



STAFF REPORT

TO: Mayor and City Council

FROM: Alan Piombo, Acting City Manager / Chief of Police
Eric Erickson, Finance and Human Resources Director

SUBJECT: Update and Overview of Proposed Budget for Fiscal Years 2020-2022

DATE: July 6, 2020

1 **Issue:** Consideration of the proposed budget for Fiscal Years 2020-2022.

2

3 **Recommendation:** Review and approve the proposed budget for Fiscal Years 2020-2022.

4

5 **Background:**

6 At its regular meeting on May 18, 2020, Council reviewed the preliminary proposed detailed

7 General Fund (“GF”) departmental operating budgets, revenue assumptions and proposed

8 Capital Improvement Projects (CIP) for FY2020-22.

9

10 **Discussion:**

11 On May 18, Council provided the following direction for further budget adjustments:

- 12
- 13 • Reduce FY20/21 revenue projections to \$32.8 million with at least 20% GF reserves.
 - 14 • Reduce FY21/22 revenue projections to \$34.6 million with at least 25% GF reserves.
 - 15 • \$800,000 in PERS Buffer Reserve available to achieve target goals.
 - 16 • Zimmer Bequest funds to be used for Operations, not CIP (i.e. library roof repair).

17

18 Staff revised the proposed budget assumptions for FY2020/21 to reflect changes as directed.

19 After reviewing the changes, staff noticed the further assumptions necessary to reach the

20 revenue reductions for FY2021/22 would require us to assume almost no improvement in

21 Sales Tax, TOT, Recreation Services and Community Center Rentals in the second year.

22 The below listed changes have been added to the previously submitted Proposed GF Budget

23 for Fiscal Years 2020/22 and achieve the following:

- 24
- 25 • FY20/21 revenue projections at \$32.9 million with 23.3% GF reserves.
 - 26 • FY21/22 revenue projections at \$35.3 million with 25.0% GF reserves.
 - 27 • \$100,000 in PERS Buffer Reserve used in FY21/22.

28

29 **REVENUES**

30 Total Revenue in FY2020/21 assumes a modest recovery and totals \$32.9 million, which is
 31 down from \$33.8 million originally submitted. Total Revenue in FY2021/22 assumes a
 32 modest recovery and totals \$35.3 million, which is down from \$36.6 million originally
 33 submitted.
 34

Fiscal Year	Original	Directed	Revised
FY2020/21	\$33,857,206	\$32,857,206	\$32,891,967
FY2021/22	\$36,614,992	\$34,614,992	\$35,355,151

35
 36 The following revisions were made to the draft budget discussed on May 18, 2020.
 37

38 **Property Tax:** Projected revenues for FY2020/21 have already been set by the County of
 39 Marin based on property valuations from October 2019. The Property Tax projections for
 40 FY2021/22 were originally projected at 3.9% and have been revised downward to a 2%
 41 increase of assessed value. Excess ERAF was originally projected at 3.5% and has been
 42 revised downward to a 1% increase. The combination of Property Tax and Excess ERAF is
 43 now projected at a combined 1.9% increase, which is down from the 3.5% increase
 44 originally submitted.
 45

46 **Sales Tax:** FY2020/21 was revised down by another \$499,075 (22% down from
 47 FY2019/20) and FY2021/22 was revised down by \$619,453 (only a 3% recovery).
 48

FY20/21 Q1	FY20/21 Q2	FY20/21 Q3	FY20/21 Q4
\$592,401	\$610,173	\$635,518	\$667,294

49
 50 **Transient Occupancy Tax (TOT):** Revised down further in FY2020/21 and assumes a
 51 modest return in FY2021/22, which represents 80% of FY2019/20 levels.
 52

53 **Planning and Building:** Activities remain as originally budgeted.
 54

55 **Recreation:** Revised down further in FY2020/21 but remains as presented for FY2021/22.
 56

57 **Options for Increased Revenue:**

58 The following fees could be considered and implemented at Council discretion:

- 59 • **Building, Planning and Engineering Fees:** Staff has hired a consultant to conduct a
 60 comprehensive study of building, planning, and engineering fees. The scope of this work
 61 has been expanded to include Library, Police, and Recreation fees.
- 62 • **Fire Inspection Fees:** Southern Marin Fire District (SMFD) has completed a study of
 63 fire inspection fees, which could be adopted by the City.
- 64 • **Parking Fines, Permit Fees and Meter Rates:** These were all recommended for
 65 consideration in the Parking Program Report in 2019. Parking Fines are included in
 66 General Fund revenue, while Parking Permits and Parking Meters are attributed to the
 67 Parking Fund revenue.
 68
 69

70 **OPERATING EXPENSES**

71 Total General Fund operating expenses for the coming budget periods have been further
72 reduced as reflected below.

73

Fiscal Year	Original	Revised
FY2020/21	\$30,610,106	\$30,255,817
FY2021/22	\$33,375,092	\$32,527,596

74
75 The department-level adjustments reflected in this proposed budget are outlined below.

76
77 **City Council (10)**

78 The proposed budget includes a \$30,000 allocation for potential expenses related to the
79 Diversity Equity Inclusion (DEI) Task Force. These funds have been reallocated from
80 additional savings in other areas.

