




Town of Paradise

FISCAL YEAR 2019/20 OPERATING AND CAPITAL BUDGETS

JULY 23, 2019

A photograph of a sunset over a body of water. The sun is low on the horizon, creating a bright orange and yellow glow that reflects on the water. The sky is filled with large, dark clouds. The text "Persistence, Positive Attitude & Patience" is overlaid on the image in a white, sans-serif font.

Persistence,
Positive Attitude
&
Patience

Fiscal Year
2019/20
Budget
Overview

Budget Realities



Still have much more
to learn



Every Goal and Task has a
Process

Takes Persistence &
Patience



Most Projects,
Contracts and Grants
Will Come Forward for
Council Consideration

2019/20 Operating and Capital Budget Highlights

Personnel

Complete Classification, Salary and Organization Study

Recruit, Hire and Train 9 Employees to Achieve Budgeted Positions

Negotiations with all 5 Employee Groups

Recovery

Insurance Advances

- \$3.2 of \$5 Million for Lost Revenue
- \$2.5 Million for Property Loss

\$5 Million Advance for Public Assistance Projects

- \$3.1 Million Spent

\$23.5 Million Cal Home DA Grant to Reconstruct 200 homes in 3 years

Capital Projects

Skyway at Black Olive Signal

Resiliency Permit & Housing Resource Center

Downtown Sewer Environmental Study

Public Safety Radio System

2019/20 Operating and Capital Budget Challenges

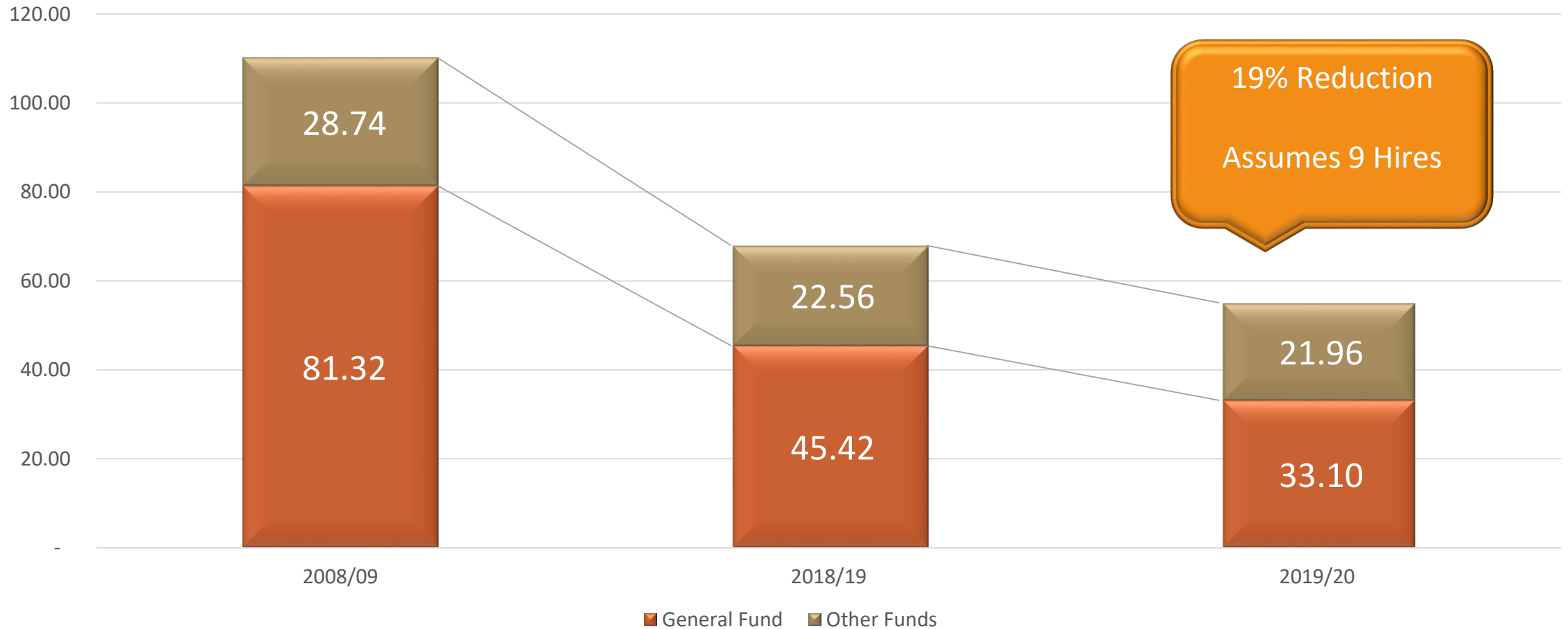
Stabilize Personnel

Receiving PG&E
Settlement & Forming
Plan for Financial
Sustainability

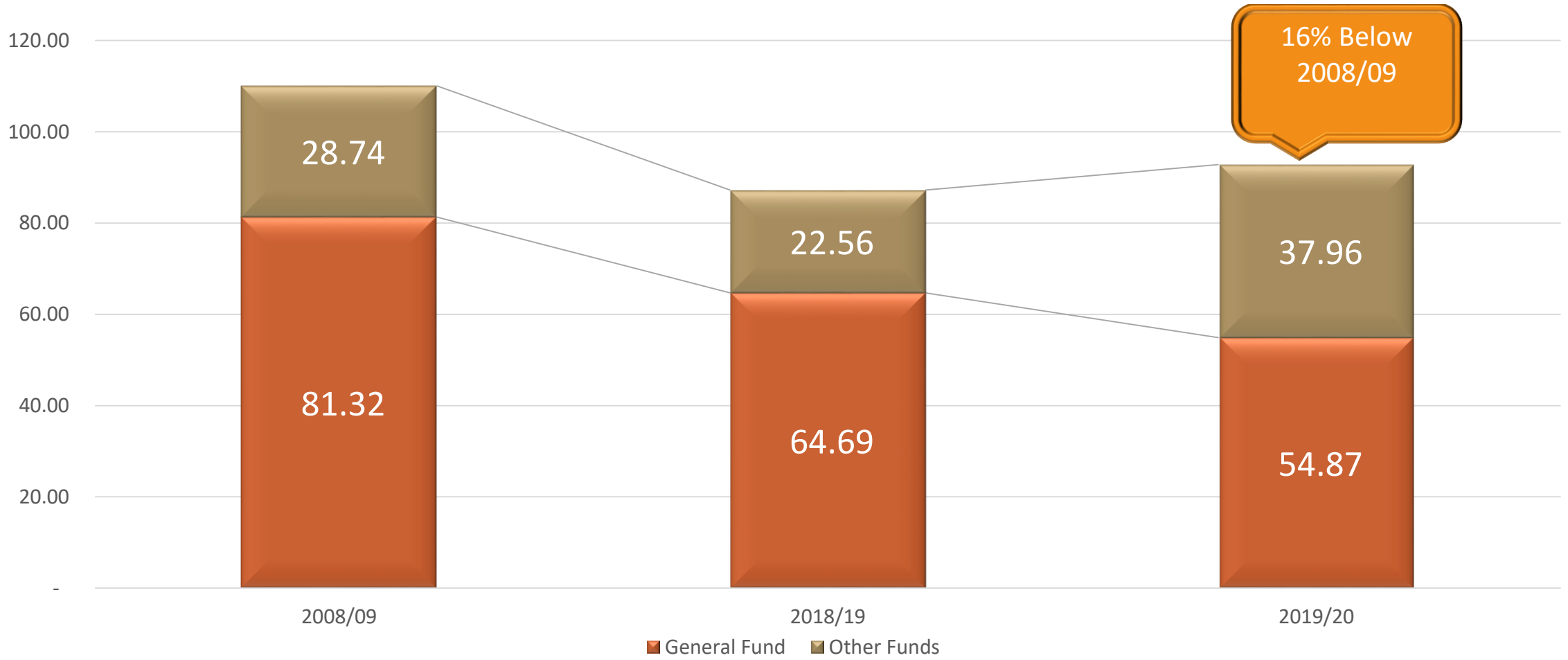


Town of Paradise
Personnel

Employee Reductions



Personnel with Contract Augmentation



Hiring Realities and Process



Must Complete Compensation Study

- To Understand Market
- Proposal to be submitted to Council 8/13/19
- Process to Implement Results



Recruitment Challenges

- Competition
- Housing
- Workload



Background & Training

- Required before Productive Employee

2019/20 Proposed Employee Assumptions & Modifications

9 Hires to Reach Budgeted FTE

- CDD Director
- PW Director/Town Engineer
- Disaster Recovery Manager
- (5) Police Officers
- Housing Analyst

Amend Public Safety Recruitment Incentives

- Lateral Sign on Bonus \$20,000 (\$10,000 at Signing & \$10,000 after probation)
- Academy Sponsorship is \$30,000

Transition Public Safety Dispatch Function to Butte County Sheriff

- Unable to hire needed Personnel
- Will reclassify existing Employees to other key functions
- More details with Organizational Study

2019/20 Proposed Contract Labor to Augment Staffing

4 Leaf

- For Plan Checks and Building Permits
- Funded by Grant and User Fees

In Process

- For Eligibility, Construction & Inspection of 200 Homes
- Funded by CalHome Grant

Butte County Sheriff

- For Dispatch Support
- Funded by General Fund

Ernst & Young

- For Insurance, Public Assistance & Hazard Mitigation
- Funded by Same

In Process

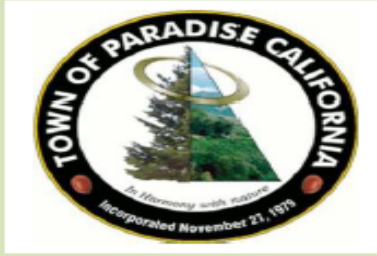
- Information Technology Support
- Funded by General Fund

Mark Thomas Engineering

- For Recovery & CIP Projects
- Funded by Gas Tax & Grants

Blue Flamingo

- For Communications & PR
- Funded by Grant



CITIZENS OF PARADISE

FY 2019/20
55.1 Full Time Equivalent Employees
(8 Town Manager Direct Reports)

TOWN COUNCIL

TOWN ATTORNEY

- PLANNING COMMISSION
- SUCCESSOR AGENCY TO THE PARADISE RDA
- MEASURE C OVERSIGHT

TOWN MANAGER

Administrative
Analyst II

Town Clerk
Admin. Analyst I

**Disaster Recovery
Manager**

Police Services

Police Chief

- OPERATIONS
- INVESTIGATIONS
- COMMUNICATIONS
- ANIMAL CONTROL

Fire Services

Cal-Fire Contract

- SUPPRESSION
- PREVENTION
- FIRE VOLUNTEERS

**Public Works /
Engineering**

Public Works Dir./Town Eng

- ENGINEERING
- STREET MAINT
- TRANSIT
- FLEET

**Community
Development**

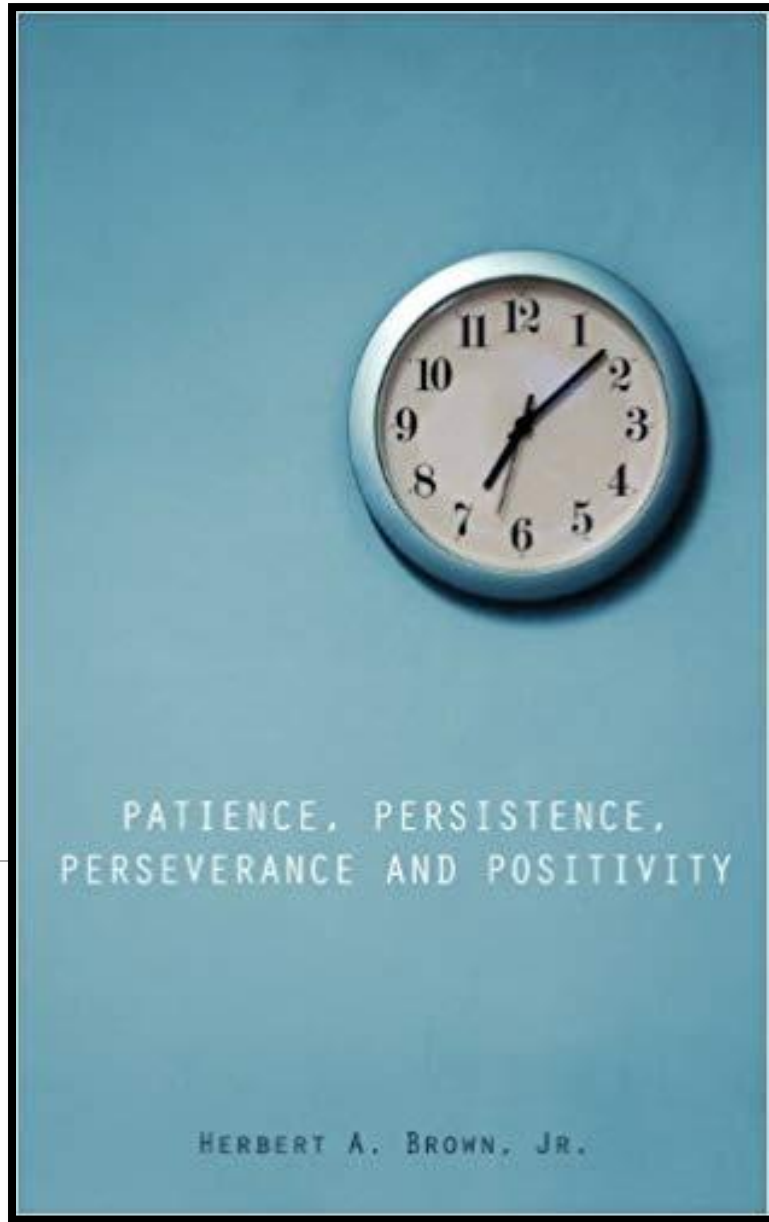
**Community
Development Director**

- PLANNING
- BUILDING
- WASTEWATER
- SOLID WASTE

**Administrative
Services**

**Administrative
Services/Finance Dir.**

- FINANCE
- IT
- HR/RISK MGT
- BUS. & HOUSING
- GRANTS



General Fund

General Fund Summary

	2017/18 Audit	2018/19 Estimated Actual	2019/20 Proposed Budget
Total Revenues	\$11,771,578	\$10,775,418*	\$12,038,545*
Measure "C" Receipts	1,368,621	1,308,221	700,000
Total Resources	\$13,140,199	\$12,083,639	\$12,738,545
Total Expenditures	11,625,566	10,775,418	12,038,545
Measure "C" Expenditures	1,140,659	1,010,884	755,344
Total Financial Uses	\$12,766,225	\$11,786,302	\$12,793,889
General Fund Net Income	\$373,974	\$297,337	\$(55,344)

*State Property Tax Backfill and Lost Revenue Insurance Proceeds used to balance funds in 2018/19 & 2019/20

General Fund Reserves

	2017/18 Audit	2018/19 Estimated Actual	2019/20 Proposed Budget
Designated Reserves			
Nonspendable (RDA and Other Loans)	\$1,334,971	\$1,295,104	\$1,255,934
Assigned for Property Abatements	20,000	20,000	20,000
<i>Unassigned – Cash Flow</i>	<i>1,509,264</i>	<i>1,549,131</i>	<i>1,588,301*</i>
Designated Reserves – Measure C			
Assigned – Police Vehicle Payments	174,637	20,637	20,637
<i>Unassigned – Ongoing expenses</i>	<i>726,123</i>	<i>1,177,460</i>	<i>1,122,116**</i>
Ending Fund Balance	\$3,764,995	\$4,062,332	\$4,006,988

*Provides cash flow of 1.5 months.

**See Measure C Financial Plan

General Fund Revenues

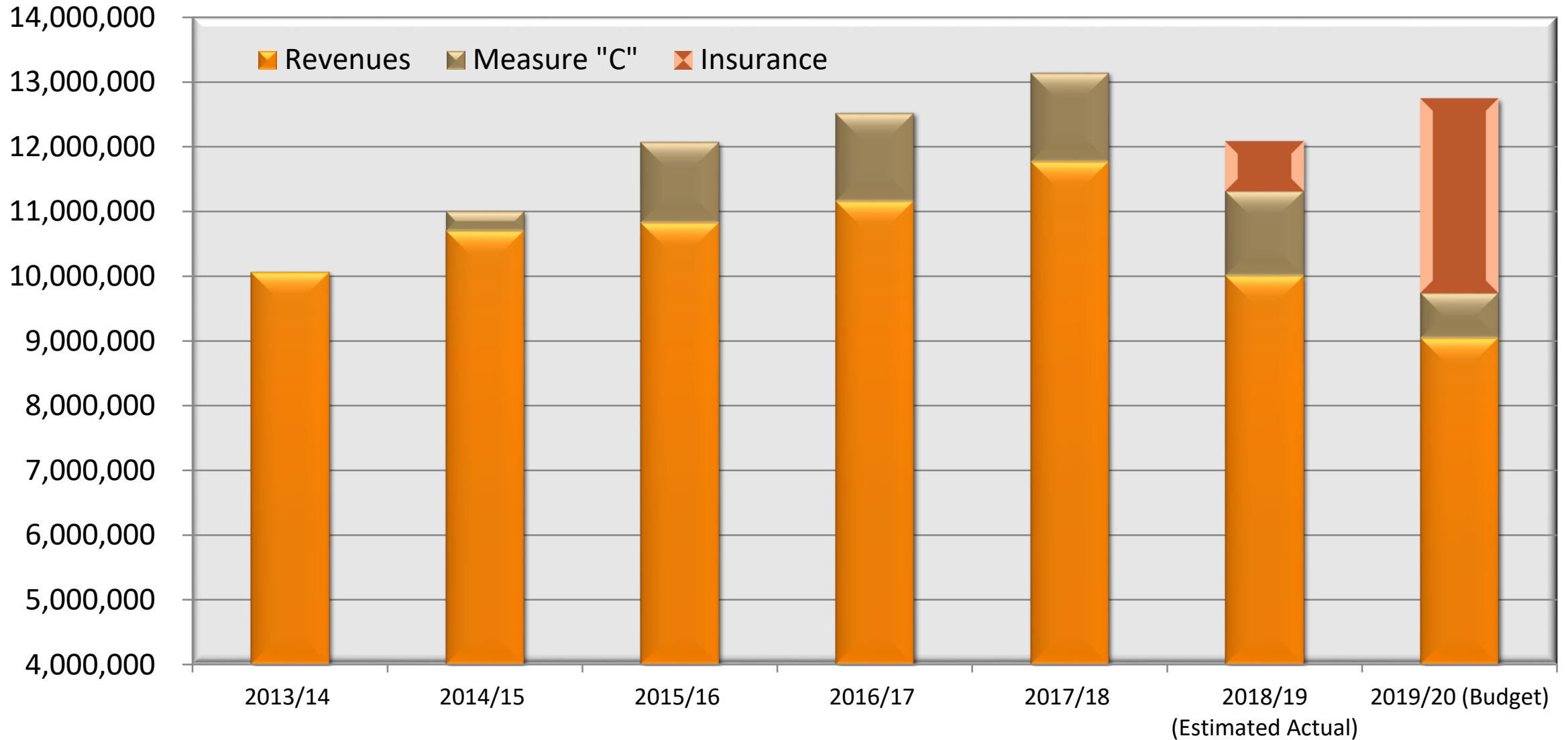
A blurred photograph of a crowd at a sporting event, likely a football match, with an American flag visible in the background. Three text boxes are overlaid on the image, each containing a word related to perseverance.

