



2016-17 Budget
Paradise, California

Executive Summary

Honorable Mayor, Town Council, Community Partners:

The 2016-17 Town of Paradise budget is proving to be one of the most challenging budgets to bring forward. The Council will be asked to consider several strategic steps that will help us on our road to financial recovery and ultimately financial freedom. **The message is clear: This is a marathon—not a sprint.**

When we stop and consider how far we have come in such a short period of time, we are amazed and inspired to keep on a financially sound path through our daily struggle to manage and prioritize our limited resources. Once again I give credit to the Council and to the Town of Paradise employees who remain committed to establishing a sound financial foundation for the organization and for the Paradise community.

Before we go into details of what you will find in this budget, it is appropriate to express deep gratitude to our Finance Director/Town Treasurer, Gina Will for painstakingly wading through the current climate of competing priorities and limited resources to come up with yet another prudent, responsible budget package. Another debt of gratitude goes to Crystal Peters for her diligent and expert guidance on all matters relating to human resources. It must be stated that all of the Town of Paradise employees care deeply about their service to this community and push themselves to higher degrees of excellence for the good of the mission. I am fortunate to work with an outstanding group of individuals.

Personnel Structure: Efficiencies and Savings

As one of its 2016/17 priorities, the Council appointed a committee to evaluate the Town's current personnel structure. Although it is apparent that there are many opportunities for improvement including several compaction issues throughout the organization, it is clear that our current budget does not allow us to cure every issue in one year.

For this budget year, the committee focused on opportunities created by two key retirements, the Town Clerk and the Financial Services Supervisor. If approved as recommended by the Finance Committee, the change in the clerk's office will result in an annual savings of \$81,000 per year.

Another important efficiency is reducing the amount of direct reports to the Town Manager (see proposed organizational charts showing 2013 to present.) In 2013/14, the Town Manager had eleven direct reports, which was reduced to nine in 2015/16. This budget proposes a more streamlined organization with just seven direct reports by recreating the Administrative Services Division, headed by the Administrative Services/Finance Director.

The strategy for savings and efficiencies are outlined below:

- Reinststate the Administrative Services Department
 - Reduce Town Manager direct reports
 - Improve efficiency and share resources between Finance, Information Technology, HR/Risk Management and Business and Housing
 - **Fiscal Impact - \$0**
- Reorganize Town Clerk Function
 - Size Town Clerk salary and benefits appropriately for Organization
 - Replace Assistant Town Clerk with Administrative Analyst
 - Improve efficiency and share resources between Town Manager and Town Clerk
 - Improve customer service by re-opening the front door at Town Hall and increase the hours for bus pass and dog license purchases
 - **Fiscal Impact - \$81,000 savings to General Fund**
- Reclassify Administrative Analyst to Administrative Analyst II
 - In recognition of increased responsibilities for grant management and Town Clerk function support
 - **Fiscal Impact – 5.8% increase - \$1,485 Business and Housing; \$799 General Fund**
- Reclassify Construction Inspector to Senior Construction Inspector
 - In recognition of increased responsibilities and qualifications needed for inspection of CIP projects
 - **Fiscal Impact – 7.5% increase - \$364 General Fund; \$3,599 Gas Tax; \$81 Transportation (\$3,963 reimbursed by grants)**

- Establish Temporary Records Transcriptionist
 - Provide hourly as needed support to the Police Department for internal and external investigations
 - Cost effective administrative support in lieu of officer overtime
 - **Fiscal Impact - \$0 (\$13,000 budgeted for transcriptionist in lieu of additional overtime)**

The committee will continue to look at current and future workload projections to determine where resources can be added, deleted, combined or restructured to capture the highest level of efficiencies for the Town, while living within our means.

Cost of Living Increase for Town Personnel:

After several years of employee cutbacks and salary/benefit reductions and givebacks, the Council will be asked to consider a small increase to salary (ranging between 1 to 3%) which is built into the proposed budget for this next fiscal year.

