



San Rafael

Agenda Item No: 4.b

Meeting Date: **June 17, 2013**

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: FINANCE

Prepared by: Mark Moses, *mm*
Interim Finance Director

City Manager Approval: *M. Machala*

SUBJECT: 1) RESOLUTION ADOPTING CITY OF SAN RAFAEL BUDGET FOR FISCAL YEAR 2013-2014;

2) RESOLUTION ADOPTING THE MEASURE S COMMITTEE REPORT

RECOMMENDATION: ACCEPT REPORT AND ADOPT RESOLUTIONS AS PRESENTED.

BACKGROUND: The purpose of this report is to provide the City Council and community with the proposed City-wide budget for fiscal year 2013-2014 which has been prepared for adoption, based on the direction provided at the City Council Study Session of May 9, 2013, and the City Council Meeting of June 3, 2013.

Budget

The budget is both a spending plan for the City's available financial resources and the legal authority for City departments to spend these resources for public purposes. Through these resources, services are provided to meet the needs of city residents. The City Council and City staff respond to the community's needs in part through the budget which is intended to balance not only revenues and costs, but also community priorities.

The City Council held a Budget Study Session on May 9, 2013. The purpose of this session was to review the status of the current year (fiscal year 2012-2013 budget), the City's three-year forecast, and to discuss program priorities and key fiscal policies that should shape the development of the fiscal year 2013-2014 budget. Staff reported additional revenues and resources for fiscal year 2012-2013 that were identified after the February 4, 2013 mid-year review. It was noted that these were predominantly one-time in nature, and they were recommended to be programmed to address deferred maintenance and other priority areas. City Council requested a more complete recommendation for the June 3, 2013 City Council Meeting.

The preliminary General Fund Operating budget that was presented on May 9 marked the first time in several years that the initial budget was balanced, whereby the expenditures for the year were fully covered by projected revenues. Staff noted, however, that a number of areas have

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been neglected over the past several years, in response to the collapse of revenues that occurred five years ago, including: Facilities Maintenance, Technology, Operating and Capital Reserves.

At the City Council Meeting of June 3, 2013, the City Council received a further update of the status of the fiscal 2012-2013 financial performance, along with staff recommendations for use of one-time and newly identified resources in that year. City Council requested a study session now scheduled for June 18 to discuss these recommendations in more detail, prior to amending the fiscal year 2012-2013 budget. The City Council proceeded to review the proposed City-wide budget for fiscal year 2013-2014, and directed staff to return with this budget for adoption.

Measure S

Prior to fiscal year 2004-2005, the City faced a serious structural budget deficit. In November 2005, the citizens of San Rafael approved a 0.5 percent transactions and use tax. The transactions and use tax (Measure S funds) has provided mitigation to the City's loss of key general fund revenues. As part of the requirements of the ordinance, an independent citizens' oversight committee was created to review and report on the collection and expenditure of tax revenues. This Committee, the Measure S Oversight Committee, established baseline policies for their oversight role. The Committee met on May 16, 2013 to discuss the proposed fiscal year 2013-2014 budget. The result of the Committee's review is included in this report.

In summary, this report will focus on the following key areas.

1. Proposed, balanced budget for all City funds for fiscal year 2013-2014
2. Report by Measure S Oversight Committee regarding proposed general fund budget

ANALYSIS:

FISCAL YEAR 2013-2014 CITY-WIDE BUDGET:

HIGHLIGHTS

- ❖ **Overall FY2013-2014 City Budget:** The total proposed FY2013-2014 budget for the City is estimated to be \$95,077,783. This sum reflects all funds and operations for the City, inclusive of appropriations of new resources for one time and capital projects in the amount of \$10,278,115. These appropriations are supported by FY2013-2014 revenue and other sources projected at \$92,023,603, as well as by funds retained from previous periods for capital projects. (See Attachment A – Exhibit I)
- ❖ **General Fund Budget:** The General Fund portion of the City budget is balanced in that FY2013-2014 appropriations, totaling \$61,451,424, are fully supported by FY2013-2014 General Fund revenues and transfers, projected at \$61,495,042 (see Attachment A - Exhibit II).
- ❖ **Funding Trends:** Included in the General Fund Expenditure Budget are funding provisions for the following:

- Employee retirement obligations are fully-funded in accordance with actuarially-determined contribution levels;
 - The General Fund is no longer relying on Gas Tax and Storm Water revenues to fund positions that support these activities, thus preserving and leveraging those resources for their respective purposes.
 - The Homeless Initiative Project is incorporated into the fiscal year 2013-2014 budget, and provisions are in place for funding the subsequent two years.
- ❖ **State Budget Impacts:** As this staff report is being prepared, the State budget does not rely on any new actions that would have a significant, detrimental impact on the City's budget. However, the State continues to defer payments on most of the SB-90 (State Mandate) claims for reimbursement. The City's receivable for these claims is approaching \$2 million.