PERSISTENCE

PERSEVERANCE

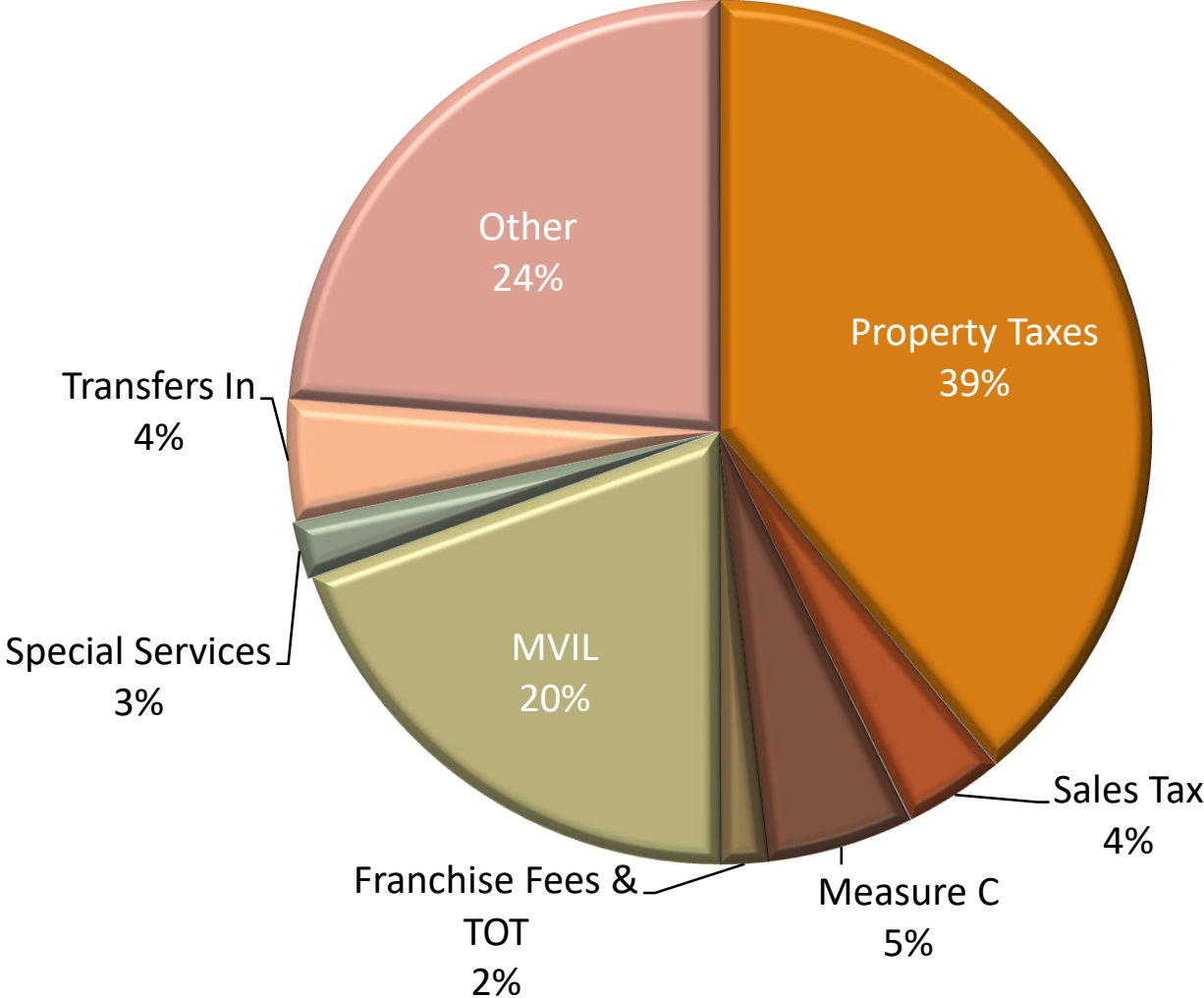
PATIENCE

General Fund Revenues Seven Year Comparison

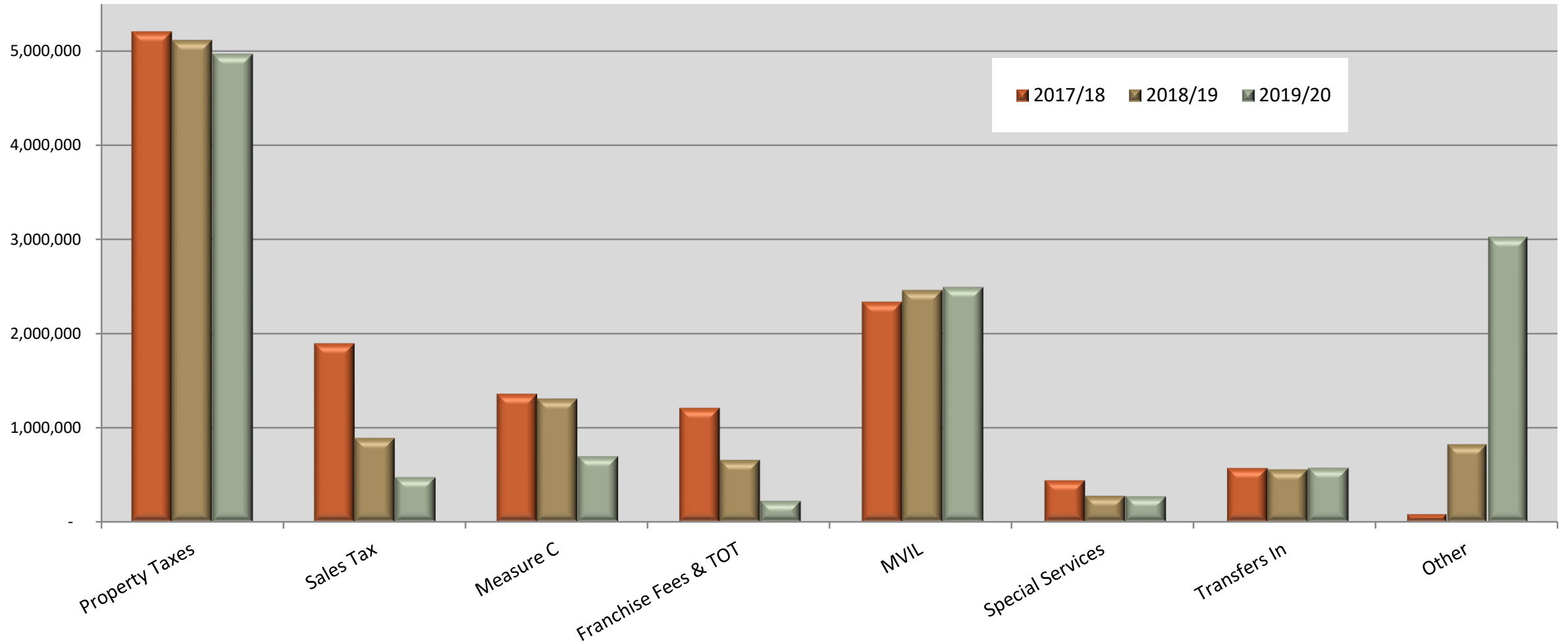


General Fund 2019/20

Total Resources \$12,738,545



Change of General Fund Revenue by Resource

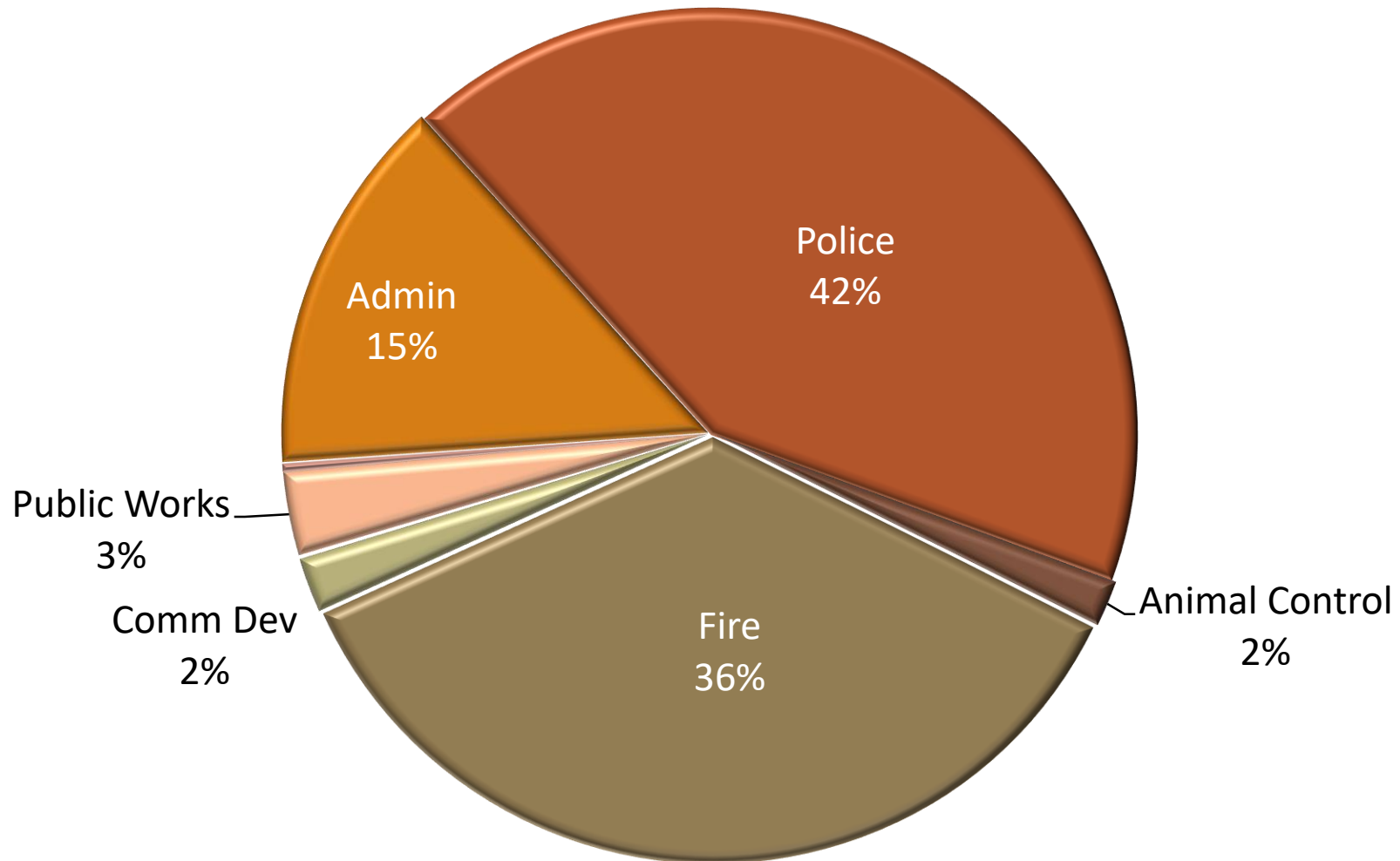


General Fund Expenditures

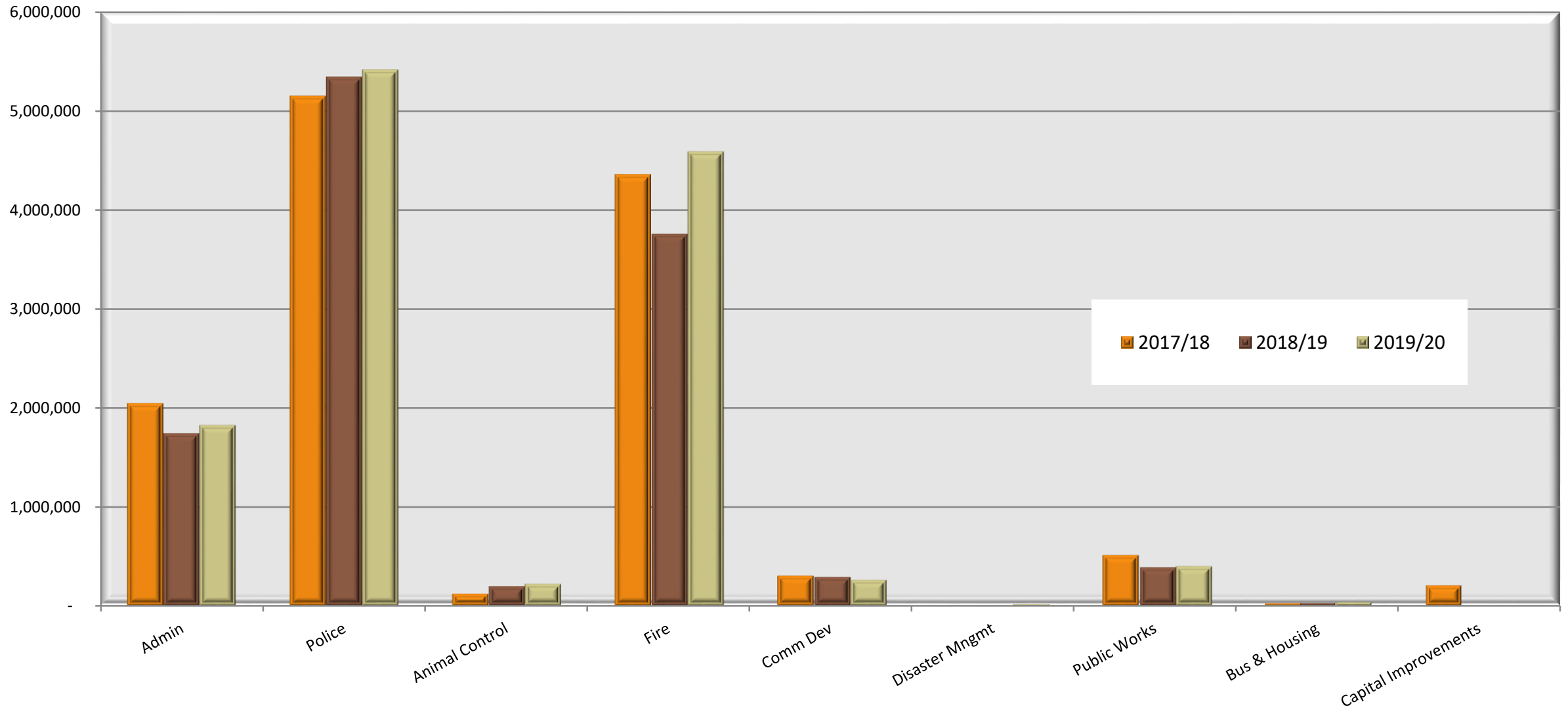
Patience, Persistence and
Perseverance Will Take
You Anywhere.

