



**Town of Paradise
Council Agenda Summary
Date: August 9, 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 budgets, and
2. Approve staff recommended budget adjustments, or

Alternative:

Direct staff to make alternative budget adjustments

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. 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 finance department is currently recruiting a Senior Accountant to replace the retiring Finance Supervisor. The recruitment is taking longer than anticipated. In the meantime, the Finance Supervisor has graciously agreed to postpone her retirement and reduce her weekly hours until an appropriate replacement can be found. As a result, staff can recommend reducing the general fund budget by \$6,230.

Measure C:

On July 26, 2016 the quarterly Measure C Citizens Oversight Committee meeting was held. The 4th quarter 2015/16 report was approved and the committee agreed with Town Council’s use of up to \$100,000 to address the recent electrical problems of the police department.

Fiscal Impact:

The additional property tax revenues and fire personnel savings for 2015/16 will increase the general fund cash flow reserves to about \$900,000 or about 8% of operating expenses.

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The recommended 2016/17 general fund budget adjustments will increase revenues \$11,631 and decrease expenses \$6,230. This will decrease the general fund deficit to \$16,635. Further, since \$12,000 of the budget is a one-time expense to change the location of the front door at town hall, there is very little ongoing operating deficit to cure.