



# Town of Atherton

2017/2018

*General Fund Operational Budget Review*



# General Fund

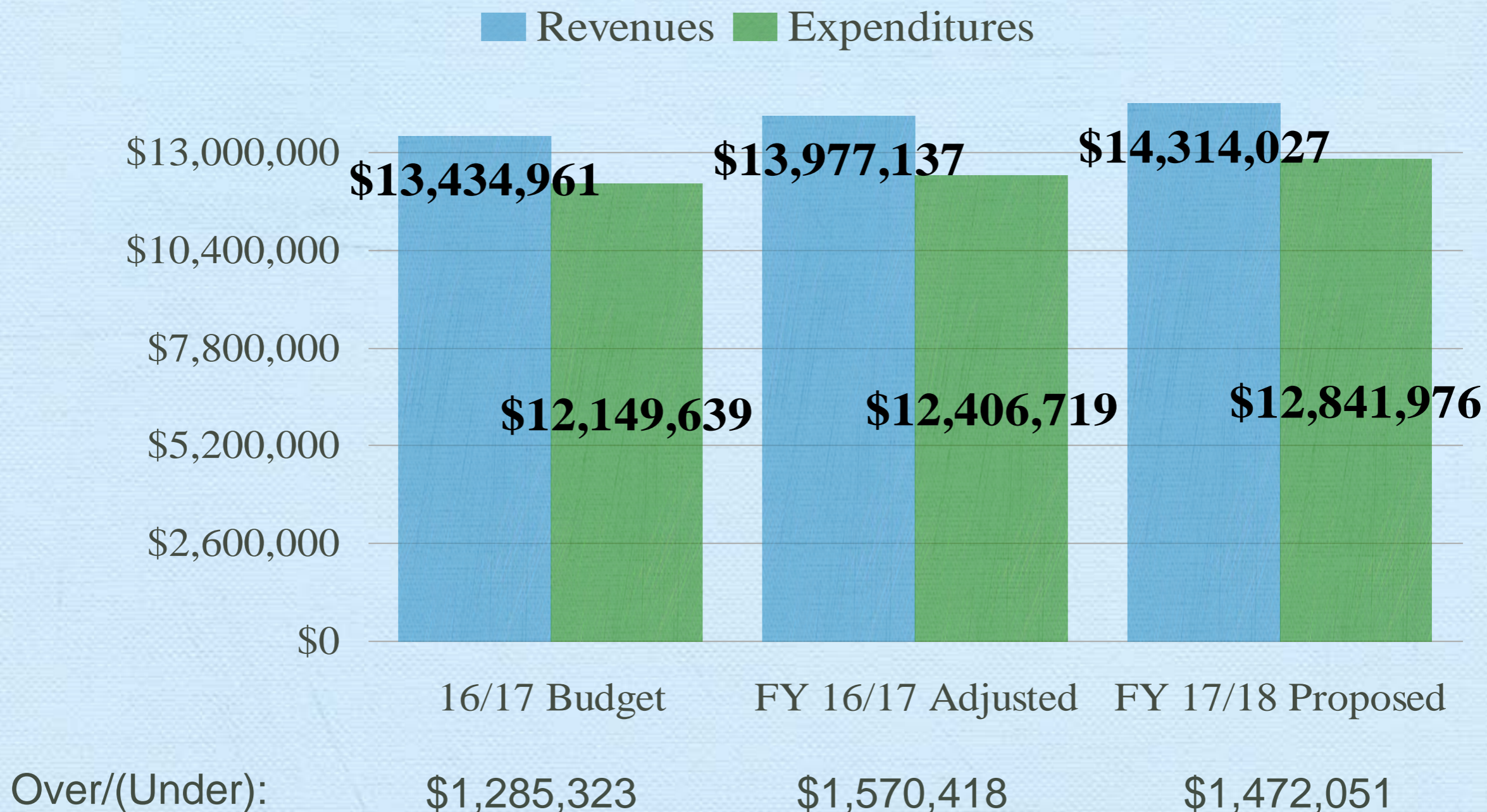
- ❖ Primary Operating Fund of the Town
- ❖ All general tax revenues and other receipts that are not allocated by law or contract to other funds are accounted for here
- ❖ Expenditures from the General Fund are most commonly general operating expenditures and capital improvement costs that are not paid through other funds
- ❖ Expenditures include administration, finance, planning, building, public works, and public safety





# General Fund Revenues to Expenditures

(w/o Parcel Tax, ERAF, Transfers)



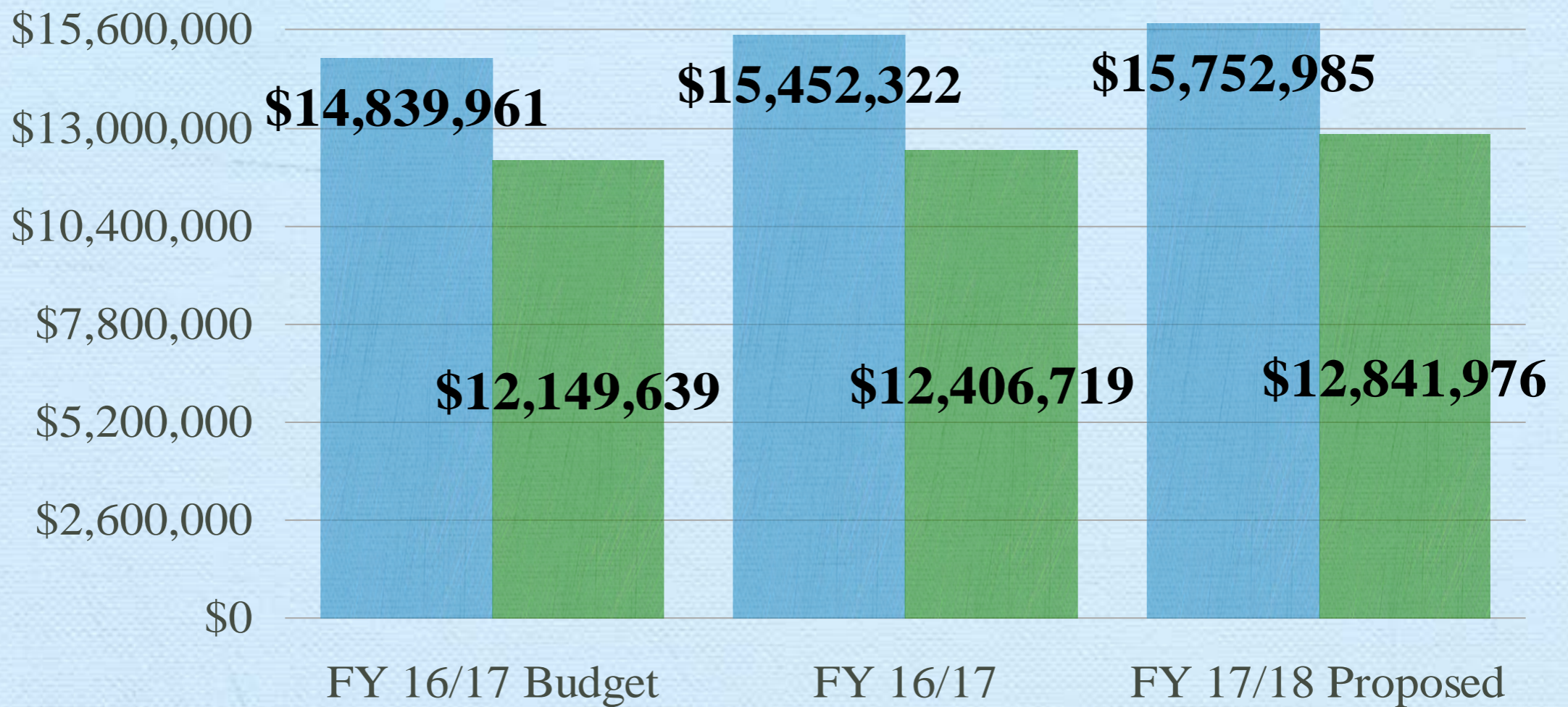




# General Fund Revenues to Expenditures

(Including General Fund Parcel Tax & ERAF)

■ Revenues ■ Expenditures



Over/(Under):                      \$2,690,322                      \$3,045,603                      \$2,911,009

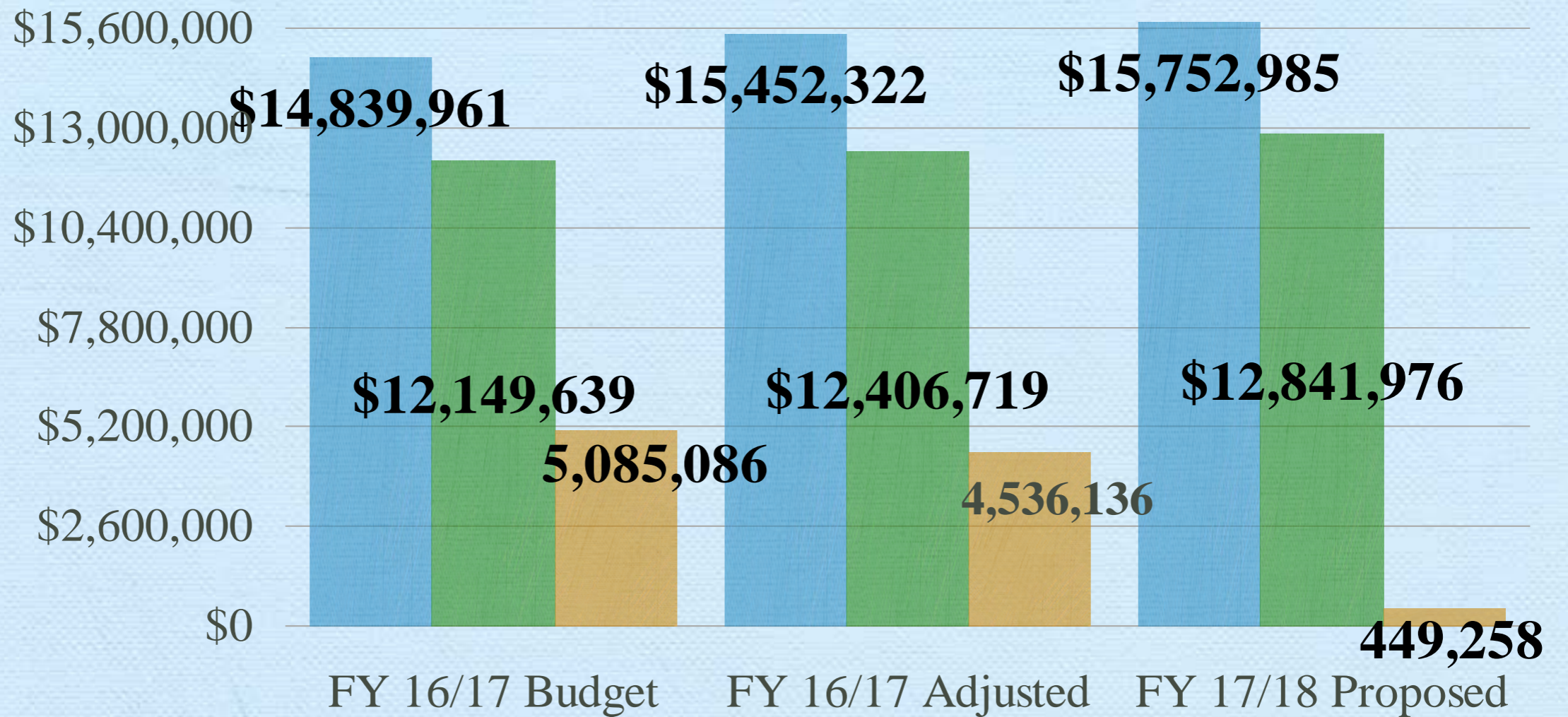




# General Fund Revenues to Expenditures

(Parcel Tax, ERAF and InterFund Transfers)

