



**Town of Paradise
Council Agenda Summary
Date: October 14, 2014**

Agenda Item: 7

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

Subject: Town 2014/15 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 2014/15 Operating and Capital Budget was adopted June 25, 2014. Each month staff will complete analysis of the financial transactions recorded to date and additional information received to identify the potential impact to the 2014/15 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 2013/14 fiscal year and 2014/15 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 the final sales tax receipt for 2013/14 posted, Sales tax receipts increased 4.1% for the fiscal year. This is about \$26,000 less than expected, but still a healthy growth. HDL the Town's sales tax consultant reports their data one quarter behind and after data adjustments. Attached is a summary of the HDL sales tax data for the 2013/14 fiscal year showing growth of 5.8%.

The Town has received one sales tax receipt for the new fiscal year and that coupled with the actual receipts for the last quarter indicates that sales taxes are currently trending about \$9,000 less than budget. Staff recommends waiting to make an adjustment until at least one more sales tax receipt for the new year has

been recorded.

- The final receipt for property transfer taxes was recorded for 2013/14. Receipts grew 41% from \$48,900 in 2012/13 to \$68,914 in 2013/14 this includes an unusual commercial transfer, and the total is still well below pre-recession highs. The first receipt for 2013/14 is in line with budget expectations, so currently no budget adjustment is recommended.
- As expected, the summer of 2014 was and continues to be a busy fire season. To date the Town has billed \$35,843 for the current 2014/15 fiscal year for the use of Town vehicles and equipment. The Town currently has a budget of \$27,404, so staff recommends increasing this account \$8,439. For comparison, total received for 2013/14 was \$24,601.
- In response to complaints by community residents and business owners, the code enforcement division is fully utilizing the administrative citation program to encourage owners to bring properties into compliance with Town ordinances. Based on receipts recorded to date and citations placed on the tax roll related to public nuisances and blight, staff recommends adding \$7,000 to the budget.

Expenses:

Police Department

The Police Department continues to struggle with filling open and budgeted positions. A lateral has recently been hired and there are two others in background, but there are still officially three openings and one more vacancy looming. There is one open dispatch position that will require recruitment and testing to fill.

Currently the operations overtime budget is running about \$11,000 over budget, but currently the salary and benefit savings from vacancies is offsetting that expense. Despite the continued vacancy, dispatch overtime is holding at budgeted levels. Staff will officially evaluate budget impacts once more of these positions are filled and some of the variables are resolved.

Fund 2030 – Building Safety and Waste Water Services

With 25% of the 2014/15 fiscal year completed through September 30, 2014, at least three of the funds revenue accounts are trending above budgeted levels. Building plan check fees have achieved 44% of its budget, construction reviews and building permits are at 46% of budget and onsite escrow clearances are at 34%. These are all a good sign that development is improving in the community. Staff will wait to make a budget recommendation for a little longer until it can be confirmed that these trends are continuing. As a reminder, this fund is independent of the general fund and these monies can only be used for the specific purposes of the fund.

Fund 2070 – Animal Control Services

Most of Animal control accounts are trending right at budget levels. Of note is that dog licenses are trending about 4% above budget. It appears that improved shelter hours, partnering with local veterinarians and increased public outreach is helping. As Council is aware, the part-time Animal Control Officer is vacant. The hours of the 36 hour Animal Control Officer has been temporarily increased to fill the void. Staff is in the process of reviewing applications and will move the hiring process forward as quickly as possible. There is currently salary savings being generated from this vacancy.

Conclusion:

Following are the recommended 2014/15 budget adjustments:

1010 – General Fund			
Beginning Fund Balance		1,790,767	
Revenues		9,776,414	
Recommended Adjustments			
1.	35.0000.3345.100	8,439	Rents for fire equipment
2.	40.4720.3380.101	7,000	Community development administrative citations
Adjusted Revenues		9,791,853	
Transfers In		427,483	
Total Resources		10,219,336	
Expenditures		10,111,524	
Recommended Adjustments			
Adjusted Expenditures		10,111,524	
Net Income		107,812	
Projected Ending Fund Balance		1,898,579	

Fiscal Impact Analysis:

These current adjustments increase the General Fund net income and increase the General Fund ending fund balance by \$15,439.