Revenue Trends and Assumptions:

The major source of funds required to pay for all of the services provided to the community continues to be taxes. Major tax trends for the upcoming year are highlighted as follows:

Sales Tax:

Sales tax trends have been strong, with the potential to exceed 8.5% for fiscal year 2012-2013. With the assistance of HdL Consultants, sales tax is estimated to increase by 6.5% to \$18.6 million in fiscal year 2013-2014. This increase is supported by the projected opening of the Target store in fall 2013. Sales taxes account for 31% of General Fund revenues.

Property Tax:

The City's second largest tax generator is property tax. While the City did not experience the level of property value declines seen in other areas of the state, revenues have stagnated for the past several years. Based on the most recent county property tax roll information and property transfer tax trends, we are projecting an increase of 1% to \$14.6 million in fiscal year 2013-2014. Property taxes account for 24% of General Fund revenues.

Transaction & Use Tax (Measure S):

This voter-approved, transaction and use tax took effect in April 2006. Its purpose is to maintain essential City services. Revenues from this tax are projected to increase by 5% to \$7 million in fiscal year 2013-2014. This figure remains below the peak of over \$7 million collected in fiscal year 2007-2008. Measure S revenues account for just under 12% of General Fund Revenues.

Other General Fund Revenues:

Other revenues are expected to experience moderate growth over the next year.

Other notable revenue activities are presented below:

- ✓ **Paramedic Tax:** The proposed \$6.2 million annual cost of Emergency Medical Services for fiscal year 2013-2014 will not require an increase for taxpayers in San Rafael, CSA #13 or CSA #19 who pay \$89 per residential living unit and \$0.12 per square foot for non-residential buildings. In the other area served, Marinwood CFD, rates will remain at the tax rate cap of \$85 per residential living unit and \$0.11 per non-residential building

square footage for fiscal year 2013-2014. Paramedic Tax revenues of approximately \$3.8 million, coupled with third-party billing of \$2.4 million

- ✓ Library Assessment Tax – In June 2010, the citizens of San Rafael passed Measure C. This assessment is projected to provide \$879,700 annually in revenues to support the Library. Funds have been dedicated to library hours, equipment, materials, and services for children, teens and adults. Since the inception of Measure C, \$541,000 has been set aside in the capital reserve. The allocation of tax proceeds is consistent with the long-term strategic recommendations presented by the library director in December 2012. When budget cuts have been necessary, the library has not been required to make disproportionate cuts, relative to the 2009-2010 baseline of 4.38%.

Expenditure Trends and Assumptions:

The City-wide budget proposal includes total appropriations of \$95.1 million for fiscal year 2013-2014. Of this total, \$61.5 million, or 65% is in the General Fund Operating Budget. Increases in personnel costs, including the temporary addition of two positions in the police department to support the Homeless Initiative, a provision for the reinstatement of an engineering position to review encroachment permits and building plans, and new labor contracts account for most of the \$1.7 million, or 2.9%, growth in expenditures over the projected levels for fiscal year 2012-2013.

One of the deficit reduction strategies during the most difficult years of the recent recession was to fund a significant portion of street and storm water personnel with funds from Gas Tax and Storm Water revenues. This reduced the amounts that those funds had to dedicate to their core purposes by several hundred thousand dollars or more per year. As the revenues have recovered, the General Fund is no longer dependent upon these other funds to balance its budget.

Capital Improvement Program:

In a separate report, Public Works staff is presenting an updated Five-year Capital Improvement Program (CIP) for fiscal years 2013-2014 through 2017-2018. This document identifies projects that impact all segments of San Rafael's infrastructure, including but not limited to City-maintained roads, pedestrian and bicyclist facilities, traffic control networks, drainage systems, buildings, parks, parking facilities, etc. The report includes the projects planned for fiscal year 2013-2014, and the changes to the timing of projects that has been caused by emergency and other unanticipated projects.

Enterprise activity (Parking Services):

Until recently, the Parking Services fund has remained fairly stable operationally, primarily as a result of reducing personnel-related expenses. While parking meter rates had historically increased an average of once every two years, it has now been six years (2007) since the last increase. This has led to a reliance on reserves to cover operations. The parking structures and lots have deferred maintenance issues that will need to be addressed over the next few years, in order to preserve these revenue-generating assets. The appropriations for this fund total \$4.8 million.

Fund Balances and Reserves:

All funds are projected to have a positive fund balance as of June 30, 2013. Emergency reserves in the General Fund balance currently remain at \$1.3 million (2.2% of current year appropriations). Although this is below the 10% target, the City has preserved \$3.0 million in the

employee retirement reserve fund and has established adequate balances in the internal service funds that support retiree medical, leave payouts, workers compensation and general liability.

