

CITY COUNCIL  
MEETING  
JUNE 21, 2021

**FINAL  
PROPOSED  
BUDGET  
FISCAL YEAR 2021-2022**



# HOW WE GOT HERE

- COVID-19 Economic Recovery Plan (CERP) presented **May 18, 2020**
- FY21 Budget presented **June 15, 2020**
- FY21 Budget update presented **September 21, 2020**
- FY20 Annual Finance audited reports presented **November 16, 2020**
- FY21 Mid-year budget update presented **March 1, 2021**
- FY22 Measure A work plan and preliminary capital improvement program presented **May 3, 2021**
- FY22 Preliminary citywide budget presented **June 7, 2021**
- FY22 Final citywide budget presented tonight

# EXECUTIVE SUMMARY

- **\$ General Fund projected surplus of \$53 thousand**
- **\$ No increase in staffing headcount of 411.73**
- **\$ Furloughs have been removed and all frozen positions have been unfrozen**
- **\$ American Rescue Plan Act allocation of \$16 million not included in operating budget**

# PRESENTATION AGENDA



FY 20-21  
Update



FY 21-22  
Proposed  
City-wide  
Budget



FY 21-22  
Appropriations  
Limit



Recommend  
the  
acceptance  
of the  
report

# FY 2020-2021 BUDGET STATUS

- Updates from March 1, 2021 mid-year presentation
- GF - Projected increase in total revenues – 3%
  - Sales tax and use tax increase of \$1.7 million
  - Property transfer tax increase of \$366 thousand
  - Excess Educational Revenue Augmentation Fund (ERAF) increase of \$368 thousand
- GF – Projected increase in total expense – <1%
  - Increased operational transfer to Recreation to cover losses due to the pandemic

# FY 2020-2021 BUDGET STATUS

- **Projected net revenues of \$5 million for FY 2020-21**
  - **\$500 thousand will be used to replenish the Emergency Reserve to appropriate levels**
  
- **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 2020-2021

- August/September 2021 – update on results (unaudited)
- November/December 2021 –Year-end financial/audit reports

# PROPOSED BUDGET FY 2021-2022





# BUDGET CALENDAR

- January – Budget kickoff with departments and introduction of expenditure assumptions
- February – receipt of MCERA contribution rates
- March – budgets are received from departments and analyzed by Finance Department
- April/May – finalize special revenue funds, operations, internal service funds and CIP
- June – proposed budget is presented

# CITYWIDE BUDGET SUMMARY

Fund	Sources (Revenues and Transfers)	Uses (Expenditures and Transfers)
General Fund	\$ 89,616,102	\$ 89,562,734
General Plan	1,136,203	928,586
Special Revenue/Grant/Trust	29,390,309	29,736,654
Enterprise (Parking)	3,341,546	4,884,424
Internal Service/Capital Replacement	18,352,224	19,193,477
Misc Capital Project Funds	28,023	1,497,817
Adj for ISF Charges/Transfers	(18,014,294)	(18,014,294)
<b>City-Wide Totals</b>	<b>\$ 123,850,113</b>	<b>\$ 127,789,398</b>

# SUMMARY OF MAIN TAKEAWAYS

- **\$ General Fund projected surplus of \$53 thousand**
- **\$ Year over year revenues are projected to be \$4.4 million higher**
- **\$ Year over year expenses are projected to be \$7.7 million higher**

# SUMMARY OF MAIN TAKEAWAYS

- **No change to City workforce 411.73**
- **American Rescue Plan Act allocation of \$16 million over two years**
  - **Economic Recovery for small businesses**
  - **Racial equity work**
  - **Housing and homelessness**
  - **Climate change and sustainability**
  - **Fund key technology and infrastructure projects**

