



**Town of Paradise  
Council Agenda Summary  
Date: December 9, 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

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**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 first quarter franchise fees received from Comcast and Northern Recycling, receipts are trending about \$9,423 above budget which is nearly 2% growth compared to the prior fiscal year. Total receipts for 2013/14 were \$836,738. Staff is proposing a revised budget of \$851,328 for 2014/15.
- Last month the Town received an additional \$10,952 as a one-time adjustment from the State of prior year Motor Vehicle License Fees. Staff recommends increasing the budget by this amount.

- The Town budgeted \$14,000 for expected reimbursements on POST related training for Police Officers and Dispatchers for the fiscal year. This is compared to \$13,258 actually received for 2013/14. The Town has now been notified that most of the reimbursement for training has been suspended until next fiscal year due to lack of funds. Staff recommends reducing this budget account \$10,000.
- The Town continues to receive payments from the State from lending fire equipment and personnel in support of State wide fire incidents this past summer. Last month the Town received another \$43,481 in reimbursements. This brings the total receipts for 2014/15 to \$79,324 as compared to \$24,601 for 2013/14.

Expenses:

*Police Department*

The Police Department is making ground in filling some open and budgeted police officer positions. Two laterals were sworn in on November 10, 2014 which leaves one officer vacancy remaining with an individual currently in “background” review. To date, salary savings has offset all additional overtime generated in order to maintain minimum staffing levels.

Also, there is currently one budgeted dispatch position vacancy. A new pool of candidates is needed to fill the position, so a written test was held November 13, 2014. These results are being reviewed and interviews will be scheduled. As it is expected to take a couple months to fill this position, it is estimated that there is salary savings in the current budget. Overtime for this division is currently holding at budgeted levels. A complete personnel cost analysis will be completed at mid-year or as soon as these remaining positions are filled.

Other Funds

A review of the Town’s other major funds did not reveal any significant trends at this time that require budget adjustment. Of course, a more complete review and report on each of these funds will be completed as part of the mid-year review process.

Conclusion:

Following are the recommended 2014/15 budget adjustments:

| 1010 – General Fund           |                  |           |                |
|-------------------------------|------------------|-----------|----------------|
| <b>Beginning Fund Balance</b> |                  | 1,886,088 |                |
| <b>Revenues</b>               |                  | 9,804,312 |                |
| Recommended Adjustments       |                  |           |                |
| 1.                            | 00.0000.3182.335 | 9,423     | Franchise Fees |

2014/15 Operating Budget Status Update  
 December 9, 2014

|                                      |                  |          |   |
|--------------------------------------|------------------|----------|---|
| <b>2.</b>                            | 00.0000.3356.003 | 10,952   | Prior year Motor Vehicle in Lieu            |
| <b>3.</b>                            | 30.0000.3345.004 | (10,000) | POST Reimbursements                         |
| <b>4.</b>                            | 35.0000.3345.100 | 43,481   | Fire equipment and personnel reimbursements |
| <b>Adjusted Revenues</b>             |                  |          | 9,858,168                                   |
| <b>Transfers In</b>                  |                  |          | 427,483                                     |
| <b>Total Resources</b>               |                  |          | 10,285,651                                  |
| <b>Expenditures</b>                  |                  |          | 10,142,359                                  |
| Recommended Adjustments              |                  |          |   |
| <b>Adjusted Expenditures</b>         |                  |          | 10,142,359                                  |
| <b>Net Income</b>                    |                  |          | 143,292                                     |
| <b>Projected Ending Fund Balance</b> |                  |          | 2,029,380                                   |

**Fiscal Impact Analysis:**

These current adjustments increase the General Fund net income and increase the General Fund ending fund balance by \$53,856.