



San Rafael

Agenda Item No: 5.e

Meeting Date: May 18, 2015

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: FINANCE

Prepared by: Mark Moses 
Finance Director

City Manager Approval: 

SUBJECT: RESOLUTION ADOPTING THE CITY OF SAN RAFAEL BUDGET FOR FISCAL YEAR 2015-2016

RECOMMENDATION: ACCEPT REPORT AND ADOPT RESOLUTIONS AS PRESENTED.

SUMMARY: This report presents the final, proposed City-wide budget for fiscal year 2015-2016. It was presented in preliminary form on May 4, 2015, for public and City Council review and comment. The General Fund expenditures are all supported by current period revenues (i.e., no spending down of reserves or use of borrowed funds) and the spending plans of all other funds are supported by projected revenues and accumulated resources in their respective funds. Proposed appropriations City-wide total \$100,183,188.

BACKGROUND: The purpose of this report is to provide the City Council and community with the proposed City-wide budget for fiscal year 2015-2016 which has been prepared for adoption, based on the direction provided at the City Council Meeting of May 4, 2015.

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 approved the proposed three-year Capital Improvement Program at its March 16, 2015 meeting. Since that time, the City Council received an operating budget report and financial update at the City Council meeting of April 20, 2015, and discussed the preliminary fiscal year 2015-2016 budget on May 4, 2015. These latter two reports included a review of the status of the current year (fiscal year 2014-2015) budget, and key fiscal issues and financial assumptions that shaped the development of a preliminary fiscal year 2015-2016 budget. Staff also provided a recommendation as to how the projected \$757 thousand in unprogrammed General Fund resources should be allocated. City Council directed staff to proceed with this recommendation, with one minor change that is reflected in this report.

FOR CITY CLERK ONLY

File No.: 8-5

Council Meeting: 5/18/2015

Disposition: RESOLUTION 13932

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The preliminary General Fund Operating budget for fiscal year 2015-2016 that was presented on May 4 marked the third consecutive year in which the planned expenditures for the year are fully covered by projected revenues. In addition to funding the current operational service levels, the proposed budget includes provisions for the Homeless Initiative, Massage Ordinance enforcement, Marin County Major Crimes Task Force, and the Technology Roadmap. In addition, one-time revenues have been dedicated to support shortfalls in the Capital Improvement Program.

Consistent with the direction provided by the City Council in May 2014, the additional one-quarter percent sales tax revenues provided by Measure E, effective April 1, 2014 through March 31, 2034, are being set aside to fund major construction and improvements to public safety facilities.

Following its review of the preliminary City-wide budget for fiscal year 2015-2016, the City Council directed staff to return with this budget for adoption.

This report will focus on the following:

1. Brief status of fiscal year 2014-2015 budget performance.
2. Proposed budget presented for all City funds for fiscal year 2015-2016.

ANALYSIS:

FISCAL YEAR 2014-2015

General Fund

Revenues: There have been no significant changes to fiscal year 2014-2015 revenues, since the May 4, 2015 report.

Expenditures: As fiscal year 2014-2015 draws to a close, the General Fund-supported activities are performing within their respective budgets as amended by the City Council throughout the year. The first priority for any operational savings will be to ensure that the minimum Emergency and Cash Flow reserve requirements are met. Any operational savings beyond this will likely be needed for contributions to facilities maintenance, vehicle replacement and technology needs, in order to ensure healthy accumulated balances in these funds at fiscal year-end. Therefore, no net expenditure adjustments are being projected.

Use of Operating Results: As discussed at the City Council meeting of May 4, 2015, the projected net operating results – largely driven by one-time revenue sources - will be set-aside for the following purposes:

Recommended areas of funding	Amount	Reason
Transportation Authority of Marin Limited Term Fee Adjustment (5 years @ \$25K/yr)	\$125K	Commitment to support county-wide transportation planning/ modeling/monitoring
Risk Management Contractual Support	\$ 67K	Assess Workers Comp & Liability Trends / Develop Strategies to Reduce Claims/Exposure
General Fund Infrastructure Reserve	\$200K	Reserve for future programming of Capital Improvement Program and Technology
Residual, unassigned	\$365K	Available for future programming, or to meet reserve requirement in future fiscal years
Total	\$757K	

Other Funds

The evaluation of other funds will continue through May 2015, with recommended adjustments, if any, being presented to the City Council prior to fiscal year-end. At this time, no major adjustments are anticipated.

FISCAL YEAR 2015-2016 CITY-WIDE BUDGET

HIGHLIGHTS

- ❖ **Citywide Budget:** The total proposed FY2015-2016 budget for the City is \$100,183,188. 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 \$7,232,295. These appropriations are supported by FY2015-2016 revenue and other sources projected at \$99,167,297 as well as by funds retained from previous periods for capital projects.
- ❖ **General Fund Budget:** The General Fund portion of the City budget is balanced in that FY2015-2016 appropriations, totaling \$69,481,296, are fully supported by FY2015-2016 General Fund revenues and transfers in, projected at \$73,752,116
- ❖ **Program funding:** Included in the expenditure budgets are provisions for the following:
 - Employee retirement obligations are fully-funded in accordance with actuarially-determined contribution levels
 - The Homeless Initiative Program is incorporated into the FY2015-2016 budget
 - Massage Ordinance Enforcement continues with \$100,000 allocated from the General Fund
- ❖ **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. There are two, major one-time revenues projected for fiscal year 2015-2016, both of which are related to delays in revenues imposed by the State. In order to manage its deficits in the early 2000's, the State imposed a ten-year restructuring of the remittance of sales taxes to local jurisdictions (known as the "Triple Flip"). When this expires in 2016, the City will recover approximately \$1.2 million in delayed sales tax revenues. The State has also deferred reimbursement payments for State mandated programs: A portion of these deferred payments from pre-2004, estimated at \$200 thousand, is expected to be made during the first half of fiscal year 2015-2016.