81
82 **Police Department (40)**

83 The proposed budget includes \$50,000 in reduced overtime expenses, which will be
84 accomplished by utilizing the Detective Sergeant and School Resource Officer for patrol
85 staffing backfill. This will have a modest impact on criminal investigations and proactive
86 youth interactions in our local schools. The frozen Police Officer position previously
87 proposed allows for the elimination of \$5,800 in external human resources expenses for new
88 hire backgrounds. Social distancing requirements have reduced the available external
89 training courses and allows for a reduction of \$20,000 in training expenses each year. Police
90 Department staff will continue to complete all State-mandated training, which can be paid
91 for through the COPS Fund, as courses resume.

92
93 The City of Mill Valley has been a participating agency in the Marin County Major Crimes
94 Task Force (MCMCTF) for many years. Over the past few months, the Marin Managers
95 Association (MMA) representatives have been assessing ways to mitigate the impact of the
96 COVID-19 emergency on their respective budgets. This assessment included reviews of all
97 Joint Powers Authorities (JPA) agreements, including the MCMCTF. Following additional
98 discussions, the MMA unanimously supported terminating the MCMCTF. There will be
99 some costs associated with winding down the MCMCTF for FY2020/21, but some savings
100 are anticipated. The proposed budget recognizes a full savings of the annual contribution, in
101 the amount of \$65,018, for FY2021/22.

102
103 The total cost reductions for the Police Department are \$234,743 for FY2020/21 and
104 \$299,761 for FY2021/22.

105
106 **Fire Department (42)**

107 The proposed budget includes \$50,000 in reduced overtime expenses. Overtime is
108 commonly used to backfill minimum staffing vacancies due to vacation, sick leave, training,
109 and injury. Prior to the recent addition of three firefighter positions, Fire Engine 7 at Station
110 7 (Hauke Park) was staffed with two personnel, which has now increased to three personnel.
111 Station 6 (Downtown) has historically staffed Medic 6 (ambulance) and a Fire Engine 6 with
112 a minimum of four total personnel with regular daily staffing of five personnel.

114 The table below provides an overview of Mill Valley Fire Department staffing by
 115 station/equipment. The Fire Department uses a traditional three platoon staffing system with
 116 each shift (A, B, C shift) working a 48-hour shift (two days on and four days off), averaging
 117 56 hours per workweek, 365 days per year.
 118

Mill Valley Fire Department Staffing		
STATION 6		
A SHIFT	B SHIFT	C SHIFT
Engine 6 (min. 2)	Engine 6 (min. 2)	Engine 6 (min. 2)
Captain	Captain	Captain
Engineer/Paramedic	Engineer/Paramedic	Engineer/Paramedic
Firefighter (VR)	Firefighter (VR)	Firefighter (VR)
Medic 6 (min. 2)	Medic 6 (min. 2)	Medic 6 (min. 2)
Engineer/Paramedic	Engineer/Paramedic	Engineer/Paramedic
Firefighter	Firefighter	Firefighter
STATION 7		
A SHIFT	B SHIFT	C SHIFT
Engine 7 (min. 3)	Engine 7 (min. 3)	Engine 7 (min. 3)
Captain	Captain	Captain
Engineer/Paramedic	Engineer/Paramedic	Engineer/Paramedic
Engineer/Firefighter	Engineer/Firefighter	Engineer/Firefighter
Maximum 8 / Minimum 7	Maximum 8 / Minimum 7	Maximum 8 / Minimum 7

119
 120 For clarity, the “VR” stands for vacation relief. The vacation relief firefighter is the first
 121 person moved to fill a vacancy caused by sick, vacation, or injury. Currently the Fire
 122 Department has two members out on long-term injury, which requires the use of our VR
 123 firefighters to fill both vacancies and limit overtime usage. Under normal circumstances,
 124 with no injuries, the Fire Department usually has at least one member on vacation daily
 125 during the summer months. Sick use goes up during the winter and the VR firefighters are
 126 used for staffing backfill.
 127

128 The “min” represents the minimum staffing necessary for each piece of equipment. For
 129 instance, “min 2” means that at least two personnel are needed to operate that apparatus. The
 130 Fire Department uses overtime to backfill additional vacancies when staffing falls below
 131 shift minimums and the VR firefighter has already been assigned elsewhere.
 132

133 Among the options to assist in managing overtime, the Fire Chief will be authorized to limit
 134 overtime backfill of shifts to 12 hours, rather than 24 hours, and occasionally drop overnight
 135 staffing to previous levels. This may include two personnel on fire engine or reassigning
 136 ambulance personnel to a fire engine.
 137
 138

139 **Marin Wildfire Prevention Authority (MWPA) / Measure C (20)**

140 The Marin Wildfire Prevention Authority (MWPA) was formed to develop and implement a
141 comprehensive wildfire prevention and emergency preparedness plan throughout almost all
142 of Marin County. The MWPA will provide local funding to JPA members for specific local
143 wildfire mitigation needs specific to their service area. This new fund is separately tracked
144 but will be included in the Fire Department budget, like the Police Department COPS Fund.
145 Key elements of this program include:

- 146 1. Vegetation Management
- 147 2. Wildfire Detection & Evacuation Program Improvements
- 148 3. Grants
- 149 4. Public Education
- 150 5. Defensible Space Evaluations
- 151 6. Local Wildfire Prevention Mitigation

152

153 The City of Mill Valley anticipates \$233,082 in FY2020/21 for Local Wildfire Prevention
154 Mitigation and \$233,082 in FY2020/21 for Defensible Space Evaluations. A portion of
155 these funds will be used to hire a Defensible Space Inspector, which will fulfill the Fire
156 Inspector position requirement under our shared services agreement with Southern Marin
157 Fire District. These funds will also be used to offset expenses for code enforcement
158 activities related to defensible space evaluations. The total net savings to the General Fund
159 is \$175,456 in FY2020/21 and 177,652 for FY2021/22.

