The Operating Budget for Fiscal Year (FY) 2022-23 is a balanced budget that is a statement of the City’s current financial position, a tool that projects future revenue and expenditures, and a work plan for communicating, implementing, and monitoring City operations, capital expenditures and Council priorities. During the 2021-22 fiscal year, the City saw economic activity and tourism return to the coast sooner than anticipated with major revenues returning to pre-pandemic levels. The City is optimistic that there will be continued economic growth and recovery though continues its practice of conservative planning for the FY 2022-23 budget.

**FREQUENTLY ASKED QUESTIONS**

*What is a Fiscal Year and when does it begin and end?*

The fiscal year is a 12-month period used to measure revenues and expenditures. The fiscal year begins every July 1st and ends June 30th of the following calendar year.

*What are General Fund reserves & how much kept in the reserves?*

Half Moon Bay has two General Fund reserves for the purpose of smoothing out reductions to City revenues during economic downturns or emergencies. The General Fund Reserve is the City’s primary reserve and holds a balance equal to 30% of General Fund expenditures for the current fiscal year. The Economic Uncertainty Reserve is a secondary reserve and holds a balance equal to 20% of the General Fund expenditures for the current fiscal year.

*What are restricted funds & why can’t we use them to pay for services?*

Restricted funds such as special revenue, grants, assessment funds, etc., often have legal restrictions and mandate collection and expenditure of these funds for specific purposes.

*In deficit years reserve balances may be used to balance the budget.*
**Revenues: 43.5 Million**

- General Fund: $21,297,021
- Enterprise Funds: $8,247,322
- Special Revenue and Capital Project Funds: $11,564,719
- Internal Service Funds: $2,440,406

**Expenditures: $54.3 Million**

- General Fund: $23,465,564
- Enterprise Funds: $13,664,174
- Special Revenue and Capital Project Funds: $17,111,638
- Internal Service Funds: $2,698,406

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**PROPERTY TAX DISTRIBUTION**

- San Mateo Community College District, $0.06
- San Mateo County, $0.22
- City of Half Moon Bay, $0.07
- Half Moon Bay Fire District, $0.19
- Cabrillo Unified, $0.36
- Other, $0.07

**SALES TAX DISTRIBUTION 9.375%**

- State of California
- San Mateo County
- City of Half Moon Bay
- Measure A “San Mateo Transportation Authority”
- Measure W “San Mateo Transportation Authority”

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**GENERAL FUND REVENUE TYPES**

- Property Tax: 16%
- Other Revenue: 12%
- Transient Occupancy: 43%
- Other Fees & Taxes: 5%
- Sales Tax: 14%
- Intergovernmental Transfers: 7%

**EXPENDITURES BY DEPARTMENT**

- City Manager’s Office, Recreation & EOC: (7.6 FTE)
- Administrative Services: (8 FTE)
- City Clerk & Communications: (2.95 FTE)
- Community Development: (7.7 FTE)
- Public Works: (11.5 FTE)

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**GENERAL FUND EXPENDITURE TYPES**

- Salaries & Benefits: $6,675,838.00
- Material & Supplies: $551,139.00
- Contract Services: $9,557,922.00
- Debt Service: $704,450.00
- Transfers Out: $5,498,186.00