



TOWN OF FAIRFAX

STAFF REPORT

June 1, 2016

TO: Mayor and Town Council

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

SUBJECT: Discuss/consider FY16-17 Proposed Operating and Capital Improvement Budget

RECOMMENDATION

- 1) Open/Close Public Hearing
- 2) Discuss/consider revisions to the FY16-17 proposed budget

DISCUSSION

On May 20th, the Council conducted a budget workshop to discuss the draft FY16-17 Operating and Capital Improvement budget. The overall proposed budget is approximately \$11.1 million of which \$8.7 million is allocated for general fund operations, \$1.8 million for capital improvement projects, and \$0.6 million for special fund expenses/debt service.

Operating expenditures increased by \$500,000 over the adopted FY15-16 budget. However, the increase in expenditures is offset by a \$600,000 increase in revenues and transfers over the FY15-16 budget. The largest expenditure increases are in Fire services (approx. \$80,000), retirement costs (\$114,000), and personnel costs (\$210,000) including a new part-time Public Works Director position, MOU/contractual increases for an entire year, and step increases for newer staff. The largest revenue increases are in property taxes (approx. \$200,000), sales tax (\$60,000), retirement fund (\$130,000), and one-time revenue from cable franchises (\$70,000).

The proposed budget is projected to add \$100,000 to General Fund reserves which would result in an ending General Fund (GF) balance of approximately \$2.5 million or 29% which exceeds the Town's 25% recommended reserve requirement.

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

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

- Note that the narratives for CIP street projects should state that projects may not be completed in FY15-16 (e.g., design only) and could be carried over (e.g., construction) to FY16-17.

The transmittal message in the front of FY16-17 proposed budget summarizes the key highlights and assumptions as well as contains the Five Year Budget Forecast.

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 13th meeting.

FISCAL IMPACT

n/a

ATTACHMENTS

Proposed FY16-17 Budget