, and again on June 13, 2022 for final adoption. The new fiscal year will begin on July 1, 2022.

In general, and in keeping with past years, staff has assumed conservative growth in revenue of coming years and slightly more aggressive growth in expenditures. We also assume continued annual contribution to the Section 115 Trust Reserve and Capital Improvement Reserve. With these assumptions, the budget forecast shows balanced budgets for each of the next five years.

Staff would welcome comments from the Committee and hopes to take a draft budget to the Council with a Committee recommendation of support. Here are some high-level summary points. The preliminary budget is attached.

General Fund Revenue

The City depends primarily on property tax to fund department operations. Marin County assesses and collects property tax on the City's behalf and has estimated a 7.8% increase in FY2022-23. The budget anticipates a slightly more conservative 6.0% increase over current year actuals (an 8% increase over the prior year budget).

Certain other property taxes collected (VLF Swap and ERAF) have been trending higher than budgeted amounts over the past few years, so the FY2022-23 budget anticipates a more realistic level of collections. Real property transfer taxes are not expected to see as large an increase in FY2021-22 as in the previous year. The FY2022-23 estimates use prior year budgeted amounts.

Sales and use taxes are projected to see a slight increase over the prior two-year period due to the lifting of COVID-related measures and a return to normalcy. Building permit revenue collection has been steady and is expected to remain steady in the budgeted year. The new cost recovery fee schedule was implemented in August 2021 and staff is currently working on establishing the evaluation and reporting mechanics of the new fee schedule.

The Federal American Rescue Plan Act (ARPA) funding and qualified expenditures were identified at the November 8, 2021, Council meeting. The City was allocated \$503,322 in ARPA funds, with one-half of the allocation received in FY2021-22 and the second half to be received one-year later. These funds are included as part of the FY2022-23 budget.

Total General Fund revenue for FY2022-23 is projected at \$9,614,601, an increase of 12.0% from the current year budget, and an increase of 4.7% from current year projected actuals. This large increase over prior year budget is mainly a result of 1) ARPA funds not being included in the FY2021-22 budget (the guidelines were not set forth at the time of that year's budget preparation) and 2) the significant increase in property tax revenue.

General Fund Expenditures and Transfers

In addition to anticipated increases in the costs of goods and services, memberships in various JPAs and contracts for services, the draft budget incorporates the following assumptions:

- Continued deferral of one Police Officer position through FY2023-24 (approximately \$190,000 per year savings).
- 2% COLA for represented and non-represented staff.
- CalPERS required Unfunded Accrued Liability (UAL) payments are calculated at 4% rate of return.
- Increased consultant/legal expenditures for Housing Element and the Protect Belvedere critical infrastructure project.
- Upgrade of office system technology – cost of \$37,000. Server consolidation and updating; on-site data backup; replacement of several staff computers. Updates are required to meet the new cybersecurity policy requirements; upgrades will reduce costs and increase the stability of the City's technology.
- Purchase Skid-Steer Loader – cost of \$30,000. Aid the Public Works staff in slide cleanup/fence post install/forklift/general loading and unloading for various Public Work projects.
- Replacement of one police vehicle for \$60,000. Replace oldest vehicle in fleet with EV, which has been requiring increased levels of maintenance and will reduce fuel cost and carbon footprint.
- Continued deferral of the Lanes Initiative. Pre-pandemic, this program was projected at \$100,000 each year. The City funds would be matched 1:2 with private dollars to provide \$300,000 each year for Lane development.
- Contribution to the 115 Pension Trust Fund of \$300,000 from the General Fund in each of the next four years.
- Contribution to the Critical Infrastructure Reserve Fund of \$600,000 from the General Fund.

Total General Fund expenditures and transfers are estimated at \$9,243,745, a 9% increase over the current year budget, primarily due to the contribution to the Critical Infrastructure Reserve fund and a significant increase in the Fire Fund transfer.

Capital Revenue

Recurring capital revenue consists primarily of road impact fees generated during the building permit process. As previously stated, building permit fee collection continues to remain strong. Therefore, road impact fees are projected to remain consistent in the upcoming budgeted year.

Other capital revenue comes in the form of grant proceeds, both from intergovernmental and private grants. Capital revenue is always linked to certain restricted expenditures and, as such, is tracked in separate funds within the accounting system

Capital Expenditures

Each year, the City budgets for capital projects to improve existing infrastructure, repair and replace aging facilities, meet regulatory requirements, preserve property values and enhance the quality of life for Belvedere residents. With limited resources and a long list of needs, projects must be chosen carefully. Large projects must be planned for over a period of years.

The primary focus of this year's capital budget is in two areas:

1. Road maintenance: pavement repairs, crack sealing, crack sealing, traffic marking, slurry seal, and other road stabilization projects.
2. Beach Road/San Rafael Ave Levee Stabilization: feasibility-level design work, environmental analysis and legal support, and other consultant assistance (funded partially with Department of Water Resources Grant and partially with City funds).

General Fund Reserve

In December 2021, the Council adopted an amendment to the Administrative Policy Manual (APM) [Policy 2.2, Fund Balances and Reserve Policies] to modify the general fund reserve policy. The new policy requires that forecasted expenditures for the following year be used to determine the appropriate reserve balance, rather than using current year forecasts. The target for the end of the current fiscal year (June 30, 2022) is \$3,803,497. The City expects to start FY2022-23 (July 1, 2022) with a General Fund Reserve of \$4,741,068, which is \$937,571 above the reserve target. As presented, the General Fund operating budget for FY2022-23 anticipates a surplus at fiscal year-end of \$123,377 (Table 1).

Table 1: FY2022-23 General Fund Summary

City of Belvedere General Fund Summary	
	Draft Budget
Estimated Beginning Balance 7/1/22	4,741,068
Revenue	8,578,794
Expenditures	(6,398,625)
Transfers	(2,845,120)
<i>Fire Fund</i>	(965,701)
<i>Capital Improvement</i>	(561,500)
<i>Debt Service</i>	(242,669)
<i>Equipment Replacement</i>	(156,000)
<i>Road Impact Fee Fund</i>	(19,250)
<i>115 Pension Trust Reserve</i>	(300,000)
<i>Seawall Fund</i>	(600,000)
Surplus/(Deficit)	(664,952)
Estimated Ending Balance 6/30/23	4,076,117
Reserve Calculations:	
FY23/24 GF Expenses + Fire Transfer + Debt Service	7,905,481
General Fund Reserve Policy 50%	3,952,740
Projected General Fund Balance 6/30/23	4,076,117
Over (Under) Policy in Dollars	123,377
Over (Under) Policy as percentage	52%

Five Year Projections

The following table (Table 2) summarizes the assumptions used in calculating years 2 through 5 of the five-year forecasts that accompanies the budget document.

Table 2: Forecast Assumptions

Revenue Assumptions	Y2 FY24	Y3 FY25	Y4 FY26	Y5 FY27
Property Taxes	4.00%	4.00%	5.00%	5.00%
Local Non-Property Taxes	4.00%	4.00%	5.00%	5.00%
Licenses & Permits	4.00%	4.00%	5.00%	5.00%
Fines & Forfeitures	flat			
Investments & Property	flat			
Revenue From Other Agencies	4.00%	4.00%	5.00%	5.00%
Service Charges	4.00%	4.00%	5.00%	5.00%
Miscellaneous Other Revenue	4.00%	4.00%	5.00%	5.00%
Fire Fund	3.80%			
Capital Improvement Fund	4.00%	4.00%	5.00%	5.00%
Road Impact Fee Fund	4.00%	4.00%	5.00%	5.00%
Equipment Replacement Fund	flat			
Measure A (Parks) Fund	4.00%	4.00%	5.00%	5.00%

Expenditure Assumptions	Y2 FY24	Y3 FY25	Y4 FY26	Y5 FY27
Salaries	3.00%	3.50%		
Fringe Benefits	3.00%	3.50%		
PERS UAL	31.14%	33.51%	25.56%	24.93%
Other Operating	4.00%			
Tiburon Fire Contract	6.00%			
Pension-related Debt	per schedule			
Equipment Replacement	per schedule			
Capital Improvement	per schedule			

Unfunded Expenditures

The preliminary budget maintains current staffing levels and allocates resources necessary to ensure the health and safety of Belvedere residents, protect the City's assets, and provide the necessary resources for staff to perform their duties. However, there are expenditures that have been deferred, requests for funding from community partners, and other potential large expenditures on the horizon that are not included in the preliminary document. The City must weigh these additional expenditures against available resources and consider what trade-offs might be necessary when considering whether or not to include these expenditures in the FY2022-23 Budget. These unfunded expenditures are as follows:

1. Deferral of Police Officer for three more years (FY21/22 to FY23/24). Fully-loaded cost: approximately \$190,000 per year.
2. Deferral of Lanes Initiative projects. Cost: \$100,000 per year, matched with \$200,000 in private fundraising.

Attachments

1. Detailed Preliminary Budget document

City of Belvedere

Annual Operating & Capital Budget

Fiscal Year 2022/2023

City Council

Sally Wilkinson, Mayor

James Campbell, Councilmember

Nancy Kemnitzer, Councilmember

James Lynch, Councilmember

Vacant, Councilmember

Prepared By

Craig Middleton, City Manager

Helga Cotter, Administrative Services Director



Introduction

City Manager’s Transmittal Letter (*In Progress*)1
 City Profile and Map2
 City-Wide Organizational Chart3
 Budget Calendar.....4
 Distinguished Budget Presentation Award5

Budget Summaries

Budget Overview.....7
 Chart of Revenues & Appropriations8
 Schedule of Interfund Transfers10
 Revenue History – All Funds11
 Expenditure History – All Funds.....15

City-Wide Salary & Benefit Information

Salary Chart with Position Allocations18
 Citywide Salary & Benefit History19

Operating Expenditures

General Administration Department21
 Planning & Building Department22
 Police Department23
 Public Works Department.....25
 Recreation “The Ranch” Department27
 Non-Departmental28
 Restricted Funds – Operating (includes Fire).....29

Capital Expenditures

Capital Improvements (Current Year)
 • Sources of Funds31
 • Capital Expenditures32
 • Restricted Funds – Capital34
 Capital Plan (Five Year)
 • Expenditure Plan35
 • Capital Project Sheets37

Five Year Forecast

Five Year Revenue Projections.....39
 Five Year Expenditure Projections40
 Five Year General Fund Reserve Projection41

Five Year Forecast (Continued)

Five Year Fund Balance Projections

- Fiscal Year 2022/202342
- Fiscal Year 2023/202443
- Fiscal Year 2024/202544
- Fiscal Year 2025/202645
- Fiscal Year 2026/202746

Appendix

Annual Appropriations Limit A-1

Finance Policies A-3

Preliminary

Introduction

Preliminary

(Placeholder for CM Budget Message)

Preliminary

City Overview

The City of Belvedere (the “City”) was incorporated in 1896. Belvedere is a General Law City, serving a population of just over 2,000. The City is approximately 4 miles north of San Francisco, in Marin County, California. Consisting of two islands and a lagoon, the City is connected to the Tiburon Peninsula by two causeways.

The City is completely built out with single-family homes and approximately 100 rental units. The terrain is predominantly hilly and lush. Many residences were designed by famous architects and are considered historically significant. There are spectacular views of San Francisco, Angel Island, the Golden Gate Bridge, Sausalito, and Mt. Tamalpais.

Municipal Government

The City operates under a Council-Manager form of government, whereby policies of the City Council are administered by a City Manager who is appointed by the City Council. All municipal departments operate under the supervision of the City Manager. The Council consists of five members who are elected at large for 4-year overlapping terms. The Council elects one of the Council members to serve as Mayor each year. The City provides the following services: police, public works, planning and building, and general administration services. The City contracts with the Tiburon Fire Protection District to provide fire services. The City also shares library and recreation services with the neighboring town of Tiburon, with Joint Powers Agreements in place for both types of services.