■ Revenues ■ Expenditures ■ Transfers



Over/(Under): (\$2,394,763) (\$1,490,533) \$2,461,751

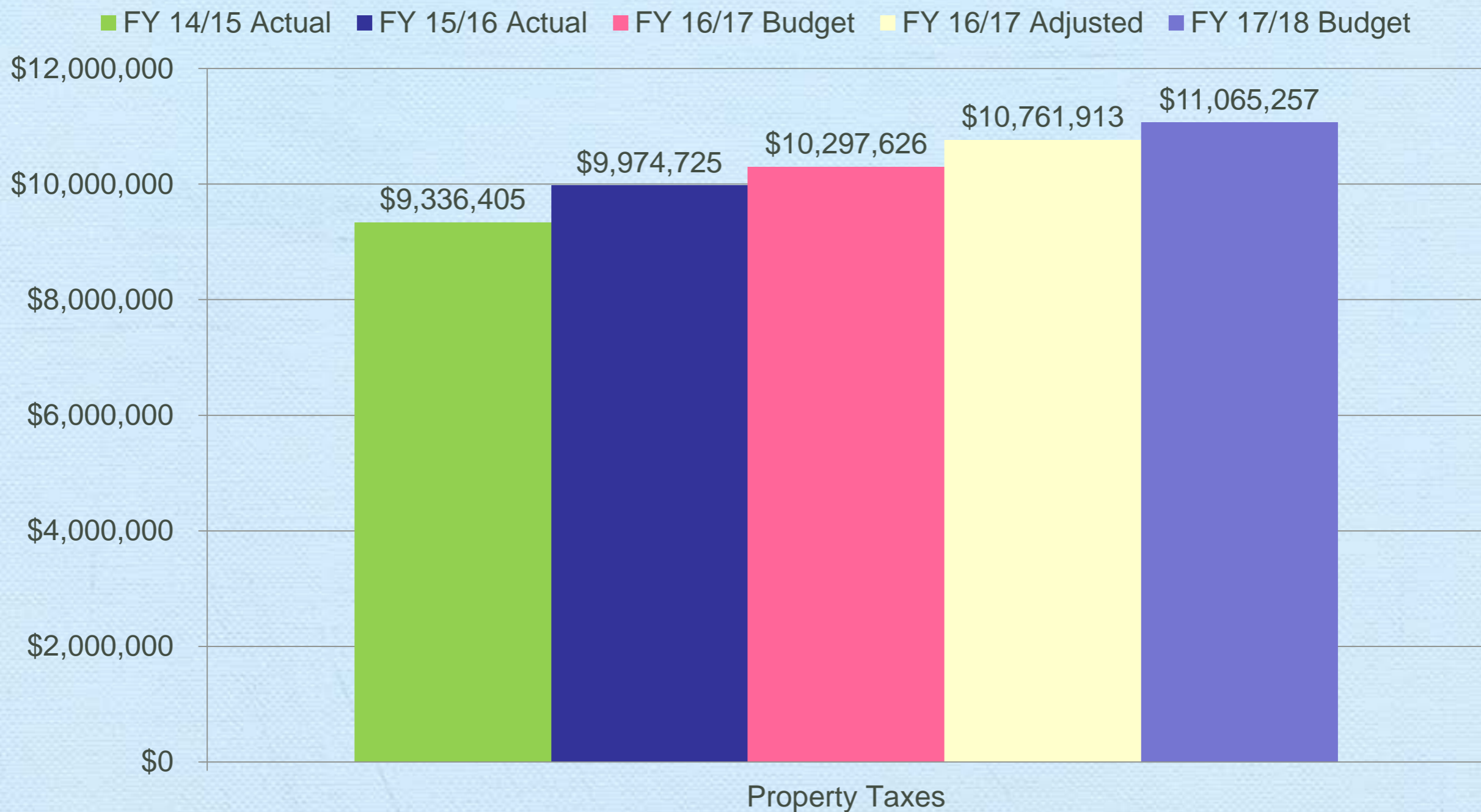




# General Fund Major Revenues

## Property Taxes

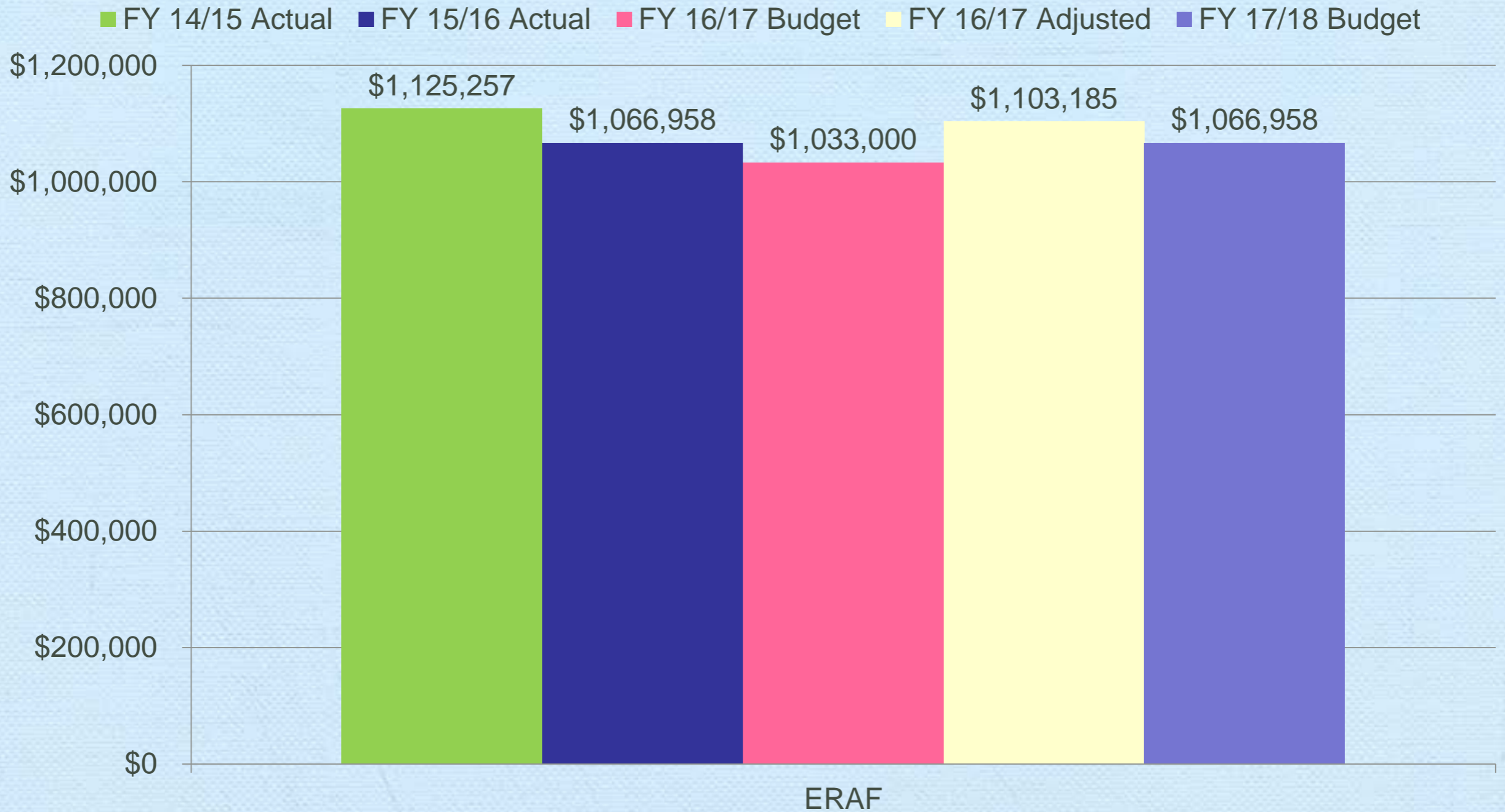
Includes ERAF







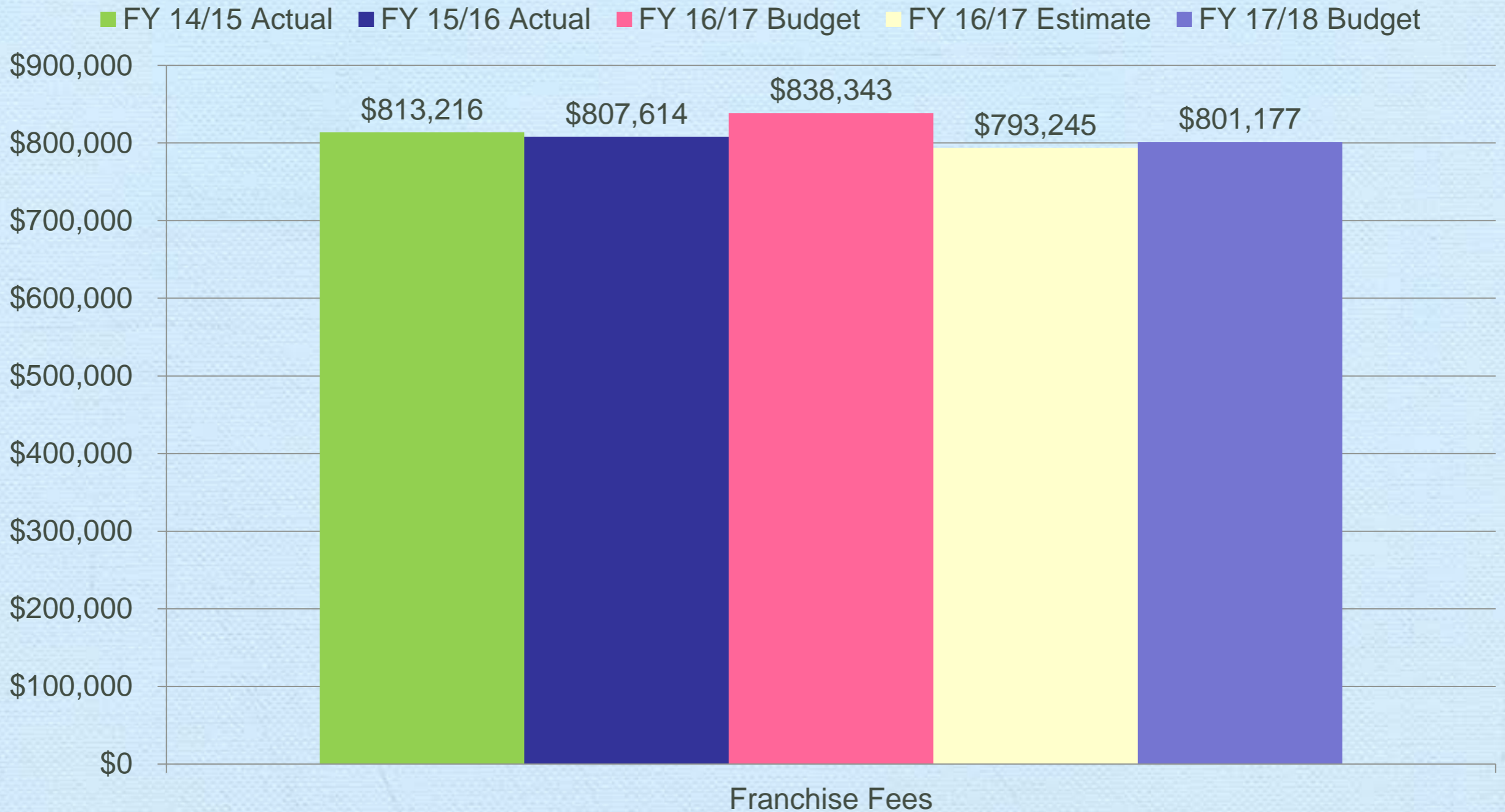
# General Fund Major Revenues ERAF Year over Year