Economic Environment

The California economy continues to rebound from the recession. Although the 6.5% unemployment rate remains above the national average of 5.4%, it continues to fall and is on track to converge with the national average within the next year. Personal income has rebounded over the past few years, and the State continues to prosper from the flow of capital into the technology companies who are attracted to California. Notwithstanding the State's current

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\$8 billion surplus, major challenges persist. The “wall of debt” which, when pension and retiree medical liabilities are considered, reaches into the hundreds of billions of dollars and managing the impact of the drought are likely to burden the State for several years.

Locally, the 3.5% Marin County unemployment rate is the second lowest in the State. According to the Marin Economic Forum, the County added 2,600 payroll jobs and gained approximately 200 payroll businesses in 2014. Real personal income is projected to grow at an average rate of just over 2% over the next year, and Marin County’s taxable sales per capital are the third highest in the State. Marin County median home prices now hover around \$1 million and continue to rise, while the recovery of commercial real estate has led to stable rents averaging \$2.60 per square foot.

General Fund

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 2015-2016 is approximately \$69.5 million.

The following table summarizes the detailed information provided in Exhibit I of the Resolution, and presents the proposed fiscal year 2015-2016 budget with a comparison to the projected ending performance for fiscal year 2014-2015. The proposed budget projects approximately \$3.6 million, or 5.2%, in additional resources and approximately \$4.6 million, or 7.1%, in additional uses, compared to the projected results of the current fiscal year. The uses for fiscal year 2015-2016 include a one-time transfer of \$1.0 million to support the Capital Improvement Program.

General Fund	Projected FY 2014-15	Proposed Budget FY 2015-16	\$ Change from previous year	% Change from previous year
Revenues (ongoing sources)	\$68,007,320	\$70,994,767	\$2,987,447	4.4%
Revenues (special/one-time)	\$820,000	1,400,000	580,000	
Transfers in	1,290,207	1,357,349	67,142	
Total Resources	\$70,117,527	\$73,752,116	\$3,634,589	5.2%
Expenditures (baseline)	\$62,928,953	\$66,541,296	\$3,612,343	5.7%
Measure E Spending	275,295	380,000		
Transfers out – operating	1,447,664	1,400,000		
Transfer out – Homeless	100,000	60,000		
Transfer out – massage program	150,000	100,000		
Transfer out – capital (CIP)	0	1,000,000		
Total Uses	\$64,901,912	\$69,481,296	\$4,579,384	7.1%
Operating Results	\$5,215,615	\$4,270,820		
Measure E set-aside	\$3,458,371	3,468,000		
Emergency reserve	\$1,000,000	365,000		
Other Infrastructure reserve		400,000		
Recommendations FY14-15(from above)	\$757,244			
Net After Allocations	\$0	\$37,820		

Revenue Trends and Assumptions:

Sales Tax:

After peaking above 10% during fiscal year 2013-2014, sales tax growth has plateaued. With the assistance of HdL Consultants, recurring sales tax revenues are estimated to increase by 4.0% to \$21.1 million in fiscal year 2015-2016. In addition, there will be a one-time, \$1.2 million adjustment for the delayed sales tax disbursements (Triple Flip expiration described above). Sales taxes account for 31% of General Fund revenues.

Property Tax:

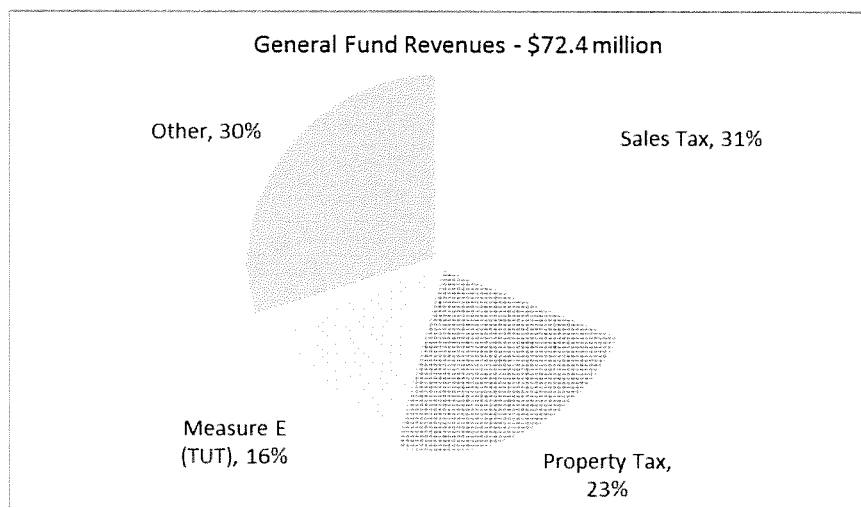
The City's second largest tax generator is property tax. While the City did not experience the level of property value declines seen in other areas of the state, revenues have stagnated for the past several years. Based on the most recent county property tax roll information and property transfer tax trends, we are projecting an increase of 5.0% to \$16.7 million in fiscal year 2015-2016. Property taxes account for 23% of General Fund revenues.

