

# Budget Workshop for FY20-21

Review workshop agenda – 10:00am to 3:40pm (time approx.)

- Budget and General Fund Reserves Overview (10:00am)
- Department Budgets (11:00am)
- *Lunch Break (12:30pm)*
- Other General Funds & Special Funds (1:00pm)
- 5 yr CIP (1:45pm)
- Funding Requests/Priorities (2:30pm)
- Proposed Mid-Year Budget Review in 4-6 months (Fall 2020) and Budget Schedule (3:30pm)



Note: public comment at the end of each general section

# General Budget Overview (10:05am)

- Baseline budget principles
- Operating revenue projections and assumptions
- Expenditure projections
- Projected FY19-20 Year-End Expenditures and Revenues
- General Fund balances
- Discussion of any Year-End expenditure adjustments

Note: Projected year end estimates are a work in progress.

# UNKNOWN EFFECTS OF COVID-19

## Baseline Budget Principles

- No new programs
- Eliminate one-time expenses and reduce discretionary expenses
- No major equipment or vehicle purchases unless necessary
- Budget includes increases for retirement, health, MOU's, and step increases
- General Fund (GF) Revenue reductions
- No Five Year Forecast
- CIP only includes grant funded projects or restricted transportation funding (TAM Measure A/AA)

Review budget in Fall to evaluate long-term effects of COVID-19 on the economy

# FY20-21 Proposed Budget

GF appropriations-	\$ 11.1 million
CIP (Prelim. Est.)	\$ 1.2 million
Special funds/debt service-	\$ 1.0 million
Total Operating and CIP budget-	\$ 13.3 million

Note: Budget will be further refined for the public hearing.

