



**Town of Paradise
Council Agenda Summary
Date: August 8, 2016**

Agenda Item: 6__

Originated by: Gina S. Will, Administrative Services Director/Town Treasurer
Approved by: Lauren Gill, Town Manager
Subject: 2015/16 and 2016/17 Operating and Capital Budget Status Update

Council Action Requested:

1. Review and file the financial information provided by staff concerning the 2015/16 and 2016/17 operating and capital budget status update, and
2. Approve staff recommended budget adjustments, or

Alternative:

Direct staff to make an alternative budget adjustment

Background:

The 2015/16 operating and capital budgets were adopted June 29, 2015, currently about 95% of all related transactions have been recorded. Transactions will continue to be recorded as final invoices for products and services come in and as receipts for revenues earned continue to come in through about September 2016.

The 2016-17 operating and capital budgets were recently adopted June 20, 2016. Currently less than one month of transactions have been recorded. The General Fund was adopted with a \$34,496 deficit that Town Council has given direction to remain informed on the progress to cure. In addition, the Gas Tax and Animal Control funds are being extraordinarily scrutinized as both funds are within a few years of unsustainable services from lack of appropriate revenues.

Discussion:

A budget performance report was ran and analyzed on all key funds for 2015/16. A few changes and developments have been identified which are described more completely below:

General Fund (1010):

- The Town recently received the final true up payment from the County of secured and unsecured property taxes. As a result of the total receipts for 2015/16 and

anticipation of similar trends for 2016/17, staff recommends the following 2016/17 budget adjustments which help reduce the general fund deficit:

Property Tax Type	2015/16 Estimated Actual	2015/16 Actual	2016/17 Adopted Budget	2016/17 Proposed Amended Budget	2016/17 Proposed Budget Adjustment
Secured	4,340,179	4,359,503	4,470,384	4,490,288	19,904
Unsecured	225,055	232,210	226,180	232,210	6,030
Prior Years	6,000	8,273	6,000	7,000	1,000
Supplemental	57,512	44,205	66,139	50,836	(15,303)
Total	4,628,746	4,644,191	4,768,703	4,780,334	11,631

- The final true-up invoice was processed for the CAL FIRE personnel contract for the 2015/16 fiscal year. While providing excellent fire suppression and medical aid services to the community, CAL FIRE provided savings over and above the requested contract savings of \$96,884 by an additional \$129,000. This will add to the general fund cash flow reserves for 2015/16. As directed by Town Council, it is a priority of staff to negotiate a contract renewal with CAL FIRE during 2016/17.
- The Town has recently received the Measure C receipt for the 3rd quarter of 2015/16. One more quarter of revenues is needed to complete the 2015/16 fiscal year; however, since Measure C started effective April 1, 2015, that first quarter has been used to estimate a full year for 2015/16. The total receipts for 2015/16 are expected to be \$1.19 million or about \$23,000 more than estimated a month ago. As receipts for 2016/17 are expected to be at least as much as 2015/16, \$23,000 more is expected for 2016/17 also.
- As has been reported through a separate agenda item this month, a critical electrical issue has been identified at the police department. The complete financial impact is yet unknown; however, either some of the Measure C contingency funds will need to be used to correct this problem, or the Town will have to cut from the general fund budget to afford the repair. A full financial report will be presented to Town Council once more specifics are known.

Building Safety and Wastewater Services (2030):

No material change.

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Animal Control Services (2070):

No material change

Gas Tax/Street Maintenance (2120):

No material change

Fiscal Impact:

As indicated above, \$23,000 will be added to Measure C contingency reserves for both 2015/16 and 2016/17.