



**Town of Paradise
Council Agenda Summary
Date: September 10, 2013**

Agenda Item: 7e

Originated by: Lauren Gill, Town Manager
Gina S. Will, Finance Director/Town Treasurer

Subject: Town 2013/14 Operating and Capital Budget Status Update

Council Action Requested:

Approve the following budget adjustments; or,

Alternatives:

Refer the matter back to staff for further development and consideration.

Background:

The 2013/14 Operating and Capital Budget was adopted June 25, 2013. Each month staff will complete analysis of the financial transactions recorded to date and additional information received to identify the potential impact to the 2013/14 budget. Monthly a report will be brought forward to Town Council updating them on the status of the budget and recommending appropriate budget adjustments.

Discussion:

Fund 1010 – General Fund

Staff ran and analyzed a General Fund Budget Performance Report to date for the 2012/13 fiscal year and 2013/14 budget in order to review trends or significant swings in revenues and expenses. A copy of this report is attached for review. The following information was derived from this analysis:

Revenues

- The final property tax receipts came in for the 2012/13 fiscal year. Overall property taxes are about \$13,000 less than budgeted. This is a difference of 0.31% with total receipts of \$4.23 million. This is also 1.68% less than 2011/12. The category of general supplemental was over \$9,000 more than expected which is good news showing that the values of homes are increasing and that the housing market is active and improving in the community. MVIL finalized exactly as anticipated. No adjustment to the 2013/14 budget numbers are currently recommended.

2013/14 Operating Budget Status Update
September 10, 2013

- With the final sales tax receipt for 2012/13 posted, Sales tax receipts increased 3.3% for the fiscal year. The 2013/14 budget reflects a 2% increase, and staff recommends no further adjustment at this time.
- 2012/13 franchise fees finalized with about \$5,000 more than budgeted and with growth of about 2.6%. Transient occupancy taxes for 2012/13 also finalized with about \$15,000 more than budgeted and growth of about 11%. There were late fees paid and accounted during 2012/13 for one hotel in particular that are not expected to continue into 2013/14. No adjustment is currently recommended for the 2013/14 fiscal year.

Expenses:

Administration

- The Town received its final payment from the resolution of a lawsuit in the amount of \$9,287.50. Staff recommends increasing revenues and expenditures for this same amount to account for receipt and the corresponding payment to outside Counsel.
- Council's approval last month (3f) of the site-to-site wireless communication link between Town locations provides budget savings of \$4,603.
- The 2013/14 maintenance and support agreement with New World Systems for the Town's finance system software is \$2,559 less than budgeted. Staff recommends including this as a budget adjustment.

Fire Department

- The final amended Note between the Town and California Department of Forestry and Fire Protection (CAL FIRE) for post-retirement health care approved by Council last month (3i) provides budgeted savings for 2013/14 of \$7,589.

Police Department

- With two months of the fiscal year completed, operations overtime is currently running about \$10,000 below budgeted levels. Overtime from the investigation of a recent homicide is yet to be accounted for and will likely use at least part of this projected savings. Staff recommends waiting to make a personnel related budget adjustment until later in the fiscal year.
- There have been three vacancies in the public safety communications division. One position was filled last week and two positions are in background. The remaining two positions will be filled in 3-6 weeks. Most of the savings from these vacancies were already factored into the 2013/14 budget. Overtime and per-diem dispatch assistance with two months complete is currently trending about

\$20,000 above budget. Staff will bring forward budget recommendations once the positions are filled and related savings and expenses can be fully analyzed.

Fund 2030 – Building Safety & Waste Water Services

Review of the budget performance report for this fund indicates that most accounts are performing according to budget projections.

- Staff recently submitted the annual onsite operating permit fees to Butte County for inclusion on the annual property tax roll. Onsite personnel and the IT manager scrubbed the database and identified two additional parcels and six additional systems that were included in the submission. This will result in just over \$200 in additional revenues.

Fund 2070 – Animal Control

This continues to be a fund that the Town must find a long term solution for funding and providing services. The fund is not self sustaining and currently is depending on animal control donations to balance.

- Staff recently submitted the annual Measure N assessment to Butte County for inclusion on the annual property tax roll. The IT Manager worked with the GIC and identified 110 more eligible parcels. This will result in about \$1,300 more in revenues. In addition, another list of eligible parcels was identified that can be hand billed directly to property owners. These properties are exempt from property taxes, but are not excluded from the Measure N assessment. These parcels will be billed manually and should result in about \$1,500 more in revenues.

Fund 2120 – State Gas Tax (Street Maintenance)

The last three years this fund has been self-sustaining without transfers in from the general fund. Between staff layoffs and vacancies, the fund acquired a large ending fund balance. This fiscal year a portion of that ending fund balance is being used on vital road and street maintenance projects within the community.

- As discussed last month, (7a), finalization of the Bille Road overlay project reflects budget savings of \$633.00.