Transaction & Use Tax (Measure E):

Revenues from this tax, which applies to most local retail sales are projected to reach \$11.5 million in fiscal year 2015-2016. One-third of these funds is allocated to public safety facilities construction and improvements. Measure E revenues account for 16% of General Fund Revenues.

Other General Fund Revenues:

Other revenues (including business tax, transient occupancy tax, development fees Vehicle License Fee backfill, permits, and charges for services) are expected to experience moderate growth (i.e., 2 – 4%) over the next year. These revenues account for 30% of the budget.

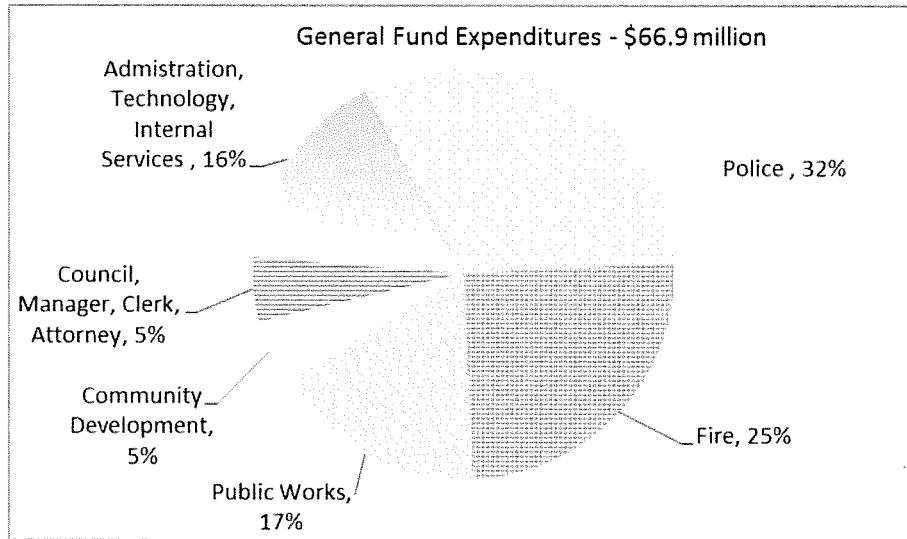


Expenditure Trends and Assumptions:

Expenditures are projected to grow by 5.7% in fiscal year 2015-2016. The annual expenditure plan includes provisions for continued support of the Homeless Initiative, Massage Enforcement, technology improvements, and additional resources for communications and community engagement. The growth in expenditures is also fueled by increases in personnel costs, including

step increases, contractual labor commitments, and a three percent increase in the Marin County Employees Retirement Association (MCERA) employer contribution rate. MCERA pension costs will increase in fiscal year 2015-2016 by approximately \$700 thousand. With respect to the City-wide budget, MCERA contributions represent approximately 16% of total expenditures.

The following table summarizes the fiscal year allocation of planned General Fund Expenditures by major function. Additional detail is provided in Exhibit I.



Other Funds

Successor Agency

Prior to the State Legislature-initiated dissolution of the Redevelopment Agency in January 2012, City Council met as the Redevelopment Agency, and approved its annual budget as part of the City-wide budget process. Under the current legislation, the Successor Agency is not required to prepare an annual budget. Funding for the Successor Agency follows a different process specified in the new law: Funding must be approved by the Successor Agency's Oversight Board and the California Department of Finance for six month periods. The economic development-related functions of the former Redevelopment Agency have been fully transferred to the City Manager's office. The San Rafael Successor Agency Oversight Board has approved the minimum allowable administrative expenses of \$250,000 annually for City staff time devoted to the dissolution of the former Redevelopment Agency.

Capital Improvement Program (CIP)

In a separate report to the City Council on March 16, 2015, Public Works staff presented a three-year Capital Improvement Program for fiscal years 2015-2016 through 2017-2018. This document identified 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 included the projects planned for fiscal year 2015-2016, and the changes to the timing of projects that has been caused by emergency and other unanticipated projects. The new and carried-over appropriations for fiscal year 2015-2016 are expected to equal approximately \$19.5 million from special revenue, grants and other funding sources, which include a \$1.0 million contribution from the General Fund. The CIP is challenged by capital project funding shortages beyond the

first year of the CIP and ensuring that grant-supported projects have sufficient project management and matching funds to take full advantage of the grants.

Special Revenue and Grant Funds

These funds have restricted uses, based on their respective sources. One significant fund in this group is the Paramedic Fund, which was presented to the City Council on May 4, 2015, in order to establish the Paramedic Tax rates for fiscal year 2015-2016. The fund has planned expenditures of \$6.7 million for the upcoming fiscal year, of which \$3.8 million, or 58%, comes from the Paramedic Tax. The balance of the funding of this activity comes primarily from third-party recovery for emergency medical response and transport services. The spending plan will not require an increase for taxpayers in San Rafael, County Services Area #13 or County Services Area #19 who pay \$89 per residential living unit. In the other area served, Marinwood CFD, rates will remain at the tax rate cap of \$85 per residential living unit.

The Homeless Initiative fund was established to fund the Downtown Streets Team and other efforts to support the actions recommended by the Homelessness Ad hoc Council Subcommittee and approved by the City Council. The source of funding includes contributions from the City, County of Marin and other local organizations. Fiscal year 2015-2016 marks the third full year of operations for this program, and includes provisions for ongoing mental health outreach and additional enforcement resources from the Police Department, as well as a commitment to a series of contributions over the next three years to the Marin County Council of Mayors and Councilmembers Community Homeless Fund. A new contract for the Downtown Streets Team will be brought to the City Council prior to the expiration of the current contract on June 30, 2015.

