



CAMBRIA COMMUNITY SERVICES DISTRICT

MEETING	TIME & DATE	LOCATION
Finance Committee	10:00 AM Tuesday, December 10, 2024	Cambria Veterans' Memorial Hall 1000 Main Street, Cambria, CA 93428

AGENDA

Regular Finance Committee Meeting

Tuesday, December 10, 2024 10:00 AM

In person at:

**Cambria Veterans' Memorial Hall
1000 Main Street, Cambria, CA 93428**

AND via Zoom at:

Please click the link to join the webinar: [HERE](#)

Webinar ID: 818 9135 4260

Passcode: 504651

Copies of the staff reports or other documentation relating to each item of business referred to on the agenda are on file in the CCSD Administration Office, available for public inspection during District business hours. The agenda and agenda packets are also available on the CCSD website at <https://www.cambriacsd.org/>. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting or if you need the agenda or other documents in the agenda packet provided in an alternative format, contact the Confidential Administrative Assistant at 805-927-6223 at least 48 hours before the meeting to ensure that reasonable arrangements can be made. The Confidential Administrative Assistant will answer any questions regarding the agenda.

1. OPENING

1.A Call to Order

1.B Establishment of Quorum

1.C Chair Report

1.D Ad Hoc Subcommittee Report(s)

1.E Committee Member Communications

2. PUBLIC COMMENT

Members of the public may now address the Committee on any item of interest within the jurisdiction of the Committee but not on its agenda today. Future agenda items can be suggested at this time. In compliance with the Brown Act, the Committee cannot discuss or act on items not on the agenda. Each speaker has up to three minutes.

3. CONSENT AGENDA

3.A Consideration to Approve the October 22, 2024 Regular Meeting Minutes

4. REGULAR BUSINESS

4.A Discussion and Consideration of Report and Recommendation from Ad Hoc Subcommittee on Allocation of Administrative Expenses

4.B Discussion Regarding the Cambria Vet's Hall CIP List

5. FUTURE AGENDA ITEM(S)

6. ADJOURN



CAMBRIA COMMUNITY SERVICES DISTRICT

MINUTES OF OCTOBER 22, 2024, REGULAR FINANCE COMMITTEE MEETING OF THE CAMBRIA COMMUNITY SERVICES DISTRICT

A regular meeting of the Finance Committee of the Cambria Community Services District was held at the Cambria Veterans' Memorial Hall, located at 1000 Main Street, Cambria, CA 93428, on Tuesday, October 22, 2024, at 10:00 AM

1. OPENING

1.A Call to Order

Chairman Gray called the meeting to order at 10 a.m.

1.B Establishment of Quorum

A quorum was established.

Committee members present: Chairman Tom Gray, Cheryl McDowell, David Pierson, Karen Chrisman, Keith Hinrichsen and Scott McCann.

Staff present: Matthew McElhenie, General Manager, Haley Dodson, Confidential Administrative Assistant, and Denise Fritz, Administrative Department Manager.

1.C Chair Report

Chairman Gray discussed the timing of the next meeting in December.

1.D Ad Hoc Subcommittee Report(s): No reports.

1.E Committee Member Communications: No reports.

2. PUBLIC COMMENT:

A written comment was received but the subject matter was not within the jurisdiction of the committee. The comment is posted on the CCSD website.

3. CONSENT AGENDA

3.A Consideration to Approve the September 24, 2024 Regular Meeting Minutes

Minor changes were made as requested by Chair Gray and Member Chrisman.

Mr. Pierson moved to approve the minutes.

Mr. McCann seconded the motion.

Motion passed 5-0.

4. REGULAR BUSINESS

4.A Discussion and Consideration of the Fiscal Year 2024/2025 First Quarter Budget Report and Staff Recommendation

Ms. Fritz reviewed the changes to the budget in the 1st quarter. Mr. Hinrichsen asked for clarification on a number of items in the budget and Ms. Fritz provided the clarity. Chair Gray asked what the difference was between the Original Budget column and the Current Total Budget column. Ms. Fritz clarified that the Current Total Budget includes the encumbrances brought forward at the end of the previous fiscal year. Mr. McElhenie then reported that there are probable significant cost increases in several of the enterprise projects listed in the CIP. There followed a discussion on the replacement of the customer water meters and the time and monies needed to get that project completed.

Mr. Pierson moved to forward the report to the Board of Directors recommending approval.

Mr. Hinrichsen seconded the motion.

Motion passed 5-0.

4.B Discussion and Consideration of Proposed Funding Framework for Skatepark Maintenance

Dick Clark, President of the Cambria Community Council (CCC), presented the possible funding of the skate park maintenance through an annuity. The annuity would use both the restricted and unrestricted funds currently held by the CCC, a total of \$62,000, to fund \$4,000 in maintenance each year. Combined with the \$1,00 pledge from the Cambria Lions Club would provide a budget of \$5,00 per year. Mr. McElhenie reported the CCSD staff is prepared to track all skate park costs for the first 5 years following construction to get a reasonable budget for the years following. There was then a discussion on who would hold and invest the \$62,000, the CCSD or the CCC.

Mr. Pierson moved to recommend the proposed funding framework for skatepark maintenance to the Board of Directors using the combined funds of \$5,000 for the maintenance of the skate park. The \$62,000 would be held and invested by the CCC.

Ms. McDowell seconded the motion.

Motion passed 5-0.