City-wide Summary:

The City’s General Fund accounts for most of the major services to residents and businesses (such as police, fire suppression and prevention, planning, building, library, parks, streets, engineering, traffic enforcement and management, cultural programs). The General Fund appropriation for fiscal year 2013-2014 is approximately \$61.5 million. The following table summarizes the appropriations found in Attachment A – Exhibit I, which provides the schedule of consolidated fund activities for fiscal year 2013-2014:

Fund	Projected Balances July 1, 2013	Sources (Revenues and Transfers)	Uses (Expenditures and Transfers)	Projected Balance June 30, 2014
General Fund	\$3,310,643	\$61,495,042	\$61,451,424	\$3,354,261
Special Revenue/Grant	26,445,815	27,379,201	27,484,520	26,340,496
Enterprise (Parking)	2,378,384	3,672,700	4,831,490	1,219,594
Internal Service / Capital Replacement	14,764,808	11,085,848	12,603,185	13,247,471
Debt Service / Trust	513,378	148,020	198,229	463,169
Misc Capital Project Funds	909,518	1,296,770	1,562,913	643,375
Adj for ISF Charges/Transfers	0	(13,053,979)	(13,053,978)	0
City-wide Totals	\$48,322,546	\$92,023,603	\$95,077,783	\$45,268,366

Staffing and Organizational Capacity:

As discussed during prior budget presentations; while the City has achieved significant progress by balancing the General Fund budget without the use of borrowed monies or reserves, the budget continues to rely on unsustainable withholding of resources that need to be addressed over the next few years:

1. Capital and maintenance budgets have been deferred for several years. This practice has severely limited funding for facility maintenance, repairs and replacement. City-owned buildings and city-operated public facilities, parks and open space risk severe reduction in their respective values, safety and utility if they are not properly maintained. In addition, grant funds are at risk, as a result of reductions in project management capacity.
2. The ongoing erosion of staffing levels has reduced the City’s organizational capacity. The proposed budget provides funding for full-time equivalent staffing of 378.34 at July 1, 2013, an increase from the previous year of 3.10 positions, two of which are limited-term. This is down 67 positions, or 15%, from fiscal year 2007-2008 (see Attachment A – Exhibit III). There remains little capacity to proactively manage emerging issues, or to ensure smooth and consistent continuity of services. Although the workweek will be reinstated to 37.5 hours for the non-safety personnel, some furloughs will continue, and organizational capacity-related challenges caused by the staff reductions of prior years remain. As mentioned in the budget staff report of June 3, these issues are being addressed in the San Rafael Action Plan.

MEASURE S OVERSIGHT COMMITTEE REPORT:

The Committee met on May 16, 2013 to review the proposed General Fund expenditures for fiscal year 2013-2014. The Committee's written report, dated May 28, 2013, is included in this staff report as Attachment B – Exhibit I. The Committee found that the City is spending Measure S revenues in a manner that is consistent with the provisions Transaction and Use Tax Ordinance. However, due to the sub-par performance of General Fund revenues since Measure S was passed, it has not been possible to maintain the funding of some essential service levels at the inflation-adjusted service levels of the 2005-2006 base year. The Committee also observed that the recent General Fund revenue performance represents a partial recovery, relative to the inflation-adjusted baseline.

FISCAL IMPACT: By approving the Resolutions as presented, the City Council is authorizing the levels of expenditures, within funds, for the 2013-2014 fiscal year. The proposed budgets reflect all assumptions outlined and incorporate direction received from the Council through the June 3rd meeting.

The 2013-2014 Budget Resolution also provides for the “roll over” of unspent capital project funds from 2012-2013 for projects that will not be completed by June 30, 2013. Capital project spending occurs each year by appropriating accumulated funds (e.g., gas tax, traffic mitigation, etc.), in addition to new revenue sources. By carrying over the unspent portion of a project's budget into the subsequent year, capital project budget performance is easier to track, because the same budget authority is not duplicated for unspent funds. This also makes it easier to match budgeted costs with actual expenditures.

Similarly, the Budget Resolution provides for the “roll over” of active purchase orders (estimated at \$1.1 million, most of which reflects safety vehicles on order) that have not been completed by year-end. This provides for operational continuity and avoids having to re-budget expenditures that were previously budgeted and authorized.

OPTIONS: The City Council can choose to either:

- 1) Accept the reports, recommendations and Resolutions as presented; or
- 2) Make modifications to the recommendations, which would result in a change in the total revenue forecasts or appropriations.

RECOMMENDATION: Staff recommends that City Council accept the report and adopt the Resolutions as presented.

ATTACHMENTS

A - RESOLUTION ADOPTING CITY OF SAN RAFAEL BUDGET FOR FISCAL YEAR 2013-2014

B - RESOLUTION ADOPTING THE MEASURE S COMMITTEE REPORT

RESOLUTION NO. 13554

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL APPROVING THE BUDGET FOR THE FISCAL YEAR 2013-2014 AND PROVIDING FOR THE APPROPRIATIONS AND EXPENDITURE OF ALL SUMS SET FORTH IN SAID BUDGET IN THE AMOUNT OF \$95,077,783.

