



AGENDA
Town of Atherton
CITY COUNCIL DISTRICT
April 15, 2013
2:00 P.M.
Town Council Chambers
94 Ashfield Road
Atherton, California
Special Meeting

PLEDGE OF ALLEGIANCE

2:00 P.M. ROLL CALL Lewis, Carlson, Dobbie, Widmer, Wiest

2:02 P.M. PUBLIC COMMENTS

2:15 P.M. REGULAR

1. FISCAL YEAR 2013-14 BUDGET STUDY SESSION:

Report: City Manager George Rodericks/ Finance Director Robert Barron III

4:00 P.M. ADJOURN

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the City Clerk's Office at (650) 752-0500. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (29 CRF 35.104 ADA Title II)



Town of Atherton

CITY COUNCIL STAFF REPORT

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: APRIL 15, 2013

SUBJECT: FIRST COUNCIL BUDGET STUDY SESSION – FY 2013-2014 BUDGET

RECOMMENDATION

Provide review and comments of the General Fund three-year trend and discuss of major fiscal changes for FY 2013-2014.

BACKGROUND

This is the first Budget Study Session to review the Town General Fund and provide an overview of preliminary operational revenues and expenditures. The Town in previous years had extensive use of the General Fund reserves. In prior years, operational measures were taken to stabilize the Town's reserves. This Report provides an overview of the General Fund budget and a discussion of major fiscal changes.

DISCUSSION

General Fund Trends – In looking at three-year trend from Fiscal Year 11-12 to projected FY 13-14 net revenues over expenditures, the Town General Fund reflects a positive balance. FY 11-12 had a net deficiency of (\$1,131,102), mostly due to a payment of \$1.2M to the Public Safety CalPERS Pension Side Fund. The current FY 12/13 projected net revenue is \$492,562 and FY 13-14 has an estimated net revenue of \$84,781.

Description	FY 11-12	FY 12-13	FY 13-14
Revenues	\$10,605,202	\$11,242,368	\$10,814,475
Expenditures	\$11,736,304	\$10,749,806	\$10,729,694
	(\$1,131,102)	\$492,562	\$84,781

The above amounts do not include the 60% Parcel tax revenue transfer for Police Services. The projected trends of excess revenues over expenditures continue to replenish the Town's General Fund Reserves. Council policies of setting aside 15% of actual operating expenditures for emergency disaster and 20% reserve policy continue to be met. The remaining unrestricted reserves can be used for funding Town liabilities such as the Miscellaneous PERS Side fund of \$704,313, setting up a higher payment toward the Annual Required Contribution toward OPEB, and/or providing supplemental funding to priority capital projects.

Staff will discuss highlights of the major fiscal changes for revenues and expenditures within the General Fund as well as potential costs that are on the horizon.

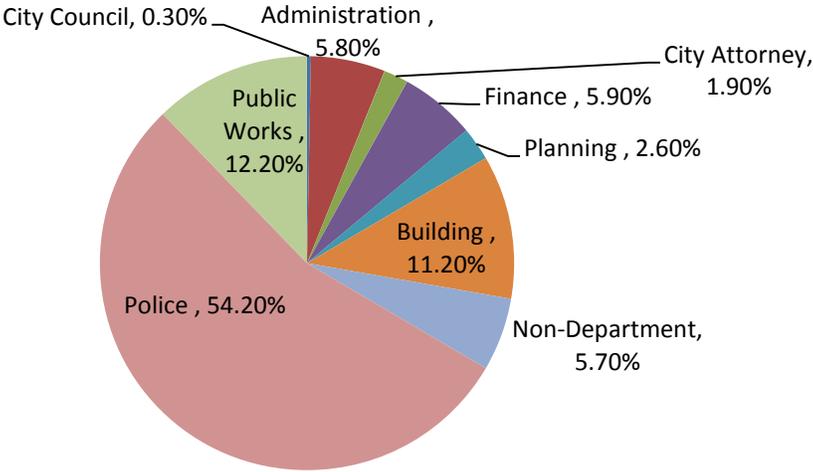
General Fund Revenue -The overall General Fund operating revenue for FY 2014 is projected to be \$10,814,475. The table below summarizes the preliminary revenue estimates for FY 2013-2014.

Description	Amended Budget FY 2013	Estimated FY 2014
Revenue Type		
Property Tax	7,574,474	7,582,948
Franchise Tax	755,750	770,865
Sales & Use Tax	235,400	240,108
PW Encroachment	168,000	171,360
Building Revenue	1,167,900	1,226,295
Business License	160,000	163,200
Zoning & Planning Fees	175,355	178,862
All Other Revenue	1,005,489	480,837
	<u>11,242,368</u>	<u>10,814,475</u>

The Parcel Tax continues to be a vital source of revenue to the General Fund in support of Police Services. When the 60% Parcel Tax is included in the total General Fund Revenues, revenues for FY 2013-2014 are \$11,930,475.

General Fund Expenditures- Preliminary General Fund expenditures for fiscal year are estimated at \$10,729,694. At subsequent budget workshops and goal setting staff will further refine operational needs. Below is breakdown of expenditures by type.

General Fund Expenditures FY 2013-2014



Also provided is the five-year forecast revenue and expenditure outlook for the General Fund that was presented at the mid-year budget presentation. Basic budgetary assumptions are an increase in property taxes of 3% and a flat ERAF projection at \$700,000 due to ongoing excess ERAF legislation. Operational costs were assumed at a 2% increase. Staff took into consideration the reduced CalPERS employer rate contributions and other one-time revenues and expenditures.

Prepared by:

Approved by:

Robert Barron III
Finance Director

George Rodericks
City Manager

Attachment:
Budget Study Session Presentation