– Mridul Jhawar

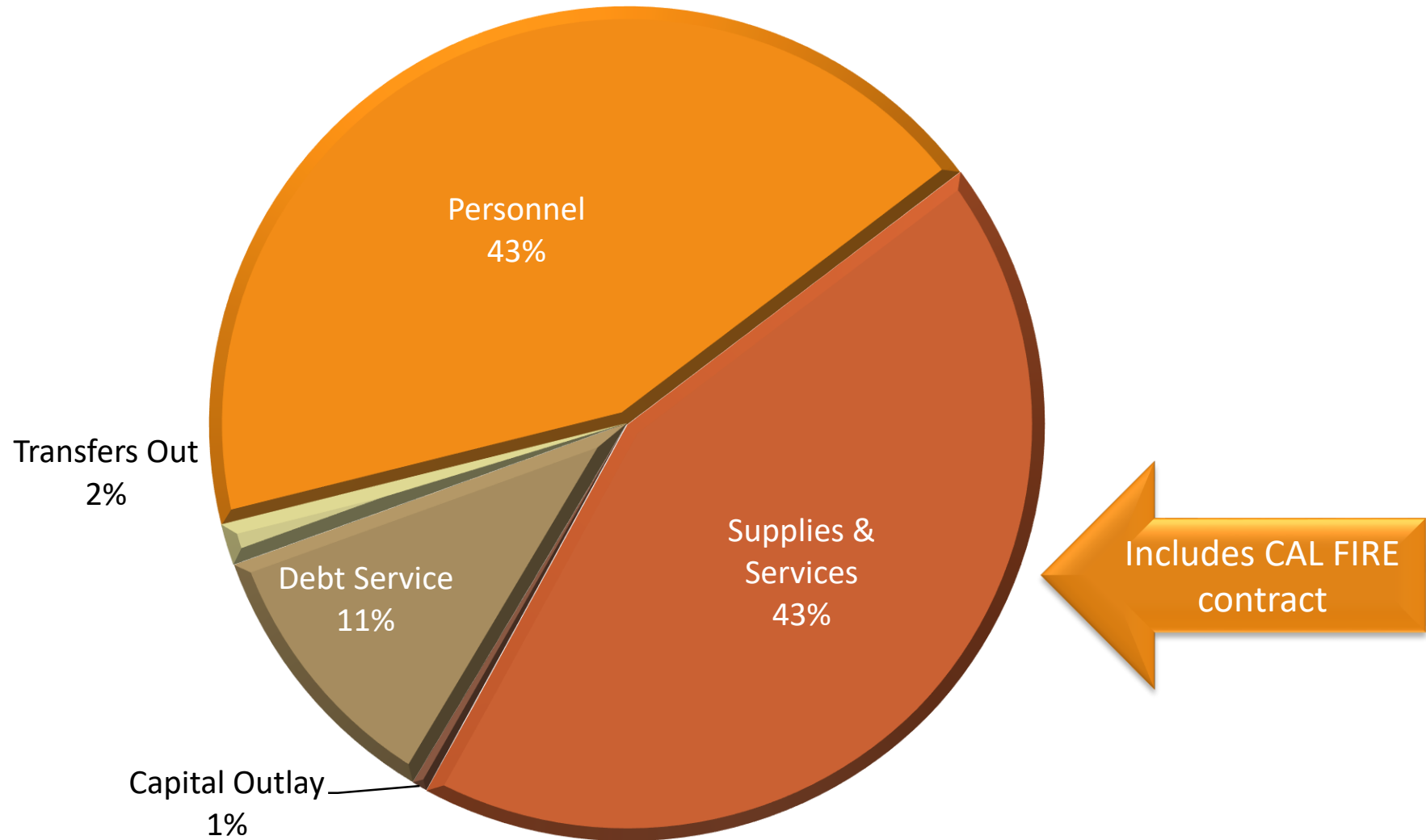
2019/20 General Fund Financial Uses by Function \$12,793,889 (With Measure C)



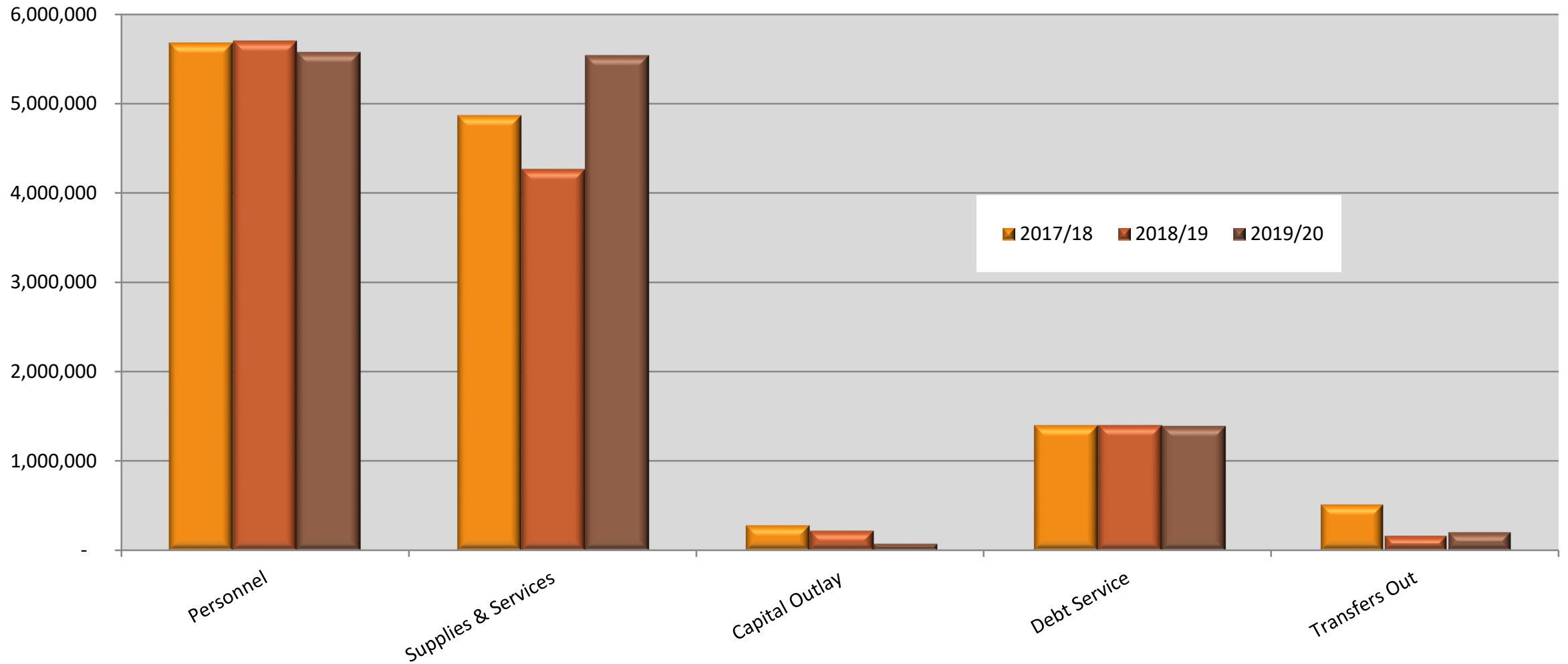
General Fund Appropriations by Function (With Measure C)



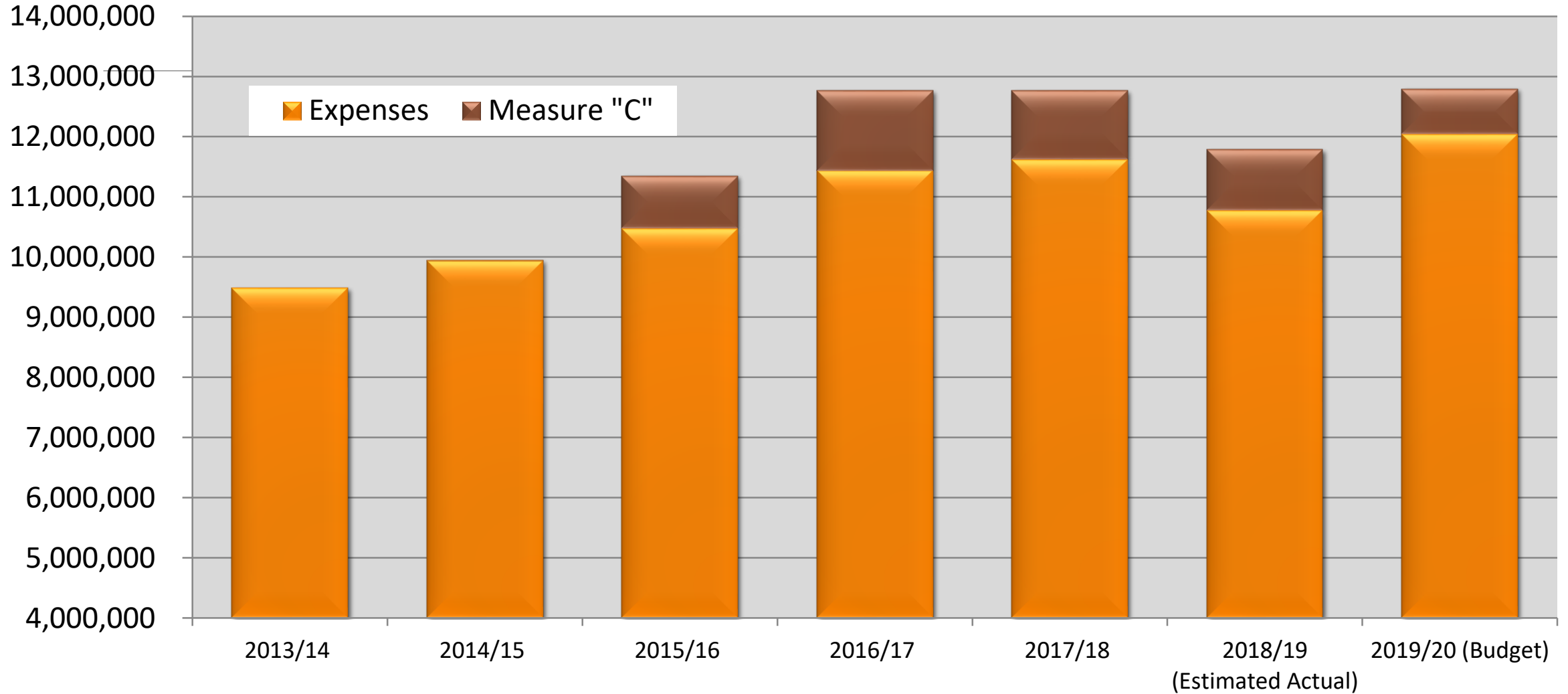
2019/20 General Fund Financial Uses by Use (With Measure C)



General Fund Financial Uses by Use (With Measure C)



General Fund Total Financial Uses Seven Year Comparison



Measure C

*“a temporary sales tax increase of 0.50% that automatically expires in six years, and that establishes a citizen oversight committee to ensure that **funds are used to preserve public services** such as police protection, fire suppression, street maintenance, animal control and other services for the Town of Paradise”*

2019/20 Measure C Resources

Designated Reserves 2018/19			
	Assigned – Police Vehicle Payments	\$20,637	
	Unassigned – Ongoing expense	1,177,460	\$1,198,097
Expected Revenues:			\$700,000

Proposed 2019/20 Measure C Budget

Animal Control		
	54% of funding to maintain operations for Animal Control Services (Personnel and Supplies)	\$197,640

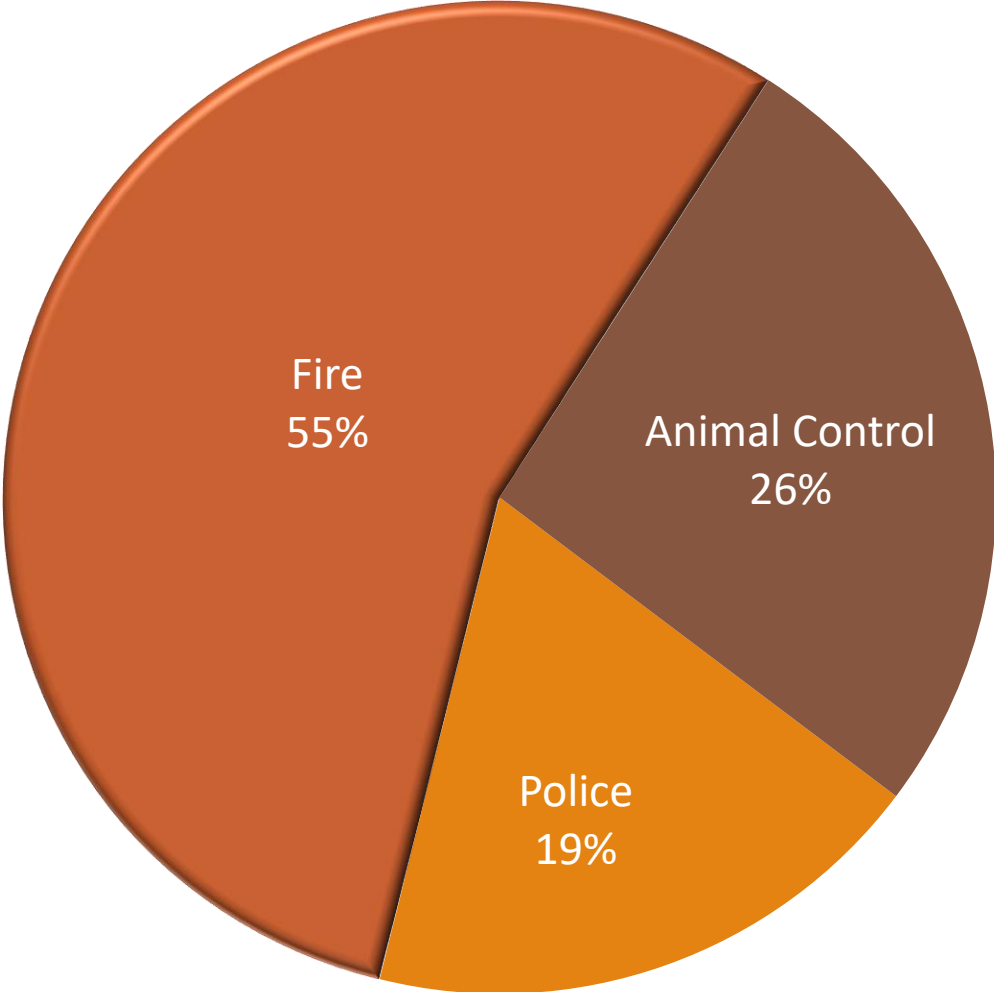
Proposed 2019/20 Measure C Budget

Fire Department			
	Maintain current staffing levels – CAL FIRE	\$250,000	
	Type 1 Fire Engine Payments (81 & 82)	167,183	\$417,183

Proposed 2019/20 Measure C Budget

Police Department			
	Sponsor 2 Police Trainees	\$60,383	
	Police Vehicle Payments	64,215	
	Body Cameras & Hardware – Yr. 4 of 5	5,917	
	K-9 Program (Training, food and vet)	10,005	\$140,520

2019/20 Measure C Financial Uses by Function



Measure C Budget Highlights

Maintaining Higher Level of Receipts through Online & Vehicle Sales

Budget and Financial Plan Amendments Will be Needed

Will provide 54% of Animal Control Service funding for 2018/19

Measure C Summary Financial Plan (2015/16 – 2020/21)

Projected Revenues			\$6,784,790
Ongoing Commitments for:	Police	\$1,776,596	
	Fire	2,211,534	
	Animal Control	723,992	
	Public Works	1,187,154	
	Reserve – Ongoing expense	885,514	(6,784,790)
Net Remaining			0

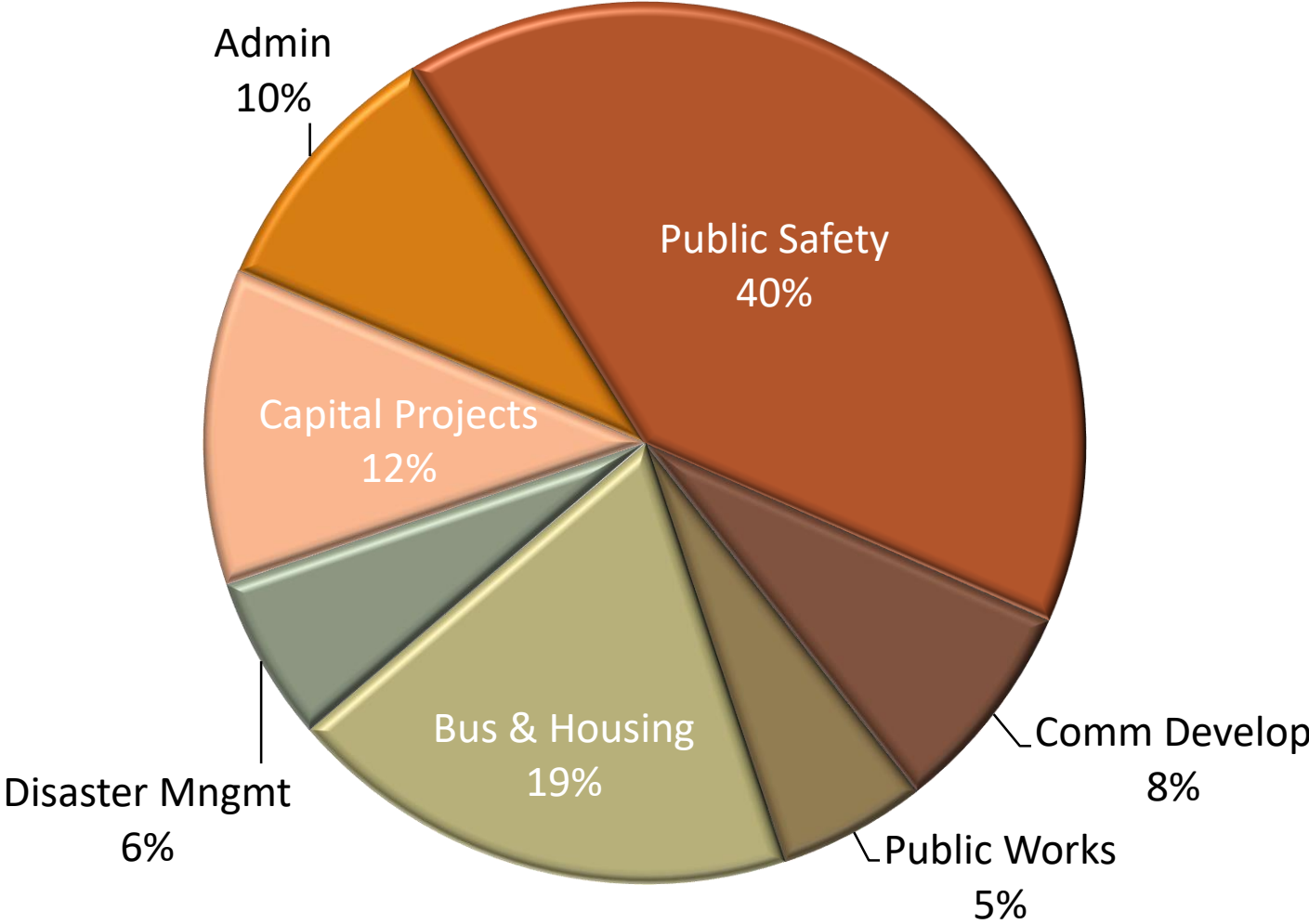
Persistence, patience and
perseverance are virtue of person
with strong positive attitude.