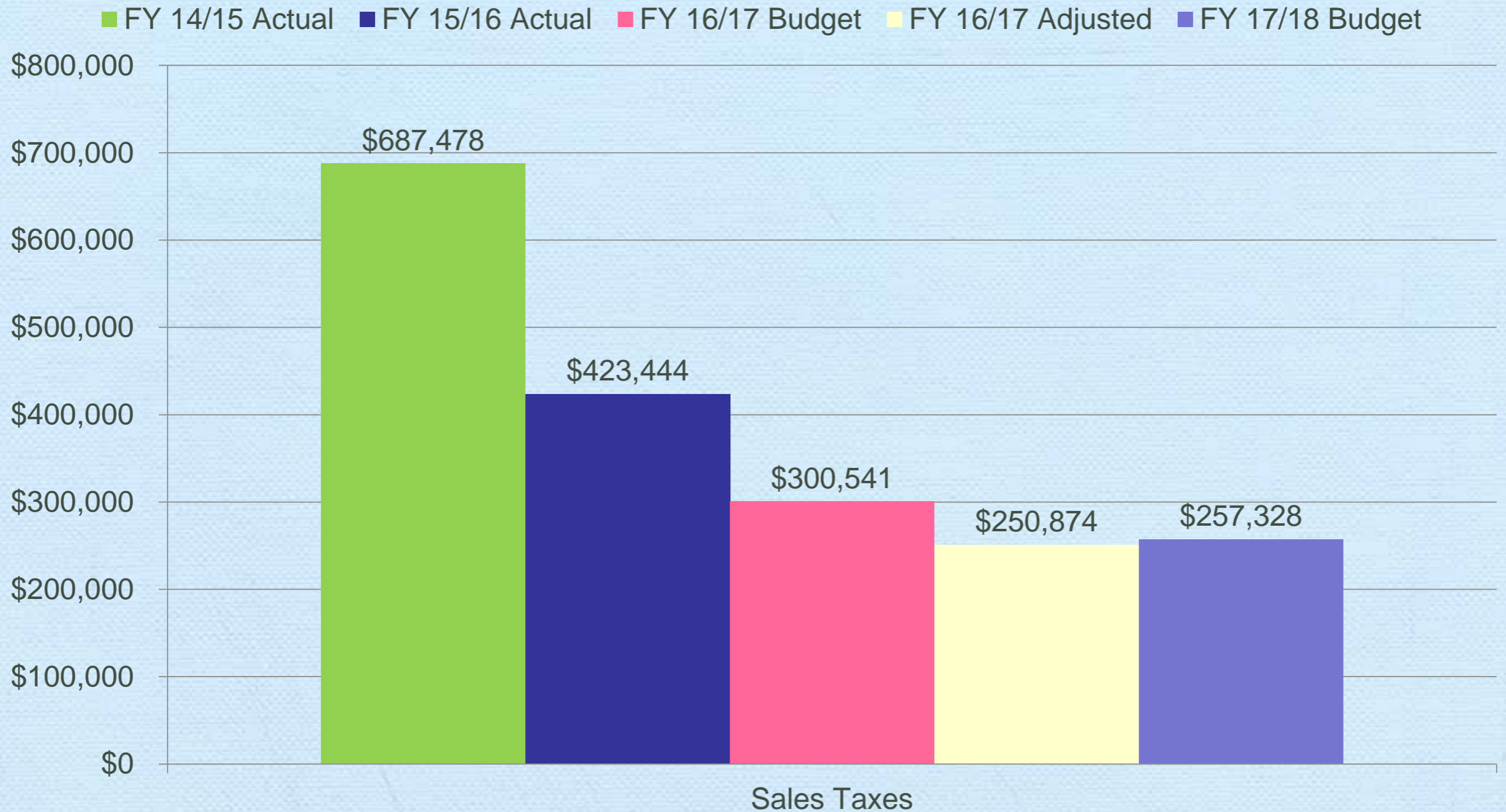
# General Fund Major Revenues Franchise Fees







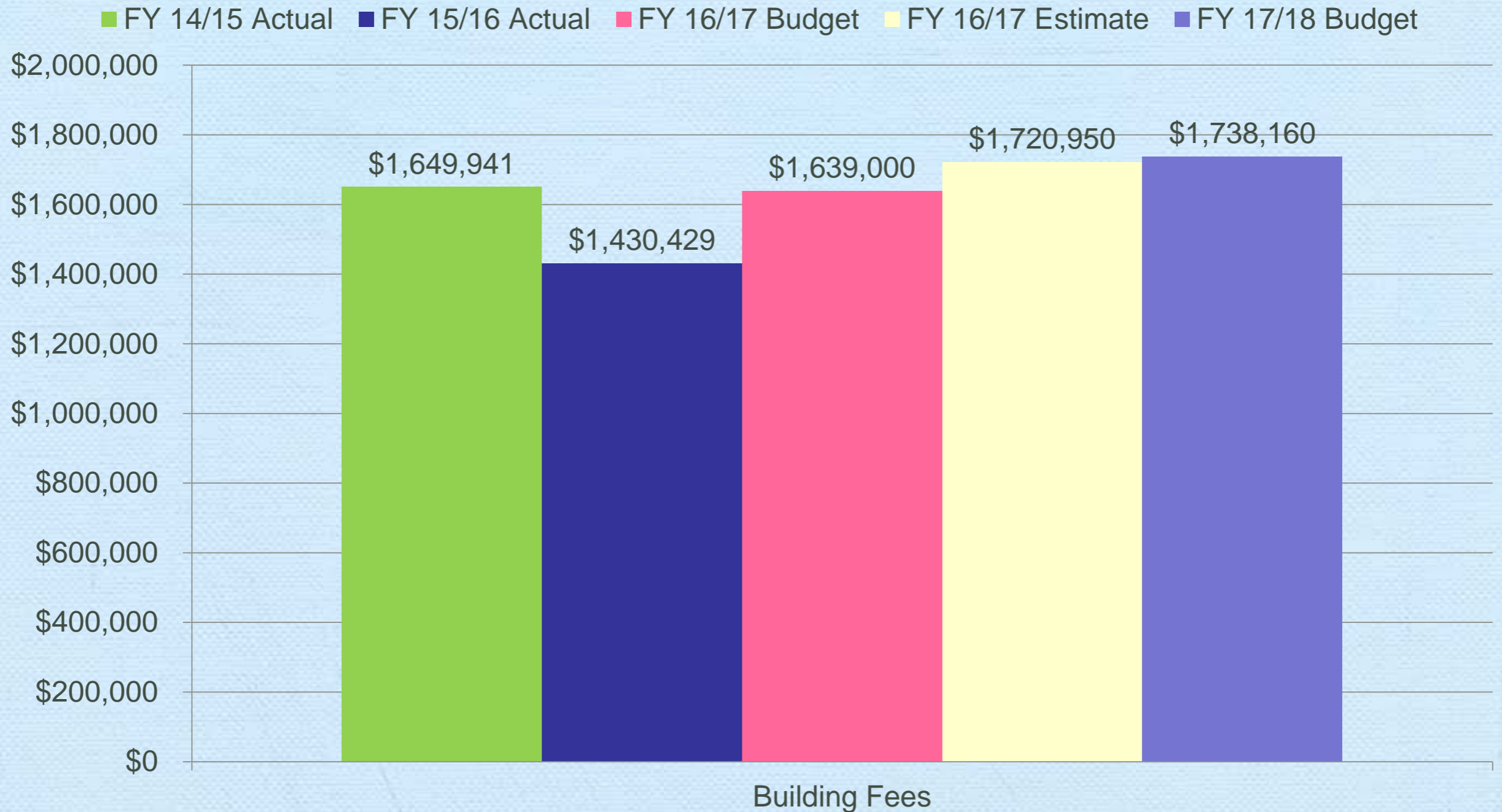
# General Fund Major Revenues Sales Taxes







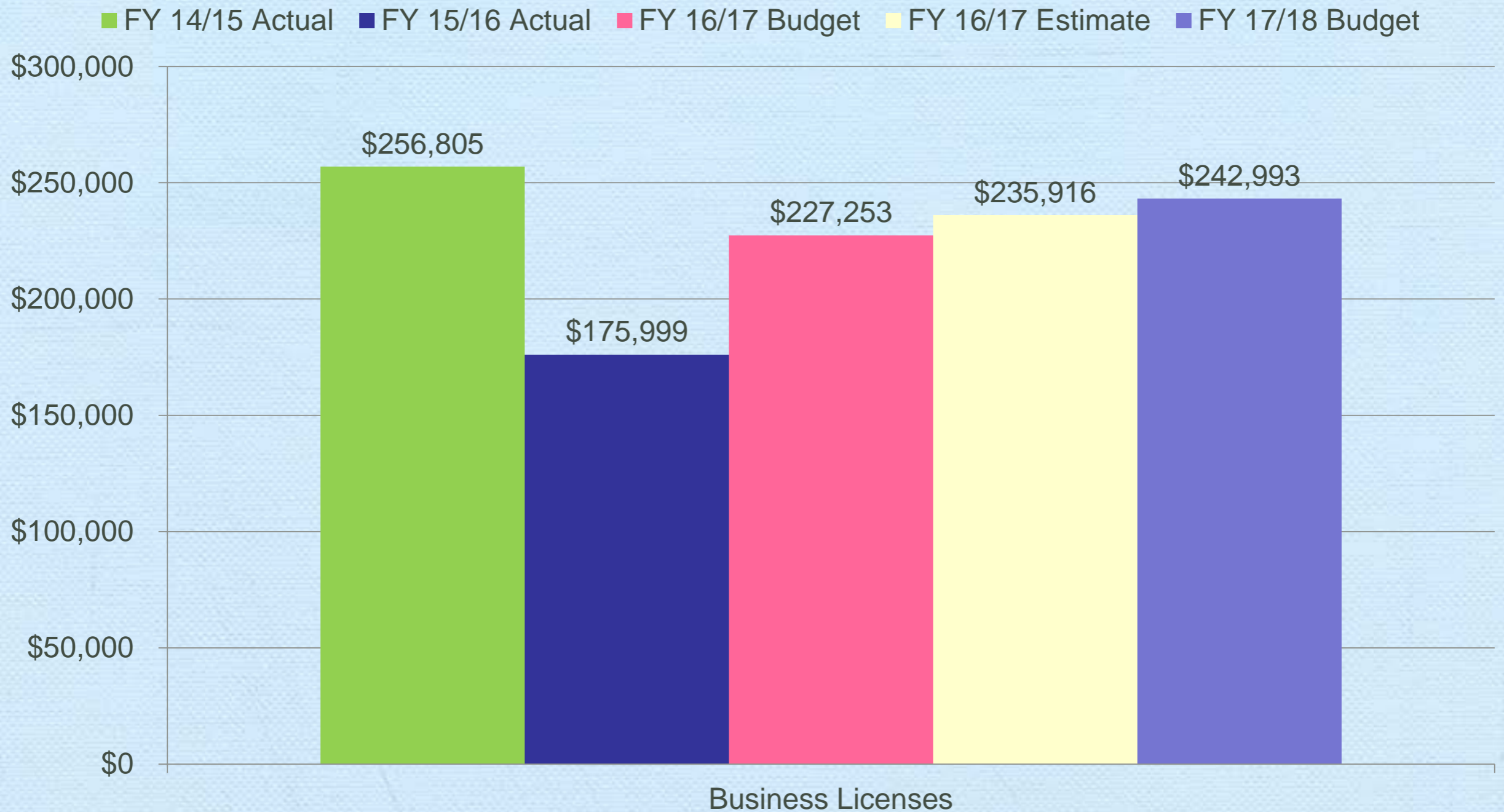
# General Fund Major Revenues Building Fees







