



**Town of Paradise  
Council Agenda Summary  
Date: June 12, 2018**

**Agenda Item: 6a**

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

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**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 that staff will incorporate when developing the proposed budget.

**Discussion:**

As Town Council is aware, Measure C has been instrumental in sustaining services for the Town of Paradise since going into effect in April 2015. It has maintained CAL FIRE staffing levels, brought police staffing back to workable capacity, replaced long deferred public safety vehicles and equipment, supported animal control operations and leveraged grant monies to improve road conditions throughout town.

Now, half way through the temporary six-year tax measure, projections indicate that, without an extension of the tax measure or some other revenue source, expenses will exceed revenues and that cuts will be necessary to balance budgets once Measure C revenues have all been used. Recognizing this reality, Town Council has agreed to allow voters to decide in November 2018, whether or not to extend the temporary tax measure.

In the meantime, staff will present "Stay the Course" budgets for 2018/19. The objective will be not to slip back in the progress made to stabilize services and financial position. At the same time; however, conservative budgets will slow forward progress and will only maintain bare essential operations. The balanced General Fund budget proposed will maintain police and fire services, but will continue to defer facility maintenance and other equipment needs. Similarly, the Gas Tax/Street

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Maintenance fund will maintain services with SB1 monies, but road projects will be minimal to fund for already committed CIP projects. All budgets presented will be in a holding pattern until the November 2018 election.

The Measure C budget recommended by the Citizen Oversight Committee supports this approach. The proposed Measure C budget will only include support for ongoing expenses and financial plan committed projects. All other activities and support will be suspended until after the election. The overall Measure C financial plan includes reserves necessary to fund two years of ongoing expenses for police, fire, and animal control after the temporary tax expires.

**Fiscal Impact:**

A comprehensive report and presentation of the details of the 2018/19 operating and capital budgets will be provided for Town Council's consideration and adoption on June 26, 2018. A draft will be provided no later than June 15, 2018.