Anil Sinha

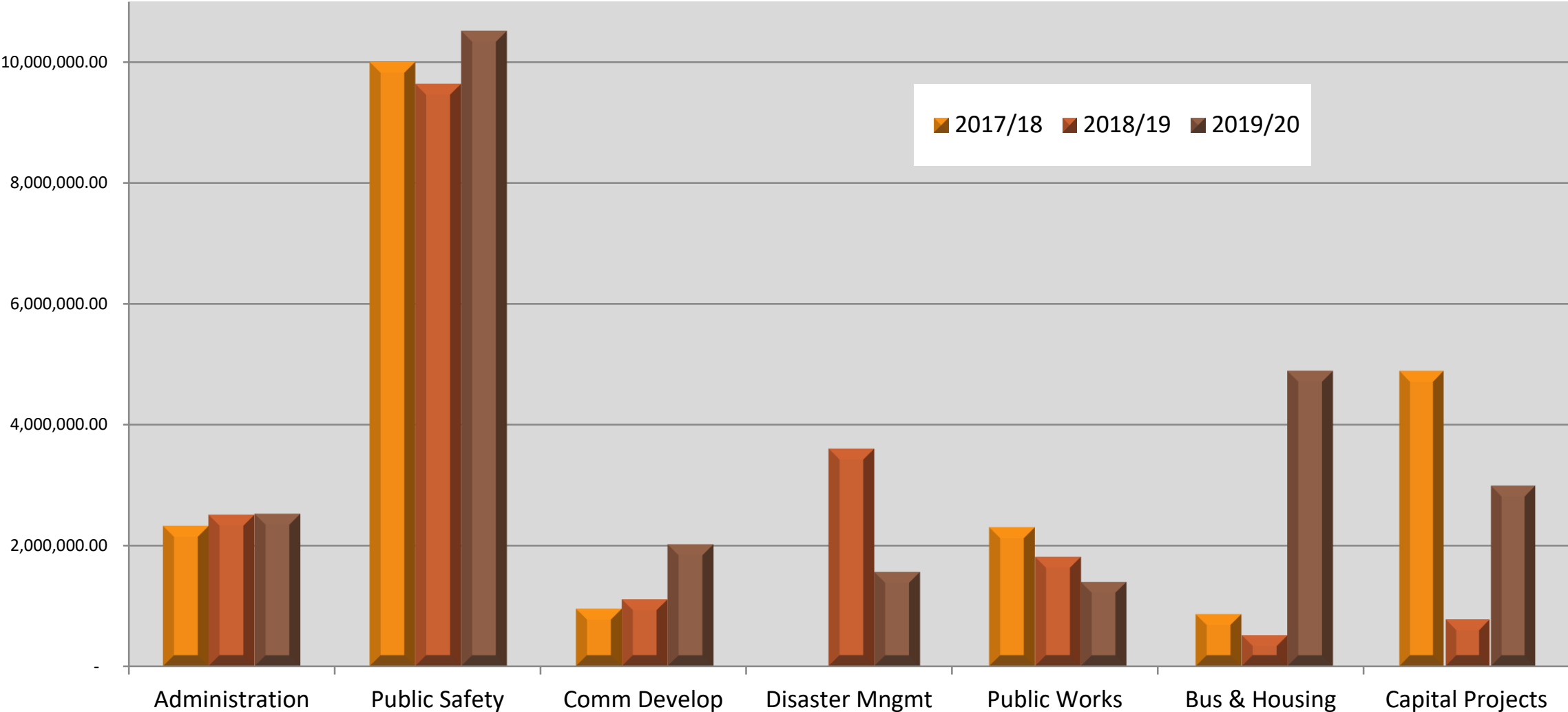
JAROFQUOTES.COM

All
Government
Funds

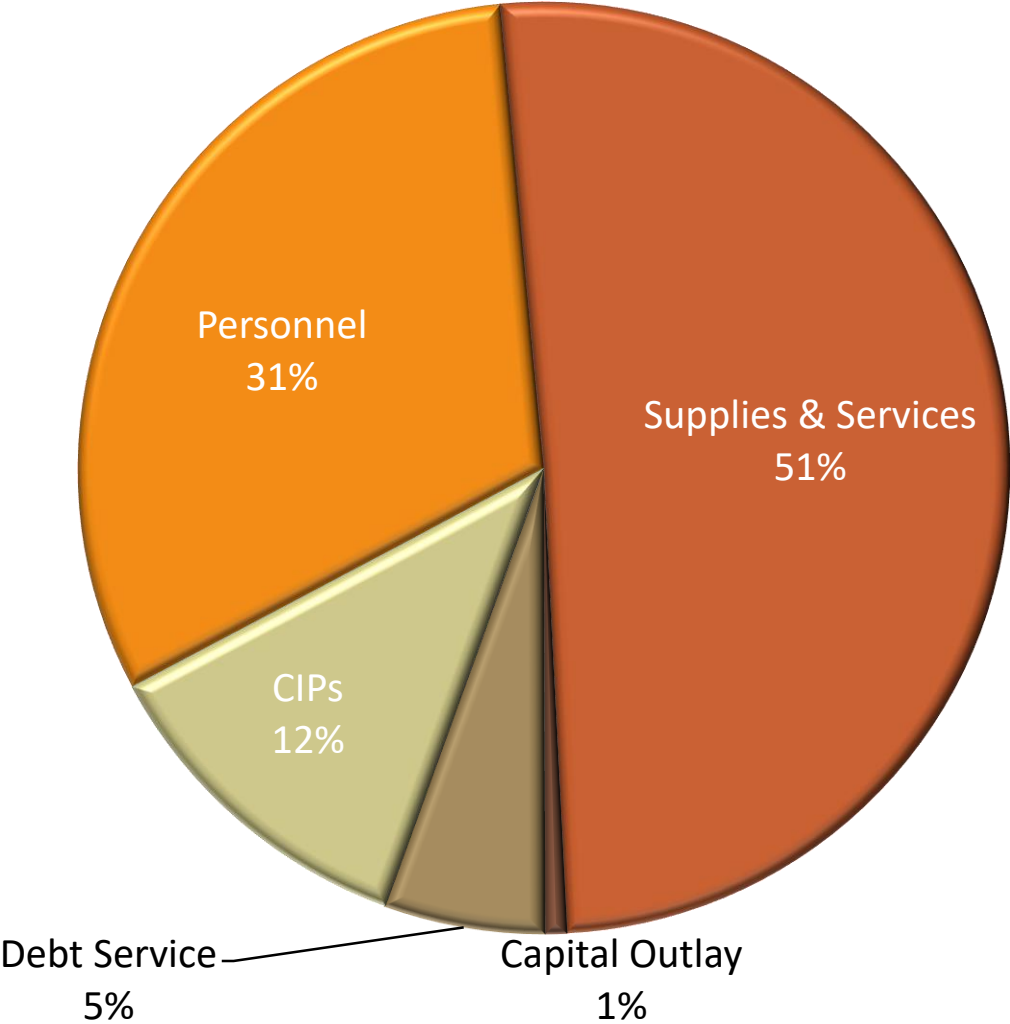
2019/20 Governmental Funds Appropriations by Function



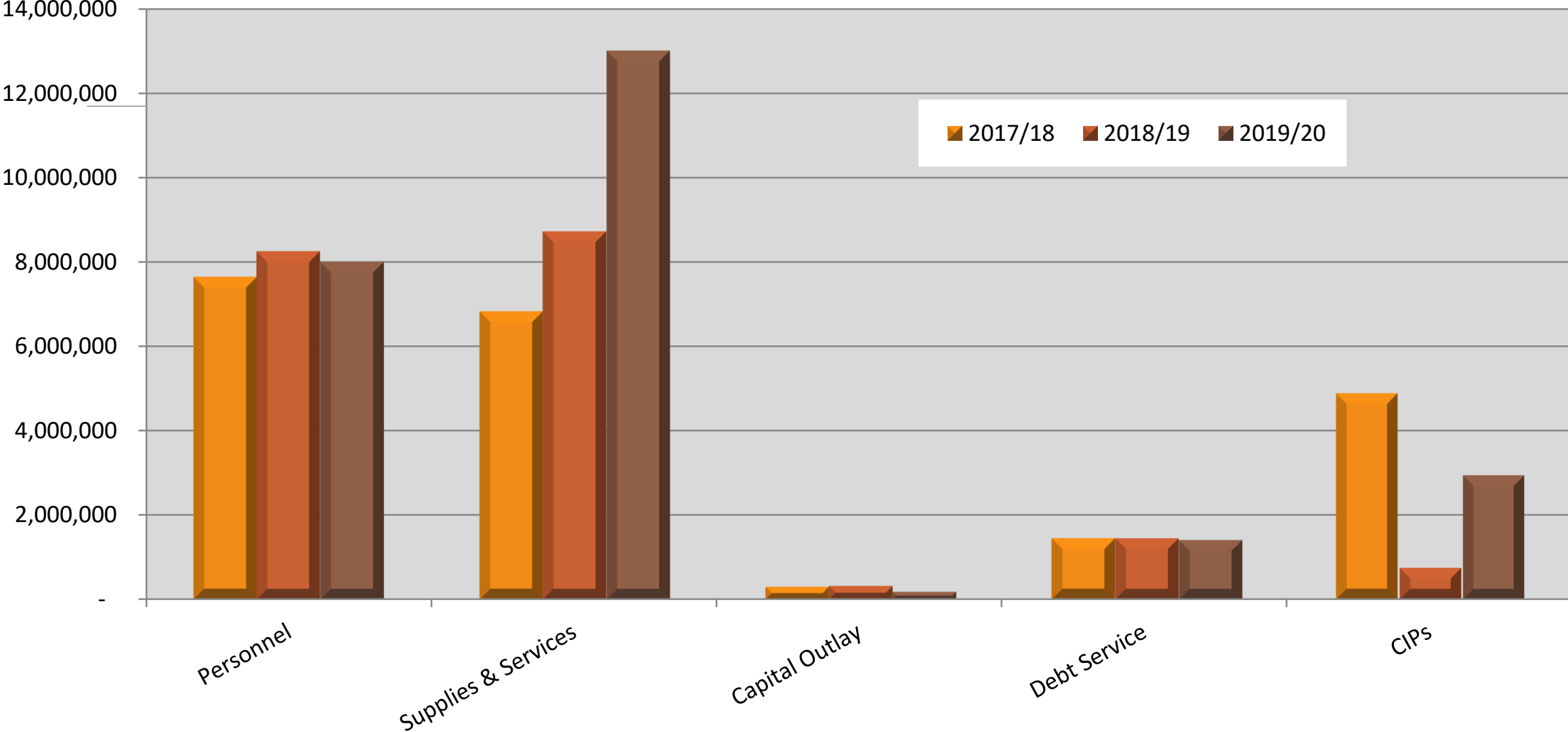
Governmental Funds Appropriations by Function

