

TOWN OF FAIRFAX



FY22 MIDYEAR BUDGET REPORT

PRESENTED BY

MICHAEL VIVRETTE, DIRECTOR OF FINANCE

MIDYEAR BUDGET - STAFF REPORT



SUMMARY:

- Revenues are projected to exceed budget by \$499,000 (4.4%)
- Expenses are projected to exceed budget by \$378,000 (3.2%) primarily from the addition of transfers to cover expenditures for the SFD sinkhole and additional CIP.
- The adopted FY22 budget projected a General Fund deficit of (\$615,230). This will likely be \$120,000 less (\$494,000).



Projected FY22 Income Statement

Town of Fairfax, CA

Department	JUL-JAN	FEB	MAR	APR	MAY	JUN	ADJ/CLOSE	PROJECTED FY22	Original FY22 Total Budget	▲ \$	▲ %
Fund: 01 - GENERAL FUND											
Revenue											
010 - TAXES	4,302,032	221,564	170,474	2,153,241	192,099	353,167	49,025	7,441,603	7,034,500	407,103	5.8%
020 - FRANCHISE FEES	205,667	59,108	9,947	99,922	83,624	28,479		486,748	480,000	6,748	1.4%
030 - LICENSES	32,317	12,224	39,991	8,472	31,980	2,680		127,664	120,000	7,664	6.4%
040 - FINES	40,344	19,805	9,181	5,655	1,547	9,127		85,660	130,000	(44,340)	-34.1%
050 - RENTAL & MAINTENANCE FEES	14,777	600	600	600	600	600		17,777	35,600	(17,823)	-50.1%
060 - REVENUES FROM OTHER AGENCIES	13,525	-	1,161	21,823	4,588	4,611	205,000	250,708	240,000	10,708	4.5%
070 - GRANTS FROM OTHER AGENCIES	12,145	-	-	-	-	5,000		17,145	17,200	(55)	-0.3%
080 - CHARGES FOR CURRENT SERVICES	65,099	(320)	762	287	586	47,468		113,881	130,500	(16,619)	-12.7%
090 - RECREATION FEES	45,390	7,500	7,500	7,500	7,500	7,500		82,890	57,208	25,682	44.9%
Revenue Before Transfers Total:	4,731,296	320,482	239,616	2,297,501	322,524	458,632	254,025	8,624,077	8,245,008	379,069	4.6%
100 - TRANSFERS IN	-	-	-	-	-	3,050,000	120,000	3,170,000	3,050,000	120,000	3.9%
Revenue Total:	4,731,296	320,482	239,616	2,297,501	322,524	3,508,632	374,025	11,794,077	11,295,008	499,069	4.4%
Expense											
111 - TOWN COUNCIL	13,423	1,918	1,918	1,918	1,918	1,918	15,000	38,011	40,440	(2,429)	-6.0%
112 - TOWN TREASURER	2,115	316	318	317	317	476	500	4,359	4,824	(465)	-9.6%
116 - INDEPENDENT AUDITOR	13,575	21,000	31,425	-	-	-		66,000	66,000	-	0.0%
121 - TOWN ATTORNEY	171,999	37,601	37,600	37,600	37,600	37,600		360,000	190,000	170,000	89.5%
211 - TOWN MANAGER	127,858	16,440	16,100	16,100	16,100	16,100		208,698	218,854	(10,156)	-4.6%
221 - TOWN CLERK	112,615	14,852	19,600	19,600	19,600	19,600	50,000	255,867	279,497	(23,630)	-8.5%
231 - PERSONNEL	48,916	8,861	5,577	5,878	7,220	6,678	50,000	133,130	133,130	-	0.0%
241 - FINANCE	221,684	25,057	24,996	23,895	24,122	32,237		351,992	381,091	(29,099)	-7.6%
311 - PLANNING	386,145	133,090	133,090	133,090	133,090	133,090	21,601	1,073,196	1,073,196	(0)	0.0%
321 - BUILDING INSPECTION & PERMITS	127,529	13,075	15,054	22,982	22,731	37,004		238,376	247,995	(9,619)	-3.9%
411 - POLICE	1,939,640	275,889	275,889	275,889	294,916	275,889		3,338,112	3,519,028	(180,916)	-5.1%
418 - DISASTER PREPAREDNESS	3,350	-	1,650	-	14,437	-		19,437	24,000	(4,563)	-19.0%
421 - ROSS VALLEY FIRE SERVICE	1,771,755		216,784	216,784	216,784	216,784	21,030	2,659,923	2,659,923	0	0.0%
510 - PUBLIC WORKS ADMINISTRATION	220,459	31,000	35,000	35,000	35,000	35,000		391,459	406,947	(15,488)	-3.8%
511 - STREET MAINTENANCE	256,938	38,000	38,000	38,000	38,000	38,000		446,938	375,697	71,241	19.0%
512 - STREET LIGHTING & TRAFFIC SIGNALS	51,721	4,958	6,767	6,072	13,015	21,832		104,364	97,000	7,364	7.6%
611 - PARK MAINTENANCE	153,055	18,178	13,798	16,480	19,163	26,891		247,565	246,944	621	0.3%
616 - COMMUNITY SERVICES	23,129	2,440	9,417	10,000	9,723	10,838	(14,266)	51,279	64,319	(13,040)	-20.3%
617 - RECREATION	36,790	6,876	4,036	7,878	4,096	6,409		66,086	65,654	432	0.7%
621 - FAIRFAX RECREATION	113,977	14,010	11,619	12,789	18,269	20,126	(50,000)	140,791	107,981	32,810	30.4%
622 - SUMMER CAMPS	7,623	-	-	-	-	-		7,623	6,799	824	12.1%
625 - RENTAL FACILITIES	40,892	4,038	18,435	2,435	2,074	3,314		71,189	79,914	(8,725)	-10.9%
715 - NON DEPARTMENTAL	389,381	190,203	20,261	34,163	22,398	116,291	224,133	996,830	1,093,468	(96,638)	-8.8%
725 - TRANSFERS OUT	-					527,537	490,000	1,017,537	527,537	490,000	92.9%
911 - BUILDING MAINTANANCE	(13,254)	2,135	(30,710)	4,270	14,783	22,777		0	-	0	
Expense Total:	6,221,315	859,937	906,624	921,141	965,356	1,606,391	807,998	12,288,762	11,910,238	378,524	3.2%
Fund: 01 - GENERAL FUND Surplus (Deficit):	(1,490,019)	(539,455)	(667,008)	1,376,360	(642,832)	1,902,241	(433,973)	(494,685)	(615,230)	120,545	-19.6%