The Measure A Open Space Program is also in its second year. Funding for this activity is primarily provided by a nine-year, county-wide sales tax that is managed by the County of Marin, with the City providing discretionary contributions as needed. The focus for fiscal year 2015-2016, for which \$400 thousand in revenues is projected, remains on recreational facility improvements and open-space enjoyment and safety. The fiscal year 2015-2016 Measure A – Open Space Workplan is being presented separately at this meeting.

The Measure C Library parcel tax is included in this group and is funded adequately to ensure continuity of service levels in the next fiscal year. In June 2010, the citizens of San Rafael passed Measure C in order to “augment the capacity of the City of San Rafael to provide quality library services to its residents.” In fiscal year 2015-2016, this assessment is projected to provide \$875 thousand in revenues dedicated to library hours, equipment, materials, and services for children, teens and adults. Since the inception of Measure C, \$541 thousand has been set aside in the capital reserve. The allocation of these special tax proceeds is consistent with the long-term strategic recommendations presented by the library director in December 2012.

The Recreation and Childcare Funds, operated by Community Services are anticipating spending plans of \$4.1 million and \$4.0 million, respectively. Fee income covers 69% of the Recreation budget, while fee and grant income cover 97% of the Childcare budget.

Other significant funds in this category include Gas Tax, Sewer Maintenance, Storm Water, and Business Improvement District. These funds are adequately funded to execute their respective spending plans for fiscal year 2015-2016.

Parking Fund

Parking operations are funded via parking fees and fines, and fund balance is the primary resource with which to cover capital improvements. 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. Parking rates were increased in February 2014, in order to fund new meters and to increase resources available for maintenance. The operating and capital expenditure budgets for this fund are \$4.5 million and \$150 thousand, respectively.

Internal Service Funds and Capital Replacement Funds

These funds are used to manage services that are delivered throughout the organization. For example, computer replacement, employee benefits, workers compensation, general liability and vehicle replacement are funded via internal charges to the funds that utilize these respective services. These funds have sufficient resources to support services for fiscal year 2015-2016. The technology internal service fund and the capital replacement funds (e.g., building maintenance, equipment and vehicle replacement) remain underfunded with respect to the City's long-term needs.

Status of Pension Funding

The City's Pension Funding Policy requires that the Finance Director and City Manager report on the status of pension funding as part of the annual budget adoption process.

The most recent pension actuarial valuation was prepared as of June 30, 2014 and presented to and approved by the MCERA Board on March 11, 2015. This valuation was used to determine the contribution rates for fiscal year 2015-2016. The composite rate for the City of San Rafael will be 60.67%, a three percent increase from the current rate of 57.70%. The budgeted pension contribution for fiscal year 2015-2016 provides full funding for the required contribution. A significant driver of the increase was the change in mortality assumptions, following an actuarial review of mortality experience.

Although MCERA does not provide projections regarding rates for future years, staff believes that increases in rates are likely to continue over the upcoming years. The primary factors that are expected to contribute to increases are: (1) demographic assumption changes that followed the recent review of mortality experience, and (2) volatility in investment returns. These factors could easily contribute to rate increases of two to six percent over the next two to three years. The City has dedicated a portion of its employee retirement reserve to buffering the impact of such increases. This reserve, which currently totals \$2.2 million, is also used to accumulate payments for debt service on the \$4.5 million pension obligation bonds, issued in 2010; and supplementary payments to MCERA.

Fund Balances and Reserves

All funds are projected to have a positive fund balance as of July 1, 2015, as well as June 30, 2016, under the proposed budget. General Fund Emergency Reserves are projected to increase from \$5.1 million to \$6.3 million, or 10% of General Fund expenditures, bringing the City up to its target reserve levels as of June 30, 2015, for the first time in a decade. There are sufficient funds retained in the general liability and workers compensation reserves to fund projected claims in those respective areas.

City-wide Summary

The following table summarizes the appropriations found in Exhibit II of the Resolution, which provides the schedule of consolidated fund activities for fiscal year 2015-2016:

Fund	Projected Balances July 1, 2015	Sources (Revenues and Transfers)	Uses (Expenditures and Transfers)	Projected Balance June 30, 2016
General Fund	\$11,729,409	\$73,752,116	\$69,481,296	\$16,000,229
CIP/Special Revenue/Grant	24,900,579	23,346,228	25,854,457	22,392,350
Parking Fund	1,805,689	4,935,500	4,693,960	2,047,229
Internal Service/Capital Replace	10,903,069	12,990,098	16,010,120	7,883,047
Adj for ISF Charges/Transfers	0	(15,856,645)	(15,856,645)	0
City-wide Totals	\$49,338,746	\$99,167,297	\$100,183,188	\$48,322,855

Staffing and Organizational Capacity:

To address the most severe capacity deficiencies while tempering increases to annual operating costs, the City Manager has proposed allocating a net \$69 thousand for modifications to staffing to address the following needs. Additional detail and recommendation rationale was provided in the staff report of May 4, 2015.

