

# GENERAL FUND REVENUE

## PROPERTY AND OTHER TAXES

**Property Tax:** Property tax is the primary source of revenue for the Town of San Anselmo. The basic property tax is 1 percent of assessed valuation, of which the Town receives less than one quarter. In 2015-16, the assessed valuation of San Anselmo properties is expected to increase approximately 4.81% an indication that property sales are beginning to pick back up.

- **Secured:** The Town's share of 1 percent on the Town's assessed valuation billed by the County of Marin. A property assessment may not exceed a 2 percent increase in any year, unless the property has sold or improvements have been constructed.
- **Unitary:** State collected and distributed tax on utility-owned properties. In Marin County, PG&E property accounts for approximately 25% of unitary tax collections.
- **Unsecured:** Tax on property such as business office equipment and possessory interest tax.
- **Supplemental:** Taxes assessed on property sales and new construction outside the regular tax bills.
- **Homeowners Exemption (HOPTR):** Reimbursement for the property tax lost on the \$7,000 homeowners' property tax exemption.
- **Pension Override Tax:** The Town's pension tax is used to pay for the cost of the employee pension program. The rate is \$0.059 per \$100 of a property's assessed value.
- **Municipal Service Tax:** The Town's Municipal Services Tax is used to pay for general Town services. It is assessed annually at \$78 per residential living unit or 5.2 cents per square foot for commercial space.
- **ERAF Property Tax:** Beginning in the 1992-93 fiscal year, the State of California diverted property taxes from local governments to boost revenues to the State. The fund to which these local revenues are being diverted is called "ERAF," Educational Revenue Augmentation Funds. The amount of funds diverted from San Anselmo totals more than \$550,000 per year. In Marin County, the ERAF formula allows the local governments to keep a portion of the diverted property taxes, or ERAF taxes.
- **Property Tax in Lieu of Motor Vehicle License Fees:** The vehicle license fee (VLF), also called the motor vehicle in-lieu tax, is a tax on the ownership of a registered vehicle in place of taxing vehicles as personal property.

# GENERAL FUND REVENUE, continued

- **Property Tax in Lieu of Sales Tax (Triple Flip):**

The triple flip became effective July 1, 2004. In the first flip, one-quarter cent of the local one-cent sales tax enacted by cities and counties throughout the State was repealed. In the second flip, the State enacted a new, dedicated one-quarter cent sales tax dedicated to repaying State deficit reduction bonds. In the third flip, the State promised to backfill the lost local revenues.

## OTHER TAXES

- **Sales Tax:** The Town receives 1 percent of the 8 percent in sales tax on retail sales transactions taking place in San Anselmo. Not located next to the freeway, San Anselmo has relatively low sales tax revenue compared to its neighboring cities. Per State action, referred to as the Triple Flip, the Town will again receive property tax funds in lieu of a portion of sales tax.
- **Property Transfer:** The Town and County of Marin each receive \$.55 per \$1,000 of the sales price of property sold in San Anselmo.

## FRANCHISES

- **Garbage:** The Town receives 10% of the revenues of the garbage service.
- **Cable TV:** The Town receives 5 percent of the revenues received by the cable companies, Comcast and AT&T, from San Anselmo subscribers. Legislation has held that high speed internet access fees collected by the cable company are not subject to the franchise fee.
- **Electricity & Gas:** The Town receives .5 per cent of electrical service revenue and 1 per cent of the gas service revenue in San Anselmo.

## PERMITS AND LICENSES

- **Business License Tax:** Each business activity in San Anselmo is required to have a business license. Most license fees are based on the gross receipts of the business. The minimum license fee for most businesses is \$15. A business license administrative fee is no longer being charged.

## GENERAL FUND REVENUE, continued

- **Meter Parking Fees:** Revenue collected in the parking meters that are located in the Town's three parking lots, Creek, Magnolia and Pine.
- **Merchant Parking:** Business owners and employees may purchase permits to park all day in four-hour parking zones. The revenue is held in reserve in the designated portion of the ending balance for downtown parking-related projects.
- **Construction:** Building, electrical, plumbing, heat/air/mechanical permits, and plan check fees. Revenues have steadily increased over the past few years due to strong building activity and turnover in real estate. 2015-16 figures reflect a slight increase in this area.