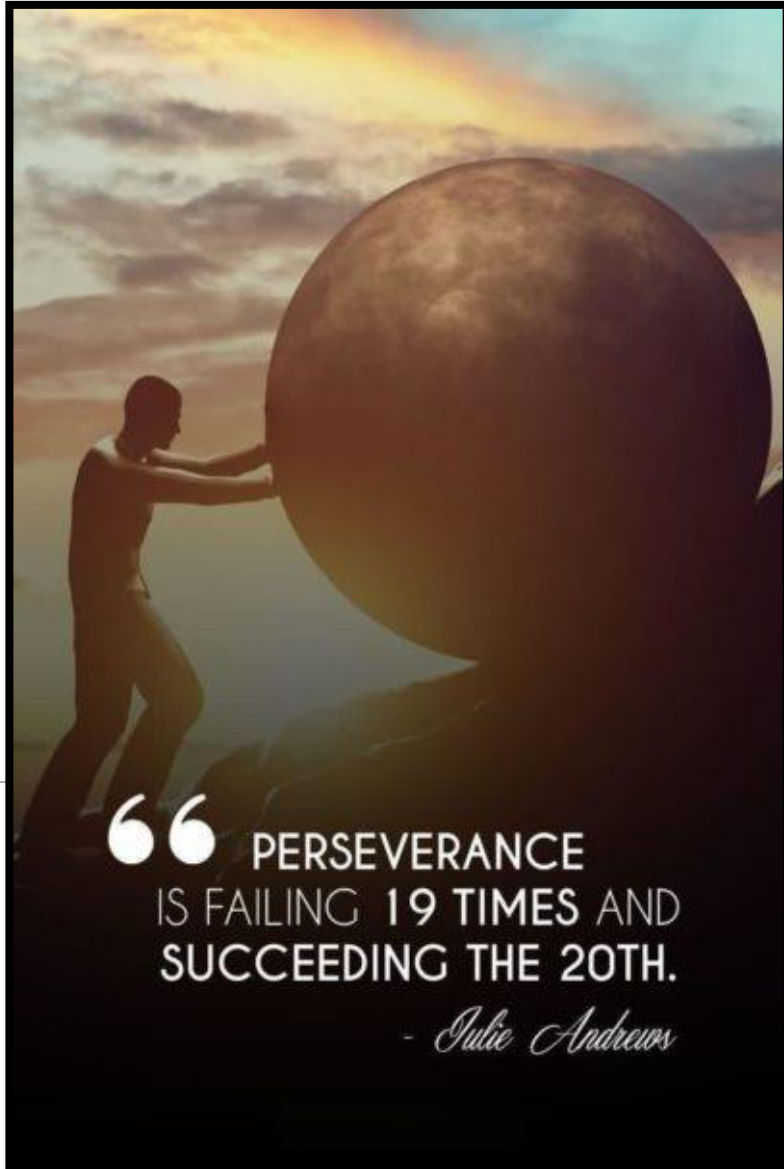


2019/20 Government Funds Appropriations by Use



Governmental Funds Appropriations by Use





Departments

Town Management and Administrative Services

Town Council

Town Clerk

Human Resources

Information Technology

Central Services

Disaster Management

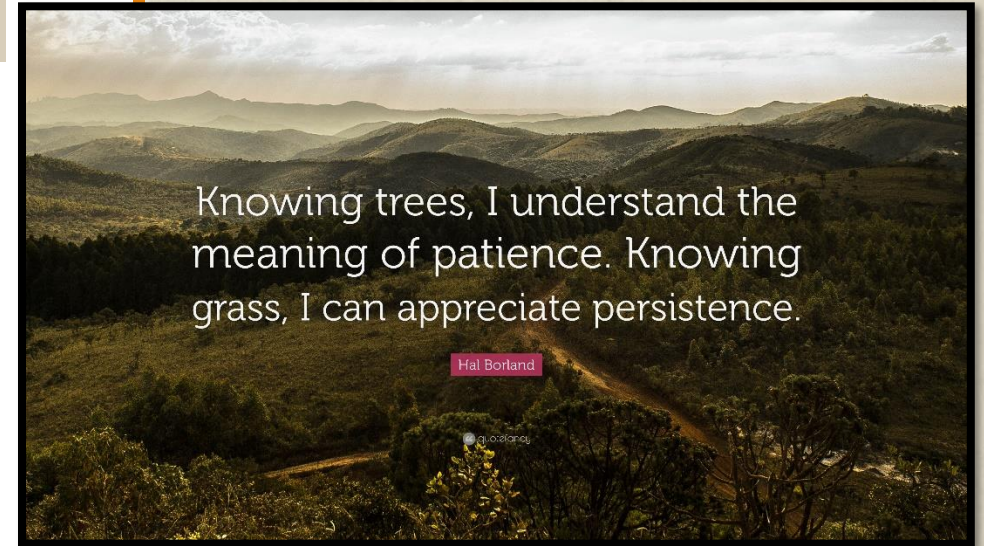
Town Manager

Legal Services

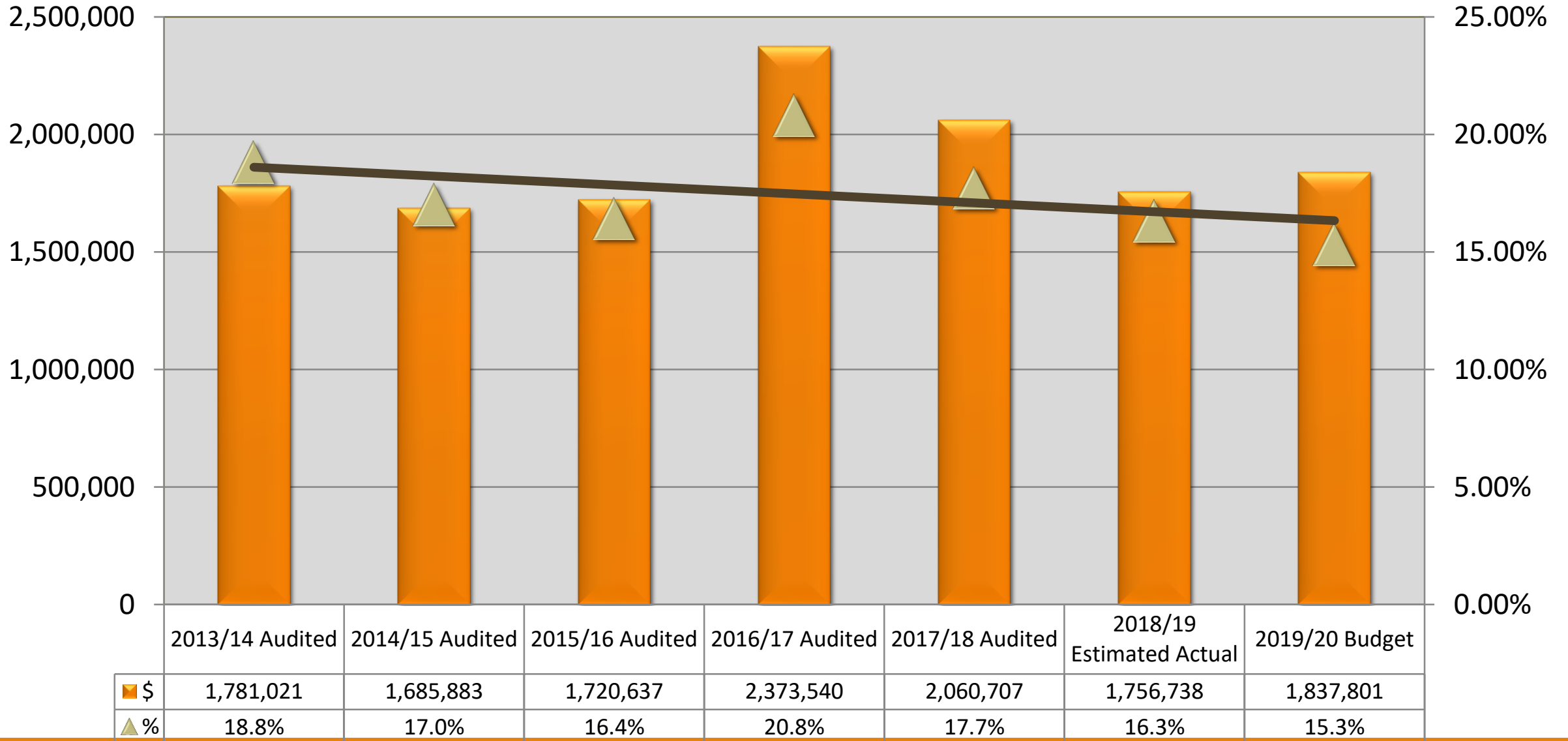
Finance

EOC

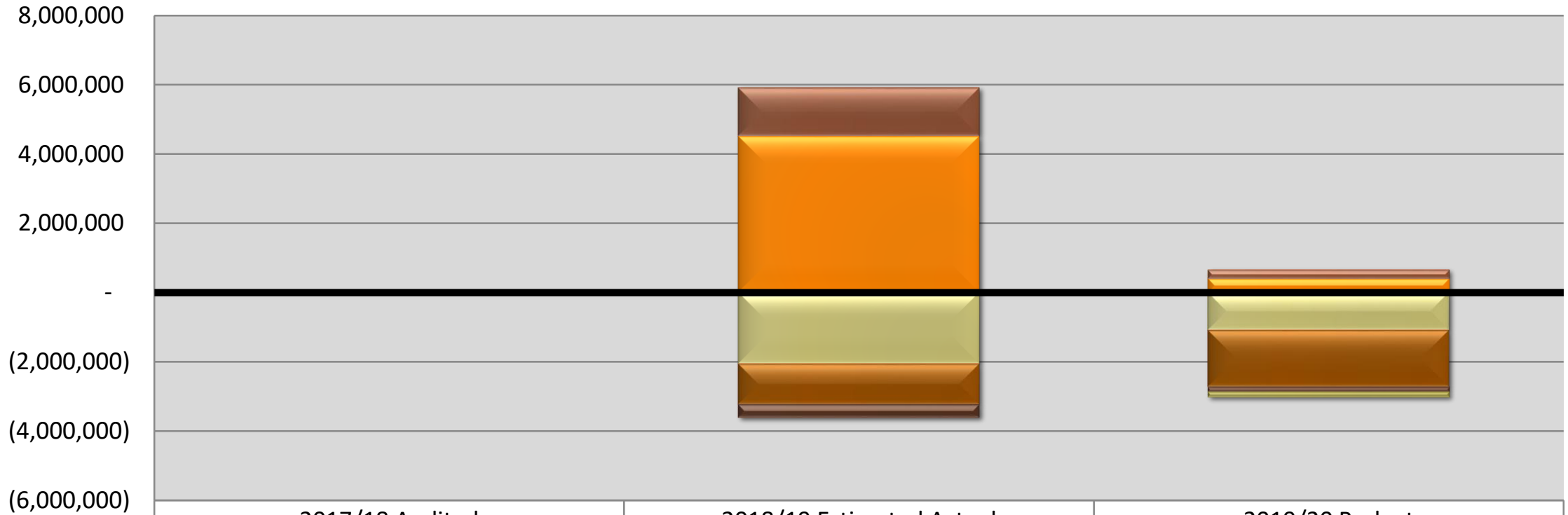
Business & Housing



Seven Year Comparison General Fund Administration



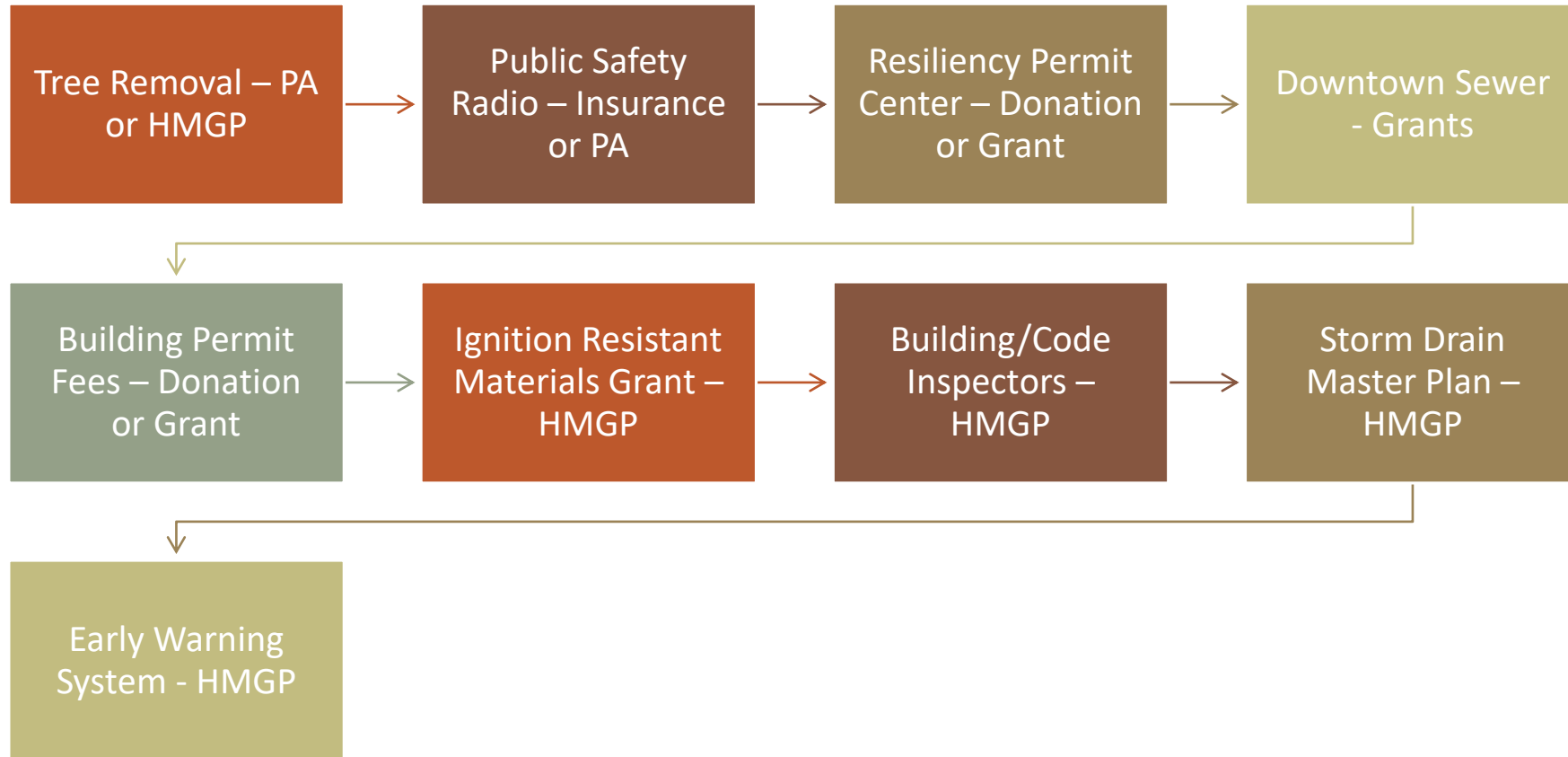
2090 – CAMP FIRE RECOVERY



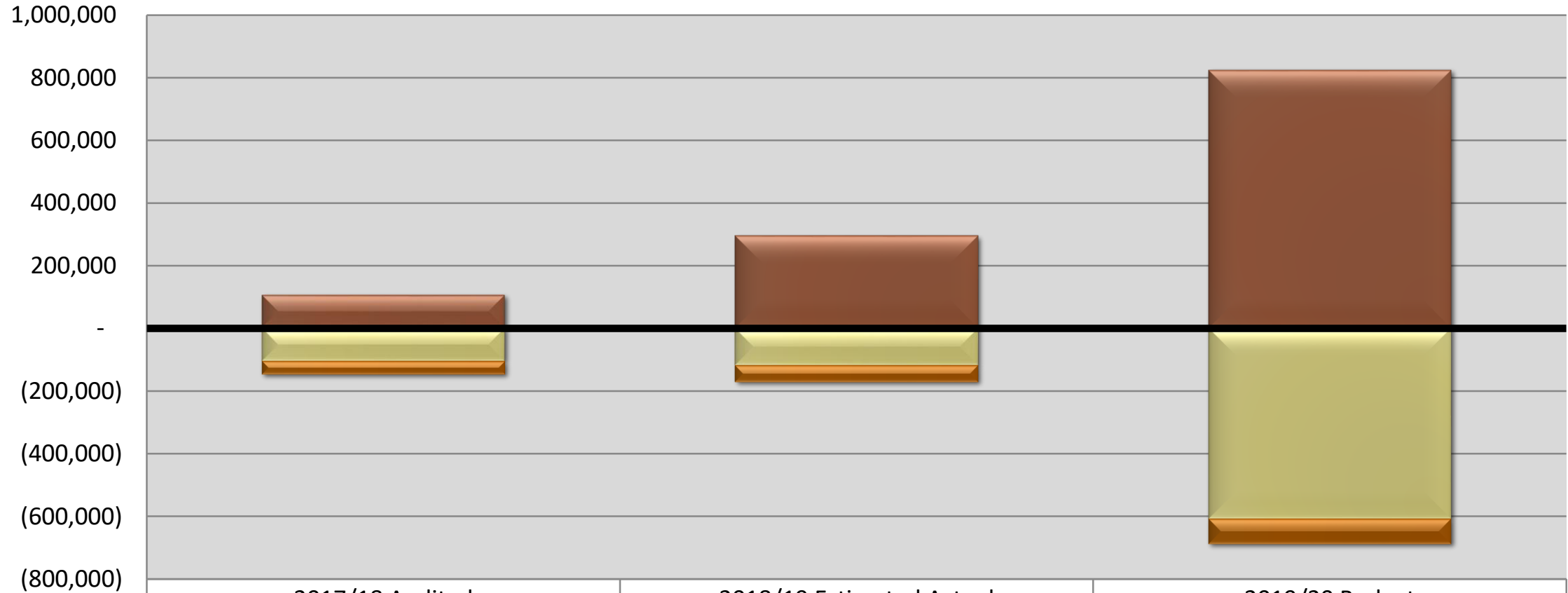
	2017/18 Audited	2018/19 Estimated Actual	2019/20 Budget
Disaster Mngmt			(150,000)
Grants		(370,255)	(136,678)
Insurance		(1,175,443)	(1,645,800)
Public Assistance		(2,058,896)	(1,088,700)
Transfers In		1,397,609	256,396
Revenues		4,523,071	403,164

Fund Balance	0	1,321,641	-45,532
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Recovery Projects in Planning



2160 – BUSINESS AND HOUSING SERVICES



Transfers Out

(42,526)

(52,487)

(79,895)

Expenses

(104,220)

(118,450)

(606,896)

Transfers In

104,077

294,357

824,613

Revenues

1,941

300

-

Fund Balance

52,370

176,090

313,912

CalHome Disaster Assistance Grant



Town Management and Administration Highlights

Personnel

- Disaster Recovery Manager will coordinate projects and funding for Long Term Recovery
- Contract Personnel and Administrative Analyst for Business & Housing to Administer Grant
- IT service contracted out for the year

Sustainability

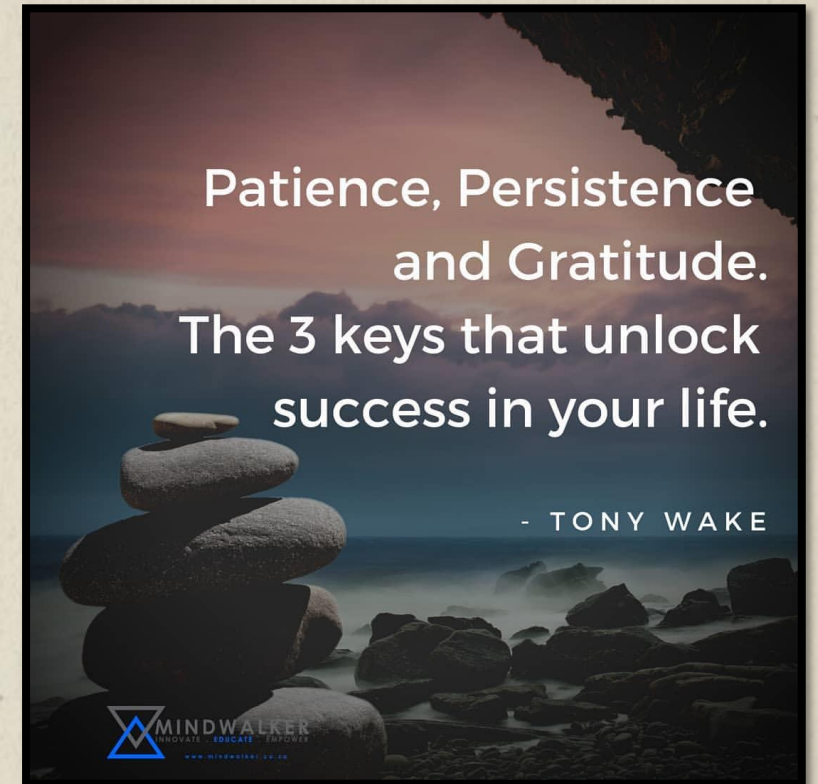
- Complete Compensation & Organization Study
- Discontinue OPEB Trust contributions until Long Term Financial Plan is created

Fire Department

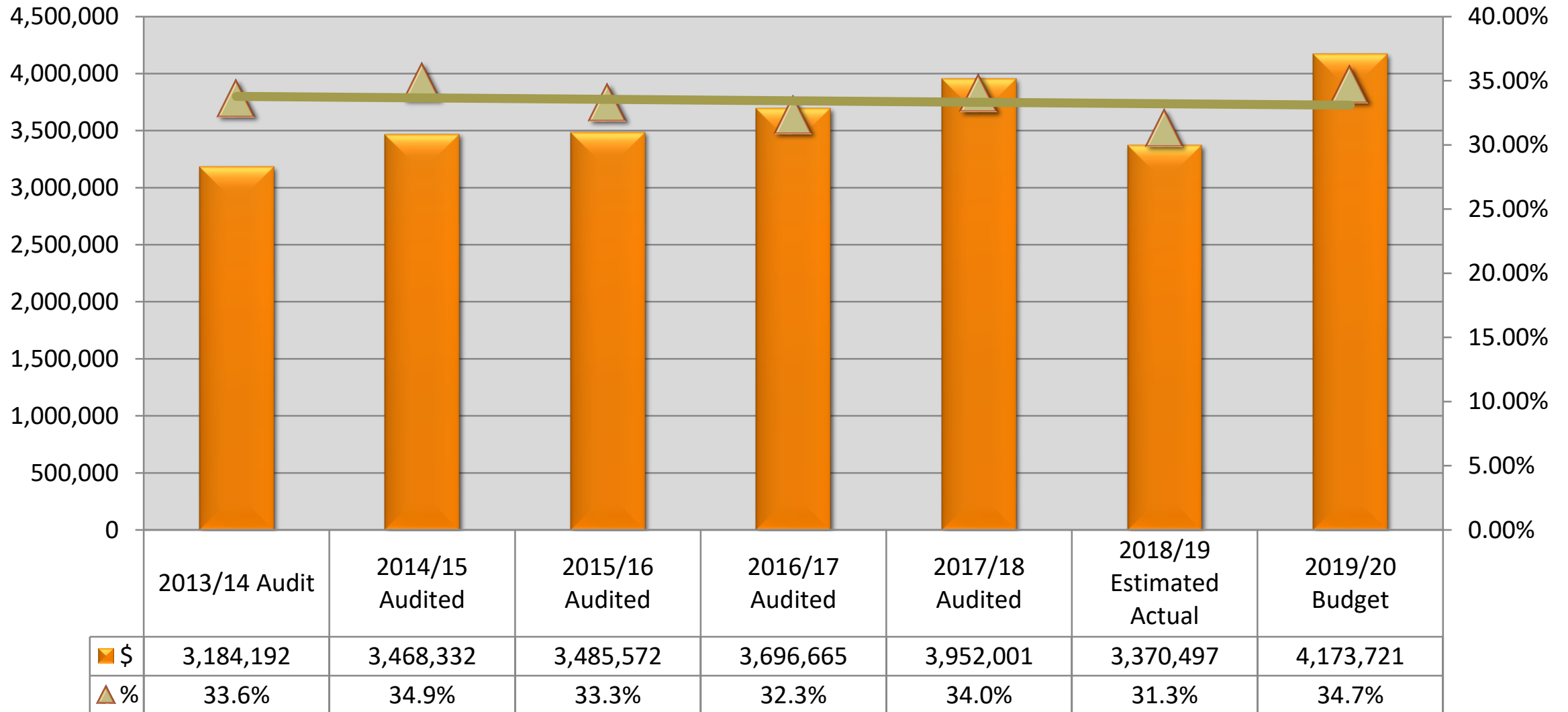
Administration

Suppression

Volunteer Program



Seven Year Comparison General Fund Fire Department Programs



Fire Department Highlights

Service

- After temporary cutback, staffing restored to all 3 stations for fire safety and code enforcement

Sustainability

- Contract up for renewal 06/30/21

Savings

- Requesting CAL FIRE achieve \$200,000 in savings on the personnel contract (\$250,000 to be funded by Measure C)

Police Department

Administration

Operations

Communications

Animal Control

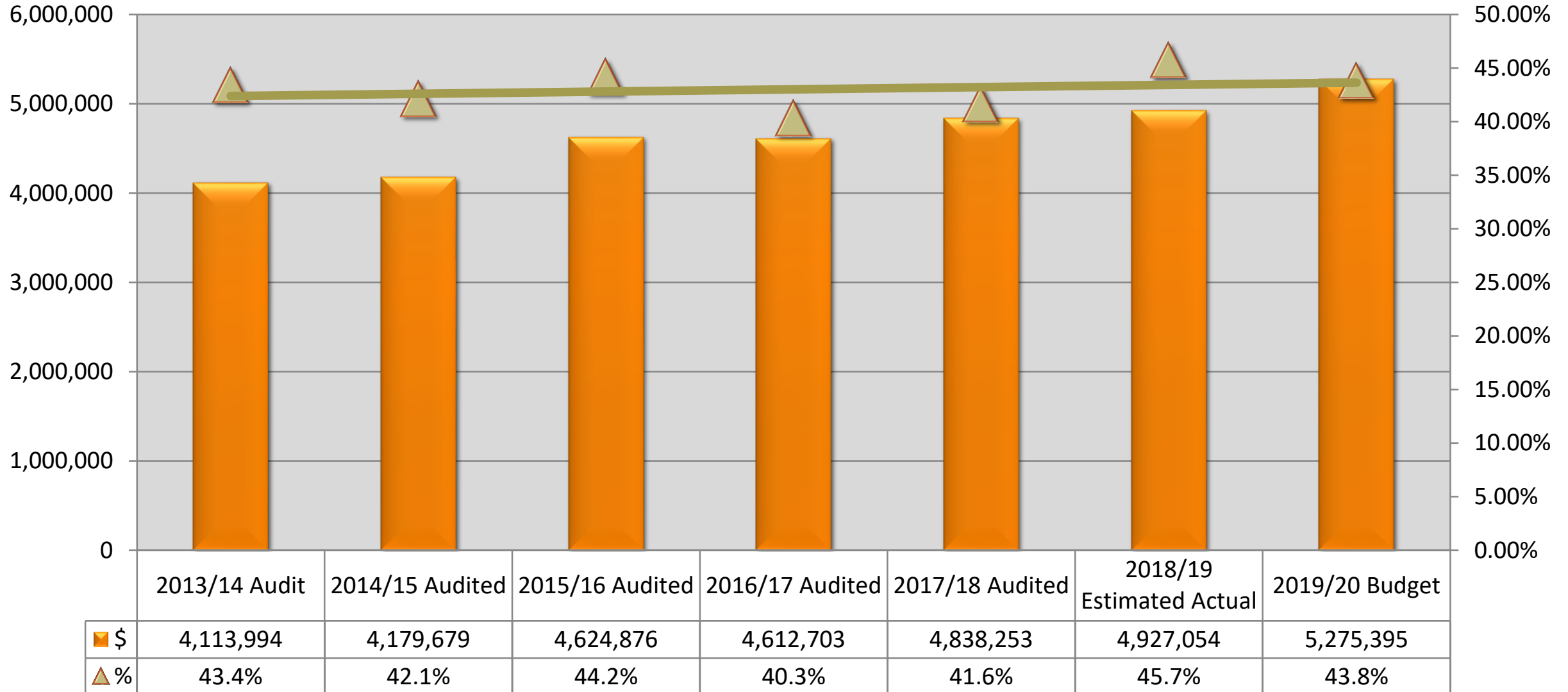


Patience, persistence and
perspiration make an unbeatable
combination for success.