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161 **Public Works (50, 52, 56, 57, 58, 60, 65, 81, 85)**

162 The Public Works Department has ongoing demands requiring engineering support at the
163 Associate and Senior Engineer level. The proposed budget includes a layoff of one existing
164 Engineering Tech position (\$130,000 reduction) with the option to acquire higher level
165 engineering assistance and program/construction management (up to \$75,000) through a
166 shared services agreement with the City of Sausalito. The reduction to expenses is \$55,000.

167

168 **Library (70)**

169 The proposed budget includes an additional \$100,000 reduction in part-time staff expenses
170 in FY2020/21. These funds will be restored in FY2021/22. However, the currently frozen
171 Administrative Assistant position will remain frozen through FY2021/20 as an offset.

172

173 The Library is focusing on its core services of Reading/Literacy, Reference, Circulation, and
174 Building Community for all ages. Most of its cultural enrichment and educational programs
175 are currently suspended. Hours of operations will depend on the ability to ensure the health
176 and safety of staff and patrons, provide a quality service, and work within the existing
177 budget.

178

179 The Library started a soft launch of curbside service on June 1, Monday through Friday,
180 11:00 am to 5:00 pm, for patrons who currently have reservation holds. On June 8, curbside
181 service started for the entire community, which will be expanded to 7 days a week. Once
182 libraries can open to the public for indoor service, the Library will be open 7 days a week for
183 a total of 40 hours a week (see table below). The Library will survey patrons to gather
184 feedback on preferred hours and monitor visitor activity to make future adjustments.

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Library Public Hours (Proposed)						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
11a-4p	10a-4p	1p – 7p	10a-4p	1p – 7p	11a-5p	11a-4p
5 hours	6 hours	6 hours	6 hours	6 hours	6 hours	5 hours

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188

Recreation Department (80, 84, 86, 87, 88)

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The proposed budget includes an additional \$100,000 reduction in part-time staff reductions in FY2020/21 to reflect adjustments to anticipated programming. The proposed budget also reflects a layoff of the Senior Coordinator, which was originally proposed as a reduction.

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The following assumptions were used to develop the proposed budget. The initial assumption was Recreation would not be able to open the Community Center until September 1, 2020. Some programs have been recently re-established, ahead of schedule, but overall recovery remains difficult to predict. The budget was changed to reflect less supplies and materials and less part-time personnel hours based on reduced programming.

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As Recreation reopens, the primary programming areas will focus on (1) school age children, including day camps, enrichment, and teens; (2) pre-school programs; (3) fitness and health for all ages; and (4) facility rentals. Golf has had a solid rebound due to the limited other options for recreation. In addition, the Recreation Commission approved modest golf fee increases last week.

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Administration (80) does not provide any direct revenue. Most expenditures are fixed costs associated with personnel and contract services.

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Community Services (84) includes Teens, Seniors, Arts, Events and Volunteers with limited cost-recovery. Approximately 70% of the expenses related to Community Services are fixed (personnel, contracts for services, etc.). Recreation anticipates a 51% reduction in expenditures from FY2019/20, with 3 positions being eliminated and significant reductions in special events, unless future sponsors are identified.

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Recreation Services (86) includes Enrichment, Day Camps and Tennis programs. The Tennis section is offered by an independent tennis concessionaire. The second assumption in for this budget was programs, activities, and services will experience different rates of return. Original budget assumptions anticipated no day camps offered during summer 2020, but this area has been adjusted to reflect an earlier return of programming. Recreation anticipates minor changes in enrichment programming as participation will likely return to normal levels once school is back in session.

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Aquatics and Fitness (87) is not expected to return as quickly to the revenue and attendance of previous years. Approximately 55% of the expenses related to Community Services are fixed (personnel, contracts for services, etc.). Recreation anticipates a reduction in operating hours and corresponding savings in variable staffing.

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227 The Community Center (88) has been an economic engine for Recreation overall. Pre-school
228 programs will likely recover quickly when schools reopen. Indoor rentals may take longer to
229 recover, due to social distancing. After that, a strong recovery is anticipated as there has
230 already been a high percentage of rebooking for many large-scale rentals. Outdoor rentals
231 have already started to recover sooner than expected.

232

233 Quarterly income estimates are attached for benchmarking during future budget reviews.

234

235 **Options for Further Cost Reduction:**

236 If further reductions are necessary, the following cost-saving options could be considered:

237 • **Voluntary Retirement Separation Program (VRSP):** A voluntary early retirement
238 incentive could be made available to encourage some employees to retire earlier than
239 otherwise planned. The vacated positions could be frozen and replaced in the future.

240 • **Voluntary Work Hours Reduction Program:** Employees could be provided the option
241 for a voluntary reduction in work hours/days or an extended unpaid leave from work not
242 to exceed three months. The employee's benefits, leave accruals, and years of service
243 for retirement purposes would be unaffected by the temporary work hour reduction.

244 • **Furlough/Mandatory Time Off (MTO):** Employee compensation and work time could
245 be reduced by a specified percentage resulting in a corresponding savings.

