

CITY COUNCIL  
MEETING  
JUNE 15, 2020

**FINAL  
PROPOSED  
OPERATING/CIP  
BUDGET  
FISCAL YEAR 2020-2021**



# PRESENTATION AGENDA



**FY 19-20  
Update**



**FY 20-21  
Proposed  
City-wide  
Operating  
Budget**



**FY 20-21  
Appropriation  
s  
Limit**



**Recommen  
d to Adopt**

# FY 2019-2020 BUDGET STATUS

- Significant deviations from February 3, 2020 mid-year presentation
- GF - Projected decrease in total revenues – 6.3%
  - Sales tax and use tax decrease of \$3.7 million; 11%
  - Transient occupancy tax decrease of more than \$800k; 25%
- GF – Projected decrease in total expense – 3.5%
  - Primarily from salary, benefit and retirement contribution savings

# FY 2019-2020 BUDGET STATUS

- **Projected net losses of \$2.85 million for FY 2019-20**
  - **\$2.1 million will be offset by use of one-time funds and assigned balances from prior years**
  - **Staff recommends the use of emergency reserves for the remaining \$721k**
  
- **Other funds –**
  - **We are seeing impacts of COVID-19**
  - **Any required adjustments for other funds will be presented as part of the year-end update**

# FOLLOW UP FOR FY 2019-2020

- August/September 2020 – update on results (unaudited)
- November/December 2020 –Year-end financial/audit reports



# PROPOSED BUDGET FY 2020-2021



# CITYWIDE BUDGET SUMMARY

Fund	Sources (Revenues and Transfers)	Uses (Expenditures and Transfers)
General Fund	\$ 79,398,300	\$ 81,581,228
General Plan	776,956	1,464,130
Special Revenue/Grant/Trust	27,484,518	32,877,061
Enterprise (Parking)	5,076,525	5,072,452
Internal Service/Capital Replacement	16,657,617	17,238,594
Misc Capital Project Funds	642,394	9,517,225
Adj for ISF Charges/Transfers	(19,806,777)	(19,806,777)
<b>City-Wide Totals</b>	<b>\$ 110,229,533</b>	<b>\$ 127,943,913</b>

# SUMMARY OF MAIN TAKE AWAYS

- General Fund projected losses of almost \$9 million
  - Reduced expenses by \$1.4 million frozen positions, \$586k Voluntary Retirement Separation Program (VRSP), \$700k furloughs and additional department cuts of \$4 million
  - Staff recommends using emergency reserves of \$2.2 million to balance the budget
- EVERY department reduced expenses to collectively meet the \$4 million reduction goal
  - Further position eliminations such as layoffs will be brought forward at subsequent meetings



# SUMMARY OF MAIN TAKE AWAYS

- Frozen positions and VRSP reduce City's workforce from FTE of 405.73 to 382.73
- Due to furloughs and decrease in workforce, City services will be impacted
  - Reduced over the counter hours
  - Greater wait times for customer service
  - Reduced recreation programs and/or community center hours
  - Reduced capital improvement projects
- Staff will return more often to highlight changes and update the budget