Fund 2206 – AB-109 Grant

As approved by Council last month (7b), the Town submitted a claim for AB-109 grant monies. \$47,930 was received and placed in reserve in this special fund to be used in the future for a police officer salary and for the purchase of a RIMS Connect CAD component. Up to \$5,000 can be claimed for police overtime related to the Butte County Anti-Gang Task Force.

Conclusion:

Following are the recommended 2013/14 budget adjustments:

| 1010 – General Fund | | | |
|--------------------------------------|------------------|-----------|--|
| Beginning Fund Balance | | 1,045,141 | |
| Revenues | | 9,314,911 | |
| Recommended Adjustments | | | |
| 1. | 00.0000.3901.100 | 9,288 | Attorney fee reimbursement |
| Adjusted Revenues | | 9,324,199 | |
| Transfers In | | 486,760 | |
| Total Resources | | 9,810,959 | |
| Expenditures | | | |
| Expenditures | | 9,782,210 | |
| Recommended Adjustments | | | |
| 2. | 20.4201.5214.100 | (2,559) | New World Systems renewal |
| 3. | 20.4201.5304 | (4,603) | Site-to site wireless communication link |
| 4. | 20.4300.5213.100 | 9,288 | Outside legal counsel |
| 5. | 30.4530.5199.130 | (5,000) | AB 109 Grant overtime monies |
| 6. | 35.4630.55501 | (7,589) | CAL FIRE note |
| Adjusted Expenditures | | 9,771,747 | |
| Net Income | | 39,212 | |
| Projected Ending Fund Balance | | 1,084,353 | |

| 2030 – Building Safety & Waste Water Services | | | |
|---|------------------|---------|------------------------------------|
| Beginning Fund Balance | | 27,229 | |
| Revenues | | 710,990 | |
| Recommended Adjustments | | | |
| 7. | 40.4730.3404.127 | 200 | Annual onsite operating permit fee |
| Adjusted Revenues | | 711,190 | |
| Transfers In | | 0 | |
| Total Resources | | 711,190 | |
| Expenditures | | | |
| Expenditures | | 575,668 | |
| Recommended Adjustments | | | |
| Adjusted Expenditures | | 575,668 | |
| Transfers Out | | 134,422 | |
| Net Income | | 1,100 | |
| Projected Ending Fund Balance | | 28,329 | |

| 2070 – Animal Control | | | |
|--------------------------------------|------------------|-------|----------------------|
| Beginning Fund Balance | | | (11,361) |
| Revenues | | | 170,103 |
| Recommended Adjustments | | | |
| 8. | 30.4540.3120.330 | 2,800 | Measure N assessment |
| Adjusted Revenues | | | 172,903 |
| Transfers In | | | 21,542 |
| Total Resources | | | 194,445 |
| | | | |
| Expenditures | | | 157,819 |
| Recommended Adjustments | | | |
| Adjusted Expenditures | | | 157,819 |
| Transfers Out | | | 31,260 |
| Net Income | | | 5,366 |
| Projected Ending Fund Balance | | | (5,995) |

| 2120 – State Gas Tax (Street Maintenance) | | | |
|---|----------------------|-------|--------------------|
| Beginning Fund Balance | | | 409,242 |
| Revenues | | | 958,582 |
| Recommended Adjustments | | | |
| Adjusted Revenues | | | 958,582 |
| Transfers In | | | 59,505 |
| Total Resources | | | 1,018,087 |
| | | | |
| Expenditures | | | 1,047,360 |
| Recommended Adjustments | | | |
| 9. | 45.4755.471.5213.100 | (633) | Bille Road Overlay |
| Adjusted Expenditures | | | 1,046,727 |
| Transfers Out | | | 211,546 |
| Net Income | | | (240,186) |
| Projected Ending Fund Balance | | | 169,056 |

2013/14 Operating Budget Status Update
 September 10, 2013

| 2206 – AB – 109 Grant | | | |
|--------------------------------------|------------------|--------|---|
| Beginning Fund Balance | | | 0 |
| Revenues | | | 0 |
| 10. | 30.4520.3340.300 | 40,250 | Police officer salary |
| 11. | 30.4520.3340.300 | 5,000 | Butte county Anti-Gant Task Force (overtime) |
| 12. | 30.4520.3340.300 | 7,680 | RIMS connect CAD component |
| Adjusted Revenues | | | 52,930 |
| Transfers In | | | 0 |
| Total Resources | | | 52,930 |
| Expenditures | | | 0 |
| Recommended Adjustments | | | |
| 13. | 30.4520.5304 | 7,680 | RIMS connect CAD component |
| Adjusted Expenditures | | | 7,680 |
| 14. Transfers Out | | | 5,000 Overtime |
| Net Income | | | 40,250 |
| Projected Ending Fund Balance | | | 40,250 |

Fiscal Impact Analysis:

These current adjustments increase the General Fund net income and increase the General Fund reserves by \$19,751.