Department	Personnel Action	General Fund Net Add'l Costs	Funding Source
Community Development	Eliminate 1.0 FTE Deputy Bldg Official Eliminate 1.0 FTE Associate Planner ----- Add 1 Planning Technician Add 1 Sr Building Inspector / Plans Examiner Add 1 Permit Services Coordinator Add 1 Assistant Planner	none	Increase in Building Fees (separate action on May 18, 2015)
Finance – Business Tax & Cashiering	Convert 0.72 fixed-term Accounting Assistant I/II to 0.72 regular position	negligible	Business Tax
Police – HOME	Convert 1.0 fixed-term Mental Health Outreach to 1.0 regular position	none	\$40K from Homeless Initiative allocation
Management Services – Communications	Reclassify Management Analyst (no impact on headcount)	\$21,000	General Fund
Human Resources - Benefits	Add 0.5 FTE Human Resources Representative	\$48,000	General Fund
Total		\$69,000	

Three of the proposed personnel changes will require the creation of following new classifications:

Classification	Salary Range*	Bargaining Unit
Senior Building Inspector/Plans Examiner	\$6,678 to \$8,117	SEIU Local 1021
Permit Services Coordinator	\$5,772 to \$7,016	SEIU Local 1021
Senior Management Analyst	\$7,040 to \$8,557	Unrepresented Mid-Management

* - subject to adjustment on July 1, 2015, per labor agreements

The proposed actions add a net 4.22 regular FTEs, for a total of 390.15. Fixed-term positions are reduced under this plan by 1.72, from 7.98 to 6.26. This level is 11% below the peak of 445 FTE staff that was in place during fiscal year 2007-2008.

The history and detail for all authorized positions is presented in Exhibit III of the Resolution.

FISCAL IMPACT: By approving the Resolutions as presented, the City Council is authorizing the levels of expenditures, within funds, for the 2015-2016 fiscal year. The proposed budgets reflect all assumptions outlined and incorporate direction received from the Council through the May 4th meeting.

The 2015-2016 Budget Resolution also provides for the “roll over” of unspent capital project funds from 2014-2015 (estimated at \$12 million) for projects that will not be completed by June 30, 2015. 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 \$2 million) that will not be completed by year-end. This provides for operational continuity and avoids having to re-budget expenditures that were previously authorized.

Staff will return to the City Council in June 2015 with two follow-up actions:

- (1) Budget Amendments required to complete the business of fiscal year 2014-2015, and
- (2) Adopt GANN appropriations limit for the fiscal year 2015-2016 adopted budget.

OPTIONS: The City Council can choose to either:

- (1) Accept the reports, recommendations and Resolution as presented; or
- (2) Make modifications to the recommendations and/or Resolution.

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

ATTACHMENTS

Resolution and Exhibits I, II, III

RESOLUTION NO. 13932

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL APPROVING THE CITY-WIDE BUDGET FOR THE FISCAL YEAR 2015-2016 AND PROVIDING FOR THE APPROPRIATIONS AND EXPENDITURE OF ALL SUMS SET FORTH IN SAID BUDGET IN THE AMOUNT OF \$100,183,188

WHEREAS, the City Manager has submitted to the San Rafael City Council a Preliminary Budget for the fiscal year July 1, 2015 - June 30, 2016; and

WHEREAS, the City Council held public meetings on goals and objectives, operational priorities, the Capital Improvement Program, and preliminary budgets for fiscal year 2015-2016, on February 23, 2015, March 16, 2015 and May 4, 2015, 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 the approved budget for the fiscal year 2015-2016; and

WHEREAS, it is the intention of this Council to carry forward unspent capital projects resources funded in fiscal year 2014-2015 to complete the balance of these projects in the 2015-2016 fiscal year; and

WHEREAS, it is the intention of this Council to carry forward unspent operational funds from fiscal year 2014-2015 encumbered through approved, active purchase orders to complete the balance of these purchases in the 2015-2016 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, 2015 through June 30, 2016, is hereby adopted, totaling appropriations in the sum of \$100,183,188 of which \$69,481,296 is in the General Fund as presented in Exhibit I. A total of \$92,950,893 (inclusive of the General Fund) is the Operating Budget and \$7,232,295 is the Capital and Special Projects Budget, as presented in Exhibit 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 2015 - 2016.
3. The budget provides funding for a total of 396.41 full-time equivalent, authorized positions as presented in Exhibit III.

4. The following personnel actions will be implemented, effective July 1, 2015:
 - A. Eliminate the Deputy Building Official position and add the new position/classification of Senior Building Inspector/Plans Examiner, with a salary range of \$6,678 to \$8,117 monthly, and the new position/classification of Permit Services Coordinator, with a salary range of \$5,772 to \$7,016 monthly, to be adjusted in a manner consistent with the SEIU Local 1021 July 1, 2015 Memorandum of Understanding; and
 - B. Reclassify a Fixed Term 0.72 FTE Accounting Temp to a regular 0.72 FTE Accounting Assistant I/II position (existing classification); and
 - C. Reclassify a 1.0 FTE Fixed Term Mental Health Outreach Provider to a regular 1.0 FTE Mental Health Outreach Provider classification, with a salary range of \$5,356 to \$6,512 monthly;
 - D. Reclassify a Management Analyst position to the new classification of Senior Management Analyst, assigned to the Mid-Management Employees Unit, with a salary range of \$7,040 to \$8,557 monthly; and
 - E. Add a 0.5 FTE Human Resources Representative I (existing classification).

5. The City of San Rafael will carry forward unspent operational funds from fiscal year 2014-2015 encumbered through approved, active purchase orders, and reappropriate these funds in fiscal year 2015-2016 to be used solely to pay for the remaining portion of City Council authorized expenditures in the originating funds.

