



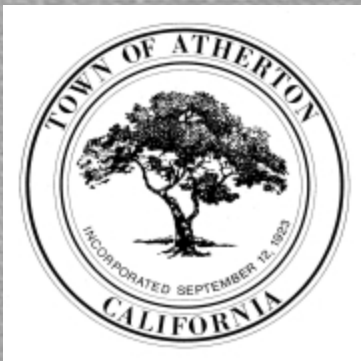
Town of Atherton

2023/2024

Budget Study Session

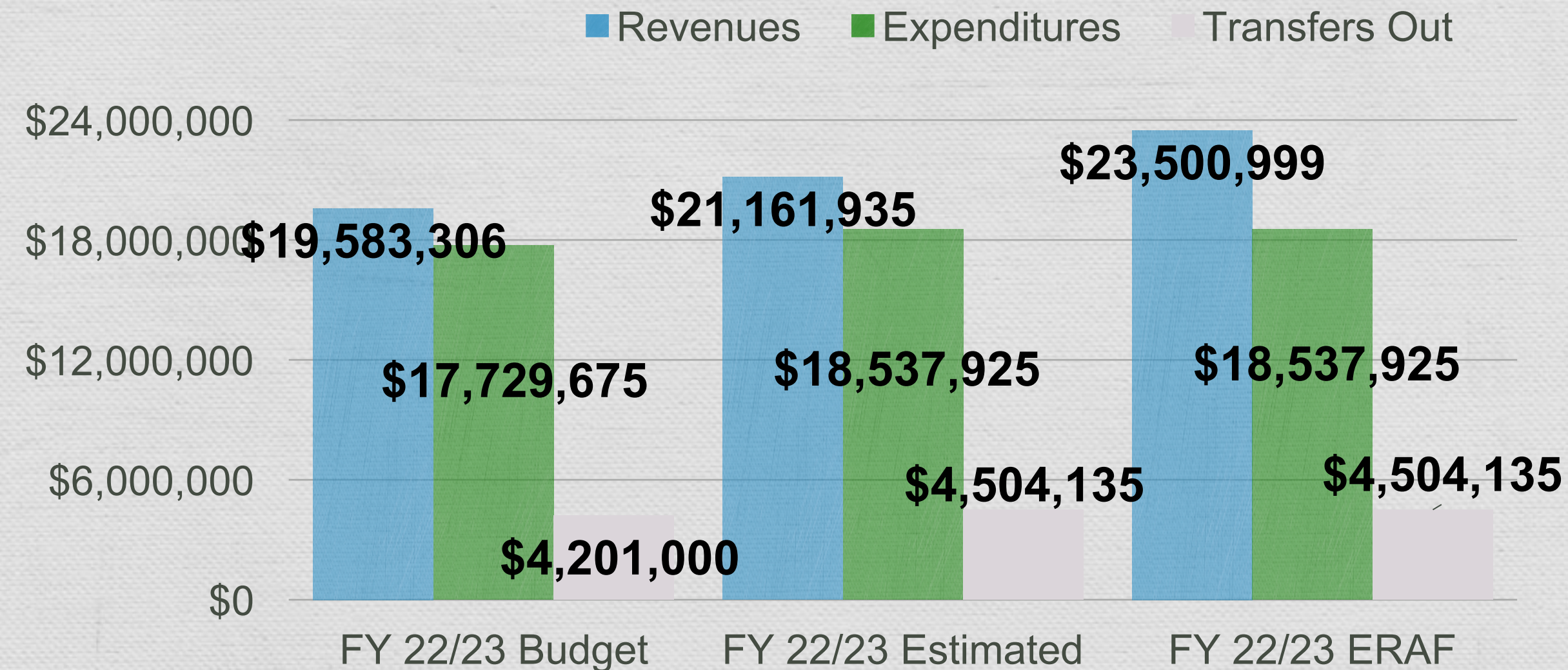
Budget Kick-Off & Overview

- FY 2022/23 Year-End Projected Fiscal Condition
- Major Revenue Sources & 5-Year Forecasts
- Major Expenditure Categories & 5-Year Forecasts
- Budget Process & Discussion
- Budget Calendar



General Fund Revenues to Expenditures

(Impact to Fund Balance)



Over/(Under): (\$2,347,369) (\$1,880,125) (\$458,939)



Fund Balance and Reserves

FY 2022/23 Expenditures (Adjusted)	\$18,537,925
Projected FY 22/23 Ending Fund Balance	\$14,044,272
15% Emergency Reserve	\$2,780,689
15% Contingency Reserve	\$2,780,689
TOTAL RESERVE REQUIREMENT	\$5,561,378
American Rescue Plan Reserve	\$1,707,000
Less Above Reserve Requirement & ARP= General Fund Unallocated Reserves Balance	\$6,775,894

GF Major Revenue Sources

5-Year Forecasts

- Property Tax (~72% of GF Revenue)
- Building Fees (~9% of GF Revenue)
- ERAF (~9% - below the line- of GF revenue)

GF Major Revenue Sources

5-Year Forecasts

Major Revenues	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Property Taxes	\$15,734,995	\$16,443,070	\$17,100,792	\$17,784,824	\$18,496,217
Building Fees	\$1,988,570	\$2,047,867	\$2,106,943	\$2,148,882	\$2,191,660
Excess ERAF	\$2,300,000	\$2,300,000	\$2,300,000	\$2,300,000	\$2,300,000
Total Revenues	\$20,023,565	\$20,790,937	\$21,507,735	\$22,233,706	\$22,987,877

