

BUDGET AT A GLANCE

The FY 2022-23 Town-Wide budget consists of \$22.76 million in total revenues and \$24.72 million in total expenditures.

Town-Wide (in Millions)	General Funds	Capital Funds	Other	Total
Revenues	\$ 19.08	\$ 1.98	\$ 1.70	\$ 22.76
Expenditures	(18.48)	(4.38)	(1.86)	(24.72)
Net Transfer	(1.95)	1.61	0.34	0.00
Net Change	(1.35)	(0.79)	0.18	(1.96)
Ending Bal	\$ 24.33	\$ 1.43	\$ 2.02	\$ 27.79

Town's operation is separated into General, Special & Debt, Capital, and business-like functions. The Town tracks most of its daily operations in the General Fund.

The budget process begins in February with a Mid-Year financial overview, followed by the budget development process, where each department reviews and assesses its financial needs for the year. Historical trends, economic factors, and new department priorities are incorporated into the budget and the budget document is reviewed and discussed in public settings in three budget study sessions, prior to the adoption on June 8, 2022. The budget is prepared in accordance with General Accepted Accounting Principles and uses a modified accrual basis.

GENERAL FUND

The general fund revenues and expenditures budget for FY 2022-23 are \$19.08 million and \$18.48 million, respectively.

Revenues

At \$19.09 million, the FY 2022-23 General Fund revenues is \$0.71 million more, or an 3.9% increase from, the projected June 30, 2022 total General Fund revenues.

General Fund Revenues (in millions)	20/21 Actual	21/22 Est. Act	22/23 Budget
Sales tax	\$ 13.62	\$ 12.70	\$ 13.08
Cardroom tax	2.19	4.00	4.20
Property and other taxes	0.76	0.76	0.79
Licenses and permits	0.35	0.24	0.31
Fines and forfeitures	0.10	0.08	0.09
Use of money and property	0.25	0.18	0.30
Revenues from other agencies	0.45	0.19	0.03
Charges for current services	0.06	0.09	0.11
Allocations	-	0.09	0.10
Other revenues	0.09	0.05	0.08
Total General Fund Revenues	\$ 17.87	\$ 18.38	\$ 19.09

The increase is attributed to increase in **sales tax** revenues due to inflation. **Cardroom tax** revenue has restored to pre-pandemic levels and all other general fund revenues have flattened.

Expenditures

The FY 2022-23 operating budget is \$18.47 million and is \$1.21 million, or 7.0 percent more than FY 2021-22 estimated actual.

General Fund Expenditures (in millions)	20/21 Actual	21/22 Est. Act	22/23 Budget
Salaries, Wages, & Benefits	\$ 7.55	\$ 8.53	\$ 8.75
Supplies & Services	0.70	0.78	1.06
Professional & Contract Services	1.62	2.24	2.29
Capital Outlay	-	0.02	0.04
ISF Allocation	-	0.25	0.25
Total General Fund Expenditures	\$ 13.91	\$ 17.26	\$ 18.47

The increase in **salaries, wages & benefits** is associated with the cost of filling a vacant position. The increase in **supplies & services** is related to restoring contingency budget, which was not used in FY 2021-22.

Economic Impacts

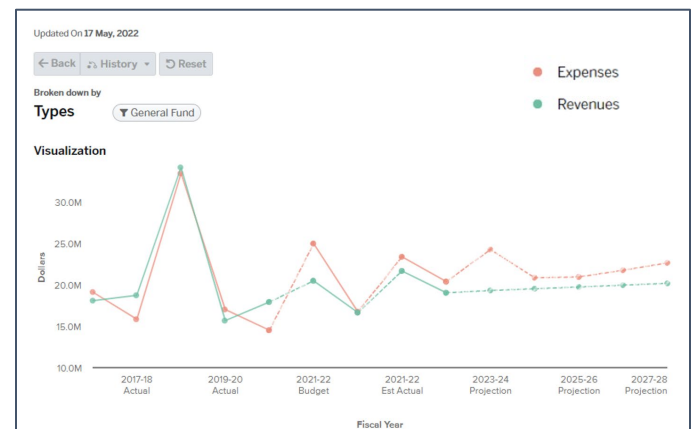
The key economic factors for the Town in the coming years include the impact of inflation and market uncertainty.

Inflation has a positive impact on the Town's sales tax as cost of nonperishable items increase. However, as consumer behavior changes and purchases shift to perishable and useable goods, the Town's sales tax revenues will begin to flatten. This flatten is anticipated to begin in 2023. The other side of inflation results in increase in operating and capital expenditures. As fuel prices and consumer goods rises, the Town's expenditures will increase.

Since the start of 2022, market uncertainty resulted in the fall of investment income. This market uncertainty and the rise in federal reserve is negatively impacting CalPERS investment returns. As a result, the Town is anticipating our option of pension liability will increase in FY 2023-24. In FY 2022-23, under the direction of the City Council, Staff will be research on the benefit of making supplemental pension payments to flatten this dramatic increase.