Belvedere Residents

City Council

Sally Wilkinson, Mayor

City Councilors: James Campbell, Nancy Kemnitzer, James Lynch, 1 Vacancy

City Attorney

Renne Public Law Group
Contract for Services

City Manager

Craig Middleton

Public Safety

Police Chief

Jason Wu

Tiburon Fire Protection District

Contract for Services

Police Sergeants

Tom Sabido
Andrew Rosas

Police Officers

Jeremy Clark, Brandon Novotny,
Vacant
(1 deferred vacancy)

Planning & Building

Director of Planning & Building

Irene Borba

Senior Planner

Rebecca Markwick

Building & Planning Technician

Nancy Miller

Building Official

Brian Van Son

Building Inspector II

Genaro Muniz

Administration

Administrative Services Director

Helga Cotter

Office Coordinator

Christina Cook

IT Coordinator

SPTJ Consulting
Contract for Services

Mgmt Analyst/ City Clerk

Beth Haener

Public Works

Director of Public Works/Emergency Services Manager

Robert Zadnik

Associate Engineer

Chris Barry

Maintenance Supervisor

Gerhard Laufer

Maintenance Workers II

Alberto Carranza
Vacant

City Engineer

Moe Engineering
Contract for Services

<p>March</p>	<ul style="list-style-type: none"> ➤ Finance Department distributes preliminary budget documents to Department Heads
<p>April</p>	<ul style="list-style-type: none"> ➤ Operating & Capital budgets due to Finance Department ➤ City Manager review begins ➤ Finance Committee meets to review and discuss Preliminary Budget
<p>May</p>	<ul style="list-style-type: none"> ➤ Preliminary Operating & Capital Budget presented to City Council
<p>June</p>	<ul style="list-style-type: none"> ➤ Budget adopted following Public Hearing at City Council Meeting ➤ Finance Department implements adopted Budget
<p>July</p>	<ul style="list-style-type: none"> ➤ Budget is monitored internally through monthly financial statements to City Manager and Department Heads
<p>February</p>	<ul style="list-style-type: none"> ➤ Mid-year budget review is presented to City Council

(Placeholder for Budget Award Sheet)

Preliminary

Budget Summaries

Preliminary

OPERATING

Operating Revenues		
General Fund Revenues	\$	8,578,794
Fire Fund Revenues	\$	1,035,808
Total Operating Revenues	\$	<u>9,614,601</u>
Operating Expenses		
City Operations	\$	6,398,625
Fire Contract	\$	2,001,509
Debt Payments (Pension-related)	\$	242,669
Legal Damages/Settlements	\$	-
Total Operating Expenses	\$	<u>8,642,802</u>
Other Deductions from Operating Funds		
Contribution to 115 Pension Trust	\$	300,000
Contribution to Critical Infrastructure Reserve	\$	400,000
Adjusted Net Operating Revenue	\$	<u>271,799</u>

CAPITAL

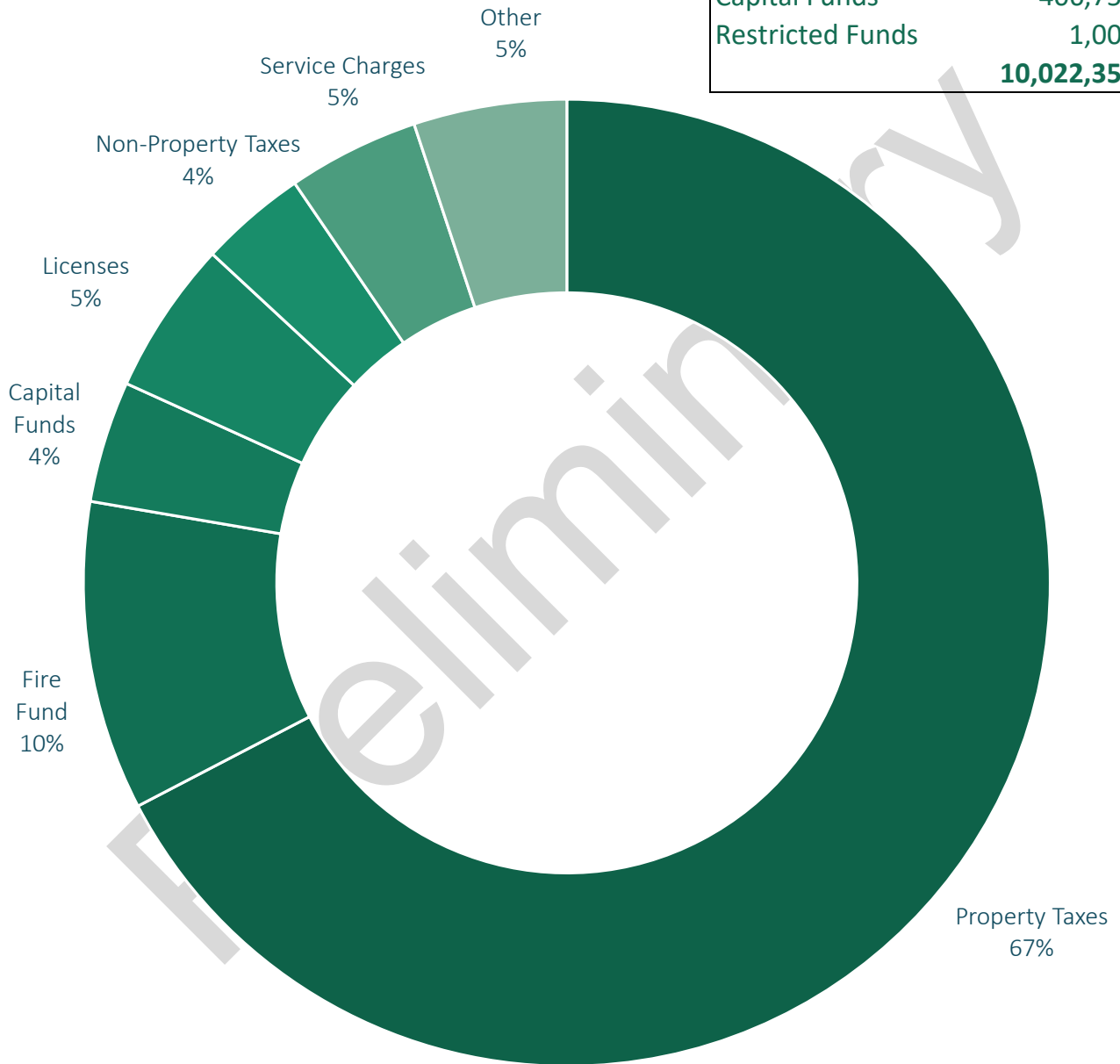
Capital Revenues		
Capital Funds Available for Current Year Projects	\$	406,750
Restricted Funds	\$	1,000
Total Capital Revenues	\$	<u>407,750</u>
Other Capital Funding Sources		
From Net Operating Revenues	\$	-
Prior Year Excess Reserves	\$	736,750
Total Other Sources	\$	<u>736,750</u>
Total Revenue to Support Capital Projects	\$	<u>1,144,500</u>
Capital Project Expenditures		
Capital Projects	\$	987,500
Equipment Replacement	\$	157,000
Total Capital Project Expenditures	\$	<u>1,144,500</u>

FUND RESERVES

Fund Balances - Projected at June 30, 2023		
General Fund Reserve	\$	4,076,118
Insurance Reserve Fund	\$	57,329
115 Pension Trust	\$	2,101,913
Road Impact Fund	\$	-
Critical Infrastructure Fund	\$	1,000,000
Total City Funds	\$	<u>7,235,360</u>
FY23/24 Projected GF Expense + Fire Transfer + Pension Debt	\$	7,905,481
General Fund Reserve Policy Goal	\$	3,952,740
Projected General Fund Balance	\$	4,076,118
Reserve Funds Over/(Under) Policy	\$	<u>123,377</u>

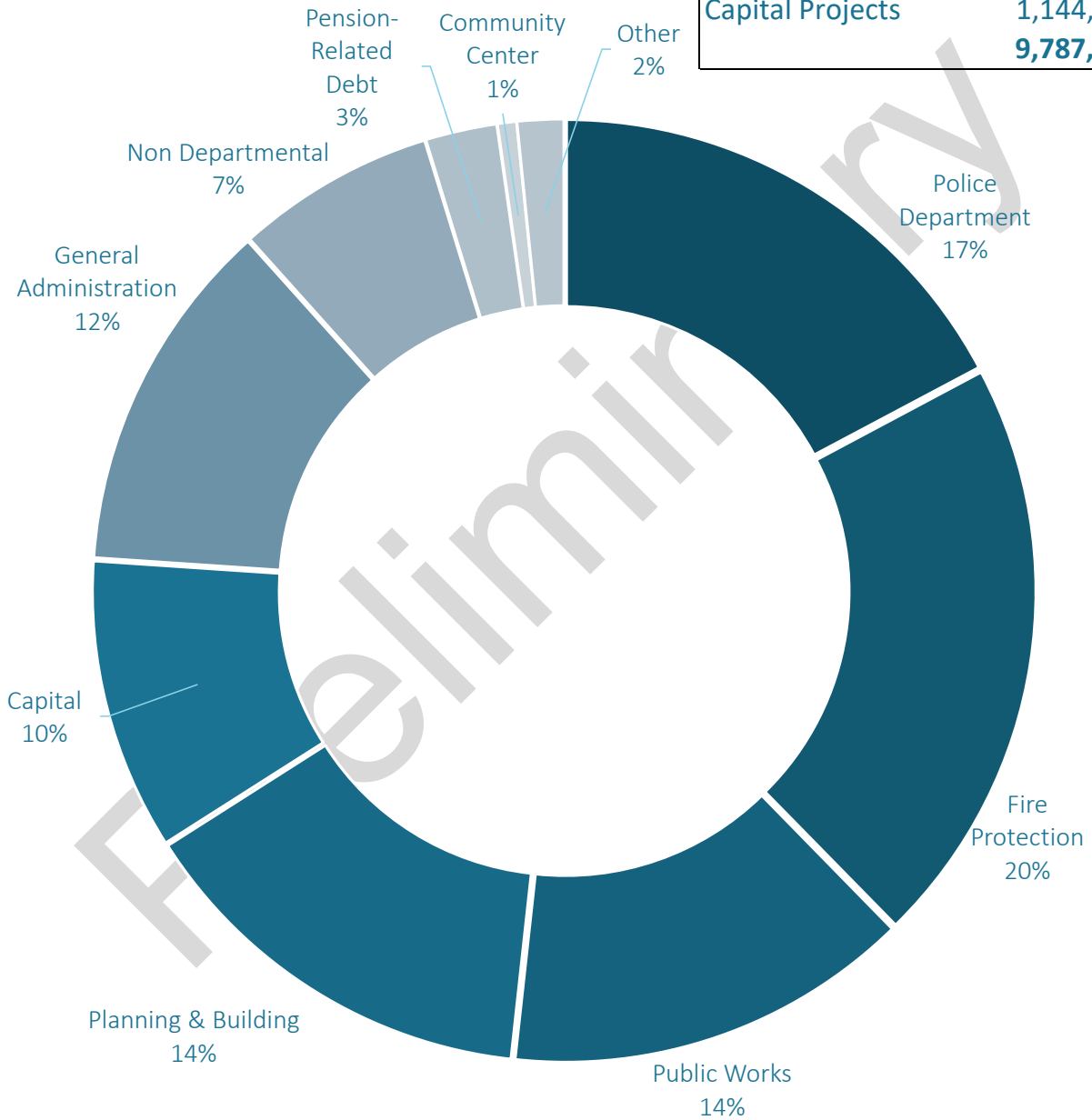
Total Revenues \$10,022,350

REVENUE SPLITS:	
Operating Funds	9,614,600
Capital Funds	406,750
Restricted Funds	1,000
	10,022,350



Total Appropriations \$9,787,302

APPROPRIATIONS SPLITS:	
Operating Funds	8,642,802
Capital Projects	1,144,500
Total	9,787,302



Schedule of Interfund Transfers

FUND		TRANSFERS IN	TRANSFERS OUT
100	General Fund		\$ 965,701 ¹
100	General Fund		300,000 ²
100	General Fund		242,669 ³
100	General Fund		19,250
100	General Fund		561,500 ⁴
100	General Fund		600,000 ⁵
100	General Fund		156,000 ⁶
130	Fire Fund	965,701	
100	115 Pension Trust	300,000	
500	Pension-related Debt Obligation Fund	242,669	
900	Capital Improvement Fund	561,500	
902	Road Impact Fee Fund	19,250	
903	Critical Infrastructure Fund	600,000	
210	Equipment Replacement Fund	156,000	
	Total	\$ 2,845,120	\$ 2,845,120

¹ Fire expenditures not funded by Parcel Tax.

² Annual transfer from General Fund to 115 Pension Trust Fund.

³ Pension-related debt service payments.

⁴ CIP expenditures not funded by other revenue sources.

⁵ Planned transfer from General Fund to Critical Infrastructure Fund

⁶ Equipment Replacement expenditures not funded by other sources.

