

TOWN OF FAIRFAX

2019 - 2020 Operating and Capital Improvement ADOPTED Budget



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ATTACHMENT

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Version 2.4

**PROPOSED BUDGET
FY 2019-2020
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TOWN OF FAIRFAX

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June 5, 2019

Town of Fairfax Proposed Operating and Capital Budgets for Fiscal Year 2019-20

Dear Mayor and Town Council:

I am pleased to present the proposed Fiscal Year 2019-20 Operating and Capital Improvement Budget.¹ The proposed FY19-20 Operating and Capital Improvement budget is approximately \$13.7 million of which \$10.7 million is allocated for general fund operations, \$1.9 million for the capital improvement program (CIP), and \$1.1 million for special fund expenses/debt service.

The proposed budget does draw down General Fund reserves (approx. \$150,000) for one-time expenditures such as the purchase of new financial software (\$100,000) for the Town. However, this was an anticipated expense as the Town has been “saving” for this purchase since FY13-14 (6 years).

For this year’s “Budget Message”, we’ve decided to try a different approach. The message will now serve as a Budget Executive Summary. The Five Year Forecast including Future Challenges and Expenditure and Revenue Detail will be in separate section in the budget. Our hope is that a shorter “Budget Message” will encourage more residents to review the budget and that the Executive Summary will be easier to access and read electronically.

The Executive Summary is broken into seven (7) sections:

- General Fund Expenditures
- General Fund Revenue
- Other Revenue Sources
- General Fund Reserves
- Five Year Capital Improvement Program
- Five Year General Fund Forecast
- Future Financial Challenges

¹ As clarification, this is the Town’s Manager’s message for the proposed budget and, as a result, does not typically reflect the revisions made by the Town Council during the budget approval process. However, this year there was sufficient time to include the Council’s revisions from the workshop into the proposed budget presented at the public hearing.

EXECUTIVE SUMMARY- FY19-20 OPERATING AND CAPITAL BUDGET

The total Fiscal Year 2019-2020 (FY19-20) Operating and Capital budget is approximately \$13.7M of which approximately \$10.7M is allocated for general fund operations including equipment/vehicle purchases, \$1.9M for capital improvement projects (CIP), and \$1.1M for other expenses such as the debt service for Measure K bonds and refinancing of the Town's retirement side fund. While the FY19-20 total operating and capital budget is approximately the same as last year's adopted budget, there are significant differences.

The Proposed FY19-20 operating expense are approximately 5.8% or \$570,000 higher than the adopted FY18-19 budget. Overall, the increased expenses are offset by projected increases in General Fund revenues and transfers. Specifically, General Fund revenues are projected to increase by approximately \$300,000 or 4.3% above the FY18-19 adopted budget. Transfers to the General Fund from other revenue sources are approximately \$275,000 more than the adopted FY18-19 budget.

At year end FY19-20, we anticipate the Town will draw down on GF fund balance by approximately \$118,000 for one-time expenses while maintaining an operating reserve of 36.3% of operating expenses which is well above the Town's policy to maintain a 25% reserve. It should be noted that the Town is projected to begin FY19-20 with \$4 million in General Fund reserves, which is \$200,000 higher than we estimated in the FY18-19 adopted budget.

General Fund Expenditures

The General Fund is the operating fund for all municipalities. While the Town has total of eight (8) General Fund type "accounts", the primary operating fund for the Town is General Fund #01 which contains 98% of the Town's projected expenses. Table A below compares the FY19-20 proposed General Fund 01 (GF) budget to the adopted FY18-19 budget.

Table A

APPROPRIATIONS by Object	Salaries & Wages	Benefits & Payroll Cost	Retirement & Sidefund	Professional Services	Supplies & Tools	Other Operating	FY 2019-20 PROPOSED
FY19-20 PROPOSED GENERAL FUND BUDGET	\$ 3,234,785	\$ 1,059,864	\$ 1,189,361	\$ 3,707,209	\$ 113,528	\$ 1,206,837	\$ 10,511,584
FY18-19 ADOPTED GENERAL FUND BUDGET	\$ 3,126,543	\$ 1,009,906	\$ 1,115,733	\$ 3,509,689	\$ 112,528	\$ 1,065,056	\$ 9,939,456
Variance	\$ 108,242	\$ 49,958	\$ 73,628	\$ 197,520	\$ 1,000	\$ 141,781	\$ 572,128
Variance in %	3.3%	4.7%	6.2%	5.3%	0.9%	11.7%	5.8%

The expenditure increases are summarized as follows:

- Salaries and wages increased by 3.3% which reflects the approved MOU for bargaining groups and the restructuring of the Recreation and Community Services department.
- Benefits & payroll costs increased by 4.7% which is primarily related to increases in health costs.
- Retirement costs increased by 6.2% reflecting the reduction in the CalPERS discount rate and corresponding increase in the contribution rates.

- Professional services increased by 5.3% reflecting significant increases for Fire services related to retirement and health care. Fire services are provided by the Ross Valley Fire Department (RVFD) JPA. The cost for RVFD represents approximately 70% of the professional services budget. Approximately 59% (\$120,000) of the total increase in professional services is for Fire. The \$120,000 also includes an additional \$25,000 for vegetation management activities (e.g., goats, tree contractors). Election costs of \$40,000 are also significantly higher for the last odd-year local election.
- Other Operating expenses increased by 11.7%. Specifically, the Town's contribution for yellow bus services in Ross Valley increased by \$20,000, the Chipper Day budget increased by \$80,000, and increases in insurance and other outside agency costs.
- The proposed budget includes the Council's suggested narrative and budget revisions discussed at the Council's May 10th budget workshop. Specifically, the Council increased the budget for Chipper Days by \$30,000 from \$60,000 to \$90,000.

The \$570,000 does not include \$100,000 for a one-time purchase of new financial software for the Town. This purchase comes from the Office Equipment Replacement Fund (Fund 08) in which the Town has been saving for the software purchase over the past 6 years. The Equipment Replacement Fund (Fund 03) is also not included in the above Table A. Fund 03 is used to pay for vehicle and copier leases. These payments are the same as FY18-19. Please see pg. ix for a more detailed analysis of expenditure increases by department/division.

General Fund Revenues

Overall, the Table below indicates General Fund Revenues are projected to increase by approximately \$300,000 or 4.3% above the FY18-19 adopted budget.

The following are the revenue highlights:

PROJECTED GENERAL FUND REVENUES

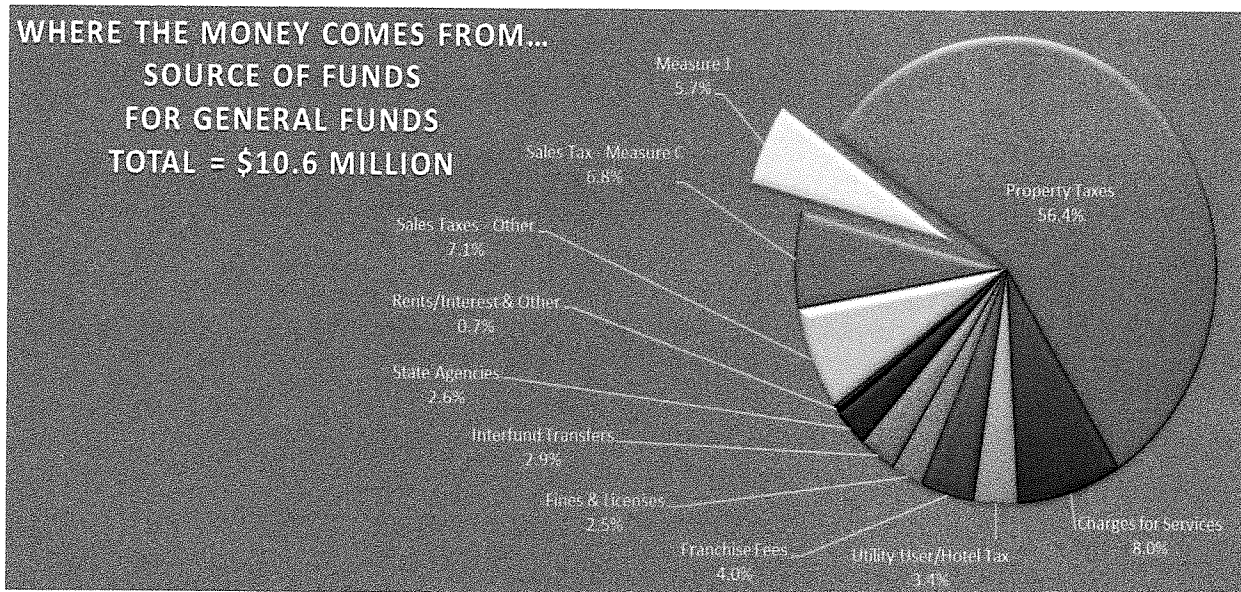
Revenue Detail	Adopted Budget		Proposed Budget		Variance	Var. in %
	FY18-19		FY19-20			
Property Tax	\$ 4,265,964		\$ 4,369,900		\$ 103,936	2.4%
Sales Tax (1%)	\$ 756,594		\$ 756,300		\$ (294)	0.0%
Measure D&C Sales Tax (0.75%)	\$ 681,000		\$ 724,000		\$ 43,000	6.3%
Franchise Fees	\$ 392,000		\$ 430,000		\$ 38,000	9.7%
Utility	\$ 360,000		\$ 361,000		\$ 1,000	0.3%
Other Revenues	\$ 585,742		\$ 704,100		\$ 118,358	20.2%
Total General Fund Revenues	\$ 7,041,300		\$ 7,345,300		\$ 304,000	4.3%

- *Property tax* revenues are projected to increase by approximately 2.4% or \$100,000 compared to the FY18-19 budget. This reflects the fact that most of the property reassessments have been completed and the Town should expect modest increases in the future.
- *Sales tax* is projected to increase by approximately 3% above the FY18-19 adopted budget. The Town's sales tax consultant anticipates no growth in the 1% portion of the tax. However, the add-on ¾ cent sales tax (Measure C) is projected to grow by approximately

6%. The add-on sales tax captures auto sales and on-line purchases.

- The *other revenue* includes business license, interest, fines, and recreation fees. Of the \$118,000, \$85,000 is from increases in the LAIF (local agency investment fund for California) interest rate. In March 2019, LAIF was at 2.55% which is approximately 1% higher than it was one year ago.

The chart below shows that property and sales taxes represent approximately 70% of the Town's total sources of revenue. Measure J represents approximately 6% of total revenue. Please see pg. xi for more detail.



Other Revenue Sources

As stated above, the Town has total of eight (8) General Fund type “accounts.” General Fund (Fund 01) accounts for approximately 70% of the Town's total revenue sources used to offset expenses. There are two other General Fund accounts that generate approximately 20% of the Town's revenues: Building & Planning fees (Fund 04) and Retirement Fund (Fund 06). Planning & Building fees are projected in FY19-20 to be the same as in FY18-19. However, the Retirement Fund will transfer about \$225,000 more to offset operational costs.

The remaining 10% of the Town's General Fund revenues are transfers from Special Funds such as the Police Fund, Measure J, and Gas Tax. Special Funds are restricted funds that can only be used for specific purposes. For example, a portion of Gas Tax funds are used to fund the operations of the Public Works Street Maintenance Division. Special revenue funds will transfer in approximately \$50,000 more to the General Fund in FY19-20 when compared to FY18-19.

General Fund Reserves

At year end FY19-20, we anticipate the Town will draw down on GF fund balance by approximately \$118,000 for one-time expenses while maintaining an operating reserve of 36.3% of operating expenses which is well above the Town's policy to maintain a 25% reserve. It

should be noted that the Town is projected to begin FY19-20 with \$4 million in General Fund reserves, which is \$200,000 higher than we estimated in the FY18-19 adopted budget.

The Table below shows the project breakdown of GF reserve fund balances. “Designated” means the funds are reserved for specific uses by either Council policy or legal funding restriction.

General Funds Appropriations			10,691,363	100.0%	
Fund #	Description			% of GF Approp.	
02	Dry Period Reserve	Undesignated	1,000,000	9.4%	
01	General Fund	Undesignated	2,119,165	19.8%	
03	Equipment Replacement	Designated	302,652	2.8%	
04	Building & Planning Fees	Designated	92,918	0.9%	
05	Building Reserve	Designated	65,000	0.6%	
06	Retirement	Designated	262,809	2.5%	
08	Office Equipment	Designated	38,600	0.4%	
Total General Fund Reserves			3,881,143	36.3%	
			Designated	761,978	7.1%
			Undesignated	3,119,165	29.2%

The reserve designations are characterized as follows:

- The Dry Period reserve is for economic downturns and emergencies such as the damage caused by the 2017 winter storms.
- The General Fund reserve is not specifically designated for any uses.
- Equipment Replacement reserve (Fund 03, pg. 57) is for future vehicle replacement and storm water pollution improvements needed in future years. Current vehicle and solar panel leases are charged to this fund.
- The Building and Planning reserve is for economic downturns which affect fee/permit revenues. The department would be able to tap into the reserves to keep operating at the same staffing level during the downturn.
- Building Improvement reserve (Fund 05, pg. 59) is for needed building improvements in the future such as roof repair.
- Retirement reserve (Fund 06, pg. 60) is the only “Restricted” fund because it can only be used for retirement costs.
- Office Equipment (Fund 08, pg. 62) includes the leases for the Town’s copiers and saves for the replacement of the Town’s computers and servers in the future.