WHEREAS, the City Manager has submitted to the San Rafael City Council a Preliminary Budget for the fiscal year July 1, 2013 - June 30, 2014; and

WHEREAS, the City Council held public meetings on budget development, operational priorities, multi-year financial projections, and preliminary and proposed budgets for fiscal 2013-2014, on May 9 and June 3, 2013, where all interested persons were heard; and

WHEREAS, after examination, deliberation and due consideration of the preliminary and proposed budgets, the San Rafael City Council has provided direction to the City Manager; and

WHEREAS, it is the intention of this Council to adopt said Proposed Budget submitted by the City Manager as modified and amended by the Council as the approved budget for the fiscal year 2013 - 2014; and

WHEREAS, it is the intention of this Council to carry forward unspent capital projects resources funded in fiscal year 2012 - 2013 to complete the balance of these projects in the 2013 - 2014 fiscal year; and

WHEREAS, it is the intention of this Council to carry forward unspent operational funds from fiscal year 2012-2013 encumbered through approved, active purchase orders to complete the balance of these purchases in the 2013 - 2014 fiscal year;

NOW, THEREFORE, BE IT RESOLVED by the San Rafael City Council that

1. The proposed one-year budget for the City of San Rafael for the fiscal year July 1, 2013 through June 30, 2014, is hereby adopted as amended, totaling appropriations in the sum of \$95,077,783 of which \$84,799,668 is the Operating Budget and \$10,278,115 is the Capital and Special Projects Budget, as presented in Exhibits I and II.

2. The sums of money therein set forth are hereby appropriated from the revenues of the City to the departments, functions, programs and funds therein set forth for expenditure during the fiscal year 2013 - 2014.
3. The budget provides funding for a total of 378.34 full-time equivalent, authorized positions as presented in Exhibit III.
4. The City of San Rafael will carry forward unspent operational funds from fiscal year 2012-2013 encumbered through approved, active purchase orders, and reappropriate these funds in fiscal year 2013 – 2014 to be used solely to pay for the remaining portion of City Council authorized expenditures in the originating funds.
5. The City of San Rafael will carry forward unspent capital project funds from fiscal year 2012 - 2013 and reappropriate these funds in fiscal year 2013 - 2014 to be used solely to pay for the remaining portion of City Council authorized expenditures for street, facility, storm drain, traffic mitigation, park and other long term capital projects started in the 2012 - 2013 or prior fiscal years.

I, ESTHER C. BEIRNE, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City on Monday, the 17th day of June 2013, by the following vote, to wit:

AYES: COUNCILMEMBERS: Colin, Connolly, Heller, McCullough & Mayor Phillips

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None


ESTHER C. BEIRNE, City Clerk

CITY OF SAN RAFAEL
 CONSOLIDATED FUNDS SCHEDULE
 FY 2013-2014 Proposed

FUND NAME	July 1, 2013		Total Operating and Capital Revenue		Transfers In		Total Resources		Total Operating and Capital Budget		Transfers to Other Funds		Total Appropriations		June 30, 2014	
	Projected Balance	Balance	Operating Revenue	Capital Revenue	In	Resources	Budget	Other Funds	Appropriations	Balance	Projected Balance					
GENERAL OPERATING FUNDS:																
001 General Fund	\$3,310,643	\$60,253,618	\$1,241,424	\$61,495,042	\$59,526,424	\$1,925,000	\$61,451,424	\$3,354,261								