Revenue History - All Funds

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

FUND/ACTIVITY	FY18/19 ACTUAL REVENUES	FY19/20 ACTUAL REVENUES	FY20/21 ACTUAL REVENUES	FY21/22 ESTIMATED REVENUES	FY22/23 RECOMMENDED BUDGET
OPERATING REVENUE					
GENERAL FUND					
Property Taxes:					
Current Secured	\$4,657,434	\$4,848,606	\$5,085,230	\$5,210,242	\$5,677,521
Supplemental Assessments	104,431	105,830	103,627	99,000	104,395
Unsecured	89,828	99,495	101,749	105,811	99,000
Excess ERAF	490,139	491,186	184,182	500,000	490,000
VLF Swap	259,935	277,014	288,627	303,372	297,305
Real Property Transfer	112,324	56,828	569,394	152,839	82,650
Subtotal	<u>\$5,714,091</u>	<u>\$5,878,959</u>	<u>\$6,332,809</u>	<u>\$6,371,264</u>	<u>\$6,750,871</u>
<i>% Change over prior year</i>	8.3%	2.9%	7.7%	0.6%	6.0%
Local Non-Property Taxes:					
Sales Taxes	\$106,363	\$70,565	\$77,606	\$98,969	\$98,969
Sales Taxes - SB509	19,663	19,319	20,029	23,685	23,685
Business Licenses	68,611	72,352	61,766	48,745	48,745
PG&E Franchise	29,451	32,803	35,322	38,131	35,000
CATV Franchise	61,000	66,904	54,725	67,500	67,500
Garbage Franchise	80,861	89,894	95,729	85,000	85,000
Subtotal	<u>\$365,949</u>	<u>\$351,837</u>	<u>\$345,177</u>	<u>\$362,030</u>	<u>\$358,899</u>
<i>% Change over prior year</i>	-5.8%	-3.9%	-1.9%	4.9%	-0.9%
Licenses & Permits:					
Construction Permits	\$384,069	\$478,274	\$407,555	\$400,000	\$400,000
Encroachment Permits	61,114	45,667	62,449	96,140	96,140
Revocable Licenses	6,664	6,664	3,972	1,338	1,338
Parking Permits	5,360	7,260	1,750	2,775	2,775
Miscellaneous Licenses and Permits	1,666	1,261	7,605	15,294	15,294
Subtotal	<u>\$458,873</u>	<u>\$539,126</u>	<u>\$483,331</u>	<u>\$515,547</u>	<u>\$515,547</u>
<i>% Change over prior year</i>	-21.6%	17.5%	-10.3%	6.7%	0.0%

Revenue History - All Funds

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

FUND/ACTIVITY	FY18/19 ACTUAL REVENUES	FY19/20 ACTUAL REVENUES	FY20/21 ACTUAL REVENUES	FY21/22 ESTIMATED REVENUES	FY22/23 RECOMMENDED BUDGET
Fines & Forfeitures:					
Vehicle Code Fines	\$8,582	\$7,416	\$764	\$1,074	\$1,074
Planning & Building Penalties	25,054	29,000	100	1,500	1,500
Subtotal	<u>\$33,636</u>	<u>\$36,416</u>	<u>\$864</u>	<u>\$2,574</u>	<u>\$2,574</u>
<i>% Change over prior year</i>	-78.0%	8.3%	-97.6%	197.9%	0.0%
Investments & Property:					
Investments	\$98,805	\$91,816	\$31,984	\$25,000	\$30,000
Rent	14,561	43,517	72,084	19,354	19,354
Subtotal	<u>\$113,366</u>	<u>\$135,333</u>	<u>\$104,068</u>	<u>\$44,354</u>	<u>\$49,354</u>
<i>% Change over prior year</i>	34.7%	19.4%	-23.1%	-57.4%	11.3%
Revenue From Other Agencies:					
Motor Vehicle In Lieu	\$1,025	\$0	\$0	\$900	\$900
HOPTR	21,960	22,073	21,788	21,585	21,461
Supplemental Law Enforcement Funding	155,402	163,435	164,192	150,000	150,000
Coronavirus Relief Fund	\$0	\$0	\$50,000	\$0	\$0
ARPA Funds	\$0	\$0	\$0	\$251,661	\$251,661
Subtotal	<u>\$178,387</u>	<u>\$185,508</u>	<u>\$235,980</u>	<u>\$424,146</u>	<u>\$424,022</u>
<i>% Change over prior year</i>	6.1%	4.0%	27.2%	79.7%	0.0%
Service Charges:					
Road Closure Signs	\$26,065	\$19,666	\$25,918	\$18,483	\$18,483
Plan Reviews	228,811	204,809	155,728	180,000	180,000
Technology Fee	6,541	8,759	8,600	7,379	7,379
Variances and Use Permits	18,900	11,534	7,752	6,000	6,000
Design Review/Design Review Exceptions	79,973	42,041	68,579	151,620	151,620
Appeals	1,753	3,199	1,408	1,000	1,000
Residential Building Reports/Inspections	14,006	12,600	24,080	13,050	22,800
Financial Services	5,434	6,456	4,050	5,000	5,000
Special Police Services	1,317	2,000	8,360	1,761	1,761
Electric Vehicle Charging Fees	4,753	2,660	4,071	6,485	6,485
Miscellaneous Charges for Services	15,201	15,947	22,525	57,442	40,000
Subtotal	<u>\$402,754</u>	<u>\$329,671</u>	<u>\$331,071</u>	<u>\$448,219</u>	<u>\$440,527</u>
<i>% Change over prior year</i>	-24.4%	-18.1%	0.4%	35.4%	-1.7%

Revenue History - All Funds

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

FUND/ACTIVITY	FY18/19 ACTUAL REVENUES	FY19/20 ACTUAL REVENUES	FY20/21 ACTUAL REVENUES	FY21/22 ESTIMATED REVENUES	FY22/23 RECOMMENDED BUDGET
Miscellaneous Other Revenue:					
Concert-in-the-Park Series	\$32,047	\$32,420	\$27,195	\$8,866	\$32,000
Miscellaneous Other Revenue:	4,154	2,618	6,802	998	5,000
Grant Proceeds	0	0	6,723	0	0
Contributions/Private Grants	0	0	0	11,275	0
Subtotal	\$36,201	\$35,038	\$40,720	\$21,139	\$37,000
<i>% Change over prior year</i>	-60.2%	-3.2%	16.2%	-48.1%	75.0%
Total General Fund Revenue	\$7,303,257	\$7,491,888	\$7,874,020	\$8,189,273	\$8,578,794
<i>% Change over prior year</i>	0.3%	2.6%	5.1%	4.0%	4.8%
FIRE FUND					
Fire Tax Proceeds	\$886,256	\$919,435	\$946,945	\$997,888	\$1,035,808
<i>% Change over prior year</i>	3.9%	3.7%	3.0%	5.4%	3.8%
TOTAL OPERATING REVENUE	\$8,189,513	\$8,411,323	\$8,820,965	\$9,187,161	\$9,614,601
<i>% Change over prior year</i>	0.7%	2.7%	4.9%	4.2%	4.7%

Revenue History - All Funds

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

FUND/ACTIVITY	FY18/19 ACTUAL REVENUES	FY19/20 ACTUAL REVENUES	FY20/21 ACTUAL REVENUES	FY21/22 ESTIMATED REVENUES	FY22/23 RECOMMENDED BUDGET
CAPITAL REVENUE					
CAPITAL IMPROVEMENT FUNDS					
General Capital Improvements					
Contributions/Private Grants	\$31,329	\$0	\$82,527	\$251,850	\$0
Measure A/B Transportation Sales Tax	32,427	60,969	47,855	50,872	90,000
Gas Tax Revenue	85,219	98,154	85,968	60,000	60,000
State Planning Grant	0	0	0	70,863	0
DWR Grant	20,260	137,110	194,500	242,000	0
Prop 68 Park Bond	0	0	0	110,000	68,000
Total Cap. Improvement Fund Revenue	\$169,235	\$296,233	\$410,850	\$785,585	\$218,000
<i>% Change over prior year</i>	<i>-26.3%</i>	<i>75.0%</i>	<i>38.7%</i>	<i>165.2%</i>	<i>-72.2%</i>
Road Impact Funds					
Road Impact Fee	\$173,862	\$262,130	\$163,935	\$175,750	\$175,750
<i>% Change over prior year</i>	<i>-21.9%</i>	<i>50.8%</i>	<i>-37.5%</i>	<i>-33.0%</i>	<i>0.0%</i>
Marin County Parks & Open Space Fund					
Measure A Parks Sales Tax	\$8,970	\$17,214	\$16,968	\$13,000	\$13,000
<i>% Change over prior year</i>	<i>-63.1%</i>	<i>91.9%</i>	<i>-1.4%</i>	<i>-24.5%</i>	<i>0.0%</i>
SUBTOTAL CAPITAL IMPROVEMENT FUNDS	\$352,067	\$575,577	\$591,753	\$974,335	\$406,750
<i>% Change over prior year</i>	<i>-26.1%</i>	<i>63.5%</i>	<i>2.8%</i>	<i>69.3%</i>	<i>-58.3%</i>
EQUIPMENT REPLACEMENT FUND					
Contribution	\$0	\$0	\$0	\$0	\$0
Grant	0	0	34,285	0	0
Sale of Property	409	40,251	10,807	382	1,000
Total Equip. Repl. Fund Revenue	\$409	\$40,251	\$45,092	\$382	\$1,000
<i>% Change over prior year</i>	<i>-87.5%</i>	<i>9741.3%</i>	<i>12.0%</i>	<i>-99.1%</i>	<i>161.8%</i>
TOTAL CAPITAL REVENUE	\$352,476	\$615,828	\$636,845	\$974,717	\$407,750
<i>% Change over prior year</i>	<i>-26.5%</i>	<i>74.7%</i>	<i>3.4%</i>	<i>58.3%</i>	<i>-58.2%</i>
TOTAL REVENUES	\$8,541,989	\$9,027,151	\$9,457,810	\$10,161,878	\$10,022,350
<i>% Change over prior year</i>	<i>-0.8%</i>	<i>5.7%</i>	<i>4.8%</i>	<i>12.6%</i>	<i>-1.4%</i>

Expenditure History - All Funds

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

FUND/ACTIVITY	FY18/19 ACTUAL EXPENSES	FY19/20 ACTUAL EXPENSES	FY20/21 ACTUAL EXPENSES	FY21/22 ESTIMATED EXPENSES	FY22/23 RECOMMENDED BUDGET
OPERATING EXPENDITURES					
GENERAL FUND					
General Administration	\$807,507	\$972,064	\$934,099	\$1,194,286	\$1,203,933
Planning and Building	1,084,628	934,615	1,173,664	1,228,858	1,393,823
Police	1,835,363	1,455,352	1,583,418	1,624,736	1,685,185
Public Works Operations & Maintenance	941,347	1,076,890	1,211,593	1,168,259	1,376,454
Recreation (The Ranch)	53,902	75,107	65,739	62,979	64,592
Non-Departmental	404,712	440,472	388,591	684,645	674,637
TOTAL GENERAL FUND	\$5,127,459	\$4,954,500	\$5,357,104	\$5,963,763	\$6,398,625
<i>% Change over prior year</i>	6.2%	-3.4%	8.1%	11.3%	7.3%
FIRE FUND					
Fire Protection	\$1,530,482	\$1,690,022	\$1,748,530	\$1,854,812	\$2,001,509
<i>% Change over prior year</i>	5.3%	10.4%	3.5%	6.1%	7.9%
RESTRICTED FUNDS					
Legal Damages and Settlements	3,500	11,458	0	0	0
Debt Service	254,176	238,044	246,521	250,169	242,669
TOTAL RESTRICTED FUNDS	\$257,676	\$249,502	\$246,521	\$250,169	\$242,669
<i>% Change over prior year</i>	47.6%	-3.2%	-1.2%	1.5%	-3.0%
TOTAL OPERATING EXPENDITURES	\$6,915,617	\$6,894,024	\$7,352,155	\$8,068,744	\$8,642,802
<i>% Change over prior year</i>	7.1%	-0.3%	6.6%	9.7%	7.1%

Expenditure History - All Funds

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

FUND/ACTIVITY	FY18/19 ACTUAL EXPENSES	FY19/20 ACTUAL EXPENSES	FY20/21 ACTUAL EXPENSES	FY21/22 ESTIMATED EXPENSES	FY22/23 RECOMMENDED BUDGET
CAPITAL EXPENDITURES					
CAPITAL IMPROVEMENT FUNDS					
General Capital Improvements					
Streets	\$26,172	\$58,866	\$100,762	\$649,622	\$355,000
Infrastructure	\$434,931	\$271,146	\$283,160	\$739,002	\$227,000
Lanes	135,326	442,846	16,964	70,000	90,000
Parks & Open Space	38,585	27,924	57,109	518,510	25,000
Community Buildings	82,990	69,065	111,721	300,460	22,000
Miscellaneous Other	114,507	14,607	109,519	131,747	268,500
Utility Underground Districts	60,539	4,010	0	143,490	0
Total Capital Improvements	\$893,050	\$888,464	\$679,235	\$2,552,831	\$987,500
<i>% Change over prior year</i>	58.8%	-0.5%	-23.5%	275.8%	-61.3%
RESTRICTED FUNDS					
Equipment Replacement	\$94,865	\$154,858	\$27,091	\$80,000	\$157,000
<i>% Change over prior year</i>	14.0%	63.2%	-82.5%	195.3%	96.3%
TOTAL CAPITAL EXPENDITURES	\$987,915	\$1,043,322	\$706,326	\$2,632,831	\$1,144,500
<i>% Change over prior year</i>	53.0%	5.6%	-32.3%	272.8%	-56.5%
TOTAL EXPENDITURES	\$7,903,532	\$7,937,346	\$8,058,481	\$10,701,575	\$9,787,302
<i>% Change over prior year</i>	11.3%	0.4%	1.5%	32.8%	-8.5%

