

TOWN OF FAIRFAX



FY23 MIDYEAR BUDGET REPORT

PRESENTED BY MICHAEL VIVRETTE, CPA DIRECTOR OF FINANCE

MIDYEAR BUDGET - STAFF REPORT



SUMMARY:

- **GF Revenues** are projected to exceed budget by \$475,000
Transfers from Building & Planning will add \$100,000 to the GF
Total from revenues & transfers-in will be \$575,000 (4.9%)
- **GF Expenses** are projected to be under budget by \$265,000 (-1.9%)
Current budget includes council approved adjustments for Police MOU and Planning
- The **Adopted FY23 budget** originally projected a General Fund drawdown from reserves of \$1.39 M. This will likely be reduced to \$549,000 bringing reserves from 30% up to 36%.



Projected FY23 Income Statement

Town of Fairfax, CA

AVG CALC PRIOR PD ADJ

Department	JUL-JAN	FEB	MAR	APR	MAY	JUN	ADJ/CLOSE	PROJECTED FY23	CURRENT FY23 Total Budget	▲ \$	▲ %
Fund: 01 - GENERAL FUND											
Revenue											
010 - TAXES	4,492,803	304,187	196,521	2,333,935	350,841	307,205	29,282	8,014,774	7,468,758	546,016	7.3%
020 - FRANCHISE FEES	206,610	65,104	9,831	98,902	34,626	42,549		457,622	480,000	(22,378)	-4.7%
030 - LICENSES	45,772	15,457	9,325	7,662	33,559	3,788		115,563	120,000	(4,437)	-3.7%
040 - FINES	31,418	3,929	7,065	9,019	6,300	4,029		61,760	130,000	(68,240)	-52.5%
050 - RENTS & INTEREST	38,048	701	26,357	609	750	25,600	22,764	114,829	33,600	81,229	241.8%
060 - REVENUES FROM OTHER AGENCIES	40,719	1,392	2,435		4,432	4,303	(29,282)	23,999	37,000	(13,001)	-35.1%
070 - GRANTS FROM OTHER AGENCIES	-	-	-	-	-	20,718		20,718	40,000	(19,282)	-48.2%
080 - CHARGES FOR CURRENT SERVICES	71,055	1,263	1,364	273	1,638	1,408	54,000	131,001	143,320	(12,319)	-8.6%
090 - RECREATION FEES	25,411	8,792	4,939	3,817	1,102	3,323		47,384	57,208	(9,824)	-17.2%
Revenue Before Transfers Total:	4,951,836	400,825	257,837	2,454,217	433,248	412,923	76,764	8,987,650	8,509,886	477,764	5.6%
100 - TRANSFERS IN	-	-	-	-	-	3,300,000	100,000	3,400,000	3,300,000	100,000	3.0%
Revenue Total:	4,951,836	400,825	257,837	2,454,217	433,248	3,712,923	176,764	12,387,650	11,809,886	577,764	4.9%
Expense											
111 - TOWN COUNCIL	15,044	1,722	1,659	2,918	1,787	5,889		29,019	29,019	-	0.0%
112 - TOWN TREASURER	2,417	319	318	318	329	320		4,021	4,462	(441)	-9.9%
116 - INDEPENDENT AUDITOR	6,320	44,487		10,000	-	-		60,807	69,300	(8,493)	-12.3%
121 - TOWN ATTORNEY	179,709	37,601	37,600	37,600	37,600	37,600		367,710	368,000	(290)	-0.1%
211 - TOWN MANAGER	139,797	16,440	16,100	16,100	16,100	16,100		220,637	262,322	(41,685)	-15.9%
221 - TOWN CLERK	144,417	31,491	31,491	31,491	31,491	31,491		301,871	306,919	(5,048)	-1.6%
222 - ELECTIONS	34		19,966					20,000	20,000	-	0.0%
231 - PERSONNEL	57,977	29,695	5,577	35,878	7,220	6,678		143,025	204,958	(61,933)	-30.2%
241 - FINANCE	238,246	25,057	24,039	29,039	24,039	29,039		369,458	398,128	(28,670)	-7.2%
311 - PLANNING	683,960	96,135	183,090	183,090	183,090	183,090		1,512,455	1,512,455	-	0.0%
321 - BUILDING INSPECTION & PERMITS	152,211	17,095	20,018	21,918	22,231	20,731		254,203	254,472	(269)	-0.1%
411 - POLICE	2,188,785	312,684	312,684	312,684	312,684	312,684	-	3,752,203	3,901,614	(149,411)	-3.8%
418 - DISASTER PREPAREDNESS	3,770	-	1,650	4,254	14,437	-		24,111	24,020	91	0.4%
421 - ROSS VALLEY FIRE SERVICE	1,645,031	275,459	229,459	229,459	229,459	229,459		2,838,326	2,799,690	38,636	1.4%
510 - PUBLIC WORKS ADMINISTRATION	270,440	31,892	35,000	35,000	35,000	35,000		442,332	500,719	(58,387)	-11.7%
511 - STREET MAINTENANCE	306,888	55,597	55,597	55,597	55,597	55,597		584,873	442,658	142,215	32.1%
512 - STREET LIGHTING & TRAFFIC SIGNALS	75,058	10,714	10,714	10,714	10,714	10,714		128,629	94,000	34,629	36.8%
514 - CLIMATE & ENVIRON	67,133	16,645	18,645	18,645	18,645	18,645		158,359	148,517	9,842	6.6%
611 - PARK MAINTENANCE	170,243	18,178	13,798	16,480	19,163	26,891		264,753	261,879	2,874	1.1%
616 - COMMUNITY SERVICES	12,202	2,440	2,440	2,440	7,440	7,440		34,400	42,120	(7,720)	-18.3%
617 - RECREATION	40,554	6,876	4,036	7,878	4,096	6,409		69,850	75,955	(6,105)	-8.0%
621 - FAIRFAX RECREATION	94,442	14,010	11,619	12,789	18,269	20,126		171,255	139,106	32,149	23.1%
622 - SUMMER CAMPS	11,177	-	-	-	-	-		11,177	11,264	(87)	-0.8%
625 - RENTAL FACILITIES	34,160	4,038	18,435	2,435	2,074	3,314		64,457	82,117	(17,660)	-21.5%
715 - NON DEPARTMENTAL	675,622	190,203	20,261	34,163	172,398	116,291		1,208,938	1,365,987	(157,049)	-11.5%
725 - TRANSFERS OUT	-	-	-	-	-	644,000		644,000	644,000	-	0.0%
911 - BUILDING MAINTANANCE	4,235	2,135	(30,710)	4,270	14,783	22,777		17,490	-	17,490	
Expense Totals	7,219,872	1,240,912	1,043,485	1,115,159	1,238,646	1,840,284	-	13,698,358	13,963,681	(265,323)	-1.9%
	(2,268,036)	(840,087)	(785,648)	1,339,058	(805,398)	1,872,639	176,764	(1,310,709)	(2,153,795)	843,086	-39.1%