Napoleon Hill

© quotesmania

Seven Year Comparison General Fund Police Programs



Police Department Highlights

Personnel

- Budget maintains 15 Officers and Sergeants for safe and 24/7 staffing
- Dispatch services will transition to Butte County Sheriff due to staffing
- Hire 5 Officers

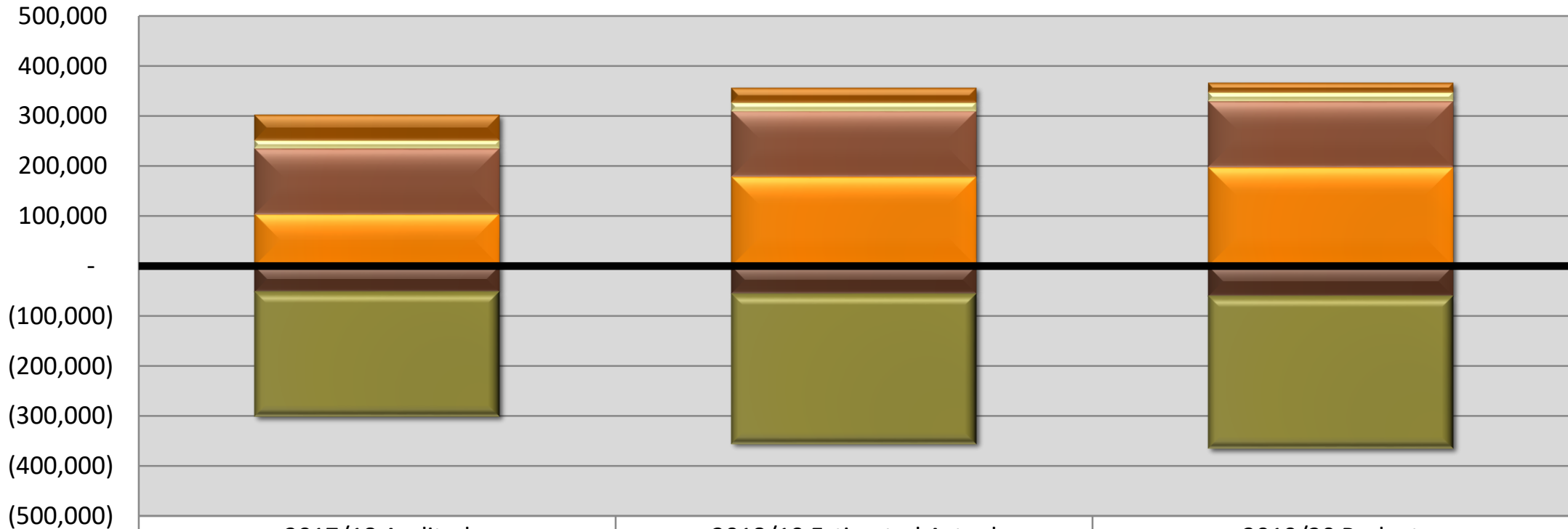
Sustainability

- Amend Public Safety Recruitment Incentives to attract lateral officers

Improvements

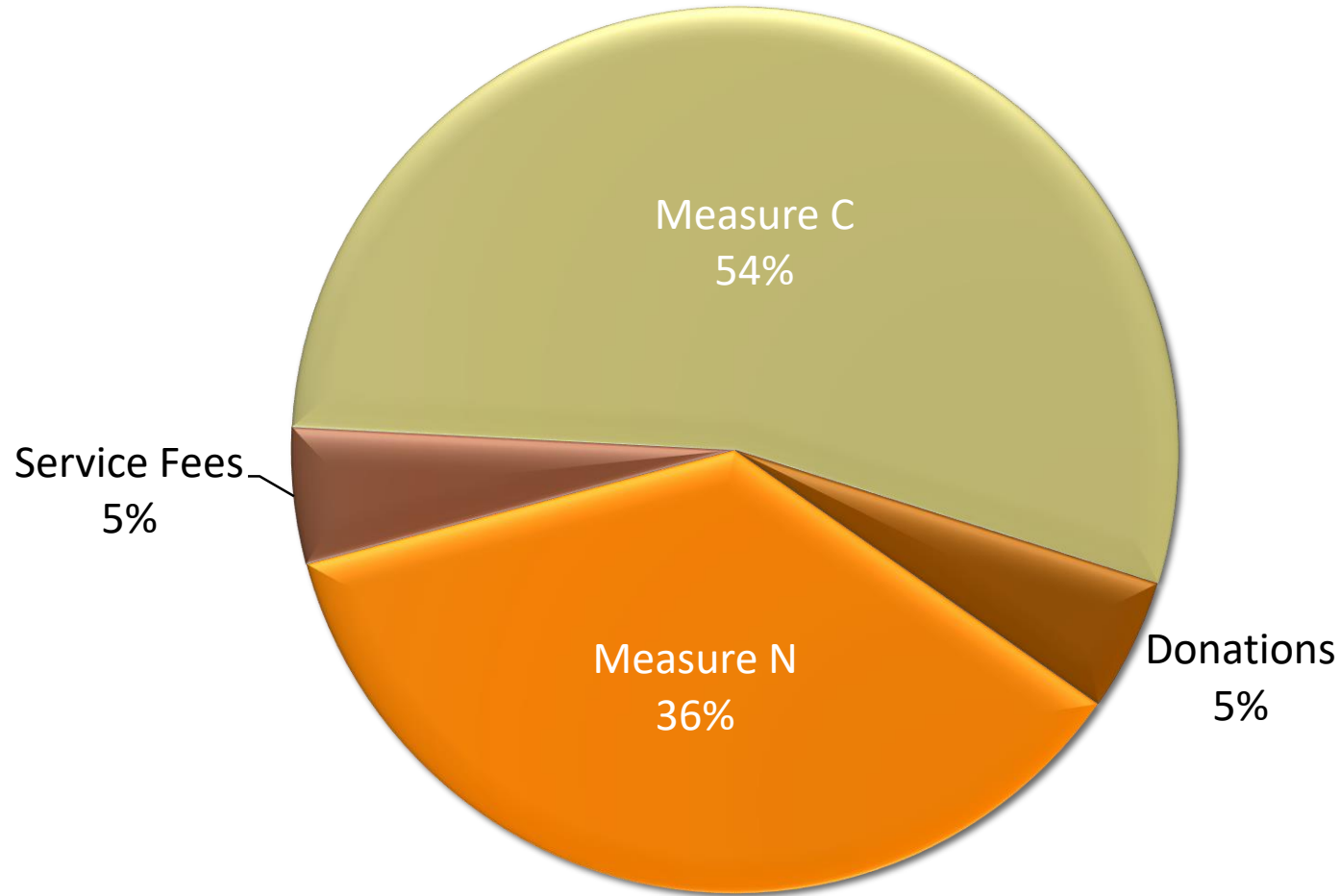
- Replace Public Safety Radio System made obsolete through Insurance Claim

2070 – Animal Control Services (Includes Measure C)



	2017/18 Audited	2018/19 Estimated Actual	2019/20 Budget
Expenses	(249,878)	(301,039)	(305,384)
Transfers Out	(51,711)	(54,715)	(60,361)
Other Revenues	49,690	28,706	18,205
Donations	16,058	17,077	17,748
Measure N	132,152	132,152	132,152
Measure C	103,482	178,026	197,640

