



Legislation Text

File #: 22-034, **Version:** 1

FROM:

Jeff Zuba, Finance & Administrative Services Director

SUBJECT:

Revenue and Expenditure Reports, December 2021

RECOMMENDATION

Approve the monthly year-to-date Revenue and Expenditure Reports and corresponding activity for the period ending through December 31, 2021.

BACKGROUND

Every reporting period end, the Town of San Anselmo presents to the Town Council its operations as shown on the Revenue and Expenditure reports for discussion and approval. The Revenue and Expenditure reports are year-to-date summaries of revenues and expenditures from the Town's financial system ('Tyler Incode') for both the current as well as the prior corresponding fiscal year. These reports include the General Fund's operations given most of the Town-level operational activities are processed through the General Fund either directly or indirectly. This approval is to be obtained once a month within the fiscal year.

ANALYSIS

The revenue and expenditure data through December 31, 2021, is a compilation of all operating activity that is year-to-date for the current and prior fiscal year. These reports are sourced directly from the Town's financial system, of which a corresponding analysis has been performed identifying the key trends the Town Council should take note about.

Revenues

Overall, through the December 2021 reporting period end, the Town's General Fund revenue has expanded its base relative to prior year by \$0.621M. This is primarily from the increase in property taxes, sales taxes, business construction permits, and fines offset by transfers in. All other activity is either flat year-over-year or nets correspondingly to an immaterial change-all of which are within management's expectations.

Category	DEC YTD FY21	DEC YTD FY20	\$ Change	% Change
Property Tax	7,712,227.63	7,361,030.61	351,197.02	4.77%
Sales Tax	584,321.10	431,221.58	153,099.52	35.50%
Property Transfer Tax	52,084.70	37,212.16	14,872.54	39.97%
Franchise Taxes	281,864.30	199,776.94	82,087.36	41.09%
Licenses & Permits	529,648.84	490,408.31	39,240.53	8.00%
Fines	45,606.82	20,025.65	25,581.17	127.74%
Cash & Investment Interest	3,593.71	4,781.79	(1,188.08)	-24.85%
Intergovernmental	59,593.98	65,819.01	(6,225.03)	-9.46%
Other Fees	143,649.14	132,826.39	10,822.75	8.15%
Transfers In	244,072.00	292,990.25	(48,918.25)	-16.70%
Total	9,656,662.22	9,036,092.69	620,569.53	6.87%

As shown above, the Town's revenue base overall increased by \$0.620M of which is driven by Property Taxes, Sales Tax, Licenses & Permits, and Fines:

- Property Taxes increased by \$0.351M compared to the prior period due to timing of collections from the County.
- Sales Taxes increased by \$0.154M compared to the prior period is a result of improving economic conditions from the COVID-19 Pandemic conditions within the Town's boundaries. With greater confidence in security and safety of public health, consumer sentiment is rising giving way to increased sales transactions.
- Construction Business Permits increased by \$0.039M following the rising sentiment like Sales Taxes being collected.
- Fines increased by \$0.025M mainly due to parking enforcement.

The largest decrease to note (\$0.048M) are transfers into the General Fund. Due to the Covid-19 pandemic \$0.060M was returned in FY20 to the General Fund from the Robson House Fund as the project for dry rot repair and exterior painting was put on hold. As far as the other revenue streams, these changes either decreased or remained relatively flat year-over-year resulting in an immaterial change.

Expenditures

Overall, through the December 2021 reporting period end, the Town's General Fund expenditures have increased compared to the prior year by \$0.597M. This is primarily from increases in compensation, CalPERS retirement payments, Outside Services, and Transfers out. All other activity is either flat year-over-year or nets correspondingly to an immaterial change-all of which are within management's expectations.

Category	DEC YTD FY21	DEC YTD FY20	\$ Change	% Change
Compensation	1,602,001.77	1,504,400.30	97,601.47	6.49%
Retirement	771,844.84	677,857.33	93,987.51	13.87%
Training	14,077.05	2,488.00	11,589.05	465.80%
Outside Services	5,577,474.49	5,249,284.30	328,190.19	6.25%
Maintenance	60,962.81	56,592.76	4,370.05	7.72%
Utilities	89,857.60	106,255.04	(16,397.44)	-15.43%
Supplies	62,520.89	64,610.66	(2,089.77)	-3.23%
Debt Service	117,132.54	116,857.77	274.77	
Other Expenditure	53,003.45	27,613.59	25,389.86	91.95%
Transfers Out	1,263,517.00	1,208,517.00	55,000.00	4.55%
Total	9,612,392.44	9,014,476.75	597,915.69	6.63%

As shown above, the Town's expenditures base overall increased by \$0.597M of which is driven by Compensation,

CalPERS Retirement payments, Outside Services, and Transfers Out payments:

- Compensation (Salaries & Wages and Benefits) increased by \$0.097M compared to the prior fiscal year primarily due to the 5% maximum salary reduction put in place for the previous fiscal year. This salary reduction affected both SEIU and Unrepresented Town employees through the end of the 2021 fiscal year.
- Expenditures relating to CalPERS retirement increased by \$0.093M due to the Town's required unfunded pension liability payment. The required retirement payment to CalPERS is a combination of both the contribution for the active and retired employees. This payment increased by \$80,985 as compared to the previous fiscal year.
- Outside Services increased by \$0.328M compared to the previous fiscal year due to the changes in payments for Public Safety JPA's and construction project activity.
- Transfers to other funds increased by \$0.055M due to Town Council recognizing the need to devote resources towards implementing its Climate Action Plan.

As far as the other expenditure streams, these changes either slightly changed or remained flat year-over-year resulting in an immaterial change. The largest increase within this pool of remaining costs is the other expenditure of \$0.017M for traffic control materials. All other changes are taken together overall immaterial for further discussion and are expected given the Town's operations.

CONCLUSION

As inspected, the Town's financial position is continuously improving compared to the prior fiscal year given the economic recovery from the COVID-19 Pandemic. In anticipation through the end of the current fiscal year, these trends are expected to continue with increased revenue collection from this positive economic traction.