Steps to Financial Success:

The Council set forth a very powerful message to the community and to the employees with three overarching goals that are helping to guide us towards a more stable, financial future:

1. Continue to live within our means
2. Provide a high level of professional service to the community
3. Follow sound financial practices to ensure financial freedom now and in the future

This organization has struggled deeply in the past with widespread cuts and budget deficits. We are now focusing on strategically rebuilding the organization, which will require us to continue to monitor operations and expenses to ensure we are optimizing our resources. We will upgrade our financial health status and give a report to Council at the budget meeting. It is important to keep in mind that our financial recovery will not happen overnight. The following list outlines specific steps the Town must take in order to regain financial stability now and in the future:

- Continue to cure recurring general fund operating deficits
- Continue to build General Fund unassigned reserves to 10% or about \$1.2 Million
- Increase cash and short-term investments

- Reduce fixed and personnel costs to 80% of budget
- Discontinue deferring asset maintenance and replacement
- Fund pension benefits and other post employment benefits

Measure C:

We are going into our second year of Measure C funding. We do not exaggerate when we say that we would not be the same organization without the support of Measure C funds. Without Measure C to help support our public safety services, we would still be in dire financial straits---not in recovery mode. The Measure C oversight committee continues to diligently monitor the use of Measure C funds and to ensure transparency and accountability. To date we have purchased and fully outfitted 3 new police vehicles (for a total of 15 at the end of the 6 year Measure C lifespan.) We will soon receive a new fire engine and are sustaining our current level of Calfire contract personnel to serve and protect this Town both in medical calls for service and fire response. We have hired a new Police detective and added an animal control officer. We replaced the siding on the police department and purchased officer vid/mics for police and public protection. These are just a few of the items we have been able to purchase through Measure C. The community support for Measure C deserves a special recognition as it continues to play a major role in the Town’s financial recovery.

Community Services Provided for this Budget Year:

A budget is a year-long work plan, committing people and resources to fulfill a mission. For a municipality, the mission is a dynamic and challenging effort. It is important for a government agency to adopt a budget that includes a prudent contingency fund or reserve to cover pre-planning, training and readiness for unforeseen emergencies. We must continue to build a reserve that will provide us with the necessary cash flow to cover our monthly expenses and to handle unforeseen emergencies. The following list accounts for the services that we provide to the citizens of Paradise:

- police protection, education and enforcement;
- fire protection, prevention, and medical assistance;
- building development and planning services required to bring about development projects that provide goods and services to the community;
- engineering services dedicated to leveraging local funds and bringing new money into the community to build and maintain our streets for the public’s safety and welfare;
- a high level of public works/street maintenance services;
- animal control services for the health and safety of the community through rabies control, vicious dog citations, responding to calls regarding animals running at large and removing dead animals from the roadways and shelter services;

- Coordination with Butte County Association of Governments to provide transit services within the Town and throughout the region.
- Administration of a housing rehabilitation program that provides assistance to first-time home buyers through the Community Development Block Grant Program, while supporting local non-profit agencies,
- Information, communication and direct citizen involvement to the democratic process.

We will continue to look for ways to promote economic development; seek ways to improve the aesthetics of our Town for the betterment of our community; continue to work to get the Animal Control/Shelter self-sustaining; continue to look for grants to provide safe streets, walking/bike paths; and, most importantly, address the lack of wastewater infrastructure specifically in the downtown and commercial areas.

2016/17 Council Priorities:

At the February 25, 2016 Council Priority Setting Session, the Council adopted the following list of priorities. Staff reported that the first 4-5 items on the list could realistically be accomplished with current resources and time constraints.

1. *CAL FIRE Contract Renewal
2. *Northern Recycling and Waste Services Franchise Agreement
3. *Paradise Sewer Project
4. *Town-wide Personnel Structure
5. Business Identification/License
6. Master Fee Schedule Update
7. Facilities Best Use/Deferred Maintenance
8. Tourism/Economic Development
9. Increased Traffic Enforcement
10. Review Code Enforcement & Animal Control Processes
11. \$175,000 for Animal Shelter Addition

*Required or currently underway

The bottom line:

Remaining steadfast on our road to financial recovery requires us to remember that this is a marathon—not a sprint and staff is committed to excellence in our approach to community service and appreciate the Council’s willingness to lead and guide us towards a better financial future.

Lauren Gill,
Town Manager