Property Taxes are projected at 4.5% to 5.5% (5.5% in 23/24)

Building Fees are projected at 3%; 2% year 3 & 4

ERAF projected approx. \$2.3m as "below the line" revenue

GF Other Revenue Sources

5-Year Forecasts

Major Revenues	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Sales/Use Tax	\$321,300	\$327,726	\$334,281	\$340,966	\$347,785
Franchise Fees	\$1,031,220	\$1,046,688	\$1,057,155	\$1,067,727	\$1,078,404
Business License	\$283,560	\$287,813	\$290,692	\$293,598	\$296,534
Planning	\$299,009	\$307,661	\$317,219	\$323,563	\$330,034
DPW	\$702,900	\$722,859	\$743,323	\$757,376	\$771,709
Park	\$237,456	\$241,018	\$243,428	\$245,862	\$248,321
Other	\$1,093,169	\$1,114,506	\$1,135,846	\$1,166,916	\$1,189,411
Total	\$3,968,704	\$4,048,271	\$4,121,944	\$4,196,088	\$4,262,198

Above Revenues are projected conservatively at 1%-2%; Planning 3%

GF Major Expenditures 5-Year Forecasts

- Operations (~% of budget)
 - Admin – ~5.5%
 - Finance - ~ 4.8%
 - Building - ~ 7.7%; Planning ~ 2.3%
 - Inter/UAL Misc - ~8%
 - Police – ~52.6%
 - DPW - ~16.7%

Major Components of Operational Expenses

- Labor Costs (forecasting forward @ 4%; 3%)
- Pension Costs
 - 2023/24 Local Miscellaneous – 12.63%
 - 2023/24 Local Safety – 29.09%

Actual Amount is 1% less for Miscellaneous & 3% Less for Public Safety

- Operational Expenses (forecasting forward 4.5% to 3%)
- CalPERS UAL – Misc. \$446K; Public Safety \$817K
- \$5m ADP to CalPERS for UAL Public Safety reduced est from \$1.23m to \$817K FY22/23

Major Components of Operational Costs

- Significant Professional Service Contracts
 - Building Contract & IT Services
 - MCE
 - Contract Custodial Services
 - Landscape Services
 - Planning Services
 - Legal Services

Unfunded Accrued Liability

	Unfunded Accrued Liability				
PLANS	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Miscellaneous	\$446,369	\$443,000	\$426,000	\$408,000	\$381,000
Public Safety	\$817,530	\$797,300	\$748,300	\$696,300	\$625,000
Total	\$1,263,899	\$1,240,300	\$1,174,000	\$1,104,300	\$1,006,300

- UAL amounts invoiced at beginning of each FY
- FY 2022/23 UAL Payments:
 - Miscellaneous - 452K
 - Public Safety - \$815K

Reserve Balances

- General Fund (GF) Committed Fund Balance –
 - Emergency Reserve - 15% of *actual* GF op. expenditures
 - Operating Reserve - 15% of *actual* GF op. expenditures
- Unallocated Fund Balance –
 - Any remaining balance not reserved, committed, or specifically assigned.
 - the Unallocated Fund Balance represents funds that have not yet been assigned.

Summary & Forecast

General Fund	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Major Revenue	\$20,023,565	\$20,790,937	\$21,507,735	\$22,233,706	\$22,987,877
Other Revenue	\$3,968,704	\$4,048,271	\$4,121,944	\$4,196,088	\$4,262,198
Total Revenue	\$23,992,269	\$24,839,208	\$25,629,679	\$26,429,794	\$27,250,075
Salaries/Benefits	(\$9,505,602)	(\$9,885,826)	(\$10,281,258)	(\$10,589,695)	(\$10,907,387)
Op Ex	(\$7,374,232)	(\$7,704,303)	(\$7,975,644)	(\$8,215,427)	(\$8,453,220)
CalPERS UAL	(\$1,263,899)	(\$1,240,300)	(\$1,174,300)	(\$1,104,300)	(\$1,006,300)
Debt Service	(\$861,000)	(\$861,000)	(\$861,000)	(\$861,000)	
COP Call Option				(\$4,738,202)	
Net to Fund Balance Over/(Under)	\$4,987,536	\$5,148,099	\$5,337,478	\$921,092	\$6,883,168

ERAF is included as Major Revenue

The above does not represent **actual** budgeted expectations year over year.
Annual requirements will be different as we go through the budget process.

Fund Balance Projections

General Fund	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Beginning Balance	\$14,044,270	\$19,031,806	\$24,179,905	\$29,517,383	\$30,438,475
Projected Over/(Under)	\$4,987,536	\$5,148,099	\$5,337,478	\$921,092	\$6,883,168
Est. Ending Fund Balance (including Reserves)	\$19,031,806	\$24,179,905	\$29,517,383	\$30,438,475	\$37,321,643
Remaining Unallocated Fund Balance	\$13,588,687	\$18,530,777	\$23,688,022	\$24,465,649	\$31,211,573

➤ **Does Not Include:**

General Fund allocations to Capital Projects

➤ **Does Include:**

> Remaining Unallocated Fund Balance is a Rolling Balance <

Process/Discussion/Calendar

- Operations Budget – April 5
- Capital Improvement Budget – May 3
- Budget Study Session – June 7
- Budget Adoption – June 21



Town of Atherton

Questions?