### FINES

- **Vehicle Code:** The Town, County, and State each receive a share of the fines collected for vehicle code citations issued in San Anselmo. The State and County are the first to collect their share on the fines imposed by the courts.
- **Library:** Library fines are \$.30 per day for adults, \$.15 per day for children, and \$1.00 per day for videos and DVDs.
- **Parking:** The Town's share of fines collected on parking citations issued in San Anselmo.

### USE OF MONEY & PROPERTY

- **Interest:** The Town invests its idle funds with the Local Agency Investment Fund (LAIF) managed by the State Treasurer. The General Fund receives interest on all funds, with the exception of interest that accrues to the Measure G Debt Service Funds and Measure G Projects Fund; those funds accrue their own interest.

### STATE REVENUE

- **Proposition 172 Sales Tax:** Allocation of 0.5 percent of sales tax approved by California voters to fund public safety costs.
- **Abandoned Vehicle Program:** Cities and towns are eligible to receive reimbursement for their costs in enforcing State abandoned vehicle laws. This revenue is turned over to Central Marin Police Authority.

## **GENERAL FUND REVENUE, continued**

- **Motor Vehicle License Fee:** The California Department of Motor Vehicles collects a property tax on the depreciated value of motor vehicles, and the State distributes the funds to local governments on a per capita basis. In 2015-16 the Town will receive property tax in lieu of a portion of the vehicle license fees.
- **State Mandated Reimbursement:** Legislation known as SB 90 previously required the State to reimburse local governments for the cost of implementing state mandates, such as domestic violence calls and Open Meeting Act laws. No reimbursement is expected this year from the State.

### **FEES FOR SERVICE**

- **General Plan Maintenance Fee:** Fees collected from Planning applicants for General Plan maintenance.
- **Resale Inspections:** Town code requires an inspection by the Building Inspector at the time a residential property is sold, to identify health and safety hazards needing correction.
- **Planning Fees:** Cost recovery for labor to process planning permit applications, such as variances, use permits, design review, and subdivisions.

### **MISCELLANEOUS**

- **Donations:** Donations from community groups or residents.
- **Other:** Miscellaneous Town revenues, such as copy machine revenue, reimbursement of water costs by the Robson Community Garden, donations by Friends of the Library, etc.

### **TRANSFERS IN**

- **From State Gasoline Tax Fund:** Municipalities receive a share of State gas tax revenues, distributed on a per capita basis, for costs associated with street maintenance. This revenue is received into the Gas Tax Fund, a special revenue fund. Transfers are made to the General Fund to support street maintenance activities as appropriate.

