



**Town of Paradise
Council Agenda Summary
Date: November 12, 2013**

Agenda Item: 7c

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

- With two months receipts of sales tax recorded for 2013/14, receipts are currently trending at budgeted levels. No additional budget adjustment is recommended at this time.
- Real property transfer tax receipts continue to trend well above budgeted levels. The turnover of homes in the area continues to gain momentum and housing prices are trending upward. Staff recommends increasing the budget by \$2,700 which brings the budget numbers between 2006/07 and 2007/08 actual receipt levels. This increase still maintains a conservative 6% growth rate for the remainder of the fiscal year.

- Not all fees have been recorded related to Franchise Fees or Transient Occupancy Taxes for the first quarter 2013/14; therefore, there is insufficient data to justify a budget adjustment at this time.
- Police POST reimbursement for training costs was cut back substantially for 2013/14 to recognize the reduced expenditure budget. However, most of the training that the police department is attending is POST reimbursable and some of the receipts are from prior year expenditures. Staff recommends increasing the reimbursement revenue account by \$5,600.

Expenses:

Administration

- Estimated costs for liability, mobile equipment, physical damage and crime insurance policies were low. A budget adjustment of \$8,413 will cover the added costs of those insurance premiums.

Police Department

- With four months of the fiscal year completed, operations overtime is currently running about \$20,000 above budgeted levels. However, as of October 31, 2013 an officer terminated through a disability retirement. There will be some salary savings until that position is filled, so staff recommends waiting to make a personnel related budget adjustment until the position is filled and final analysis can be completed.
- Two of the three public safety communications division vacancies are being filled in November. The first on the 4th and the other on the 12th. The remaining position has just entered background and that process can take 6-8 weeks. Estimates show that overtime is running about \$50,000 over budget, but that there is more than \$60,000 salary savings to offset that increased cost. 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. Plan check fees and building permits are currently trending just above budgeted levels. There is currently one vacancy pending in this division. As soon as that position is filled, staff will bring forward any necessary budget adjustments.

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. Currently revenue and most expenditure accounts are trending at budgeted levels.

- The division currently has two animal control officer vacancies. The positions are in background and will be filled in the next couple weeks. These vacancies have created some salary savings, so the related budget adjustments will be brought forward to Council once the positions are filled and a full analysis can be completed.
- In the meantime, staff requests the approval of four additional weekly scheduled hours for the Office Assistant III position effective October 23, 2013 for three months. Preliminary analysis indicates that there is sufficient salary savings from the animal control officer vacancies to cover this. A final analysis and appropriate budget adjustments will be brought forward once the vacancies are filled.
- The Town recently received notification that one of the Animal Control retirees has cancelled retiree medical coverage effective September 30, 2013. The retiree may choose to re-enroll in the future, but for now staff recommends making the budget adjustment of \$7,807 to reflect this decreased cost.

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.

Conclusion:

Following are the recommended 2013/14 budget adjustments:

1010 – General Fund		
Beginning Fund Balance		1,362,173
Revenues		9,337,199
Recommended Adjustments		
1.	00.0000.3167.330	2,700 Real property transfer tax
2.	30.0000.3345.004	5,600 POST Reimbursement
Adjusted Revenues		9,345,499
Transfers In		486,760
Total Resources		9,832,259
Expenditures		
Expenditures		9,777,880
Recommended Adjustments		
3.	20.4201.5212.100	8,413 Liability and damage insurance
Adjusted Expenditures		9,786,293
Net Income		45,966
Projected Ending Fund Balance		1,408,139

2070 – Animal Control	
Beginning Fund Balance	2,838
Revenues	172,903
Transfers In	21,542
Total Resources	194,445
Expenditures	157,817
Recommended Adjustments	
3. 30.4540.5119.100	(7,807) Retiree Medical
Adjusted Expenditures	150,010
Transfers Out	31,260
Total Expenditures	181,270
Net Income	13,175
Projected Ending Fund Balance	16,013

Fiscal Impact Analysis:

These current adjustments decrease the General Fund net income and decrease the General Fund reserves by \$113.