SPECIAL REVENUE & GRANT FUNDS:																
205 Storm Water Fund	\$1,635,368	800,200	0	800,200	886,293	0	\$886,293	1,549,275								
206 Gas Tax	\$5,983,886	5,590,387	0	5,590,387	5,451,878	0	\$5,451,878	6,122,395								
207 Development Services	\$321,803	40,461	0	40,461	36,000	0	\$36,000	326,264								
208 Child Care	\$44,787	3,414,490	125,000	3,539,490	3,534,327	0	\$3,534,327	49,950								
210 Paramedic/EMS	\$685,713	6,226,994	0	6,226,994	5,867,535	306,842	\$6,174,377	738,330								
217 State Lands Fund	\$474,037	29,800	0	29,800	0	0	\$0	503,837								
222 Recreation Revolving	\$11,527	2,597,900	1,400,000	3,997,900	3,797,367	0	\$3,797,367	212,060								
223 Household Haz. Waste Fund	\$229,268	1,580,323	0	1,580,323	1,549,340	0	\$1,549,340	260,251								
227 Sewer Maintenance	\$31,142	2,915,337	0	2,915,337	2,650,306	265,031	\$2,915,337	31,142								
228 Hazardous Materials Fund	\$58,421	100	0	100	0	0	\$0	58,521								
234 Pt. San Pedro Maintenance Portion	\$172,293	88,825	0	88,825	2,282	0	\$2,282	258,836								
235 Baypoint Lagoons L & I District	\$194,228	25,330	0	25,330	4,339	0	\$4,339	215,219								
236 Loch Lomond Assessment District	\$506,020	17,010	0	17,010	16,060	0	\$16,060	506,970								
240 Parkland Dedication	\$790,891	1,500	0	1,500	275,726	0	\$275,726	516,665								
495 Low and moderate Income Housing Fund	\$756,761	70,250	0	70,250	215,000	0	\$215,000	612,011								
STREET MAINTENANCE & CLEANING FUND:																
225 Street Maintenance	\$550,485	950	0	950	0	0	\$0	551,435								
220 Street Cleaning	\$82,694	140	0	140	0	0	\$0	82,824								
Street Mctc. & Cleaning Fund	\$633,170	\$1,090	\$0	\$1,090	\$0	\$0	\$0	\$634,260								
LIBRARY AND FALKIRK:																
214 Library Revolving	\$183,875	6,550	0	6,550	70,640	0	\$70,640	119,785								
215 Library Special Assessment Fund	\$584,097	880,700	0	880,700	811,180	0	\$811,180	653,617								
Library Fund	\$767,972	\$887,250	\$0	\$887,250	\$881,820	\$0	\$881,820	\$773,402								
PUBLIC SAFETY:																
200 Abandoned Vehicle	\$57,265	65,100	65,000	130,100	160,467	0	\$160,467	26,898								
202 Asset Seizure	\$37,760	20	0	20	35,000	0	\$35,000	2,760								
204 Crime Prevention	\$721	10,010	0	10,010	7,060	0	\$7,060	3,671								
230 Youth Services - Police	\$71,246	1,130	0	1,130	16,000	0	\$16,000	56,376								
Public Safety Fund	\$166,993	\$76,260	\$65,000	\$141,260	\$218,527	\$0	\$218,527	\$89,726								
TRAFFIC AND HOUSING:																
243 Housing in lieu-City San Rafael	\$1,214,200	2,100	0	2,100	0	0	\$0	1,216,300								
245 Housing in lieu	\$342,810	600	0	600	0	0	\$0	343,410								
246 East S.R. Traffic Mitigation	\$10,839,487	20,000	0	20,000	379,311	0	\$379,311	10,480,176								
Traffic & Housing Mitigation Funds	\$12,396,497	\$22,700	\$0	\$22,700	\$379,311	\$0	\$379,311	\$12,039,866								
GRANT:																
201 A.D.A. Access Projects	\$48,531	20	50,000	50,020	71,919	0	\$71,919	26,632								
211 Falkirk Revolving Fund	\$54,736	164	0	164	0	0	\$0	54,900								
260 Pickleweed Childcare Grant	\$4,958	154,030	125,000	279,030	258,839	0	\$258,839	25,149								
276 Falkirk Other Grants	\$10,995	20	0	20	0	0	\$0	11,015								
281 Public Safety Grants	\$267,511	686,042	0	686,042	399,278	0	\$399,278	554,276								
283 Public Works Grant	\$198,307	287,718	100,000	387,718	416,500	0	\$416,500	169,525								
Grant Funds	\$85,038	1,127,994	275,000	1,402,994	\$1,146,536	\$0	\$1,146,536	841,497								
SPECIAL REVENUE & GRANT TOTAL	\$26,445,815	\$25,514,201	\$1,865,000	\$27,379,201	\$26,912,647	\$571,873	\$27,484,520	\$26,340,496								

