

TOWN OF PARADISE

2016/17 and 2017/18

Operating and Capital Budgets Status Update



September 12, 2017

2016/17 OPERATING AND CAPITAL BUDGETS

- Adopted June 20, 2016
- 98% of all transactions recorded
- Final receipts and expenses to be recorded by the end of September 2017



2017/18 OPERATING AND CAPITAL BUDGETS

- Adopted June 27, 2017
- One month of transactions recorded



2017/18 OPERATING AND CAPITAL BUDGET HIGHLIGHTS

Measure C Investment

- Animal Control Staffing Levels & Operating Support
- Police Detective, Cars, K9, Training & Facilities
- Fire Staffing Levels & Apparatus
- Road Improvements

Personnel

- One Month Overlap for Police Chief Replacement
- Reclassify Two Positions (Fleet and CSO)
- Full Year of Fire Prevention (1/3 each Hydrant Maint, Fire Inspection & Prevention)
- Renewed CAL FIRE Contract

Capital Improvement Projects

- 6 Road Projects
- 4 Multi-Use Projects
- 1 Signal Project
- 1 Sewer Feasibility Project
- 3 Analytical/Sustainability Projects

Efficiency/ Sustainability

- \$128,000 expected to be added to Cash Flow Reserves in 2016/17
- Balanced General Fund Budget
- \$25,000 OPEB Contribution
- Investment in HR & IT efficiency
- Improved Gas Tax Funding

2017/18 OPERATING AND CAPITAL BUDGET WEAKNESS

Animal Control Sustainability

- Donation funds are exhausted & Measure C expires in 2020/21

CalPERS Pension Contribution Requirements Increasing

- Will strain future General Fund budgets

General Fund Cash Flow Reserves less than 10% or \$1.2 Million

- TRAN funding will continue

Measure C expires in 2020/21 risking

- Fire Personnel Services
- 2nd Detective
- Equipment and Vehicle Replacement
- Animal Control
- CIP Matching Funds



GENERAL FUND UPDATE

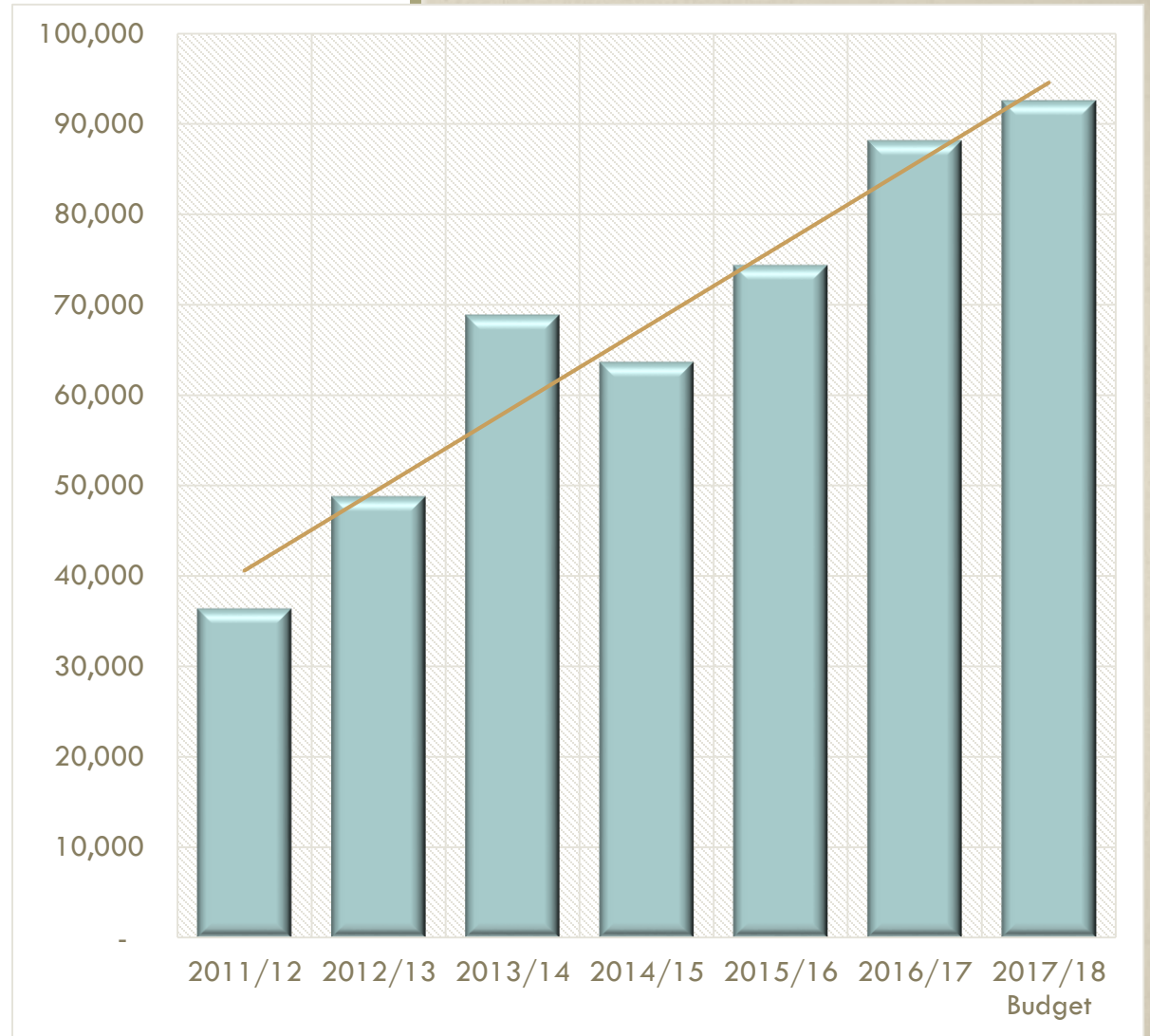
PROPERTY TAX

Property Tax Type	2016/17 Estimated Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Proposed Amended Budget	2017/18 Proposed Budget Adjustment
Secured	4,535,132	4,528,621	4,693,862	4,687,123	(6,739)
Unsecured	243,053	241,278	245,483	243,691	(1,792)
Prior Years	7,000	6,368	7,000	7,000	0
Supplemental	51,500	66,507	52,530	66,507	13,977
Total	4,836,685	4,837,042	4,998,875	5,004,321	5,446

REAL PROPERTY TRANSFER TAXES

Estimated actual for 2016/17 was \$82,751, and the actual was \$88,125

Recommend increasing 2017/18 budget \$5,642 to \$92,531



FIRE DEPARTMENT



Final CAL FIRE true-up invoice processed for 2016/17

- Provided savings over and above requested savings by an additional \$133,568
 - \$8,880 of the savings is Measure C and \$124,688 will add to general fund cash flow reserves

This will help replenish the \$175,306 temporarily removed from cash flow reserves to help fund 2nd fire engine

- Until the surplus engine is sold

POLICE DEPARTMENT

Operations

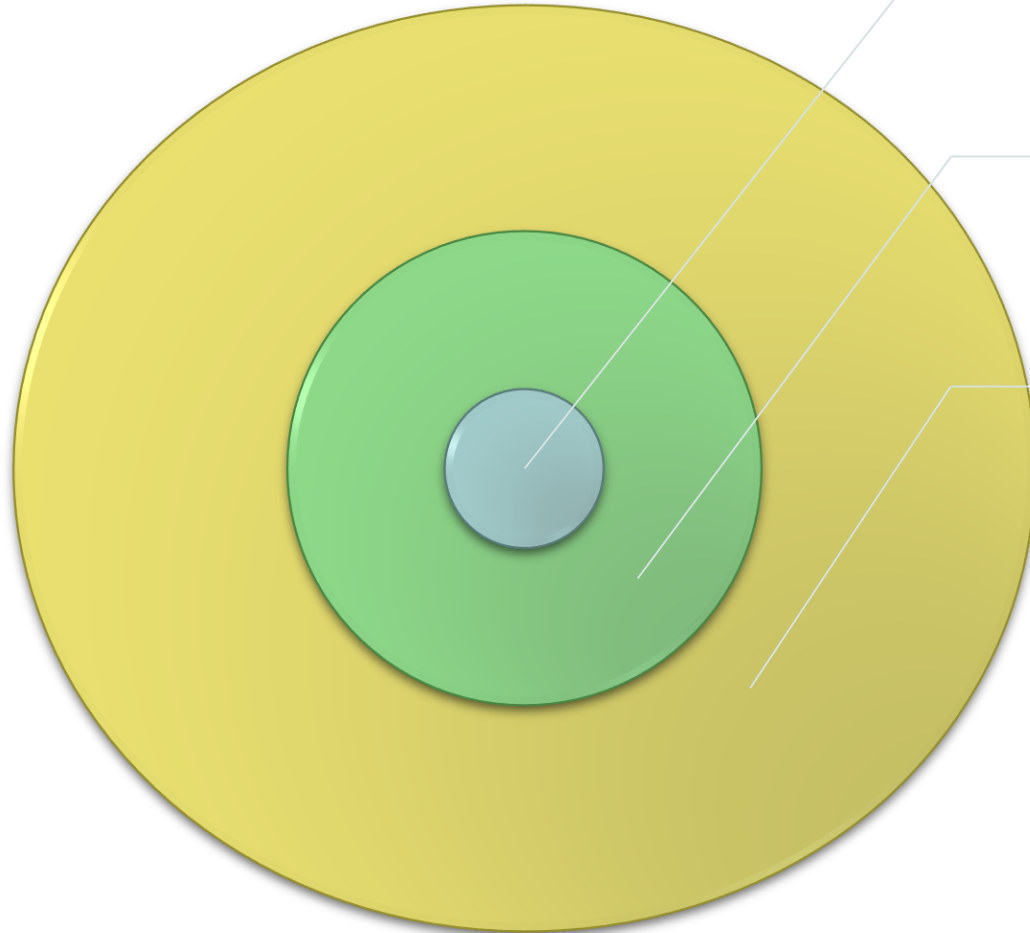
2016/17 Salaries
are \$8,818 higher

2016/17 Overtime
is \$13,984 lower

Public Safety Communications

2016/16 Salaries
are \$14,074 lower

FLEET MANAGEMENT

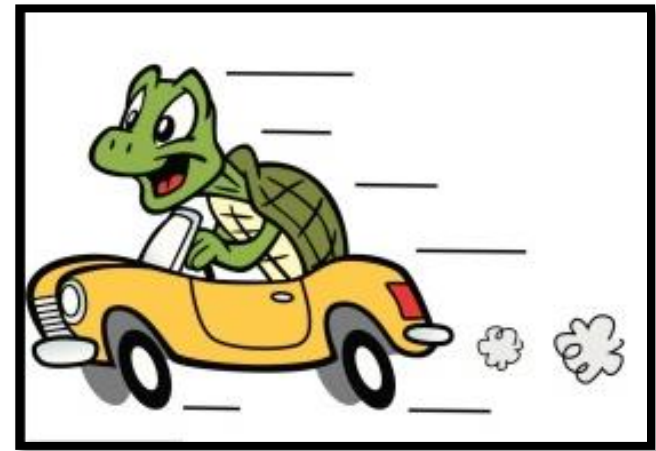


Measure C is replacing Police Vehicles and 2 Fire Engines – Staff researching economical means of other vehicle replacement

Repairs and Maintenance \$18,829 in additional supplies & \$10,511 in additional services

Older cars and years of deferred maintenance on aged fleet plus costly fire engine accident
Accident

MEASURE C UPDATE



- ❑ On July 25, 2017, the quarterly Measure C Citizens Oversight Committee meeting was held and the 4th quarter 2016/17 report was approved.
- ❑ At the time of 2017/18 budget adoption estimated actual revenues were \$1,272,923
 - With one additional receipt pending for 2016/17, estimated revenues are \$1,335,000
- ❑ Staff will bring back an updated financial plan and any necessary budget adjustments once 2016/17 is finalized

GENERAL FUND RESERVES

	2016/17 Estimated Actual	2016/17 Revised Estimated Actual	2017/18 Adopted Budget	2017/18 Proposed Budget
Designated Reserves				
Nonspendable (RDA & Other)	1,964,939	1,964,939	1,951,631	1,951,631
Assigned - Abatements	20,000	20,000	20,000	20,000
Unassigned – Cash Flow	938,717	1,163,211	1,174,537	1,184,377
Designated Reserves – Measure C				
Assigned – Final Year	283,274	283,274	283,274	283,274
Assigned – Vehicle Payments	150,149	150,149	150,149	150,149
Assigned Fixed Reserves			188,000	188,000
Unassigned - Contingencies	141,684	212,641	124,788	186,865

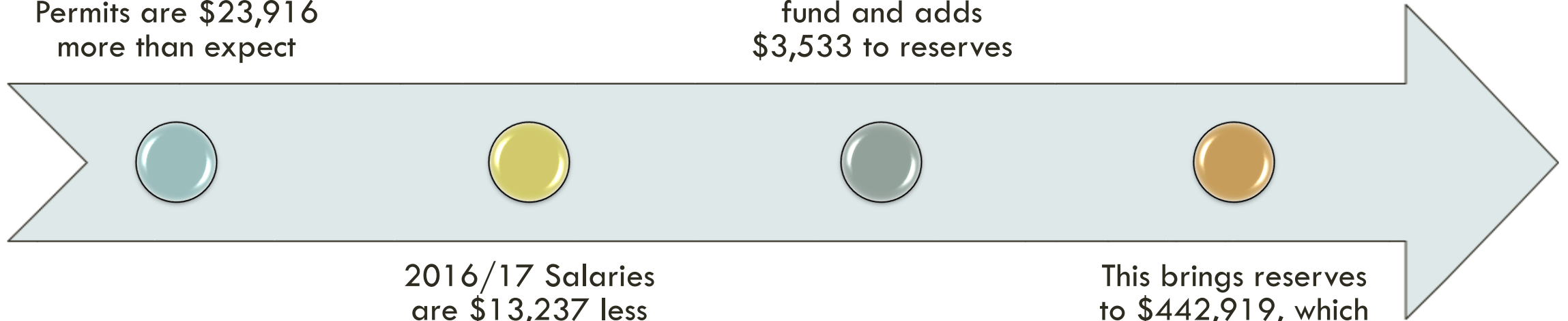


OTHER FUNDS UPDATE

BUILDING SAFETY & WASTEWATER SERVICES (2030)

2016/17 Building
Permits are \$23,916
more than expect

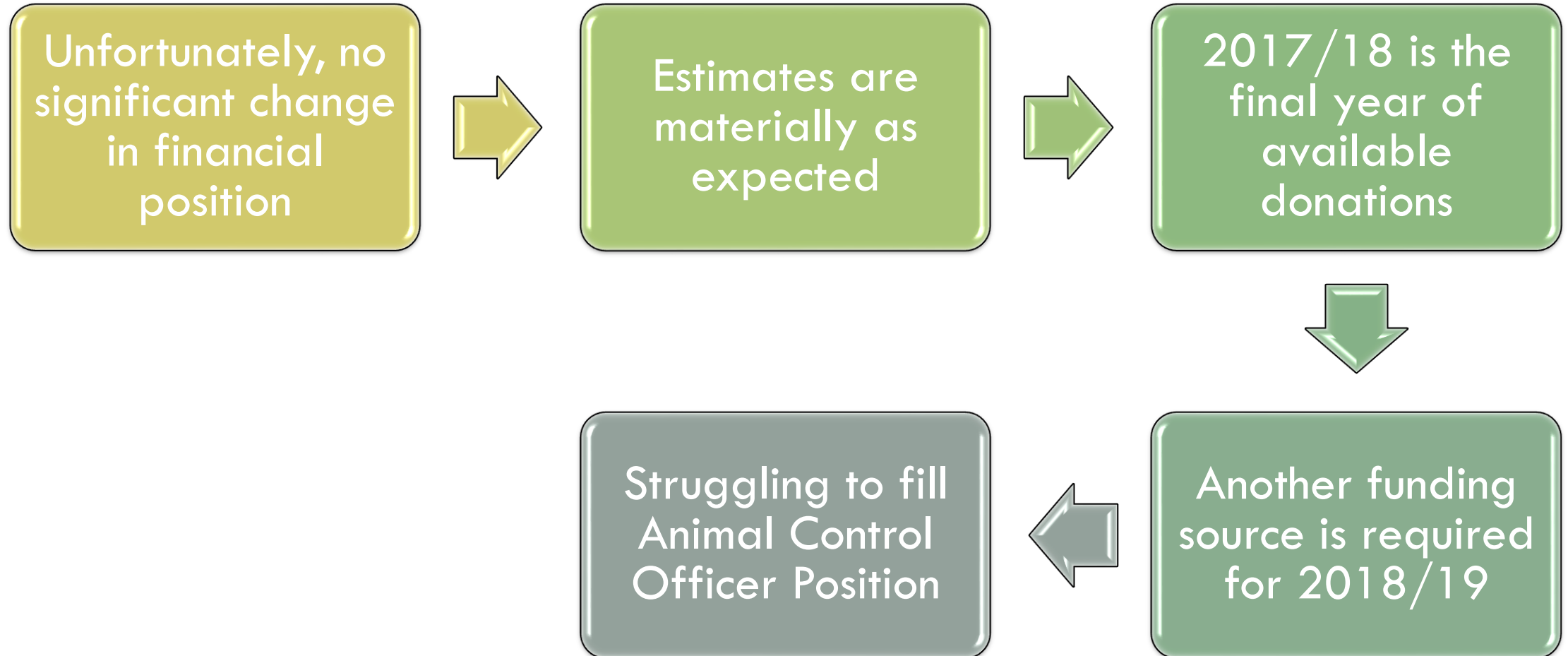
This balances the
fund and adds
\$3,533 to reserves



2016/17 Salaries
are \$13,237 less
than expected

This brings reserves
to \$442,919, which
is important to
maintain as this fund
is most susceptible to
economic downturns
& for equipment
replacement

ANIMAL CONTROL SERVICES (2070)



GAS TAX/STREETS FUND (2120)

- ❑ HUTA tax revenue estimates received were overstated
 - 2017/18 estimates will be investigated
- ❑ 2016/17 salaries finalized with savings of \$21,194 due to vacancy and ongoing workers compensation situation
- ❑ In 2016/17, \$178,330 in reserves will be used.
 - Leaving a reserve of about \$92,856
 - In 2017/18 reserves of \$63,064 will be added back

Gas Tax Type	2016/17 Estimated Actual	2016/17 Actual	2017/18 Budget
Section 2106	100,249	107,207	99,029
Section 2107	236,626	186,774	234,022
Section 2107.5	6,000	6,000	6,000
Section 2105	157,976	147,317	155,945
Section 2103	70,474	69,977	115,797
Totals	571,325	517,275	610,793

BUSINESS AND HOUSING FUNDS

□ On July 13, 2017, the Town was awarded a \$1 million HOME grant

- Staff recommends establishing a \$500,000 budget for 2017/18
- About half the funds will be used on First Time Homebuyer programs and half on Rehabilitation Projects

	Fund Balance 7/1/17	Projected Revenues	Projected Expenses	Transfers Out	Fund Balance 6/30/18
2316 CDBG	0	21,241	(21,241)	0	0
2317 CDBG	0	0	0	0	0
2616 Home	0	500,000	(440,365)	(59,635)	0

□ Recommend decreasing some CDBG budgets as focus returns to HOME funding



CAPITAL IMPROVEMENT PLAN REVISIONS

CIP REVISIONS

April 28, 2017 SB 1 signed

- Creates Road Maintenance and Rehabilitation Account (RMRA)
- Additional funding to be received November 1, 2017

Estimated RMRA funding

- 2017/18 \$178,000
- 2018/19 \$474,000
- Annual reporting of planned use required

\$3.78 million ATP grant to be formally awarded October 2017

- Funds drainage, sidewalks, and bike lanes in downtown
- RMRA funds recommended to be used for leverage in 2018/19
- Combined projects will provide largest investment in Town's infrastructure in over 2 decades

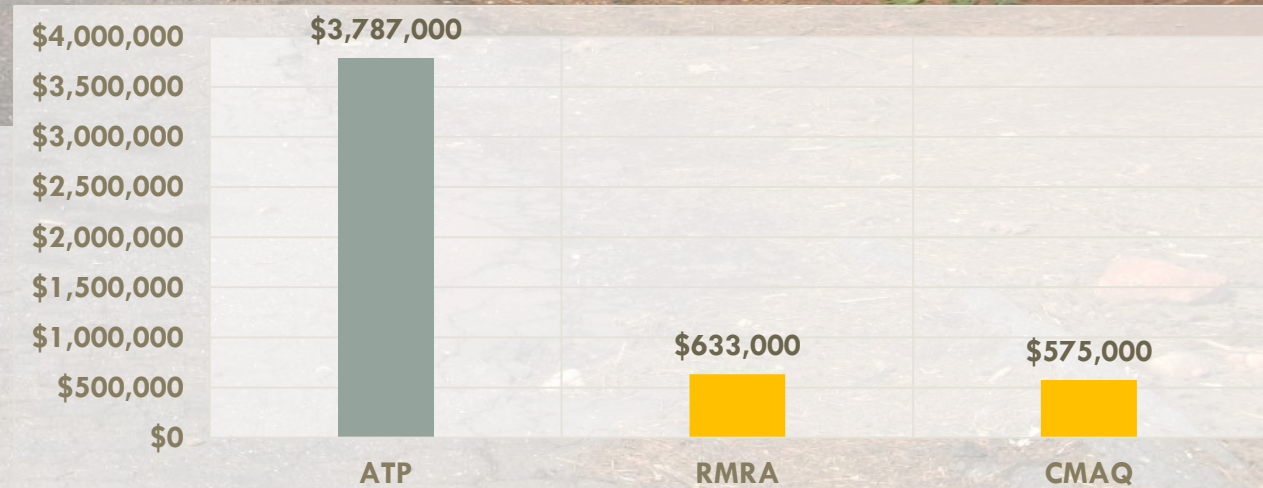
Paradise Gap Closure Complex

Elliott, Birch, Fir, Foster, and Black Olive



Scope/Schedule

- Construct sidewalks and bike lanes
- Improve drainage facilities
- Rehabilitate roadway
- **Construction 2019**

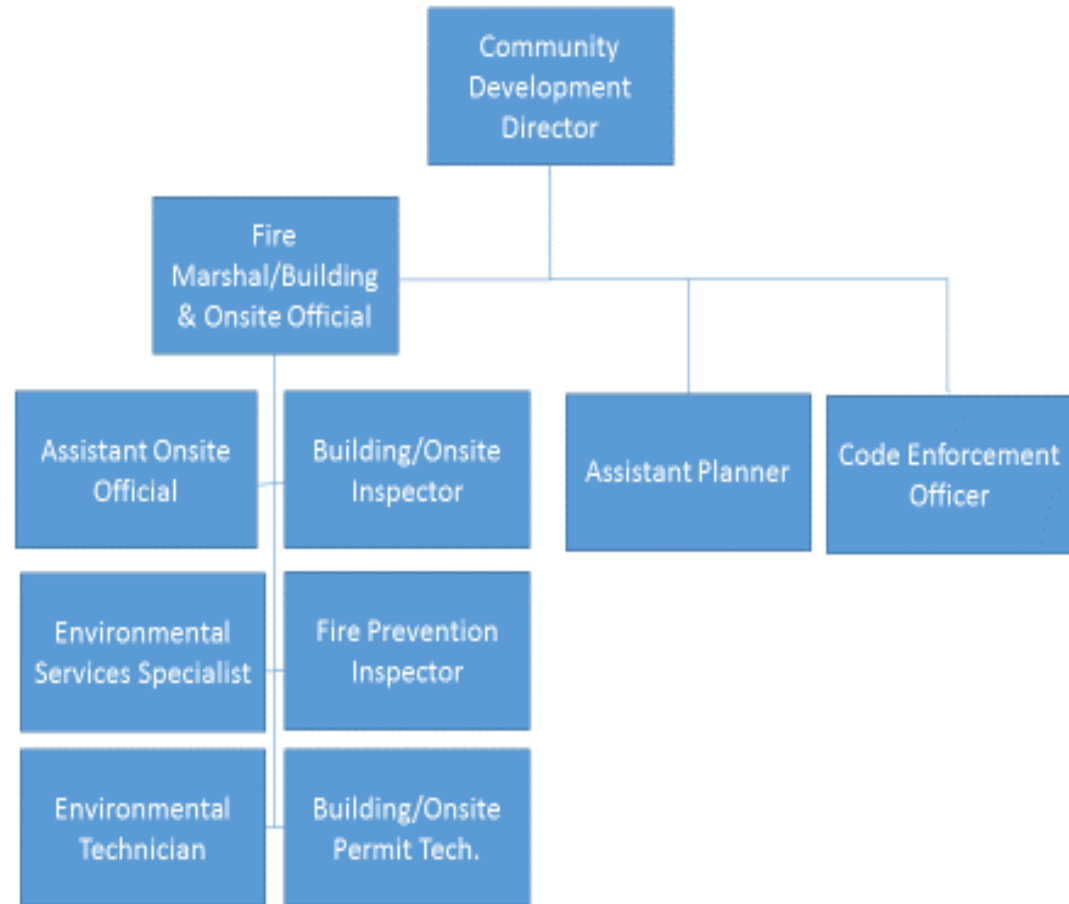




PERSONNEL ADJUSTMENTS

CURRENT COMMUNITY DEVELOPMENT DEPARTMENT STRUCTURE

- ❑ Fire Marshal/Building & Onsite Sanitary Official resigned
 - Very specialized position which manages many functions
 - Management and staff met several times to discuss possible restructuring options



RECOMMENDED COMMUNITY DEVELOPMENT STRUCTURE



CDD RECOMMENDED POSITION CHANGES

Fire Marshal/Building Official

- 2.5% Decrease
- Supervises two inspectors
- Resigned employee to assist on limited part-time basis until filled
- \$34,000 savings to BSWS in 2017/18 and \$23,200 savings in 2018/19

Community Development Manager/Assistant Planner

- 20% increase to salary pay plan; over 5% to employee with subsequent steps available
- Will supervise counter personnel
- \$8,500 added cost in 2017/18 and \$13,400 in 2018/19; 38% general fund, 54% BSWS, and 8% gas tax/streets

Onsite Sanitary Official

- 20% increase to salary pay plan; over 5% to employee with subsequent steps available
- Sustains success of Onsite program
- \$6,200 added cost to BSWS in 2017/18 and \$11,400 in 2018/19

Restructuring will save \$19,400 in 2017/18 and will add costs of about \$1,500 in 2018/19

PUBLIC WORKS RECOMMENDED PERSONNEL CHANGES

Recommend approval for Temporary Public Works Maint. Worker I

- There is an extended workers comp case leaving the division shorthanded
- Salary savings this fiscal year to date is \$8,781
- The total expected salary savings will fund the temporary worker

TOWN COUNCIL ACTION REQUESTED

1. Review and file financial information provided concerning the 2016/17 and 2017/18 operating and capital budgets
2. Approve staff recommended budget adjustments
3. Adopt a resolution amending the Town's Capital Improvement Project Plan for 2017/18
4. Adopt a resolution approving job descriptions and amending the personnel structure for 2017/18



QUESTIONS