6. The City of San Rafael will carry forward unspent capital project funds from fiscal year 2014-2015 and reappropriate these funds in fiscal year 2015-2016 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 2014-2015 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 18th day of May 2015, by the following vote, to wit:

AYES: COUNCILMEMBERS: Bushey, Colin, Gamblin, McCullough & Mayor Phillips

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

Esther C. Beirne

 ESTHER C. BEIRNE, City Clerk

**GENERAL FUND
PROPOSED BUDGET FY 2015-2016**

EXHIBIT I

REVENUES & OTHER OPERATIONAL SOURCES

Taxes

Property Tax and related	\$ 16,658,000
Sales Tax / Triple Flip	22,343,000
Sales Tax -Measure E	11,544,000
Franchise Tax	3,481,000
Business Tax	2,803,000
Transient Occupancy Tax	2,493,000

Other Agencies

CSA #19 Fire Service	1,652,432
VLF Backfill	4,844,767
Other Agencies (Prop 172, Owner Prop Tax, State Mandate, Other agencies)	1,036,568

Other Revenues

Permits & Licenses (building, electrical, encroachment, use, alarm)	2,145,000
Fine & Forfeitures (traffic, vehicle, etc.)	473,000
Interest & Rents (investment earnings, rents, etc.)	277,000
Charges for Services (includes dev't fees and plan review)	2,187,000
Other Revenue (damage reimbursements, misc income)	457,000

Sub-total: Revenues \$ 72,394,767

TRANSFERS IN

from Gas Tax	400,000
from SRSD Sewer Maint Fund - Admin. cost	262,287
from Parking Services Fund - Admin. cost	418,542
from Employee Retirement Fund - POB debt payment	276,520

Sub-total: Transfers In \$ 1,357,349

TOTAL OPERATIONAL SOURCES \$ 73,752,116

EXPENDITURES AND OTHER OPERATIONAL USES

Expenditures by Department

Finance	2,507,367
Non-Departmental	2,854,769
City Manager/City Council	2,097,803
City Clerk	487,671
Mgt Serv: Adm,IT,HR,Pkg.Emg	1,913,795
City Attorney	856,300
Community Development	3,562,058
Police	21,679,053
Fire	16,956,976
Public Works	11,060,429
Library	2,945,075

Sub-total: Expenditures \$ 66,921,296

TRANSFERS OUT

to Childcare Fund - Operating support	100,000
to Recreation Fund - Operating support	1,300,000
to Special Revenue Fund - Massage enforcement	100,000
to Special Revenue Fund - Homeless Initiative Project	60,000
to Capital Project Fund-Capital Improvement Projects	1,000,000

Sub-total: Transfers Out \$ 2,560,000

TOTAL OPERATIONAL USES \$ 69,481,296

NET OPERATIONAL RESULTS \$ 4,270,820

CITY OF SAN RAFAEL
CONSOLIDATED FUNDS

FY 2015-2016 PROPOSED BUDGET

FUND NAME	July 1, 2015 Projected Balance		Total Operating and Capital Revenue		Transfers In		Total Resources		Total Operating and Capital Budget		Transfers to Other Funds		Total Appropriations		June 30, 2016 Projected Balance	
	\$		\$		\$		\$		\$		\$		\$		\$	
GENERAL OPERATING FUNDS:																
001 General Fund	\$ 11,729,409	\$ 72,394,767	\$ 1,357,349	\$ 73,752,116	\$ 66,921,296	\$ 2,560,000	\$ 69,481,296	\$ 16,000,229								
SPECIAL REVENUE & GRANT FUNDS:																
205 Storm Water Fund	784,830	785,500	-	785,500	1,504,563	-	1,504,563	65,767								
206 Gas Tax	1,633,046	3,888,425	-	3,888,425	5,013,188	400,000	5,413,188	108,283								
207 Development Services	444,609	4,800	-	4,800	-	-	-	449,409								
208 Child Care	750,555	3,677,237	-	3,677,237	3,709,962	-	3,709,962	717,830								
210 Paramedic/EMS	1,305,030	6,622,749	-	6,622,749	6,718,527	-	6,718,527	1,209,252								
217 State Lands Fund	486,418	31,600	-	31,600	457,000	-	457,000	61,018								
218 General Plan Special Revenue Fund	1,119,793	291,100	-	291,100	190,566	-	190,566	1,220,327								
222 Recreation Revolving	214,054	2,850,312	1,300,000	4,150,312	4,106,191	-	4,106,191	258,175								
223 Household Haz. Waste Fund	213,281	150,994	-	150,994	169,168	-	169,168	195,107								
227 Sewer Maintenance	31,571	262,287	-	262,287	-	262,287	-	31,571								
228 Hazardous Materials Fund	56,506	-	-	-	-	-	-	56,506								
234 Pt. San Pedro Maintenance Portion	166,000	80,240	-	80,240	86,000	-	86,000	160,240								
235 Baypoint Lagoons L & L District	200,209	25,780	-	25,780	5,386	-	5,386	220,603								
236 Loch Lomond Assessment District	633,449	16,410	-	16,410	37,836	-	37,836	612,023								
240 Parkland Dedication	457,802	1,200	-	1,200	10,000	-	10,000	449,002								
241 Measure A Open Space	292,463	400,210	-	400,210	546,530	-	546,530	146,143								
495 Low and moderate income Housing Fund	769,737	70,800	-	70,800	305,000	-	305,000	535,537								
LIBRARY AND FALKIRK:																
214 Library Revolving	175,983	1,100	-	1,100	130,000	-	130,000	47,083								
215 Library Special Assessment Fund	701,888	885,850	-	885,850	866,630	-	866,630	721,108								
PUBLIC SAFETY:																
200 Abandoned Vehicle	16,887	70,000	90,000	160,000	169,661	-	169,661	7,226								
202 Asset Seizure	37,926	100	-	100	-	-	-	38,026								
204 Crime Prevention	9,033	-	-	-	-	-	-	9,033								
230 Youth Services - Police	97,846	75,000	-	75,000	92,174	-	92,174	80,672								
Public Safety Fund	\$ 161,692	\$ 145,100	\$ 90,000	\$ 235,100	\$ 261,835	\$ -	\$ 261,835	\$ 134,957								
TRAFFIC AND HOUSING:																
243 Housing in lieu-City San Rafael	1,263,781	12,000	-	12,000	80,000	-	80,000	1,195,781								
245 Housing in lieu	343,272	400	-	400	-	-	-	343,672								
246 East S.R. Traffic Mitigation	10,455,270	18,000	-	18,000	-	-	-	10,473,270								
Traffic & Housing Mitigation Funds	\$ 12,062,323	\$ 30,400	\$ -	\$ 30,400	\$ 80,000	\$ -	\$ 80,000	\$ 12,012,723								
GRANT:																
201 A.D.A. Access Projects	22,463	-	-	-	-	-	-	22,463								
211 Falkirk Revolving Fund	25,798	-	-	-	-	-	-	25,798								
260 Pickleweed Childcare Grant	83,663	168,154	100,000	268,154	270,738	-	270,738	81,079								
276 Falkirk Other Grants	11,011	-	-	-	-	-	-	11,011								
281 Public Safety Grants	318,130	100,380	-	100,380	104,450	-	104,450	314,060								
283 Grant-Other	442,965	203,500	160,000	363,500	613,600	-	613,600	192,865								
Grant Funds	\$ 904,031	\$ 472,034	\$ 260,000	\$ 732,034	\$ 988,788	\$ -	\$ 988,788	\$ 647,277								
SPECIAL REVENUE & GRANT TOTAL	\$ 23,565,271	\$ 20,694,128	\$ 1,650,000	\$ 22,344,128	\$ 25,187,170	\$ 662,287	\$ 25,849,357	\$ 20,059,942								