CITY OF SAN RAFAEL
 CONSOLIDATED FUNDS SCHEDULE
 FY 2013-2014 Proposed

FUND NAME	July 1, 2013		Total		Transfers In		Total Resources		Total Operating and Capital Budget		Transfers to Other Funds		Total Appropriations		June 30, 2014	
	Projected Balance	Balance	Operating and Capital Revenue	Operating and Capital Revenue	Transfers In	Total Resources	Operating and Capital Budget	Operating and Capital Budget	Transfers to Other Funds	Total Appropriations	Projected Balance	Projected Balance				
DEBT SERVICE FUNDS:																
302	\$145,935	260	0	260	0	260	0	0	0	0	0	0	0	0	146,195	
304	\$2,874	0	0	0	0	0	0	0	0	0	0	0	0	0	2,874	
306	\$16,560	30	0	30	0	30	0	0	0	0	0	0	0	0	16,590	
308	\$295,585	125,020	0	125,020	0	125,020	0	147,209	0	147,209	0	0	0	147,209	273,396	
DEBT SERVICE TOTALS	\$460,954	\$125,310	\$0	\$125,310	\$0	\$125,310	\$0	\$147,209	\$0	\$147,209	\$0	\$0	\$147,209	\$0	439,055	
CAPITAL PROJECT FUNDS:																
401	\$230,824	1,290,400	0	1,290,400	0	1,290,400	0	1,351,350	0	1,351,350	0	0	0	1,351,350	169,874	
405	\$130,959	220	0	220	0	220	0	3,900	0	3,900	0	0	0	3,900	127,279	
406	\$18,686	30	0	30	0	30	0	0	0	0	0	0	0	0	18,716	
407	\$11,669	6,010	0	6,010	0	6,010	0	0	0	0	0	0	0	0	17,679	
409	\$293,638	110	0	110	0	110	0	207,663	0	207,663	0	0	0	207,663	86,085	
Var.	\$223,741	0	0	0	0	0	0	0	0	0	0	0	0	0	223,741	
CAPITAL PROJECT TOTALS	\$909,518	\$1,296,770	\$0	\$1,296,770	\$0	\$1,296,770	\$0	\$1,562,913	\$0	\$1,562,913	\$0	\$0	\$1,562,913	\$0	643,375	
ENTERPRISE FUNDS:																
501	\$2,378,384	3,672,700	0	3,672,700	0	3,672,700	458,031	4,373,459	458,031	4,373,459	458,031	0	0	4,831,490	\$1,219,594	
ENTERPRISE FUND TOTALS	\$2,378,384	\$3,672,700	\$0	\$3,672,700	\$0	\$3,672,700	\$458,031	\$4,373,459	\$458,031	\$4,373,459	\$458,031	\$0	\$0	\$4,831,490	\$1,219,594	
INTERNAL SERVICE FUNDS:																
601	\$263,545	646,000	0	646,000	0	646,000	0	624,067	0	624,067	0	0	0	624,067	285,478	
602	\$518,988	193,033	0	193,033	0	193,033	0	291,100	0	291,100	0	0	0	291,100	420,921	
603	\$1,109,892	1,200	125,000	126,200	0	126,200	0	837,675	0	837,675	0	0	0	837,675	398,417	
604	\$404,469	700,900	0	700,900	0	700,900	0	781,100	0	781,100	0	0	0	781,100	324,269	
605	\$447,485	1,672,740	0	1,672,740	0	1,672,740	0	1,272,413	0	1,272,413	0	0	0	1,272,413	847,812	
606	\$541,548	1,843,017	0	1,843,017	0	1,843,017	0	2,139,776	0	2,139,776	0	0	0	2,139,776	244,789	
607	\$291,246	506,570	0	506,570	0	506,570	0	501,600	0	501,600	0	0	0	501,600	296,216	
610	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
611	\$3,003,846	4,000	0	4,000	0	4,000	0	276,520	0	276,520	0	0	0	276,520	2,731,326	
612	\$4,179,787	3,226,360	0	3,226,360	0	3,226,360	0	3,065,200	0	3,065,200	0	0	0	3,065,200	4,340,947	
INTERNAL SERVICE TOTALS	\$10,760,806	\$8,793,820	\$125,000	\$8,918,820	\$125,000	\$8,918,820	\$276,520	\$9,512,931	\$276,520	\$9,512,931	\$276,520	\$0	\$0	\$9,789,451	\$9,890,175	
CAPITAL PROJECT FUNDS:																
600	\$3,203,765	1,050,938	0	1,050,938	0	1,050,938	0	1,754,129	0	1,754,129	0	0	0	1,754,129	\$2,500,574	
608	\$580,240	649,150	0	649,150	0	649,150	0	636,294	0	636,294	0	0	0	636,294	593,096	
609	\$219,997	466,940	0	466,940	0	466,940	0	423,311	0	423,311	0	0	0	423,311	263,626	
CAPITAL PROJECT TOTALS:	\$4,004,002	\$2,167,028	\$0	\$2,167,028	\$0	\$2,167,028	\$0	\$2,813,734	\$0	\$2,813,734	\$0	\$0	\$0	\$2,813,734	\$3,357,296	
TRUST AND AGENCY FUNDS:																
710	\$4,457	22,540	0	22,540	0	22,540	0	22,520	0	22,520	0	0	0	22,520	\$4,477	
712	\$17,264	123	0	123	0	123	0	3,500	0	3,500	0	0	0	3,500	13,887	
711	\$30,702	47	0	47	0	47	0	25,000	0	25,000	0	0	0	25,000	5,749	
TRUST & AGENCY TOTALS	\$52,424	\$22,710	\$0	\$22,710	\$0	\$22,710	\$0	\$51,020	\$0	\$51,020	\$0	\$0	\$0	\$51,020	\$24,114	
COMBINED FUNDS TOTALS																
	\$48,322,546	\$101,846,157	\$3,231,424	\$105,077,581	\$3,231,424	\$104,900,337	\$3,231,424	\$108,131,761	\$3,231,424	\$108,131,761	\$3,231,424	\$0	\$0	\$108,131,761	\$45,268,366	
	\$0		(3,231,424)	(3,231,424)	(3,231,424)	(3,231,424)										
	\$0		(9,822,554)	(9,822,554)	(9,822,554)	(9,822,554)										
NET TOTALS FY 2012-13	\$48,322,546	\$92,023,603	\$0	\$92,023,603	\$0	\$92,023,603	\$0	\$95,077,783	\$0	\$95,077,783	\$0	\$0	\$0	\$95,077,783	\$45,268,366	

**GENERAL FUND
PROPOSED BUDGET FY 2013-2014**

EXHIBIT II

REVENUES & OTHER OPERATIONAL SOURCES

Taxes

Property Tax and related	14,626,280
Sales Tax / Triple Flip	18,549,730
Sales Tax -Measure S	6,989,000
Franchise Tax	3,225,239
Business Tax	2,563,000
Transient Occupancy Tax	2,126,000

Other Agencies

Motor Vehicle License In-Lieu Fees	-
CSA #19 Fire Service	1,553,010
VLF Backfill	4,252,000
Other Agencies (Prop 172, Owner Prop Tax, State Mandate, Other agencies)	602,000

Other Revenues

Permits & Licenses (building, electrical, encroachment, use, alarm)	1,989,000
Fine & Forfeitures (traffic, vehicle, etc.)	728,700
Interest & Rents (investment earnings, rents, etc.)	275,004
Charges for Services (includes dev't fees and plan review)	2,213,210
Other Revenue (damage reimbursements, misc income)	561,445

