



# TOWN OF FAIRFAX

## STAFF REPORT

### June 3, 2015

**TO:** Mayor and Town Council

**FROM:** Garrett Toy, Town Manager *GT*  
Michael Vivrette, Finance Director

**SUBJECT:** Discuss/consider FY15-16 Proposed Operating and Capital Improvement Budget

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#### **RECOMMENDATION**

- 1) Open/Close Public Hearing
- 2) Direct staff as appropriate

#### **DISCUSSION**

On May 28th, the Council held a budget workshop to discuss the draft FY15-16 Operating and Capital Improvement budget. At the workshop, the Council discussed the operating budget, but due to time constraints, deferred the discussion on the 5 Year Capital Improvement Program (CIP) and future funding issues to this public hearing. The staff presentation will include a summary of the Council's revisions to the proposed budget made at the workshop.

The overall proposed budget is approximately \$10.4 million of which \$8.1 million is allocated for general fund operations, \$1.7 million for capital improvement projects, and \$0.6 million for special fund expenses/debt service. The transmittal letter in the front of FY15-16 proposed budget summarizes the key highlights and assumptions.

In essence, increases in expenditures are offset by increases in revenues and transfers. The largest expenditure increases are in Fire services (\$133,000) and in retirement costs (\$230,000). This is offset by the renewal of Measure J which added an additional \$250,000 in revenues and a net increase in property and sales taxes (approx. \$70,000). The budget also reflects the consolidation of recreation, volunteer, and FOCAS activities into a new Recreation and Community Services Department and the addition of new Public Works (DPW) maintenance worker position. The consolidation does not significantly affect the budget as the cost for recreation operations will remain relatively the same. The addition of the DPW worker converts a part-time contractual position to the full-time position which will add \$35,000-\$40,000 to the annual DPW budget.

The proposed budget does not plan to dip into General Fund reserves and projects an ending General Fund (GF) balance of approximately \$2.0 million which meets the Town's 25% recommended reserve requirement.

The final budget will incorporate all Council revisions discussed this evening and at the budget workshop, and will be brought to the Council for approval at its July 15th meeting.

#### **FISCAL IMPACT**

n/a

**ATTACHMENTS:** Proposed FY15-16 Budget

AGENDA ITEM # 22