Overall: Use GF reserves of \$500,000 to balance the budget

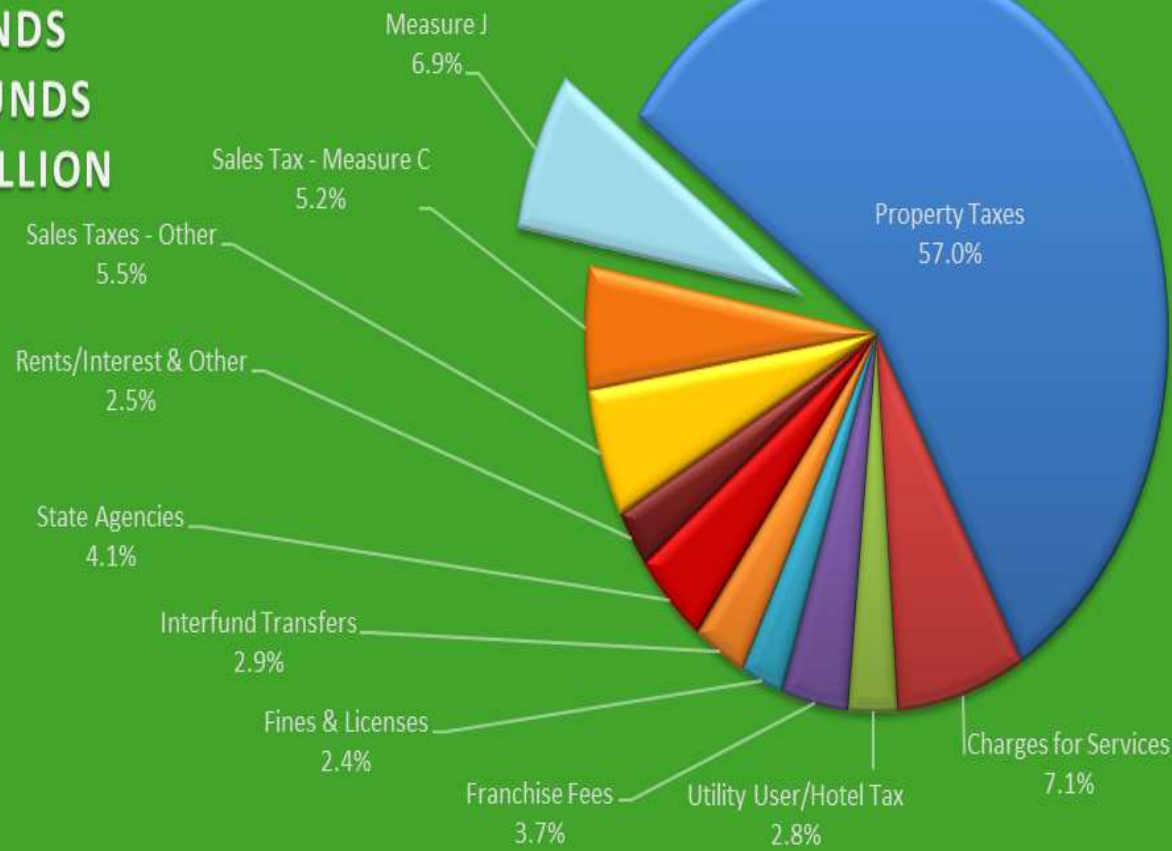
# GF Revenue Assumptions FY20-21

NET REVENUE REDUCED by \$100,000 (1.4%↓↓)

- Sales Tax reduced by net 20% ↓↓(evaluate sales tax categories)
- Property Tax increased by 4% ↑↑(based on County Assessor estimates)
- Reduced TOT, Utility User tax and Garbage franchise fees ↓↓
- Reduced interest and recreation revenues ↓↓
- New revenue: MWPA- \$96,000, SB2- \$160,000 (w/o 4.9% ↑↑ )

## WHERE THE MONEY COMES FROM...

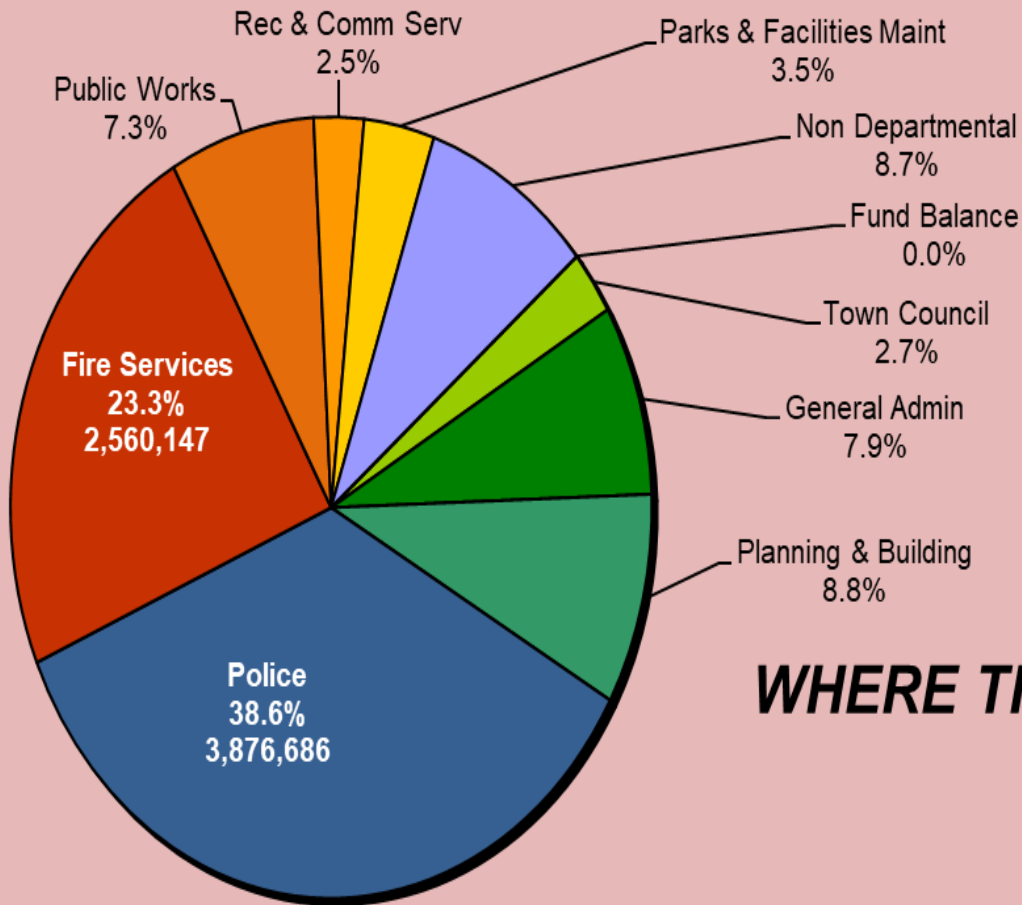
### SOURCE OF FUNDS FOR GENERAL FUNDS TOTAL = \$11.0 MILLION



