



# TOWN OF FAIRFAX

## STAFF REPORT

### August 5, 2015

**TO:** Mayor and Town Council

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

**SUBJECT:** Adoption of a Resolution adopting the Town of Fairfax Operating and Capital Improvement Budgets for Fiscal Year July 1, 2015 through June 30, 2016

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#### **RECOMMENDATION**

Adopt a Resolution adopting the Town of Fairfax Operating and Capital Improvement Budgets for Fiscal Year July 1, 2015 through June 30, 2016 and providing for the appropriation of expenditures in said budgets and repealing all resolutions in conflict therewith.

#### **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 the June 3<sup>rd</sup> public hearing.

At the June 3<sup>rd</sup> meeting, the Council considered the revisions to the proposed budget from the workshop and the 5-Year CIP. On July 15<sup>th</sup>, the Council discussed and considered additional revisions to proposed budget beyond those considered from the budget workshop and the June 3<sup>rd</sup> meeting. Tables A and B list those revisions to the budget approved by the Council at its June 3<sup>rd</sup> meeting and workshop and the specific Council revisions made to the proposed budget on July 15<sup>th</sup>, respectively.

The final budget contains all the revisions listed in Tables A and B as well as some minor budget adjustments (e.g., revised salary expenditures and revenue estimates) made by staff. It should be noted that the budget message as well as many of the other narratives have been modified to reflect the revised budget. The budget message now includes a discussion in the 5-Year Forecast regarding the catastrophic impact the loss of the 0.5% sales tax (Measure D) would have on the Town's finances.

The net impact from the proposed budget presented on July 15<sup>th</sup> is that the Town will need to dip into General Fund reserves by an additional \$7,000 or less than a 0.1% of the overall operating budget. The budget projects that the Town will end FY15-16 with over \$2,000,000 in General Fund reserves which will continue to meet the Town's 25% recommended reserve requirement. In essence, the overall final budget is slightly higher than the July 15<sup>th</sup> proposed budget, with the bulk of the increase being in capital improvements funded with Measure J. The total budget is approximately \$10,900,000: \$8,200,000 for the General Fund operating budget, \$2,100,000 for the CIP budget, and \$600,000 for debt service/special funds.

#### **FISCAL IMPACT**

n/a

**ATTACHMENT:** Final FY15-16 Budget

AGENDA ITEM # 10

**TABLE A: COUNCIL APPROVED BUDGET REVISIONS***(From Council budget workshop and June 3<sup>rd</sup> meeting)*

<b>Budget Fund and Activity</b>	<b>Description and \$ amount</b>	<b>Source</b>
Fund 01-616 Community Services (aka Volunteers for Fairfax)  Amount: \$2,000	Added \$2,000 for Volunteer Board Activities (line item 842)	General Fund
Fund 01-621 Recreation Classes  Amount: \$2,000	Added \$1,000 for youth (item 821) and \$1,000 for senior activities (item 843)	Measure J
Fund 20-715 Measure J- Municipal Services  Amount: \$6,000	Added \$6,000 for trail improvements; reflected as a transfer into CIP No. 51-841 Misc. Park and Trail Improvements	Measure J
Fund 23-715 Measure A- Parks  Amount: No impact	Adjusted Measure A workplan to allocate \$5,000 for park equipment repair	Measure A (park funds)
CIP no. 53-804 Sidewalk replacement/repair  Amount: No impact	Up to \$10,000 will be allocated for sidewalk repair program out of existing budget (i.e., no net impact)	Measure J (absorbed within existing budget)
CIP No. 53-804 Sidewalk replacement/repair  Amount: \$5,000	Added \$5,000 for new recycling containers downtown; the existing \$10,000 for tree trimming will also be reallocated for recycling containers as tree trimming costs are charged to street maintenance; if the Town is successful in obtaining a grant, these funds will not be used.	Measure J
Fund 01-510 Public Works Admin  Amount: No impact	Reallocated \$5,000 for intern; reallocated funding from operating expenses to personnel costs (i.e., no net impact)	General Fund (absorbed within existing budget)
Fund 01-511 Street Maintenance and Public Works  Amount: No impact	Committed \$10,000 for supplies/material for improvements to Center Blvd. by the Gardening Alliance	General Fund; staff indicated could be absorbed into the existing budget
Fund 01- various ¼ part time admin asst  Amount: \$15,000	Added \$15,000 for part-time admin assist to assist at Town Hall	General Fund

**TABLE B: COUNCIL-APPROVED BUDGET REVISIONS**  
*(From July 15<sup>th</sup> Council meeting)*

<b>Item</b>	<b>Description</b>	<b>Source:</b>
Fund 01 Workers Comp- all departments  Amount: \$23,000	Added \$23,000 for increase in worker's comp premium; this cost is allocated on a prorated basis across all department (item 492)	General Fund
CIP No. 53-819 Manzanita Rd Reconstruction  Amount: \$145,000	This project was anticipated to be completed in FY14-15, however, it is now being incorporated into the FY15-16 CIP budget as a project.	TAM Measure A from FY14-15 and General fund savings from FY14-15 carried-over to General Fund reserves for FY15-16
CIP No. Azalea Bridge  Amount: \$223,000	Caltrans has approved the project for FY15-16. The CIP initially anticipated the project would not be authorized by Caltrans until FY16-17.	This project is 100% funded with a combination of Federal Highway Bridge Program and Flood District 9 funds
Fund 01-421 Ross Valley Fire Department  Amount: \$20,000	Reflects anticipated adjustment to the adopted Fire budget by RVFD Board	General Fund
Fund 01-621 Recreation Classes  Amount: \$1,000	Added \$1,000 to cover costs of senior programs.	Measure J
CIP no. 53-804 Sidewalk replacement/repair  Amount: \$5,000	Added an additional \$5,000 for general Town sidewalk repair, in the event the sidewalk program uses the entire \$10,000 allocated to the program	Measure J
Fund 01-311 Planning  Amount: \$15,000 (reallocation of funds with Planning Division)  Amount: No Impact	Reallocated of \$15,000 to fund part-time zoning/building technician; this would alleviate burdensome workload of principal planner and building official, would improve processing times and customer service	Reallocated funding from operating expenses to personnel costs, so no net impact
Fund 01-511 Street Maintenance and Public Works  Amount: \$5,000	Added \$5,000 for landscape contractor to make repairs and clean-up of landscaped areas including irrigation. (note: this is in addition to the \$10,000 allocated to the Gardeners Alliance)	General Fund
Fund 20-715 Measure J  CIP Project 51-841 Trail Improvements  Amount: \$20,000	Added \$20,000 for trail improvements for a total of \$50,000.	Measure J

Fund 20-715 Measure J  CIP Project 51-841 Park Equipment Repair  Amount: \$10,000	Added \$10,000 for park equipment repair for a total of \$21,500.	Measure J
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