

TOWN OF FAIRFAX

Fairfax's situation – 6 years ago

Where

Six years ago Fairfax faced a fiscal crisis in the wake of our state leaders' mismanagement of California's budget.

Fairfax

Was

In 2005 Fairfax voters passed Measure F as a five year special municipal services tax to allow the Town to continue to maintain public safety, youth services and some capital improvement projects.

In November, 2009 Measure I was approved by 73% of the voters to extend Measure F for an additional five years.

Measure F and Measure I contributions

What

Measure F

and

Measure I

Gave

Fairfax

Allowed Fairfax to continue to have our excellent public safety, youth services and some capital improvements.

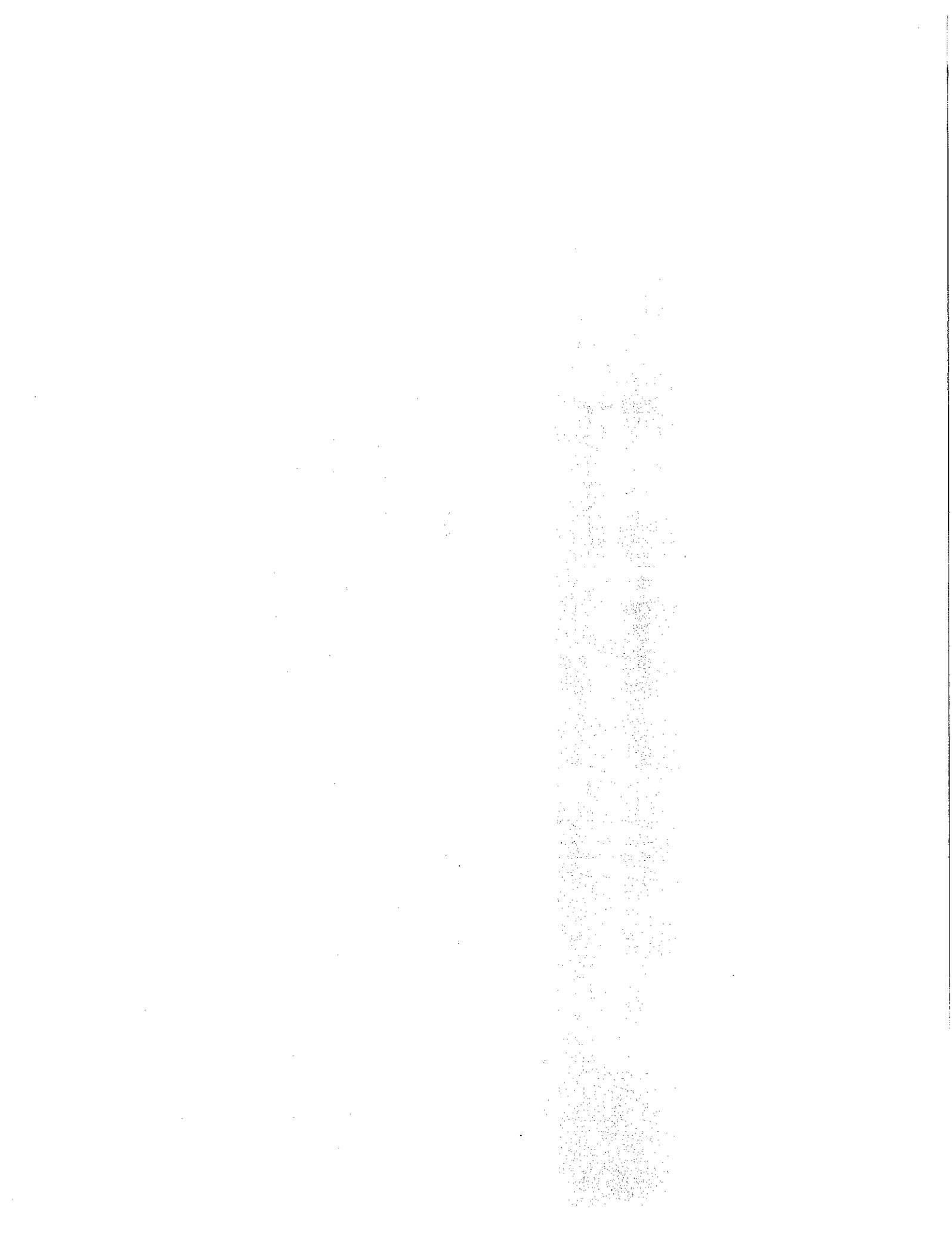
Also allowed the Town to balance the budget to maintain the Town's quality services while including two frozen staff positions