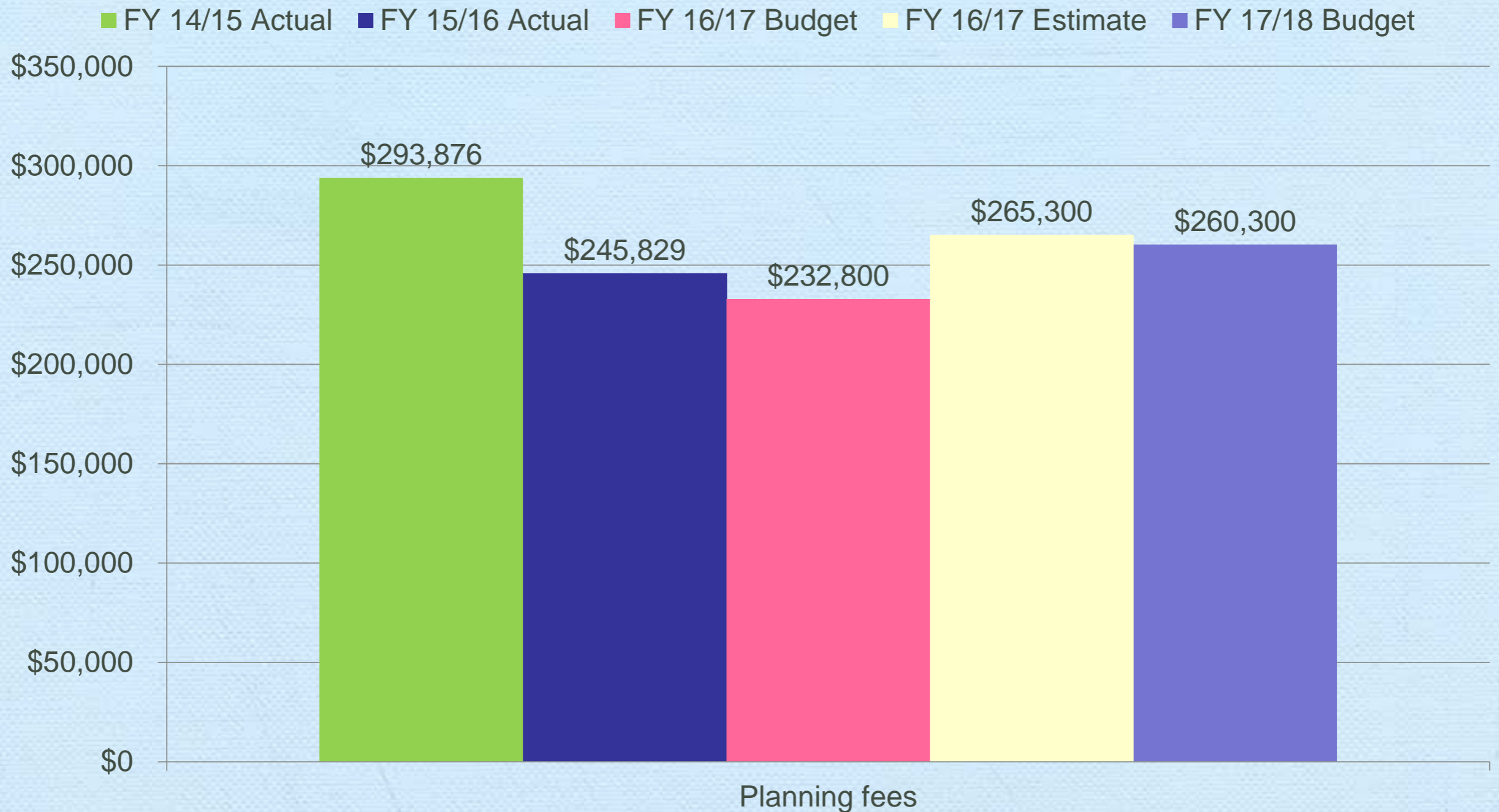
# General Fund Major Revenues Business Licenses







# General Fund Major Revenues Planning Fees

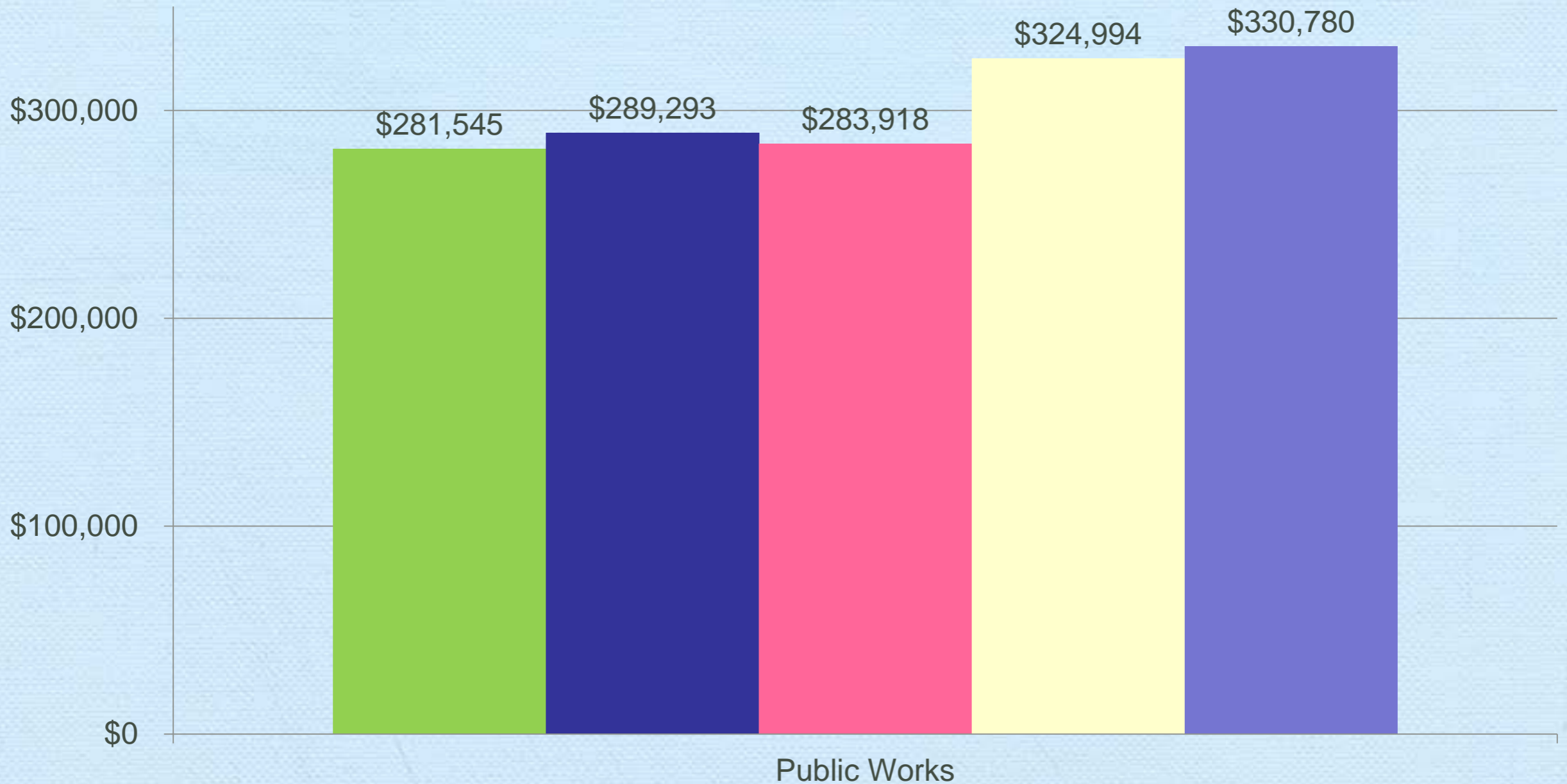






# General Fund Major Revenues Public Works

■ FY 14/15 Actual ■ FY 15/16 Actual ■ FY 16/17 Budget ■ FY 16/17 Estimate ■ FY 17/18 Budget