Five-Year Capital Improvement Program (5 Yr. CIP)

The Five-Year CIP allows the Council to set priorities for future projects and assess the availability of funding. The Council only adopts the first year of the 5 Yr. CIP. While the total Five-Year CIP budget is approximately \$15,300,000, the budget for FY19-20 is approximately \$1,950,000. The funding comes from a variety of federal, state, local grants such as the Highway Bridge Program, FEMA, sales tax from TAM, gas tax, County loan, Measure C,

Measure J, and Measure A Park money.

The FY19-20 CIP is approximately \$550,000 lower than the previous year's CIP because the Town completed the Forrest Rd. road stabilization and the Parkade Improvement projects. The CIP does carry-over projects from FY18-19 CIP such as general street resurfacing and repair, FEMA, downtown sidewalks, and bridge improvements. The FY19-20 CIP does include funding for street resurfacing/maintenance improvements (approx. \$520,000) at approximately the same level (approx. \$560,000) as the previous year. The slight reduction in funding is for street improvements which reflect the completion of the road repaving project on Scenic Road from Shapiro to Bay.

The proposed CIP does include the repaving portions of upper Scenic Road and continued implementation of projects listed in the Pavement Management Plan (see appendix A-8) The CIP also continues to budget significant funding for pedestrian trail improvements and the replacement of downtown sidewalks. For more information on the Five-Year CIP, please refer to the CIP list on pg. 76.

Five Year General Fund Forecast

The Table below shows projected revenues and expenses over the Five Year Forecast period. The Forecast shows that over the five-year period revenues will match expenditures. The Town's GF reserves are projected to slightly increase over the Forecast period. In FY21-22, the Town will have paid off its CalPERS side fund retirement debt obligations. This will result in a "savings" of approximately \$200,000-\$250,000 in annual principal payments.

Five Year General Fund Forecast

	Proposed FY19-20	Projected FY20-21	Projected FY21-22	Projected FY22-23	Projected FY23-24
Total General Funds Appropriation	\$ 10,691,340	\$ 10,950,883	\$ 11,081,823	\$ 11,481,214	\$ 11,723,073
GF Revenue (taxes, fees)	\$ 7,345,300	\$ 7,731,918	\$ 7,922,381	\$ 8,113,999	\$ 8,309,108
Other GF Rev*	\$ 2,335,000	\$ 2,303,375	\$ 2,390,959	\$ 2,420,733	\$ 2,481,252
Net Transfers In to GF**	\$ 893,000	\$ 932,000	\$ 941,000	\$ 950,000	\$ 959,000
Subtotal GF Revenue	\$ 10,573,300	\$ 10,967,293	\$ 11,254,340	\$ 11,484,732	\$ 11,749,360
Net Surplus(Deficit) to GF reserves	\$ (118,040)	\$ 16,410	\$ 172,517	\$ 3,518	\$ 26,286
Ending GF Bal	\$ 3,875,000	\$ 3,891,410	\$ 4,063,927	\$ 4,067,445	\$ 4,093,731
In % of GF Exp	36.2%	35.5%	36.7%	35.4%	34.9%

Please refer to Five Year Forecast (pg. xii) for more detail.

Future Financial Challenges

The renewal of the Special Municipal Tax (Measure J) is one of the greatest challenges facing the Town over the next five-year period. Measure J is a five -year, special municipal services tax of \$195 per dwelling unit and business occupancy. Measure J will expire in June 2020. The Table below shows the budgetary allocations of Measure J over the past five years.

USE OF MEASURE J FUNDS

Services	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	5yr Total
BUDGETED						
Police	\$ 148,000	\$ 384,099	\$ 360,600	\$ 272,100	\$ 322,100	\$1,486,899
Fire	150,000	150,000	250,000	250,000	262,000	1,062,000
Youth & Senior Programs	25,000	28,000	28,000	38,000	38,000	157,000
Public Works Improvements	69,000	132,000	40,000	100,000	40,000	381,000
Matching funds for grants	68,000	68,000	63,000	81,500	60,000	340,500
Total Budgeted	\$ 460,000	\$ 762,099	\$ 741,600	\$ 741,600	\$ 722,100	\$3,427,399

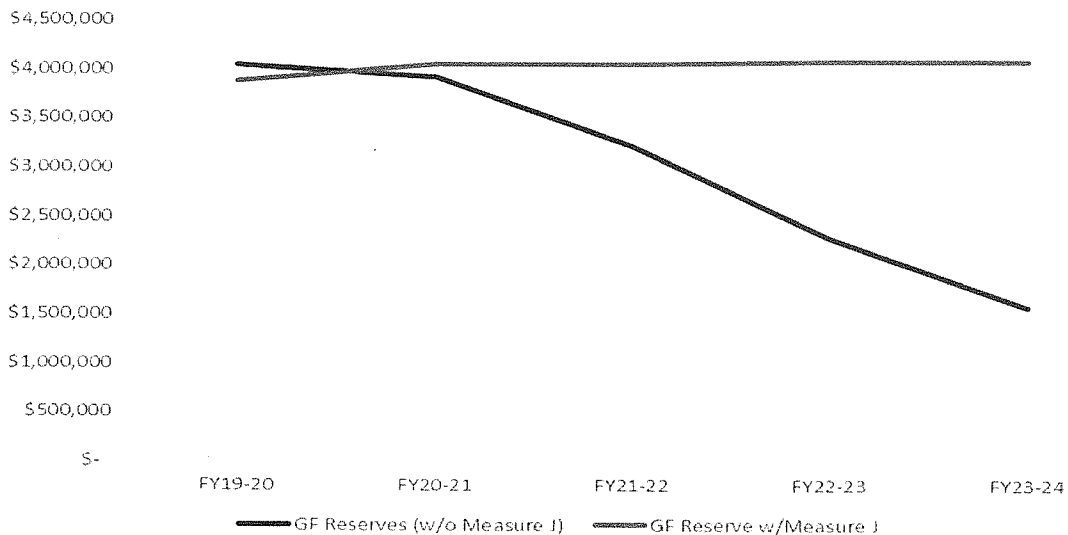
For FY18-19, over 80% of Measure J revenues are used to fund Police and Fire services. Over the past five years, over 74% of the Measure J funds have been used to fund Police and Fire services.

While the Town's financial position has improved significantly since 2009, the special municipal services tax (Measure J) remains a key financial component of the Town's revenue sources. Measure J provides funding to:

- Keep our local Police Station open 24/7
- Maintain Fire Department services
- Fund Public Works/safety projects such as pedestrian trails and matching grants for capital projects such as street repaving
- Enhance Youth and Senior programs

While the Council has stated it plans to place the renewal on the November 5, 2019 ballot, we can't overstate the need for the community to renew the tax. Without an extension, the Town would face a 6% shortfall in revenues. The below graph shows the impact to General Reserves without a renewal of Measure J and no reduction in current operating expenses. In five years, the Town's reserves would drop from 36% to less than 8% of operating expenses.

Graph C: General Fund Reserves w/o Measure J



Obviously, the Town would make the required corresponding decrease in expenditures prior to FY23-24, but this would, no doubt, have a major adverse impact to service levels. Please refer to the Five Year Forecast (pg. xv) for more detail.

Special Thanks

I would like to thank the Town staff for their input and insights as we prepared this draft document, with special appreciation to our Finance staff, mainly Finance Director, Michael Vivrette, for continuing his efforts to refine the budget format with a goal of creating a more transparent and readable budget.

On behalf of Town staff, our continued “thanks” to all the Fairfax residents who supported the Town’s various tax measures in the past and, hopefully, in the future. Staff members continue to wear multiple hats to balance the competing priorities of the Town. I continue to be impressed by our dedicated staff and the pride they take in doing their work. That attitude combined with the efforts of our numerous volunteers allows us to accomplish much more than we could otherwise. That is the essence of the Fairfax way.

This past year the Town completed its largest project in quite a while: the much needed Parkade Improvement Project. This project combined with policy discussions regarding cannabis and 5-G wireless facilities tested the endurance and fortitude of the Council. As to be expected, the Council demonstrated its continued ability to weather the storms and the leadership required to meet these challenges head on. I look forward to working with Council and community to continue our on-going goal of enhancing the quality of life in Fairfax.

Lastly, we all need to remember to *Keep Smiling* ☺

Respectfully Submitted,



GARRETT TOY
Town Manager

EXPENDITURE AND REVENUE ANALYSIS

This section provides more detail on General Fund expenditures and revenues.

Expenditures

The Table below compares the proposed FY19-20 operating budget to the FY18-19 budget by department/division. Total proposed expenditures are 5.8% higher than in FY18-19.

TABLE- EXPENDITURE COMPARISON

APPROPRIATIONS SUMMARY		FY 2018-19	FY 2019-20	Variance	Variance
		Adopted	Proposed		In %
Act.	Department/Division				
111	Town Council	32,080	32,035	\$ (45)	-0.1%
112	Town Treasurer	4,800	4,926	\$ 126	2.6%
116	Independent Auditor	57,750	60,638	\$ 2,888	5.0%
121	Town Attorney	190,000	190,000	\$ -	0.0%
	Total Town Council	284,630	287,598	\$ 2,969	1.0%
				\$ -	
211	Town Manager	198,980	205,461	\$ 6,481	3.3%
221	Town Clerk	213,290	176,836	\$ (36,454)	-17.1%
222	Elections	5,000	45,000	\$ 40,000	800.0%
231	Personnel	76,747	78,242	\$ 1,495	1.9%
241	Finance	312,328	329,717	\$ 17,390	5.6%
	Total General Administration	806,345	835,257	\$ 28,912	3.6%
				\$ -	
311	Planning	528,351	544,068	\$ 15,718	3.0%
321	Building Inspection & Permits	245,150	253,160	\$ 8,011	3.3%
	Total Development Services	773,500	797,228	\$ 23,728	3.1%
				\$ -	
411	Police	3,338,412	3,615,037	\$ 276,625	8.3%
412	Special Police Expenses	-	-	\$ -	
418	Disaster Preparedness	14,700	16,700	\$ 2,000	13.6%
421	Ross Valley Fire Service	2,426,916	2,544,210	\$ 117,294	4.8%
	Total Public Safety	5,780,028	6,175,947	\$ 395,919	6.8%
				\$ -	
510	Public Works Administration	277,015	270,665	\$ (6,350)	-2.3%
511	Street Maintenance	399,578	422,605	\$ 23,026	5.8%
512	Street Lighting & Traffic Signals	98,000	110,000	\$ 12,000	12.2%
513	Storm Damage FEMA	-	-	\$ -	
	Total Public Works	774,593	803,269	\$ 28,676	3.7%
				\$ -	
616	Community Services	32,170	35,082	\$ 2,912	9.1%
617	Recreation	56,371	61,356	\$ 4,985	8.8%
621	Fairfax Recreation	123,820	152,171	\$ 28,351	22.9%
622	Summer Camps	14,400	15,100	\$ 700	4.9%
	Total Recreation & Community Services	226,761	263,709	\$ 36,948	16.3%
				\$ -	
611	Park Maintenance	254,511	261,737	\$ 7,227	2.8%
625	Rental Facilities-WC & Ballfield	75,504	77,812	\$ 2,308	3.1%
911	Building Maintenance	-	-	\$ -	0.0%
	Total Parks & Facility Maintenance	330,015	339,550	\$ 9,535	2.9%
				\$ -	
715	Non Departmental	963,583	1,009,026	\$ 45,443	4.7%
	TOTAL GENERAL FUND APPROPRIATIONS	9,939,456	10,511,584	\$ 572,128	5.8%

The following is brief explanation for any increase/decrease of 4.5% or more in the proposed FY19-20 operating budget compared to the FY18-19 budget:

- Independent Auditor (Activity #116, pg. 15 of the budget)- Increase in contractual services.
- Town Manager (#211, pg. 17)- Reflect increases in retirement/UAL costs, medical insurance, and cost of living adjustments.
- Town Clerk (#221, pg. 20)- The reduction reflects the completion of the redesign of the Town's website and moving the costs for website maintenance/management to Recreation and Community Services.
- Elections (#222, pg. 21)- The \$45,000 is the high end of the County of Marin's estimated cost to conduct the local election. Per State Law, municipalities were required to move their local elections to even-numbered years by November 2022 in order to increase voter participation. Most of the Marin agencies chose to extend current terms and moved the November 2019 election to November 2020. The result is the cost for the remaining Marin agencies, such as Fairfax, who choose to keep the November 2019 election will be dramatically higher because there are significantly fewer agencies to share the elections costs with. We anticipate election costs in future even-numbered years will be less than \$10,000.
- Finance (#241, pg. 25) – The majority of the increase is for additional financial reports required by the State and other agencies.
- Police (#411, pg. 32)- Approximately 1/3 of the percentage increase is due to the FY18-19 budget understating the CalPERS UAL contribution. Staff inadvertently used an older estimate for the FY18-19 budget. The remainder of the increase is due to increases in medical premiums, contractual cost of living adjustments, and increases in retirement costs due to the CalPER's reduction in their discount rate.
- Disaster Preparedness (#418, pg. 34) – The budget includes an additional \$2,000 for disaster preparedness materials for a total of \$5,000.
- Fire (#421, pg. 36) – The increase is primarily due to increases in retirement and UAL costs, cost of living adjustments, and Fire Prevention/Inspection costs. The budget allocates \$100,000 for Fire Prevention/Inspection costs of which approximately 50% pays for the town's share of the expanded services provided by Ross Valley Fire and the other 50% is for the Town's own vegetation management activities on its open space properties.
- Street Maintenance (#511, pg. 41) – This reflects an increase, over the past years, in required outside services such as tree contractors and general pavement repair.
- Street Lighting & Traffic Signals (#512, pg. 42)- This reflects the increased cost for services to maintain and repair streetlights and traffic signals.
- Recreation and Community Services (RCS: #616, 617,621, 622, pg. 49-52) – The budget

increase is due to the restructuring of the department to better reflect responsibilities and provide a more focused delivery of services. In addition, Town-wide communication and marketing efforts have been transferred to RCS from the Town Clerk's Division. Approximately \$25,000 of costs was moved from the Town Clerk's budget to RCS.