One Police Officer

One Administrative Position

(Both frozen since September 2006)

Saved the Town \$165K, cost: the productivity of these positions.





An additional challenge for Fairfax was presented only months after having passed the Measure F contribution to address the fiscal crisis. The dawn found Fairfax up to its knees, literally, in water as the creek flooded its banks engulfing the town in a unwelcome embrace.



The explosion of water washed through the Town Hall, Police department, Fire department and Youth center, wiping away the functioning center of the Town. Clean up and rebuilding started right away with the final flood recovery, six years later, within sight.

Flood Cost to the Town

What Total FEMA Award to the Town:

The \$1,708,000 (\$1,608,000 Recovered to
date)

Flood Cost \$ 322,600 Insurance Contribution

Fairfax Total Town Expenditures

\$2,799,000

Total Town Cost (Paid by the General Fund)

\$ 768,000 (assuming total award receipt)

Which brings us to our current budgetary challenge.

What is causing our deficit?

Current

Budget

Challenges:

Primary

Factors

Pensions: recession and stock market crash hit the investment accounts hard. To make up the 34% loss of 2008, CalPERS raised local and state employer contributions by 6-15% per year. For FY 2011/12 the Town will pay an additional \$93,536 for pensions.

Health Care: average cost increase is 8% for the last several years.

These increases are not sustainable even in normal economic times – Town's revenue increases 3-5% per year.

What has the Town done?

Cost

Previously cut 4% from every department in the budget.

Compromises

Frozen two positions since 2006; left

And

unfilled a retired public works position;

Sacrifices

currently have three key positions unfilled.

Reduced Capital Improvement Projects to minimal maintenance only unless funded by grants.

Staff has received no Cost of Living increases for three years.

Town Implemented Costs savings

Cost Two Tiered Retirement System – effective July 1, 2009 3% at 55 in the Police Department; two tiered system for Misc and SEIU effective July 1, 2010.

Savings Implemented

By \$20,000 per position - Police Dept

The Compared to the prior 3% at 50

Town \$ 7,000 for all other positions at 2% at 55

Compared to the prior 2.5% at 50

Projecting the continued savings to the entire staff in 15 years the annual cost savings to the Town would be \$405,000

What will the Town do?

Potential

More wage cuts in FY 2011/12

Cost

Compromises

The deficit \$350,000 budget includes

And

several reductions - some major ones:

Sacrifices

Public Works Director – Vacant – \$80,000 savings

Reduced funding of OPEB (Other Post

Employment Benefits) to \$40K of the \$120K



The Path of Property Tax

How
Property Tax is collected by the County
on behalf of all the municipalities.

Tax
Is
Collected
And
Used
The total property tax collected is
100% of what is paid on your property
tax bill.

