



**Town of Paradise
Council Agenda Summary
Date: September 10, 2019**

Agenda Item:

Originated by: Gina S. Will, Administrative Services Director/Town Treasurer
Approved by: Lauren Gill, Town Manager
Subject: 2018/19 & 2019/20 Operating and Capital Budget Update

Council Action Requested:

Approve the recommended General Fund Budget adjustments; or

Alternatives:

Adopt amended adjustments or request additional information.

Background:

It is a best practice of the Town of Paradise to adopt the Capital and Operating Budget for the next fiscal year prior to, June 30th, the end of the fiscal year. However, the Camp Fire of November 2018, and the financial impacts that were caused, required additional time to compile a meaningful budget by the normal deadline. The 2019/20 Budget was adopted August 13, 2019.

As the Town's finances and budget is evolving quickly, staff will prepare brief budget updates each month to keep the Town Council and the community informed on the most significant changes.

Discussion:

General Fund

- The final property tax receipts were recorded for the 2018/19 fiscal year. With the backfill from the State, property taxes exceeded expectations. Knowing the State will provide backfill for two more years and will include a 2% increase, staff recommends the following adjustments:

	2018/19 Amended Budget	2018/19 Estimated Actual	2018/19 Unaudited Actual	2019/20 Adopted Budget	2019/20 Proposed Budget
Secured	\$4,905,026	\$4,673,418	\$4,965,166	\$4,766,887	\$5,064,469
Unsecured	249,183	252,099	254,740	63,000	100,000
Residual	0	0	25,919	0	0
Supplemental	60,000	55,626	65,766	40,000	40,000
Homeowners Apportionment	65,294	65,294	54,870	60,000	55,000
Totals	\$5,279,503	\$5,046,437	\$5,366,461	\$4,929,887	\$5,259,469

- The Town will record one more receipt of Sales Tax and the Measure C transaction and use tax for 2018/19. With the influx of commerce from debris removal and construction, expectations were exceeded. The following adjustments are recommended:

	2018/19 Amended Budget	2018/19 Estimated Actual	2018/19 Unaudited Actual	2019/20 Adopted Budget	2019/20 Proposed Budget
Sales Tax	\$777,821	\$889,353	\$1,101,696	\$475,483	\$600,000
Measure C	551,675	1,308,221	1,389,803	700,000	750,000
Totals	\$1,329,496	\$2,197,574	\$2,491,499	\$1,175,483	\$1,350,000

- With most transactions now recorded, the information technology program is exceeding budget projections for 2018/19. The contract support hired to maintain this function while the IT manager position is vacant, is completing some outdated system updates. With consultants, they are also supporting a larger number of computers and systems. Following are the recommended adjustments:

	2018/19 Amended Budget	2018/19 Estimated Actual	2018/19 Unaudited Actual	2019/20 Adopted Budget	2019/20 Proposed Budget
Information Technology	\$248,049	\$169,986	\$216,768	\$172,977	\$200,000

- Police operations is also exceeding budget projections for 2018/19. The overtime required to fill vacant shifts came in higher than expected. Also, operating supplies and fuel for the police vehicles are higher than expected. No budget adjustment is currently recommended for 2019/20, but following is a summary of the results:

	2018/19 Amended Budget	2018/19 Estimated Actual	2018/19 Unaudited Actual	2019/20 Adopted Budget	2019/20 Proposed Budget
Police Operations	\$2,649,666	\$2,791,490	\$2,823,560	\$2,985,767	\$2,985,767

Fiscal Impact:

The net result to these general fund adjustments is positive. In total, just over \$535,000 more in resources is available for 2018/19 and just over \$477,000 is available for 2019/20. This will allow the Town to use less in insurance proceeds for each of these years to maintain the appropriate level of service and a balanced budget.