- Non-Departmental (#715, pg. 54)- This activity encompasses all those general operating costs that are not assigned to specific departments/divisions such as insurance/claims, animal control services, and retiree health contributions. Items of note are that the Town increased its contributions for the Ross Valley Yellow Bus Service by \$20,500 from \$10,000 to \$30,500 (same as San Anselmo) due to the reallocation of funding by TAM and the County, increased funding for Chipper Days by \$70,000² from \$20,000 to \$90,000.

General Fund Revenues

Overall, Table C below indicates General Fund Revenues are projected to increase by approximately \$300,000 or 4.3% above the FY18-19 adopted budget. While property and sales taxes are projected to increase, the largest percentage increases are in recreation/class fees and LAIF interest rate. Recreation fees reflect increases in contract fees and user participation. In March 2019, LAIF was at 2.55% which is approximately 1% higher than it was one year ago.

TABLE C- PROJECTED GENERAL FUND REVENUES

Revenue Detail	Adopted Budget	Proposed Budget	Variance	Var. in %
	FY18-19	FY19-20		
Property Tax	\$ 4,265,964	\$ 4,369,900	\$ 103,936	2.4%
Sales Tax (1%)	\$ 756,594	\$ 756,300	\$ (294)	0.0%
Measure D&C Sales Tax (0.75%)	\$ 681,000	\$ 724,000	\$ 43,000	6.3%
Utility	\$ 360,000	\$ 361,000	\$ 1,000	0.3%
Subtotal Taxes	\$ 6,063,558	\$ 6,211,200	\$ 147,642	2.4%
Other Revenues				
Franchise Fees	\$ 392,000	\$ 430,000	\$ 38,000	9.7%
Business License	\$ 130,000	\$ 132,000	\$ 2,000	1.5%
Fines	\$ 124,000	\$ 130,000	\$ 6,000	4.8%
Rental & Maintenance Fees	\$ 25,000	\$ 25,000	\$ -	0.0%
Revenues from other Agencies	\$ 48,812	\$ 50,700	\$ 1,888	3.9%
Recreation/Class Fees	\$ 105,130	\$ 125,600	\$ 20,470	19.5%
Interest/LAIF	\$ 41,300	\$ 126,300	\$ 85,000	205.8%
Charges for Svc/Other	\$ 111,500	\$ 114,500	\$ 3,000	2.7%
Subtotal Other Rev	\$ 977,742	\$ 1,134,100	\$ 156,358	16.0%
TOTAL GENERAL FUND REVENUE	\$ 7,041,300	\$ 7,345,300	\$ 304,000	4.3%

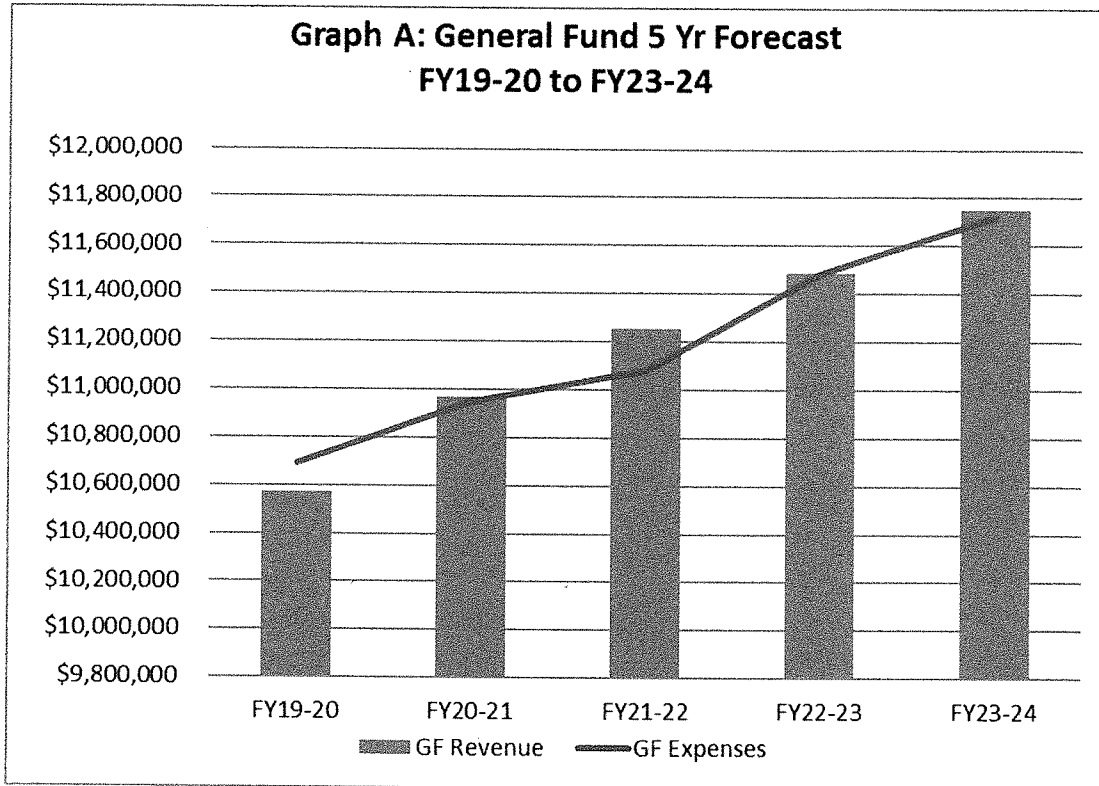
² At its budget workshop, the Council increased the budget for Chipper Days by \$30,000 from the proposed \$60,000 to \$90,000.

- *Property tax* revenues are projected to increase by approximately 2.4% or \$100,000 compared to the FY18-19 budget. This reflects the fact that most of the property reassessments have been completed and the Town should expect modest increases in the future.
- *Sales tax* is projected to increase by approximately 3% above the FY18-19 adopted budget. The Town's sales tax consultant anticipates no growth in the 1% portion of the tax. However, the add-on ¾ cent sales tax (Measure C) is projected to grow by approximately 6%. The add-on sales tax captures auto sales and on-line purchases.
- *Franchise fees* reflect the increase in fees for Marin Sanitary Services
- The *other revenue* includes business license, interest, fines, and recreation fees. Of the \$118,000, \$85,000 is from increases in the LAIF (local agency investment fund for California) interest rate. In March 2019, LAIF was at 2.55% which is approximately 1% higher than it was one year ago.

Property and sales taxes represent approximately 70% of the Town's total sources of revenue. Measure J represents approximately 6% of total revenue.

FIVE YEAR GENERAL FUND FORECAST

The Five-Year Forecast (Forecast) allows the Town Council an opportunity to plan based on projected revenues and expenditures. Graph A shows the Town will NOT need to draw down into General Fund Reserves during the Forecast period. The Forecast assumes no significant cuts to service levels and the renewal of Measure J as proposed by the Town Council.



The Table below shows projected revenues and expenses over the Five Year Forecast period. The Forecast shows that over the five-year period revenues will match expenditures. The Town's GF reserves are projected to slightly increase over the Forecast period. In FY21-22, the Town will have paid off its CalPERS side fund retirement debt obligations. This will result in a "savings" of approximately \$200,000 to 250,000 in annual principal payments.

**TABLE A
Five Year General Fund Forecast**

	Proposed FY19-20	Projected FY20-21	Projected FY21-22	Projected FY22-23	Projected FY23-24
Total General Funds Appropriation	\$ 10,691,340	\$ 10,950,883	\$ 11,081,823	\$ 11,481,214	\$ 11,723,073
GF Revenue (taxes, fees)	\$ 7,345,300	\$ 7,731,918	\$ 7,922,381	\$ 8,113,999	\$ 8,309,108
Other GF Rev*	\$ 2,335,000	\$ 2,303,375	\$ 2,390,959	\$ 2,420,733	\$ 2,481,252
Net Transfers In to GF**	\$ 893,000	\$ 932,000	\$ 941,000	\$ 950,000	\$ 959,000
Subtotal GF Revenue	\$ 10,573,300	\$ 10,967,293	\$ 11,254,340	\$ 11,484,732	\$ 11,749,360
Net Surplus(Deficit) to GF reserves	\$ (118,040)	\$ 16,410	\$ 172,517	\$ 3,518	\$ 26,286
Ending GF Bal	\$ 3,875,000	\$ 3,891,410	\$ 4,063,927	\$ 4,067,445	\$ 4,093,731
In % of GF Exp	36.2%	35.5%	36.7%	35.4%	34.9%

Table A above does indicate the Town will maintain a robust GF reserve balance above 30% by adding incremental to GF reserves each year.

Table B below shows the breakdown of General Fund Revenues. For FY19-20, we are projecting that property taxes will grow by a modest 2.5% per year. This conservation estimate reflects the fact that most properties will have been reassessed from the recession and that property taxes will grow at the maximum statutory increase of 2% per year plus reassessments due to home sales or improvements. Our sales tax consultant projects that sales tax will grow between 3% to 3.5% per year.

For Forecast purposes, most of the other revenues are kept relatively flat. The exceptions are that “Franchise Fees” are increased by 4% per year reflecting modest annual increases in Marin Sanitary Service fees and Recreation/Class Fees are increased by 4% per year which reflects increases in rental and program fees.

TABLE B

GENERAL FUND REVENUE 5 YEAR FORECAST

Revenue Detail	Adopted FY18-19	Proposed FY19-20	Projected FY20-21	Projected FY21-22	Projected FY22-23	Projected FY23-24
Property Tax	\$ 4,265,964	\$ 4,369,900	\$ 4,479,148	\$ 4,586,647	\$ 4,696,727	\$ 4,809,448
Sales Tax (1%)	\$ 756,594	\$ 756,300	\$ 787,308	\$ 819,588	\$ 847,454	\$ 873,725
Measure D&C Sales Tax (0.75%)	\$ 681,000	\$ 724,000	\$ 747,892	\$ 769,581	\$ 792,668	\$ 814,863
Utility	\$ 360,000	\$ 361,000	\$ 362,805	\$ 364,619	\$ 366,442	\$ 368,274
Subtotal Taxes	\$ 6,063,558	\$ 6,211,200	\$ 6,377,153	\$ 6,540,435	\$ 6,703,291	\$ 6,866,310
Other Revenues						
Franchise Fees	\$ 392,000	\$ 430,000	\$ 447,200	\$ 465,088	\$ 483,692	\$ 503,039
Business License	\$ 130,000	\$ 132,000	\$ 132,660	\$ 133,323	\$ 133,990	\$ 134,660
Fines	\$ 124,000	\$ 130,000	\$ 132,600	\$ 135,252	\$ 137,957	\$ 140,716
Rental & Maintenance Fees	\$ 25,000	\$ 25,000	\$ 26,250	\$ 27,563	\$ 28,941	\$ 30,388
Revenues from other Agencies	\$ 48,812	\$ 50,700	\$ 50,954	\$ 51,208	\$ 51,464	\$ 51,722
Interest (LAIF)	\$ 41,300	\$ 126,300	\$ 126,300	\$ 126,300	\$ 126,300	\$ 126,300
Recreation/Class Fees	\$ 105,130	\$ 125,600	\$ 129,368	\$ 133,249	\$ 137,247	\$ 141,364
Charges for Svc/LAIF/Other	\$ 111,500	\$ 114,500	\$ 119,500	\$ 119,500	\$ 119,500	\$ 119,500
Subtotal Other Rev	\$ 977,742	\$ 1,134,100	\$ 1,164,832	\$ 1,191,483	\$ 1,219,090	\$ 1,247,688
TOTAL GENERAL FUND REVENUE	\$ 7,041,300	\$ 7,345,300	\$ 7,541,984	\$ 7,731,918	\$ 7,922,381	\$ 8,113,999
	% increase	4.3%	2.7%	2.5%	2.5%	2.4%

Table C below shows that General Fund (GF) revenues are projected to grow by approximately 4.3% in FY19-20 and then increase an average 2.5% per year from FY20-21 to FY23-24. GF expenditures will also experience a significant increase of over 7% in FY19-20 and then average approximately 2.9% per year over the remaining four-year period. In FY19-20, the \$670,000 includes a one-time \$100,000 purchase of new financial software for the Town. Adjusting the \$670,00 for this one time purchase, the Proposed FY19-20 operating expense are approximately 5.8% or \$570,000 higher than the adopted FY18-19 budget.