CITY OF SAN RAFAEL
CONSOLIDATED FUNDS

FY 2015-2016 PROPOSED BUDGET

FUND NAME	July 1, 2015	Total		Total		Total		Total		June 30, 2016
	Projected Balance	Operating and Capital Revenue	Transfers In	Total Resources	Operating and Capital Budget	Transfers to Other Funds	Appropriations	Projected Balance		
DEBT SERVICE FUNDS:										
302	146,375	200	-	200	-	-	-	-	146,575	
304	2,875	-	-	-	-	-	-	-	2,875	
306	16,573	-	-	-	-	-	-	-	16,573	
DEBT SERVICE TOTALS	\$ 165,823	\$ 200	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 166,023	
CAPITAL PROJECT FUNDS:										
401	667,877	1,700	1,000,000	1,001,700	-	-	-	-	1,669,577	
405	123,173	200	-	200	5,000	-	-	-	118,373	
406	50,452	-	-	-	-	-	-	-	50,452	
407	27,644	-	-	-	-	-	-	-	27,644	
Var.	300,338	-	-	-	-	-	-	-	300,338	
CAPITAL PROJECT TOTALS	\$ 1,169,485	\$ 1,900	\$ 1,000,000	\$ 1,001,900	\$ 5,000	\$ -	\$ -	\$ -	\$ 2,166,385	
ENTERPRISE FUNDS:										
501	1,805,689	4,935,500	-	4,935,500	4,185,418	508,542	2,693,860	2,047,229	2,047,229	
ENTERPRISE FUND TOTALS	\$ 1,805,689	\$ 4,935,500	\$ -	\$ 4,935,500	\$ 4,185,418	\$ 508,542	\$ 2,693,860	\$ 2,047,229	\$ 2,047,229	
INTERNAL SERVICE FUNDS:										
601	1,231,456	1,398,811	-	1,398,811	2,440,686	-	2,440,686	189,581	189,581	
602	606,757	332,600	-	332,600	735,600	-	735,600	203,757	203,757	
603	1,355,752	502,000	-	502,000	822,500	-	822,500	1,035,252	1,035,252	
604	514,013	702,600	-	702,600	709,061	-	709,061	507,552	507,552	
605	624,020	1,668,210	-	1,668,210	1,218,216	-	1,218,216	1,074,014	1,074,014	
606	1,067,844	1,982,280	-	1,982,280	2,187,453	-	2,187,453	862,671	862,671	
607	179,840	493,678	-	493,678	501,600	-	501,600	171,918	171,918	
611	2,181,797	2,600	-	2,600	4,000	276,520	2,600,520	1,903,877	1,903,877	
612	629,901	3,390,909	-	3,390,909	3,402,000	-	3,402,000	618,810	618,810	
613	80,000	80,000	-	80,000	80,000	-	80,000	80,000	80,000	
INTERNAL SERVICE TOTALS	\$ 8,471,379	\$ 10,553,688	\$ -	\$ 10,553,688	\$ 12,101,116	\$ 276,520	\$ 12,377,636	\$ 6,647,431	\$ 6,647,431	
CAPITAL REPLACEMENT FUNDS:										
600	1,331,355	1,191,531	-	1,191,531	2,406,000	-	2,406,000	116,886	116,886	
608	394,800	649,060	-	649,060	661,627	-	661,627	392,233	392,233	
609	215,617	594,819	-	594,819	564,857	-	564,857	245,579	245,579	
CAPITAL PROJECT TOTALS:	\$ 1,941,772	\$ 2,435,410	\$ -	\$ 2,435,410	\$ 3,632,484	\$ -	\$ 3,632,484	\$ 744,698	\$ 744,698	
TRUST AND AGENCY FUNDS:										
710	3,484	-	-	-	-	-	-	3,484	3,484	
711	23,850	-	-	-	-	-	-	23,850	23,850	
712	462,584	1,000	-	1,000	-	-	-	463,584	463,584	
TRUST & AGENCY TOTALS	\$ 489,918	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 490,918	\$ 490,918	
COMBINED FUNDS TOTALS										
	\$ 49,338,746	\$ 111,016,593	\$ 4,007,349	\$ 116,023,942	\$ 112,032,484	\$ 4,007,349	\$ 116,039,833	\$ 48,322,855	\$ 48,322,855	
Less Interfund Transfers										
	-	-	(4,007,349)	(4,007,349)	(11,849,296)	(4,007,349)	(11,856,645)	-	-	
Less Internal Service Charges										
	-	(11,849,296)	(11,849,296)	(11,849,296)	(11,849,296)	(4,007,349)	(17,856,645)	-	-	
NET TOTALS FY 2015-2016	\$ 49,338,746	\$ 99,167,297	\$ -	\$ 99,167,297	\$ 100,183,188	\$ -	\$ 100,183,188	\$ 48,322,855	\$ 48,322,855	