246 • **Reduction in Force (RIF)/Layoffs:** Additional positions could be identified for
247 reduction or elimination, which would result in actual layoffs.

248

249 **CAPITAL IMPROVEMENT PROJECTS (CIP) FUND**

250 General Fund CIP is funded at \$745,000 in FY2020/21 and \$1,075,000 in FY2021/22. After a
251 thorough review of currently approved CIP projects, staff has identified approximately
252 \$544,000 in project savings and projects that can be reprogrammed, including the Sycamore
253 Park Restroom, which will be available to fund the Library roof replacement and leave a
254 balance in the CIP Fund for unanticipated projects.

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256 **GENERAL FUND BALANCE AND RESERVES**

257 The revised budget reflects General Fund revenues of \$32,891,967 in FY2020/21 and
258 \$35,355,151 in FY2021/22. Operating expenditures are budgeted at \$30,255,817, and
259 \$32,527,596.

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261 The Council's budget policy is to maintain a 15% Contingency Reserve and establish a 10%
262 discretionary General Fund balance. During the May 18, 2020 Council meeting, direction was
263 provided that would allow the discretionary fund balance of 10% to drop to 5% in FY2020/21.

264

265 The proposed revised budget fully funds the 15% Contingency Reserve and both years and
266 maintains an 8.1% discretionary fund balance for a combined 23.1% in FY2020/21 and 10.0%
267 discretionary fund balance in FY2021/22 for a combined 25.0%. FY2021/22 assumes the use
268 of \$100,000 of the \$800,000 set aside in the PERS Buffer reserve.

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270 The budget provides for full funding of the City's OPEB annual Actuarially Determined
271 Contribution (ADC) obligation.

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274 **CONSOLIDATED BUDGET**

275 Consolidated Revenues are budgeted at \$49,653,649 for FY2020/21 and \$52,837,539 for
276 FY2021/22, as detailed in the attached Consolidated Revenues schedule. Consolidated
277 Operating Expenditures are budgeted at \$38,494,795 for FY2020/21 and \$40,943,263 for
278 FY2021/22. The Expenditure Comparison and Expenditure Summary worksheets present
279 consolidated operating expenditures and other non-operating expenditures.
280

281 The total Capital Improvement Projects budget totals \$6,448,438 for FY2020/21 and
282 \$5,072,492 for FY2021/22. Projects are detailed on the attached 5-Year CIP worksheet and
283 summarized on the CIP Summary worksheet
284

285 **Attachments:**

- 286 1. Consolidated Revenues FY2020/22
- 287 2. Expenditure Comparison FY2020/22
- 288 3. Expenditure Summary FY2020/22
- 289 4. Debt Service and Restricted Reserves FY2020/22
- 290 5. General Fund Statement of Revenue and Expenditures FY2020/22
- 291 6. Capital Improvement Program FY2020/25
- 292 7. Capital Improvement Program Funding Summary FY2020-21 and FY2020-22
- 293 8. Quarterly Estimates for Recreation
- 294 9. Public Comments



July 6, 2020

Please note that Attachment 1 has been modified from the original version published on July 2nd. A past year's revenue forecast had errantly been included in the original attachment. This error has been rectified and the proper information is now included as Attachment 1.

**CITY OF MILL VALLEY
REVENUES
2020 - 2022**

	2020-21 Proposed	2021-22 Proposed
Property Tax	20,793,460	21,174,901
Sales Tax	2,635,385	2,710,547
Municipal Services Tax	1,748,238	1,783,365
Library CFD Tax	320,000	320,000
Measure C - MWPA Fire Tax	465,698	465,698
Transient Occupancy Tax	639,347	836,636
Franchise Tax	1,462,871	1,570,438
Business License Tax	500,000	550,000
Transfer Tax	180,000	200,000
Measure A Transportation Sales Tax	925,209	674,961
Measure A Parks Sales Tax	115,900	115,900
Building Permits	925,000	955,000
Parking Meters/Permits	408,000	673,000
Vehicle Code/Parking Fines	270,000	325,000
Investment Earnings	650,867	782,822
Rental of City Property	635,214	1,014,041
State Motor Vehicle Tax	-	-
State Library Funds	5,600	5,600
State Gas Tax	607,554	625,691
Suppl Law Enf Funds (COPS)	150,000	150,000
Traffic Congestion Relief Funds	-	-
Prop 1B Traffic Funds	-	-
Other State Funds	25,000	25,000
County Library Funds	-	-
Meas B County Streets Vehicle License	-	-
Flood Zone 3 Project Funds	-	-
Other County Funds	74,000	76,220
Federal Funds	23,750	38,000
SASM Charges	282,840	288,872
Other District Charges	285,000	285,000
Police Services	22,000	22,000
Fire Services	9,000	9,000
Building Services	103,000	103,000
Engineering Fees	16,500	31,500
Vehicle Maintenance Chrgs	45,000	45,000
Sewer Service Charge	10,597,562	10,915,489
Sewer Connection Fee	5,000	5,000
Sewer Lateral Fee	35,000	35,000
Stormwater Fees	97,200	97,200