Used
The County distributes the collected
property tax in the following manner:

Property Tax Distribution

Tax Revenue Distribution - Fairfax

Where

Your

Money

Is

Used

Town of Fairfax
18%

County GF
16.6%

Education
57%

Education - 57%

Town of Fairfax - 18%

County General Fund -
16.6%

Sanitary District - 4.2%

Library - 2.3%

County Open Space -
0.9%

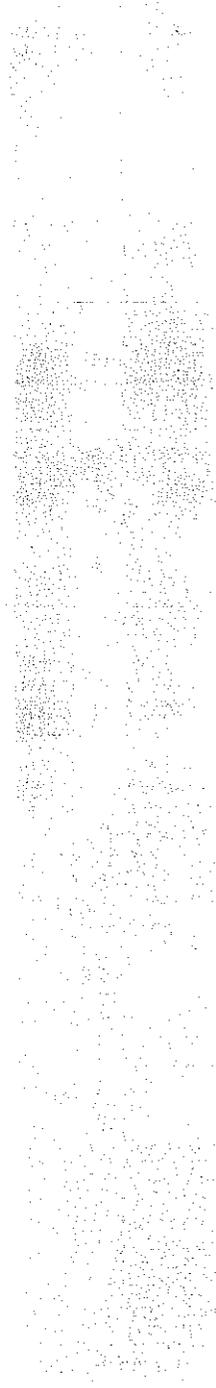
Marin County Transit
District - 0.5%

Marin-Sonoma Mosquito

Abatement District - 0.3%

Bay Area Air Quality

MGMT District - 0.2%



Revenue Generating Measures

Revenue

Adoption of a new Master Fee

Generating

Schedule to bring Fairfax's fee to average pricing structure.

Measures

Working with Fair-Anselm (new Good Earth location) and various other commercial properties in Town to possibly generate additional sales tax revenue for the Town.

Revenue Generating Measures

Revenue

Parking Fees – Parking meters and

Streams

other fees could generate about \$200K

Under

per year.