MIDYEAR BUDGET - REVENUES



- Revenues will be higher primarily due to **property and sales tax** revenues.
 - Property taxes +\$67,800 (2%)
 - VLF Prop tax in Lieu +\$55,700
 - Sales Taxes 15.8% higher +258,800
- These categories comprise **89%** of the Town's budgeted revenues.

SOURCE	PROJECTED VARIANCE
Property Taxes, ERAF, VLF Swap	123,500
Sales Taxes	258,800
User Taxes (UUT & Hotel)	24,800
Franchise Fees	6,700
Fines & Licenses	(36,700)
Rents & Interest	(17,800)
Revenues from other Agencies	10,700
Charges for Current Services	9,000
04 Building & Planning Fees	100,000
06 Retirement	20,000
Projected Additional Revenue	499,000

MIDYEAR BUDGET - REVENUES



- Revenues in other General Funds are expected to bring in higher revenues including:
- Fund 04 Building & Planning fees
 - Estimated to exceed budget by \$100,000.
- Fund 06 Retirement Fund
 - Additional tax received (+\$20,000)

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Fines & Licenses	(36,700)
Rents & Interest	(17,800)
Revenues from other Agencies	10,700
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Projected Additional Revenue	499,000

MIDYEAR BUDGET - REVENUES



Some revenues are under budget:

- Fines and Licenses (-\$36,700)
 - Better citizen behavior...
 - Business License revenue down... Covid?
- Interest revenue (-\$5,000) (25%)
 - LAIF Interest rates have fallen over 3 years
 - Jan 2019 2.355%
 - Jan 2020 1.967% -16.5%
 - Jan 2021 .458% -76.7%
 - Jan 2022 .234% -48.9%
- Rental facility rents (-\$12,000)
 - extended lockdown
 - closure of facilities for repairs.

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Charges for Current Services	9,000
04 Building & Planning Fees	100,000
06 Retirement	20,000
Projected Additional Revenue	499,000

MIDYEAR BUDGET - EXPENDITURES



- General Funds expenses are projected to exceed budget by about \$378,500 (+3.2%)
 - Primarily due to additional transfers from General Fund for anticipated CIP and Emergency repairs
 - \$440,000 +/-for the SFD sinkhole
 - may be reimbursable up to 100% by state at some point
 - \$ 60,000 for transition of the Community Center
- Departmental expenses are projected to be under budget by \$111,000 (.9%)

MIDYEAR BUDGET - EXPENDITURES



Department Expenses

- Most departments are projected to be under budget at June 30th

Department	JUL-JAN	FEB	MAR	APR	MAY	JUN	ADJ/CLOSE	PROJECTED FY22	Original FY22 Total Budget	▲ \$	▲ %
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MIDYEAR BUDGET - EXPENDITURES



Department Expenses

- Some departments are projected to be over budget at June 30th

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- Projected overages can be covered by inter-department transfers rather than by additional appropriation.

MIDYEAR BUDGET - EXPENDITURES



- **Personnel costs** - largest budgeted cost - 44.8% of total budget
 - At January 31st 57.6% spent (within 1% of expected).
 - Costs will likely increase in the last five months with the addition of staff positions after January 31st
- The “**sideletter payment**” in August added higher personnel costs to each department.
- **Health insurance costs** will have some savings. We budgeted an increase of 6% in January, which ended up only increasing 5.3% on Kaiser which 92.8% of the employees are participating in.

MIDYEAR BUDGET - EXPENDITURES



Capital Improvement Project (CIP) Expenses

- Projected to be under budget at June 30th
- No mid-year budget adjustments are required
- Through January 2022, the Town has spent approximately \$485,400 on CIP projects. The adopted FY21-22 CIP is approximately \$5.4 million for Funds 51, 52 and 53.
- CIP projects that are not completed in FY21-22 are carried over and re-budgeted in the following fiscal year.

MIDYEAR BUDGET- CONCLUSION



RECOMMENDATIONS:

- Receive report and presentation.
- No additional appropriation is requested. Any department budget adjustments can come from expense savings in other General Fund departments and projected increased revenues at the discretion of the Town Manager at year end.

MIDYEAR BUDGET - CONCLUSION