**CITY OF MILL VALLEY
REVENUES
2020 - 2022**

	2020-21 Proposed	2021-22 Proposed
Recreation Program Fees	2,576,109	3,477,431
Golf Fees	254,000	368,075
Library Fees	20,000	20,000
Planning Fees	648,200	763,200
Building Technology Fee	85,000	85,000
Road Impact Fee	490,454	593,263
Housing Impact Fee	200,000	300,000
Sale of City Property	5,000	5,000
Library Donations	178,000	180,000
Other Donations	7,850	3,850
CIP Donations & Grants	-	-
Other In-Lieu Fees	-	-
Drainage Charge	6,500	6,500
Other Misc. Revenue	123,340	125,340
Bond/Financing Proceeds	-	-
Total Revenues	49,653,649	52,837,539

CITY OF MILL VALLEY
EXPENDITURE COMPARISON

Item	2017-18 Actual	2018-19 Actual	2019-20 Budget	2020-21 Budget	2021-22 Budget
General Government and Administrative Services	4,355,133	4,146,292	4,312,725	4,674,519	4,743,507
Planning and Building	2,001,738	2,288,536	2,320,181	2,313,630	2,431,393
Police Services	6,236,535	6,509,580	7,028,438	7,193,976	7,375,772
Fire Services	6,008,055	6,376,225	6,421,708	7,117,881	7,268,013
Public Works	4,909,397	4,930,700	5,404,694	5,342,235	5,617,245
Wastewater Treatment Plant (SASM)	3,444,793	3,688,410	4,059,591	4,310,933	4,569,589
Library	2,554,449	2,584,840	2,830,869	2,393,489	2,799,342
Recreation	5,660,252	6,022,079	6,081,942	5,148,133	6,138,402
Total Operating Exp.	34,800,422	35,792,912	37,547,689	38,494,795	40,943,263
Debt Service	694,893	737,800	711,132	677,073	580,784
Equipment Replacement	794,977	879,465	333,156	491,000	216,500
Restricted Reserves	1,518,286	1,840,398	1,891,529	1,135,258	892,563
Capital Improvements	17,068,916	7,778,566	7,267,940	6,448,438	5,072,492
TOTAL EXPENDITURES	55,011,328	46,543,952	47,751,446	47,246,564	47,705,602

EXPENDITURE SUMMARY
2020-2021

Department	Salaries & Wages	Employee Benefits	Supplies, Services, Equipment and Other Expenses	Total
General Government & Administrative Services	1,022,176	488,872	3,163,470	4,674,519
Planning & Building	1,274,926	548,536	490,168	2,313,630
Police Services	3,467,345	2,280,071	1,446,560	7,193,976
Fire Services	3,571,772	2,302,699	1,243,410	7,117,881
Public Works	2,288,165	1,246,608	1,807,462	5,342,235
Wastwater Treatment Plant (SASM) Charges			4,310,933	4,310,933
Library	1,400,771	445,860	546,858	2,393,489
Recreation	2,127,403	843,366	2,177,364	5,148,133
Total Operating Expenditures	15,152,558	8,156,012	15,186,225	38,494,795
Debt Service			677,073	677,073
Equipment Replacement			491,000	491,000
Restricted Reserves			1,135,258	1,135,258
Capital Improvement Program			6,448,438	6,448,438
TOTAL EXPENDITURES	15,152,558	8,156,012	23,937,994	47,246,564

EXPENDITURE SUMMARY
2021-2022

Department	Salaries & Wages	Employee Benefits	Supplies, Services, Equipment and Other Expenses	Total
General Government & Administrative Services	1,038,873	511,143	3,193,491	4,743,507
Planning & Building	1,392,675	605,399	433,319	2,431,393
Police Services	3,521,746	2,399,113	1,454,913	7,375,772
Fire Services	3,613,878	2,397,164	1,256,970	7,268,013
Public Works	2,449,598	1,348,323	1,819,324	5,617,245
Wastwater Treatment Plant (SASM) Charges			4,569,589	4,569,589
Library	1,467,217	491,500	840,625	2,799,342
Recreation	2,612,667	967,070	2,558,666	6,138,402
Total Operating Expenditures	16,096,654	8,719,712	16,126,896	40,943,263
Debt Service			580,784	580,784
Equipment Replacement			216,500	216,500
Restricted Reserves			892,563	892,563
Capital Improvement Program			5,072,492	5,072,492
TOTAL EXPENDITURES	16,096,654	8,719,712	22,889,235	47,705,602

CITY OF MILL VALLEY
2020 - 2022 Proposed Budget
DEBT SERVICE

Provides for payment of principal and interest on the following debt:

Description	2020-21 Proposed	2021-22 Proposed
CFD 1996-1, Library Renovation Bond	293,821	289,221
MERA 1999 Revenue Bonds	90,614	-
2011 Community Center COPS	292,638	291,563
Debt Service not Included in Operating Expenses	677,073	580,784
Debt Service Included in Operating Expenses		
2008 Pension Obligation Bonds	273,664	282,904
2012 Sewer Fund Capital Improvement Bond	304,438	301,463
2009 Clean Renewable Energy Bond - Solar Array	52,727	52,727
Debt Service Allocated in Operating Expenses	630,829	637,094
TOTAL DEBT SERVICE	1,307,902	1,217,878

RESTRICTED RESERVES

Reserve provisions and expenditures

Description	2020-21 Proposed	2021-22 Proposed
Sick Leave Reserve Provision	75,000	75,000
General Fund Contingency Reserve Provision	247,614	145,551
Equipment Replacement Fund Provision	-	-
CalPERS Rate Buffer Reserve Provision	-	(100,000)
OPEB Trust Reserve Provision	812,644	772,012
TOTAL RESTRICTED RESERVES	1,135,258	892,563