**GENERAL FUND  
REVENUE SUMMARY**

		2013-2014		2014-2015		2014-2015		2015-2016	
		Actuals	% Total	Revised Budget	% Total	Estimated Actuals	% Total	Proposed Budget	% Total
<b>PROPERTY TAXES</b>									
	SECURED	5,346,385	40.78%	5,468,997	41.97%	5,468,997	41.18%	5,732,056	42.23%
	UNITARY	36,637	0.28%	36,636	0.28%	36,636	0.28%	36,636	0.27%
	UNSECURED	116,534	0.89%	122,670	0.94%	127,842	0.96%	126,459	0.93%
	SUPPLEMENTAL	149,879	1.14%	132,000	1.01%	150,000	1.13%	150,000	1.11%
	HOPTR	35,546	0.27%	35,255	0.27%	34,448	0.26%	34,488	0.25%
	PRIOR YEAR REDEMPTIO	3,817	0.03%	0	0.00%	0	0.00%	0	0.00%
	PENSION OVERRIDE	1,684,959	12.85%	1,630,000	12.51%	1,730,000	13.03%	1,780,000	13.11%
	MUNI SERVICES	442,361	3.37%	441,520	3.39%	441,520	3.32%	441,520	3.25%
	ERAF (COUNTY)	823,887	6.28%	820,000	6.29%	855,435	6.44%	820,000	6.04%
	PROP TAX IN LIEU OF MV	1,053,988	8.04%	1,053,988	8.09%	1,106,390	8.33%	1,106,390	8.15%
	PROP TAX IN LIEU OF SAL	283,706	2.16%	283,706	2.18%	347,082	2.61%	347,082	2.56%
	<b>PROPERTY TAXES</b>	<b>9,977,297</b>	<b>76.10%</b>	<b>10,024,772</b>	<b>76.93%</b>	<b>10,298,350</b>	<b>77.54%</b>	<b>10,574,631</b>	<b>77.91%</b>
<b>OTHER TAXES</b>									
	SALES TAX - STATE 1%	927,397	7.07%	850,000	6.52%	850,000	6.40%	850,000	6.26%
	PROPERTY TRANSFER TA	113,592	0.87%	105,000	0.81%	105,000	0.79%	105,000	0.77%
	<b>OTHER TAXES</b>	<b>1,040,989</b>	<b>7.94%</b>	<b>955,000</b>	<b>7.33%</b>	<b>955,000</b>	<b>7.19%</b>	<b>955,000</b>	<b>7.04%</b>
<b>FRANCHISE TAXES</b>									
	GARBAGE FRANCHISE	323,088	2.46%	315,000	2.42%	325,000	2.45%	325,000	2.39%
	CABLE FRANCHISE	249,748	1.90%	232,541	1.78%	232,541	1.75%	232,541	1.71%
	P'G & E FRANCHISE	95,582	0.73%	95,582	0.73%	97,577	0.73%	97,577	0.72%
	<b>FRANCHISE TAXES</b>	<b>668,419</b>	<b>5.10%</b>	<b>643,124</b>	<b>4.94%</b>	<b>655,118</b>	<b>4.93%</b>	<b>655,118</b>	<b>4.83%</b>
<b>PERMITS AND LICENSES</b>									
	BUSINESS LICENSE TAX	248,941	1.90%	249,462	1.91%	257,200	1.94%	252,000	1.86%
	BUSINESS LICENSE ADMI	-14,612	-0.11%	0	0.00%	0	0.00%	0	0.00%
	METER PARKING	70,755	0.54%	64,447	0.49%	64,447	0.49%	67,000	0.49%
	MERCHANT PARKING	5,225	0.04%	4,025	0.03%	4,825	0.04%	5,000	0.04%
	CONSTRUCTION PERMITS	718,828	5.48%	735,000	5.64%	646,000	4.86%	735,000	5.41%
	<b>PERMITS AND LICENSES</b>	<b>1,029,137</b>	<b>7.85%</b>	<b>1,052,934</b>	<b>8.08%</b>	<b>972,472</b>	<b>7.32%</b>	<b>1,059,000</b>	<b>7.80%</b>
<b>FINES</b>									
	VEHICLE CODE	30,491	0.23%	42,300	0.32%	29,000	0.22%	29,000	0.21%
	LIBRARY	26,925	0.21%	24,534	0.19%	18,000	0.14%	18,000	0.13%
	PARKING: ST BAIL; ETEC	92,135	0.70%	65,000	0.50%	80,000	0.60%	80,000	0.59%
	<b>FINES</b>	<b>149,551</b>	<b>1.14%</b>	<b>131,834</b>	<b>1.01%</b>	<b>127,000</b>	<b>0.96%</b>	<b>127,000</b>	<b>0.94%</b>
<b>USE OF MONEY AND PROPERTY</b>									
	INTEREST	4,206	0.03%	4,500	0.03%	1,000	0.01%	1,000	0.01%
	<b>USE OF MONEY AND PROPERTY</b>	<b>4,206</b>	<b>0.03%</b>	<b>4,500</b>	<b>0.03%</b>	<b>1,000</b>	<b>0.01%</b>	<b>1,000</b>	<b>0.01%</b>