Animal Control 2019/20 Funding Sources



Animal Control Services Highlights

Personnel

- Maintain Supervisor, 2 Animal Control Officers and Office Assistant

Sustainability

- Measure C is covering 54% of operations
- Maintain Online dog license system

Community Development Department

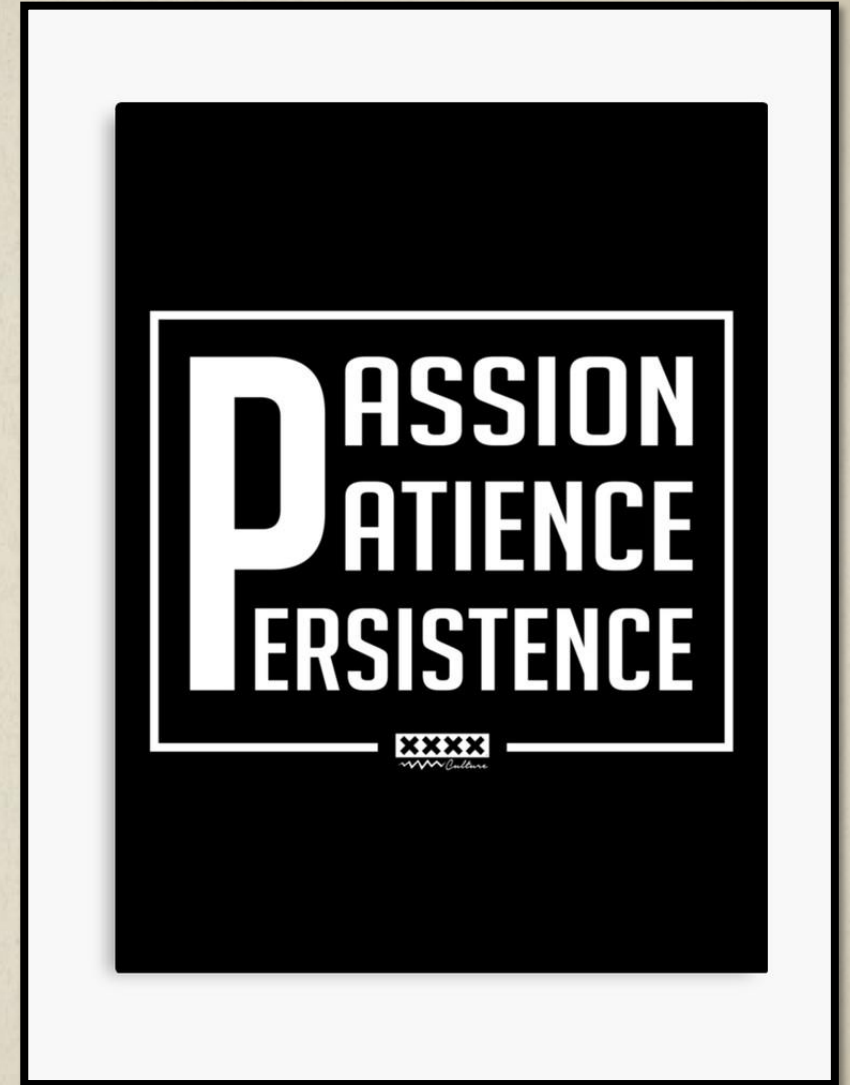
Planning

Solid Waste Management

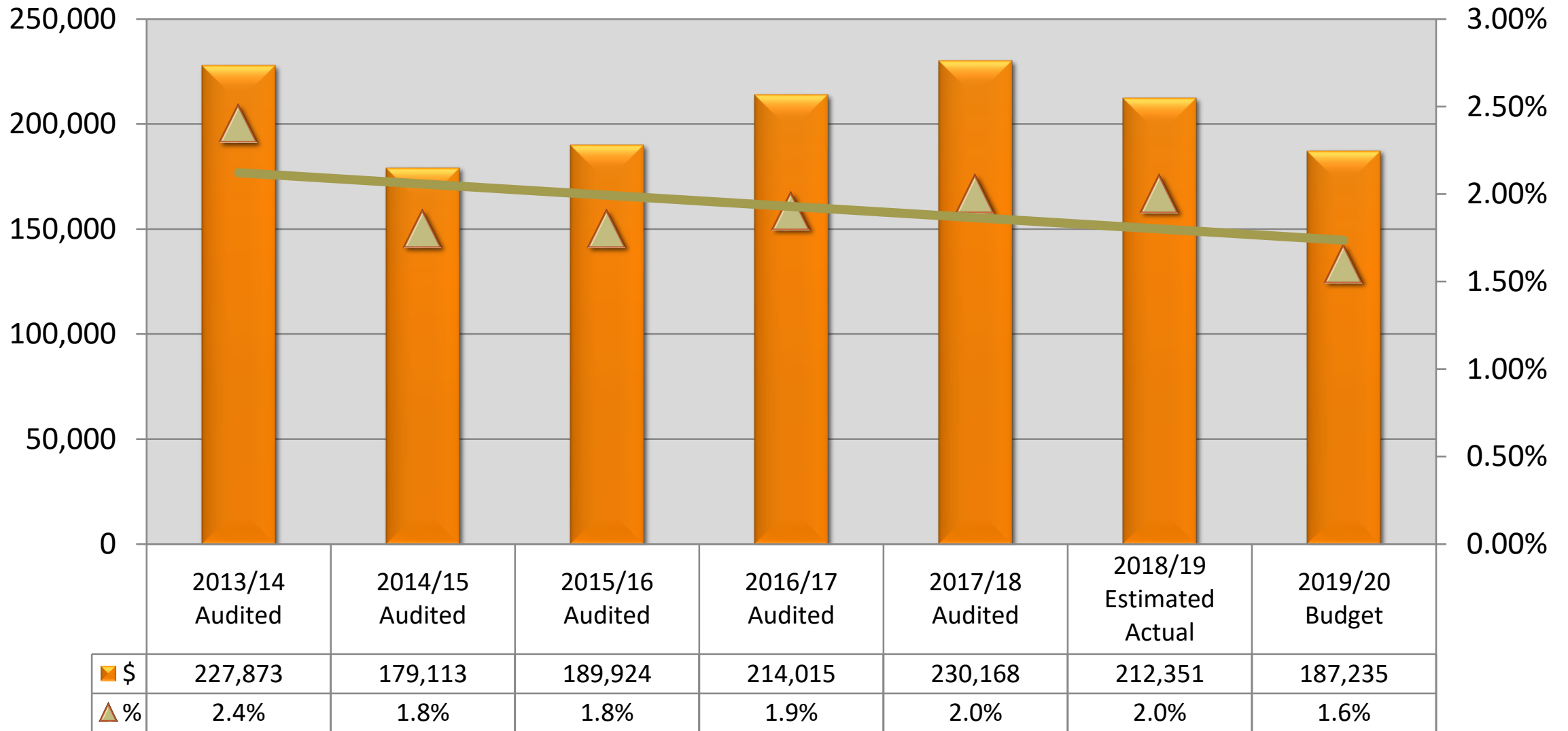
Code Enforcement

Building Safety & Wastewater

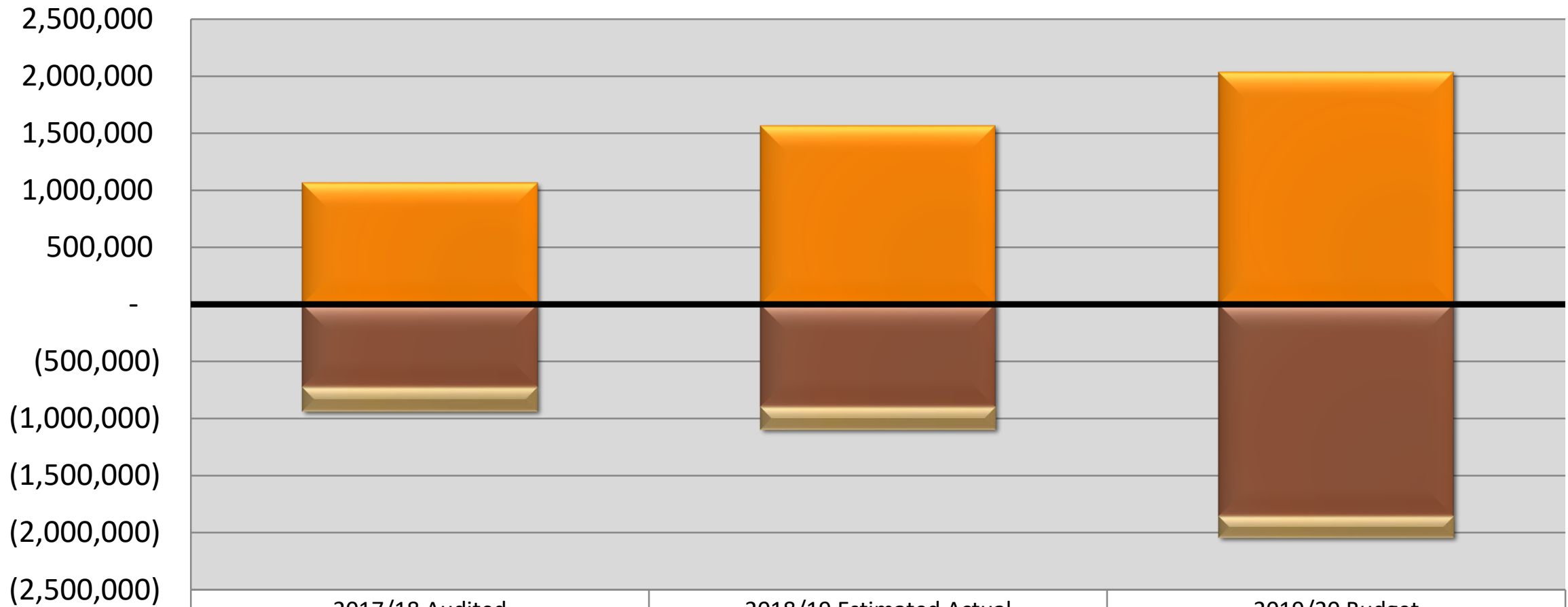
Abandoned Vehicle Abatements



Seven Year Comparison General Fund Community Development



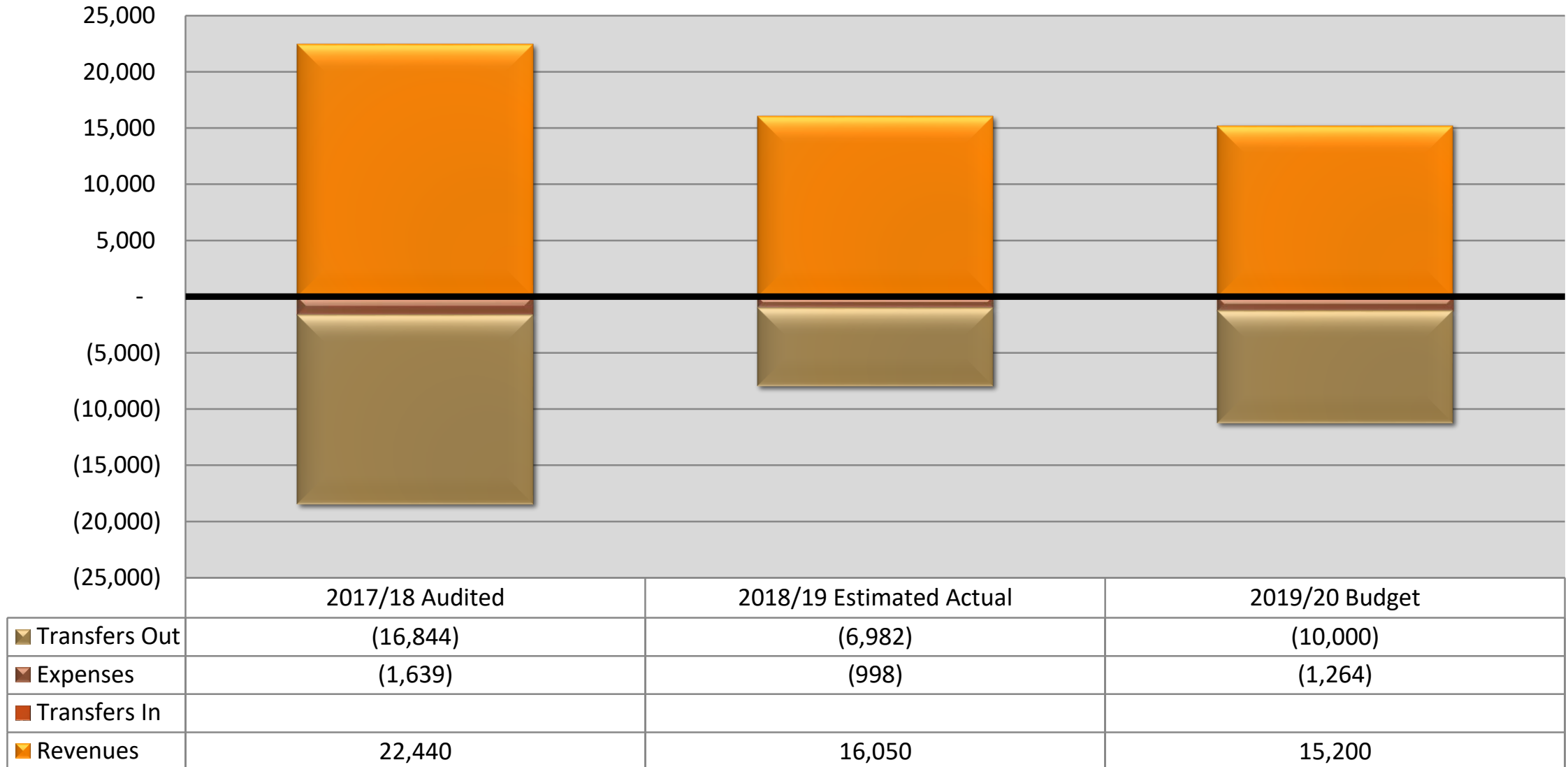
2030 – Building Safety & Wastewater Services



- Transfers Out
- Expenses
- Transfers In
- Revenues

Fund Balance	606,583	1,076,025	1,064,213
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2215 – Abandoned Vehicle Abatement (AVA) Services



Fund Balance	131,124	139,194	143,130
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Community Development Department Highlights

Personnel

- 4 Leaf Contract in place to augment staff and assist with plan checks, permits and inspections
- Hire Community Development Director

Sustainability

- Waste Management staffing allocated to Building Services in light of Disaster

Services

- Looking for funding to reopen Green Waste Yard, will start with insurance

Public Works Department

Engineering

Community Park

Gas Tax/Streets

Transportation

Fleet Management

Public Facilities

Transit Operations

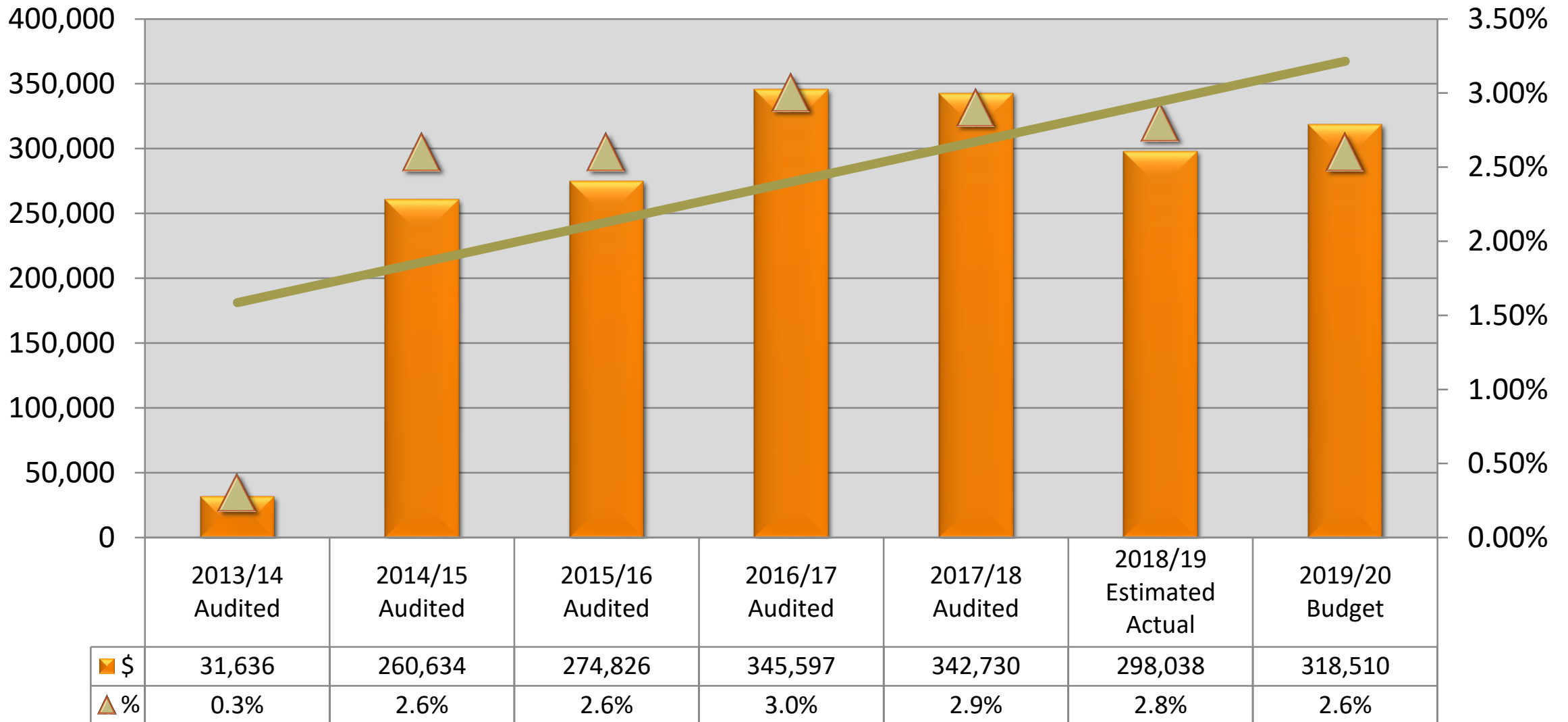
Capital Improvements

Passion
Patience
Persistence

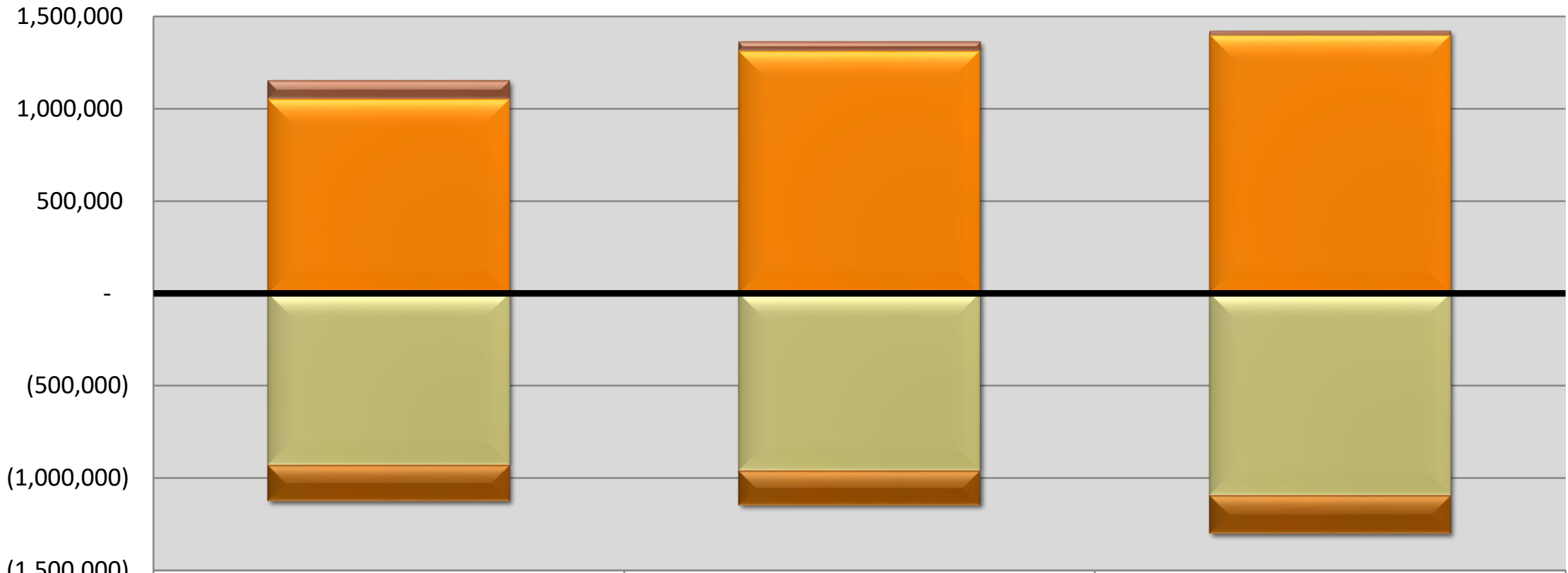


JILL MARS

Seven Year Comparison General Fund Public Works



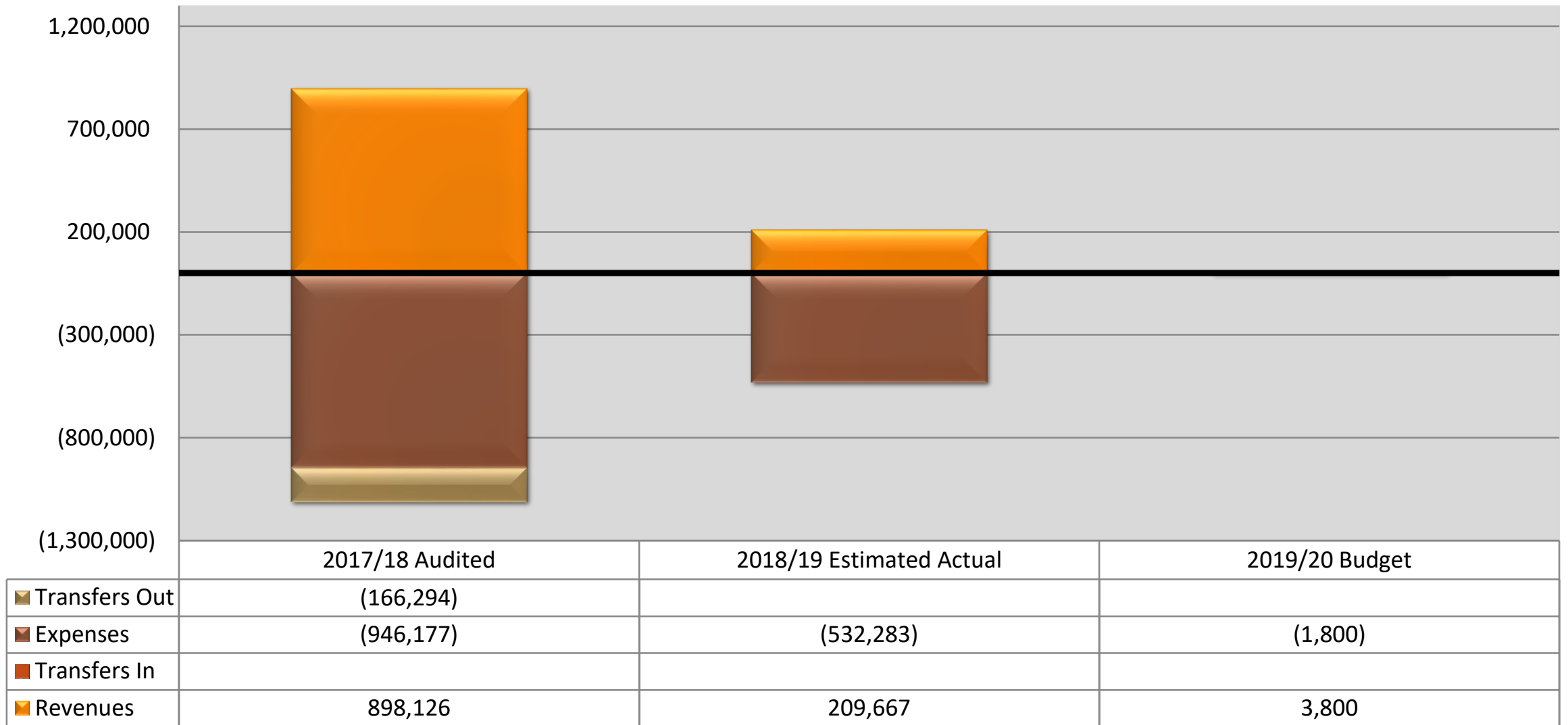
2120 – Gas Tax/Street Maintenance Services



	2017/18 Audited	2018/19 Estimated Actual	2019/20 Budget
Transfers Out	(195,903)	(187,615)	(208,897)
Expenses	(930,068)	(960,521)	(1,093,618)
Transfers In	99,149	48,964	20,000
Revenues	1,053,830	1,313,303	1,399,410