# Exp. Projections FY20-21

GF appropriations up approx. 3.7% ↑(\$400,000)

- Overall salaries increase by \$144,000 (↑ 4.4%)
- Benefits and payroll increase by 105,000 (↑ 9.9%)
- Retirement & Side fund increased by \$69,000 (↑ 5.8%)
- Professional Services increased by \$190,000 (↑ 5.1%)
  - SB2 planning grant expenses (\$160,000)
  - Fire increased by 3%↑
- Supplies Tools & Other decreased by \$80,000 (6%↓)
  - Janitorial Service to double due to COVID-19↑



## ***WHERE THE MONEY GOES TO...***

### **USE OF FUNDS**

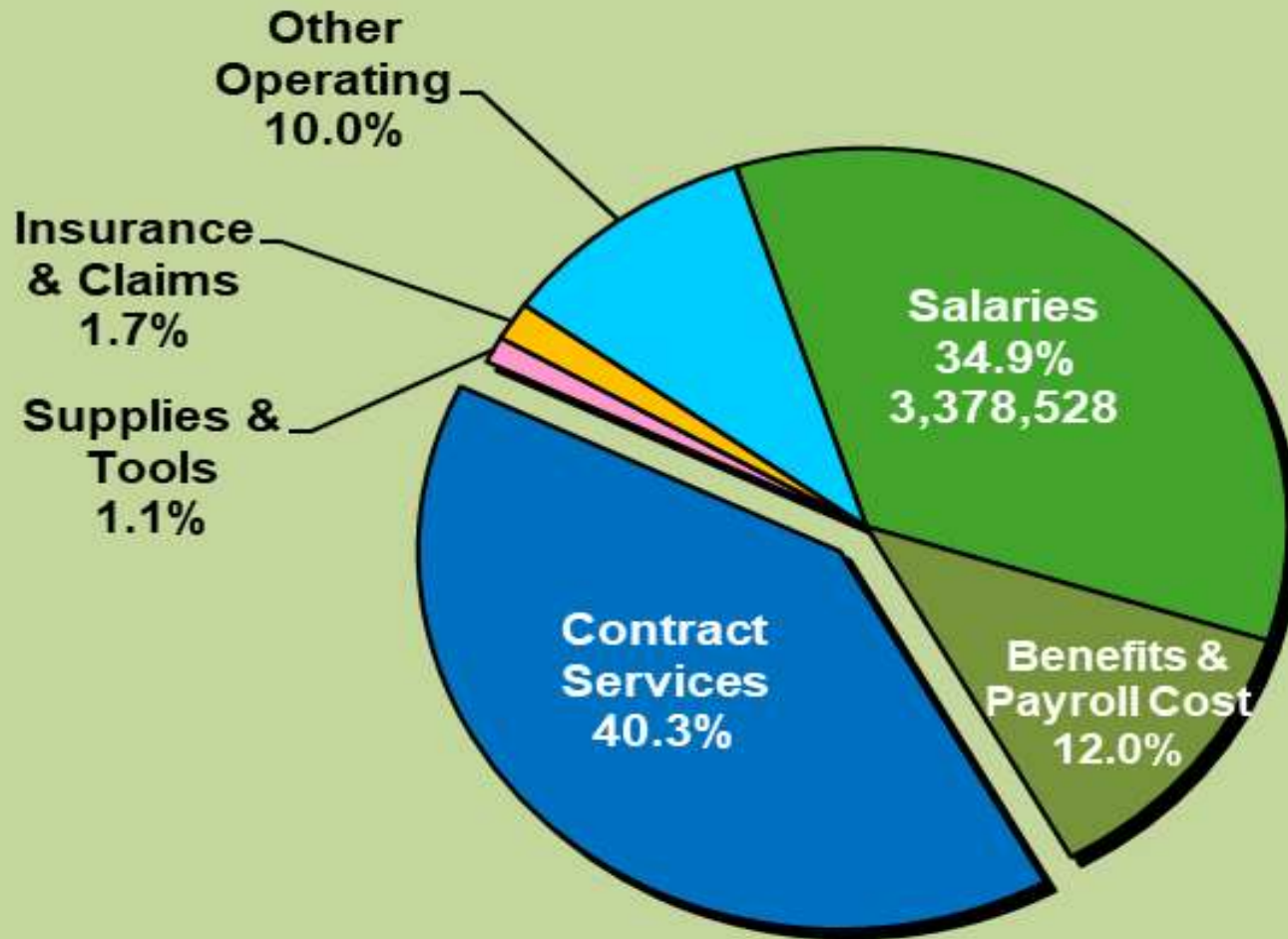
**FOR GENERAL FUNDS**

**TOTAL = \$11.0 MILLION**



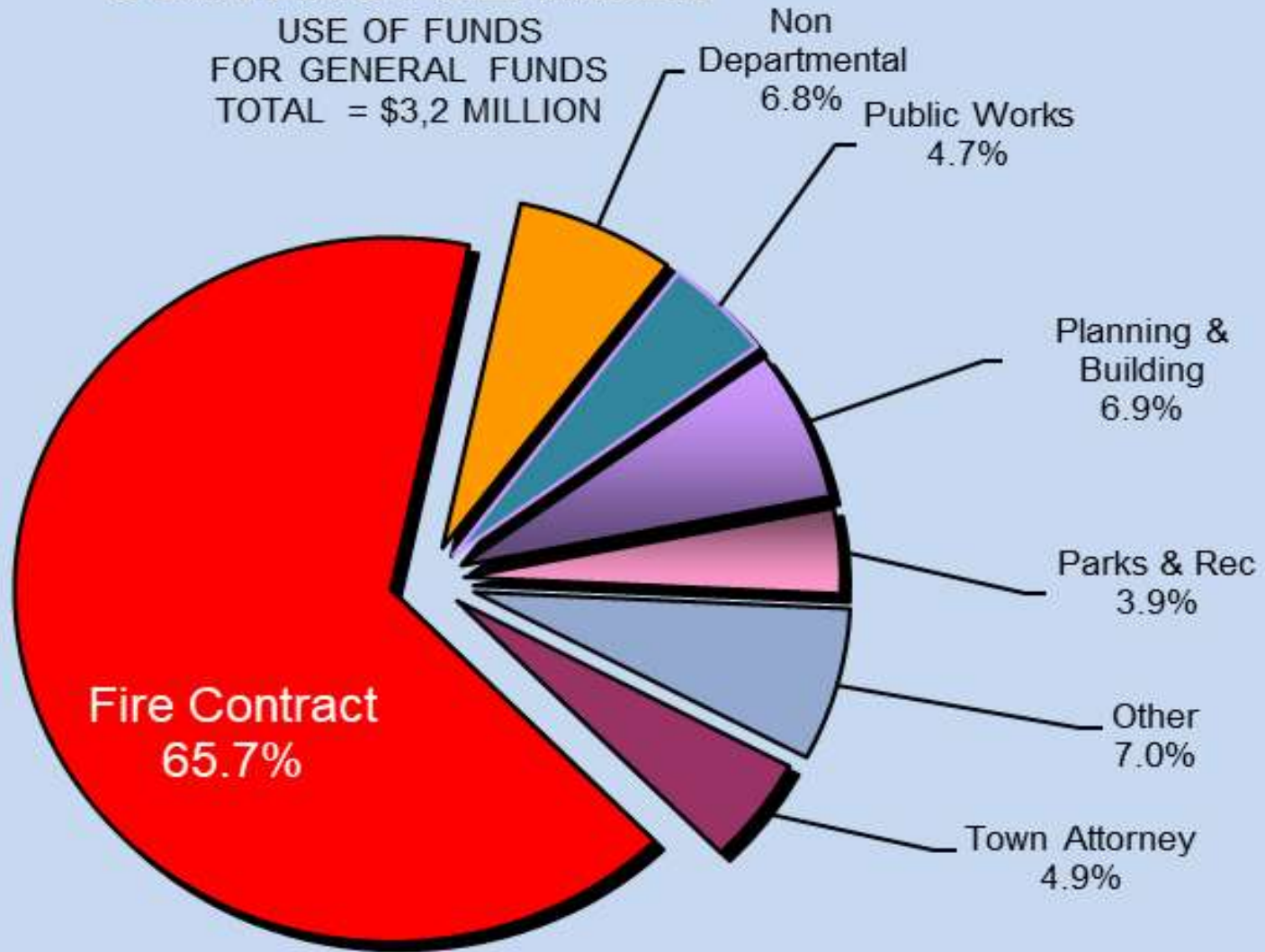
# **EXPENDITURES BY CATEGORY**

USE OF FUNDS  
FOR GENERAL FUNDS



# **CONTRACT SERVICES**



USE OF FUNDS  
FOR GENERAL FUNDS  
TOTAL = \$3,2 MILLION



# Projected General Fund Reserves

- Beginning FY20-21 GF reserves of \$3.4m (33%)
- Ending FY20-21 GF reserves \$2.9m (27%)
- Remains above policy of maintaining minimum of 25% of operating expenses in GF reserves
- Transferred in more Retirement reserves (Fund 06)
- Used the dry period fund (established for this purpose)
- GF transfer of \$600,000 to Fund 52 Storm Recovery projects while waiting for FEMA reimbursements (need to track funds/expenditures)

# Budget Year End FY19-20

- Year end estimates a work in progress