Sub-total: Revenues **\$ 60,253,618**

TRANSFERS IN

from Paramedic/EMT-Paramedic portion of dispatch cost	306,842
from SRSD Sewer Maint Fund-Admin. cost	265,031
from Parking Services Fund-Admin. cost	393,031
from Employee Retirement Fund-POB debt payment	276,520

Sub-total: Transfers In **\$ 1,241,424**

TOTAL-OPERATIONAL SOURCES **\$ 61,495,042**

EXPENDITURES AND OTHER OPERATIONAL USES

Expenditures by Department

Finance	1,772,761
Non-Departmental	2,326,703
City Manager/City Council	1,984,321
City Clerk	451,180
Mgt Serv: Adm,IT,HR,Pkg,Emg	1,245,251
City Attorney	774,629
Community Development	3,264,466
Police	19,824,993
Fire	15,543,027
Public Works	9,827,401
Library	2,511,692

Sub-total: Expenditures **\$ 59,526,424**

TRANSFERS OUT

to ADA Projects-ADA projects	50,000
to Building Improvement-Building improvement and maintenance	125,000
to Childcare Fund-Operating support	250,000
to Recreation Fund-Operating support	1,400,000
to Grant Fund-Homeless Initiative Project	100,000

Sub-total: Transfers Out **\$ 1,925,000**

TOTAL-OPERATIONAL USES **\$ 61,451,424**

NET OPERATIONAL RESULTS **\$ 43,618**

**CITY OF SAN RAFAEL
Authorized Positions**

EXHIBIT III

<u>Departments</u>	<u>Revised 2007-2008</u>	<u>Revised 2008-2009</u>	<u>Revised 2009-2010</u>	<u>Revised 2010-2011</u>	<u>Revised 2011-2012</u>	<u>Revised 2012-2013</u>	<u>Proposed 2013-2014</u>	<u>% of Total 2013-2014</u>
Community Development	29.50	27.50	21.75	20.75	18.25	18.25	17.75	4.7%
Community Services	64.20	64.20	61.40	61.83	59.82	59.02	59.02	15.6%
City Attorney	3.50	3.50	3.50	3.50	3.50	3.50	3.50	0.9%
City Clerk	3.00	2.00	2.00	2.00	2.00	2.00	2.00	0.5%
City Manager/Council/Economic Development	8.70	8.70	7.70	7.70	11.50	11.50	12.00	3.2%
Redevelopment Agency	5.00	5.00	5.00	6.00	-	-	-	0.0%
Finance	11.00	11.00	10.00	10.00	10.00	10.00	10.00	2.6%
Fire	81.00	77.00	75.00	76.00	75.00	76.00	76.00	20.1%
Library	21.70	24.20	22.09	27.99	21.74	21.74	21.74	5.7%
Management Services	33.68	33.68	31.68	31.15	28.23	26.23	26.33	7.0%
Police	105.00	104.00	90.00	90.00	87.00	87.00	89.00	23.5%
Public Works	78.80	75.80	60.80	62.80	62.00	60.00	61.00	16.1%
Grand Total	445.08	436.58	390.92	399.72	379.04	375.24	378.34	100.0%
Change from previous year		(8.50)	(45.66)	8.80	(20.68)	(3.80)	3.10	

General Notes:

The above-authorized positions are presented as full-time equivalent employees (FTE's) based on various workweek hours as negotiated in employee agreements. The totals by department reflect a combination of full-time or permanent part-time positions that are entitled to all or pro-rated benefits in accordance with the negotiated agreements for employees or individuals who are under contract. The totals reflected above, or in the detail department program sections, do not include temporary or seasonal employees that are utilized for short-term or specific reasons during the year.

Current year changes - FY2013-2014
 Public Works - Assistant Civil Engineer. (1.00 FTE - supported by fees)
 Police - Street Focused Mental Health Outreach Provider fully budgeted position and Police Officer to accompany SFMHOP using current resources. (2.00 FTEs - limited term)
 Management Services - Parking Attendant I (0.10 FTE - change in employee's schedule)
 Net change authorized positions: 3.10 FTE

RESOLUTION NO. 13555

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SAN RAFAEL ADOPTING THE MEASURE 'S'
COMMITTEE REPORT COVERING THE PROPOSED
FISCAL YEAR 2013-2014 GENERAL FUND BUDGET**

WHEREAS, on November 8, 2005, the voters of San Rafael approved a Transactions and Use Tax ("Measure S"). This measure amended the San Rafael Municipal Code to establish a 0.5% retail transactions and use tax within the City of San Rafael; and

WHEREAS, the enabling ordinance required the appointment of an independent citizens' oversight committee that is required to review the collection and expenditure of tax revenues collected under the authority of this ordinance; and

WHEREAS, the Finance Director reported to the Committee on the status of the 2012-2013 budget and the economic trends and fiscal policy direction that impact the development of the General Fund Budget for fiscal year 2013-2014; and

WHEREAS, on May 16, 2013, the Committee met and reviewed the City's Proposed General Fund Budget for fiscal year 2013-2014 and submitted a report dated May 28, 2013; and

WHEREAS, the Committee finds that Measure S revenues are being spent consistent with the Transactions and Use Tax Ordinance; and the Committee noted that even with Measure S funding, it was necessary to reduce some essential service levels due to General Fund revenues not keeping up with increased costs.