TABLE C
GENERAL FUND REVENUE AND EXPENDITURE FORECAST IN %

	Adopted FY18-19	Proposed FY19-20	Projected FY20-21	Projected FY21-22	Projected FY22-23	Projected FY23-24
Total GF Revenue*	\$ 7,041,300	\$ 7,345,300	\$ 7,541,984	\$ 7,731,918	\$ 7,922,381	\$ 8,113,999
Rev. Incr. from prior yr adopted budget	\$ 514,200	\$ 304,000	\$ 196,684	\$ 189,934	\$ 190,463	\$ 191,618
Increase in %	7.3%	4.3%	2.7%	2.5%	2.5%	2.4%
Total GF Expenses	\$ 10,021,145	\$ 10,691,340	\$ 10,950,883	\$ 11,081,823	\$ 11,481,214	\$ 11,723,073
Exp. Incr. from prior yr adopted budget	\$ 526,753	\$ 670,195	\$ 259,543	\$ 130,940	\$ 399,391	\$ 241,859
Increase in %	6.0%	7.3%	2.6%	1.2%	3.6%	4.2%

* GF revenue does not include transfers or special revenue

The Forecast includes projected step increases and modest cost of living increases. Health care costs are estimated to increase annually by 6% which reflects the recent increases in Kaiser Health rates.

Retirement costs are estimated to increase by a more stable average of 8% per year due to CalPERS completing the phase-in of its interest rate assumptions from 7.5% to 7.0%. However, the Town will have paid off its CalPERS side fund retirement debt obligations in FY21-22. This will result in a “savings” of approximately \$200,000-250,000 in principal payments.

Except for Fire services, all other non-personnel expenses are increased by 2% per year. The Town’s contribution to Fire is projected to increase an average of 4.5% per year, primarily due to retirement costs. Increases in health and retirement costs continue to represent the most significant impact to future budgets. Unfortunately, we have little control over those two factors.

As an offset against projected increases in expenditures, the Forecast does assume savings from some staff turnover/retirements, reductions in on-going operating costs associated with one-time expenditures (e.g., financial software), and reductions in the amount of the pre-payment toward unfunded retirement liability.

Future Financial Challenge

One major assumption of the Five-Year Forecast is the renewal of Measure J, the Special Municipal Tax of \$195 per residential/commercial unit, in 2019. Without a renewal, the tax would expire June 2020 which is reflected in Table D below. More significantly, Table D indicates that in FY20-21 the Town would need to fill an estimated \$713,000 gap in revenue

which represents approximately 6% of General Fund expenditures. Without a replacement revenue source, this would necessitate a major restructuring of how the Town provides services such as Police and Public Works.

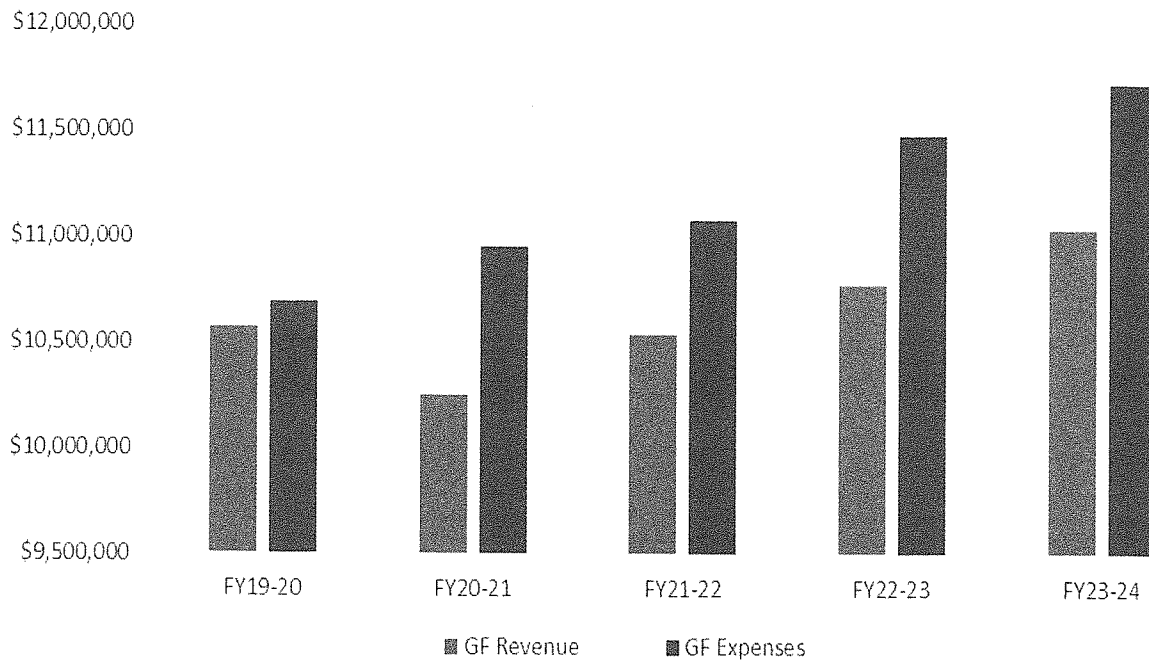
Table D shows that unless the Town adopted major budget cuts, it would need to dip into GF reserves at an unsustainable pace beginning in FY20-21.

TABLE D
Revenue Scenarios Five Year Forecast

	Proposed FY19-20	Projected FY20-21	Projected FY21-22	Projected FY22-23	Projected FY23-24
Total GF Appropriations	\$ 10,691,340	\$ 10,950,883	\$ 11,481,214	\$ 11,481,214	\$ 11,723,073
Total GF Revenues and Transfers	\$ 10,573,300	\$ 10,967,293	\$ 11,254,340	\$ 11,484,732	\$ 11,749,360
Surplus (Deficit)	\$ (118,040)	\$ 16,410	\$ (226,874)	\$ 3,518	\$ 26,286
Less Special Municipal Tax (Measure J)	\$ -	\$ (713,000)	\$ (713,000)	\$ (713,000)	\$ (713,000)
Adjusted Surplus(deficit)	\$ (118,040)	\$ (696,590)	\$ (939,874)	\$ (709,482)	\$ (686,714)
Proj. GF Fund Balance	\$ 3,933,960	\$ 3,237,370	\$ 2,297,496	\$ 1,588,014	\$ 901,300
In % of GF Exp	36.8%	29.6%	20.0%	13.8%	7.7%

Graph B shows the significant short fall beginning in FY20-21 between forecasted revenues and expenditures if the Town did not revise its budget to reflect the loss of Measure J revenues.

Graph B: Impact on General Fund Budget if Measure J is NOT Renewed



In FY22-23, if forecasted expenditures did not change (highly unlikely), Table D above indicates that General Fund reserves would be less than 15% which is well below the Town policy of maintaining a 25% fund balance reserves and would begin to adversely impact the Town's cash flow and operations. Ideally, communities should maintain a minimum 15% fund balance for cash flow purposes.

Graph C shows the precipitous drop in GF reserves without the renewal of Measure J. Presumably, the reductions in service levels would need to be in place prior to FY22-23 before the Town began to dip below its minimum GF reserve policy of 25%

Graph C: General Fund Reserves w/o Measure J

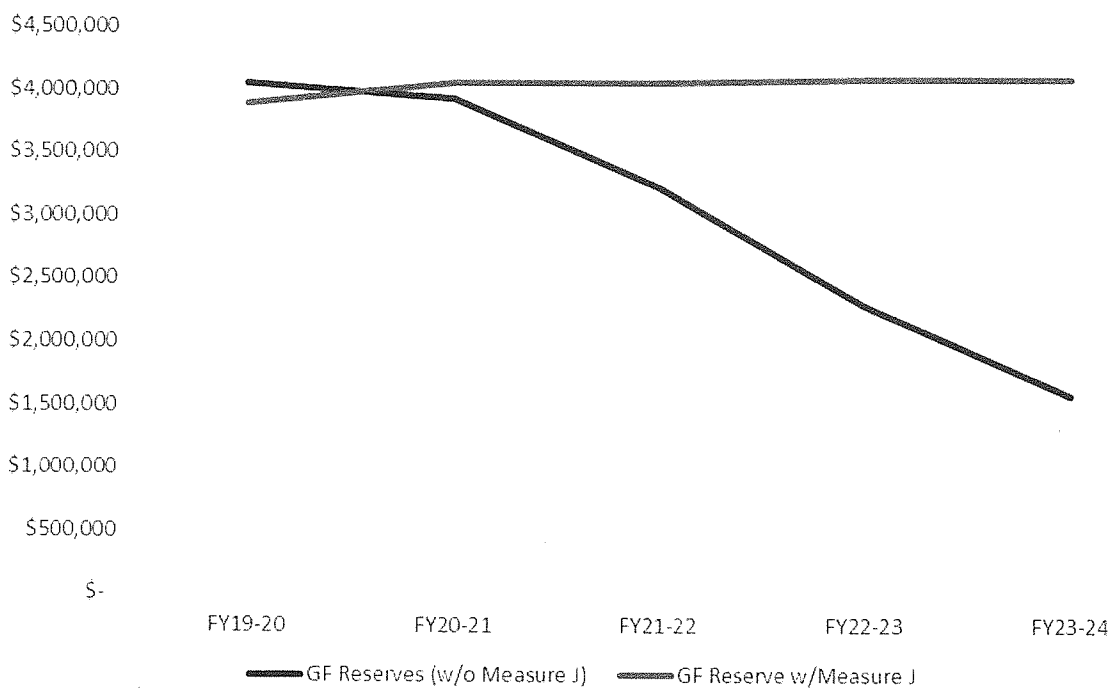


Table E shows the use of Measure J funds over the past five years. During the Fire Year period, Police and Fire operations received over 70% of Measure J funds. Without Measure J, Police and Fire services would be greatly impacted.

TABLE E- USE OF MEASURE J FUNDS

Services	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	5yr Total
BUDGETED						
Police	\$ 148,000	\$ 384,099	\$ 360,600	\$ 272,100	\$ 322,100	\$ 1,486,899
Fire	150,000	150,000	250,000	250,000	262,000	1,062,000
Youth & Senior Programs	25,000	28,000	28,000	38,000	38,000	157,000
Public Works Improvements	69,000	132,000	40,000	100,000	40,000	381,000
Matching funds for grants	68,000	68,000	63,000	81,500	60,000	340,500
Total Budgeted	\$ 460,000	\$ 762,099	\$ 741,600	\$ 741,600	\$ 722,100	\$ 3,427,399

Capital Projects Detail - Budget	\$ 137,000	\$ 200,000	\$ 105,000	\$ 136,500	\$ 100,000
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51-875 Bike Spine		13,000	13,000		
51-841 Misc Parks & Trail Imp	7,000	36,000	50,000	60,000	60,000
53-804 Sidewalk Replace & Repair	10,000	30,000	30,000	35,000	30,000
53-894 Parkade Improvements		14,255	12,000	20,000	10,000
51-871 BPMP - Spruce, Marin...	56,000	28,000		21,500	
51-856 Meadowway Bridge	24,000	14,000			
51-873 Creek Rd Bridge	20,000	16,000			
51-820 Park Facility Imp/WC	10,000	18,745			
53-887 Street Resurface & Repair	10,000	30,000			

Overall, with the renewal of Measure J, the Five-Year Forecast indicates the Town will be able to manage its resources to maintain a stable financial position with significant reserves to weather downturns in the economy.

Alternative Funding Options

It is understood that the renewal of the Special Municipal Tax (Measure J) is one of the greatest challenges facing the Town over the five-year period. However, the Town Council does intend to place the renewal on the ballot. Similar to previous years where a Town tax measure was slated to expire, Table E explores other revenue options.