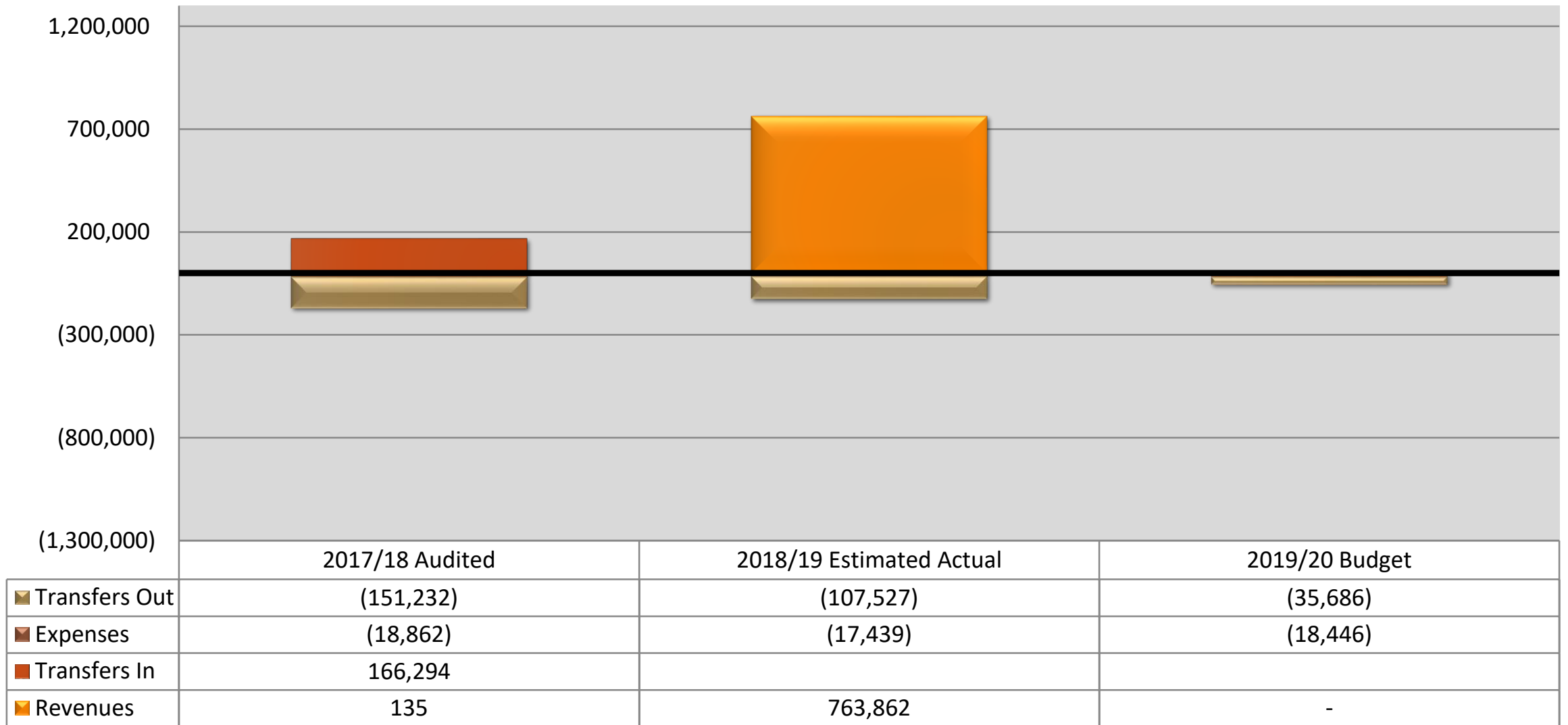
Fund Balance	117,997	332,128	449,023
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5900 – Transit Operation Services



Fund Balance	353,257	30,641	32,641
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2110 – Transportation



Fund Balance	15,093	653,989	599,857
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Public Works Highlights

Personnel

- Hire Public Works Director/Engineer
- Mark Thomas Engineering Contracted for Support and Projects

Capital Improvements

- Budgeted progress on 7 CIP projects

Sustainability

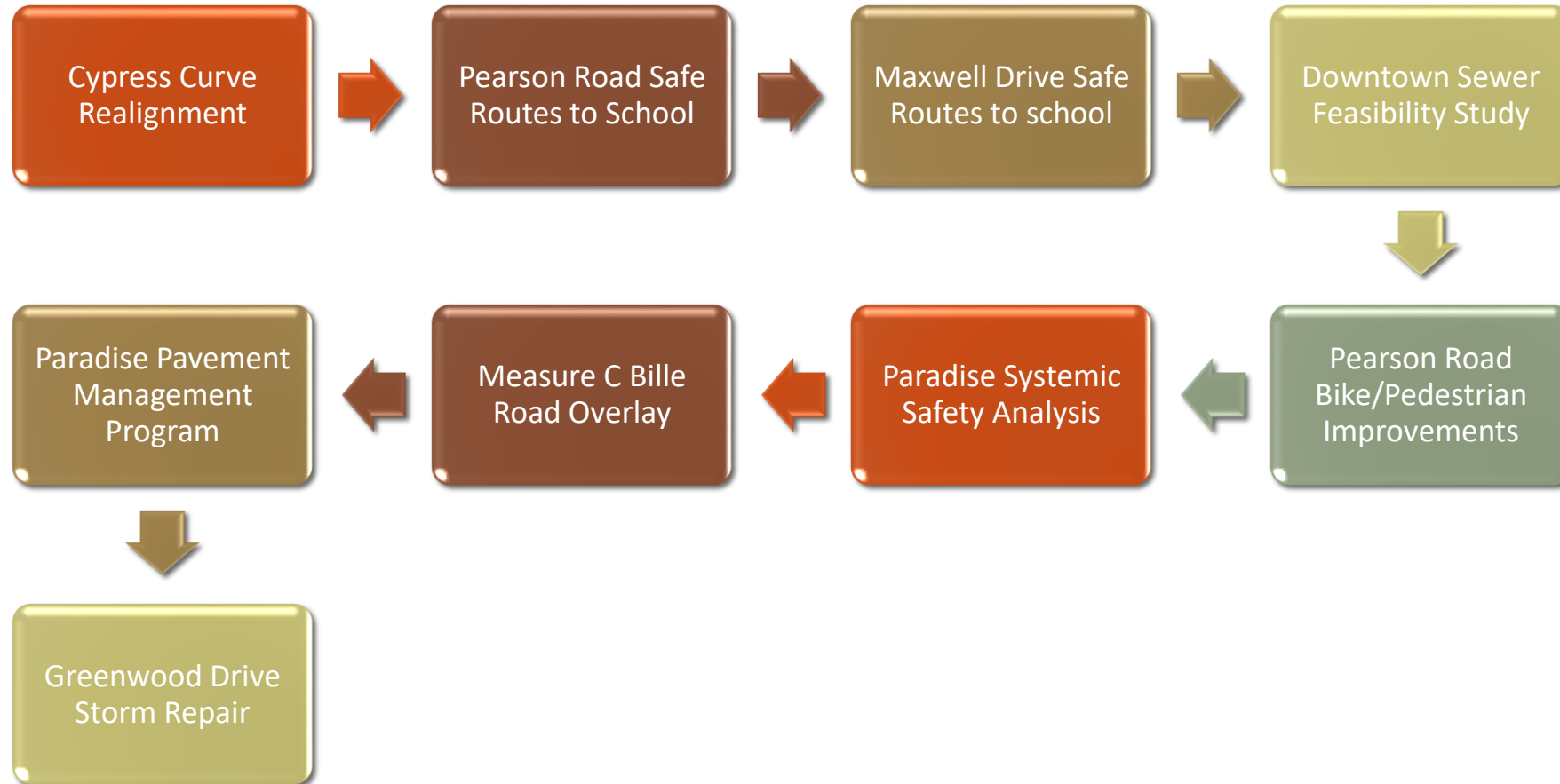
- Gas Tax Revenues Maintained Until Census Resulted Implemented 2021
- Maintain Reserves for Road & Capital Improvement Projects

2019/20 Capital Improvement Projects

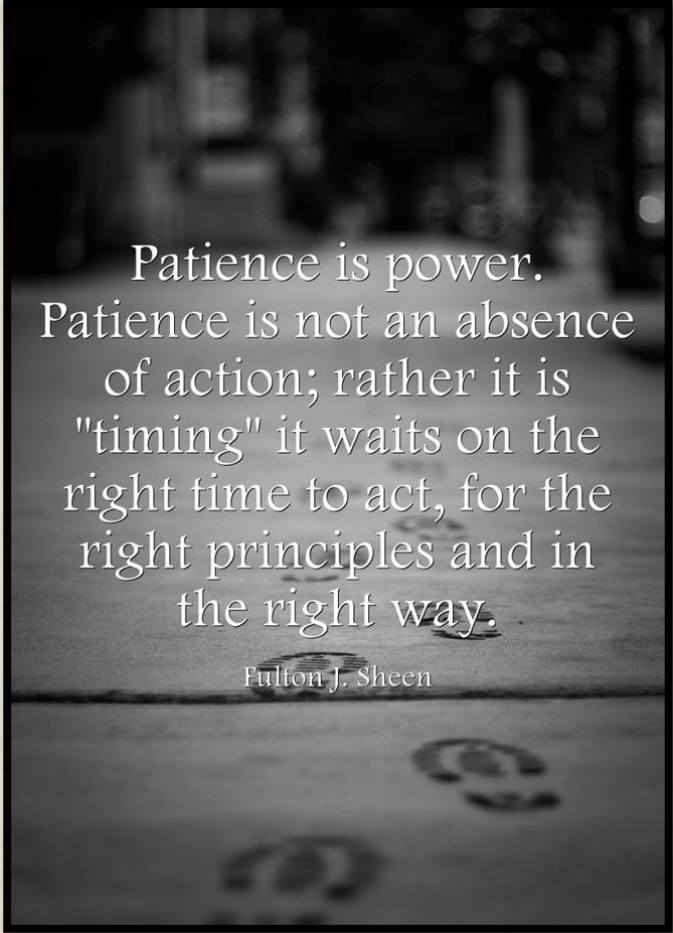
Almond Street Multi-Modal Improvements	\$10,250	Almond Underground Utility District	20,700
Downtown Sewer Environmental Study	860,000	Ponderosa Elementary Safe Routes to School	30,000
Public Safety Radio System	1,439,200	Resiliency Permit & Housing Resource Center	110,000
Skyway at Black Olive Signalization	540,650	2019/20 Totals	\$3,010,800

**\$22.5 Million in CIP Projects
2017/18 – 2022/23**

Capital Improvements Completed 2017/18 & 2018/19



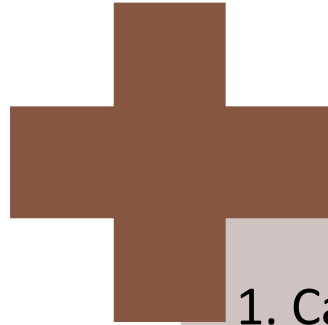
Financial Health



Patience is power.
Patience is not an absence
of action; rather it is
"timing" it waits on the
right time to act, for the
right principles and in
the right way.

Fulton J. Sheen

General Fund Financial Health Indicators



1. Cash flow reserves improved at 15% of operating expenses or 1.5 months
2. Cash is sufficient to cover current obligations
3. Not balancing through borrowing or “backloaded” debt
4. Maintaining public service levels

1. Without PG&E Settlement there are insufficient revenues to meet demands for programs in the future
2. Fixed & labor costs remain high
3. Subsidy for Animal Control
4. OPEB contributions less than actuary recommends & Pension Expenses are rising

General Fund Projections

**“Patience and persistence are
the providers of progress.”**

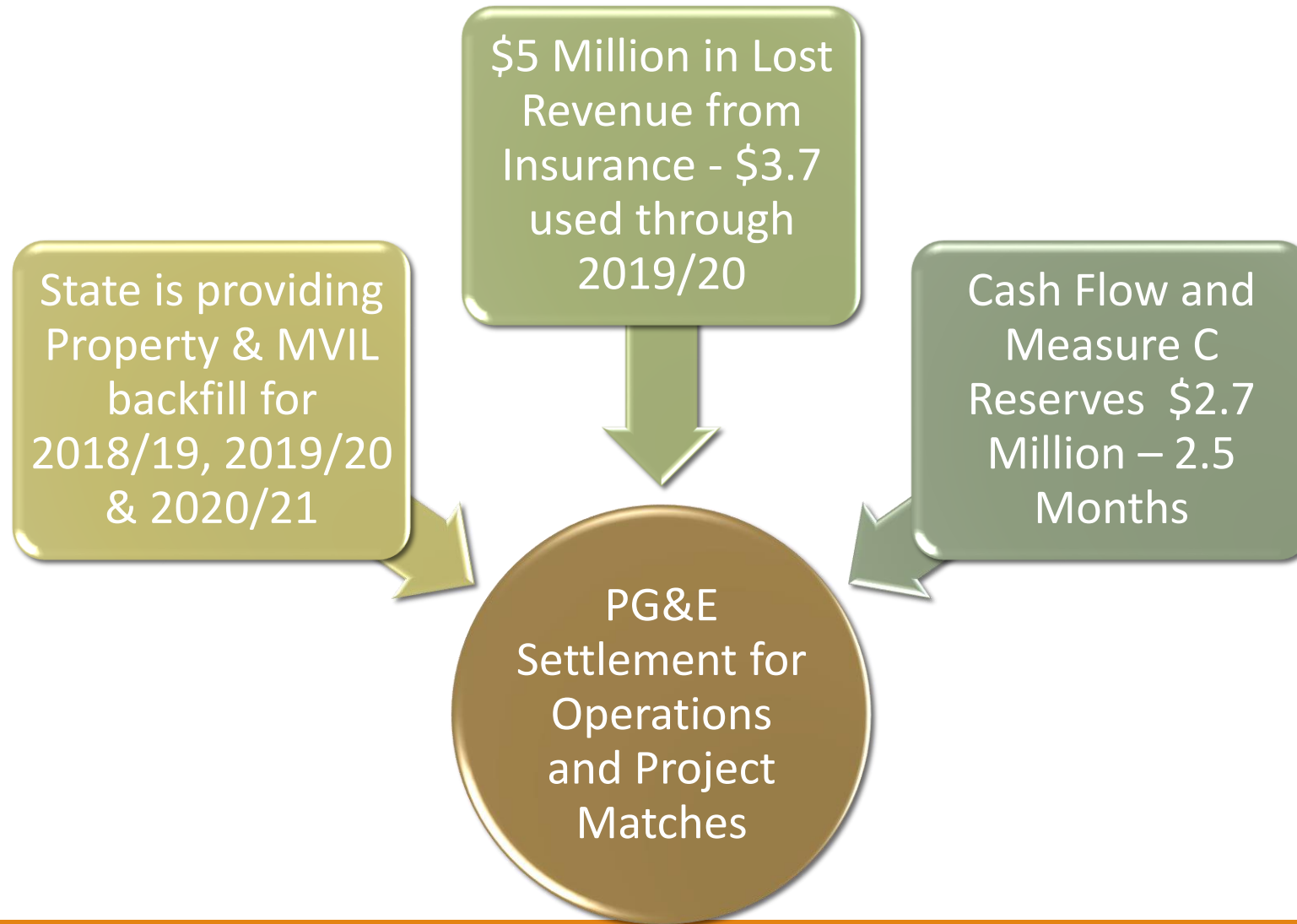
– Tim Fargo –



#Quote
#AlphabetSuccess



General Fund Short Term Assumptions



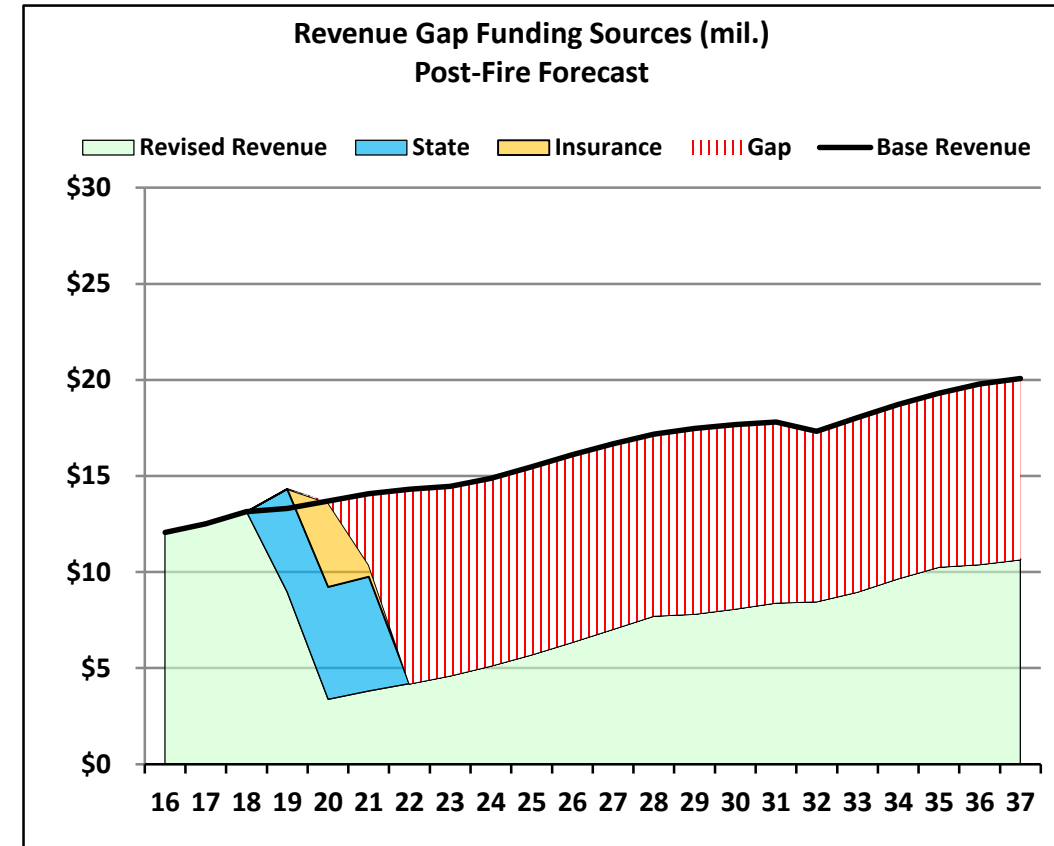
General Fund Long Range Projection Assumptions

Long Range Projection thru 2036-37

- Assumes property tax backfill for 3 years and \$5 million insurance for lost revenue
- Leaves gap of \$156 Million over 18 years

Needed to Update Projection and Create Long Term Financial Plan

- Timing of PG&E Settlement
- Time to understand how many homes will be rebuilt per year
- Time to understand funding and timing of Long Term Recovery Projects



In Conclusion

**PATIENCE
PERSISTENCE
POSITIVITY**

Requested Action

1. Adopt the Final Budget for the Town of Paradise for the Fiscal Year ending June 30, 2020
2. Adopt the Annual Appropriation Limit for the Fiscal Year 2019-20
3. Adopt the General Fund Reserves for the Fiscal Year 2019-20
4. Adopt the Capital Improvement Plan for the 2019-20 Fiscal Year
5. Adopt the Salary Pay Plan for Town of Paradise Employees for the 2019-20 Fiscal Year
6. Authorize Enhanced Public Safety Recruitment Incentives Effective July 25, 2019

Questions

Prayers

Patience

Positivity
@Conscious_god

Persistence

Progression