NOW, THEREFORE, BE IT RESOLVED, the San Rafael City Council adopts the report from the Measure 'S' Committee, which is attached to this Resolution as EXHIBIT I.

I, ESTHER C. BEIRNE, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of said City held on Monday the 17th day of June, 2013, by the following vote, to wit:

AYES: COUNCIL MEMBERS: Colin, Connolly, Heller, McCullough & Mayor Phillips

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None


ESTHER C. BEIRNE, City Clerk

City of San Rafael
Measure S Oversight Committee Report
May 28, 2013

The City of San Rafael Measure S Oversight Committee (the Committee) reviewed the projected budget for the term July 1, 2013 to June 30, 2014 for the City of San Rafael at its meeting on May 16th, 2013 with particular attention to the budgeted expenditures for the Police Department, Fire Department and Public Works Department which are considered the core of the “essential services” contemplated under Measure S.

The Committee finds that the expenditures for two of the three “essential services” departments, Police and Fire, is greater (by 3.7% in the case of the Fire Department and 1.63% in the case of the Police Department) than the inflation adjusted 2005-2006 baseline year expenditures for these departments. This is the first time this has happened in years, and is the result of increased revenues the City has received from sales and the Measure S Transactions and Use taxes. The Committee notes that manpower levels in both departments will remain the same in 2013-14 as in 2012-13 and 2011-2012. However, the Police Department has personnel increases in the works for a new mental health officer and supporting sworn officer, and the Fire Department is now able to update equipment, and maintain a constant force through the use of overtime. Therefore with respect to the Police and Fire Departments Measure S funds are being used appropriately.

Nonetheless, due to operating cost increases beyond inflation and the growth in population being served, the city is unable to maintain the baseline level of “essential services” that were provided by the Police and Fire departments in 2006, despite the incorporation of additional efficiencies. However, the Committee is pleased to see that the increase in revenues is being used to restore services in these areas.

Projected expenditures for the third “essential service” department, Public Works, are projected to be \$657,120 below the inflation adjusted baseline expenditure for this department, continuing to result in an inability to maintain the level of service as at the baseline year. However, the ongoing reduction in manpower in the Public Works Department appears to have

Measure S Oversight Committee Report continued

stabilized, and plans are in the works to add a new position related to the review of plans and other tasks relating to development activities.

Therefore, in the opinion of the Committee, these essential services are not being maintained as contemplated by Measure S. However the Committee finds that Measure S funds are being spent consistent with the Transactions and Use Tax ordinance, and that increased revenue from this and other sources has allowed the city to begin restoring some of the services from these departments which had been cut.

Respectfully submitted:

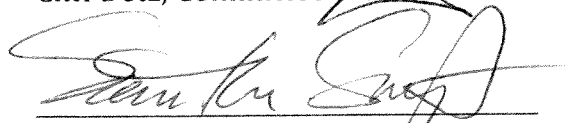
Lisa Goldstein Fait, Chair


Vickie Hatos, Vice-Chair

Larry Luckham, Committee Member


Gladys Gillyland, Committee Member


Cliff Detz, Committee Member


Samantha Sargent, Committee Member

 5/28/2013
Jackie Schmidt, Committee Member

CITY OF SAN RAFAEL

ROUTING SLIP / APPROVAL FORM

INSTRUCTIONS: USE THIS FORM WITH EACH SUBMITTAL OF A CONTRACT, AGREEMENT, ORDINANCE OR RESOLUTION BEFORE APPROVAL BY COUNCIL / AGENCY.

SRRA / SRCC AGENDA ITEM NO. 4.b

DATE OF MEETING: June 17, 2013

FROM: Mark Moses

DEPARTMENT: Finance

DATE: June 11, 2013

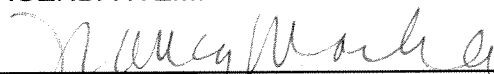
TITLE OF DOCUMENT: 1) RESOLUTION ADOPTING CITY OF SAN RAFAEL BUDGET FOR FISCALYEAR 2013-2014;
2) RESOLUTION ADOPTING THE MEASURE S COMMITTEE REPORT



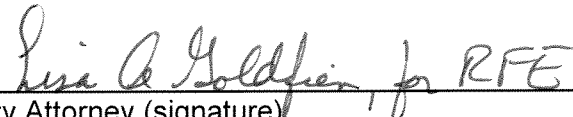
Department Head (signature)

*** **

(LOWER HALF OF FORM FOR APPROVALS ONLY)

APPROVED AS COUNCIL / AGENCY
AGENDA ITEM:


City Manager (signature)

APPROVED AS TO FORM:


City Attorney (signature)

NOT APPROVED

REMARKS:

