



# TOWN OF PARADISE

Operating & Capital Budget Update  
October 9, 2018

## 2018/19 OPERATING AND CAPITAL BUDGETS

- Adopted June 26,  
2018
- About 3 months  
recorded



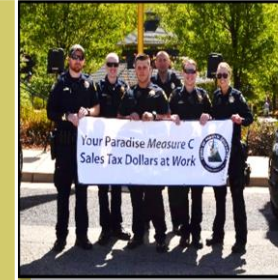
# MEASURE C

- Six year 0.50% transaction and use tax that went into effect April 2015
- Instrumental in sustaining services for the Town



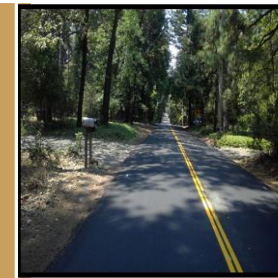
Maintains CAL FIRE staffing levels

Brought Police staffing back to workable levels



Supports Animal Control and shelter operations

Leverages grant monies to improve roads



# FIVE YEAR FINANCIAL PROJECTION

- ✓ Half way through the temporary six-year tax measure, projections indicate that without an extension, expenses will exceed revenues and cuts will be necessary to balance budgets once all of Measure C funds have been used.
- ✓ The Council decided to ask the voters to weigh in on service levels for the community.
- ✓ Measure V will be on the November 2018 ballot which, if approved, would extend the 0.50% transaction and use tax for ten years after Measure C expires.



# TOWN ON HOLD

- The Town is waiting for the results of the election to see what funding will be available next year
- In the meantime, there are projects and decisions in limbo

\$35,000 to install and replace public safety radio system backup batteries

No funding starting in 2019/20 for AB109 officer

- helps with prisoner early release issues

Police Department HVAC system failed

- \$8,000 to replace

CAL FIRE contract expires in 2021

- Will enter into negotiations prior to Measure C expiration

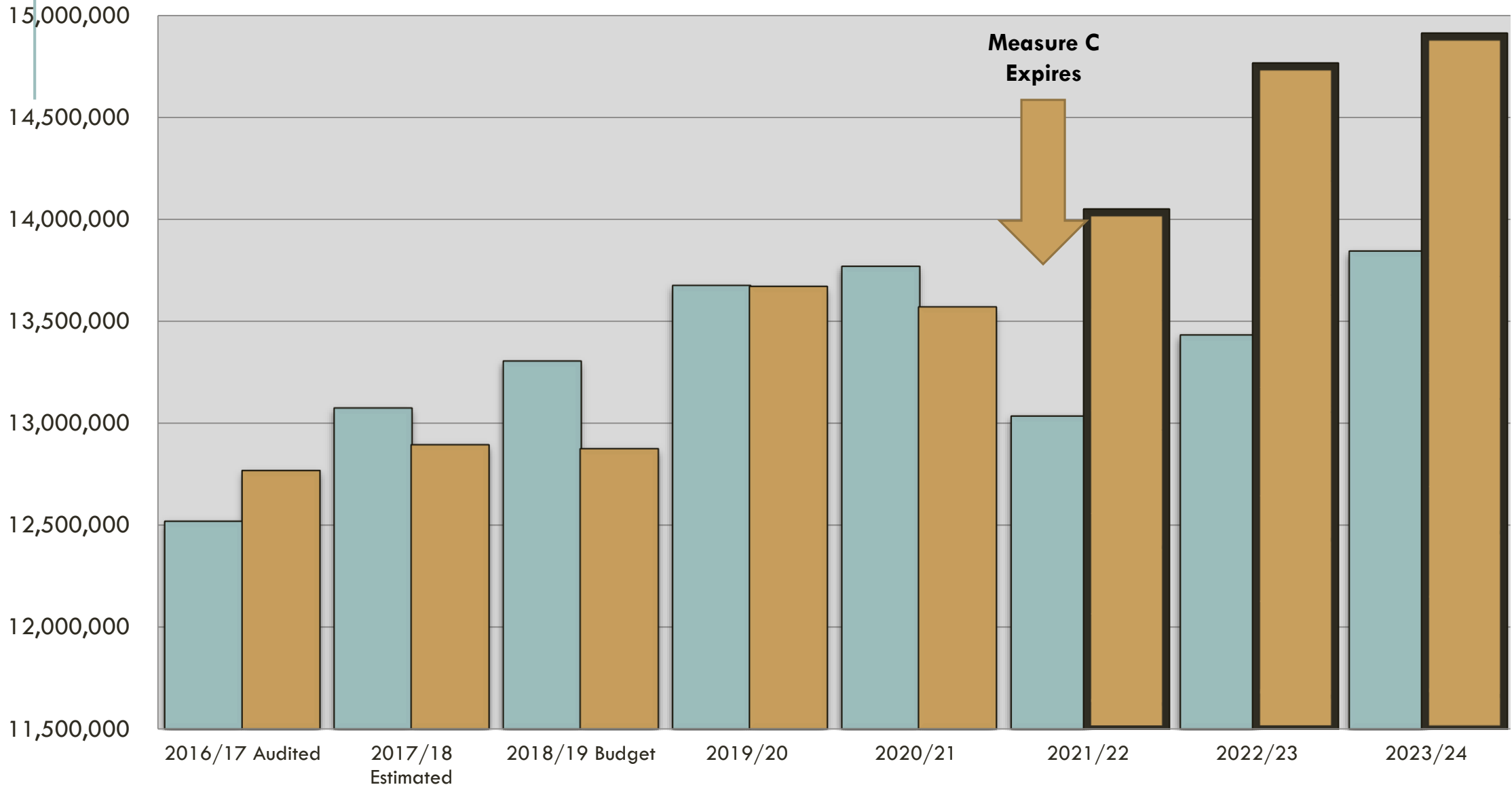
# TOWN WITHOUT EXTENSION

Even with Measure C reserves, cuts will be needed starting next fiscal year to maintain a balanced budget

- Projected Measure C reserves \$1.34 million by 2020/21
- Measure C reserves of \$667,847 for 2021/22 and 2022/23 will not cover all of deficit for those years
- By 2023/24 the Town will have a deficit of almost \$1 million

Note: These numbers are just to maintain existing services. This leaves no funding for equipment replacement, facility repairs or road maintenance/grant matching

# FIVE YEAR GENERAL FUND PROJECTION REVENUE & EXPENSES



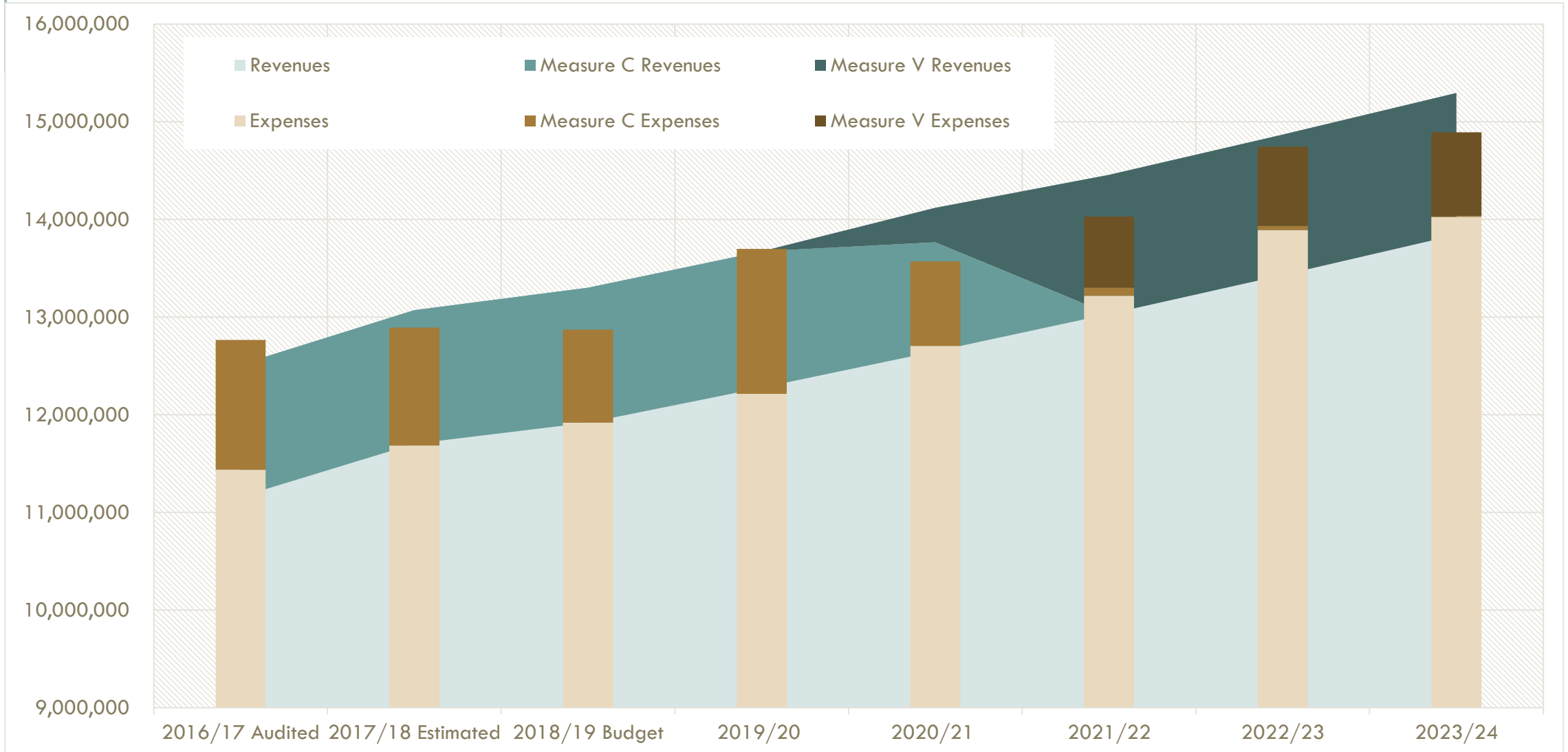
# PROJECTED CUTS TO MAINTAIN BALANCED BUDGET (WITHOUT EXTENSION)

- ❖ Other cuts may be selected, but services would be impacted
- ❖ Cuts cannot come from administration as those functions are typically one-person (HR, IT, Fleet, Legal, Payroll etc.)

	2019/20 Projected	2020/21 Projected	2021/22 Projected	2022/23 Projected	2023/24 Projected
Maintain CAL FIRE Contract		\$55,973	\$83,948	\$161,913	\$344,404
2 <sup>nd</sup> Investigation Position				171,905	171,905
Police Officer					108,074
AB 109 Officer	93,258	93,258	93,258	93,258	93,258
Sponsor Police Cadet			27,924	27,924	27,924
K9 Program			10,005	10,005	10,005
Enhanced Police Training			15,000	15,000	15,000
Animal Control Staffing & Operations			50,000	75,000	160,000
<b>Total Projected Cuts</b>	<b>\$93,258</b>	<b>\$149,231</b>	<b>\$280,135</b>	<b>\$555,005</b>	<b>\$930,570</b>



# GENERAL FUND 5 YEAR PROJECTION WITH MEASURE V



# ECONOMIC DEVELOPMENT

To provide a healthy customer base for economic development, the Town must:

Provide public safety services to maintain safe neighborhoods

Basic infrastructure to maintain safe passage

Appropriate regulations to maintain safe buildings and reduce blight

- ✓ Measure C to maintain public safety services
- ✓ \$22.5 million in capital improvement projects 2015/16 – 2020/21
- ✓ Lowest development fees in Butte County
- ✓ Code enforcement program
- ✓ Business friendly regulations



# CONCLUSION

The Town is at a financial crossroad. It is in a holding pattern until November 2018 to see whether the 0.50% sales tax is extended to maintain services.



QUESTIONS?

