

10/23/2024

Dear Portola Valley Town Council members, Interim Town Manager, Finance Director, Town Attorney, Finance Committee, and other interested parties,

Below I've compared the revenue forecasts from our budgets ([here](#)) to the 'Actual'/'Unaudited' projections from the fiscal forecast from Tony ([here](#)). (The breakdowns aren't exactly comparable, so I've kept them mostly separate, but the totals should be comparable.)

The most salient point is that **we have forecast a revenue shortfall of \$1.7M for FY22-23 + FY23-24**. This is following revenue coming in over expectations by \$458k for FY20-21 + FY21-22. And note that this is purely about revenue, nothing to do with increased expenses for Sheriff, Housing and Safety Elements, etc.

Tony has said that staff are still working on updating revenue for the unaudited years, including in answer to Karen Vahtra's questions about several discrepancies such as fees dropping in 22-23 and property taxes dropping in 23-24 ([here](#)).

Important questions to ask at this point:

1. Is the revenue shortfall real? Or is it primarily due to journal entries that haven't been posted yet?
2. If the revenue shortfall is real, what is the reason? Which line items were off in the budgets?
3. What is the range of expectation for the 7/1/2024 General Fund balance? I think Tony has communicated that \$1.58M is probably a lower bound. Might it increase to \$3M or \$4M?

Regards,
Ronny Krashinsky

	FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24		
	Budget	Actual	Difference	Budget	Unaudited	Difference	Budget	Unaudited	Difference	Budget	Unaudited	Difference
Revenues												
Taxes												
Property	\$3,269,650	\$3,266,252	-\$3,398	\$3,522,036	\$3,588,737	\$66,701	\$3,834,075	\$3,935,665	\$101,590	\$3,706,327	\$3,470,756	-\$235,571
Sales	\$215,000	\$338,389	\$123,389	\$235,000	\$358,582	\$123,582	\$265,000	\$328,676	\$63,676	\$350,000	\$328,406	-\$21,594
Business License		\$125,446			\$92,734			-			\$143,938	
UUT	\$732,890	\$767,928	\$35,038	\$762,990	\$781,252	\$18,262	\$807,761	\$808,889	\$1,128	\$1,008,651	\$1,014,272	\$5,621
Franchise Fees		\$427,962			\$396,080			\$311,680			\$246,054	
Permits		\$258,002			\$312,855			\$185,242			\$254,618	
Fees		\$605,821			\$799,138			\$460,850			\$783,291	
Recreation		-\$389			\$98,775			\$41,414			\$129,276	
Agency		\$27,374			\$61,666			\$31,134			\$34,554	
Contributions		\$3,379			\$19,641			\$4,689			-	
Investments		\$45,730			\$3,153			-			-	
Charges for Services	\$602,443			\$755,410			\$1,181,248			\$1,089,248		
Intergovernmental Revenue	\$12,725			\$14,356			\$14,356			\$14,357		
Use of Money & Property	\$129,264			\$146,742			\$99,983			\$100,500		
Fees, Fines & Forfeitures	\$362,795			\$371,175			\$400,828			\$408,484		
Miscellaneous Revenue	\$380,530			\$407,395			\$477,274			\$472,504		
Total Revenue	\$5,704,997	\$5,865,894	\$160,897	\$6,215,104	\$6,512,613	\$297,509	\$7,080,525	\$6,108,239	-\$972,286	\$7,150,071	\$6,405,165	-\$744,906
Percent vs. budget	100%	103%	3%	100%	105%	5%	100%	86%	-14%	100%	90%	-10%

Submitter DB ID 7397
IP Address [REDACTED]
Submission Recorded On 10/23/2024 9:43 AM
Time to Take the Survey 5 minutes, 9 secs.

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1. First and Last Name

Ronny Krashinsky

2. Email address (will not be publicly displayed)

[REDACTED]

3. Organization (Enter name of organization, business, or non profit if you are submitting comments on their behalf.)

Not answered

4. Street address (will not be publicly displayed)

[REDACTED]

5. City

Portola Valley

6. State

CA

7. Zip Code

94028

8. Date of Meeting you are submitting comment for.

10/23/2024

9. Agenda Item number or name

6.a General Fund Reserve and impacts on current and future year budgets.

10. Comment

I submitted a comment letter, but I also have a couple more detailed comments about the revenue items in the agenda packet.

Regarding LT-2, "Renegotiate an increased property tax receipt percentage with SMC" -- I believe that this overlaps with a process which has already been initiated. Sharif spoke about this in the 3/25/2024 Finance Committee meeting (time: 40:20). Sharif said, "We literally are working on a joint letter that's going to go to the state on behalf of all the cities and towns fighting to get the excess ERAF vehicle license fee back". I believe that this article is about that letter: <https://www.almanacnews.com/news/2024/05/30/county-complains-about-100-million-state-grab/>

Regarding ST-5, "Parcel tax" -- You have this listed as a short term item, but note that revenue would not come until Dec. 2025 (per the table the Town Attorney presented in the last Town Council meeting).

Regarding LT-4, "Private fundraising to fund Public Safety" -- I think that this could potentially be near term (e.g. revenues in mid 2025). Also, I like the idea of making it focused on public safety. And personally I think that distributing the burden unevenly is a pro, not a con.

Regards,

Ronny Krashinsky

11. Optional: You can upload a copy of your comments.