Table E- Future Funding Options To Consider

	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Renewal Measure J (Special Muni Tax) w/\$5/yr Increase	\$ 713,000	\$ 731,000	\$ 749,000	\$ 767,000	\$ 803,000
Increase Utility Tax by 1%	\$ 68,000	\$ 69,700	\$ 71,443	\$ 73,229	\$ 76,936
Parking Revenue @demand pricing (\$5000/week)	\$ 262,656	\$ 269,223	\$ 275,953	\$ 282,852	\$ 297,171
Increase MSS Franchise fees (1%/yr up to total of 5%)	\$ 16,000	\$ 32,000	\$ 48,000	\$ 64,000	\$ 64,000
Short Rental revenue	\$ 25,000	\$ 25,625	\$ 26,266	\$ 26,922	\$ 28,285
Marijuana Revenue	tbd	tbd	tbd	tbd	tbd
Annexation	tbd	tbd	tbd	tbd	tbd
Increase Fees and Permits (2.5% CPI)	\$ 23,639	\$ 24,230	\$ 24,836	\$ 25,457	\$ 26,745

Table E indicates there are a few potentially large untapped resources:

- Utility Tax- Per the Town's Municipal Code, the Town can increase its utility tax from 4% to 5%.
- Parking revenue- The estimate assumes demand pricing for parking in downtown and a permit system for the adjacent neighborhoods.
- MSS Franchise- The Town can increase its franchise fee for MSS from the current level of 10% to a maximum of 15%. Table E assumes a 1% increase per year.
- Short-term rentals- The Town has discussed allowing short-term rentals under certain conditions. This assume companies such as Airbnb or owners of the properties charge and remit TOT (hotel tax) to the Town for the short-term rentals.
- Revenue from a special tax on medical and/or non-medical marijuana- A special tax would require a vote. However, the Town currently has a moratorium on non-medical marijuana to allow the Council time to discuss regulations governing non-medical marijuana.
- Annexation of unincorporated areas which are partially surrounded by the Town limits- The Marin Local Agency Formation Commission (LAFCO), the agency responsible for annexations in the County, is in the process of conducting a Municipal Service Review (MSR) for Ross Valley. Staff will be requesting LAFCO during its MSR to explore the financial feasibility of annexations of unincorporated lands that are entirely or substantially surrounded by the Town (i.e., "islands"). The benefit to making this request during the MSR is that there are no added costs to the Town. Staff will keep the Council apprised of LAFCO's progress on the Ross Valley study.
- Fee/Permit Increases- While the Town is in the process of preparing a fee study, Table E assumes a modest annual increase of 2.5% in fees and permits.

Town of Fairfax

2019-20 Operating Budget

FUND SUMMARY

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GENERAL FUNDS

	Audit Bal 30-Jun-18	FY 2018-19 Revenues	FY 2018-19 Approp	FY 2018-19 Transfers	Proj Balance 30-Jun-19	FY 18/19 ACTIVITY	Balance 30-Jun-19	FY 2019-20 Revenues	FY 2019-20 Approp	FY 2019-20 Transfers	Proj Balance 30-Jun-20	FY 19/20 ACTIVITY
DRAFT AUD												
01 General Fund	2,490,289	7,426,223	(9,700,798)	1,772,226	1,987,940	(502,349)	1,987,940	7,345,300	(10,513,038)	3,297,463	2,117,665	129,725
02 Dry Period Fund	1,000,000	-	-	-	1,000,000	-	1,000,000	-	-	-	1,000,000	-
03 Equipment Replacement Fund	44,219	-	(109,743)	430,000	364,477	320,257	364,477	-	(61,825)	-	302,652	(61,825)
04 Building & Planning Fund	255,320	448,098	-	(610,000)	93,418	(161,902)	93,418	609,500	-	(610,000)	92,918	(500)
05 Building Improvement Fund	-	-	-	40,000	40,000	40,000	40,000	-	(20,000)	25,000	45,000	5,000
06 Retirement Fund	239,653	1,617,055	-	(1,500,000)	356,709	117,055	356,709	1,631,100	(0)	(1,725,000)	262,809	(93,900)
08 Office Equip Replacement Fund	131,651	-	(10,051)	35,000	156,600	24,949	156,600	-	(118,000)	-	38,600	(118,000)
Total General Funds	4,161,133	9,491,376	(9,820,592)	167,226	3,999,143	(161,989)	3,999,143	9,585,900	(10,712,863)	987,463	3,859,643	(139,500)
					40.7%						36.0%	

SPECIAL REVENUE FUNDS

07 Special Police Fund	(21,583)	167,020	-	(100,000)	45,437	67,020	45,437	100,000	-	(130,000)	15,437	(30,000)
12 Fairfax Festival Fund	(6,879)	40,284	(26,000)	-	7,405	14,284	7,405	41,000	(31,700)	(5,000)	11,705	4,300
20 Measure J - Municipal Svs Tax Fund	(8,304)	713,600	-	(700,000)	5,296	13,600	5,296	713,600	-	(710,000)	8,896	3,600
21 Gas Tax Fund	(12,252)	287,565	-	(268,000)	7,313	19,565	7,313	329,562	-	(193,000)	143,875	136,562
22 Measure A/AA - Transportation	273,416	91,360	-	(143,416)	221,360	(52,056)	221,360	171,779	-	(253,139)	140,000	(81,360)
23 Measure A - Parks	151,173	61,645	(19,332)	(81,690)	111,796	(39,377)	111,796	62,935	-	(21,463)	153,268	41,472
Total Special Revenue Funds	375,571	1,361,474	(45,332)	(1,293,106)	398,607	23,036	398,607	1,418,876	(31,700)	(1,312,602)	473,181	74,574

DEBT SERVICE FUNDS

43-45 Measure K - Debt Service	905,671	472,632	(535,105)	-	843,198	(62,473)	843,198	451,031	(550,714)	-	743,515	(99,683)
48 Lease Agreement	-	466,842	(466,842)	-	-	-	-	481,182	(481,182)	-	-	-
Total Debt Service Funds	905,671	939,474	(1,001,947)	-	843,198	(62,473)	843,198	932,213	(1,031,896)	-	743,515	(99,683)

CAPITAL PROJECTS

51 Capital Projects - Grants	877,785	299,388	(447,765)	198,106	927,514	49,729	927,514	1,051,887	(1,523,247)	438,139	894,293	(33,221)
52 Disaster Fund	(492,444)	42,064	(71,394)	521,774	(0)	492,444	(0)	245,000	(65,000)	(180,000)	(0)	-
53 Capital Projects - Town	(125,757)	464,255	(331,288)	402,000	409,210	534,967	409,210	179,000	(365,000)	63,000	286,210	(123,000)
Total Capital Projects Funds	259,584	805,707	(850,447)	1,121,880	1,336,724	1,077,140	1,336,724	1,475,887	(1,953,247)	321,139	1,180,503	(156,221)

FIDUCIARY FUNDS

73 Open Space	33,460	1,854	(755)	4,000	38,559	5,099	38,559	2,000	(4,000)	4,000	40,559	2,000
Total Fiduciary Funds	33,460	1,854	(755)	4,000	38,559	5,099	38,559	2,000	(4,000)	4,000	40,559	2,000

TOTALS

	5,735,418	12,599,886	(11,719,073)	-	6,616,232	880,813	6,616,231	13,414,876	(13,733,706)	-	6,297,401	(318,830)
	834,310									1,1719		

ALL FUNDS FY20 BUDGET

ALL FUNDS FY19 PROJECTED

Town of Fairfax
2019-20 Operating Budget

INTERFUND TRANSFERS

SUMMARY ALL FUNDS	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Adopted
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TRANSFERS TO:

01 General Fund	2,673,076	2,981,773	2,962,100	2,870,000	3,435,000
03 Equipment Replacement	50,000	60,404	430,000	430,000	-
05 Communications Fund	6,000	6,000	40,000	40,000	25,000
08 Office Equipment Replacement	25,000	35,000	35,000	35,000	-
51 CIP - Grants	220,891	260,717	510,360	533,106	438,139
52 CIP - Storm			-	521,774	
53 CIP - Town	40,000	50,000	67,000	402,000	63,000
73 Open Space	9,000	4,000	4,000	4,000	4,000
	3,023,967	3,397,894	4,048,460	4,835,880	3,965,139

TRANSFERS FROM:

01 General Fund	85,000	145,404	536,000	1,097,774	137,537
04 Building & Planning	470,000	610,000	610,000	610,000	610,000
05 Communications Fund	-	10,404	-	-	-
06 Retirement Fund	1,300,000	1,400,000	1,500,000	1,500,000	1,725,000
07 Special Police Services	100,000	199,621	100,000	100,000	130,000
12 Fairfax Festival	5,000	-	5,000	-	5,000
20 Measure J - Municipal Services Tax	741,600	741,500	722,100	700,000	710,000
21 Gas Tax	159,476	195,748	333,000	268,000	193,000
22 Measure A/AA - Transportation	157,891	95,217	81,360	143,416	253,139
23 Measure A - Parks	5,000	-	161,000	81,690	21,463
51 CIP - Grants	-	-	-	335,000	-
52 CIP - Storm	-	-	-	-	180,000
	3,023,967	3,397,894	4,048,460	4,835,880	3,965,139



Town of Fairfax
2019-20 Operating Budget

APPROPRIATIONS - ALL FUNDS

FUND SUMMARY

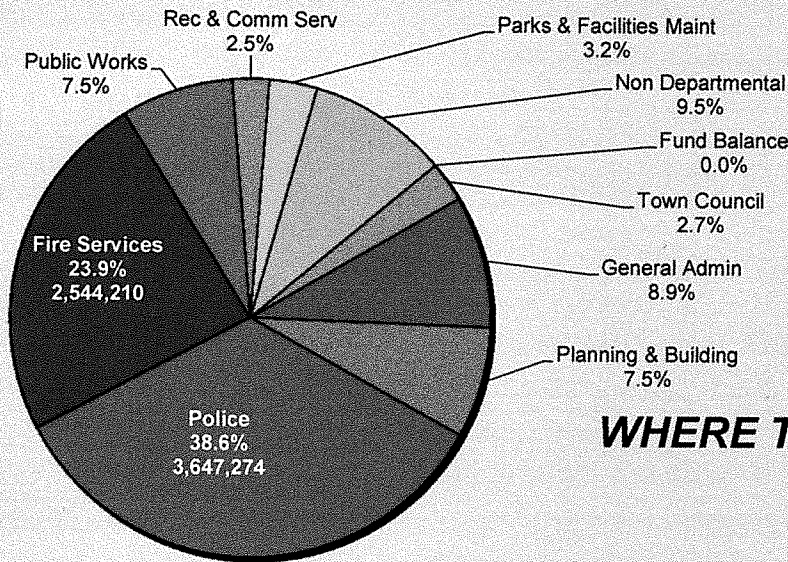
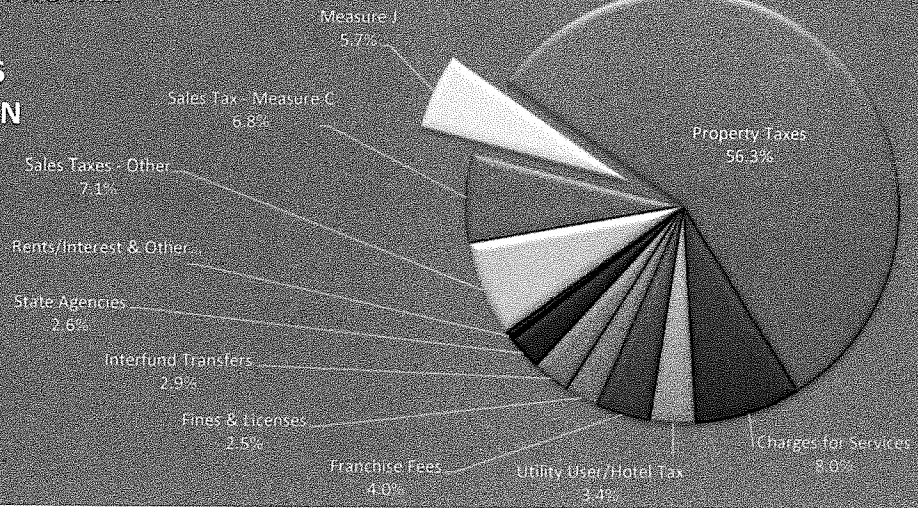
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	General Government	Development Services	Public Safety	Public Works & Streets	Parks/Rec & Facility	Non Departmental	FY 2019-20 Adopted
GENERAL FUNDS							
01 General Fund	1,124,309	797,228	6,175,947	803,269	603,259	1,009,026	10,513,038
02 Dry Period Fund	-	-	-	-	-	-	-
03 Equipment Replacement Fund	-	-	45,225	-	-	16,600	61,825
04 Building & Planning Fund	-	-	-	-	-	-	-
05 Communication Equip Replace Fund	-	-	-	-	-	-	-
06 Retirement Fund	-	-	-	-	-	-	-
08 Office Equip Replacement Fund	118,000	-	-	-	-	-	118,000
Total General Funds	1,242,309	797,228	6,221,172	803,269	603,259	1,025,626	10,692,863
SPECIAL REVENUE FUNDS							
07 Special Police Fund	-	-	-	-	-	-	-
12 Fairfax Festival Fund	-	-	-	-	31,700	-	31,700
20 Measure J - Municipal Svs Tax Fund	-	-	-	-	-	-	-
21 Gas Tax Fund	-	-	-	-	-	-	-
22 Measure A - Transportation	-	-	-	-	-	-	-
23 Measure A - Parks	-	-	-	-	-	-	-
Total Special Revenue Funds	-	-	-	-	31,700	-	31,700
DEBT SERVICE FUNDS							
43-45 Measure K - Debt Service	-	-	-	550,714	-	-	550,714
48 Lease Agreement	-	-	-	-	-	481,182	481,182
Total Debt Service Funds	-	-	-	550,714	-	481,182	550,714
CAPITAL PROJECTS							
51 Capital Projects - Grants	-	-	-	1,523,247	-	-	1,523,247
52 Disaster Fund	-	-	-	65,000	-	-	65,000
53 Capital Projects - Town	-	-	-	365,000	-	-	365,000
Total Capital Projects Funds	-	-	-	1,953,247	-	-	1,953,247
FIDUCIARY FUNDS							
73 Open Space	-	-	-	-	4,000	-	4,000
Total Fiduciary Funds	-	-	-	-	4,000	-	4,000
TOTAL APPROPRIATIONS - ALL FUNDS	1,242,309	797,228	6,221,172	3,307,231	638,959	1,506,808	13,713,706
Percent of Total Appropriations (with CIP)	9.1%	5.8%	45.4%	24.1%	4.7%	11.0%	100.0%
Percent of Total Appropriations (NO CIP)	10.6%	6.8%	52.9%	28.1%	5.4%	12.8%	85.8%