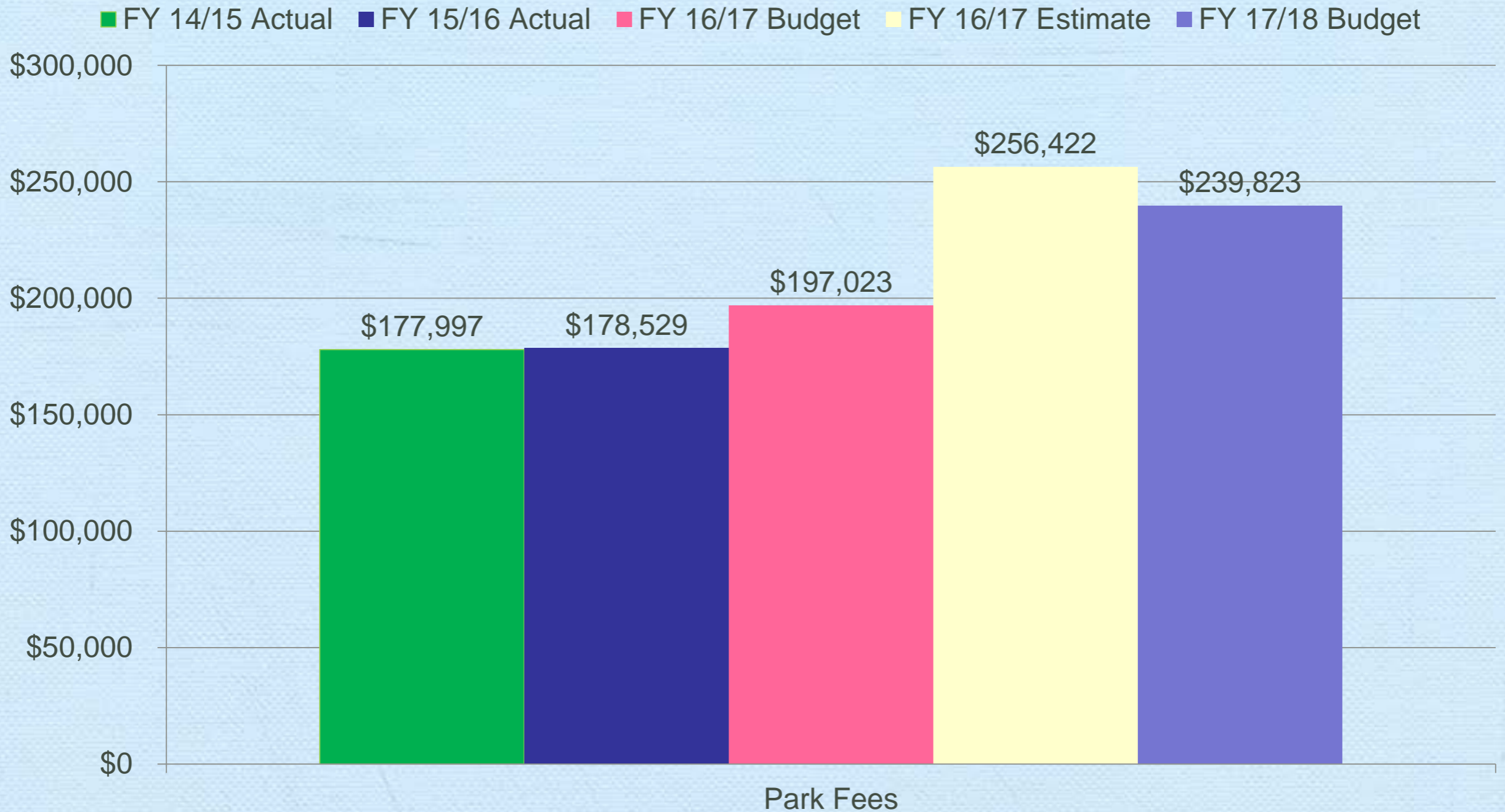






# General Fund Major Revenues

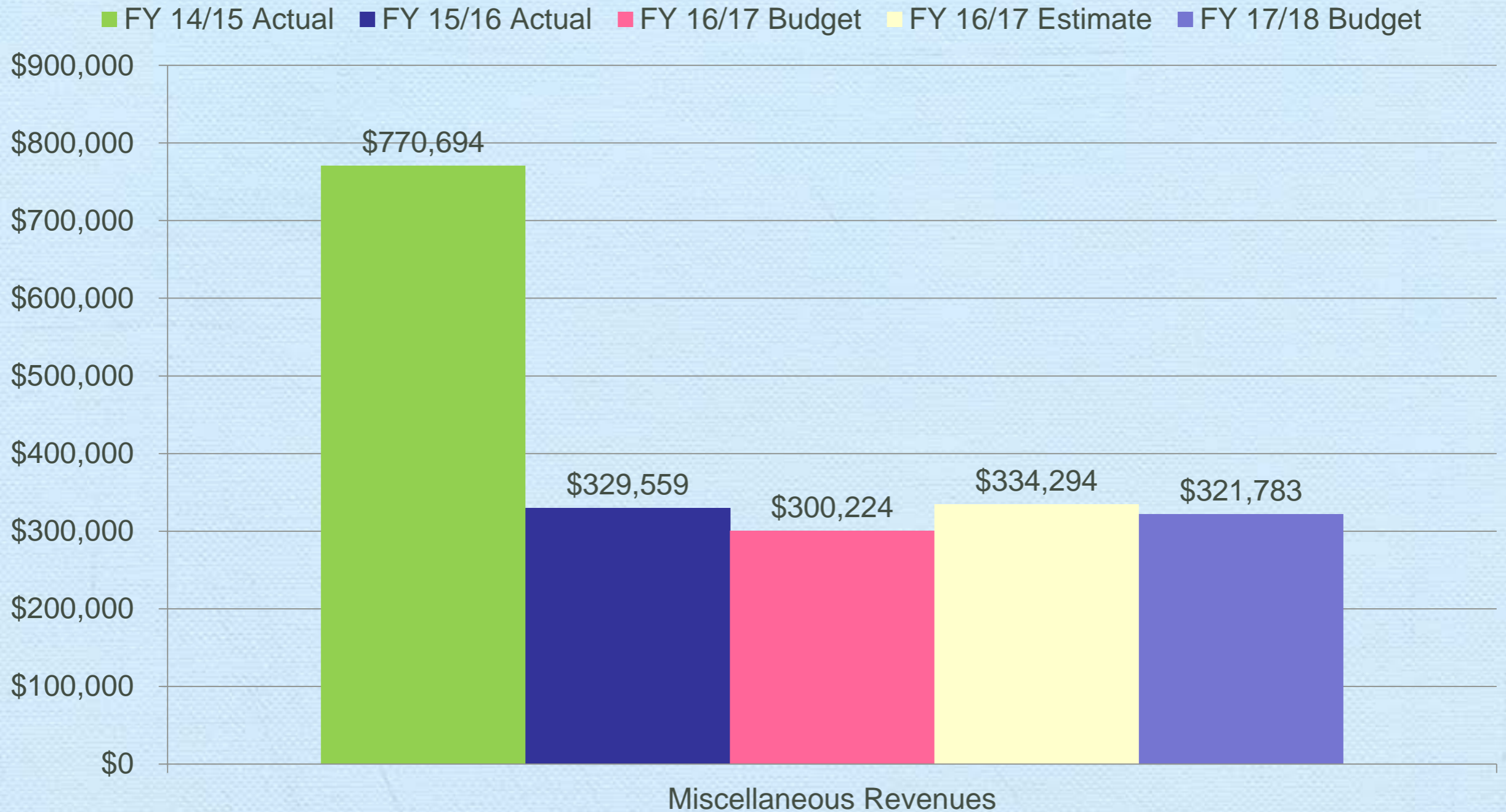
## Park Fees







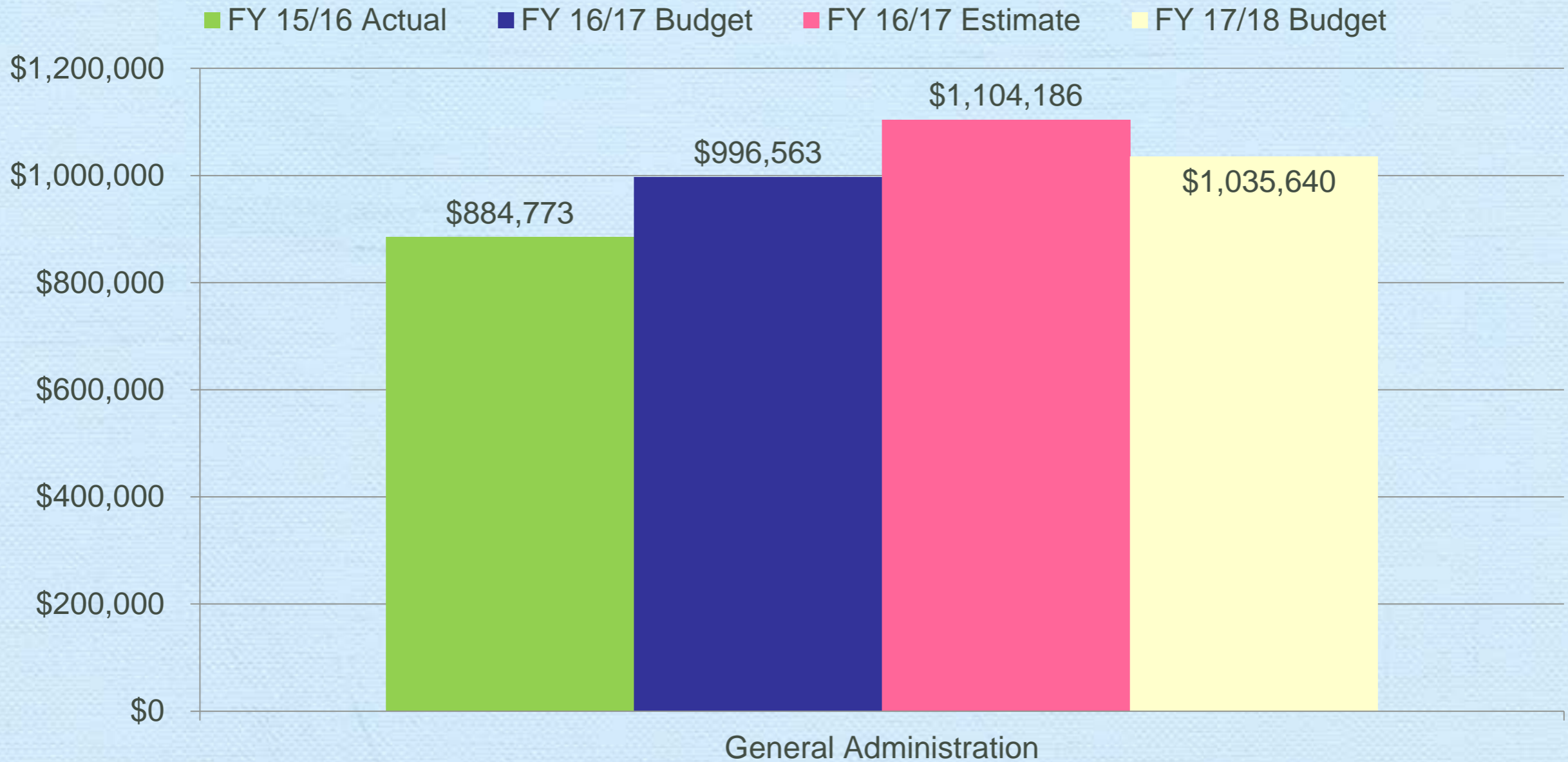
# General Fund Major Revenues Miscellaneous







# General Fund Expenditures General Administration



General Administration consists of:  
City Council | City Attorney | Admin





# General Administration – Major Fiscal Changes

## **City Council decrease of \$14,563**

- Reduction in advertising and publishing, office supplies, mileage; election cost expense decrease of \$13,159

## **Administration increase of \$53,983**

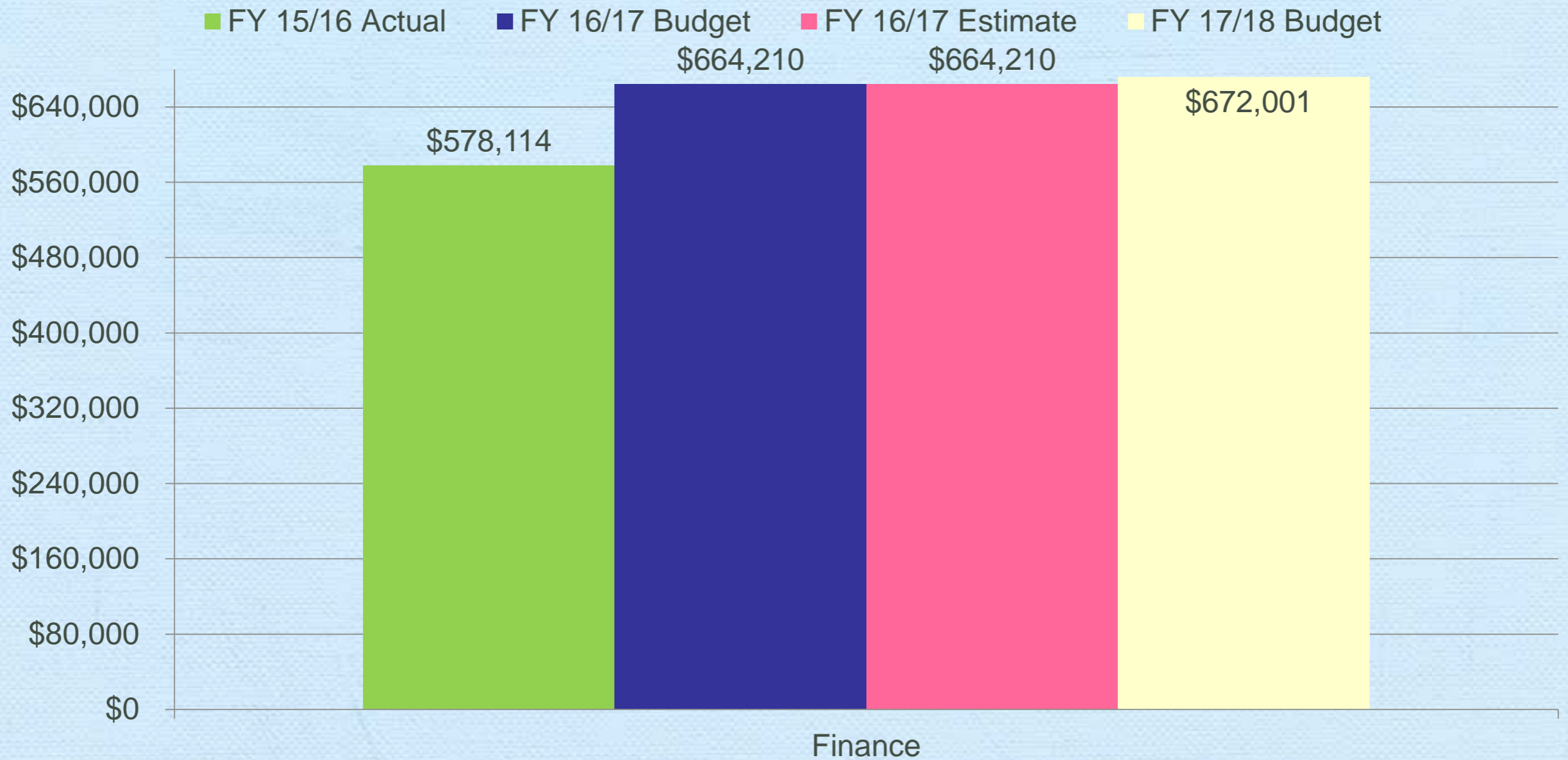
- CalPERS UAL Payment FY 17/18 slight increase
- Decrease in human resources employment law support
- Projected salary & benefits adjustment; increase in CalPERS Miscellaneous contribution rate 9.055% to 9.096%
- Decrease in external printing & employee recognition awards