- Due to COVID-19, GF Revenues net approx. \$250,000 lower than adopted budget (\$200,000 sales tax ) 
- GF operating savings of \$250,000 compared to adopted budget 
- Any year end additions
- Public Comment for this section

# Department Presentations (11:05am)

- Administration (Town Manager, Town Clerk)- pg13
- Finance- pg. 25
- Planning and Building pg- 28
- Police- pg. 32, Fire- pg. 36
- Public Works- pg. 39
- Recreation & Community Services- pg. 49
- Communications & Technology
- Non-Departmental- pg. 54
- Building Maintenance- pg. 55
- Public Comment



**LUNCH BREAK**

**12:30 to 1:00pm**

# Other General Funds & Special Funds (1:00pm)

## OTHER GENERAL FUNDS- Fund 02-08 (pg. 56)

- Dry Period Fund 02
- Field Equipment Replacement Fund 03
  - \$30,000 for PD vehicle radios and laptops
- Building and Planning Fees Fund 04- 15% ↓↓
- Building Improvement Fund 05
- Retirement Fund 06
- Special Police Fund 07
- Office Equipment Replacement Fund 08

# Special Funds

- Fairfax Festival (Fund 12)
- Measure J/C Special Municipal Tax (Fund 20)
- Gas Tax (Fund 21)
- Tam Measure A/AA (Fund 22)
- Measure A parks (Fund 23)
- Debt Service Funds (Fund 43-46)
- Debt Lease Agreement (Fund 48)
- Open Space (Fund 73)
- Public Comment





Break (5 min)

# 5-Yr Capital Improvement Program FY20-21

(1:45pm)

- Total \$1.2 million (preliminary)