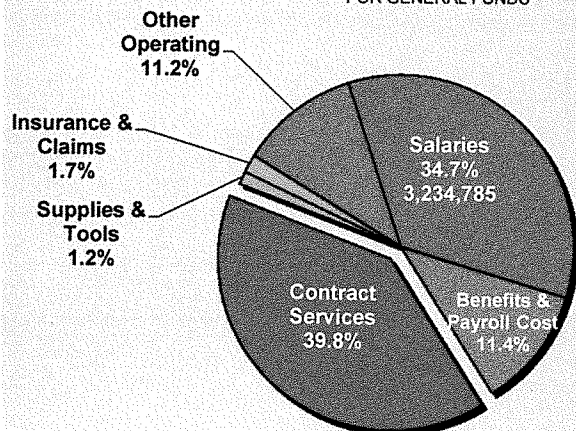
WHERE THE MONEY COMES FROM...

**SOURCE OF FUNDS
FOR GENERAL FUNDS
TOTAL = \$10.6 MILLION**

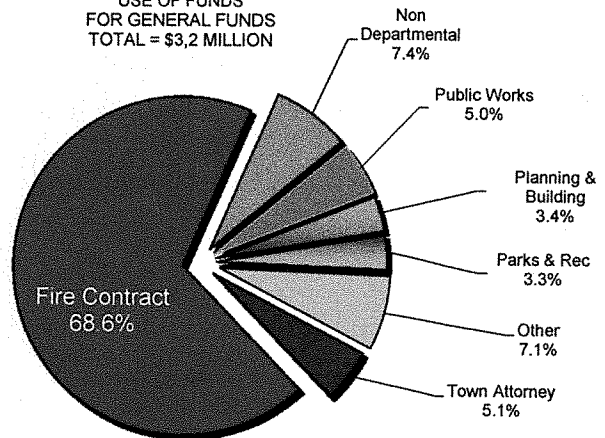


WHERE THE MONEY GOES TO...
**USE OF FUNDS
FOR GENERAL FUNDS
TOTAL = \$10.6 MILLION**

EXPENDITURES BY CATEGORY
USE OF FUNDS
FOR GENERAL FUNDS



CONTRACT SERVICES
USE OF FUNDS
FOR GENERAL FUNDS
TOTAL = \$3.2 MILLION





Town of Fairfax

2019-20 Operating Budget

FUND
DEPT

01 GENERAL FUND

The General Fund is the primary fund for day-to-day operations. It is the largest portion of the budget and is used to account for all financial resources except those required to be accounted for in another fund.

The General Fund is one of seven funds (01,02,03,04,05,06,08) cumulatively referred to as the "General Funds".

FUND SUMMARY	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Adopted
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BEGINNING FUND BAL

1,396,476	1,707,012		2,490,289	1,987,940
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REVENUES

PROPERTY TAXES	3,819,912	4,043,677	4,265,964	4,465,988	4,369,900
SALES TAXES	1,207,125	1,379,663	1,437,594	1,505,889	1,480,300
USER FEES (UUT/TOT)	387,517	392,269	360,000	378,698	361,000
FRANCHISE FEES	383,858	398,411	392,000	403,326	430,000
FINES & LICENSES	265,913	255,076	254,000	261,191	262,000
RENTS & INTEREST	57,134	65,101	66,300	141,970	151,300
REVENUES FROM OTHER AGENCIES	46,859	63,851	48,812	61,218	50,700
CHARGES FOR CURRENT SERVICES	179,347	193,143	216,630	207,943	240,100
SUBTOTAL REVENUES	6,347,665	6,791,192	7,041,300	7,426,223	7,345,300

APPROPRIATIONS

100 TOWN COUNCIL	284,544	366,925	281,880	352,399	289,098
200 GENERAL ADMINISTRATION	617,035	689,198	798,695	787,221	835,211
300 DEVELOPMENT SERVICES	606,143	621,228	773,500	703,612	797,228
400 PUBLIC SAFETY	5,231,982	5,274,680	5,780,028	5,735,979	6,175,947
500 PUBLIC WORKS	706,726	634,409	774,593	705,910	803,269
600 RECREATION & COMMUNITY SERVICES	186,984	199,052	232,061	230,146	263,709
600 PARKS & FACILITY MAINTENANCE	257,398	262,739	330,015	301,107	339,550
700 NON DEPARTMENTAL	734,394	690,365	963,583	884,425	1,009,026
SUBTOTAL APPROPRIATIONS	8,625,205	8,738,595	9,934,355	9,700,798	10,513,038

TRANSFERS

TRANSFERS TO 01-GENERAL FUND	2,673,076	2,981,773	2,962,100	2,870,000	3,435,000
TRANSFERS FROM 01-GENERAL FUND	(85,000)	(145,404)	(536,000)	(1,097,774)	(137,537)
SUBTOTAL TRANSFER	2,588,076	2,836,369	2,426,100	1,772,226	3,297,463

NET DEPARTMENT ACTIVITY

310,536	888,966	(466,955)	(502,349)	129,725
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ENDING FUND BAL

1,707,012	2,595,978		1,987,940	2,117,665
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COMPONENTS OF FUND BALANCE:

Undesignated	1,707,012	2,595,978		1,987,940	2,117,665
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NOTES:



Town of Fairfax

2019-20 Operating Budget

GENERAL FUND

The Town's General Fund accounts for all unrestricted revenues and pays for the day-to-day operating costs of traditional municipal services like police, fire, planning, public works maintenance and administrative support services.

REVENUE DETAIL	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Adopted
01-010-101 Property Taxes - Secured	2,441,810	2,585,223	2,774,000	2,847,450	2,860,000
01-010-102 Property Taxes - Unsecured	47,806	48,713	51,624	48,713	52,400
01-010-103 Property Taxes - Prior	1,911	2,531	3,000	6,632	3,000
01-010-104 Real Estate Transfer Tax	50,857	52,521	45,000	50,122	45,000
01-010-110 Supplemental Property Taxes	62,759	71,772	60,000	116,298	70,000
01-010-112 ERAF Excess Distribution	452,975	481,912	502,826	561,455	510,000
01-010-117 Property Tax In-Lieu of VLF ("VLF Swap")	707,904	747,241	775,513	781,600	775,500
01-060-113 Storm Run-Off Fee	53,890	53,765	54,000	53,718	54,000
Total Property Taxes	3,819,912	4,043,677	4,265,964	4,465,988	4,369,900
01-010-105 In-Lieu Sales Tax ("Triple Flip")	-	-	-	-	-
01-010-106 Sales Tax ("Bradley Burns")	639,115	657,332	693,000	724,361	693,000
01-010-111 1/2 cent Sales Tax - Prop. 172	58,579	50,059	63,594	68,388	63,300
01-010-118 1/2 cent Sales Tax - Measure D	509,431	672,272	-	-	-
01-010-118 3/4 cent Sales Tax - Measure C	-	-	681,000	713,140	724,000
Total Sales Taxes	1,207,125	1,379,663	1,437,594	1,505,889	1,480,300
01-010-108 Utility Users Tax - Telecom	83,641	92,454	100,000	84,652	100,000
01-010-109 Utility Users Tax - Energy	283,277	280,873	240,000	273,736	240,000
01-010-114 Hotel Users Tax	20,599	18,942	20,000	20,310	21,000
Total User Taxes	387,517	392,269	360,000	378,698	361,000
01-020-201 Garbage	181,322	187,383	187,000	195,351	225,000
01-020-202 Gas & Electric	65,326	74,134	75,000	75,000	75,000
01-020-203 Cable	137,210	136,893	130,000	132,975	130,000
Total Franchise Fees	383,858	398,411	392,000	403,326	430,000
01 - GENERAL FUND TAXES & FEES	5,798,412	6,214,020	6,455,558	6,753,901	6,641,200

NOTES:

Secured & Unsecured Property Taxes - Homes, businesses, and other taxable real and personal property are subject to levy of property taxes. The fixed statutory rate is 1% of assessed valuation. Assessed value is based on the 1975 property values with subsequent increases limited to 2% or CPI growth, whichever is less. However, when there is a change in property ownership, property renovation or new construction property is reappraised at its full current market value. Property tax is the biggest revenue source for the General Fund.

Supplemental Property Taxes Include property taxes apportioned to the City by the County from the 1% Tax Rate of the Supplemental Roll Allocation in accordance with Revenue and Taxation Code 75.50.

Property Transfer Tax - The city levies a \$0.55 fee for each \$1,000 value of real property transferred in the City; the County Recorder imposes these fees and remits them to the City. Estimates are based on historical experience.

Sales taxes are the General Fund's second largest revenue source. The Town's 1% Bradley Burns Sales Tax is levied on all merchandise. These funds are received directly from the State on a monthly basis. Sales taxes represent approximately 29% of the General Fund revenues. Measure D is the five year 1/2 cent sales tax passed in November, 2012 and expired April 2017. Measure C is the 10 yr renewal and increase of the add-on sales tax from 1/2 cent to 3/4 cent. Revenue estimate are based on projections from Avenu, the Town's sales tax consultant.

Utility (User) Taxes -The Municipal Code levies an 4% tax on the value of public utilities services consumed within the Town for electricity, natural gas, and telecommunications subject to a cap of \$360. Revenue is projected to decrease

Franchise Fees - Garbage, Gas & Electric, Cable, The Town receives franchise fees from various public utilities and other corporations who furnish gas, electric, water, Cable TV, refuse or similar services to citizens living within town boundaries. The various fees are delineated in franchise agreements and are paid directly to the town by these franchisees. Estimates are based on historical experience considering contract amendments which impact future years.



