



**Town of Paradise
Council Agenda Summary
Date: November 7, 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. Receive and file operating and capital budget update for fiscal years 2015/16 and 2016/17; and
2. Approve staff recommended budget adjustments for fiscal year 2016-17, or

Alternative:

1. Decline to accept budget status update and direct staff to provide additional detail on financial transactions; and
2. Approve alternative budget adjustments for fiscal year 2016-17.

Background:

The 2015/16 operating and capital budgets were adopted June 29, 2015, currently all related transactions have been recorded. Transactions are being reviewed and audited and independently audited financial statements will be presented to Town Council in January 2017.

The 2016-17 operating and capital budgets were recently adopted June 20, 2016. Currently about three months of transactions have been recorded. The General Fund was adopted with a \$34,496 deficit that Town Council gave direction to cure. As of the last Council meeting the deficit was cured and a surplus of \$13,265 estimated. 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:

2015/16 and 2016/17 Budget Status Update and Budget Adjustments

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:

Measure C (1010)

- The final Measure C receipt came in for the 2015/16 fiscal year bringing total revenues to \$1,236,212 an improvement over the last estimate provided to Town Council of \$1.19 million. It is expected that 2016/17 revenues will be similar so staff recommends increasing the 2016/17 revenue budget to \$1.2 million, an increase of \$30,000.
- Measure C expenditures for 2015/16 came in about as expected at \$873,395. All of the \$200,000 was used for the Pearson Road and Drainage improvement project, so staff recommends decreasing the 2016/17 budget by the \$40,000 estimated for 2016/17. In addition, staff recommends officially decreasing the Police Department emergency electrical/generator project \$10,000, but increasing the Police Department Phase II siding project \$10,000 based on most recent estimates.
- Staff met with the Measure C Citizen Oversight Committee on October 25, 2016 where final numbers on the 2015/16 budget and 1st quarter 2016/17 expenditures to date were reviewed and confirmed.

Building Safety and Wastewater Services (2030):

- Building Safety and Wastewater Services 2015/16 total revenues came in \$58,468 more than budgeted from several accounts. Wanting to remain conservative but also reasonable, staff recommends the following budget adjustments as a result of the anticipated ongoing growth trends:

	2014/15	2015/16	2016/17 Budget	2016/17 Proposed Budget	2016/17 Budget Adjust
Onsite Citations	21,509	24,218	10,000	15,000	5,000
Building Permits	243,733	215,313	210,000	215,000	5,000
Fire Code Enforcement Inspections	10,214	15,567	9,500	12,000	2,500
Total Increase					\$12,500

- 2015/16 expenses were \$11,032 less than budgeted leaving a good healthy reserve for future economic downturns of \$386,125. The budget and projections for 2016/17 continue that trend with a reserve anticipated of \$377,372 or 63% of budgeted expenditures.

Animal Control Services (2070)

Revenues and expenses for Animal Control Services for 2015/16 finalized within \$2,900 of budget. Dog licenses continue to lag just behind expectations. Thankfully the Town is in the testing phase of on-line dog licensing and this convenient method for licensing will be introduced to the public in the next few weeks.

At the current rate of use, the animal control donation fund, used to balance the animal control services fund, will be completely used by the end of 2017/18. This will leave a roughly \$25,000 hole in the budget in less than two years.

State Gas Tax/Street Maintenance (2120)

2015/16 gas tax revenues came in about \$32,216 less than budget. While there was savings in a couple expenditure accounts like repairs and maintenance supplies and fuel for vehicles. The savings was not sufficient to offset all of the loss of revenues. An additional \$23,505 of reserves was used to balance the fund. This leaves \$277,197 in reserves. Which leaves about two years before cuts or an additional funding source is needed to maintain services.

Fiscal Impact:

The recommended 2016/17 budget adjustments will improve reserve positions for Measure C and Building Safety and Wastewater by the amounts requested; \$30,000 and \$12,500 respectively.