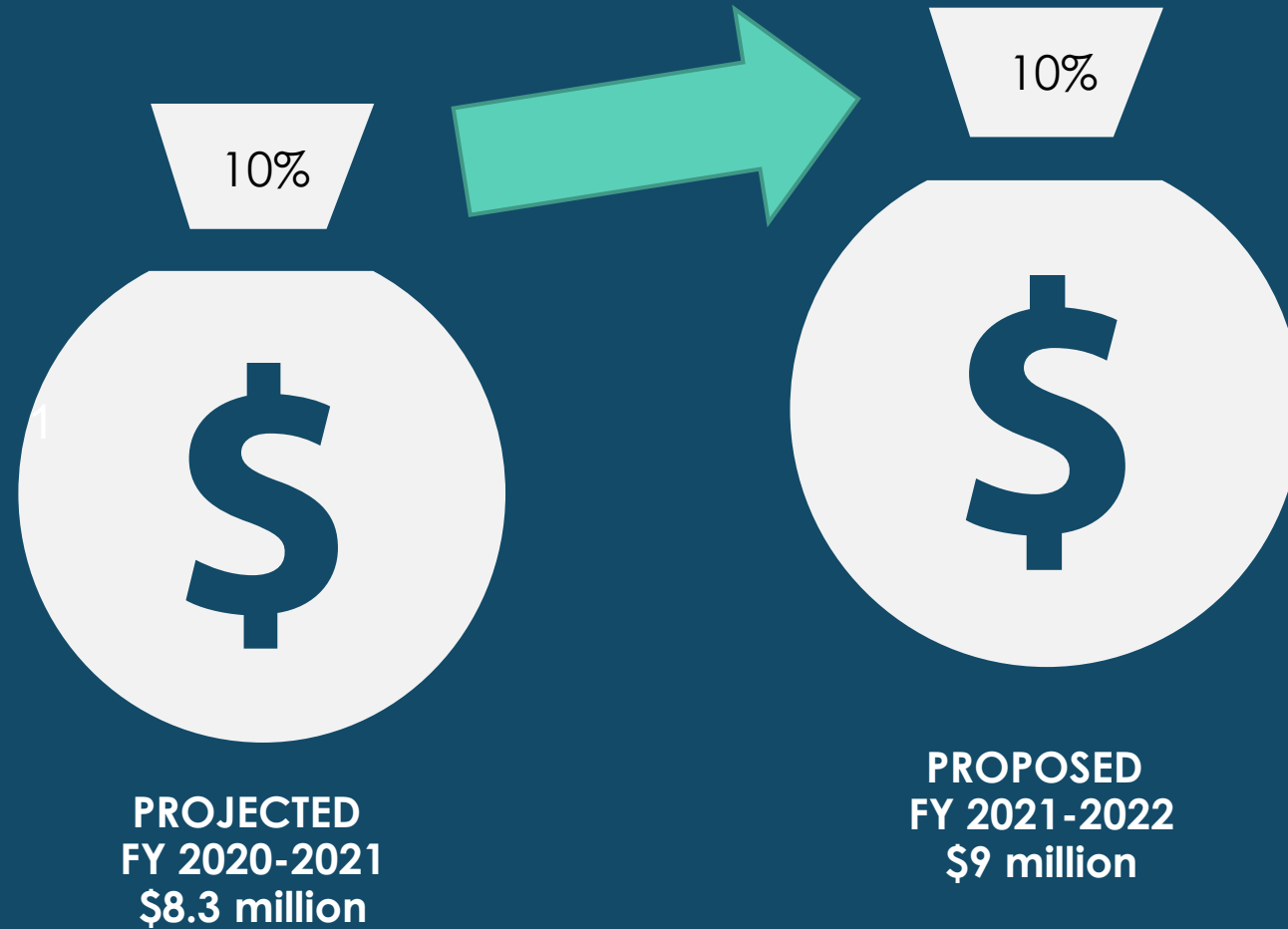
# GENERAL FUND - REVENUES

- **\$ Property tax increased by 2%**
- **\$ Sales and use tax increased by 10%, largely from Measure R**
- **\$ Most other fees such as permits, licensing, development fees and plan review increased in the range of 10-22%**

# GENERAL FUND - EXPENSES

- **\$** Year over year increase in expenditures of 9.7% or \$7.7 million
  - Unfreezing and funding positions (\$1.3 million; 17%)
  - Furlough lapse (\$540,000; 6.5%)
  - Wage increases (\$2.1 million; 27%)
  - MCERA composite rate increase (\$1.9 million; 25%)
  - Policy focus areas (\$1.9 million; 25%)
  
- **\$** Pension expenses are approximately 15% of total City-wide budget or 20% of General Fund
  
- **\$** Increased cost of doing business

# GENERAL FUND EMERGENCY RESERVES



# WHAT'S NEXT

- Continue to focus on re-opening the local economy and enhancing efforts on business attraction and retention to support businesses and increase revenues
- Continue to 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
- Make headway on competing needs and policy focus areas
- Determine eligibility and reporting requirements for ARPA funding



# OTHER FUNDS

- \$ Emergency Medical Services
- \$ Capital Project Funds (Presented May 3)
- \$ Measure A – Open Space (Approved May 3)
- \$ Measure D – Library Parcel Tax (5th year)
- \$ Measure C – Marin Wildfire Prevention (2<sup>nd</sup> year)
- \$ Parking Enterprise Fund
- \$ Community Services – Recreation
- \$ Community Services – Childcare/Preschool

# STAFFING

- Reinststate frozen positions
- Remove the furlough which was implemented for FY21
- Proposed budget offers no change to staffing from current levels

# GANN APPROPRIATIONS LIMIT

- **\$ New calculated limit: \$150,770,339**
- **\$ Appropriations subject to limit: 82,522,271**
- **\$ Under the legal limit: \$68,248,068**

# RECOMMENDED ACTIONS

- (1) Adopt a resolution approving the Fiscal Year 2021-2022 Budget (including Capital Improvement Program)**
- (2) Adopt a resolution approving GANN Appropriations Limit**