City-Wide Salary & Benefit Information

Preliminary

Salary Chart with Position Allocations

City of Belvedere
 Operating and Capital Budget
 Fiscal Year 2022/2023

Rates in effect as of 7/1/2021

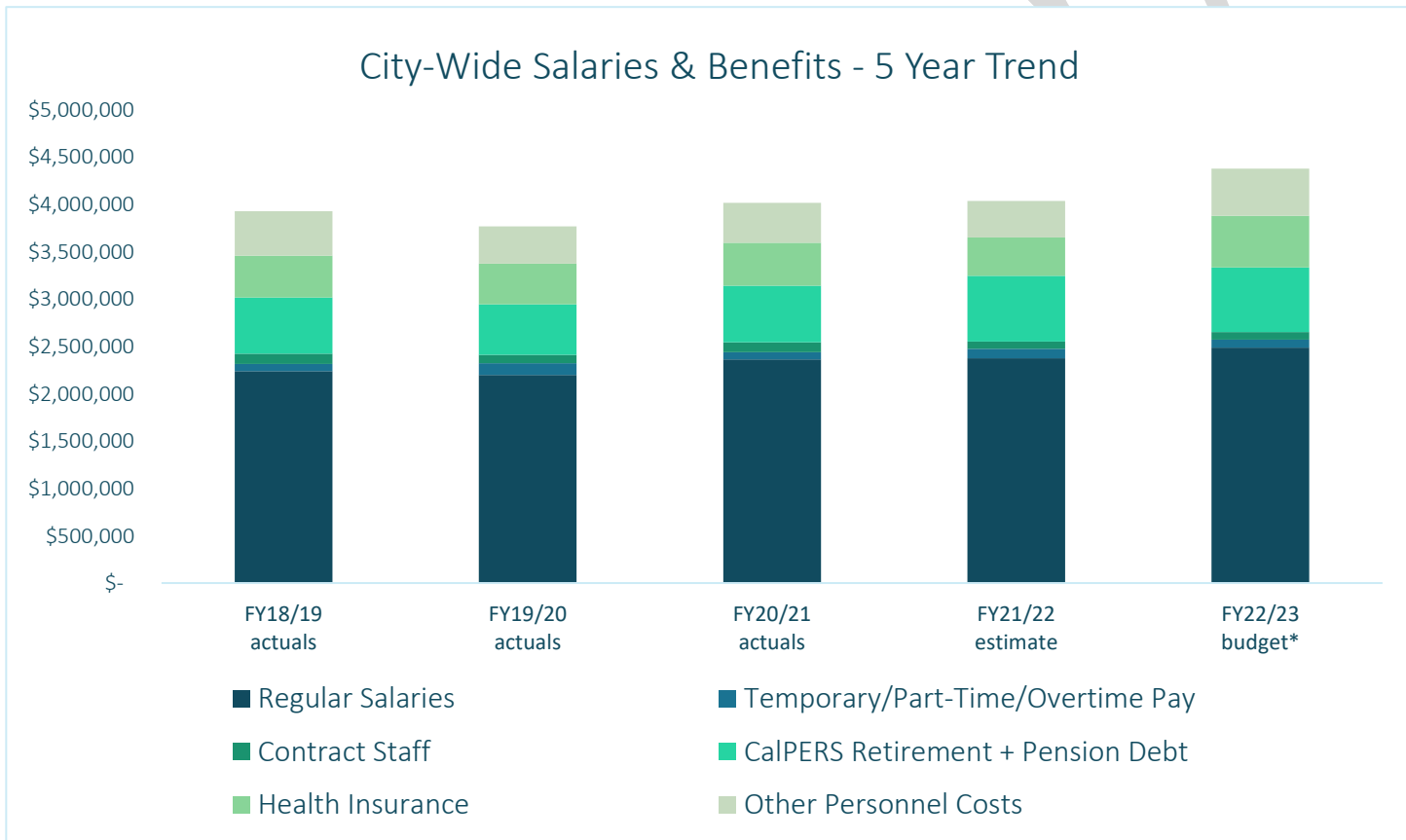
Department & Position	Step A	Step B	Step C	Step D	Step E	FTE
General Administration						
City Manager					TBD	1
Administrative Services Manager	11,556	12,134	12,740	13,378	14,046	1
City Clerk/Management Analyst	7,423	7,794	8,184	8,593	9,023	1
Office Coordinator	6,416	6,737	7,074	7,427	7,799	1
Planning & Building						
Director of Planning and Building	11,374	11,943	12,540	13,167	13,825	1
Building Official	9,315	9,781	10,270	10,783	11,322	1
Senior Planner	8,222	8,633	9,065	9,518	9,994	1
Associate Planner	7,799	8,189	8,598	9,028	9,480	-
Building Inspector II	6,839	7,181	7,540	7,917	8,313	1
Building & Planning Technician	5,852	6,145	6,452	6,774	7,113	1
Police						
Police Chief	12,272	12,886	13,530	14,206	14,917	1
Police Sergeant	8,173	8,582	9,011	9,461	9,934	2
Police Officer	6,948	7,295	7,660	8,043	8,445	4*
Public Works						
Director of Public Works	11,497	12,072	12,675	13,309	13,975	1
Associate Engineer	7,799	8,189	8,598	9,028	9,480	1
Maintenance Supervisor	6,814	7,155	7,512	7,888	8,282	1
Maintenance Worker II	5,035	5,287	5,551	5,829	6,120	2
Maintenance Worker	4,496	4,721	4,957	5,205	5,465	-
Total Employees						21
Contract Staff						
City Attorney	Professional Services Contract with Renne Public Law Group					
City Engineer	Professional Services Contract with Moe Engineering					
Fire and Emergency Services	Contract for Services with Tiburon Fire Protection District					
IT Coordinator	Professional Services Contract with SPTJ Consulting					

Citywide Salary and Benefit History

City of Belvedere
 Operating and Capital Budget
 Fiscal Year 2021/2022

Citywide Salary and Benefit Information Budget Year + Four Year History

Salary & Benefit Costs	FY18/19 actuals	FY19/20 actuals	FY20/21 actuals	FY21/22 estimate	FY22/23 budget*
Regular Salaries	\$ 2,235,839	\$ 2,196,397	\$ 2,362,199	\$ 2,372,932	\$ 2,487,024
Temporary/Part-Time/Overtime Pay	\$ 79,632	\$ 123,847	\$ 77,256	\$ 102,327	\$ 84,150
Contract Staff	\$ 106,888	\$ 89,140	\$ 103,774	\$ 73,369	\$ 77,883
CalPERS Retirement + Pension Debt	\$ 594,691	\$ 533,180	\$ 598,965	\$ 697,503	\$ 682,971
Health Insurance	\$ 438,780	\$ 430,667	\$ 450,886	\$ 405,279	\$ 545,754
Other Personnel Costs	\$ 470,157	\$ 393,764	\$ 422,834	\$ 384,610	\$ 497,930
Total Salary & Benefits	\$ 3,925,987	\$ 3,766,995	\$ 4,015,914	\$ 4,036,020	\$ 4,375,712



Position Counts by Department	FY18/19 actuals	FY19/20 actuals	FY20/21 actuals	FY21/22 estimate	FY22/23 budget*
General Administration	4	4	4	4	4
Planning & Building	5	5	5	5	5
Police Department	6	5	6	6	7 **
Public Works	4	5	5	5	5
TOTAL	19	19	20	20	21

* Budgeted amounts represent highest possible earnings in each position and category, therefore budgeted amounts appear to increase at a greater rate than actual amounts.

** Including one deferred FTE position.

Operating Expenditures

Preliminary

General Administration
Department Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
4000	Regular Salaries	585,189	548,404	595,900
4010	Temp & Part Time Employees	1,350	7,212	1,350
4030	Sick Leave Conversion	22,880	10,395	23,189
4090	Auto Allowance	8,400	6,223	8,400
4091	Deferred Comp	8,880	8,253	8,880
4092	Technology Allowance	0	0	0
4095	Longevity Pay	0	0	0
	PERSONNEL	626,699	580,487	637,720
4100	Insurance Benefits	55,556	43,893	90,779
4110	PERS	51,245	53,112	53,663
4114	PARS	1,800	1,649	0
4121	Workers' Comp	27,619	18,733	27,605
4130	FICA/Medicare	8,772	8,465	8,929
	FRINGE BENEFITS	144,992	125,853	180,976
5010	Financial Services	61,800	78,964	63,654
5012	Legal Services	45,000	153,041	125,000
5013	Interim	0	50,753	0
5015	IT Support	35,000	35,933	36,050
5016	Software Maintenance	15,000	27,642	15,450
5990	Other Contract/Outside Services	10,000	50,295	20,000
	OUTSIDE SERVICES	166,800	396,627	260,154
6000	Communications & Alarms	3,595	4,831	4,976
6020	Power - Gas & Electric	1,383	1,655	1,704
	UTILITIES	4,978	6,485	6,680
6125	Elections	3,404	0	3,404
6150	Membership & Dues	6,489	6,576	6,773
6160	Notices & Ads	5,934	5,943	6,121
6170	Confs, Meetings, Training	15,000	5,708	15,000
6180	Vehicle/Equipment Leases	4,393	4,216	4,342
6990	Other Operating Expenses	70,000	50,000	70,000
	OPERATIONS	105,220	72,443	105,641
7000	Office Supplies	5,956	11,191	11,526
7030	Printing & Reproduction	836	1,200	1,236
	MATERIALS AND SUPPLIES	6,792	12,391	12,762
	TOTAL GENERAL ADMINISTRATION	1,055,481	1,194,286	1,203,933

Planning Building
Department Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
4000	Regular Salaries	606,819	609,101	618,965
4010	Temp & Part Time Employee	0	1,350	0
4020	Overtime	1,800	973	1,800
4030	Sick Leave Conversion	25,004	17,222	25,355
4090	Auto Allowance	7,200	7,015	7,200
4091	Deferred Comp	11,100	10,815	11,100
4095	Longevity Pay	16,401	15,644	16,730
	PERSONNEL	668,324	662,120	681,149
4100	Insurance Benefits	119,533	104,559	127,150
4110	PERS	75,892	93,250	78,791
4114	PARS	7,345	7,919	5,545
4121	Workers' Comp	28,640	14,585	28,674
4130	FICA/Medicare	9,331	9,841	9,514
	FRINGE BENEFITS	240,741	230,154	249,673
5012	Legal Services	70,000	66,671	75,000
5015	IT Support	25,000	24,729	25,750
5016	Software Maintenance	2,163	6,947	5,000
5101	Plan Review Services-Building Dept	27,071	23,369	27,883
5990	Other Contract/Outside Services	320,000	172,649	260,000
	OUTSIDE SERVICES	444,234	294,365	393,633
6000	Communications & Alarms	6,486	7,717	7,949
6020	Power - Gas & Electric	5,536	6,261	6,449
	UTILITIES	12,022	13,979	14,398
6150	Membership & Dues	293	980	1,009
6160	Notices & Ads	6,510	3,523	6,510
6170	Confs, Meetings, Training	20,000	0	20,000
6180	Vehicle/Equipment Leases	4,393	4,655	4,794
6190	Vehicle Maintenance - Corr	2,500	0	0
	OPERATIONS	33,696	9,157	32,314
7000	Office Supplies	6,602	9,088	12,361
7030	Printing & Reproduction	4,711	9,996	10,296
	MATERIALS AND SUPPLIES	11,313	19,084	22,657
	TOTAL PLANNING & BUILDING	1,410,330	1,228,858	1,393,823

Police
Department Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
4000	Regular Salaries	721,432	736,017	735,869
4010	Temp & Part Time Employees	51,500	8,459	40,000
4020	Overtime	83,333	83,333	40,000
4030	Sick Leave Conversion	29,811	8,532	30,227
4040	Holiday Pay	34,423	34,423	35,112
4060	Educational Incentive	22,054	28,599	22,496
4070	Graveyard Shift Pay	15,834	16,221	15,936
4080	Field Training Pay	1,000	0	1,000
4090	Auto Allowance	4,800	4,000	4,800
4091	Deferred Comp	13,320	12,352	13,320
4095	Longevity Pay	11,027	9,220	6,080
	PERSONNEL	988,534	941,156	944,839
4100	Insurance Benefits	124,985	110,757	134,373
4110	PERS	129,965	143,485	132,974
4111	Post Retirement Health Benefits	9,000	8,400	9,000
4114	PARS	7,346	8,161	2,773
4121	Workers' Comp	48,050	27,451	48,089
4130	FICA/Medicare	12,046	13,648	12,203
4140	Uniform Allowance	5,520	4,733	5,520
	FRINGE BENEFITS	336,912	316,636	344,932
5015	IT Support	25,000	32,894	25,750
5016	Software Maintenance	1,061	18,870	10,000
5080	Emergency Preparedness Services	33,976	33,976	34,995
5210	Police Dispatch	128,625	115,409	126,209
5220	Major Crimes Task Force	19,102	19,102	19,102
5242	Reports & Records Automation	24,721	21,541	22,188
5250	Marin Emergency Radio Authority	31,320	19,200	31,320
5266	Marin Information & Date Access S	3,621	1,828	1,883
5267	Mobile Data Maintenance Agreeme	5,890	5,880	6,056
5990	Other Contract/Outside Services	27,810	27,810	27,810
	OUTSIDE SERVICES	301,126	296,511	305,313
6000	Communications & Alarms	12,394	13,167	13,562
6020	Power - Gas & Electric	2,307	2,520	2,596
	UTILITIES	14,701	15,687	16,157

Police
Department Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
6130	Equipment Maintenance - Corr	729	0	0
6150	Membership & Dues	810	400	810
6170	Confs, Meetings, Training	15,000	15,000	15,000
6175	Training (POST) Reimb	10,000	10,000	10,000
6176	Interoperability Law Enforcement f	7,000	365	7,000
6180	Vehicle/Equipment Leases	2,747	2,047	2,747
6190	Vehicle Maintenance - Corr	11,139	443	11,139
	OPERATIONS	47,425	28,254	46,696
7000	Office Supplies	5,467	11,343	11,683
7050	Ammunition & Weapons	1,328	1,328	1,328
7080	Gas & Oil Supplies	7,645	11,880	12,236
7090	Protective Clothing/Safety	3,562	1,941	2,000
	MATERIALS AND SUPPLIES	18,002	26,492	27,247
TOTAL POLICE		1,706,700	1,624,736	1,685,185

