



Agenda Item No. 6.

Staff Report

Date: March 15, 2022

To: Mayor Robbins and Council Members

From: Christa Johnson, Town Manager

Subject: Discussion of Five Year Financial Forecast and Upcoming Budget

Recommendation

This report is information only and for Town Council discussion related to the financial forecast and upcoming budget.

Background and discussion

The purpose of this report is to provide the Town Council with an update of the five year financial forecast for the Town's Operating Fund and to discuss the upcoming Fiscal Year 2022-23 budget. The financial forecast projects revenues and expenses over the next fiscal years from Fiscal Year 2021-22 through 2026-27. A financial forecast provides an order of magnitude estimate of revenues and expenses based on current Town policies and State statutes. A financial forecast assists the Town Council and Town management in understanding the Town's ability to fund the current level of services being provided and determine if it is likely to be sustainable in the future under the current Town revenue structure. The financial forecast assumes that the Town provides a similar level of services in the future as it does today – there is no attempt to either increase or decrease the current level of services in order to balance the budget with the financial forecast.

The Town's Operating Fund consists of all the Town's General Fund operational services such as the police, fire, recreation, planning and building, public works staff and operations and maintenance, general government costs, and a transfer out related to capital facilities that are funded by the Facilities Fund. The financial forecast thus includes a significant level of capital expenses coming from the Operating Fund each year including the budgeted transfer of funding to the Facilities Fund. That being said, the Town's facilities are physically and functionally obsolete and have numerous structural deficiencies. In the future, significant financial resources will be required to update the facilities which will provide for modern code compliant facilities, better organization functionality, and improved public spaces. The financial forecast also

includes an additional contribution of \$200,000 per year to pay down the CalPERS Unfunded Accrued Liability (UAL) and reduce future principal and interest costs of the UAL.

Financial Forecast Results

Below is a summary of the financial forecast results for the operating fund.

Town of Ross Operating Fund Financial Forecast

TOWN OPERATING FUND FINANCIAL FORECAST						
	Projected FYE 2022	Projected FYE 2023	Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
Total Revenues	\$9,217,000	\$9,566,000	\$9,640,000	\$9,935,000	\$10,241,000	\$10,560,000
Total Expenses	\$8,814,000	\$9,429,000	\$9,518,000	\$9,854,000	\$10,190,000	\$10,532,000
Net Surplus/(Deficit)	\$403,000	\$137,000	\$122,000	\$81,000	\$51,000	\$28,000
Surplus/(Gap) as % of Expenses	4.6%	1.5%	1.3%	0.8%	0.5%	0.3%

Any surplus that does materialize in any year would provide the Town the opportunity to help fund the capital improvements related to the outdated facilities, fund a greater portion of the growing CalPERS UAL costs to assist the Town's long-term financial position, or fund one-time project or study costs.

At the end of this report, Figure 1 shows the revenues and expenses by major category and Figure 2 shows a more detailed listing of revenues and expenses from FYE21 through the FYE27 period.

Revenues

Property taxes continue to be the main source of revenues for the Town. In spite of the pandemic, property taxes are expected to increase in FYE23 by 6%. Investment income has experienced annual decreases since FYE19 with a decrease in interest rates. Recreation revenues are anticipated to return back to pre-COVID pandemic levels.

Property taxes are the Town's largest revenue source accounting for 75% of the Town's revenue when including the public safety parcel tax (and 65% without the public safety parcel tax). The Town receives on average 18.8 cents per every dollar of property tax; the other 81.2 cents goes to the County, Schools, and other public agencies.

The Town's second largest revenue category is building revenues. These revenues along with planning department revenues are primarily charges for service and permits related to

development activity, and thus are very volatile and are related to the expenses for those services. Recreation revenues approximating Recreation expenses, are the next largest category of revenues.

Expenses

The projected expenses for FYE22 in the Operating Fund are currently estimated to be \$8.8 million and growing to \$10.5 million by FYE27. The average growth rate of expenses is approximately 4% per year.

Wages and benefits comprise approximately 45% of total expenses. Wages are estimated to increase 4% per year moving forward. For the forecast, medical costs are assumed to increase at a 5% annual rate after FYE23.

Pension rates are anticipated to continue to increase moving forward. CalPERS voted to keep the discount rate at 6.8% in November 2021 but new demographic and actuarial assumptions were adopted that will increase costs. The Town took numerous steps to significantly lower future pension costs over the next 30 years as described below. The Town's pension costs were \$562,000 in FYE21 and are estimated to go to \$814,000 by FYE27.

The Town has been aggressive in paying down the CalPERS UAL to reduce long-term costs of CalPERS. The Town's numerous steps to reduce total PERS costs include:

- In June 2016, the Town made an additional \$1 million payment to CalPERS to reduce our UAL debt that saved the Town \$1.2 million of interest costs
- Paid an additional \$200,000 down in FYE17 (saving the 7% to 7.5% interest cost a net savings of over \$200,000)
- Paid an additional \$820,000 down in FYE18 that saved the Town approximately \$720,000 of interest costs over 20 years.
- Paid an additional \$600,00 down in FYE21.
- An additional \$200,00 pay down is budgeted for both the current FYE22 and upcoming FYE23.
- Town has also reduced the amortization schedules for PERS costs from 30 years to 20 years which results in higher costs in the short run but much lower total costs due to significantly less interest paid in the long run.
- Police personnel are paying a 3% portion of the employer share of CalPERS reducing the Town's costs.

The positive news is that these additional steps have reduced the long-term pension costs substantially. The financial forecast does not take into account further lower future PERS costs due to our future additional paydowns of the UAL. That being said, PERS costs can increase if PERS investment returns fail to reach the 7% investment target or actuarial assumptions are modified that increase costs such as if the assumption is changed for longer life expectancies. Pension costs are volatile and staff anticipates these costs will need to be continually analyzed and updated.

The Town maintains a Section 115 trust fund dedicated to prefunding our OPEB costs which we have been advance funding to reduce our unfunded liabilities through the California Employers' Benefit Trust (CERBT) Fund. The Total Compensation Systems (TCS) actuarial study results as of June 30, 2021 show the Town has more money in the CERBT fund than the OPEB Retiree Health liability, thus we have a net OPEB asset. As such, we will fund future ongoing cost of Retiree Healthcare cost straight from the CERBT fund and there is no Operating Fund cost.

Outside services that include contracts with outside firms are another significant cost representing approximately 15% of the Town's costs. Many services are provided to the Town through contracts such as attorney, accounting, audit, building plan check and building official, landscape maintenance, and recreation instructors. There are alternative ways of providing many of these various services such as by staffing or contracting. The Town will continually evaluate the efficiency, effectiveness, and service levels provided by contracts and staff and at times there may be adjustments of whether to staff or contract. The forecast includes a 3.5% annual inflation on outside service costs through FYE27.

The Ross Valley Fire services are provided through the Ross Valley Fire Department (RVFD) JPA and are expected to grow from \$2.3 million in FYE22 to \$2.8 million in FYE27 and are 25% of total expenses. Fire service costs are anticipated to increase in the 3.5% annual range in the following years with labor and pension cost increases. Cost savings or expenditures resulting from the closure of the fire station are not taken into account in this report.

Financial Forecast Summary

- Current level of services is fundable for the next five years. Small surpluses may be available to help fund capital or one-time expenses.
- The passage of the public safety parcel tax measure (Measure K) in November 2016 stabilized the Town's funding of operations for the next eight year period. The current parcel tax is \$1,085 per parcel and increases each year with CPI. The eight year tax measure expires at the end of FYE25. The financial forecast assumes a new parcel tax will be passed as a successor and in similar amounts to Measure K. If a new public safety operation tax measure is not passed by FYE26, there will be an approximate \$1 million a year shortfall in the Town's operating budget.
- The Town's additional payments to CalPERS and OPEB retiree health care costs have generated significant cost reductions that enhance the Town's financial sustainability in future years.
- Revenue growth which is largely property taxes, service charges, and miscellaneous taxes, franchises, and lease income is anticipated to approximate expense growth in the next few years. That said, strategies should continue to be developed to improve revenue growth and to reduce the rate of expense growth.

Challenges

- Replacing the physically and functionally obsolete and structurally deficient Town facilities which will need substantial additional funding beyond the approximate \$500,000 annual capital maintenance money included in the fiscal forecast. The cost

to rebuild a police station, administrative space, and paramedic space has been estimated to be \$12 - \$14 million. The Town has saved approximately \$7 million to contribute to these costs. The process to build will include facility design which will lead to refining the cost estimates and the development of a funding strategy.

- The current public safety parcel tax (Measure K) expires at the end of FYE25. It is critical this public safety tax is extended in the future to fund police and fire operational costs.

Budget Schedule

Town staff has already begun the process of preparing the FY 2022-23 budget. A Town Council public hearing workshop on the FY 2022-23 draft budget and Capital Improvement Plan (CIP) will be held on April 28. The CIP represents the capital portion of the upcoming budget. Based on the input received at that workshop, staff will update the budget for a Town Council hearing to be held at the June 9 Council meeting for budget adoption.

The Five Year Financial Forecast is also an important part of the budget process as it provides a longer-term overview of Town finances and ability to fund services next year and the following years. As part of this meeting, staff will be discussing priorities for inclusion in the upcoming budget.

Alternative actions

Informational report only

Environmental review (if applicable) – Not applicable

FIGURE 1

TOWN OPERATING FUND FINANCIAL FORECAST

	Actual FYE 2021	Budget FYE 2022	Projected FYE 2022	Projected FYE 2023	Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
Revenues								
Property Taxes	\$5,016,000	\$5,180,000	\$5,358,000	\$5,623,000	\$5,828,000	\$6,041,000	\$6,263,000	\$6,493,000
Public Safety Tax	893,000	906,000	906,000	941,000	969,000	998,000	1,028,000	1,059,000
Other Taxes	536,000	405,000	471,000	421,000	428,000	434,000	441,000	448,000
Investment Income and Rents	385,000	311,000	286,000	290,000	292,000	294,000	296,000	298,000
Building Revenue	819,000	761,000	613,000	684,000	701,000	718,000	735,000	753,000
Public Works Revenue	97,000	89,000	113,000	128,000	100,000	102,000	103,000	105,000
Planning Revenue	240,000	124,000	235,000	165,000	169,000	173,000	177,000	182,000
Recreation Revenue	375,000	509,000	678,000	716,000	734,000	752,000	771,000	790,000
Other Revenue and Transfers In	504,000	359,000	557,000	598,000	419,000	423,000	427,000	432,000
Total Revenues	\$8,865,000	\$8,644,000	\$9,217,000	\$9,566,000	\$9,640,000	\$9,935,000	\$10,241,000	\$10,560,000
Expenses								
Wages	\$2,247,000	\$2,443,000	\$2,493,000	\$2,703,000	\$2,811,000	\$2,923,000	\$3,040,000	\$3,162,000
Benefits	1,092,000	1,219,000	1,184,000	1,407,000	1,489,000	1,561,000	1,623,000	1,679,000
Outside Services	825,000	1,048,000	1,249,000	1,241,000	1,077,000	1,115,000	1,154,000	1,195,000
Ross Valley Fire Department	2,159,000	2,263,000	2,263,000	2,341,000	2,423,000	2,508,000	2,596,000	2,687,000
Other Services, Supplies, Debt	687,000	868,000	850,000	934,000	964,000	991,000	1,019,000	1,049,000
Pension UAL Trust optional payment	600,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Capital Expenses and Transfer Out	2,030,000	587,000	575,000	603,000	554,000	556,000	558,000	560,000
Total Expenses	\$9,640,000	\$8,628,000	\$8,814,000	\$9,429,000	\$9,518,000	\$9,854,000	\$10,190,000	\$10,532,000
Net Surplus/(Gap)	(\$775,000)	\$16,000	\$403,000	\$137,000	\$122,000	\$81,000	\$51,000	\$28,000
Surplus/(Gap) as a % of Expenses	-8.0%	0.2%	4.6%	1.5%	1.3%	0.8%	0.5%	0.3%

FIGURE 2
TOWN OPERATING FUND FINANCIAL FORECAST

	Actual FYE 2021	Budget FYE 2022	Projected FYE 2022	Projected FYE 2023	Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
REVENUES								
Property Taxes								
Property Tax	\$ 4,261,055	\$ 4,425,000	\$ 4,525,000	\$ 4,800,000	\$ 4,992,000	\$ 5,191,680	\$ 5,399,347	\$ 5,615,321
Property Tax In Lieu Vehicle Lic. Fee	307,282	315,000	322,936	323,000	335,920	349,357	363,331	377,864
Property Tax - Excess ERAF Funds	447,963	440,000	510,000	500,000	500,000	500,000	500,000	500,000
Subtotal	5,016,300	5,180,000	5,357,936	5,623,000	5,827,920	6,041,037	6,262,678	6,493,185
Public Safety Tax	893,079	906,470	906,470	940,980	969,209	998,286	1,028,234	1,059,081
Other Taxes								
Business Licenses	40,504	40,000	40,000	40,000	40,400	40,804	41,212	41,624
Sales Tax	129,390	80,000	64,000	65,000	66,300	67,626	68,979	70,358
Franchise - Cable TV	50,996	46,000	56,000	53,000	53,530	54,065	54,606	55,152
Franchise - Marin Sanitary Service	114,224	117,000	119,000	120,000	123,000	126,075	129,227	132,458
Franchise - PG&E	40,568	42,000	42,000	43,000	43,430	43,864	44,303	44,746
Real Property Transfer Tax	160,088	80,000	150,000	100,000	101,000	102,010	103,030	104,060
Subtotal	535,770	405,000	471,000	421,000	427,660	434,445	441,356	448,398
Intergovernmental Revenue								
Marin County Measure A Parks	19,897	20,000	22,783	23,000	23,345	23,695	24,051	24,411
Marin Zero Waste Grant	9,186	9,000	9,186	9,200	9,200	9,200	9,200	9,200
Marin Wildfire JPA	107,380	108,300	108,300	108,300	111,008	113,783	116,627	119,543
Homeowner Property Tax Relief	17,548	17,700	17,611	17,700	17,700	17,700	17,700	17,700
Prop 172 1/2 Cent Sales Tax	24,046	23,000	27,000	27,000	27,540	28,091	28,653	29,226
State of CA - LEAP grant	-	65,000	65,000	-	-	-	-	-
State of CA - REAP grant	-	-	-	20,000	-	-	-	-
State of CA - SB2 grant	-	30,000	-	7,000	-	-	-	-
State of CA - COPS grant	-	-	-	169,000	169,000	169,000	169,000	169,000
State Vehicle License Fee	1,870	1,900	2,942	2,950	2,950	2,950	2,950	2,950
Intergovernmental - Federal	50,000	-	10,810	-	-	-	-	-
Subtotal	229,927	274,900	263,632	384,150	360,743	364,419	368,180	372,030
Investment Income and Rents								
Interest/Change in Value	134,309	55,000	28,000	28,000	28,000	28,000	28,000	28,000
Rental Income - Cellular	121,703	122,500	123,718	123,718	125,574	127,457	129,369	131,310
Rental Income - Post Office	129,283	133,800	133,809	138,491	138,491	138,491	138,491	138,491
Subtotal	385,295	311,300	285,527	290,209	292,065	293,948	295,860	297,801
Planning Revenue								
Planning Application Fees	214,877	100,000	220,000	150,000	153,750	157,594	161,534	165,572
Planning Construction Review	24,983	24,000	15,000	15,000	15,300	15,606	15,918	16,236
Subtotal	239,860	124,000	235,000	165,000	169,050	173,200	177,452	181,808
Building Revenue								
Appeal Fees	-	-	1,845	-	-	-	-	-
Building Permits	440,003	375,000	325,000	350,000	358,750	367,719	376,912	386,335
Building Plan Review	229,242	240,000	190,000	230,000	235,750	241,644	247,685	253,877
Building - BSASRF & SMIP	2,813	4,000	2,100	3,000	3,075	3,152	3,231	3,311
SB-1186 Disability Access Fees	1,854	1,600	1,600	1,600	1,640	1,681	1,723	1,766
Resale Inspections	48,187	35,000	22,000	25,000	25,250	25,503	25,758	26,015
Fee Program Administration	17,247	23,000	13,000	14,000	14,350	14,709	15,076	15,453
Records Management & Retention	7,094	7,000	5,000	5,500	5,500	5,500	5,500	5,500
Technology Surcharge Fees	72,611	75,000	52,000	55,000	56,375	57,784	59,229	60,710
Subtotal	819,051	760,600	612,545	684,100	700,690	717,691	735,113	752,967

FIGURE 2
TOWN OPERATING FUND FINANCIAL FORECAST

	Actual FYE 2021	Budget FYE 2022	Projected FYE 2022	Projected FYE 2023	Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
Public Works Revenue								
Co of Marin Flood Control Dist.	-	-	15,000	30,000				
Earth Grading Permits	-	1,000	500	500	500	500	500	500
Encroachments	44,738	40,000	50,000	50,000	50,500	51,005	51,515	52,030
Public Works Plan Review	11,241	10,000	5,000	5,000	5,125	5,253	5,384	5,519
Ross School - Ross Common maint	21,336	21,800	22,000	22,800	23,370	23,954	24,553	25,167
Tree Removal Permits	19,948	16,000	20,000	20,000	20,500	21,013	21,538	22,076
Subtotal	97,263	88,800	112,500	128,300	99,995	101,725	103,490	105,292
Police Revenue	223,192	45,700	85,654	52,674	53,201	53,733	54,270	54,813
Recreation Revenue								
Kids Classes	365,801	500,000	650,000	700,000	717,500	735,438	753,823	772,669
Other	26,207	26,000	50,300	40,000	41,000	42,025	43,076	44,153
Credit Card Fees	(17,439)	(17,000)	(22,500)	(24,500)	(24,990)	(25,490)	(26,000)	(26,520)
Subtotal	374,569	509,000	677,800	715,500	733,510	751,973	770,899	790,302
Miscellaneous								
Contributions	-	-	-	-	-	-	-	-
Miscellaneous	14,260	3,500	1,000	3,500	3,500	3,500	3,500	3,500
Permits - Film	3,325	1,000	1,680	-	-	-	-	-
Permits - Special Events	-	500	500	500	500	500	500	500
Reimbursement for Town Costs	2,863	3,000	4,500	1,000	1,000	1,000	1,000	1,000
Subtotal	20,448	8,000	7,680	5,000	5,000	5,000	5,000	5,000
Total revenues before transfers in	8,834,754	8,613,770	9,015,744	9,409,913	9,639,042	9,935,455	10,242,535	10,560,678
Transfers In - General Plan Fund	30,000	30,000	200,000	156,000	-	-	-	-
Total Revenues	8,864,754	8,643,770	9,215,744	9,565,913	9,639,042	9,935,455	10,242,535	10,560,678
EXPENSES								
Wages	2,247,272	2,443,437	2,492,730	2,702,677	2,810,784	2,923,215	3,040,144	3,161,750
Pension - Normal Cost	257,183	263,767	258,565	306,949	313,088	319,350	325,737	332,251
Pension - Unfunded Liab. Cost	305,189	347,049	321,957	361,775	407,900	442,400	465,900	481,800
Medical	254,940	267,833	269,390	371,339	389,906	409,401	429,871	451,365
OPEB-Retiree Health Care	-	-	-	-	-	-	-	-
Employee Benefits - Other	275,083	340,156	333,596	367,108	378,121	389,465	401,149	413,183
Subtotal	3,339,667	3,662,242	3,676,238	4,109,848	4,299,799	4,483,831	4,662,801	4,840,349
Outside Services	824,592	1,048,297	1,248,592	1,240,961	1,077,395	1,115,103	1,154,132	1,194,527
Ross Valley Fire Department	2,159,257	2,262,786	2,262,786	2,341,418	2,423,368	2,508,185	2,595,972	2,686,831
Memberships & Organizations	50,362	73,316	90,441	98,356	101,307	104,346	107,476	110,701
Rent	14,139	33,500	30,860	35,500	36,565	37,662	38,792	39,956
Repairs and Maintenance	313,465	346,700	331,462	360,262	371,070	382,202	393,668	405,478
Vehicles	17,561	42,900	46,000	32,000	32,960	33,949	34,967	36,016
Insurance	92,330	90,000	101,650	105,000	108,150	111,395	114,736	118,178
Other (miscellaneous)	188,290	271,166	239,361	293,258	302,056	311,117	320,451	330,064
Debt Service	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Pension UAL optional payment	600,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Capital Expenditures	30,018	37,450	25,174	52,524	54,362	56,265	58,234	60,272
Subtotal	4,300,014	4,416,115	4,586,326	4,769,279	4,717,232	4,870,224	5,028,429	5,192,024
Total expenses before transfers	7,639,681	8,078,357	8,262,564	8,879,127	9,017,031	9,354,056	9,691,230	10,032,373
Transfers to Facilities & Equip Fund	2,000,000	550,000	550,000	550,000	500,000	500,000	500,000	500,000
Total Expenses	9,639,681	8,628,357	8,812,564	9,429,127	9,517,031	9,854,056	10,191,230	10,532,373
Net surplus (gap)	\$ (774,927)	\$ 15,413	\$ 403,180	\$ 136,786	\$ 122,011	\$ 81,399	\$ 51,305	\$ 28,305

FIGURE 3
TOWN OPERATING FUND FINANCIAL FORECAST

	Actual FYE2021	Projected FYE 2022	Projected FYE 2023	Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
REVENUES							
Property Taxes							
Property Tax	4.1%	6.2%	6.1%	4.0%	4.0%	4.0%	4.0%
Property Tax In Lieu Vehicle Lic. Fee	3.8%	5.1%	0.0%	4.0%	4.0%	4.0%	4.0%
Property Tax - Excess ERAF Funds	1.1%	13.8%	-2.0%	0.0%	0.0%	0.0%	0.0%
Subtotal	3.8%	6.8%	4.9%	3.6%	3.7%	3.7%	3.7%
Public Safety Tax							
	3.0%	1.5%	3.8%	3.0%	3.0%	3.0%	3.0%
Other Taxes							
Business Licenses	2.2%	-1.2%	0.0%	1.0%	1.0%	1.0%	1.0%
Sales Tax	100.9%	-50.5%	1.6%	2.0%	2.0%	2.0%	2.0%
Franchise - Cable TV	-12.7%	9.8%	-5.4%	1.0%	1.0%	1.0%	1.0%
Franchise - Marin Sanitary Service	2.9%	4.2%	0.8%	2.5%	2.5%	2.5%	2.5%
Franchise - PG&E	7.1%	3.5%	2.4%	1.0%	1.0%	1.0%	1.0%
Real Property Transfer Tax	61.4%	-6.3%	-33.3%	1.0%	1.0%	1.0%	1.0%
Subtotal	30.5%	-12.1%	-10.6%	1.6%	1.6%	1.6%	1.6%
Intergovernmental Revenue							
Marin County Measure A Parks	-1.4%	14.5%	1.0%	1.5%	1.5%	1.5%	1.5%
Marin Zero Waste Grant	0.8%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
Marin Wildfire JPA	0.0%	0.9%	0.0%	2.5%	2.5%	2.5%	2.5%
Homeowner Property Tax Relief	-1.8%	0.4%	0.5%	0.0%	0.0%	0.0%	0.0%
Prop 172 1/2 Cent Sales Tax	5.8%	12.3%	0.0%	2.0%	2.0%	2.0%	2.0%
State of CA - LEAP grant	0.0%	100.0%	-100.0%	0.0%	0.0%	0.0%	0.0%
State of CA - REAP grant	0.0%	0.0%	100.0%	-100.0%	0.0%	0.0%	0.0%
State of CA - SB2 grant	0.0%	0.0%	100.0%	-100.0%	0.0%	0.0%	0.0%
State of CA - COPS grant	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
State Vehicle License Fee	-6.5%	57.3%	0.3%	0.0%	0.0%	0.0%	0.0%
Intergovernmental - Federal	100.0%	-78.4%	-100.0%	0.0%	0.0%	0.0%	0.0%
Subtotal	219.8%	14.7%	45.7%	-6.1%	1.0%	1.0%	1.0%
Investment Income and Rents							
Interest/Change in Value	-35.4%	-79.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Rental Income - Cellular	7.3%	1.7%	0.0%	1.5%	1.5%	1.5%	1.5%
Rental Income - Post Office	3.5%	3.5%	3.5%	0.0%	0.0%	0.0%	0.0%
Subtotal	-13.6%	-25.9%	1.6%	0.6%	0.6%	0.7%	0.7%
Planning							
Planning Application Fees	127.8%	2.4%	-31.8%	2.5%	2.5%	2.5%	2.5%
Planning Construction Review	35.6%	-40.0%	0.0%	2.0%	2.0%	2.0%	2.0%
Subtotal	112.7%	-2.0%	-29.8%	2.5%	2.5%	2.5%	2.5%
Building Department Revenue							
Appeal Fees	0.0%	100.0%	-100.0%	0.0%	0.0%	0.0%	0.0%
Building Permits	8.4%	-26.1%	7.7%	2.5%	2.5%	2.5%	2.5%
Building Plan Review	103.4%	-17.1%	21.1%	2.5%	2.5%	2.5%	2.5%
Building - BSASRF & SMIP	-42.6%	-25.3%	42.9%	2.5%	2.5%	2.5%	2.5%
SB-1186 Disability Access Fees	94.7%	-13.7%	0.0%	2.5%	2.5%	2.5%	2.5%
Resale Inspections	37.0%	-54.3%	13.6%	1.0%	1.0%	1.0%	1.0%
Fee Program Administration	-48.5%	-24.6%	7.7%	2.5%	2.5%	2.5%	2.5%
Records Management & Retention	-21.6%	-29.5%	10.0%	0.0%	0.0%	0.0%	0.0%
Technology Surcharge Fees	-18.8%	-28.4%	5.8%	2.5%	2.5%	2.5%	2.5%
Subtotal	18.4%	-25.2%	11.7%	2.4%	2.4%	2.4%	2.4%

FIGURE 3
TOWN OPERATING FUND FINANCIAL FORECAST

	Actual FYE2021	Projected FYE 2022	Projected FYE 2023	Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
Public Works Revenue							
Co of Marin Flood Control Dist.	0.0%	100.0%	100.0%	-100.0%	0.0%	0.0%	0.0%
Earth Grading Permits	-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Encroachments	5.0%	11.8%	0.0%	1.0%	1.0%	1.0%	1.0%
Public Works Plan Review	18.9%	-55.5%	0.0%	2.5%	2.5%	2.5%	2.5%
Ross School - Ross Common maint	1.6%	3.1%	3.6%	2.5%	2.5%	2.5%	2.5%
Tree Removal Permits	20.8%	0.3%	0.0%	2.5%	2.5%	2.5%	2.5%
Subtotal	7.7%	15.7%	14.0%	-22.1%	1.7%	1.7%	1.7%
Police Revenue							
	342.1%	-61.6%	-38.5%	1.0%	1.0%	1.0%	1.0%
Recreation Revenue							
Kids Classes	-37.4%	77.7%	7.7%	2.5%	2.5%	2.5%	2.5%
Other	130.4%	91.9%	-20.5%	2.5%	2.5%	2.5%	2.5%
Credit Card Fees	-18.9%	29.0%	8.9%	2.0%	2.0%	2.0%	2.0%
Subtotal	-34.8%	81.0%	5.6%	2.5%	2.5%	2.5%	2.5%
Miscellaneous							
Contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous	291.5%	-93.0%	250.0%	0.0%	0.0%	0.0%	0.0%
Permits - Film	-62.1%	-49.5%	-100.0%	0.0%	0.0%	0.0%	0.0%
Permits - Special Events	-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reimbursement for Town Costs	-82.9%	57.2%	-77.8%	0.0%	0.0%	0.0%	0.0%
Subtotal	-31.7%	-62.4%	-34.9%	0.0%	0.0%	0.0%	0.0%
Total revenues before transfers in	8.0%	2.0%	4.4%	2.4%	3.1%	3.1%	3.1%
Transfers In from General Plan Fund	0.0%	566.7%	-22.0%	-100.0%	0.0%	0.0%	0.0%
Total Revenues	8.0%	4.0%	3.8%	0.8%	3.1%	3.1%	3.1%
EXPENSES							
Wages	-0.8%	10.9%	8.4%	4.0%	4.0%	4.0%	4.0%
Pension - Normal Cost	17.0%	0.5%	18.7%	2.0%	2.0%	2.0%	2.0%
Pension - Unfunded Liab. Cost	8.1%	5.5%	12.4%	12.7%	8.5%	5.3%	3.4%
Medical	0.8%	5.7%	37.8%	5.0%	5.0%	5.0%	5.0%
OPEB-Retiree Health Care	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee Benefits - Other	-8.8%	21.3%	10.0%	3.0%	3.0%	3.0%	3.0%
Subtotal	0.6%	10.1%	11.8%	4.6%	4.3%	4.0%	3.8%
Outside Services	18.6%	51.4%	-0.6%	-13.2%	3.5%	3.5%	3.5%
Ross Valley Fire Department	1.6%	4.8%	3.5%	3.5%	3.5%	3.5%	3.5%
Memberships & Organizations	-34.4%	79.6%	8.8%	3.0%	3.0%	3.0%	3.0%
Rent	-46.9%	118.3%	15.0%	3.0%	3.0%	3.0%	3.0%
Repairs and Maintenance	-4.1%	5.7%	8.7%	3.0%	3.0%	3.0%	3.0%
Vehicles	-33.3%	161.9%	-30.4%	3.0%	3.0%	3.0%	3.0%
Insurance	12.2%	10.1%	3.3%	3.0%	3.0%	3.0%	3.0%
Other (miscellaneous)	-21.3%	27.1%	22.5%	3.0%	3.0%	3.0%	3.0%
Debt Service	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PERS UAL optional payments	200.0%	-66.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Expenditures	-26.0%	-16.1%	108.6%	3.5%	3.5%	3.5%	3.5%
Subtotal	11.7%	6.7%	4.0%	-1.1%	3.2%	3.2%	3.3%
Total expenses before transfers	6.6%	8.2%	7.5%	1.6%	3.7%	3.6%	3.5%
Transfers to Facilities & Equip Fund	100.0%	-72.5%	0.0%	-9.1%	0.0%	0.0%	0.0%
Total Expenses	18.0%	-8.6%	7.0%	0.9%	3.5%	3.4%	3.3%