# General Fund Expenditures

## Finance Department







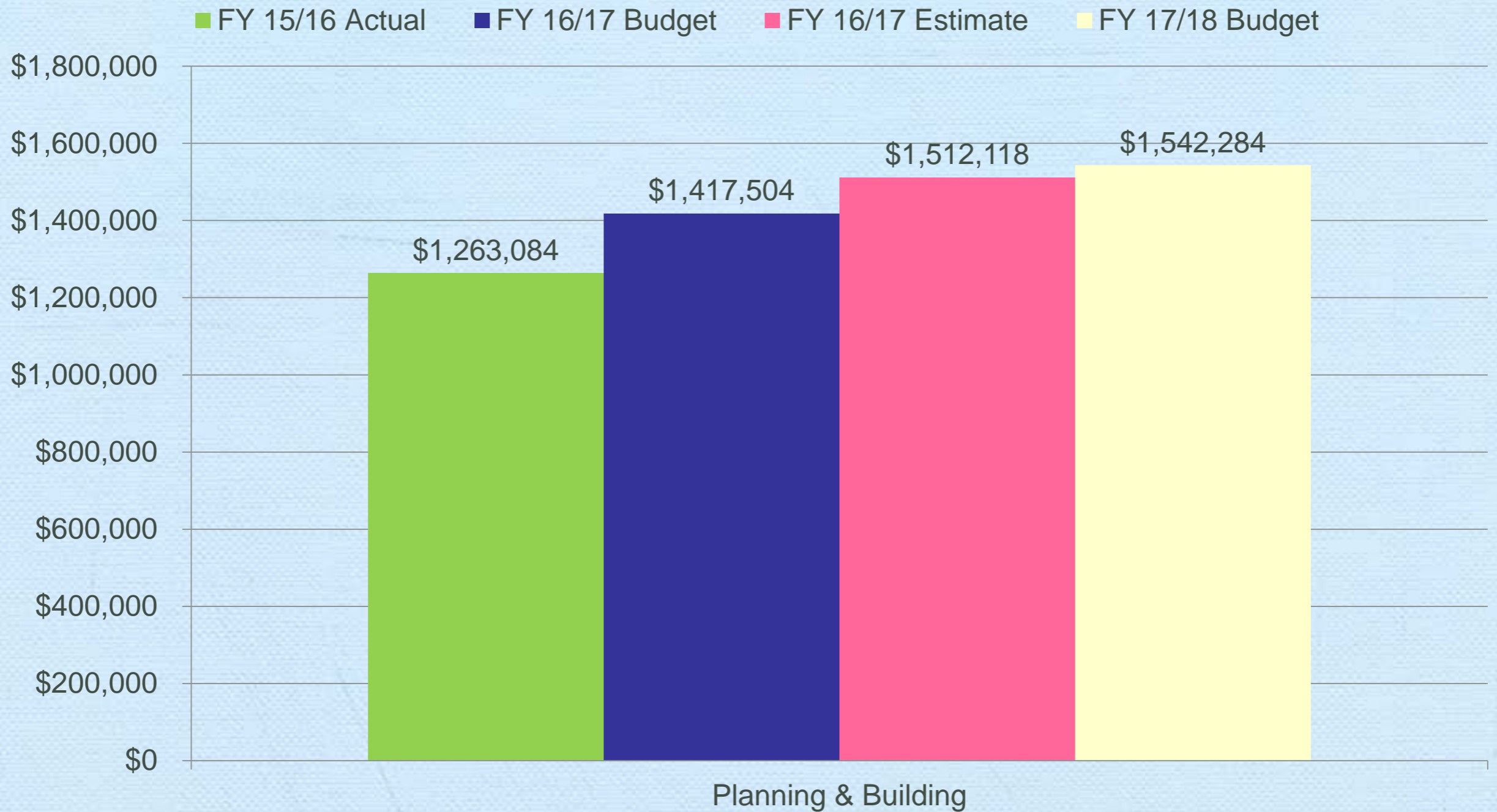
# Finance Department – Major Fiscal Changes

- ❖ **Finance Department increase of \$7,791**
- ❖ CalPERS UAL Payment slight increase; projected salary and benefits adjustment decrease; CalPERS employer rate contribution increase to 9.096%
- ❖ Reduction in active Health insurance
- ❖ Contract Services Expenditure increase –OPEB analysis, calculation tool onboarding
- ❖ Audit & Financial expenditure increase





# General Fund Expenditures Planning & Building







# Planning & Building – Major Fiscal Changes

## **Planning increase of \$12,579**

- ❖ Contract Planner expense increase and includes sustainability coordinator

## **Building dept. decrease of \$17,587**

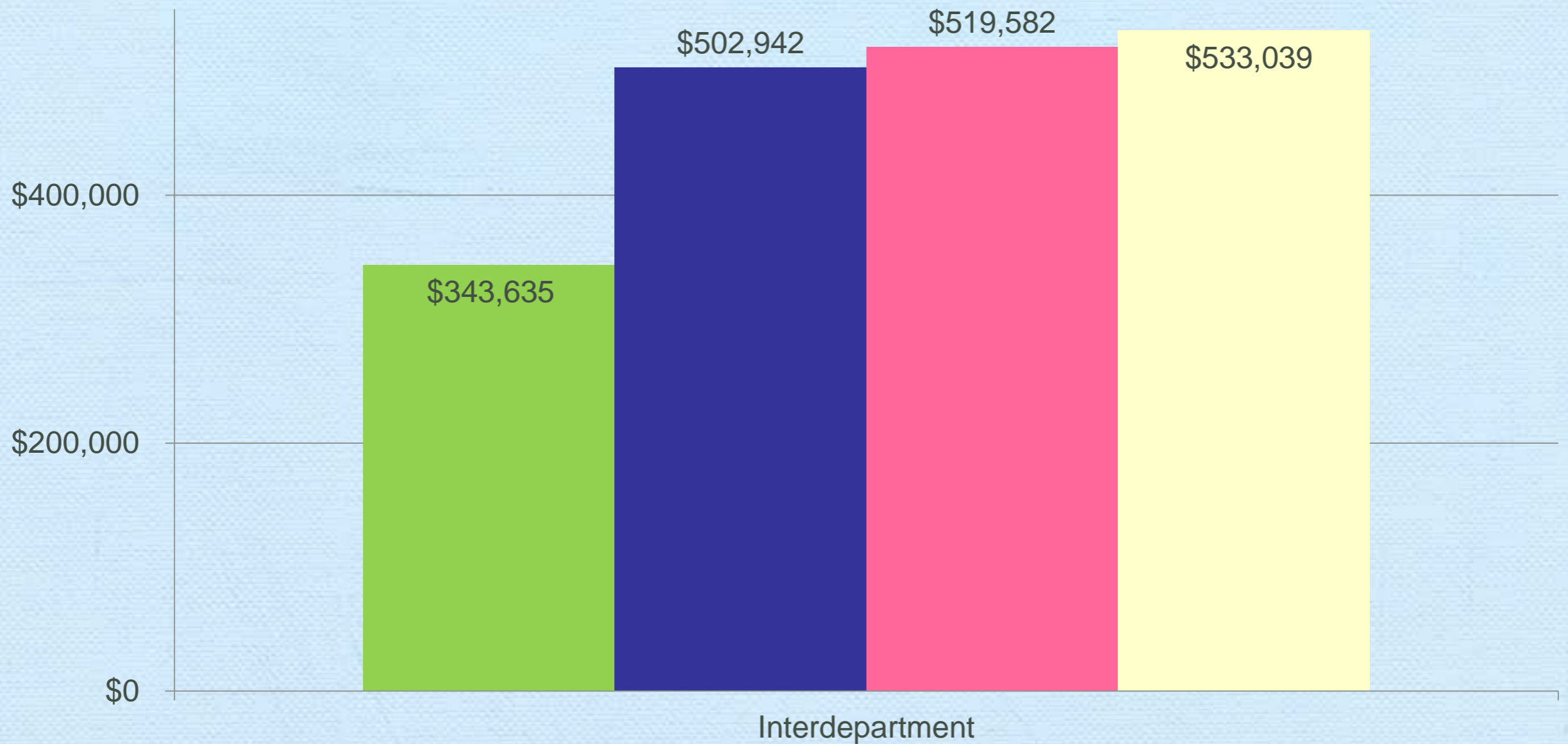
- ❖ Salaries & Benefits increase
- ❖ CalPERS UAL Payment slight increase
- ❖ Increase in Technical Services, Contract Building expense
- ❖ Reduction in Digital archiving building plans & permit documents (undertaken by technology services fee)





# General Fund Expenditures Interdepartmental

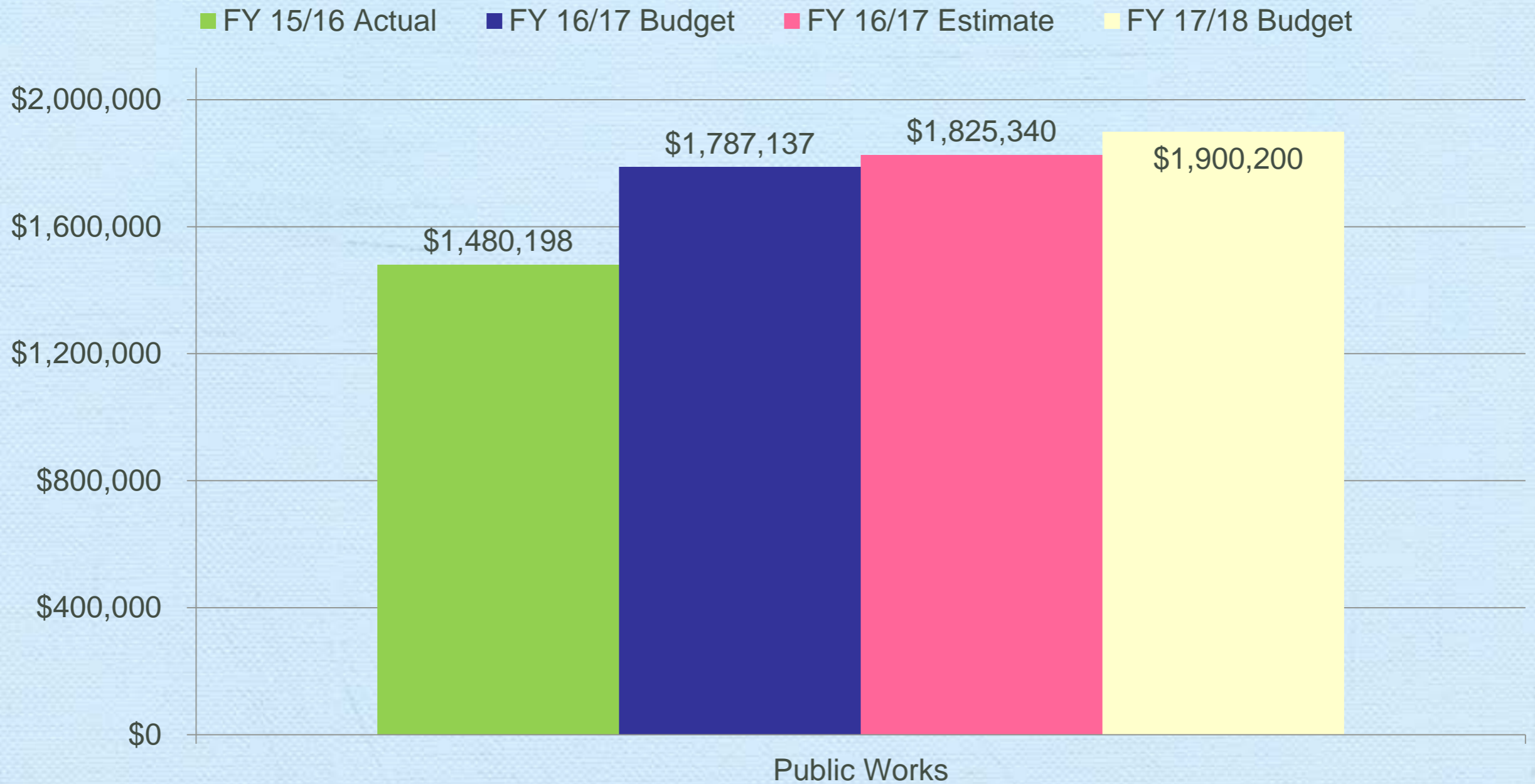
■ FY 15/16 Actual   ■ FY 16/17 Budget   ■ FY 16/17 Estimate   ■ FY 17/18 Budget