MIDYEAR BUDGET - REVENUES



Revenues will be higher primarily due to **property and sales tax** revenues.

- Property taxes +\$250,000 (+ 4.7%)
- Sales Taxes +\$280,000 (+ 15.5%)
- Interest +\$ 80,000 (+325.0%)

LAI interest rates have significantly increased due to inflation and hikes in the Fed Funds Rate

These categories comprise 89% of the Town's budgeted revenues.

SOURCE	PROJECTED VARIANCE
Property Taxes, ERAF, VLF Swap	250,000
Sales Taxes	280,000
Fines & Licenses	(70,000)
Rents & Interest	80,000
Other Categories	(65,000)
04 Building & Planning Fees	100,000
Projected Additional Revenue	575,000

MIDYEAR BUDGET - REVENUES



Some revenues are under budget:

- Fines and Licenses (-\$70,000)
 - Business License down slightly ... some closed businesses, timing of license collection
 - Fines are difficult to project (building code, etc.)
- Grants from other Agencies
 - Was estimated to be \$40,000 - most was collected prior to beginning of the fiscal year and is revenue in prior year
- All other revenue categories show a net estimated decrease of -\$25,000 (-2.0%)

SOURCE	PROJECTED VARIANCE
Property Taxes, ERAF, VLF Swap	250,000
Sales Taxes	280,000
Fines & Licenses	(70,000)
Rents & Interest	80,000
Other Categories	(65,000)
04 Building & Planning Fees	100,000
Projected Additional Revenue	575,000

