



**Town of Paradise
Council Agenda Summary
Date: April 10, 2018**

Agenda Item: 6b

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

Council Action Requested:

1. Consider and file the information presented; and
2. Provide any alternative direction to staff concerning budget development

Background:

The 2018/19 priority setting meeting held on February 27, 2018 started the budget process for adopting the Operating and Capital Budgets for 2018/19. The meeting identified the work plan and priorities for the 2018/19 fiscal year which staff will incorporate when developing the proposed budget.

Discussion:

2017/18

The preliminary estimated actual general fund results in a positive net change in fund balance of about \$79,000. Which brings general fund cash flow reserves to \$1.44 million or 11.3% of total operating expenditures.

Other highlights of the 2017/18 operating and capital budgets include:

- OPEB trust contributions of \$60,964
- Contribution for equipment and vehicle replacement of \$136,651
- Stabilization of Gas Tax/Street Fund with additional funding from SB 1
- Overall reduction of the OPEB trust obligation of 74.9%
- Financial Health Diagnostic Tool grade improves to C+

2018/19

After including employee group MOU adjustments, CalPERS contribution requirements, and CAL FIRE personnel contract increases, the preliminary estimated general fund net

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change in fund balance is a negative \$71,000. Staff is confident this preliminary deficit will be cured through the budget process.

Departments are now building their requested budgets with direction not to exceed predetermined thresholds. Those budgets are due back to the Town Manager and Administrative Services Director for review by April 30, 2018. Shortly after, meetings will be held to analyze the budgets and create the Manager recommended budgets for Town Council review.

Staff met with the Measure C Citizens Oversight Committee on March 27, 2018 to consider the 2018/19 preliminary Measure C budget. It was discussed that Town Council desires to maintain services at current levels by stretching fixed and contingency reserves for as long as possible after Measure C expires in 2020/21. So, it is recommended that the 2018/19 Measure C budget will be conservative with mainly continuing support. The exception being funding for the Almond Street Multi-Modal project and the Ponderosa Safe Routes to School project which had already been included in the Measure C financial plan. The Committee will meet again on April 24, 2018 to discuss any budget developments.

Preliminary 2018/19 Measure C Budget

Police		Fire	
2 nd Investigator	\$157,714	Maintain Contract	\$250,000
Police Cadet	\$28,292	Engine 81 & 82	\$167,183
3 Police Cars	\$100,000	Animal Control	
Body Cameras Payment	\$5,917	Online dog licensing maint.	\$4,000
K9 Program	\$11,000	Maintain service & staffing	\$130,600
Enhanced Training	\$15,000	Public Works	
		Almond St. Multi-Modal	\$388,000
		Ponderosa SR2S	\$193,000

Fiscal Impact:

This update is informational and does not currently request Town Council to take any action that will have financial impact.