STATEMENT OF REVENUE AND EXPENDITURES

GENERAL FUND

Budget Summary

2020-2022

	Actual 06/30/2019	<i>Revised</i> Budget 2019/2020	Forecast 2019/2020	Budget 2020-21	Budget 2021-22
REVENUE					
Property Tax	19,231,236	19,843,915	20,057,238	20,722,460	21,103,901
Sales Tax	3,380,639	3,576,500	3,223,200	2,635,385	2,710,547
Other Taxes	1,747,365	1,781,660	1,728,232	1,319,347	1,586,636
Franchise Fees	1,385,730	1,486,899	1,432,348	1,462,871	1,570,438
Fines & Penalties	362,790	380,000	241,107	275,000	330,000
Licensing & Permits	1,054,079	1,050,000	1,050,000	990,000	1,020,000
Investment Income	183,930	160,000	92,222	55,000	55,000
Rents	962,978	1,067,308	566,890	635,214	1,014,041
State Subventions	537,287	449,600	269,382	101,600	101,600
Revenue from Other Agencies	786,693	598,434	1,106,259	665,590	688,092
Charges Current Services	1,117,505	1,319,540	1,008,281	980,040	1,112,040
Donations	401,200	1,009,650	238,642	185,850	183,850
Other	64,509	48,500	99,597	33,500	33,500
Aquatic Fees	396,703	435,625	331,347	200,000	376,868
Passes	582,382	567,000	324,881	283,500	553,263
Programs-Community Center	398,904	400,750	408,896	410,000	555,000
Fitness/Aquatics Classes	365,878	312,000	239,202	330,000	405,000
Programs-Other	181,322	241,500	197,541	221,250	250,000
Tennis Fees	158,591	168,000	138,722	126,000	156,000
On-Site Day Fees	192,243	187,200	108,786	212,000	212,000
Parks Services	400	800	375	800	800
Golf Fees	234,339	290,000	187,472	210,000	277,300
Golf Sales, Rentals & Lessons	65,557	68,400	53,027	44,000	90,775
Enrichment	808,105	855,750	545,000	700,000	775,000
Teens and Seniors	192,191	221,000	188,067	88,559	189,000
Merchandise	4,380	6,000	2,800	4,000	4,500
Total Revenue	34,796,936	36,526,031	33,839,514	32,891,967	35,355,151
EXPENDITURES					
10 City Council	48,405	74,521	74,521	93,489	64,679
12 City Manager	520,684	586,073	470,729	480,071	488,869
13 City Clerk	168,144	192,375	153,148	222,151	246,867
14 Finance	835,985	887,316	850,100	893,515	928,033
16 City Attorney	526,249	216,450	556,288	286,050	286,500
18 Planning	968,077	878,149	825,320	921,185	966,832
21 Non Departmental	2,046,826	2,362,703	2,362,703	2,699,241	2,728,558
40 Police Services	5,833,912	6,314,073	6,314,073	6,313,634	6,462,042
42 Fire Services	6,376,225	6,461,708	6,581,708	6,699,018	6,848,454
44 Building	1,320,459	1,451,818	1,451,818	1,392,445	1,451,818
50 City Engineer	634,447	821,941	697,050	589,339	831,369
52 Street Maintenance	958,793	1,074,028	1,074,028	979,430	1,074,028
70 Library	2,584,840	2,850,869	2,557,709	2,271,764	2,650,637
80 Recreation	649,985	740,986	605,374	478,191	744,535
81 Parks Maintenance	1,404,456	1,473,109	1,473,109	1,221,351	1,315,507
84 Community Programs	619,165	713,227	615,784	517,633	575,348
85 Golf Course	731,879	730,614	710,600	677,833	722,110
86 Recreation Services	1,307,442	1,280,057	877,472	1,138,678	1,289,918
87 Aquatics & Fitness	1,685,674	1,648,406	1,448,722	1,347,075	1,643,584
88 Community Center	1,027,934	1,038,835	975,382	988,722	1,162,908
65 Corpyard Outside Services	47,981	45,000	50,000	45,000	45,000
Total Operating Expenditures	30,297,562	31,842,257	30,725,638	30,255,817	32,527,596
General Fund CIP Current Year	-	-	-	-	-
General Fund CIP Carryover	387,298	70,760	70,760	-	-
Net Funds Available	4,112,076	4,613,014	3,043,116	2,636,150	2,827,556