Preliminary

Public Works
Department Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
4000	Regular Salaries	527,729	479,409	536,290
4020	Overtime	1,000	1,000	1,000
4030	Sick Leave Conversion	35,223	9,823	35,470
4090	Auto Allowance	2,400	2,031	2,400
4091	Deferred Comp	11,100	9,277	11,100
4095	Longevity Pay	10,478	9,173	6,080
	PERSONNEL	587,930	510,714	592,339
4100	Insurance Benefits	141,146	110,409	155,296
4110	PERS	60,735	76,082	63,779
4114	PARS	7,345	7,069	2,773
4121	Workers' Comp	24,907	13,131	24,844
4130	FICA/Medicare	8,208	7,457	7,588
	FRINGE BENEFITS	242,341	214,149	254,279
5015	IT Support	15,000	21,659	22,309
5016	Software Maintenance	557	3,908	4,025
5250	Marin Emergency Radio Authority	9,925	5,966	9,925
5301	City Engineer	50,000	50,000	50,000
5320	Drainage Maintenance	19,923	22,209	22,875
5321	Silt Removal	10,609	10,609	10,927
5322	Videotaping	3,183	3,183	3,278
5335	Annual Vegetation Maintenance	46,350	64,440	66,373
5350	Street Trees (Outside)	70,000	70,000	70,000
5360	Poison Oak Control	1,591	1,591	1,639
5370	Marinmap Membership Fee	6,365	6,365	6,556
5980	Prior year excess reserves	15,336	13,737	14,149
5990	Other Contract/Outside Services	12,360	12,360	12,731
	OUTSIDE SERVICES	261,199	286,027	294,788
6000	Communications & Alarms	8,582	9,148	9,422
6020	Power - Gas & Electric	7,847	14,437	14,870
6030	Power - Street Lights	10,797	12,251	12,618
6040	Power - Traffic Signal	510	769	792
6050	Water	30,132	13,171	13,566
	UTILITIES	57,868	49,776	51,269

Public Works
Department Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
6131	Equipment Maintenance	15,450	15,450	15,914
6150	Membership & Dues	1,529	7,187	7,403
6170	Confs, Meetings, Training	8,500	48	8,500
6180	Vehicle/Equipment Leases	5,047	5,024	5,175
6191	Vehcl Maint	6,850	65	7,056
6200	Building Maintenance	10,805	12,035	12,396
6210	Irrigation Sys Maintenance	2,652	13,692	14,103
6220	Street Light Maintenance	4,244	754	4,371
6230	Permits	15,450	15,450	15,914
6240	Street Sweep - In-House	51,265	5,452	51,265
	OPERATIONS	121,792	75,157	142,095
7000	Office Supplies	3,282	5,592	5,760
7080	Gas & Oil Supplies	4,752	7,108	7,321
7090	Protective Clothing/Safety	4,292	2,253	4,292
7100	Construction Supplies	1,107	1,107	1,107
7110	Janitorial Supplies	341	157	341
7120	Park & Landscape Supplies	7,636	1,293	7,636
7140	Small Tools	2,122	2,122	2,122
7150	Traffic Control Supplies	2,758	2,758	2,758
7190	Other Materials & Supplies	10,046	10,046	10,347
	MATERIALS AND SUPPLIES	36,336	32,437	41,684
TOTAL PUBLIC WORKS		1,307,466	1,168,259	1,376,454

Recreation (The Ranch)
Department Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
5980	Janitorial Contract Services	8,638	6,728	6,930
5982	Recreation Facility Contribution	36,394	37,048	38,159
5990	Other Contract/Outside Services	1,061	1,061	1,093
	OUTSIDE SERVICES	46,093	44,837	46,182
6020	Power - Gas & Electric	4,505	4,920	5,068
	UTILITIES	4,505	4,920	5,068
6140	Insurance	3,623	3,993	4,113
6200	Building Maintenance	6,047	6,047	6,047
	OPERATIONS	9,670	10,040	10,160
7110	Janitorial Supplies	2,652	2,652	2,652
7190	Other Materials & Supplies	530	530	530
	MATERIALS AND SUPPLIES	3,182	3,182	3,182
TOTAL RECREATION		63,450	62,979	64,592

Preliminary

Non-Departmental
Department Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
4100	Insurance Benefits	43,710	35,660	38,156
4110	PERS*	82,804	84,551	111,096
4114	PARS	20,000	14,148	20,000
	RETIREE FRINGE BENEFITS	146,514	134,359	169,252
5020	Richardson Bay Reg Agency	67,942	67,409	125,000
5030	Hazardous Material Response	876	876	902
5040	Animal Control JPA	23,885	23,885	23,885
5050	Congestion Mgmt Plan	5,655	5,655	5,825
5061	Homeward Bound of Marin	2,000	2,000	2,000
5062	Countywide Community Homeless	9,186	9,186	9,186
5071	Marin General Services Agency	5,415	8,254	8,254
5082	MCCMC Lobbyist	4,000	4,000	4,000
5083	Tiburon Peninsula Traffic Relief JPA	43,724	42,446	45,910
5091	LAFCO	4,303	3,472	3,576
5985	Library Expansion Contribution	0	150,000	0
5990	Other Contract/Outside Services	0	9,309	0
	OUTSIDE SERVICES	166,986	326,492	228,538
6120	Community Activities	35,000	20,000	35,000
6122	Concerts in the Park	42,000	18,840	42,000
6140	Insurance	187,000	184,954	199,846
	OPERATIONS	264,000	223,794	276,846
	TOTAL NON DEPARTMENTAL	577,500	684,645	674,637

Restricted Funds - Operating
Expenditure Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
5400	TFPD Contact	1,849,854	1,852,212	1,998,909
5410	Fire System Parts & Supplies	2,600	2,600	2,600
	FIRE FUND EXPENSES	1,852,454	1,854,812	2,001,509
2410	Pension-Related Debt	249,603	250,169	242,669
8040	Legal Damages/Settlements	0	0	0
	OTHER RESTRICTED FUNDS	249,603	250,169	242,669

Preliminary

Capital Expenditures

Preliminary

Capital
Department Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
9000	Spot Surface Repairs	52,879	52,879	45,000
9001	Paving	596,743	596,743	310,000
	STREET IMPROVEMENTS	649,622	649,622	355,000
9050	Guardrail Installation and Repairs	15,000	15,000	0
xxxx	Evaluation of Beach Road Retaining Walls	0	0	25,000
9055	Wooden Retaining Walls	0	0	17,000
9084	Retaining Wall	0	0	0
9100	Emergency Drainage Repairs	10,000	10,000	10,000
9099	Corrugated Metal Pipe Replacement	0	0	30,000
9511	Lagoon Rd	137,891	137,891	0
9513	Levee Evaluation	576,111	576,111	145,000
	INFRASTRUCTURE	739,002	739,002	227,000
9201	Lanes Initiative Program	0	0	0
9227	Eucalyptus Lane	0	0	0
9216	Park Lane Stair and Seating Area	20,000	20,000	20,000
9217	Hawthorn Lane Stair Rebuild	25,000	25,000	20,000
9228	Lane Maintenance/Minor Repairs	5,000	5,000	25,000
9229	Lane Design & Engineering	20,000	20,000	25,000
	LANES	70,000	70,000	90,000
9527	Community Park Water Well	19,000	19,000	0
9357	Playground Renovation	405,510	405,510	0
9358	San Rafael Ave Seawall Landscape Mulch	9,000	9,000	9,000
9359	Refurbish Steel Railings	0	0	0
9360	Beach Road Park	85,000	85,000	0
xxxx	Repair and Refurbish Community Park Basketball Courts	0	0	16,000
	PARKS AND OPEN SPACE	518,510	518,510	25,000
9434	Install EV Charging Station at City Hall	105,348	105,348	0
9436	Solar Electric and EV Charging Stations near Corp Yard	120,556	120,556	0
9492	City Hall Renovations	0	0	0
9494	Refurbish Council Chamber Audience Chairs	13,000	13,000	0
9495	City Hall Security Upgrade	0	0	0
9435	City Hall Foundation Drainage Repairs	25,000	25,000	0
9509	City Hall ADA	26,956	26,956	12,000
xxxx	Selected Painting of City Hall and Community Center	0	0	10,000
9451	Misc. Exterior Painting-Corp Yard Building	9,600	9,600	0
	COMMUNITY BUILDINGS	300,460	300,460	22,000

Capital
Department Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
9585	Sidewalk Repair Program	37,953	37,953	22,500
9586	Retaining Curbs	0	0	0
9587	San Rafael Ave and City Hall Safety Improvements	40,629	40,629	185,000
9588	Evacuation Assessment and Radio Purchase	23,165	23,165	31,000
9582	Miscellaneous Maintenance & Improvements	30,000	30,000	30,000
	MISCELLANEOUS	131,747	131,747	268,500
9583	Golden Gate/Belvedere Utility Underground District	0	0	0
9584	Lower Golden Gate Utility Underground Redesign	0	0	0
9591	Lower Golden Gate UUD20A Credit Option	0	0	0
9590	Undergrounding - Other Expenses	143,490	143,490	0
	UTILITY UNDERGROUNDING	143,490	143,490	0
TOTAL CAPITAL		2,552,831	2,552,831	987,500

Preliminary

Restricted Funds - Capital
Expenditure Budget

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

Account	Item	FY22 Budget	FY22 Estimated Actuals	FY23 Recommended Budget
8090	Equipment Replacements	80,000	80,000	157,000
	OTHER RESTRICTED FUNDS	80,000	80,000	157,000

Preliminary

Five Year Capital Expenditure Plan

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

BUDGET ITEM	Year 1 FY22/23	Year 2 FY23/24	Year 3 FY24/25	Year 4 FY25/26	Year 5 FY26/27
STREET IMPROVEMENTS					
Pavement Spot Repairs	45,000	45,000	45,000	40,000	45,000
Street Improvement Program	310,000	310,000	400,000	400,000	320,000
Total Street Improvements	355,000	355,000	445,000	440,000	365,000
INFRASTRUCTURE					
Evaluation of Beach Road Retaining Walls	25,000	0	0	0	200,000
Guardrail Installation and Repairs	0	15,000	0	17,000	0
Wooden Retaining Walls	17,000	20,000	10,000	0	30,000
Emergency Drainage Repairs (CA State Requirement)	10,000	10,000	10,000	10,000	10,000
Corrugated Metal Pipe Replacement	30,000	25,000	0	0	25,000
Levee Evaluation & Stabilization	145,000	0	0	0	0
Total Infrastructure	227,000	70,000	20,000	27,000	265,000
LANES					
Lanes Initiative Program	0	0	0	0	0
Artist View Project	0	0	0	0	150,000
Park Lane Stair and Seating Area Project	20,000	0	0	0	0
Hawthorn Lane (Centennial Park) Stair Rebuild	20,000	0	0	0	0
Lane Maintenance/ Minor Repairs	25,000	20,000	20,000	20,000	20,000
Lane Design and Engineering	25,000	20,000	0	20,000	20,000
Total Lanes	90,000	40,000	20,000	40,000	190,000

Five Year Capital Expenditure Plan

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

BUDGET ITEM	Year 1 FY22/23	Year 2 FY23/24	Year 3 FY24/25	Year 4 FY25/26	Year 5 FY26/27
PARKS AND OPEN SPACE					
San Rafael Avenue Seawall Landscape Mulch	9,000	0	10,000	0	10,000
Playground Renovation	0	0	0	0	0
Repair & Refurbish Community Park Basketball Courts	16,000	0	0	0	19,000
Refurbish Steel Railings	0	0	0	10,000	0
Beach Road Park	0	0	0	0	0
Total Parks & Open Space	25,000	0	10,000	10,000	29,000
COMMUNITY BUILDINGS					
Selected Painting of City Hall and Community Center	10,000	0	10,000	10,000	0
Refinish Wood Floors in Council Chambers	0	0	5,000	0	0
Misc. Exterior Painting-Corp Yard Building	0	10,000	0	0	0
Police Department Office Renovations	0	0	0	0	110,000
City Hall ADA	12,000	0	0	12,000	0
CC. Kitchen Remodel	0	0	65,000	0	0
CC. Founder's Room Furniture Replacement	0	30,000	0	0	0
Total Community Buildings	22,000	40,000	80,000	22,000	110,000
MISCELLANEOUS					
Sidewalk Repair Program	22,500	0	0	25,000	0
Traffic Engineer Study	0	0	18,000	0	0
Survey Monuments	0	10,000	0	0	0
San Rafael Avenue and City Hall Safety Improvements	185,000	0	0	0	0
Evacuation Assessment and Radio Purchase	31,000	0	0	0	0
Misc. Maintenance & Improvements	30,000	30,000	30,000	30,000	35,000
Total Miscellaneous	268,500	40,000	48,000	55,000	35,000
TOTALS	987,500	545,000	623,000	594,000	994,000

(Placeholder for CIP Sheets)