Town of Fairfax

2019-20 Operating Budget

GENERAL FUND

REVENUE DETAIL		FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Adopted
01-030-301	Business Licenses	128,698	139,686	130,000	131,595	132,000
01-040-401	Vehicle Code Fines	24,765	30,860	24,000	30,651	30,000
01-040-402	Parking & Other Fines	112,450	84,530	100,000	98,945	100,000
	Total Fines & Licenses	265,913	255,076	254,000	261,191	262,000
01-050-501	Rents - Women's Club and Other	18,891	10,166	13,000	13,000	13,000
01-050-504	Rents - Pavilion weddings etc	4,050	0	6,000	6,000	6,000
01-050-506	Rents - Pavilion - Other	8,890	150	5,000	3,010	5,000
01-050-507	Janitor.Maint fees	1,425	900	1,000	1,650	1,000
	Total Rental & Maintenance Fees	33,256	11,216	25,000	23,660	25,000
01-050-500	Interest Earnings - Bank	1,295	0	1,300	760	1,300
01-050-502	Interest Earnings - LAIF	22,583	53,886	40,000	117,550	125,000
	Total Investment Earnings	23,878	53,886	41,300	118,310	126,300
01-060-602	Motor Vehicle License Fees	3,333	0	3,500	3,500	3,500
01-060-607	Homeowner's Property Tax Rebates (HOPTR)	13,043	12,985	12,812	12,544	13,000
01-060-614	State Aid	1,023	11,915	-	10,788	-
01-060-615	Police Training Reimbursement (POST)	4,035	8,756	5,300	10,589	7,000
01-060-619	SB90 - State Manadated Claims	-	-	-	0	-
01-060-699	Other & Miscellaneous Revenues & WC	13,259	18,030	15,000	6,631	15,000
01-070-702	Environmental Grants	12,166	12,166	12,200	17,166	12,200
	Total Revenues From Other Agencies	46,859	63,851	48,812	61,218	50,700
01-080-802	Sale Of Maps & Publications/Copies	1,673	1,788	1,500	1,653	1,500
01-080-803	Special Police Services (includes booking fees)	16,335	11,456	15,000	9,583	10,000
01-080-804	Police Dispatch Services	54,000	76,000	85,000	85,000	93,000
01-080-814	Miscellaneous - General	14,533	13,615	10,000	14,200	10,000
01-080-903	General Recreation	3,456	945	3,000	2,190	3,000
01-090-508	Recreation Rentals	9,150	11,460	15,000	7,425	8,000
01-090-790	Recreation Fundraising	10,851	5,475	9,000	6,310	25,000
01-090-822	Recreation Summer Camp Fees	18,470	21,094	23,130	17,363	26,000
01-090-904	Recreation Classes & Partnerships	50,879	51,312	55,000	64,219	63,600
	Total Charges For Current Services	179,347	193,143	216,630	207,943	240,100
	01 - GENERAL FUND TAXES & FEES	5,798,412	6,214,020	6,455,558	6,753,901	6,641,200
	01 - GENERAL FUND TOTAL	6,347,665	6,791,192	7,041,300	7,426,223	7,345,300

105.5%

104.3%

Business Licenses - For the privilege of doing business within Town Limits, all businesses are assessed a business license fee in accordance with Municipal Code. The Town charges business license tax in accordance with the provisions of Government Code 37101

Transient Occupancy Tax (Motel or Bed Tax) - The Town levies a 10% tax for the privilege of occupying quarters on a transient basis. This tax is imposed upon persons staying 30 days or less in a motel or lodging facility.

Police Dispatch Services - The Town provides dispatch services to the Town of Ross and the College of Marin under an Intergovernmental Service Sharing agreement.



Town of Fairfax

2019-20 Operating Budget

GENERAL FUND

APPROPRIATIONS SUMMARY	FY 2016-17	FY 2017-18	FY 2018-19	FY 2018-19	FY 2019-20
	Actual	Actual	Adopted	Projected	Adopted
111 Town Council	29,339	26,595	32,080	24,853	33,535
112 Town Treasurer	4,009	4,102	4,800	4,535	4,926
116 Independent Auditor	27,789	65,762	55,000	53,011	60,638
121 Town Attorney	223,407	270,465	190,000	270,000	190,000
Total Town Council	284,544	366,925	281,880	352,399	289,098
211 Town Manager	179,746	192,209	191,330	198,457	205,461
221 Town Clerk	128,309	149,935	213,290	204,937	176,836
222 Elections	8,788	21,954	5,000	-	45,000
231 Personnel	62,793	58,964	76,747	71,796	78,196
241 Finance	237,399	266,136	312,328	312,031	329,717
Total General Administration	617,035	689,198	798,695	787,221	835,211
311 Planning	417,311	432,396	528,351	490,110	544,068
321 Building Inspection & Permits	188,832	188,832	245,150	213,502	253,160
Total Development Services	606,143	621,228	773,500	703,612	797,228
411 Police	3,106,950	3,017,286	3,338,412	3,302,559	3,615,037
418 Disaster Preparedness	8,755	10,732	14,700	14,379	16,700
421 Ross Valley Fire Service	2,116,277	2,246,662	2,426,916	2,419,041	2,544,210
Total Public Safety	5,231,982	5,274,680	5,780,028	5,735,979	6,175,947
510 Public Works Administration	170,012	188,671	277,015	245,229	270,665
511 Street Maintenance	318,974	326,106	399,578	362,681	422,605
512 Street Lighting & Traffic Signals	103,259	119,633	98,000	98,000	110,000
513 Storm Damage FEMA	114,481	-	-	-	-
Total Public Works	706,726	634,409	774,593	705,910	803,269
616 Community Services	30,545	30,196	32,170	37,146	35,082
617 Recreation	53,952	55,855	56,371	59,565	61,356
621 Fairfax Recreation	87,182	95,699	123,820	126,882	152,171
622 Summer Camps	15,303	17,302	19,700	6,553	15,100
Total Recreation & Community Services	186,984	199,052	232,061	230,146	263,709
611 Park Maintenance	205,184	214,917	254,511	241,633	261,737
625 Rental Facilities-WC & Ballfield	50,890	47,304	75,504	61,800	77,812
911 Building Maintenance	1,324	518	-	(2,326)	-
Total Parks & Facility Maintenance	257,398	262,739	330,015	301,107	339,550
715 Non Departmental	734,394	690,365	963,583	884,425	1,009,026
TOTAL GENERAL FUND APPROPRIATIONS	8,625,205	8,738,595	9,934,355	9,700,798	10,513,038



Town of Fairfax
2019-20 Operating Budget

GENERAL FUND

APPROPRIATIONS by Object	Salaries & Wages	Benefits & Payroll Cost	Retirement & Sidefund	Professional Services	Supplies & Tools	Other Operating	FY 2019-20 Adopted
111 Town Council	18,000	888	3,247	2,200	100	9,100	33,535
112 Town Treasurer	3,600	336	135	-	100	755	4,926
116 Independent Auditor	-	-	-	60,638	-	-	60,638
121 Town Attorney	-	-	-	190,000	-	-	190,000
Total Town Council	21,600	1,224	3,382	252,838	200	9,855	289,098
211 Town Manager	135,627	34,746	21,693	500	700	12,195	205,461
221 Town Clerk	106,381	32,435	8,455	25,000	100	4,465	176,836
222 Elections	-	-	-	45,000	-	-	45,000
231 Personnel	43,690	7,901	4,005	20,100	600	1,900	78,196
241 Finance	187,822	36,360	24,470	55,000	1,700	24,365	329,717
Total General Administration	473,520	111,442	58,623	145,600	3,100	42,926	835,211
311 Planning	303,763	79,454	80,547	55,000	4,000	21,305	544,068
321 Building Inspection & Permits	107,506	32,131	32,503	70,000	1,200	9,821	253,160
Total Development Services	411,269	111,585	113,049	125,000	5,200	31,126	797,228
411 Police	1,743,358	619,422	914,156	55,461	16,000	266,640	3,615,037
418 Disaster Preparedness	-	-	-	-	100	16,600	16,700
421 Ross Valley Fire Service	-	-	-	2,544,210	-	-	2,544,210
Total Public Safety	1,743,358	619,422	914,156	2,599,671	16,100	283,240	6,175,947
510 Public Works Administration	120,601	24,846	18,176	66,500	1,308	39,234	270,665
511 Street Maintenance	179,628	42,320	41,162	60,000	45,500	53,995	422,605
512 Street Lighting & Traffic Signals	-	-	-	60,000	-	50,000	110,000
513 Pollution Prevention	-	-	-	-	-	-	-
Total Public Works	300,229	67,166	59,338	186,500	46,808	143,229	803,269
616 Community Services	20,658	1,855	5,619	-	5,500	1,450	35,082
617 Recreation	36,315	6,198	10,322	7,000	120	1,400	61,356
621 Fairfax Recreation	95,198	18,132	-	19,000	3,000	16,840	152,171
622 Summer Camps	-	-	-	13,100	2,000	-	15,100
Total Recreation & Community Services	152,172	26,186	15,941	39,100	10,620	19,690	263,709
611 Park Maintenance	118,312	43,630	23,858	35,000	16,000	24,938	261,737
625 Rental Facilities-WC & Ballfield	14,326	7,065	1,013	9,500	6,000	39,908	77,812
911 Building Maintenance	-	-	-	39,000	5,500	(44,500)	-
Total Parks & Facility Maintenance	132,638	50,694	24,871	83,500	27,500	20,346	339,550
715 Non Departmental	-	72,146	-	275,000	4,000	657,880	1,009,026
TOTAL GENERAL FUND APPROPRIATIONS	3,234,785	1,059,864	1,189,361	3,707,209	113,528	1,208,291	10,513,038
	30.8%	10.1%	11.3%	35.3%	1.1%	11.5%	100.0%

TOWN MANAGER
INCLUDES TOWN COUNCIL, TOWN TREASURER, TOWN ATTORNEY,
AND TOWN MANAGER BUDGET UNITS

ORGANIZATION:

This department is comprised of the following personnel:

- 5 elected Town Council members (Council Members annually select a Mayor and Vice-Mayor)
- 1 Elected Town Treasurer
- 1 Town Attorney appointed by the Town Council
- 1 Town Manager appointed by the Town Council

Total = 6 elected officials, 1.0 FTE benefited employee, 1 Contracted Town Attorney

2018-19 KEY ACCOMPLISHMENTS:

- Negotiated new 3 year MOU's with the Police Officers Association and SEIU
- Assisted Council with policy discussions on such issues as cannabis and 5-G networks
- Assisted Council with the adoption of ordinances and resolutions
- Negotiated rate adjustments with Marin Sanitary Services (MSS)
- Secured Federal Highway Administration (FHWA) funds to reimburse the Town for the costs to repair the damage to Forrest Ave. caused by the Winter 2017 storms
- As Executive Officer and member of the management committee for Ross Valley Fire Department (RVFD) worked to finalize the shared service agreement between Marin County Fire and RVFD
- Served as Public Works Director overseeing the design and construction of various capital improvements such as the Parkade Improvement Project and repaving of Scenic Road from Shapiro Lane to Bay Road

FY 2019-20 GOALS AND OBJECTIVES (in addition to Town Council Goals):

- Adopt new personnel policies
- Assist with renewal of Measure J
- Complete road maintenance projects
- Continue to work on the completion of outstanding FEMA projects from the 2017 Winter Storms
- Secure multi-agency approval for the preliminary design for the seismic retrofit of the Pavilion

Council Goals for 2019
(not in order of priority)

- Amend zoning code to reduce maximum home size.
- Pursue more affordable housing opportunities such ADU's, Tiny Homes, and small cottages.
- Seek the renewal of Measure J, a special municipal services tax .
- Establish regulations to provide additional renter protections.
- Establish regulations to ban single-use plastics.
- Adopt a regular ordinance to regulate wireless communication facilities (5G facilities).
- Complete design of the seismic retrofit and ADA improvements to the Pavilion.
- Establish comprehensive regulations for commercial cannabis businesses.
- Enhance communication and outreach efforts to keep the community better- informed of Town policies, programs, and projects.
- Consider establishment of objective development standards in residential and commercial zones.

Town Accomplishments of 2018-2019

(January 2018- March 2019)

- Reached consensus on amending zoning code to reduce maximum home size.
- Continued to make improvements to pedestrian trails.
- Completed design and began reconstruction of the Parkade, including ADA improvements.
- Implemented fire prevention program, including risk reduction activities, property inspections, creation of FireWise neighborhoods, emergency preparedness, and community outreach/education.
- Adopted a Climate Emergency Resolution to begin to take serious, meaningful action.
- Built toward a consensus on 5G and cannabis regulations
- Continued to maintain healthy General Fund reserves and the fiscal soundness of the Town.
- Established renter protections through ordinances for Just Cause Evictions and Prohibiting Income-Based Rental Housing Discrimination. Fairfax is the first municipality in Marin to adopt these.
- Established Section 115 trust with PARS to pre-fund unfunded pension liabilities.
- Launched the new Town website!
- Adopted urgency ordinance for wireless communications facilities (WCFs, small cells, 5G)
- Adopted ordinances to allow existing medical marijuana dispensaries to deliver adult use cannabis.
- Approved shared services agreement for Marin County Fire to act as the Fire Chief for the Ross Valley Fire Dept.
- Approved final parcel map for Victory Village, and deferred a portion of Town fees for payment over time. Construction commenced December 2018.
- Adopted PDD ordinance establishing a maximum density for steeply sloped properties.
- Received a grade A from the American Lung Association for smoking ordinance adopted in December 2017.
- Cascade Canyon achieved FireWise status.
- Reached consensus on maximum home size, and ordinance is under consideration.
- Held a Town Forum on cannabis policy (May 2018).
- Expanded door to door pick up chipper days for Cascade and Manor Hill neighborhoods.
- Created new lieutenant position to provide for more growth in the Police department.
- Goats were introduced for vegetation management.
- Expanded the Fairfax Artist in Residence program into a 3-artist collaborative.
- Expanded senior programming & support for the Age Friendly program.
- Drafted Ordinance to update Accessory Dwelling Units (ADU's) per State law.
- The Town Council adopted 13 ordinances and 45 resolutions from March 2018 to March 2019.
(See APPENDIX for list of titles.)