STATEMENT OF REVENUE AND EXPENDITURES
GENERAL FUND
Budget Summary
2020-2022

	Actual 06/30/2019	<i>Revised</i> Budget 2019/2020	Forecast 2019/2020	Budget 2020-21	Budget 2021-22
General Fund Balance - Beginning	2,671,946	2,714,020	2,417,517	2,051,979	2,566,499
Net Funds Available	4,112,076	4,613,014	3,043,116	2,636,150	2,827,556
Transfers from GF CIP Carryover Res	-	-	-	-	-
Transfer from Operating Carryover Res	254,546	-	-	-	-
Transfers from Reserves - Other	456,235	206,831	206,831	195,577	196,605
Transfer to Retirement Medical Reserve	(1,104,409)	(848,611)	(848,611)	(812,644)	(772,012)
Transfer (to)/from PERS Buffer Reserve	(400,000)	(400,000)	-	-	100,000
Transfer to CIP Fund	(2,574,847)	(2,097,533)	(2,097,533)	(745,000)	(1,075,000)
Transfer Donations/Grants to CIP Fund	(27,726)	(755,000)	-	-	-
Transfer to Fund 26 COPS Debt Service	(294,488)	(298,638)	(298,610)	(292,638)	(291,563)
Transfer to Fund 26 MERA Debt Service	(90,784)	(90,545)	(90,545)	(90,614)	-
Transfer to Contingency Reserve	(95,989)	(152,283)	(152,283)	(247,614)	(151,551)
Transfer to Miscellaneous Reserves	(289,044)	(127,903)	(127,903)	(128,697)	(131,580)
Transfer to Operating Carryover Reserve	-	-	-	-	-
Transfer to Equip Replacement Reserve	(200,000)	(200,000)	-	-	-
Transfer to GF CIP Carryover Reserve	-	-	-	-	-
General Fund Balance - Ending	2,417,517	2,563,352	2,051,979	2,566,499	3,268,955
<i>Percent of Prior Year Operating Budget</i>	<i>8.4%</i>	<i>8.6%</i>	<i>7.1%</i>	<i>8.1%</i>	<i>10.0%</i>
General Fund Contingency Reserve	4,327,691	4,479,974	4,479,974	4,727,589	4,879,139
<i>Percent of Prior Year Operating Budget</i>	<i>15%</i>	<i>15%</i>	<i>15%</i>	<i>15%</i>	<i>15%</i>
CAPITAL IMPROVEMENT FUND					
CIP Fund Balance - Beginning	218,058	66,891	215,523	742,640	442,640
Transfer from Encumbered Carryover	1,513,662	1,717,343	1,717,343	-	-
Transfer from General Fund	2,574,847	2,097,533	2,097,533	745,000	1,075,000
Donations/Grants	27,726	755,000	-	-	-
CIP Expenditures - Current Year	(1,602,005)	(2,771,397)	(1,728,097)	(1,045,000)	(1,350,000)
CIP Expenditures - Carryover	(799,423)	(1,815,480)	(1,559,662)	-	-
Transfer from Operating Carryover Res	-	-	-	-	-
Transfer From Other Funds/Reserves	-	-	-	-	-
Transfer to Encumbered Carryover Res	(1,717,343)	-	-	-	-
CIP Fund Balance - Ending	215,523	49,890	742,640	442,640	167,640
Retirement Medical Reserve	13,617,322	15,025,341	14,500,000	16,207,023	17,974,617

**City of Mill Valley
Capital Improvement Program
2020 - 2025 Funding Plan**

#	Program	Project	FY 2020 - 2021	FY 2021- 2022	FY 2022 - 2023	FY 2023- 2024	FY 2024 - 2025	5 Year Total
CIVIC BUILDINGS								
1	Corp Yard Master Plan - Needs Assessment/Concept Development		\$100,000	\$0	\$0	\$0	\$0	\$100,000
2	Annual Civic Buildings Upgrades	General	\$100,000	\$100,000	\$250,000	\$250,000	\$250,000	\$950,000
3	Annual Civic Buildings Upgrades	Library Roof	\$300,000	\$0	\$0	\$0	\$0	\$300,000
PARKS AND OPEN SPACE								\$0
4	Annual Vegetation Maintenance		\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
5	ADA Transition Plan Implementati	Access to Boyle & Molino Parks	\$0	\$75,006	\$0	\$0	\$0	\$75,006
6	Annual Golf Course Upgrades		\$0	\$15,000	\$25,000	\$25,000	\$25,000	\$90,000
7	Scott Highlands Neighborhood Access Path		\$0	\$0	\$0	\$0	\$0	\$0
8	Parks and Recreation Facilities Improvements - General		\$0	\$25,000	\$50,000	\$50,000	\$50,000	\$175,000
9	Sycamore Park Path Slurry Seal		\$5,000	\$0	\$0	\$0	\$0	\$5,000
10	Freeman paving surface		\$15,000	\$0	\$0	\$0	\$0	\$15,000
11	Bayfront Park Path Paving Maintenance		\$0	\$0	\$0	\$75,000	\$0	\$75,000
12	Field Restoration Program	General	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$65,000
13	Bayfront Dog Park Improvements		\$0	\$25,000	\$0	\$0	\$0	\$25,000
STREETS AND TRANSPORTATION								\$0
14	Annual Street Rehabilitation	5 Yr Paving Plan Update	\$15,000	\$0	\$15,000	\$0	\$15,000	\$45,000
15	Annual Street Rehabilitation	Annual Street Resurfacing	\$821,925	\$824,509	\$2,406,817	\$2,539,820	\$2,731,355	\$9,324,426
16	E. Blithedale Ave Rehabilitation		\$1,900,000	\$0	\$0	\$0	\$0	\$1,900,000
17	ADA Transition Plan Implementati	Annual Ped Ramp project	\$0	\$50,000	\$150,000	\$150,000	\$100,000	\$450,000
18	Fire Engine Access Improvement Program		\$0	\$40,000	\$0	\$100,000	\$100,000	\$240,000
19	Downtown Paving and Utility Rehab		\$746,512	\$1,972,976	\$0	\$0	\$0	\$2,719,488
20	Annual Sidewalk Maintenance Program		\$25,000	\$25,000	\$100,000	\$100,000	\$100,000	\$350,000
21	SLP - Annual Maintenance		\$10,000	\$10,000	\$25,000	\$25,000	\$25,000	\$95,000
22	SLP - Design and Construction Program		\$0	\$0	\$100,000	\$50,000	\$50,000	\$200,000
23	Slide Repair Program- Annual		\$30,000	\$150,000	\$250,000	\$250,000	\$300,000	\$980,000
24	Camino Alto /Sycamore Traffic Signal Replacement		\$200,000	\$0	\$0	\$0	\$0	\$200,000
25	Parking Lot Repaving Program	D'Angelos	\$0	\$0	\$200,000	\$0	\$0	\$200,000
26	Parking Lot Repaving Program	Depot parking Lot	\$20,000	\$0	\$0	\$0	\$0	\$20,000
27	Parking Lot Repaving Program	Hauke Park	\$0	\$0	\$100,000	\$0	\$0	\$100,000
28	Bridges and Culverts Repair program		\$100,000	\$100,000	\$200,000	\$200,000	\$150,000	\$750,000
29	Annual Traffic Signal Timing Review/Modification		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
30	Annual Traffic Signal Upgrades		\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
31	Annual Crosswalk Program		\$0	\$0	\$50,000	\$50,000	\$50,000	\$150,000
UTILITY								\$0
32	Annual Sewer Rehabilitation		\$250,000	\$1,000,000	\$1,800,000	\$1,800,000	\$1,800,000	\$6,650,000
33	Annual Sewer Rehabilitation	Blithedale	\$200,000	\$300,000	\$0	\$0	\$0	\$500,000
34	Shelter Bay and Frontage Road Sewer Pump Stations Rehabilitation		\$1,250,000	\$0	\$0	\$0	\$0	\$1,250,000
35	Power Shutdown Resiliency	Misc. Generators/Devices	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000
TOTAL - RECOMMENDED			\$6,448,437	\$5,072,491	\$6,086,817	\$6,029,820	\$6,111,355	\$29,748,919