Preliminary

Five Year Forecast

Preliminary

Five Year Revenue and Expenditure Projections
FY22/23 to FY26/27

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

REVENUES					
	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27
FUND/ACTIVITY	PROPOSED BUDGET	Projections	Projections	Projections	Projections
GENERAL FUND					
Property Taxes:	\$6,750,871	\$7,020,906	\$7,301,742	\$7,666,829	\$8,050,170
Local Non-Property Taxes:	358,899	373,255	388,186	407,595	427,975
Licenses & Permits:	515,547	536,168	557,615	585,496	614,771
Fines & Forfeitures:	2,574	2,574	2,574	2,574	2,574
Investments & Property:	49,354	49,354	49,354	49,354	49,354
Revenue From Other Agencies:	424,022	189,983	197,582	207,461	217,834
Service Charges:	440,527	458,148	476,474	500,298	525,313
Miscellaneous Other Revenue:	37,000	38,480	40,019	42,020	44,121
TOTAL GENERAL FUND REVENUE	\$8,578,794	\$8,668,868	\$9,013,546	\$9,461,627	\$9,932,112
<i>% Change over prior year</i>	<i>12.6%</i>	<i>1.0%</i>	<i>4.0%</i>	<i>5.0%</i>	<i>5.0%</i>
FIRE FUND	1,035,808	1,075,168	1,116,025	1,158,434	1,202,454
<i>% Change over prior year</i>	<i>3.8%</i>	<i>3.8%</i>	<i>3.8%</i>	<i>3.8%</i>	<i>3.8%</i>
CAPITAL IMPROVEMENT FUND	218,000	156,000	162,240	170,352	178,870
<i>% Change over prior year</i>	<i>-65.7%</i>	<i>-28.4%</i>	<i>4.0%</i>	<i>5.0%</i>	<i>5.0%</i>
ROAD IMPACT FEE FUND	175,750	182,780	190,091	199,596	209,576
<i>% Change over prior year</i>	<i>0.0%</i>	<i>4.0%</i>	<i>4.0%</i>	<i>5.0%</i>	<i>5.0%</i>
EQUIPMENT REPLACEMENT FUND	1,000	1,000	1,000	1,000	1,000
<i>% Change over prior year</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
MEASURE A (Parks) FUND	13,000	13,520	14,061	14,764	15,502
<i>% Change over prior year</i>	<i>0.0%</i>	<i>4.0%</i>	<i>4.0%</i>	<i>5.0%</i>	<i>5.0%</i>
TOTAL REVENUE - ALL FUNDS	10,022,350	10,097,337	10,496,963	11,005,772	11,539,513
<i>% Change over prior year</i>	<i>6.1%</i>	<i>0.7%</i>	<i>4.0%</i>	<i>4.8%</i>	<i>4.8%</i>

Five Year Revenue and Expenditure Projections
FY22/23 to FY26/27

City of Belvedere
Operating and Capital Budget
Fiscal Year 2022/2023

EXPENDITURES					
	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27
FUND/ACTIVITY	PROPOSED BUDGET	Projections	Projections	Projections	Projections
TOTAL GENERAL FUND EXPENDITURES	6,398,625	6,618,084	6,872,947	7,303,804	7,621,270
<i>% Change over prior year</i>	4.5%	3.4%	3.9%	6.3%	4.3%
FIRE FUND	2,001,509	2,121,844	2,248,974	2,383,733	2,526,577
<i>% Change over prior year</i>	8.0%	6.0%	6.0%	6.0%	6.0%
CAPITAL IMPROVEMENT FUND	679,500	338,880	333,835	207,377	620,046
<i>% Change over prior year</i>	-64.3%	-50.1%	-1.5%	-37.9%	199.0%
ROAD IMPACT FEE FUND	295,000	192,600	275,104	371,859	358,452
<i>% Change over prior year</i>	-50.0%	-34.7%	42.8%	35.2%	-3.6%
MEASURE A (parks) FUND	13,000	13,520	14,061	14,764	15,502
<i>% Change over prior year</i>	-78.9%	4.0%	4.0%	5.0%	5.0%
EQUIPMENT REPLACEMENT FUND	157,000	30,000	30,000	30,000	30,000
<i>% Change over prior year</i>	96.3%	-80.9%	0.0%	0.0%	0.0%
PENSION-RELATED DEBT OBLIGATION FUND	242,669	240,722	247,711	240,445	237,167
<i>% Change over prior year</i>	-2.8%	-0.8%	2.9%	-2.9%	-1.4%
TOTAL EXPENDITURES - ALL FUNDS	9,787,302	9,555,649	10,022,632	10,551,981	11,409,013
<i>% Change over prior year</i>	-8.5%	-2.4%	4.9%	5.3%	8.1%

Five Year Revenue and Expenditure Projections
 FY22/23 to FY26/27

GENERAL FUND RESERVE PROJECTIONS					
	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27
	PROPOSED BUDGET	Projections	Projections	Projections	Projections
Prior Year General Fund Balance	\$ 4,741,069	\$ 4,076,118	\$ 4,317,805	\$ 4,492,136	\$ 4,645,927
General Fund Revenues	8,578,794	8,668,868	9,013,546	9,461,627	9,932,112
General Fund Expenditures	(6,398,625)	(6,618,084)	(6,872,947)	(7,303,804)	(7,621,270)
Transfers out of General Fund	(2,845,120)	(1,809,097)	(1,966,268)	(2,004,032)	(2,180,342)
Projected General Fund Balance	4,076,118	4,317,805	4,492,136	4,645,927	4,776,427
General Fund Reserve Calculations					
Projected GF Expenses + Fire Tfr + Debt Svc	7,905,481	8,253,607	8,769,548	9,182,559	9,646,261
Reserve (50% of Proj GF + Fire + Debt Svc)	3,952,740	4,126,803	4,384,774	4,591,279	4,823,130
Over (Under) Reserve Policy	123,377	191,002	107,362	54,647	(46,704)
GF balance as % of Operating Expenses	52%	52%	51%	51%	50%

Preliminary

Fund Balance Summaries

FY22/23 Budget

Fund #	Fund Name	Fund Balance 7/1/2022	Revenues	Expenditures	Transfers in/(out)	Fund Balance 6/30/2023
100	General Fund	4,741,068	8,578,794	(6,398,625)	(2,845,120)	4,076,118
130	Fire Fund	0	1,035,808	(2,001,509)	965,701	0
160	Insurance Reserve Fund	57,329	0	0	0	57,329
115	Pension 115 Trust Fund	1,801,913	0	0	300,000	2,101,913
500	Pension-related Debt Obligation Fund	0	0	(242,669)	242,669	0
900	Capital Improvement Fund	0	218,000	(779,500)	561,500	0
901	Road Impact Fee Fund	0	175,750	(195,000)	19,250	0
902	Measure A Parks Fund	0	13,000	(13,000)		0
903	Critical Infrastructure Fund	400,000	0	0	600,000	1,000,000
210	Equipment Replacement Fund	0	1,000	(157,000)	156,000	0
	Total City Funds	7,000,311	10,022,351	(9,787,302)	0	7,235,360

FY23/24 General Fund Expenses + Fire Transfer + Pension Debt	7,905,481
General Fund Reserve Policy 50%	3,952,740
Projected General Fund Balance 6/30/23	52% 4,076,118
Over (Under) Policy	123,377

Fund Balance Summaries
 FY23/24 Projection (Year 2)

Fund #	Fund Name	Fund Balance 7/1/2023	Revenues	Expenditures	Transfers in/(out)	Fund Balance 6/30/2024
100	General Fund	4,076,118	8,668,868	(6,618,084)	(1,809,097)	4,317,805
130	Fire Fund	0	1,075,168	(2,121,844)	1,046,675	0
160	Insurance Reserve Fund	57,329	0	0	0	57,329
115	Pension 115 Trust Fund	2,101,913	0	0	300,000	2,401,913
500	Pension-related Debt Obligation Fund	0	0	(240,722)	240,722	0
900	Capital Improvement Fund	0	156,000	(338,880)	182,880	0
901	Road Impact Fee Fund	0	182,780	(192,600)	9,820	0
902	Measure A Parks Fund	0	13,520	(13,520)		0
903	Critical Infrastructure Fund	1,000,000	0	0	0	1,000,000
210	Equipment Replacement Fund	0	1,000	(30,000)	29,000	0
Total City Funds		7,235,360	10,097,337	(9,555,649)	0	7,777,047

FY24/25 General Fund Expenses + Fire Transfer + Pension Debt	8,253,607
General Fund Reserve Policy 50%	4,126,803
Projected General Fund Balance 6/30/24	52% 4,317,805
Over (Under) Policy	191,002

Fund Balance Summaries
 FY24/25 Projection (Year 3)

Fund #	Fund Name	Fund Balance 7/1/2024	Revenues	Expenditures	Transfers in/(out)	Fund Balance 6/30/2025
100	General Fund	4,317,805	9,013,546	(6,872,947)	(1,966,268)	4,492,136
130	Fire Fund	0	1,116,025	(2,248,974)	1,132,949	0
160	Insurance Reserve Fund	57,329	0	0	0	57,329
115	Pension 115 Trust Fund	2,401,913	0	0	300,000	2,701,913
500	Pension-related Debt Obligation Fund	0	0	(247,711)	247,711	0
900	Capital Improvement Fund	0	162,240	(333,835)	171,595	0
901	Road Impact Fee Fund	0	190,091	(275,104)	85,013	0
902	Measure A Parks Fund	0	14,061	(14,061)		0
903	Critical Infrastructure Fund	1,000,000	0	0	0	1,000,000
210	Equipment Replacement Fund	0	1,000	(30,000)	29,000	0
Total City Funds		7,777,047	10,496,963	(10,022,632)	0	8,251,378

FY25/26 General Fund Expenses + Fire Transfer + Pension Debt	8,769,548
General Fund Reserve Policy 50%	4,384,774
Projected General Fund Balance 6/30/25	51% 4,492,136
Over (Under) Policy	107,362

Fund Balance Summaries
 FY25/26 Projection (Year 4)

Fund #	Fund Name	Fund Balance 7/1/2025	Revenues	Expenditures	Transfers in/(out)	Fund Balance 6/30/2026
100	General Fund	4,492,136	9,461,627	(7,303,804)	(2,004,032)	4,645,927
130	Fire Fund	0	1,158,434	(2,383,733)	1,225,299	0
160	Insurance Reserve Fund	57,329	0	0	0	57,329
115	Pension 115 Trust Fund	2,701,913	0	0	300,000	3,001,913
500	Pension-related Debt Obligation Fund	0	0	(240,445)	240,445	0
900	Capital Improvement Fund	0	170,352	(207,377)	37,025	0
901	Road Impact Fee Fund	0	199,596	(371,859)	172,263	0
902	Measure A Parks Fund	0	14,764	(14,764)		0
903	Critical Infrastructure Fund	1,000,000	0	0	0	1,000,000
210	Equipment Replacement Fund	0	1,000	(30,000)	29,000	0
Total City Funds		8,251,378	11,005,772	(10,551,981)	0	8,705,169

New Policy/New Budget	
FY26/27 General Fund Expenses + Fire Transfer + Pension Debt	9,182,559
General Fund Reserve Policy 50%	4,591,279
Projected General Fund Balance 6/30/25	51% 4,645,927
Over (Under) Policy	54,647

Fund Balance Summaries
 FY26/27 Projection (Year 5)

Fund #	Fund Name	Fund Balance 7/1/2026	Revenues	Expenditures	Transfers in/(out)	Fund Balance 6/30/2027
100	General Fund	4,645,927	9,932,112	(7,621,270)	(2,180,342)	4,776,427
130	Fire Fund	0	1,202,454	(2,526,577)	1,324,122	0
160	Insurance Reserve Fund	57,329	0	0	0	57,329
115	Pension 115 Trust Fund	3,001,913	0	0	0	3,001,913
500	Pension-related Debt Obligation Fund	0	0	(237,167)	237,167	0
900	Capital Improvement Fund	0	178,870	(620,046)	441,176	0
901	Road Impact Fee Fund	0	209,576	(358,452)	148,877	0
902	Measure A Parks Fund	0	15,502	(15,502)		0
903	Critical Infrastructure Fund	1,000,000	0	0	0	1,000,000
210	Equipment Replacement Fund	0	1,000	(30,000)	29,000	0
Total City Funds		8,705,169	11,539,513	(11,409,013)	0	8,835,669

New Policy/New Budget	
FY27/28 General Fund Expenses + Fire Transfer + Pension Debt	9,646,261
General Fund Reserve Policy 50%	4,823,130
Projected General Fund Balance 6/30/25	50% 4,776,427
Over (Under) Policy	(46,704)

Appendix

Preliminary

Note – at the time of this report, the FY 2022-23 price and population data were not yet available. This page will be updated for the final budget version in June.

In 1979, California voters approved Proposition 4 (Article XIII-B of the California State Constitution). Informally known as the “Gann Initiative,” Article XIII-B provides limits to the amount of tax proceeds state and local governments can spend each year. In 1980, the State Legislature added Section 9710 of the Government Code stating that the governing body of each City must establish, by resolution, an appropriations limit for the following year. The limit for any fiscal year is equal to the previous year’s limit, adjusted for population changes and the change in the U.S. Consumer Price Index (or California per capita personal income, if smaller). The necessary statistical information is provided by the California Department of Finance.

In 1990, Proposition 111 modified Article XIII-B. A city may choose which annual adjustments to use. The adjustment factors include the growth in the California Per Capita Income or the growth in the nonresidential assessed valuation due to construction within the city, and the population growth within the city or county. The table below illustrates the computation used to derive the FY 2021-22 appropriation limits.