Town of Fairfax

2019-20 Operating Budget

FUND 01 GENERAL FUND
ACTIVITY 111 TOWN COUNCIL

ACTIVITY DESCRIPTION

The Town Council consists of five representatives elected at large by the citizens of Fairfax. Town Council is the policy-making legislative body of the Town and is responsible to the community for the implementation of all programs and services provided by the Town. The Council reviews proposals to meet community needs and initiates action for new programs. The Council also determines the ability of the Town to provide financing for various programs and services. The Council appoints various members of the community to commissions, boards and committees. The Council acts to influence local, regional and state policies favorable to the Town, through various organizations.

DEPARTMENT SUMMARY

FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Adopted
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PERSONNEL

401 REGULAR SALARIES
 411 REG PART-TIME SALARIES
 415 ACCRUED LEAVE CASHOUT
 421 TEMP EMPLOYEES
 492 WORKERS COMP
 493 RETIREMENT
 494 MEDICARE
 496 PERS UAL/SIDEFUND

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Adopted
	18,000	18,041	18,000	18,000	18,000
	312	747	753	753	712
	1,158	1,107	1,237	1,035	924
	238	240	249	241	249
	2,004	1,718	1,941	2,212	2,249
SUBTOTAL PERSONNEL	21,712	21,854	22,180	22,241	22,135

OPERATING EXPENSES

813 OFFICE SUPPLIES
 815 PRINTING
 822 OUTSIDE CONTRACT SVS
 842 SPECIAL DEPT SUPPLIES
 861 BUS.MEET/CONF.
 862 DUES & SUBSCRIPTIONS
 890 MISCELLANEOUS

SEE NOTE
 SEE NOTE
 SEE NOTE

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Adopted
	-	-	100	-	100
			100	-	100
	1,931	2,002	2,200		2,200
	325	616	500	375	500
	3,871	2,124	6,000	2,237	6,000
	-	-	500	-	500
	1,500	-	500	-	2,000
SUBTOTAL OPERATING	7,627	4,742	9,900	2,612	11,400

TOTAL DEPARTMENT APPROPRIATION

	29,339	26,595	32,080	24,853	33,535
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Allocation of Positions:

Councilmembers	5.00	5.00	5.00	5.00	5.00
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Total Full Time Equivalent Employees

	5.00	5.00	5.00	5.00	5.00
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NOTES:	822 State Lobbyist - Calif League of Cities	\$ 1,321
	861 LOCC - New Councilmember orientation / MCCMC events	
	890 Climate Action Committee (CAC) budget	



Town of Fairfax

2019-20 Operating Budget

FUND 01 GENERAL FUND
ACTIVITY 211 TOWN MANAGER

ACTIVITY DESCRIPTION

The Town Manager is responsible for carrying out Town Council policy and directing all Town departments. Specific responsibilities include preparation of the annual budget, representing the Town in negotiations with employee groups, advising the Council on the financial condition and needs of the Town. The Town Manager prepares the agenda for each Town Council meeting and reviews and approves all staff reports in the agenda packet, attends all council meetings. The Manager serves as Human Resource Director, acts as the Public Works Director, and alternates as Executive Officer of the Ross Valley Fire Authority.

DEPARTMENT SUMMARY

FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Adopted
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PERSONNEL

401 REGULAR SALARIES	121,969	125,096	126,194	131,417	135,627
415 ACCRUED LEAVE CASHOUT	4,223	4,223	2,154		2,307
421 TEMP EMPLOYEES	-	-		-	
491 HEALTH INSURANCE	19,468	21,039	19,299	21,308	20,293
492 WORKERS COMP	2,179	5,398	5,398	5,557	5,410
493 RETIREMENT	11,184	12,236	11,646	13,520	14,195
494 MEDICARE	1,697	1,746	1,762	1,767	1,891
495 FICA/PTS			720		
496 PERS UAL/SIDEFUND	2,883	5,038	7,033	8,173	8,382
611 ALLOWANCES	3,816	3,816	3,960	3,816	3,960
SUBTOTAL PERSONNEL	167,418	178,593	178,166	185,558	192,066

OPERATING EXPENSES

636 OFFICE EQUIP REPLACEMENT	-	-	500	-	500
711 OFFICE EQUIP MAINT.			100	-	100
731 BLDG-GROUNDS MAINT.	1,914	2,246	2,114	2,293	2,245
801 WATER	487	516	450	610	450
802 POWER	883	900	800	943	800
804 TELEPHONE	2,219	1,602	1,500	2,123	1,500
811 POSTAGE	516	286	400	638	400
813 OFFICE SUPPLIES	1,185	933	700	810	700
821 OUTSIDE SERVICES			-	-	-
822 PROFESSIONAL SERVICES	212	180	1,000	196	500
861 BUS.MEET/CONF.	2,015	5,232	3,400	3,162	4,000
862 DUES & SUBSCRIPTIONS	2,897	1,721	2,200	2,124	2,200
871 LIAB & PROP INSURANCE	-	-			
881 SPECIAL SERVICES	-	-	-	-	-
SUBTOTAL OPERATING	12,328	13,616	13,164	12,899	13,395

SEE NOTE

TOTAL DEPARTMENT APPROPRIATION

179,746	192,209	191,330	198,457	205,461
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Allocation of Positions:

TOWN MANAGER	0.60	0.60	0.60	0.60	0.60
INTERIM TOWN MANAGER	-	-	-	-	-
MANAGEMENT ANALYST (VACANT)					
ADMINISTRATIVE ASSISTANT II	0.25	0.25	0.25	0.25	0.25
ADMINISTRATIVE ASSISTANT PT					
Total Full Time Equivalent Employees	0.85	0.85	0.85	0.85	0.85

NOTES:

862 ICMA/CMMF/+

TOWN CLERK/ELECTIONS

In Fairfax, the Town Clerk is an elected position, while the Assistant to the Town Manager is a staff position. The elected Clerk is responsible to the voters directly. Many of the duties of the Clerk are mandated by Government Code, and include such matters as conducting elections; recording, publication, filing, indexing, and safekeeping of Town Council proceedings; recording and certifying all ordinances and resolutions; authenticating official records on behalf of the Town; coordinating the preparation of Town Council meeting agendas and packets; updating and maintaining the Town Code; serving as custodian of the official Town records, including filing and safekeeping of all official municipal documents; preparing, publishing, and posting legal notices; providing information and research assistance to the Town Council and staff; filling public records requests; serving as filing officer for economic interest and campaign disclosure statements; and serving as the financial disclosure officer.

This department has been comprised of one person since the elimination of a shared administrative assistant position in 2006.

Accomplishments for 2018-19

- Administered the November 2018 election for the Ross Valley Paramedic Authority tax measure
- Processed one initiative petition
- Coordinated the online and print updates to the Town Code
- Coordinated audio-visual technology improvements in the Women's Club
- Facilitated the redesign and launch of new Town website
- Implemented the tobacco retailer licensing program
- Evaluated and selected new document management software

TOWN CLERK/ELECTIONS

Goals for 2019-20

- Continue to improve new Town website to enhance community engagement
- Implement new document management software to continue efforts to automate records retention program
- Conduct the November 2019 general election
- Provide a high level of service to the community, staff, and Council, in addition to completing projects and assignments



Town of Fairfax

2019-20 Operating Budget

FUND **01 GENERAL FUND**
ACTIVITY **221 TOWN CLERK**

ACTIVITY DESCRIPTION

The Town Clerk is an elected position in Fairfax. The Town Clerk's department provides assistance to the Mayor and Town Council, prepares Council meeting agendas and packets, and gives notice of public hearings. The Department also administers local elections, oversees compliance with legal requirements, and maintains liability claims. It keeps all official town records and authenticates official records on behalf of the Town. In addition, it responds to requests for public records.

DEPARTMENT SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Adopted
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PERSONNEL

401 REGULAR SALARIES	77,869	86,730	104,525	100,592	88,549
411 REG PART-TIME SALARIES	-	-	15,825	48,305	15,825
415 ACCRUED LEAVE CASHOUT	-	3,183	2,010		2,007
491 HEALTH INSURANCE	25,257	24,507	27,939	26,461	27,575
492 WORKERS COMP	1,354	3,582	4,379	4,379	4,130
493 RETIREMENT	4,994	6,053	7,221	8,455	7,381
494 MEDICARE	1,054	1,195	1,446	1,842	1,444
496 PERS UAL/SIDEFUND	4	10	-	-	-
611 ALLOWANCES	360	360	360	360	360
SUBTOTAL PERSONNEL	110,891	125,619	163,705	190,394	147,271

SEE NOTE

OPERATING EXPENSES

636 OFFICE EQUIP REPLACEMENT					
731 BLDG-GROUNDS MAINT.	1,829	2,177	2,285	2,283	2,265
801 WATER				-	
804 TELEPHONE	808	634	500	992	500
811 POSTAGE	421	286	500	616	500
813 OFFICE SUPPLIES	657	532	500	630	500
814 LEGAL ADS	697	338	400	302	400
821 OUTSIDE SERVICES	1,230	360	20,000	3,565	5,000
822 PROFESSIONAL SERVICES	11,287	19,571	25,000	5,572	20,000
842 SPECIAL DEPT SUPPLIES	168	60	100	94	100
861 BUS.MEET/CONF.	321	109	100	399	100
862 DUES & SUBSCRIPTIONS	-	250	200	90	200
SUBTOTAL OPERATING	17,418	24,316	49,585	14,543	29,565

SEE NOTE

SEE NOTE

TOTAL DEPARTMENT APPROPRIATION

	128,309	149,935	213,290	204,937	176,836
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Allocation of Positions:

TOWN CLERK / ASST TO TOWN MANAGER			1.00	1.00	1.00
DEPUTY TOWN CLERK/MANAGEMENT ANALYST	1.00	1.00	-	-	0.25
ADMINISTRATIVE ASSISTANT PT			0.0625	0.0625	0.0625

Total Full Time Equivalent Employees

	1.00	1.00	1.06	1.06	1.31
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NOTES:

- 411 P/T Deputy Town Clerk for succession planning/job share
- 821 ABAG Website hosting / new website development
- 822 Code updates; Minutes Clerk; OpenGov, webmaster



Town of Fairfax

2019-20 Operating Budget

FUND 01 GENERAL FUND
ACTIVITY 231 PERSONNEL

ACTIVITY DESCRIPTION

Personnel cost include contractual Human Resources (HR); legal and consulting services and other costs such as recruitment, testing, physical & psychological exams as required.

DEPARTMENT SUMMARY

FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Adopted
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PERSONNEL

401 REGULAR SALARIES	30,354	31,076	32,639	32,613	33,451
411 REG PART-TIME SALARIES	7,480	7,783	8,909	9,070	9,342
415 ACCRUED LEAVE CASHOUT	939	704	628	636	897
421 TEMP EMPLOYEES	-	-	-	-	-
461 OVERTIME	-	-	-	-	-
491 HEALTH INSURANCE	460	468	5,510	482	5,209
492 WORKERS COMP	691	1,700	1,754	1,754	1,704
493 RETIREMENT	3,326	3,594	3,856	4,005	4,121
494 MEDICARE	520	531	575	567	596
495 FICA/PTS	-	-	240	-	240
496 PERS UAL/SIDEFUND	-	-	-	-	-
611 ALLOWANCES	72	72	36	72	36
SUBTOTAL PERSONNEL	43,843	45,928	54,147	49,199	55,596

OPERATING EXPENSES

636 OFFICE EQUIP REPLACEMENT				-	
711 OFFICE EQUIP MAINT.				-	
731 BLDG-GROUNDS MAINT.				-	
801 WATER				-	
804 TELEPHONE				-	
811 POSTAGE				-	
813 OFFICE SUPPLIES				-	
814 LEGAL ADS	1,061	-	500	687	500
815 PRINTING				-	
821 OUTSIDE SERVICES	17,398	11,955	20,000	20,852	20,000
822 PROFESSIONAL SERVICES			100	-	100
842 SPECIAL DEPT SUPPLIES	490	581	600	483	600
861 BUS.MEET/CONF.		500	1,000	575	1,000
862 DUES & SUBSCRIPTIONS			400	-	400
890 MISCELLANEOUS				-	
SUBTOTAL OPERATING	18,949	13,036	22,600	22,597	22,600

TOTAL DEPARTMENT APPROPRIATION

62,793 58,964 76,747 71,796 78,196

Allocation of Positions:

TOWN MANAGER	0.10	0.10	0.10	0.10	0.10
FINANCE DIRECTOR	0.10	0.10	0.10	0.10	0.10
PART-TIME ACCOUNTANT	0.10	0.10	0.10	0.10	0.10

Total Full Time Equivalent Employees

0.30 0.30 0.30 0.30 0.30

NOTES:

821 Preemployment services, Attorney Fees & HR Consultant

842 Staff recognition