**GENERAL FUND  
REVENUE SUMMARY**

		2013-2014	2014-2015	2014-2015	2015-2016
		Actuals	Revised Budget	Estimated	Proposed
		% Total	% Total	% Total	% Total
<b>STATE REVENUE</b>					
	PROP 172 SALES TAX: .5%	98,440	94,927	97,000	97,000
	M.V.L.F.	5,407	0	5,223	0
	STATE MANDATED REIM	0	0	11,451	0
	<b>STATE REVENUE</b>	<b>103,847</b>	<b>94,927</b>	<b>113,674</b>	<b>97,000</b>
<b>FEDERAL AGENCY REVENUE</b>					
	MISC FEDERAL REVENUE	1,794	0	2,773	0
	<b>LOCAL AGENCY REVENUE</b>	<b>1,794</b>	<b>0</b>	<b>2,773</b>	<b>0</b>
<b>LOCAL AGENCY REVENUE</b>					
	COUNTY OF MARIN -OTH	3,859	0	0	0
	ZERO WASTE GRANT	15,805	0	0	0
	<b>LOCAL AGENCY REVENUE</b>	<b>19,664</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FEES FOR SERVICES</b>					
	GENERAL PLAN MAINT F	4,698	4,300	5,146	5,000
	RESALE INSPECTIONS	41,220	40,800	36,000	36,000
	PLANNING FEES	44,736	56,000	80,000	60,000
	OTHER FEES	17,846	0	3,024	0
	<b>FEES FOR SERVICES</b>	<b>108,500</b>	<b>101,100</b>	<b>124,170</b>	<b>101,000</b>
<b>MISCELLANEOUS REVENUE</b>					
	DONATIONS	574	734	0	0
	FRIENDS OF LIBRARY DO	5,643	20,849	20,849	3,950
	LIBRARY FUNDRAISING	0	200	200	0
	OTHER MISC REVENUE	916	895	10,560	0
	SALE OF PROPERTY	510	0	0	0
	<b>MISCELLANEOUS REVENUE</b>	<b>7,643</b>	<b>22,678</b>	<b>31,609</b>	<b>3,950</b>
<b>GENERAL FUND REVENUE</b>		<b>13,111,045</b>	<b>13,030,869</b>	<b>13,281,164</b>	<b>13,573,699</b>
<b>TRANSFERS IN</b>					
	TRANSFERS IN	409,406	325,120	367,926	307,757
	<b>TRANSFERS IN</b>	<b>409,406</b>	<b>325,120</b>	<b>367,926</b>	<b>307,757</b>
<b>TOTAL REVENUE AND TRANSFERS IN</b>		<b>13,520,452</b>	<b>13,355,989</b>	<b>13,649,090</b>	<b>13,881,456</b>

# GENERAL FUND EXPENDITURES

## LABOR COSTS

- **Salaries:** Salaries and salary-related costs are the largest single expenditure for the Town, approximately 67% of the Town's expenditures, including Fire and Police Department compensation.
- **Final Salary/Leave Buyout:** Employees may opt to cash out one week of vacation per year. Upon separation from the Town, an employee's accrued vacation time payout costs and any other moneys due are paid from this category.
- **Health Benefits:** The Town currently has a cafeteria benefits plan that pays the equivalent of family Kaiser, dental, vision, a small life insurance policy for each employee and long-term disability premium currently in the amount of approximately \$2250 per month. Any unused portion of the 2015-16 cafeteria benefits plan is given to employees as "cashback" up to a cap of \$365 per month. The cashback program offers flexibility to employees in their choices for health coverage. Employees hired after July 1, 2014 have their medical benefit limited to a maximum of \$1750 per month.
- **Retirement:** The Town is a member of the Public Employees Retirement System (PERS). The various plans are described in terms of a percentage of annual salary at a certain retirement age. For example, the 2% @ 55 plan allows an employee to retire at age 55 with 2% of his/her annual salary for each year of service. The Town had one retirement plan for Miscellaneous employees (2.7%@55) until February 2007, when a second tier retirement plan (2@55) was enacted in order to reduce retirement costs. The current configuration of retirement plans and their rates (expressed as a percentage of payroll) is:

Group	Tier 1	2014-15 Rate	2015-16 Rate	Tier 2 (eff. 2/07)	2014-15 Rate	2015-16 Rate	PEPRA
Miscellaneous	2.7%@55	16.691%	10.958%	2%@55	11.552%	8.512%	6.25%

Currently, part of the pension rate is expressed as a percentage of monthly salary. In addition, the Town currently pays a portion of the employee share, which is 8% for Miscellaneous in Tier 1 and 7% for Tier 2. All employees in these two pension plans currently pay 6% of salary toward the employee share of PERS. Increasing the amount of the employees' contribution toward the employee share is anticipated in 2015-16.

In 2012-13 the Town's PERS rate was reduced to reflect the sale of Pension Obligation Bonds to pay the Town's Employer Side Fund liability of \$3,521,183.91. In 2003, CalPERS combined agencies with less than 100 members into risk pools based on plan type. The Employer Side Fund was created to account for the difference between the funded status of the pool and the funded status of individual plans. The repayment of the Pension Obligation Bonds is reflected in the Expenditure Summary under General Fund

## GENERAL FUND EXPENDITURES, continued

Departments, Debt Service (Pension Obligation Bonds). Overall, the refinancing of the side fund is saving the Town approximately \$60,000 per year.

In January 2013 the State Public Employees' Pension Reform Act (PEPRA) went into effect. Any person who becomes a new member of the retirement system on or after January 1, 2013 may only be offered the new pension benefit plan specified in the Reform Act. All non-safety new hires are subject to a formula providing 2% of compensation for each year of service for an individual retiring at age 62, increasing to 2.5% for an individual retiring at age 67. PEPRA Employees must pay 50% of the cost of the pension, currently 6.25%.

In May 2014, the CalPERS Board adopted changes to the existing pooling structure policies and a new policy for allocating the pools' unfunded accrued liability, effective for the 2015-16 employer contribution rates. Due to unintended consequences resulting from the PEPRA changes and existing PERS policies on risk pools, changes were necessary to ensure the proper funding of the pools. In order to address the problem, CalPERS combined twelve risk pools into two, one for Safety and one for Miscellaneous and employer contributions toward the unfunded liability for plans in a risk pool will be collected as dollar amounts instead of contribution rates expressed as a percentage of payroll for an estimated 30 years. For the Town, the following lump sum payments are required in 2015-16:

Tier	Plan	Unfunded Liability Payment 2015-16	Total Unfunded Liability
1	2.7@55	\$260,791	\$4,711,786
2	2@55	\$4,300	\$202,629

These lump sum payments are reflected in the Expenditure Summary under General Fund Departments, Debt Service (Pension Obligation Bonds).

With the consolidation of Police services into the Central Marin Police Authority and Fire services into the Ross Valley Fire Department, the Safety pension costs are included in their respective budgets.

- **Payroll Taxes:** The Town participates in the Social Security at a rate of 7.65% of total salary up to a limit of \$118,500 and in Medicare at a rate of 1.45% of total salary without limit.
- **Overtime/Temporary:** Costs associated with overtime pay and temporary help.

# GENERAL FUND EXPENDITURES, continued

## SERVICES AND SUPPLIES

- **Legal Advertising:** Legally required advertising for noticing of public meetings, bidding, ordinances and General Plan amendments.
- **Vehicle Operations:** Preventive and repair maintenance for the Town fleet of cars, trucks and motorcycles.
- **Equipment Maintenance:** Town equipment, including office equipment, copy machines, postage machine, fax, mowers.
- **Publications & Dues:** Professional and technical publications and membership dues in professional organizations.
- **Outside Services:** Outside audits, technical consulting assistance, Joint Powers Agreements for county wide services and parking meter collection.
- **Training:** Workshops, seminars and conference to keep staff current.
- **Utilities:** Telephone, gas, electricity, water, sewer, and heat/air.
- **Building Maintenance:** Janitorial, heating and air conditioning and minor repairs.
- **Supplies:** Postage, copy paper, and miscellaneous supplies; costs associated with employee costs that are reimbursable, such as mileage allowance, uniforms, boots, and protective clothing tools; supplies and services related to the technical functions of each department.