- Scenic Rd. retaining wall (Ridge/Scenic)
- 145 Canyon Rd Stabilization Project
- Women's Club Improvements
- Misc. Park Improvements- Peri Park
- Pavilion Seismic Retrofit
- Sidewalk Repair
- Azalea/SFD intersection improvements (2 year project)
- Street Resurfacing & Repair
  - Pavement Management Plan
- FEMA projects

## Bridge Projects (preliminary)

- Primary Funding: federal/state grants
- Continues with Meadow
- Creek Rd. and BPMP bridges (Spruce, Canyon, Marin) funding requests may be placed on hold by Caltrans
- Azalea bridge still has funding for this phase
- Timing could change for BPMP and Creek

# Pavement Management Plan

- Every 2 years- MTC retains firm to conduct evaluate conditions of road.
- PCI (pavement condition index)- avg 60
- PCI 62 in 2017
- 68% good to excellent
- 32% poor to very poor
- 54.5 miles of lane roads
- \$3m or \$600,000 per year /5 years needed to maintain PCI 60
- We don't have \$600,000/yr., but will try asphalt rubber product to maximize funds

# Funding Requests/Priorities

- New programs/projects?
- Supplement/enhance programs?
- Priorities?
- Add now and/or wait until mid-year review?
- Public Comment

# Next Steps

- Further year end and proposed budget revisions/adjustments
- Public Hearing June meeting
- Adopt Budget in July
- Mid- Year review Fall 2020
- Public Comment
- Closing Remarks/Recap