CITY OF SAN RAFAEL
Authorized Positions

EXHIBIT III

Departments	Revised 2007-2008	Revised 2008-2009	Final 2009-2010	Final 2011-2012	Final 2012-2013	Final 2013-2014	Final 2014-2015	Changes 2015-2016	Proposed 2015-2016	% of Total 2015-2016
Regular										
Community Development	29.50	27.50	21.75	18.25	18.25	17.80	17.80	2.00 (1)	19.80	5.1%
Community Services	64.20	64.20	60.73	59.15	58.35	58.78	59.31	0.02	59.33	15.2%
City Attorney	3.50	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	-	2.00	0.5%
City Manager/Council	8.70	8.70	7.70	11.50	11.50	12.56	12.56	-	12.56	3.2%
Economic Development (former RDA)	5.00	5.00	5.00	-	-	-	-	-	-	0.0%
Finance	11.00	11.00	10.00	10.00	10.00	10.00	11.00	0.72 (2)	11.72	3.0%
Fire	81.00	77.00	75.00	75.00	76.00	79.00	79.00	-	79.00	20.2%
Library	20.22	21.97	20.61	21.74	21.74	23.41	23.41	-	23.41	6.0%
Management Services	33.68	33.68	31.68	28.23	26.23	26.33	27.33	0.50 (3)	27.83	7.1%
Police	105.00	104.00	90.00	87.00	87.00	87.00	88.00	1.00 (4)	89.00	22.8%
Public Works	78.80	75.80	60.80	62.00	60.00	61.00	62.00	-	62.00	15.9%
Sub - Total Regular Positions	443.60	434.35	388.77	378.37	374.57	381.38	385.91	4.24	390.15	100.0%
Change from previous year		(9.25)	(45.58)	(18.37)	(3.80)	5.71	4.53		4.24	
Fixed Term										
City Manager/Council							1.00	-	1.00	
Community Services						1.47	1.51	-	1.51	
Economic Development (former RDA)										
Finance		1.00	1.00							
Fire					0.72	0.72	0.72	(0.72) (2)	-	
Library	1.48	2.23	1.48						2.75	
Police						2.00	2.00	(1.00) (4)	1.00	
Sub - Total Fixed Term Positions	1.48	3.23	3.15	0.67	1.39	4.19	7.98	(1.72)	6.26	
Total Authorized Positions	445.08	437.58	391.92	379.04	375.96	385.57	393.89	2.52	396.41	

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, or fixed term 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.

2015-2016 Changes (from above)

- (1) Eliminate 1.00 Deputy Bldg Official and 1.00 Associate Planner
Add 1.00 Planning, Tech, 1.00 Sr.Bldg Inspector/Plans Examiner, 1.00 Permit Srv Coordinator, 1.00 Asst.Planner
- (2) Convert 0.72 fixed-term to 0.72 regular position
- (3) Add 0.50 FTE HR Representative
- (4) Convert 1.00 fixed-term Mental Health Outreach to reg.position

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. 5.e

DATE OF MEETING:
May 18, 2015

FROM: Mark Moses

DEPARTMENT: Finance

DATE: May 13, 2015

TITLE OF DOCUMENT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL APPROVING THE CITY-WIDE BUDGET FOR THE FISCAL YEAR 2015-2016 AND PROVIDING FOR THE APPROPRIATIONS AND EXPENDITURE OF ALL SUMS SET FORTH IN SAID BUDGET IN THE AMOUNT OF \$100,183,188

n _____

Department Head (signature)

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(LOWER HALF OF FORM FOR APPROVALS ONLY)

APPROVED AS COUNCIL / AGENCY
AGENDA ITEM:

N. M...

City Manager (signature)

APPROVED AS TO FORM:

Lisa A. Goldstein for RFE

City Attorney (signature)

NOT APPROVED

REMARKS:

