



Agenda Item No. 3

Staff Report

Date: February 12, 2016
To: Mayor Hoertkorn and Council Members
From: Joe Chinn, Town Manager
Subject: Financial Forecast

Recommendation

This report is information only.

Background and discussion

The purpose of this report is to provide the Council with an update of the five year financial forecast for the Town's Operating and Recreation Fund. The financial forecast projects revenues and expenses over the next fiscal years from Fiscal Year 2016-17 through 2020-21. 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 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.

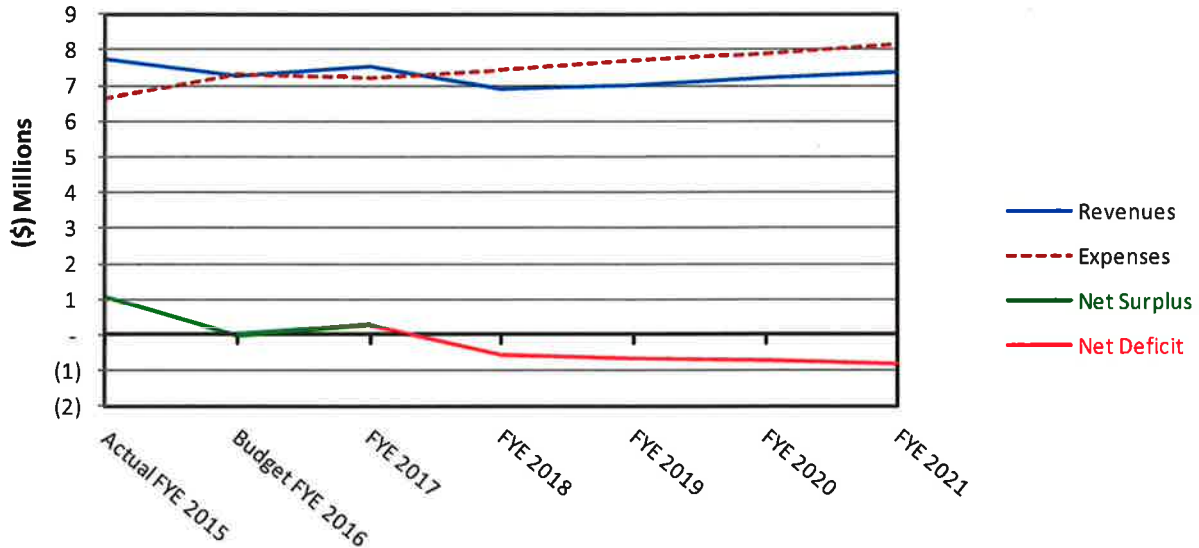
For purposes of the financial forecast the Town's Operating and Recreation Funds are combined to provide a more complete picture of the Town's financial conditions. The Town currently has a public safety parcel tax which is set to expire on June 30, 2017. For that reason two alternatives are shown, one if the public safety sales tax expires and is not replaced and another if it is renewed at the current maximum level of \$950 per parcel.

The financial forecast only includes a modest level of capital expenses coming from the Operating and Recreation Fund each year (approximately \$130,000 yearly). That being said the Town's facilities are physically and functionally obsolete and have a significant amount of deferred maintenance. In the future significant financial resources will likely be required to update the facilities for better organization functionality and improved public spaces.

Financial Forecast Results

At the top of the next page is a graph of the financial results for the funds. Revenues are projected to be approximately \$300,000 greater than expenses in fiscal year 2016-17 (FY17). However, in Alternative 1 with the public safety sales tax expiring and not being renewed, deficits of approximately \$500,000 to \$800,000 per year are projected over the following four years.

Alt. 1 - Public Safety Parcel Tax Expires



Alternative 2 projects the Town’s Operating and Recreation Fund finances if the public safety sales tax is extended for another four years. The public safety sales tax generates approximately \$792,000 of revenue at the current tax rate which represents just over 10% of the Town’s overall revenues. In this case, there is projected to be a surplus ranging from \$300,000 next fiscal year with the surplus gradually decreasing each year as normal expense growth is anticipated to be greater than revenue growth. The surplus of revenues greater than expenses is estimated to be \$90,000 in FY20 and breakeven in FY21 as shown below.

Alt. 2 - Public Safety Parcel Tax Extended

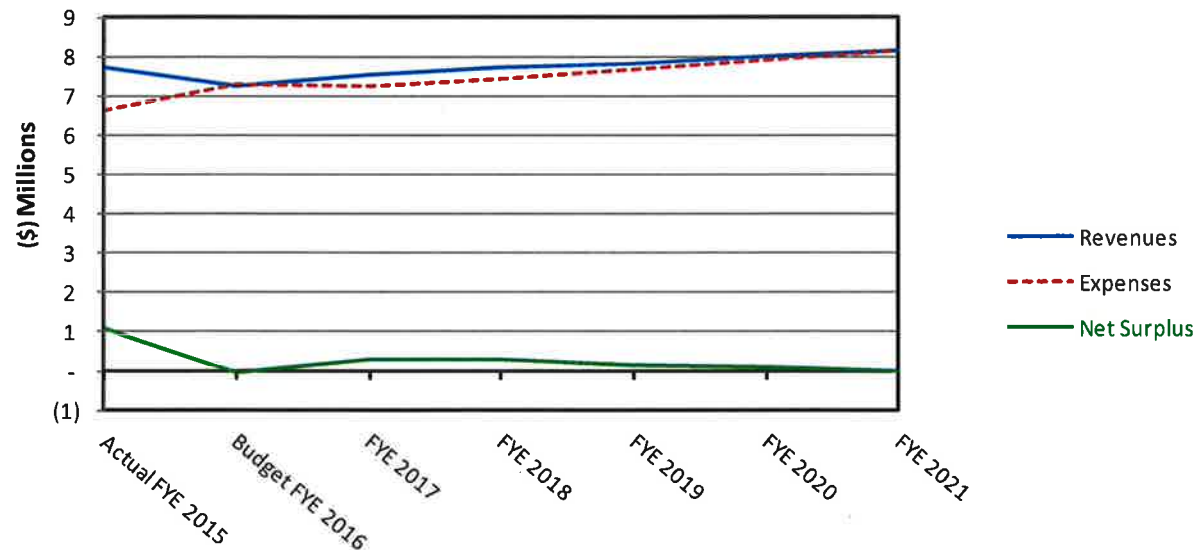


Figure 1 at the end of this report shows the total annual revenues and expenses for each year from actual FY15 to projected FY21 for both alternatives.

Revenues

The growth rate of revenues has been increasing in the last two years following a slower growth pattern in and following the great recession. Property taxes are the Town's largest revenue source and are anticipated to experience more modest rate increases in the next five years than the last two years. Other revenue such as business licenses, franchise, investment income and rents, and intergovernmental revenue are expected to have slow to no growth in the coming years. In most California cities, the two largest revenue sources are property taxes and sales taxes. In the case of Ross, sales tax revenues are very minor (\$32,400 budgeted this year) because there is little to no retail or other taxable sales occurring in Ross. Overall, total revenues are projected to increase by approximately 3.8% next fiscal year but then in the following years are estimated to grow in the 2% annual range.

At the end of this report, Figure 2 shows the revenues and expenses by major category and Figure 3 shows a more detailed listing of revenues and expenses from FY15 through the FY21 period. These figures show the results for Alternative 2 with the only difference from Alternative 1 being that the public safety parcel tax would be \$0 for FY18 through FY21.

Property taxes are the Town's largest revenue source accounting for 54% of the Town's Operating and Recreation Fund revenue. The Town's assessed value has risen by 6.1% and 7.4% per year over the last two years, respectively, but the growth rate is expected to be around 4% next year and then be in the 2.5% to 3.5% range in the following years. The Town receives on average 18.9 cents per every dollar of property tax in the Town; the other 81.1 cents goes to other public agencies such as Ross School, Tamalpais Union High School District, Marin Community College, Ross Valley Sanitation, and other government entities.

The Town's second largest revenue category is Recreation revenues which are approximately equal to Recreation expenses. Building and public works is the next largest category of revenues. These revenues are primarily charges for service and permits related to development activity, and thus are very volatile.

It is important to note that the Town is currently conducting a Fee Study which will determine the estimated reasonable costs of providing fee related services. It is expected that revenues will be adjusted – some upward and some downward – based on that study. At the time of this report, there is not enough information available to determine whether the overall department fees from building, public works, planning, and recreation will be higher and lower. Thus, the Fee Study outcome and subsequent Council action will cause the revenues shown in this report to need to be adjusted.

Expenses

The projected expenses for FY17 in the Operating and Recreation Fund are currently estimated to be \$7.3 million and growing to \$8.2 million by FY21, an average growth rate of 3.1% per year. Wages and benefits comprise approximately 42% of total expenses. Wages are estimated to increase at 3% per year from FY18 forward. Benefits particularly medical and pension have been increasing at higher rates than inflation. For the forecast it is assumed that medical costs will increase at 7% in FY18 and then increase at 5% annual rate on average thereafter. Pension rates have also been increasing and the financial projections include rate increases at a slightly higher rate than CalPERS is projecting. Health and pension costs are volatile and over time it is anticipated that inflation adjustments annually will

need to be updated to the current conditions at that time. The Town will undertake strategies to reduce the overall cost increases related to these benefits.

Related to pension liabilities, the Town will have to determine how quickly to fund the pay down of the CalPERS Unfunded Accrued Liability (UAL) related to pension costs. The current plan is to fund \$1 million of the current \$3.3 million UAL with fund balance savings generated last fiscal year. The forecast includes the PERS UAL payments based on the resulting 20 year amortization schedule after the \$1 million pay down. The Town is looking at ways to pay down the costs even quicker and thus continue to reduce the long-term interest expenses associated with the liability.

Outside services which include contracts with outside firms are another significant cost representing approximately 20% of the Town's costs. Many services are provided to the Town through contracts such as attorney, accounting, audit, building plan check and inspection, landscape maintenance, public works, 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 more or less. The forecast is showing 3% annual inflation on outside service costs in FY18 through FY21.

The Ross Valley Fire services are provided through the Ross Valley Fire Department JPA and at approximately \$1.7 million annually are 24% of total expenses. These costs are forecasted to increase at 3% annually.

Financial Forecast Summary

- Current level of services is fundable if the public safety tax passes for the next four to five years. Small surpluses are likely available to help fund capital or one-time expenses
- If the public safety sales tax expires without a replacement, the Town will have to reduce expenses by \$500,000 to \$800,000 per year which would cause service level declines
- Results may vary some depending on what fee adjustments (higher and lower) are made due to changes occurring with the Fee Study implementation in the coming two months

Challenges

- Revenue growth which is largely property taxes, service charges, and miscellaneous taxes, franchises, and lease and investment income are challenged to keep up with expense growth. Strategies should be developed to improve revenue growth and to reduce the rate of expense growth
- Medical and pension costs have been growing significantly faster than inflation and the challenge will be finding ways to reduce the growth rate including funding the long-term pension UAL. The Town has been pro-actively dealing with pension and post-retirement medical costs (OPEB costs) and will have to continue to find ways to reduce total retirement and medical cost increases
- Deferred capital needs and physically and functionally obsolete facilities will need additional funding beyond the approximately \$130,000 capital maintenance money included in the fiscal forecast

Alternative actions

Informational report only

Environmental review (if applicable) – Not applicable

FIGURE 1
TOWN OPERATING FUND AND RECREATION FUND BASE MODEL FINANCIAL FORECAST
COMPARISON OF RESULTS UNDER BOTH ALTERNATIVES

SUMMARY OF TWO ALTERNATIVES

	Actual FYE 2015	Budget FYE 2016	Projected FYE 2017	Projected FYE 2018	Projected FYE 2019	Projected FYE 2020	Projected FYE 2021
Alternative 1 - Public Safety Tax Expires							
Revenues	\$7,717,000	\$7,270,000	\$7,547,000	\$6,917,000	\$7,034,000	\$7,213,000	\$7,365,000
Expenses	\$6,642,000	\$7,310,000	\$7,235,000	\$7,441,000	\$7,671,000	\$7,915,000	\$8,169,000
Net Surplus/(Gap)	\$1,075,000	(\$40,000)	\$312,000	(\$524,000)	(\$637,000)	(\$702,000)	(\$804,000)
Alternative 2 - Public Safety Tax Renewed							
Revenues	\$7,717,000	\$7,270,000	\$7,547,000	\$7,709,000	\$7,826,000	\$8,005,000	\$8,157,000
Expenses	\$6,642,000	\$7,310,000	\$7,235,000	\$7,441,000	\$7,671,000	\$7,915,000	\$8,169,000
Net Surplus/(Gap)	\$1,075,000	(\$40,000)	\$312,000	\$268,000	\$155,000	\$90,000	(\$12,000)

"summary"

FIGURE 2
TOWN OPERATING FUND AND RECREATION FUND BASE MODEL FINANCIAL FORECAST

Alternative 2 - Public Safety Tax Renewed

	Actual FYE 2015	Budget FYE 2016	Projected FYE 2017	Projected FYE 2018	Projected FYE 2019	Projected FYE 2020	Projected FYE 2021
Revenues							
Property Taxes	\$3,721,000	\$3,912,000	\$4,044,000	\$4,155,000	\$4,250,000	\$4,346,000	\$4,446,000
Public Safety Tax	\$709,000	\$774,000	\$792,000	\$792,000	\$792,000	\$792,000	\$792,000
Other Taxes	\$264,000	\$240,000	\$246,000	\$250,000	\$254,000	\$259,000	\$263,000
Investment Income and Rents	\$240,000	\$214,000	\$228,000	\$232,000	\$207,000	\$241,000	\$245,000
Building/Public Works Revenue	\$985,000	\$728,000	\$764,000	\$779,000	\$793,000	\$807,000	\$821,000
Planning	\$227,000	\$171,000	\$221,000	\$225,000	\$230,000	\$235,000	\$239,000
Recreation Revenue	\$1,318,000	\$1,105,000	\$1,144,000	\$1,167,000	\$1,190,000	\$1,214,000	\$1,238,000
Other Revenue and Transfers In	\$253,000	\$126,000	\$108,000	\$109,000	\$110,000	\$111,000	\$113,000
Total Revenues	\$7,717,000	\$7,270,000	\$7,547,000	\$7,709,000	\$7,826,000	\$8,005,000	\$8,157,000
Expenses							
Wages	\$1,868,000	\$1,794,000	\$1,967,000	\$2,026,000	\$2,087,000	\$2,149,000	\$2,214,000
Benefits	\$990,000	\$860,000	\$874,000	\$884,000	\$914,000	\$951,000	\$990,000
Outside Services	\$1,092,000	\$1,268,000	\$1,444,000	\$1,488,000	\$1,532,000	\$1,578,000	\$1,625,000
Ross Valley Fire Department	\$1,639,000	\$1,689,000	\$1,728,000	\$1,780,000	\$1,833,000	\$1,888,000	\$1,945,000
Other Services and Supplies	\$730,000	\$881,000	\$907,000	\$934,000	\$962,000	\$991,000	\$1,020,000
Debt Service and PERS UAL Payments	\$226,000	\$707,000	\$185,000	\$196,000	\$207,000	\$219,000	\$232,000
Capital Expenses and Transfer Out	\$97,000	\$111,000	\$130,000	\$133,000	\$136,000	\$139,000	\$143,000
Total Expenses	\$6,642,000	\$7,310,000	\$7,235,000	\$7,441,000	\$7,671,000	\$7,915,000	\$8,169,000
Net Surplus/(Gap)	\$1,075,000	(\$40,000)	\$312,000	\$268,000	\$155,000	\$90,000	(\$12,000)

"alt2 summary"

FIGURE 3
TOWN OPERATING FUND AND RECREATION FUND BASE MODEL FINANCIAL FORECAST

Alternative 2 - Public Safety Tax Renewed

	Actual FYE 2015	Budget FYE 2016	Projected FYE 2016	Projected FYE 2017	Projected FYE 2018	Projected FYE 2019	Projected FYE 2020	Projected FYE 2021
REVENUES								
Property Taxes								
Property Tax	\$ 3,092,033	\$ 3,303,846	\$ 3,303,846	\$ 3,436,000	\$ 3,539,080	\$ 3,627,557	\$ 3,718,246	\$ 3,811,202
Property Tax In Lieu of Vehicle Lic. Fee	221,164	238,481	237,386	247,000	254,410	259,498	264,688	269,982
Property Tax - Excess ERAF Funds	303,872	290,000	275,000	275,000	275,000	275,000	275,000	275,000
Real Property Transfer Tax	103,456	80,000	85,000	85,850	86,709	87,576	88,451	89,336
Subtotal	3,720,525	3,912,327	3,901,232	4,043,850	4,155,198	4,249,631	4,346,385	4,445,520
Public Safety Tax	708,928	774,108	773,210	791,550	791,550	791,550	791,550	791,550
Other Taxes								
Business Licenses	43,625	35,000	35,000	35,350	35,704	36,061	36,421	36,785
Sales Tax	33,151	25,000	35,000	36,000	36,360	36,724	37,091	37,462
Property Tax in Lieu of Sales Tax(3xflip)	7,364	7,364	6,220	-	-	-	-	-
Franchise - Cable TV	60,360	53,000	53,000	54,590	56,228	57,915	59,652	61,442
Franchise - Marin Sanitary Service	89,645	90,000	86,000	90,000	91,800	93,636	95,509	97,419
Franchise - PG&E	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Subtotal	264,145	240,364	245,220	245,940	250,091	254,335	258,673	263,108
Intergovernmental Revenue								
Marin County Measure A Parks	17,504	17,504	17,915	18,273	18,456	18,641	18,827	19,015
Zero Waste Grant	13,499	-	7,368	-	-	-	-	-
Homeowner Property Tax Relief	18,379	18,500	18,225	18,225	18,225	18,225	18,225	18,225
Prop 172 1/2 Cent Sales Tax	20,982	21,000	21,000	21,420	21,848	22,285	22,731	23,186
State Mandated Cost Reimbursement	28,270	-	5,279	-	-	-	-	-
State Vehicle License Fee	1,009	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Subtotal	99,643	58,004	70,787	58,918	59,529	60,151	60,783	61,426
Investment Income and Rents								
Interest/Change in Value	22,688	15,000	24,000	24,000	24,000	24,000	24,000	24,000
Rental Income - Cellular	89,117	90,792	92,636	94,489	96,378	98,306	100,272	102,278
Rental Income - Post Office	105,600	107,712	107,536	109,687	111,880	85,118	116,400	118,728
Rental Income - Residence	22,650	-	-	-	-	-	-	-
Rental Income - RVPA	-	-	-	-	-	-	-	-
Subtotal	240,055	213,504	224,172	228,175	232,259	207,424	240,673	245,006
Building/Public Works Revenue								
Construction Penalties	-	-	45,870	-	-	-	-	-
Building Permits	732,240	550,000	700,000	600,000	612,000	624,240	636,725	649,459
Building - BSASRF & SMIP	3,472	3,500	5,500	5,500	5,610	5,722	5,837	5,953
Permits - Film	41,120	7,500	-	4,000	4,000	4,000	4,000	4,000
Permits - Special Events	469	500	500	500	500	500	500	500
Resale Inspections	23,371	22,000	15,000	22,000	22,440	22,889	23,347	23,814
Fee Program Administration	27,864	22,000	35,000	28,000	28,560	29,131	29,714	30,308
Records Management & Retention	24,523	22,000	28,000	28,560	29,131	29,714	30,308	30,914
Technology Surcharge Fees	131,616	100,000	120,000	75,000	76,500	76,500	76,500	76,500
Subtotal	984,675	727,500	949,870	763,560	778,741	792,696	806,930	821,449
Planning								
Planning Application Fees	139,470	95,000	120,000	135,000	137,700	140,454	143,263	146,128
Planning Construction Review	68,250	60,000	80,000	70,000	71,400	72,828	74,285	75,770
Planning Administrative Citations	-	1,000	-	-	-	-	-	-
Tree Removal Permits	19,653	15,000	15,000	16,000	16,320	16,646	16,979	17,319
Subtotal	227,373	171,000	215,000	221,000	225,420	229,928	234,527	239,218
Police Revenue	26,967	26,200	19,000	20,000	20,200	20,402	20,606	20,812
Recreation Revenue	1,318,288	1,104,500	1,080,000	1,144,000	1,166,880	1,190,218	1,214,022	1,238,302

FIGURE 3

TOWN OPERATING FUND AND RECREATION FUND BASE MODEL FINANCIAL FORCAST

Alternative 2 - Public Safety Tax Renewed

	Actual FYE 2015	Budget FYE 2016	Projected FYE 2016	Projected FYE 2017	Projected FYE 2018	Projected FYE 2019	Projected FYE 2020	Projected FYE 2021
Miscellaneous								
Contributions	11,669	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Miscellaneous	19,363	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Reimbursement for Town Costs	12,049	12,000	20,000	18,000	18,360	18,727	19,102	19,484
Ross Recreation Insurance Reimb.	-	-	-	-	-	-	-	-
Subtotal	43,081	23,000	31,000	29,000	29,360	29,727	30,102	30,484
Total revenues before transfers in	7,633,680	7,250,507	7,509,491	7,545,994	7,709,229	7,826,062	8,004,250	8,156,874
Transfers In from Legal Defense Fund	83,600	18,606	18,606	-	-	-	-	-
Total Revenues	7,717,280	7,269,113	7,528,097	7,545,994	7,709,229	7,826,062	8,004,250	8,156,874
EXPENSES								
Wages	1,868,326	1,794,126	1,785,233	1,967,058	2,026,070	2,086,852	2,149,457	2,213,941
Pension (normal cost)	237,073	210,844	200,054	214,609	225,468	236,877	248,863	261,455
Medical	202,470	244,095	221,929	270,648	284,180	298,389	313,309	328,974
OPEB-Retiree Health Care	221,413	115,000	115,000	65,000	41,000	35,000	35,000	35,000
Employee Benefits - Other	328,840	289,626	277,303	323,932	333,650	343,659	353,969	364,588
Subtotal	2,858,122	2,653,691	2,599,519	2,841,247	2,910,368	3,000,778	3,100,598	3,203,959
Outside Services	1,092,278	1,267,846	1,692,469	1,444,231	1,487,558	1,532,185	1,578,150	1,625,495
Ross Valley Fire Department	1,639,490	1,688,675	1,661,482	1,727,941	1,779,780	1,833,173	1,888,168	1,944,813
Memberships & Organizations	55,259	68,738	76,000	78,280	80,628	83,047	85,539	88,105
Rent	142,005	95,150	101,372	104,413	107,546	110,772	114,095	117,518
Repairs and Maintenance	219,074	301,000	302,000	311,060	320,392	330,004	339,904	350,101
Vehicles	26,296	45,500	39,000	40,170	41,375	42,616	43,895	45,212
Insurance	81,921	79,830	76,341	78,631	80,990	83,420	85,922	88,500
Other (miscellaneous)	204,990	290,474	285,532	294,098	302,921	312,009	321,369	331,010
Debt Service (net of proceeds)	226,101	206,690	395,268	10,000	10,000	10,000	10,000	10,300
PERS UAL payments (net of borrowings)		500,000	1,000,000	175,000	185,658	196,964	208,959	221,685
Capital Exp pd with Op & Rec Funds	72,345	86,000	36,000	100,000	103,000	106,090	109,273	112,551
Subtotal	3,759,759	4,629,903	5,665,464	4,363,825	4,499,847	4,640,279	4,785,274	4,935,289
Total expenses before transfers	6,617,881	7,283,594	8,264,983	7,205,072	7,410,215	7,641,057	7,885,872	8,139,248
Transfers to Facilities & Equip Fund	25,000	25,000	25,000	30,000	30,000	30,000	30,000	30,000
Total Expenses	6,642,881	7,308,594	8,289,983	7,235,072	7,440,215	7,671,057	7,915,872	8,169,248
Net surplus (gap)	\$ 1,074,399	\$ (39,481)	\$ (761,886)	\$ 310,922	\$ 269,014	\$ 155,005	\$ 88,378	\$ (12,374)

TOWN OPERATING FUND AND RECREATION FUND BASE MODEL FINANCIAL FORECAST

FIGURE 4
TOWN OPERATING FUND AND RECREATION FUND BASE MODEL FINANCIAL FORECAST
PERCENT CHANGE YEAR TO YEAR

	Actual FYE 2015	Budget FYE 2016	Projected FYE 2017	Projected FYE 2018	Projected FYE 2019	Projected FYE 2020	Projected FYE 2021
SOURCES OF FUNDS							
Property Taxes							
Property Tax	6.40%	6.85%	4.00%	3.00%	2.50%	2.50%	2.50%
Property Tax In Lieu of Vehicle Lic. Fee	6.20%	7.83%	3.57%	3.00%	2.00%	2.00%	2.00%
Property Tax - Excess ERAF Funds	-14.86%	-4.57%	-5.17%	0.00%	0.00%	0.00%	0.00%
Real Property Transfer Tax	16.52%	-22.67%	7.31%	1.00%	1.00%	1.00%	1.00%
Subtotal	4.51%	5.16%	3.36%	2.75%	2.27%	2.28%	2.28%
Public Safety Tax							
	-0.24%	9.19%	2.25%	0.00%	0.00%	0.00%	100.00%
Other Taxes							
Business Licenses	10.85%	-19.77%	1.00%	1.00%	1.00%	1.00%	1.00%
Sales Tax	36.52%	-24.59%	44.00%	1.00%	1.00%	1.00%	1.00%
Property Tax in Lieu of Sales Tax(3xflip)	-26.29%	0.00%	-100.00%				
Franchise - Cable TV	46.49%	-12.19%	3.00%	3.00%	3.00%	3.00%	3.00%
Franchise - Marin Sanitary Service	9.38%	0.40%	0.00%	2.00%	2.00%	2.00%	2.00%
Franchise - PG&E	-6.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Subtotal	15.44%	-9.00%	2.32%	1.69%	1.70%	1.71%	1.71%
Intergovernmental Revenue							
Marin County Measure A Parks	85.05%	0.00%	4.39%	1.00%	1.00%	1.00%	1.00%
Zero Waste Grant	0.00%	-100.00%		0.00%	0.00%	0.00%	100.00%
Homeowner Property Tax Relief	-0.62%	0.66%	-1.49%	0.00%	0.00%	0.00%	0.00%
Prop 172 1/2 Cent Sales Tax	8.33%	0.09%	2.00%	2.00%	2.00%	2.00%	2.00%
State Mandated Cost Reimbursement	0.00%	-100.00%		0.00%	0.00%	0.00%	0.00%
State Vehicle License Fee	-2.79%	-0.89%	0.00%	0.00%	0.00%	0.00%	0.00%
Subtotal	106.05%	-41.79%	1.58%	1.04%	1.04%	1.05%	1.06%
Investment Income and Rents							
Interest/Change in Value	76.18%	-33.89%	60.00%	0.00%	0.00%	0.00%	0.00%
Rental Income - Cellular	-3.88%	1.88%	4.07%	2.00%	2.00%	2.00%	2.00%
Rental Income - Post Office	-0.02%	2.00%	1.83%	2.00%	-23.92%	36.75%	2.00%
Rental Income - Residence	-11.26%	-100.00%		0.00%	0.00%	0.00%	100.00%
Rental Income - RVPA							
Subtotal	1.40%	-11.06%	6.87%	1.79%	-10.69%	16.03%	1.80%
Building/Public Works Department Revenue							
Building Permits	-8.48%	-24.89%	9.09%	2.00%	2.00%	2.00%	2.00%
Building - BSASRF & SMIP	3.52%	0.81%	57.14%	2.00%	2.00%	2.00%	2.00%
Permits - Film	226.35%	-81.76%	-46.67%	0.00%	0.00%	0.00%	0.00%
Permits - Special Events	-37.47%	6.61%	0.00%	0.00%	0.00%	0.00%	0.00%
Resale Inspections	-21.00%	-5.87%	0.00%	2.00%	2.00%	2.00%	2.00%
Fee Program Administration	-17.99%	-21.05%	27.27%	2.00%	2.00%	2.00%	2.00%
Records Management & Retention	-6.08%	-10.29%	29.82%	2.00%	2.00%	2.00%	2.00%
Technology Surcharge Fees	-5.99%	-24.02%	-25.00%	2.00%	0.00%	0.00%	0.00%
Subtotal	-5.91%	-26.12%	4.96%	1.99%	1.79%	1.80%	1.80%
Planning							
Planning Administrative Citations	0.00%	-31.88%	42.11%				
Planning Application Fees	10.69%	-12.09%	16.67%	2.00%	2.00%	2.00%	2.00%
Planning Construction Review	-9.50%		-100.00%	2.00%	2.00%	2.00%	2.00%
Tree Removal Permits	55.32%	-23.68%	6.67%	2.00%	2.00%	2.00%	2.00%
Subtotal	4.78%	-24.79%	29.24%	2.00%	2.00%	2.00%	2.00%
Police Revenue							
	17.81%	-2.84%	-23.66%	1.00%	1.00%	1.00%	1.00%
Recreation Revenue							
	100.00%	-16.22%	3.58%	2.00%	2.00%	2.00%	2.00%

TOWN OPERATING FUND AND RECREATION FUND BASE MODEL FINANCIAL FORECAST

FIGURE 4
TOWN OPERATING FUND AND RECREATION FUND BASE MODEL FINANCIAL FORECAST
PERCENT CHANGE YEAR TO YEAR

	Actual FYE 2015	Budget FYE 2016	Projected FYE 2017	Projected FYE 2018	Projected FYE 2019	Projected FYE 2020	Projected FYE 2021
Miscellaneous							
Contributions	-4.47%	-82.86%	0.00%	0.00%	0.00%	0.00%	0.00%
Miscellaneous	35.25%	-53.52%	0.00%	0.00%	0.00%	0.00%	0.00%
Reimbursement for Town Costs	-32.00%	-0.41%	50.00%	2.00%	2.00%	2.00%	2.00%
Ross Recreation Insurance Reimb.	-100.00%			0.00%	0.00%	0.00%	100.00%
Subtotal	-27.29%	-46.61%	26.09%	1.24%	1.25%	1.26%	1.27%
Total Revenue before transfers in							
	24.53%	-5.02%	4.08%	2.16%	1.52%	2.28%	1.91%
Transfers In from Legal Defense Fund	1.21%	-77.74%	-100.00%	0.00%	0.00%	0.00%	100.00%
Total Sources of funds	24.22%	-5.81%	3.81%	2.16%	1.52%	2.28%	1.91%
USES OF FUNDS							
Wages	46.44%	-3.97%	9.64%	3.00%	3.00%	3.00%	3.00%
Pension	-19.06%	-11.06%	1.79%	5.06%	5.06%	5.06%	5.06%
Medical	9.60%	20.56%	10.88%	5.00%	5.00%	5.00%	5.00%
OPEB-Retiree Health Care	471.37%	-48.06%	-43.48%	-36.92%	-14.63%	0.00%	0.00%
Employee Benefits - Other	39.47%	-11.92%	11.84%	3.00%	3.00%	3.00%	3.00%
Subtotal	40.93%	-7.15%	7.07%	2.43%	3.11%	3.33%	3.33%
Outside Services	80.88%	16.07%	13.91%	3.00%	3.00%	3.00%	3.00%
Ross Valley Fire Department	3.17%	3.00%	2.33%	3.00%	3.00%	3.00%	3.00%
Memberships & Organizations	-8.35%	24.39%	13.88%	3.00%	3.00%	3.00%	3.00%
Rent	100.00%	-33.00%	9.74%	3.00%	3.00%	3.00%	3.00%
Repairs and Maintenance	24.82%	37.40%	3.34%	3.00%	3.00%	3.00%	3.00%
Vehicles	-26.50%	73.03%	-11.71%	3.00%	3.00%	3.00%	3.00%
Insurance	37.97%	-2.55%	-1.50%	3.00%	3.00%	3.00%	3.00%
Other (miscellaneous)	85.79%	41.70%	1.25%	3.00%	3.00%	3.00%	3.00%
Debt Service	-46.17%	-8.59%	-95.16%	0.00%	0.00%	0.00%	3.00%
PERS UAL payments (net of borrowings)			-65.00%	6.09%	6.09%	6.09%	6.09%
Capital	341.40%	18.87%	16.28%	3.00%	3.00%	3.00%	3.00%
Subtotal	22.44%	23.14%	-5.75%	3.12%	3.12%	3.12%	3.13%
Total expenditures before transfers							
	29.80%	10.06%	-1.08%	2.85%	3.12%	3.20%	3.21%
Transfers out to Facilities Fund	100.00%	0.00%	20.00%	0.00%	0.00%	0.00%	0.00%
Total Uses of funds	30.3%	10.0%	-1.0%	2.8%	3.1%	3.2%	3.2%