**GENERAL FUND  
EXPENDITURE SUMMARY**

	2013-2014		2014-2015		2014-2015		2015-2016	
	Actuals	% Total	Revised Budget	% Total	Estimated Actuals	% Total	Proposed Budget	% Total
<b>GENERAL FUND DEPARTMENTS</b>								
Administration and Finance	835,281	6.47%	909,221	6.62%	909,221	6.63%	898,448	6.47%
Debt Service- Pension Ob Bonds	438,995	3.40%	452,207	3.29%	453,407	3.31%	468,518	3.38%
Engineering	768,236	5.95%	990,992	7.21%	949,217	6.92%	958,082	6.90%
Fire	3,092,079	23.94%	3,236,571	23.56%	3,236,571	23.61%	3,526,572	25.41%
Legal Services	205,207	1.59%	230,392	1.68%	255,900	1.87%	230,392	1.66%
Library	522,927	4.05%	586,969	4.27%	586,189	4.28%	567,416	4.09%
Non Departmental	299,087	2.32%	325,075	2.37%	308,596	2.25%	621,865	4.48%
Planning	286,702	2.22%	451,194	3.28%	423,733	3.09%	383,153	2.76%
Police	3,926,965	30.40%	3,903,697	28.43%	3,903,697	28.48%	3,878,322	27.95%
Recreation General Fund	242,821	1.88%	261,647	1.90%	261,647	1.91%	276,833	1.99%
Street and Park Maintenance	1,201,300	9.30%	1,189,708	8.66%	1,213,282	8.85%	1,205,749	8.69%
Town Council	49,039	0.38%	28,715	0.21%	33,016	0.24%	42,677	0.31%
<b>TOTAL EXPENDITURES</b>	<b>11,868,639</b>	<b>91.88%</b>	<b>12,566,387</b>	<b>91.46%</b>	<b>12,534,477</b>	<b>91.44%</b>	<b>13,058,027</b>	<b>94.10%</b>
<b>GENERAL FUND TRANSFERS</b>								
to Capital Reconstruction Fund	0	0.00%	25,000	0.18%	25,000	0.18%	25,000	0.18%
to Isabel Cook Complex Fund	0	0.00%	10,000	0.07%	10,000	0.07%	0	0.00%
to Robson House Fund	0	0.00%	40,000	0.29%	40,000	0.29%	0	0.00%
to Equipment Fund	200,000	1.55%	165,000	1.20%	165,000	1.20%	185,000	1.33%
to Municipal Lease Fund	158,517	1.23%	158,517	1.15%	158,517	1.16%	158,517	1.14%
to Insurance Fund	275,000	2.13%	375,000	0.00%	375,000	2.74%	50,000	0.36%
to Special Events Fund	15,000	0.12%	0	0.00%	0	0.00%	0	0.00%
to Road Maintenance Fund	400,000	3.10%	400,000	2.91%	400,000	2.92%	400,000	2.88%
<b>TRANSFERS OUT</b>	<b>1,048,517</b>	<b>8.12%</b>	<b>1,173,517</b>	<b>8.54%</b>	<b>1,173,517</b>	<b>8.56%</b>	<b>818,517</b>	<b>5.90%</b>
<b>TOTAL expenditures and transfers</b>	<b>12,917,156</b>	<b>100.00%</b>	<b>13,739,904</b>	<b>100.00%</b>	<b>13,707,994</b>	<b>100.00%</b>	<b>13,876,544</b>	<b>100.00%</b>