Five-Year Trend

Based on the current budget plus known economic impacts and capital needs, the Town anticipates General Fund expenditures will exceed revenues in the coming years.



BUDGET AT A GLANCE

ENTERPRISE FUNDS

Aside from the General Fund, the Town has two business-type funds – Sewer and City Properties.

Sewer

In FY 2021-22, the Town completed the Sewer Fee study, and the City Council approved a phased in approach to making the Sewer Fund to be a self-sustaining operating by FY 2025-26. This means that user fees collected will be sufficient to pay for sewer conveyance, treatments, and maintenance, including future major capital improvements.

For FY 2022-23, the Town budgeted \$0.90 million as sewer revenues, \$1.04 million as sewer expenditures, and a general fund transfer of \$260,000.

Sewer Funds (in millions)	20/21 Actual	21/22 Est. Act	22/23 Budget
Revenues and Transfers In			
Sewer Fees	0.99	0.92	0.90
Colma Transfer	0.03	0.20	0.26
Less: Expenses			
Sewer Treatment Cost	(1.02)	(0.87)	(0.99)
Sewer Maintenance Cost	-	(0.05)	(0.05)
Net Change in Fund	\$ -	\$ 0.20	\$ 0.12

Majority of the sewer fees collected are pass-through payments to North San Mateo County Sanitation District and the City of South San Francisco Sanitary Sewer operation. The remaining \$250,000 is the Town's collection fee to maintain and expand the existing Colma sewer infrastructure.

City Properties

As for City Properties, the Town has two rental properties within Colma – Creekside Villa and an unit in Verano. Creekside Villa is dedicated to 62+ Colma residents on a fixed income. Eligibility criteria is stated in Colma Administrative Code Section 2.02. As for the Verano unit, the Town is in the middle of liquidating the unit.

For FY 2022-23, the Town budgeted \$190,000 as revenues, and \$120,000 as expenditures. The Town will be preparing the Verano unit for sale, while complying with State's surplus property disposal process.

City Properties (in millions)	20/21 Actual	21/22 Est. Act	22/23 Budget
Revenues			
Rental Properties	0.19	0.19	0.19
Less: Expenses			
Facility Operations & Maintenance	(0.10)	(0.12)	(0.12)
Net Change in Fund	\$ 0.09	\$ 0.07	\$ 0.07

MAJOR CAPITAL

The town has a rolling 5-year capital program. This means, each year as part of the budget process, the department will assess and add a year to the capital program. Additionally, unspent budget in the current year is automatically rolled over to the budget year.

The following is the 2022-2028 Capital Program. For more information, please go to the Capital Improvement Plan section of the budget.

Capital Program (in Millions)	Prior	22/23	23/24 to 27/28 + Unfunded	Total
Streets, Sidewalks, and Bikeway				
Annual Roadway Rehabilitation and Preventative Maintenance Program (906)	0.15	0.29	0.48	0.92
El Camino Real Bicycle and Pedestrian Improvement (923)	-	2.00	29.10	31.10
F-Street Retaining Wall (902)	0.05	0.40	-	0.45
Lawndale Landscape and Median (956)	0.02	-	1.61	1.63
Mission Road Crosswalk (909)	0.01	-	-	0.01
Mission Road Landscape (908)	0.03	0.34	-	0.37
Town-Wide Bicycle & Pedestrian Master Plan (910)	-	0.10	-	0.10
Sewer and Storm Drain				
Storm Drain Assessment (972)	-	0.07	0.14	0.21
City Facilities & Long-Range Plans				
Facility Parking Lot Upgrades and Repairs (953)	0.10	0.14	-	0.24
Housing Element Update (996)	0.10	0.11	-	0.21
Public Arts Program (980)	-	0.02	-	0.02
Town-Wide Branding (959)	-	0.10	0.10	0.20
Urban Tree Master Plan & Program (998)	-	0.10	0.20	0.30
Zoning Code Update (997)	0.10	0.08	-	0.18
Major Equipment, Technology & Fleet				
Equipment Purchase and Replacement (984)	0.45	0.15	-	0.60
Financial Software Replacement (965)	0.10	0.43	0.02	0.55
IT Infrastructure Upgrades (986)	0.05	0.05	0.25	0.35
Vehicle Replacement (987)	0.16	0.22	0.87	1.25
Total Capital Program	\$ 1.32	\$ 4.60	\$ 32.77	\$ 38.69

ADDITIONAL DETAILS AND INFORMATION

This format was prepared by the Finance Department to highlight in summary fashion key indicators of the Town's financial performance. Additional Financial Reports and Budgets – including earlier Quarterly Financial Reports, Audits and Budgets – are also available on the Town website www.colma.ca.gov. This report will also be posted on the Town website after it has been reviewed by the City Council