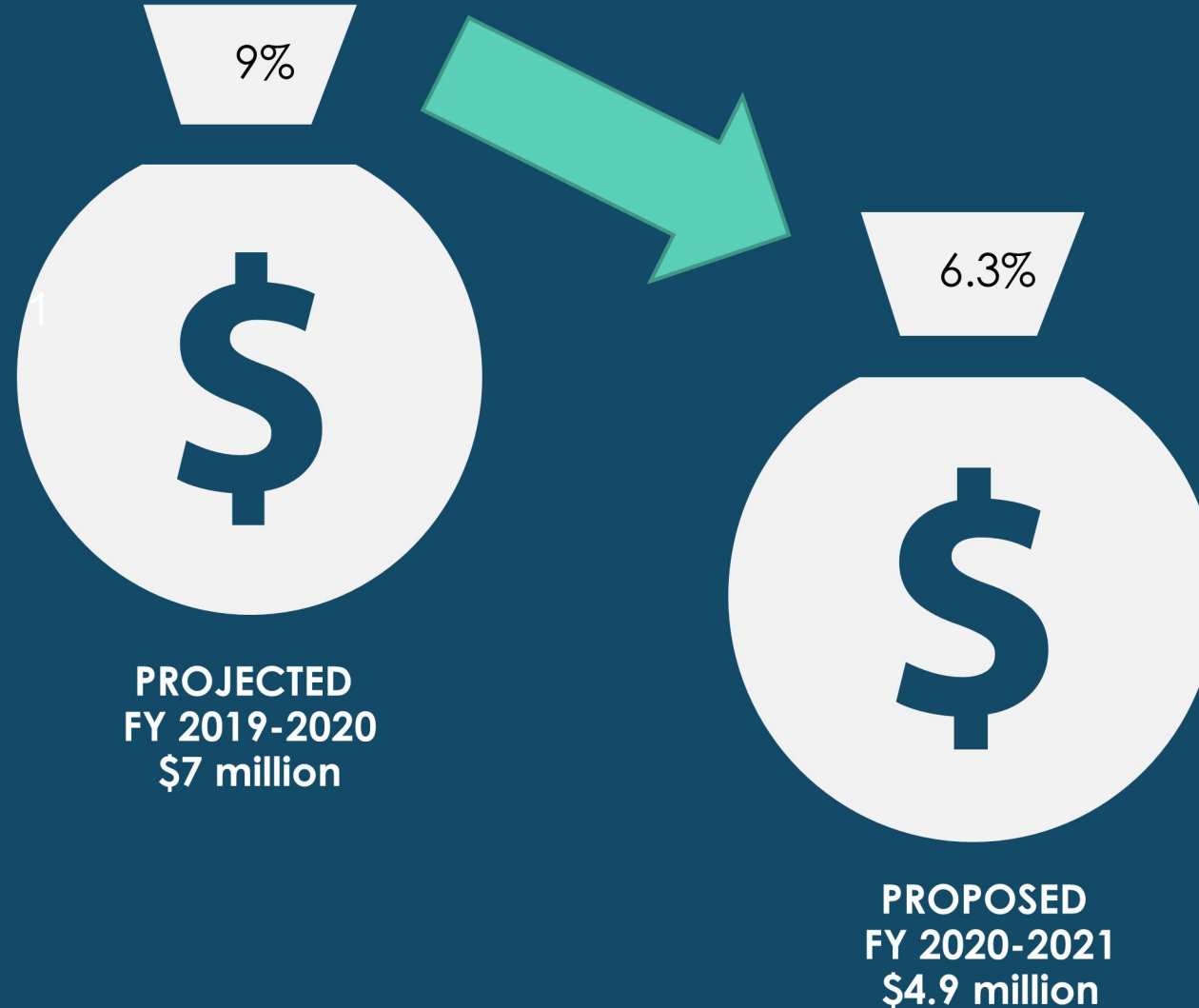
# GENERAL FUND - REVENUES

- **Property tax increased by over 4% or \$861k**
- **Shared services agreements and VLF fees increased in the range of 2-7%, or \$351k**
- **Sales and use tax decreased by over 15%, or \$5.2 million**
- **Most other fees such as permits, licensing, development fees and plan review decreased in the range of 1-10%**

# GENERAL FUND - EXPENSES

- Projected expense reductions total \$6.7 million
  - Department cuts of \$4 million included and assessment is in process and will dictate further position eliminations
- Pension expenses are approximately 15% of total City-wide budget or 20% of General Fund
- Increased cost of doing business
- Several City goals remain unfunded

# GENERAL FUND EMERGENCY RESERVES





# WHAT'S NEXT

- Staff will return to present a position elimination plan
- Focus on re-opening the local economy and enhancing efforts on business attraction and retention to support businesses and increase revenues
- Collaborate with the County and all Marin cities and towns to evaluate opportunities for savings through additional partnerships, shared services, and/or other consolidation efforts
- Continue to explore and gauge community interest in other revenue generating possibilities
- Build the Emergency Reserve back up




# OTHER FUNDS

- \$ Emergency Medical Services (Approved June 1)
- \$ Capital Project Funds (Presented May 18)
- \$ Measure A – Open Space (Approved May 18)
- \$ Measure D – Library Parcel Tax (4th year)
- \$ Measure C – Marin Wildfire Prevention (1<sup>st</sup> year)
- \$ Parking Enterprise Fund
- \$ Community Services – Recreation
- \$ Community Services – Childcare/Preschool

# STAFFING

- **FY 19/20 – addition of two positions and reduction of 1.5 positions**
  - **School Resource Officer and Open Space Ranger externally funded through state grants and Measure C**
- **Given frozen positions and VRSPs, this leaves us with a workforce of 382.73, down from 405.73**
- **Will not be hiring 127 temp/seasonal positions**

# GANN APPROPRIATIONS LIMIT

-  New calculated limit: \$143,208,909
-  Appropriations subject to limit: 73,554,079
-  Under the legal limit: \$69,654,830



# RECOMMENDED ACTIONS

**(1) Adopt a resolution approving the Fiscal Year 2020-2021 Budget (including Capital Improvement Program)**

**(2) Adopt a resolution approving GANN Appropriations Limit**