	AMOUNT	SOURCE
A. PRIOR YEAR LIMIT	\$ 3,328,300	
B. ADJUSTMENT FACTORS		Greater of City or County
1. Population %	0.9957	population percent increase
2. Inflation%	1.0573	State Finance/Assessor
3. Total Adjustment %	1.0527	(B1*B2)
C. THIS YEAR'S LIMIT		
1. Current year limit calculation	3,503,701	(A*B3)
2. Voter approved additional amt	997,888	Fire Tax Assessment
D. TOTAL CURRENT YEAR LIMIT	<u>\$ 4,501,589</u>	(C1+C2)
RESOURCES SUBJECT TO LIMITATION:		
PROCEEDS OF TAXES		
Property Taxes	\$ 6,272,254	
Sales Taxes	82,617	
Business Licenses	53,762	
HOPTR	21,585	
Interest Income Earned from Taxes	10,767	
TOTAL SUBJECT TO LIMITATIONS	\$ 6,440,985	
EXCLUSIONS	\$ (2,529,787)	
APPROPRIATIONS SUBJECT TO LIMITATION	<u>\$ 3,911,198</u>	
Maximum allowable appropriation subject to limitations 2021-2022 fiscal year:		
	\$ 4,501,589	
Less: Total appropriation subject to limitation for 2021-2022 fiscal year:	<u>(3,911,198)</u>	
BALANCE UNDER ARTICLE XIIB LIMIT:	<u>\$ 590,392</u>	

Preliminary

POLICY 2.1 – FINANCIAL STRUCTURE

2.1.1 ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City's accounting systems, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that: 1) the cost of a specific control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits require estimates and judgments by management. All evaluations of the City's system of internal control will continue to occur within the above framework. The City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

2.1.2 FUND DESCRIPTIONS

The City's accounting records are organized and operate on a "fund" basis, which is the basic fiscal accounting entity in governmental accounting. Each fund is designated by fund type and classification:

- Governmental Funds - General, Special Revenue, and Capital Projects
- Proprietary Fund - Internal Service
- Fiduciary Funds - Trust and Agency
- Account Groups - General Fixed Assets and General Long-Term Debt

2.1.3 GOVERNMENTAL FUNDS

Governmental Funds are used to account for the City's expendable financial resources and related current liabilities, except for those accounted for in proprietary funds. The basic financial statements necessary to fairly present financial position and operating results for governmental funds are the balance sheet and the statement of revenues, expenditures, and changes in fund balance. Governmental funds are maintained using the modified accrual basis of accounting.

- **General Fund** – The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenses and capital improvement costs which are not paid through other funds.
- **Special Revenue Fund** – The Special Revenue Funds are used to account for revenues derived from specific sources, which are usually required by law or administrative regulation to be accounted for in a separate fund.
- **Capital Improvement Fund** – The Capital Improvement Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

2.1.4 PROPRIETARY FUNDS

Generally accepted accounting principles applicable to a private commercial business are applicable to proprietary funds of a governmental entity. The accrual basis of accounting is utilized. The measurement focus is based upon a determination of net income, financial position and cash flows. Accordingly, basic financial statements are required, such as balance sheet, statement of revenues, expenses and changes in retained earnings (deficit), and the statement of cash flows. The City does not have any proprietary funds.

2.1.5 FIDUCIARY FUNDS

Fiduciary Funds are used to account for money and property held by the City as trustee or custodian for individuals, organizations and other governmental units. Fiduciary funds are not incorporated in the City's budget.

2.1.6 ACCOUNT GROUPS

Account Groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt.

- a. General Fixed Assets Account Group – this account group is used to maintain control and cost information on capital assets owned by the City.
- b. General Long-Term Account Group – this account group is used to account for all long-term debt of the City.

POLICY 2.2 – FUND BALANCE AND RESERVE POLICIES

2.2.1 FUND BALANCE – CLASSIFICATIONS

The City has adopted the provisions of GASB Statement No. 54, Fund Balance and Governmental Fund Type Definitions. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification.

The Fund Financial Statements consist of Nonspendable, Restricted, Committed, Assigned and Unassigned amounts as described below:

Nonspendable:

Items that cannot be spent because they are not in spendable form, such as prepaid items, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

Restricted:

Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed:

Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City and can commit funds through resolutions.

Assigned:

Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has the authority to assign funds in Belvedere and can assign funds through the budgetary process.

Unassigned:

This category is for any balances that have no restrictions placed upon them. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

2.2.2 FUND RESERVES

The City Council may elect to establish General Fund Reserve Policy/Guidelines. These Policy/Guidelines may be updated, modified and revised as determined by the Council. At the time of adoption of this Finance Policy, there are three such Policies/Guidelines: General Fund Reserve, 115 Pension Trust Reserve, and Insurance Reserve.

A. General Fund Reserve:

- Target: The City shall endeavor to achieve at year end a General Fund Reserve that totals six months of the projected fiscal year's General Fund expenditures, plus one half of the current fiscal year's General Fund transfer to the Fire Fund, plus one half of the current fiscal year's debt service payments. In calculating the six months of the current fiscal year's expenditures, transfers to the City's 115 Pension Trust and/or any additional discretionary payments made to CalPERS will not be included because they are discretionary in nature.
- Purpose: Funds reserved under this category shall be used in case of catastrophic events, for budget stabilization purposes, or for capital and special projects:
 - Catastrophic events: Funds reserved shall be used to mitigate costs associated with unforeseen emergencies, including natural disasters or catastrophic events. Should unforeseen and unavoidable events occur that require the expenditure of City resources beyond those provided for in the annual budget, the City Manager or designee shall have authority to approve Catastrophic General Fund Reserve appropriations. The City Manager or designee shall then present to the City Council a budget amendment confirming the nature of the emergency and authorizing the appropriation of reserve funds.
 - Budget stabilization: Funds reserved shall be used to mitigate, should they occur, annual budget revenue shortfalls (actual revenues less than projected revenues) due to changes in the economic environment and/or one-time expenditures that will result in future efficiencies and/or budgetary savings. Examples of "economic triggers" and one-time uses include, but are not limited to:
 - Significant decrease in property tax, or other economically sensitive revenues;
 - Reductions in revenue due to actions by the state/federal government;
 - Workflow/technical system improvements to reduce ongoing, personnel costs and enhance customer service;

- One-time maintenance of service levels due to significant economic/budget constraints; and
- One-time transitional costs associated with organizational restructuring to secure long-term personnel cost savings.
- Capital and Special Projects: Funds reserved may be designated by the City Council for key infrastructure and capital/special projects as identified in the City 5-year Capital Improvement Plan, as there is no ongoing funding source to support the City's capital needs.
- Classification: The General Fund Reserve is classified as "Assigned" in the City's financial statements.

B. 115 Pension Trust Reserve:

- Target: An annual amount as determined by the funding calculation prescribed in Policy 2.3.1.5.
- Purpose: The purpose of the 115 Pension Trust is to set aside an appropriate level of funds to fully fund accrued pension obligations at a more prudential rate. City Council approval is required to transfer accumulated funds in the 115 Pension Trust to CalPERS as an additional discretionary payment or to offset a portion of the actuarially determined contribution.
- Classification: The 115 Pension Trust Reserve Fund is classified as "Restricted" in the City's financial statements.

C. Insurance Reserve:

- Target: Reserves shall be maintained between \$50,000 and \$100,000 to allow for emergencies and numerous or large claims. Reserves shall be replenished through subsequent charges to the appropriate user departments.
- Purpose: This Fund is designed to cover claims and deductibles related to property and casualty insurance claims.
- Classification: The Insurance Reserve Fund is classified as "Assigned" in the City's financial statements.

D. Critical Infrastructure Reserve:

- Target: This reserve does not have a specific dollar target.
- Purpose: The Critical Infrastructure Reserve is available to provide resources for potential future seawall and levee maintenance projects at Beach Road and San Rafael Avenue; both planned and emergency repair projects. The reserve is designed to reduce the City's future needs for borrowing or bonding on these projects and could also be used as required grant matching funds. If these projects do not come to fruition, these funds would be returned to the general fund.
- Classification: The Seawall Reserve Fund is classified as "Assigned" in the City's financial statements.

POLICY 2.3 – PENSION/OPEB FUNDING

2.3.1 PENSIONS

2.3.1.1 Purpose and Goals

The City of Belvedere is committed to fiscal sustainability. In keeping with this principle, it maintains minimal debt and generous reserves to cope with exogenous shocks. The City is also committed to honoring its pension obligations. One of the biggest threats to the City's ongoing fiscal sustainability is its rising pension costs. The overarching goal of this Policy is to avoid the risk of crowding out vital public services in future years, and to provide balance sheet space to finance essential infrastructure projects in the years ahead, by funding its accrued pension obligations at a more prudential rate. This Policy also formalizes a past practice of using excess reserves to make discretionary payments to CalPERS whenever affordable.

Development of the City's Pension Funding Policy was guided by the following five tenets:

- The cost of employee benefits should be paid by the generation of taxpayers who receives services.
- Actuarial assumptions should be prudential to ensure that promised benefits can be paid.
- Funding shortfalls should be closed expeditiously. The goal is full funding.
- Large swings in employer contribution rates are undesirable. Smoothing is desirable.
- Funding policies and underlying assumptions should be clearly delineated and regularly reviewed.

2.3.1.2 Policy

The City shall seek to achieve full funding, over twenty years, of its pension obligations. This means that the City shall seek to have assets to cover 100% of accrued pension liabilities valued at a prudential discount rate (CalPERS discount rate adjusted to reflect real anticipated performance) by 2031 and beyond. This calibrates with CalPERS own amortization rules, which allow losses (or gains) to be amortized over 20 years.

2.3.1.3 Establishing and Funding a Section 115 Trust

The City shall establish a Section 115 Trust ("Trust") into which it will invest funds reserved for future pension-related expenses. The City has elected to participate in the California Employers' Pension Prefunding Trust (CEPPT) Fund 115 Trust program. The City will provide an initial investment using a dollar average formula into this Trust during a fifteen-month period beginning in Fiscal Year 20/21 and will make annual contributions to the Trust in amounts determined by the Finance Committee and approved by the City Council beginning in Fiscal Year 21/22. Funds set aside by the City for this purpose will be transmitted to the Trust no less than annually. The assets will be managed conservatively; the City has selected CEPPT investment Strategy 1 which reflects the City's general risk aversion and pension plan maturity.

2.3.1.4 Role of the Finance Committee

The City's Finance Committee will conduct a standing pension funding review at least every five years to reset the discount rate (adjusting for CalPERS' discount rate based on latest available

evidence), set annual funding costs, and fix payments until the next review. The Finance Committee will also review the investment strategy utilized in the 115 Pension Trust and recommend changes if deemed appropriate. It may also recommend transferring money from the Trust to CalPERS or making a discretionary payment to the Trust or CalPERS from excess reserves if any exist at that time. The Finance Committee will send its recommendations to the City Council for its consideration.

2.3.1.5 Determination of Funding Amounts

In developing its recommendations to the City Council, the Finance Committee will review CalPERS' current discount rate (i.e., expected rate of return on its investments), CalPERS' actual investment performance during the review period, and other relevant factors. The Committee will set an adjusted discount rate (or putative rate) that it believes to be more realistic than the discount rate set by CalPERS and will determine the amounts that should be set aside in the Trust to ensure full funding over the requisite period. These amounts will be determined by using the CalPERS Pension Outlook Tool or substantially similar methodology. Should CalPERS require additional payments from the City due to a reduction in CalPERS' discount rate, the City may elect to reduce its transfers to the 115 Trust by an equal amount.

2.3.1.6 Financial Reporting

The City recognizes the importance of ensuring that pension obligations included in the City's financial statements, particularly its Comprehensive Annual Financial Report, are consistent with CalPERS, and will continue to use CalPERS' discount rate for these purposes. This facilitates easy comparison with other agencies and avoids possible negative impacts on perceived credit quality. The City equally recognizes the importance of communicating its pension stewardship. It will therefore include an annual pension update, describing its pension funding policy, Trust assets and adjusted funded status in its annual budget report. Appropriate disclosures of the 115 Trust investments will be reported in the City's financial statements, consistent with GASB required standards.

2.3.1.7 Effect on Reserve Requirements

The City maintains a robust minimum reserve policy, with reserves required to equal no less than six months of general fund operating expenses, debt financing costs and fire contract costs net of fire tax revenues. Transfers to the Trust and additional discretionary payments made to CalPERS will be excluded from the reserve requirement calculation (denominator) because they are discretionary in nature. This is consistent with the City's existing treatment of discretionary payments to CalPERS and internal money transfers.

2.3.1.8 Employee Contributions

In accordance with PEPRA guidelines and compatible with other local agencies, the City will work over time to increase Classic employee contribution rates to 8.0% of salary for Miscellaneous employees and to 12.0% of salary for Safety workers.

2.3.2 OTHER POST EMPLOYMENT BENEFIT (OPEB)

The City offers OPEB health benefits to employees who meet CalPERS vesting requirements. The benefit provided to City retirees is the minimum amount allowable under the CalPERS health plan, with the exception of certain City Manager retirees, who receive a more generous benefit. This benefit is funded on a pay-go method, with no funds set aside in a trust for this purpose.”

Preliminary

POLICY 2.4 – BUDGET AND LONG-TERM PLANNING

2.4.1 POLICY

The budget shall serve as a principal management tool for the City administration and be used to allocate the City's resources. The budget document should also serve as a helpful tool for citizens in understanding the operations and costs of City services. In general, ongoing appropriations should be supported by ongoing revenues, and the City should maintain healthy reserves.

Each year, the City Manager develops and presents an annual budget to the City Council for its consideration. The development of the budget is a cooperative effort involving the participation of each department head. Each department head is then accountable to the budget, as enacted by the City Council, meaning that he/she must ensure that departmental spending is in accordance with the budget. Department heads may seek approval from the City Manager to adjust departmental spending, and the City Manager is authorized to transfer appropriations within each fund.

2.4.2 BUDGET BASIS

The budgets of general government-type funds (for example, the general fund, and gas tax funds) are prepared on a spending measurement focus. Briefly, this means that only current assets and current liabilities are included on the balance sheets. The modified accrual basis of accounting is followed. Under the modified accrual basis of accounting, revenues are susceptible to accrual when they become both measurable and available. Expenditures, other than interest on long-term debt, are recorded when a current liability is incurred.

The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of "generally accepted accounting principles" (GAAP). In most cases, this conforms to the way the City prepares the budget. One exception is the treatment of compensated absences. Compensated absences, including accrued but unused administrative leave, compensatory time and vacation leave, are treated slightly different in the budget than in the CAFR.

2.4.3 RESPONSIBILITY

The City Manager is responsible for preparing an annual budget for consideration by the City Council.

2.4.4 BUDGET PREPARATION AND TIMELINE

The process of developing the operating budget begins in March of each year. The budget preparation process provides department heads an opportunity to examine programs; propose changes in current services; recommend revisions in organizations and methods; and outline requirements for capital outlay items. The City's executive team reviews departmental budget proposals and recommends adjustments to the City Manager.

During budget review, the City Manager assesses requests for new positions, and prioritizes operating and capital budget requirements. The Finance Committee, which consists of five members chosen by the City Council, the Mayor, the Vice-Mayor and the City Manager, then reviews the draft budget and makes a recommendation to the City Council.

In May of each year, the City Manager presents the draft budget and 5-year projection to the City Council for its consideration, along with the recommendation of the Finance Committee. Generally, a final budget is adopted, by resolution, in June. Each fiscal year begins on July 1.

2.4.5 OPERATING BUDGET OBJECTIVES

In general, ongoing operating costs should be supported by ongoing stable revenue sources. This protects the City from fluctuating services levels and avoids crises when one-time revenues are reduced or removed. Listed below are some additional considerations:

- End of year fund balances or contingency accounts should only be used for one-time expenditures, such as capital equipment and capital improvements.
- Ongoing maintenance costs, such as street resurfacing and parks maintenance, should be financed through recurring operating revenues rather than through bond issuance.
- One-time federal grants should not be used to fund ongoing programs.

2.4.6 REVENUE OBJECTIVES

The City will seek to maintain a diversified and stable revenue system to ensure ongoing fiscal health and the capacity for absorbing short-run fluctuations in any single revenue source.

The City Manager shall review the encumbrances and continuing appropriations to be submitted to the City Council for approval from one fiscal year to the next fiscal year. These encumbrances and continuing appropriations shall become a part of the City's budget.

2.4.7 CAPITAL BUDGET

The Budget shall include a Capital Improvement Plan (CIP) with a discussion of capital projects that are to be funded over a five-year period. Consistent with the CIP, the Budget shall also include a one-year Capital Improvement Budget, which details capital expenditures for the upcoming fiscal year. Although the CIP may identify "unfunded" projects that carry out the City's strategic and general plans, the Capital Improvement Budget must be fully funded with funds projected to be available during the fiscal year. Management should assess the ongoing impact that any given capital project may have on current and future operating budgets when considering whether to include the project in the budget.

2.4.8 BUDGET IMPLEMENTATION

A budgetary control system is maintained to ensure compliance with the budget. The Administrative Services Manager is responsible for setting up the budget for tracking purposes,

and is charged with ensuring that funds remain available during the year to cover expenditures and appropriations. Reports comparing the budget with expenditures are generated on a monthly basis and are provided to department heads and the City Manager.

2.4.9 BALANCED BUDGET

A balanced budget is achieved when the General Fund Reserve Policy (Policy 2.2.2.A) is met.

2.4.10 BUDGET REVISION

The City Manager is authorized to transfer budget appropriations within the same fund. Additional appropriations, or inter-fund transfers not included in the original budget resolution, require approval by the City Council. Use of unappropriated reserves must be approved by the City Council.

2.4.11 LONG-TERM PLANNING

Each annual budget will be accompanied by a five-year financial forecast. This forecast will be integrated with the City's General Plan and Strategic Plan. The forecast will also be reviewed with respect to the City's long-term financial goals and polices.

POLICY 2.6 – DEBT

2.6.1 PURPOSE

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and may be amended by the City Council as it deems appropriate from time to time in the prudent management of the debt of the City. This Debt Policy shall govern all debt undertaken by the City, the Authority (defined below), and any other subordinate entities of the City for which the City Council serves as the governing board.

2.6.2 BELVEDERE PUBLIC FINANCING AUTHORITY

The Belvedere Public Financing Authority (the “Authority”) was formed in May 2016 and is a joint exercise of powers authority organized and existing under and by virtue of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code. The Authority is authorized to issue its revenue bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code. As the legislative body of the City, the Belvedere Council acts as the Governing Board of the Authority.

2.6.3 IN GENERAL

The City recognizes that a fiscally-prudent debt policy is required in order to:

- Maintain the City’s sound financial position;
- Ensure that the City has the flexibility to respond to changes in future service priorities, revenue levels and operation expenses;
- Protect the City’s creditworthiness;
- Ensure that debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the City;
- Ensure that the City’s debt profile is consistent with the City’s planning goals and capital improvement needs.

2.6.4 PURPOSES FOR WHICH DEBT MAY BE ISSUED

Long-Term Debt

Long-term debt may be issued to finance the construction, acquisition and rehabilitation of capital improvements and facilities, equipment and land to be owned and operation by the City.

Long-term debt financings are appropriate when the following conditions exist:

- The project to be financed is necessary for providing basic services;
- The project to be financed will provide benefit to constituents over multiple years;
- Total debt does not constitute an unreasonable burden on the City and its taxpayers;
- The new debt is used to refinance outstanding debt in order to produce debt service savings or realize the benefits of a debt restructuring – for example, in the case of using

pension obligation bonds to restructure obligations associated with defined-benefit pensions.

Long-term debt will not generally be considered appropriate for current operation expenses or routine maintenance expenses.

The City may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the City Council;
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed 120% of the average reasonably expected economic life of the project to be financed.
- The City estimates that sufficient revenues will be available to service the debt through its maturity;
- The City determines that the issuance of the debt will comply with applicable state and federal law.

Short-Term Debt

Short-term debt may be issued to provide financing for the City's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake a lease-purchase financing for equipment.

Financings on Behalf of Other Entities

The City may also find it beneficial to issue debt on behalf of other governmental agencies in order to further the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

2.6.5 TYPES OF DEBT

The following types of debt are allowable:

- General Obligation bonds (GO Bonds)
- Bond or grant anticipation notes (BANs)
- Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
- Other revenue bonds and COPs
- Tax and revenue anticipation notes (TRANS)
- Land-secured financings, such as special tax bonds issued under the Mello-Roos Community Facilities Act of 1982, and limited obligation bonds issued under applicable assessment statutes
- Tax-increment financing to the extent permitted by State law

Debt shall be issued as fixed rate debt unless the City makes a specific determination as to why a variable rate issue would be beneficial to the City in a specific circumstance.

2.6.6 RELATIONSHIP OF DEBT TO CAPITAL IMPROVEMENT PROGRAM AND BUDGET

The City is committed to long-term capital planning. The City could issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and capital improvement plan.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The City shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.

The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The City shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

2.6.7 POLICY GOALS RELATED TO PLANNING GOALS AND OBJECTIVES

The City is committed to long-term financial planning, maintaining appropriate reserve levels and employing prudent practices in governance, management and budget administration. The City would issue debt for the purposes stated in this Debt Policy and in order to implement policy decisions incorporated in the City's annual operations budget.

It is a policy goal of the City to protect taxpayers, ratepayers (if applicable), and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates, or charges.

When refinancing debt, it shall be a policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

2.6.8 INTERNAL CONTROL

PROCEDURES

When issuing debt, in addition to complying with the terms of this Debt Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

Without limiting the foregoing, the City will periodically review the requirements of and will remain in compliance with the following:

- Any continuing disclosure undertakings entered into by the City in accordance with SEC Rule 15c2-12;
- Annual debt transparency report obligations under Government Code section 8855(k);
- Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance;
- The City's investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the City upon the submission of one or more written requisitions by the Administrative Services Manager, or (b) by the City, to be held and accounted for in a separate fund account, the expenditure of which will be carefully documented by the City.

2.6.9 BOND DISCLOSURE

Official Statements

The City's chief financial officer, city manager and other appropriate City staff members shall review any Official Statement prepared in connection with any debt issuance by the City in order to ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by the City.

In connection with its review of the Official Statement, the appropriate City staff members shall consult with third parties, including outside professionals assisting the City, and all members of City staff, to the extent needed to ensure that the Official Statement will include all "material" information (as defined for purposes of federal securities law).

All Official Statements shall be submitted to the City Council for approval as a new business matter and not as a consent item. The City Council shall undertake such review as deemed necessary by the City Council, following consultation with appropriate City staff members, to fulfill the City Council's responsibilities under applicable securities laws.

Continuing Disclosure Filings

Under the continuing disclosure undertakings that the City has entered into in connection with its debt offerings, the City is required each year to file annual reports with the Municipal

Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system in accordance with such undertakings. Such annual reports are required to include certain updated financial and operating information, and the City's audited financial statements. The City is also required under its continuing disclosure undertakings to file notices of certain events with EMMA.

The City's Chief Financial Officer shall establish a system (which may involve the retention or one or more consultants) by which the City will:

- Make the annual filings required by its continuing disclosure undertakings on a complete and timely basis, and
- File notices of enumerated events on a timely basis.

Public Statements

Whenever the City makes statements or releases information relating to its finances to the public that are reasonably expected to reach investors and the trading markets, the City is obligated to ensure that such statements and information are complete, true, and accurate in all material respects.

Training

The members of the City staff involved in the initial or continuing disclosure process shall be properly trained to understand and perform their responsibilities.

CITY OF BELVEDERE

Memorandum

To: Finance Committee

From: Helga Cotter, Administrative Services Director

Date: April 18, 2022

Subject: Revision to Administrative Policy Manual Section 2.5.6 Investment Approach

At the December 1, 2021, Finance Committee meeting, as part of the FY2020-21 Annual Comprehensive Financial Report presentation, the committee discussed Note 3C *Investments Authorized by the California Government Code and the City's Investment Policy* of that report and the possible updates needed, which would also require a change in the language related to Administrative Policy Manual (APM) Section 2.5.6 Investment Approach.


Current Policy:

2.5.6 Investment Approach - It is the practice of the City to invest primarily in the Local Agency Investment Fund or in similar low-risk instruments. Longer-term investments of reserve funds or bond proceeds in other instruments may be considered and recommended by the Finance Committee to the City Manager. Any such investments should only be undertaken if the likelihood of the City needing to deploy these funds in the near term is low.

Proposed Policy:

2.5.6 Investment Approach - It is the practice of the City to invest in the Local Agency Investment Fund, the CalPERS Section 115 California Employers' Pension Prefunding Trust Fund or hold cash on deposit at FDIC insured banks. Investments of reserve funds or bond proceeds in other instruments may be considered if recommended by the Finance Committee to the City Manager for action by the City Council and provided that any such investments should only be undertaken if the likelihood of the City needing to deploy these funds in the near term is low.

This proposed revision would also become Note 3C in the FY2021-22 Annual Comprehensive Financial Report.

	CITY OF BELVEDERE – ADMINISTRATIVE POLICY MANUAL POLICY 2.5 INVESTMENTS		
	Adoption Date:	9/7/2004	Adopted by:
Revised Date:	11/13/2018 4/12/2021	Revised by:	City Council Resolution No. 2018-32 City Council Resolution No. 2021-10
Authority:	City Council		

2.5.1 PURPOSE

The Investment Policy provides guidelines for the prudent investment of temporary idle cash, and outlines policies for maximizing the efficiency of the cash management system. Its purpose is to enhance the economic status of the City while protecting its pooled cash. It is intended that this policy cover all funds and investment activities under the direct authority of the City excluding pension trust funds, other post-employment benefit trust funds, and the proceeds of debt issues.

2.5.2 OBJECTIVE

- A. The investment objective is to ensure fund safety, preserve a significant amount of liquidity and achieve yields on City funds that are idle.
- B. The cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to identify those funds that could be invested without adversely affecting City operations.

2.5.4 POLICY

In order to maximize interest earnings, the City pools the cash from all funds, except those funds held in trust for the City by various financial institutions in accordance with applicable trust agreements related to debt issues. Interest revenue derived from pooled cash is allocated monthly to the participating funds based on the relative cash balance of each fund.

2.5.5 INVESTMENT CRITERIA

Criteria for selecting investments and the order of priority are:

- **Safety**: The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe and are allowable under Government Code Sections 53600 to 53610.

- **Liquidity:** This refers to the ability to “cash in” at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality especially when the need for unexpected funds occasionally occurs.
- **Yield:** This is the dollar earnings an investment can provide, and sometimes is described as the rate of return.

2.5.6 INVESTMENT APPROACH

It is the practice of the City to invest primarily in the Local Agency Investment Fund or in similar low-risk instruments. Longer-term investments of reserve funds or bond proceeds in other instruments may be considered and recommended by the Finance Committee to the City Manager. Any such investments should only be undertaken if the likelihood of the City needing to deploy these funds in the near term is low.

2.5.7 OVERSIGHT

The Finance Committee shall review investments and investment performance on an annual basis. The Committee’s findings shall be reported to the City Council through the Councilperson(s) who serve on the Committee. The Finance Committee shall also review this Investment Policy every three years and report any recommendations to the City Council through the Councilperson(s) who serve on the Committee.