



# TOWN OF FAIRFAX

## STAFF REPORT

### July 13, 2016

**TO:** Mayor and Town Council

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

**SUBJECT:** Adoption of a Resolution adopting the FY16-17 Operating and Capital Improvement budgets for Fiscal Year July 1, 2016 through June 30, 2017 and Providing for the Appropriation of Expenditures in Said Budgets and Repealing All Resolutions in Conflict Herewith

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#### **RECOMMENDATION**

Adopt the Resolution adopting the FY16-17 Operating and Capital Improvement budgets for Fiscal Year July 1, 2016 through June 30, 2017 and Providing for the Appropriation of Expenditures in Said Budgets and Repealing All Resolutions in Conflict Herewith

#### **DISCUSSION**

On May 20th, the Council conducted a budget workshop to discuss the draft FY16-17 Operating and Capital Improvement budget. At its June meeting, Council conducted its public hearing on the proposed budget. The total budget is approximately \$11.1 million of which \$8.75 million is allocated for general fund operations, \$1.85 million for capital improvement projects, and \$500,000 for special fund expenses/debt service.

The budget is projected to add over \$40,000 to General Fund reserves which would result in an ending General Fund (GF) balance of approximately \$2.45 million or 28% which exceeds the Town's 25% recommended reserve requirement.

At its budget workshop, the Council made the following key revisions to the proposed budget:

- Added \$10,000 to the Town Clerk's budget for revamping the Town's website to make it more user-friendly and transparent.
- Added \$10,000 for pedestrian trail improvements which increases the budget to \$60,000.
- Added \$10,000 for sidewalk replacement and repair improvement which increases the budget to \$30,000.

Since the budget workshop and public hearing, staff made the following additional adjustments to the proposed budget:

- Increased the total general fund operating budget by approximately \$8,000 (0.09%) to reflect more accurate estimates for such expenses as IT services.

- Added \$15,000 to the CIP Street Resurfacing project to reflect the carry-over of funds for the installation of the rapid flashing beacon system for the mid-block crossing on Sir Francis Drake between M&G Burgers and the Fairfax Market.
- Added \$17,000 to the CIP Parkade project to reflect the grant amount approved by Caltrans for design (note: design costs were inadvertently understated in the proposed budget). The total design costs increased from \$40,000 to \$57,000. The grant is for \$45,000 with a 25% matching requirements (approx. \$12,000).
- Debt service expense was reduced by \$130,000 which reflects the savings from refinancing the general obligation bonds. This doesn't impact the Town's general fund as all the savings accrue directly to the Town's tax payers.

The net impact of the above revisions is that the CIP budget increased by \$52,000 (3%) and the General Fund operational budget by \$18,000 (0.02%).

### **FISCAL IMPACT**

n/a

### **ATTACHMENTS**

1. Resolution
2. FY16-17 Budget

RESOLUTION 16-\_\_

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX  
ADOPTING THE TOWN OF FAIRFAX OPERATING AND CAPITAL IMPROVEMENT BUDGETS  
FOR FISCAL YEAR JULY 1, 2016 THROUGH JUNE 30, 2017 AND PROVIDING FOR THE  
APPROPRIATION OF EXPENDITURES IN SAID BUDGETS AND  
REPEALING ALL RESOLUTIONS IN CONFLICT HEREWITH

WHEREAS, the Town Council of the Town of Fairfax has reviewed the proposed Operating Budget for FY 2016-17 and Capital Improvement Program for FY 2016-17 and has held such public hearings as are necessary prior to adoption of the Final Budget; and

WHEREAS, the Town shall adopt a position classification and compensation plan covering all positions per CalPERS requirements;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Town Council of the Town of Fairfax finds as follows:

1. "The Town of Fairfax 2016-17 Operating and Capital Improvement Adopted Budget" presented by the Town Manager is hereby approved and adopted and incorporated herein by reference;
2. That the total General Fund Operating Budget is \$ 8,649,217 and is hereby appropriated for Department expenses as follows:

Town Council	\$ 228,326
General Administration	700,658
Developmental Services	658,812
Public Safety	5,182,377
Public Works	663,062
Recreation & Community Services	188,989
Parks & Facility Maintenance	293,193
Non Departmental	<u>733,800</u>
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 8,649,217</b>
3. That \$ 584,827 is hereby appropriated for the retirement fund, special non-general fund programs and replacement funds.
4. That \$ 1,844,891 is hereby appropriated for Capital Improvement Programs for Fiscal Year 2016-17.
5. The Salary Schedule for Fiscal Year 2016/17 presented in the budget appendix is adopted as part of the budget approval.

The foregoing Resolution was duly passed and adopted at a meeting of the Town Council of the Town of Fairfax held in said Town on the 13th day of July 2016 by the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
Renée Goddard, Mayor

Attest: \_\_\_\_\_  
Michele Gardner, Town Clerk

**ATTACHMENT** 1