CAPITAL IMPROVEMENT PROGRAM

FUNDING SUMMARY 2020-2021

Item	General Fund CIP	Muni Tax	Sanitation Fund	Gas Tax	Measure A/AA Streets	Road Impact Fee	Measure A Parks	Total
Civic Buildings	500,000							500,000
Parks/Open Space	15,773	300,000					14,227	330,000
Streets & Transportation	514,227	976,512						1,490,739
Utilities	15,000		2,300,000	364,482	1,197,688	250,529		4,127,699
TOTALS	1,045,000	1,276,512	2,300,000	364,482	1,197,688	250,529	14,227	6,448,438

FUNDING SUMMARY 2021-2022

Item	General Fund CIP	Muni Tax	Sanitation Fund	Gas Tax	Measure A/AA Streets	Road Impact Fee	Measure A Parks	Total
Civic Buildings	100,000							100,000
Parks/Open Space	92,000	300,000					58,006	450,006
Streets & Transportation	1,143,000	1,005,542		435,967	250,165	372,812		3,207,486
Utilities	15,000		1,300,000					1,315,000
TOTALS	1,350,000	1,305,542	1,300,000	435,967	250,165	372,812	58,006	5,072,492

Recreation Quarterly Revenue Estimates

840	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Teens		\$10,708	\$2,828	\$854
Music Lessons	\$3,551	\$2,456	\$1,744	(\$182)
Youth Music Programs	\$9,768	\$9,529	\$15,100	\$6,603
Music & Art Events				
DigiLab	\$1,513	\$1,987	\$1,567	\$933
Senior		\$5,809	\$10,916	\$2,875
Total QTR	\$14,832	\$30,489	\$32,155	\$11,082

850	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Golf Club House	\$3,315	\$4,674	\$2,165	\$4,846
Greens Fees	\$76,767	\$44,807	\$25,929	\$62,497
Rentals	\$8,462	\$3,843	\$1,370	\$6,825
Sales	\$7,459	\$3,655	\$3,087	\$6,800
Lessons	\$3,731	\$1,137	\$939	\$2,193
Total QTR	\$99,733	\$58,117	\$33,490	\$83,161

860	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Enrichment Program	\$183,630	\$332,370	\$183,401	\$599
Recreation Fees-Other	\$41,654	\$10,959	\$87,268	\$81,368
Tennis Fees	\$58,064	\$15,426	\$18,475	\$34,035
Total QTR	\$283,348	\$358,755	\$289,144	\$116,002

870	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Aquatics Fees	\$16,860	\$67,613	\$78,358	\$62,169
Passes			\$143,830	\$139,670
On-Site Fees	\$49,893	\$48,868	\$57,173	\$56,067
Merchandise	\$880	\$813	\$1,162	\$1,145
Fitness Fees	\$32,516	\$88,452	\$116,046	\$92,987
Pool Rentals	\$2,834	\$4,719	\$5,233	\$7,215
Total QTR	\$102,982	\$210,464	\$401,801	\$359,253

880	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Recreation /Prog Fees	\$56,012	\$27,925	\$45,517	\$30,546
Early Childhood	\$35,643	\$97,943	\$90,178	\$26,235
Rental Community Center	\$16,352	\$87,093	\$68,843	\$87,712
Park Rentals	\$13,414	\$12,370	\$5,167	(\$951)
Community Ctr. Fields	\$29,557	\$20,746	\$10,534	(\$50,838)
Youth Sports League	\$22,952	\$10,068	\$6,043	\$210,937
Total QTR	\$173,930	\$256,146	\$226,282	\$303,641