# General Fund Expenditures Public Works Department







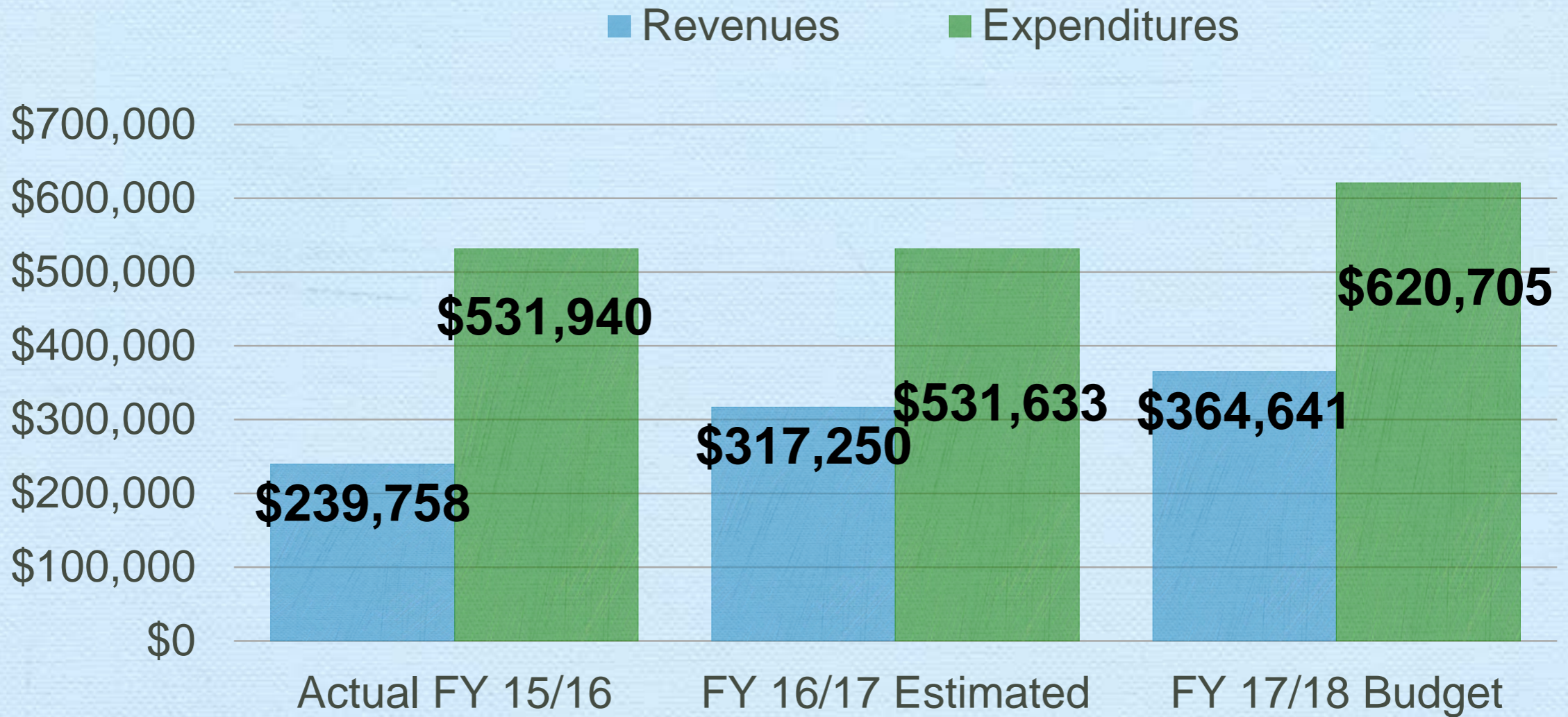
# Public Works Department- Major Fiscal Changes

- ❖ **Public Works Department increase of \$74,860**
- ❖ Salaries and Benefits increase; CalPERS UAL Payment slight increase
- ❖ Decrease in Contract Park Services, equipment repairs expense
- ❖ Street sweeping expense increase; Custodial Contract expenditure services refresh increase
- ❖ Increase in Utility and storage facilities expense
- ❖ Increase in Building Improvement expenditures (remodel of men's/womens' bathroom at pavilion)





# Park Programs – Income Statement Revenues to Expenditures

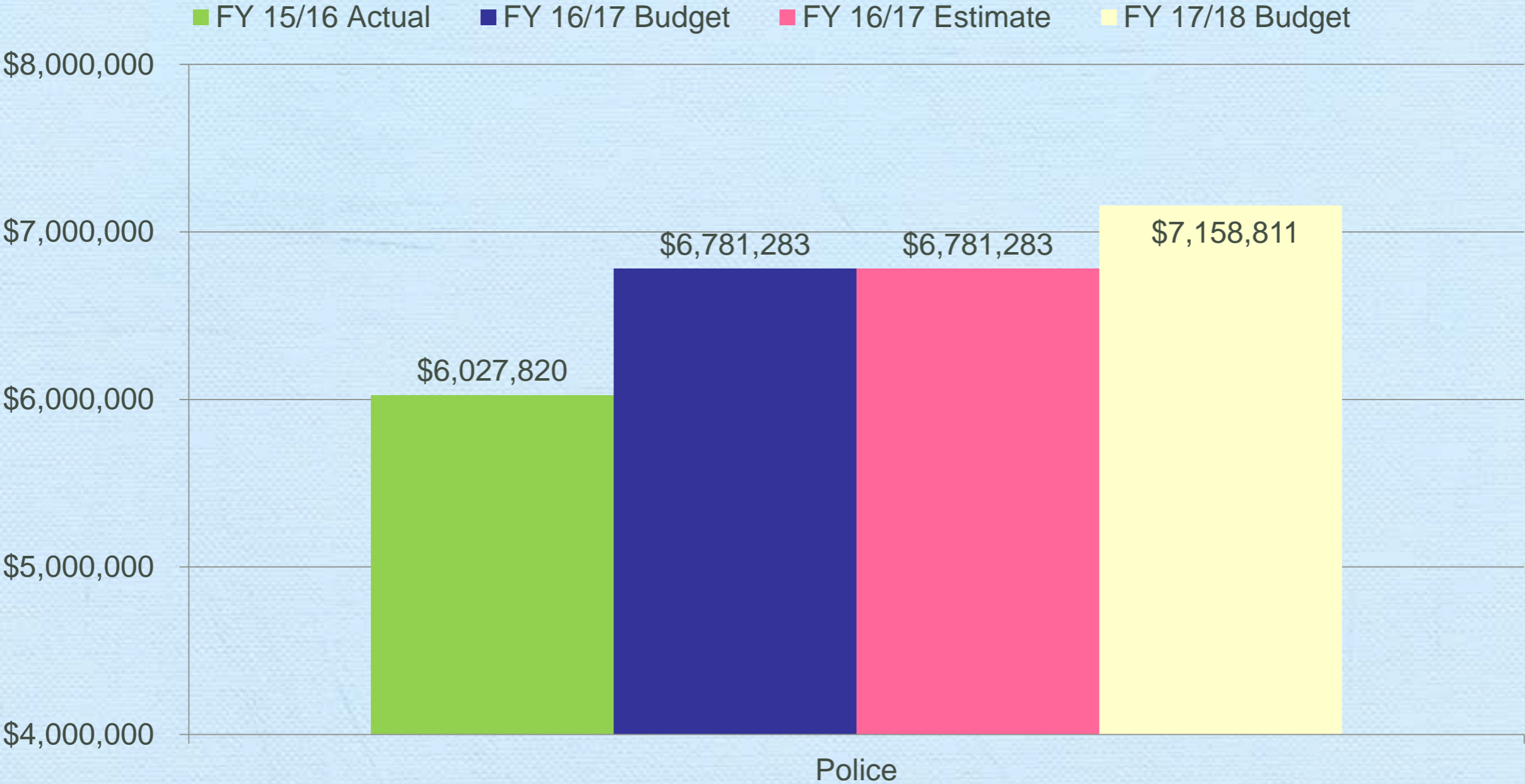


Over/(Under):            (\$292,182)                                    (\$214,383)                                    (\$256,064)





# General Fund Expenditures Police Department







# Police Department – Major Fiscal Changes

- ❖ **Police Department increase of \$377,528**
- ❖ Salaries/Benefit adjustment increase
- ❖ CalPERS UAL Payment - \$100,911 increase
- ❖ Workers' Compensation Expense increase charge - \$38K
- ❖ Operational Expenditure budget increase - \$85,011
- ❖ Increase in Technical Services expenditure; MKMS server; Increase in Equipment maintenance vehicles and equipment maintenance-Data 911
- ❖ Increase in Equipment replacement; 2 vehicles, defibrillators, body cameras, repeaters, mobile broadband routers





# Police Department – Major Fiscal Changes

- ❖ Increase in Equipment maintenance vehicles, and equipment maintenance-Data 911
- ❖ Increase in Equipment replacement; 2 vehicles, tasers, camera at HP park, back up transmission antennae, expanded reception areas for radio system