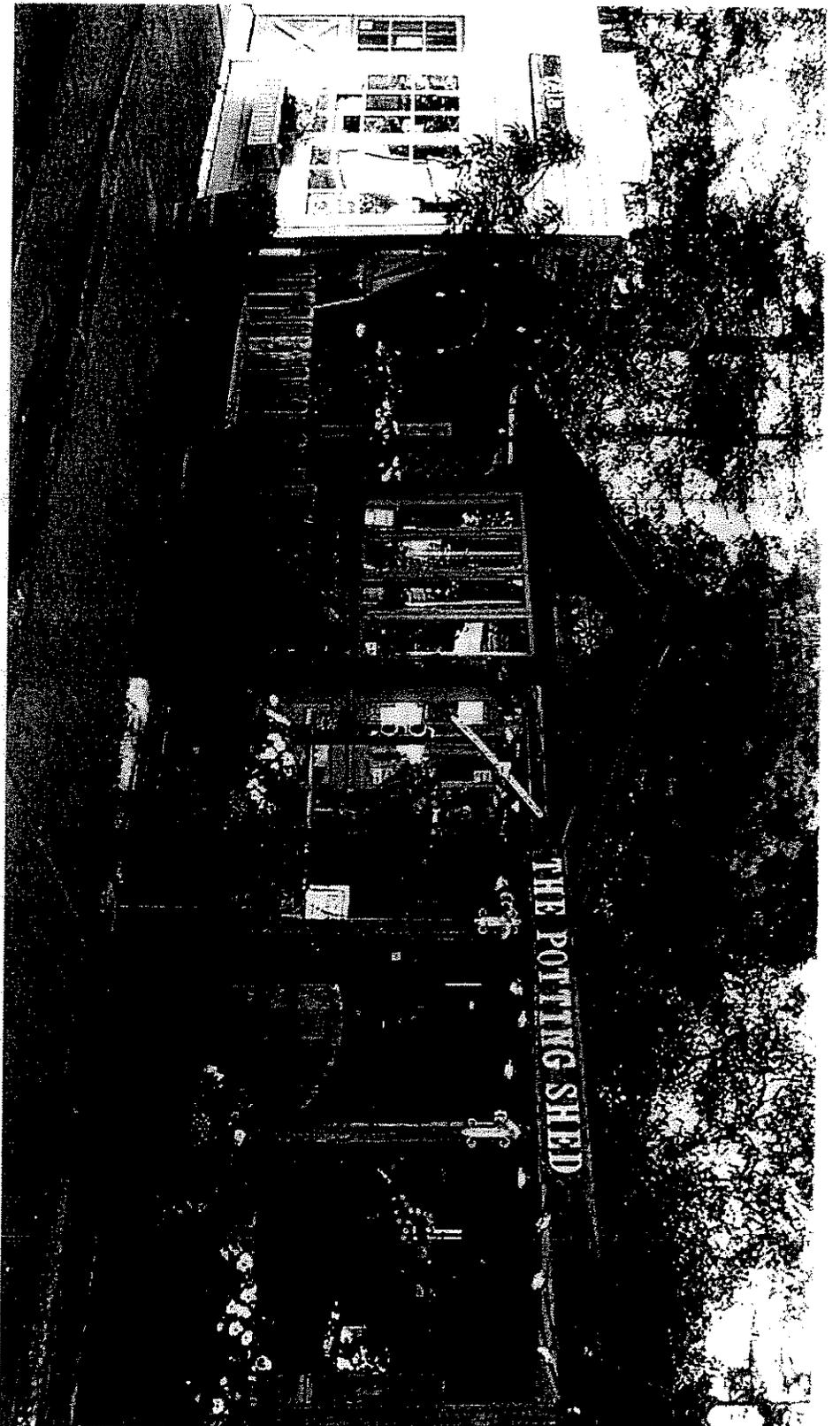
Consideration

For

Local Sales Tax measure - we receive

Fairfax

only 1% of the existing sales tax (about \$300,000 per year).



In this time of financial change in our community, our country and our world, we stand poised at the crossroads of the path of government. It is becoming obvious that while we do not want to recognize nor reward the State for the mismanagement of funds — we do need to recognize and choose how to manage our community, now and for the future.

What is a Local Sales Tax?

Description	A tax to purchases made within the Town
of	of Fairfax town limits on retail taxable
a	goods.
Local	Food and services are not currently taxed
Sales	in California.
Tax	Local Sales Tax are typically effective for
	anywhere from five to ten years.
	All Revenues collected from the Local
	Sales Tax Stay in Fairfax and cannot be
	taken by the STATE!!!

Why does Fairfax need a Local Sales Tax?

Fairfax

The Town is facing a \$350,000 budget

Budget

shortfall.

Conditions

The budget shortfall is a structural deficit that will have to be addressed when the Town Council adopts the fiscal year 2011/12 budget.

Without changes to expenditures and revenues the Town budget is not sustainable.

Possible Local Sales Tax Contribution

	<u>Local Sales Tax %</u>	<u>Annual Contribution</u>
Local		
Sales	1%	\$ 300,000
Tax	7/8 %	\$ 262,500
At	3/4 %	\$ 225,000
Various	5/8 %	\$ 187,500
Rates	1/2 %	\$ 150,000
	3/8 %	\$ 112,500
	1/4 %	\$ 75,000
	1/8 %	\$ 37,500

1% is equal to 1 Penny on a dollar.

How can a Local Sales Tax be used?

Local

Sales

Tax

Requires

A

Simple

Majority

Vote

General Government Services-Simple
Majority Vote

Police, Public Works, Admin, Recreation,
Planning, and Building

Specific Government Services – 2/3
Vote

Public Infrastructure improvements

Street Maintenance

Capital repairs

Sidewalk, and curb repair and maintenance

What do need as a community?

What

Does

Fairfax

Need

A cohesive community agreement to move us forward in these challenging economic times.

A way to continue the core services that the community cares about such as public safety, public works, and senior and youth recreation programs

We are in a unique position to be able to decide how these changes affect us with a local sales tax.



More information is available on our website www.townoffairfax.org or at the Library, Front Desk at Town Hall, or at Police Dispatch. If you have any questions, specific or general; please contact the Town Manager at 453-1584. This is our Town, this is our future, only we can make a decision that reflects us all.