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 + \$100,000 (+16%)

SOURCE	PROJECTED VARIANCE
Property Taxes, ERAF, VLF Swap	250,000
Sales Taxes	280,000
Fines & Licenses	(70,000)
Rents & Interest	80,000
Other Categories	(65,000)
04 Building & Planning Fees	100,000
Projected Additional Revenue	575,000

MIDYEAR BUDGET - EXPENDITURES



- General Funds expenses are projected to be under budget by \$265,000 (+1.9%)
- Most departments are projected to be under budget on June 30th

Department	JUL-JAN	PROJECTED FY23	CURRENT FY23 Total Budget	▲ \$	▲ %
Fund: 01 - GENERAL FUND					
Expense				-	
111 - TOWN COUNCIL	15,044	29,019	29,019	-	0.0%
112 - TOWN TREASURER	2,417	4,021	4,462	(441)	-9.9%
116 - INDEPENDENT AUDITOR	6,320	60,807	69,300	(8,493)	-12.3%
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222 - ELECTIONS	34	20,000	20,000	-	0.0%
231 - PERSONNEL	57,977	143,025	204,958	(61,933)	-30.2%
241 - FINANCE	238,246	369,458	398,128	(28,670)	-7.2%
311 - PLANNING	683,960	1,512,455	1,512,455	-	0.0%
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418 - DISASTER PREPAREDNESS	3,770	24,111	24,020	91	0.4%
421 - ROSS VALLEY FIRE SERVICE	1,645,031	2,838,326	2,799,690	38,636	1.4%
510 - PUBLIC WORKS ADMINISTRATION	270,440	442,332	500,719	(58,387)	-11.7%
511 - STREET MAINTENANCE	306,888	584,873	442,658	142,215	32.1%
512 - STREET LIGHTING & TRAFFIC SIGNALS	75,058	128,629	94,000	34,629	36.8%
514 - CLIMATE & ENVIRON	67,133	158,359	148,517	9,842	6.6%
611 - PARK MAINTENANCE	170,243	264,753	261,879	2,874	1.1%
616 - COMMUNITY SERVICES	12,202	34,400	42,120	(7,720)	-18.3%
617 - RECREATION	40,554	69,850	75,955	(6,105)	-8.0%
621 - FAIRFAX RECREATION	94,442	171,255	139,106	32,149	23.1%
622 - SUMMER CAMPS	11,177	11,177	11,264	(87)	-0.8%
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725 - TRANSFERS OUT	-	644,000	644,000	-	0.0%
911 - BUILDING MAINTANANCE	4,235	17,490	-	17,490	
Expense Totals	7,219,872	13,698,358	13,963,681	(265,323)	-1.9%

MIDYEAR BUDGET - EXPENDITURES



Department Expenses

- Some departments are projected to be over budget at June 30th
- Those which are projected to be over by more than \$10,000 or 4% are:

Department	JUL-JAN	PROJECTED FY23	CURRENT FY23 Total Budget	▲ \$	▲ %
Fund: 01 - GENERAL FUND					
Expense				-	
421 - ROSS VALLEY FIRE SERVICE	1,645,031	2,838,326	2,799,690	38,636	1.4%
511 - STREET MAINTENANCE	306,888	584,873	442,658	142,215	32.1%
512 - STREET LIGHTING & TRAFFIC SIGNALS	75,058	128,629	94,000	34,629	36.8%
621 - FAIRFAX RECREATION	94,442	171,255	139,106	32,149	23.1%

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

MIDYEAR BUDGET - EXPENDITURES



- **Personnel costs** are at budgeted projections - 44.8% of total budget
- **Health insurance costs are at budgeted projections also**
 - We budgeted for an increase of 6% in January
 - Health care actually went up an average of 6.5%
 - Delta Dental rates did not increase this year which helps offset other increases.
- **Capital Improvement Project (CIP) Expenses**
 - The Adopted FY22-23 CIP is approximately \$5.8 million for Funds 51, 52 and 53.
 - Projected to be under budget at June 30th - No mid-year budget adj are required
 - Through January 2023, the Town has spent approximately \$1,168,000 on CIP projects (compared with \$485,400 for the same period last year)
 - CIP projects that are not completed in FY22-23 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.