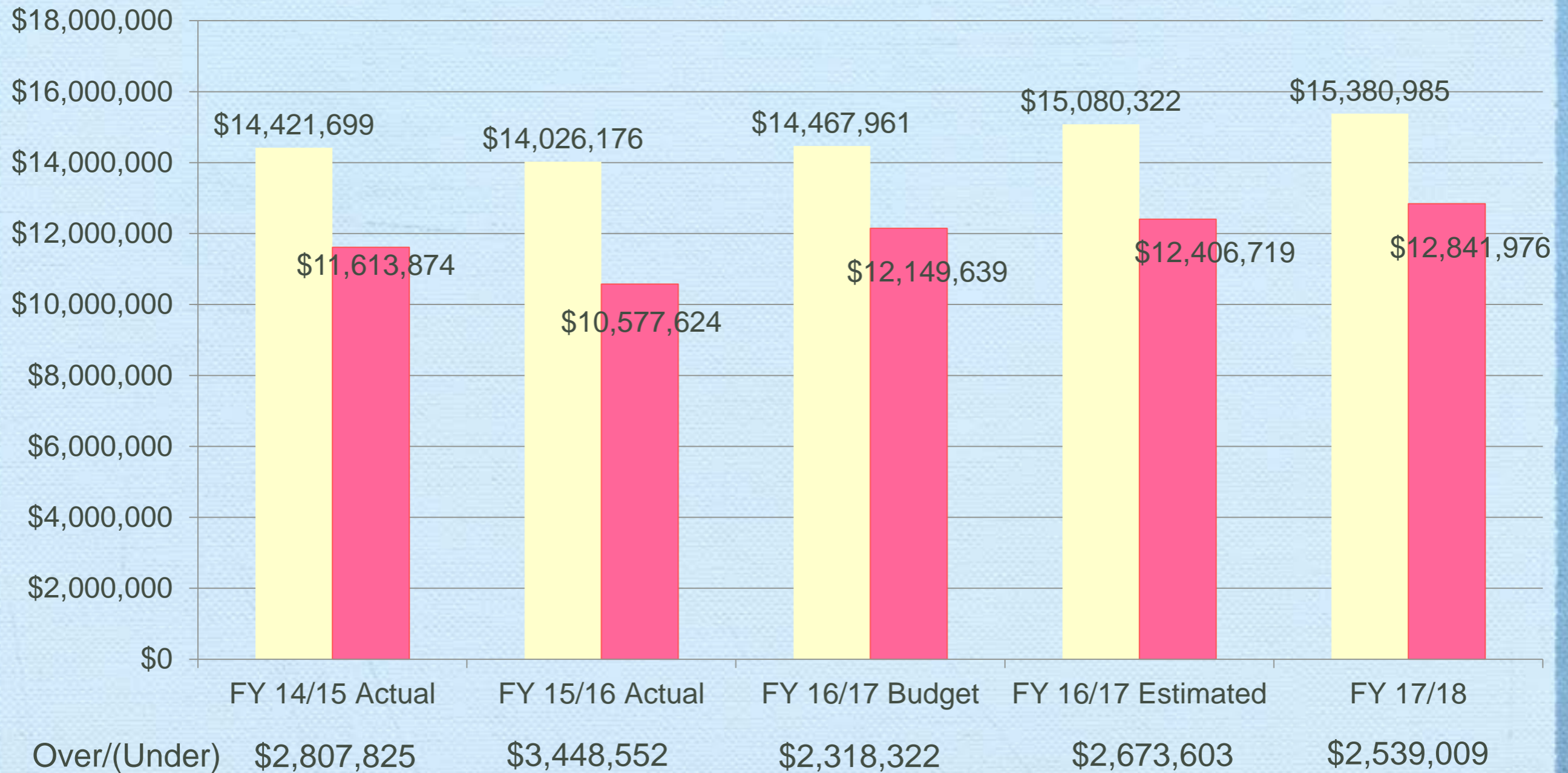




# General Fund Revenues to Expenditures

(without the Parcel Tax)

■ Revenues ■ Expenditures



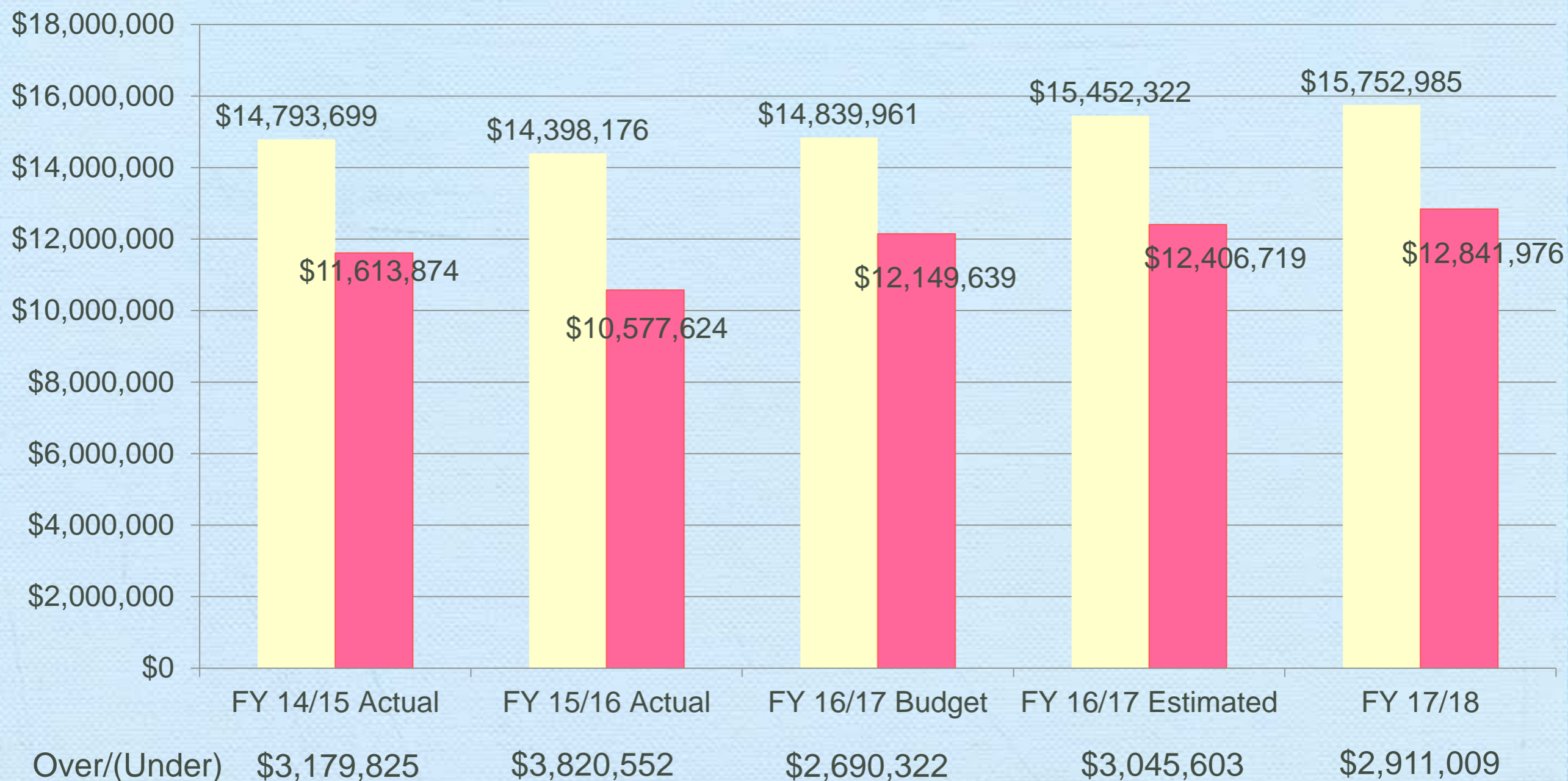




# General Fund Revenues to Expenditures

(with the Parcel Tax)

■ Revenues ■ Expenditures







# General Fund Reserves Policy

<b>FY 2017/18 Expenditures</b>	<b>\$12,841,976</b>
Projected FY 2017/18 Ending Fund Balance	\$14,170,756
15% Emergency Reserve	\$1,926,296
20% Contingency Reserve (Stabilization)	\$2,568,395
Building Component Town Center Funding	\$505,000
<b>TOTAL RESERVE REQUIREMENT</b>	<b>\$4,999,691</b>
Unallocated Funds	\$9,171,065





# General Fund Reserve Policy

- ❖ The projected ending fund balance of \$14,170,757 is net of the following transfers out –
  - ❖ \$92,118- OPEB Trust contribution
  - ❖ \$357,140 Workers' Comp minimum equity reserve





# CalPERS Employer Payment of Unfunded Liability

<b>CalPERS Employer payment of Unfunded Liability</b>	<b>UAL Payment FY 2015/16</b>	<b>UAL Payment FY 2016/17</b>	<b>UAL Payment FY 2017/18</b>
Miscellaneous Employees	\$116,323	\$146,085	\$183,648
Public Safety Employees	\$325,906	\$402,865	\$498,416
<b>Total Contribution</b>	<b>\$442,229</b>	<b>\$548,950</b>	<b>\$682,064</b>

- ❖ Miscellaneous Employees employer rate contribution is 9.096% (Increase of .041%)
- ❖ Public Safety Employee employer rate contribution is 21.418% (increase of .188%)
- ❖ With current discussion following discount rate reduction; normal cost employer rate projected increase is between .25% to 1.25% FY 18/19





# Use of Excess ERAF Funds

ERAF Policy- “one time” revenue towards long-term liabilities, capital infrastructure, or one-time operational expenditure needs

FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 16/17 Actual	FY17/18 Estimated
\$892,094	\$1,020,085	\$1,125,257	\$1,066,958	\$1,103,185	\$1,066,958

- ❖ FY 13/14 - ERAF used toward OPEB Liabilities
- ❖ FY 14/15 - ERAF used toward OPEB (\$680,684) and Workers' Compensation Negative Equity (\$444,316)
- ❖ FY 15/16 - ERAF used toward PERS UAL Payment (\$548,950); Workers' Compensation Negative Equity (\$112,998) and CIP Future Projects (\$405,010)





# Use of Excess ERAF Funds

## ❖ Staff recommendation for use of FY 2016/17 ERAF:

ERAF Revenue	Actual Amount	Use of Funds
<b>FY 2016/17</b>	<b>\$1,103,185</b>	<b>TBD in FY 2017/18 budget</b>
Allocate in FY 2017/18	(\$92,188)	OPEB Trust Contribution
Allocate in FY 2017/18	(\$357,140)	WC minimum Equity Reserve replenishment
Allocate in FY 2017/18	(\$653,857)	Remaining portion to Civic Center Funding

- ❖ Excess ERAF is technically a General Fund Property Tax Revenue. Even though the amounts are allocated as “from ERAF” above, these funds flow through the Town’s General Fund. Specific use for the Civic Center Funding is dependent on the outcome of Measure A.





# Parcel Tax

- ❖ The Parcel Tax total revenue is \$1.8M
- ❖ In FY 2014/15, the General Fund allocation of the Parcel Tax was reduced to 20% or \$372,000. This was maintained in FY 2015/16 and FY 2016/17.
- ❖ Staff suggests continuing the 80/20 allocation \$372,000 to General Fund Police Services and \$1,488,000 for Capital Projects.
- ❖ Future discussion of the Parcel Tax and its allocation will occur in an upcoming budget session.





# Civic Center Project Funding Plan

Item/Fund	Amount
Design Cost Estimate (As of 1/2017)	\$3,305,255
Construction Cost Estimate (As of 1/2017)	\$22,253,000
<b>Total Design &amp; Construction Costs</b>	<b>\$25,558,255</b>
Atherton Now Donation	(\$7,000,000)
<b>Remaining Requirement</b>	<b>\$18,558,255</b>
Application of Revenue from Building Fees	(\$2,935,000)
<b>Remaining Requirement</b>	<b>\$15,623,255</b>
<b>Available Funding</b>	
Projected FY 2017/18 Unallocated General Funds	(\$8,104,107)
Unallocated CIP Funds	(\$4,423,138)
Allocation of FY 2017/18 ERAF	(\$1,066,958)
<b>Remaining Requirement</b>	<b>\$2,029,052</b>
Allocation of FY 2018/19 ERAF	(\$1,000,000)
<b>Remaining Requirement</b>	<b>\$1,029,052</b>

Requirements to be met by a combination of additional donation receipts, annual revenues over expenditures, and short term financing without the addition of new tax burdens





# Town of Atherton

*2017/2018*

*Questions*