5. FUTURE AGENDA ITEM(S)

Chairman Gray asked for any future agenda items. Mr. Pierson requested the CIP items for the Veteran's Hall be updated and reviewed at the next meeting. Ms. McDowell asked for an update on the Veteran's Hall fee changes.

6. ADJOURN

Chairman Gray adjourned the meeting at 11:20 a.m.

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Finance Committee

AGENDA NO. 4.A.

FROM: Matthew McElhenie, General Manager
Denise Fritz, Administrative Department Manager

Meeting Date: December 10, 2024 Subject: Discussion and Consideration of Report and Recommendation from Ad Hoc Subcommittee on Allocation of Administrative Expenses

RECOMMENDATIONS:

Staff recommend that the Finance Committee discuss and consider the report and recommendation from the Ad Hoc Committee on the allocation of administrative expenses.

DISCUSSION:

Staff recommend that the Finance Committee recommend the report and recommendation from the Ad Hoc Committee on allocating administrative expenses to the Board of Directors. Upon direction from the Committee, the Administrative Department Manager has developed a method of allocating Administrative Overhead Expenses based on effort. This model also directs expenses to specific legal fees, insurance costs, and personnel costs where appropriate. Items for discussion will also be the Revenue collected from the agreement with Mission Country, which is approximately \$200,000 annually.

Attachments: Proposed CCSD Allocation of Administrative Overhead Calculation
Previous CCSD Allocation of Administrative Overhead Calculation
CCSD Budget Policy

**CAMBRIA COMMUNITY SERVICES DISTRICT
ALLOCATION OF ADMINISTRATIVE OVERHEAD CALCULATION
FINANCE COMMITTEE - MEETING MAY 31, 2023
FOR FISCAL YEAR 2023/2024 PROPOSED BUDGET**

	AMOUNT TO ALLOCATE	FIRE	F&R	WATER	WASTE WATER	WRF- OPERATING	TOTAL CHECK	
ALLOCATION %	100.0%	22.5%	10.0%	22.5%	22.5%	22.5%	100.0%	
Administrative Management	656,331	147,674	65,633	147,674	147,674	147,674	656,331	GM, Admin Dept Mgr, 162000
District Counsel - Retainer								
Office Rent								
Travel, Training								
Utilities								
General (Ads, website, M&R Build, M&R Groi	661,064	148,739	66,106	148,739	148,739	148,739	661,064	Excludes Legal fees specific to each department
SDRMA	201,578	45,355	20,158	45,355	45,355	45,355	201,578	Excludes Property and Auto to be billed directly to departments
Procurement	101,993	22,948	10,199	22,948	22,948	22,948	101,993	
COSTS ALLOCATED	1,620,966	364,717	162,097	364,717	364,717	364,717	1,620,966	
	AMOUNT TO ALLOCATE	FIRE	F&R	WATER	WASTE WATER	WRF OPERATING	TOTAL CHECK	
ALLOCATION %	100.0%	13.3%	13.3%	24.5%	24.5%	24.5%	100.0%	
Personnel Services	133,670	17,711	17,711	32,749	32,749	32,749	133,670	Payroll Utility Billing,
COSTS ALLOCATED	133,670	17,711	17,711	32,749	32,749	32,749	133,670	
TOTAL ALL COSTS ALLOCATED	1,754,636	382,429	179,808	397,466	397,466	397,466	1,754,636	
OLD MODEL COMPARISON	2,145,188	409,894	158,130	629,360	544,465	403,339	2,145,188	
		(27,465)	21,677	(231,894)	(146,998)	(5,872)		

* Front Desk Clerk charged directly to Water/Wastewater/WRF

**CAMBRIA COMMUNITY SERVICES DISTRICT
ALLOCATION OF ADMINISTRATIVE OVERHEAD CALCULATION
FINANCE COMMITTEE - MEETING MAY 31, 2023
FOR FISCAL YEAR 2023/2024 PROPOSED BUDGET**

"E" COSTS

	AMOUNT TO ALLOCATE	FIRE	F&R	PROS	WATER	WASTE WATER	SWF- OPERATING	SWF- Capital	TOTAL CHECK
ALLOCATION %	100.0%	16.7%	16.7%	16.7%	16.7%	16.7%	12.5%	4.2%	100.0%
Public Information-General	4,000	667	667	667	667	667	500	167	4,000
Public Information-Website	3,576	596	596	596	596	596	447	149	3,576
TOTAL "E" COSTS ALLOCATED	7,576	1,263	1,263	1,263	1,263	1,263	947	316	7,576

	AMOUNT TO ALLOCATE	FIRE	F&R	PROS	WATER	WASTE WATER	SWF	SWF	TOTAL CHECK
ALLOCATION %	100.0%	17.0%	6.0%	1.2%	30.6%	25.2%	15.0%	5.0%	100.0%
Personnel Services	1,178,336	200,317	70,700	14,140	360,571	296,941	176,750	58,917	1,178,336
Prof. Ser.-District Counsel	259,381	44,095	15,563	3,113	79,371	65,364	38,907	12,969	259,381
Prof. Ser.-Legal	73,958	12,573	4,437	887	22,631	18,637	11,094	3,698	73,958
Office Rent	34,127	5,802	2,048	410	10,443	8,600	5,119	1,706	34,127
Travel, Training ('EES & Directors)	15,000	2,550	900	180	4,590	3,780	2,250	750	15,000
Meetings, Employee Recruitment	11,338	1,927	680	136	3,469	2,857	1,701	567	11,338
TOTAL "L" COSTS ALLOCATED	1,572,140	267,264	94,328	18,866	481,075	396,179	235,821	78,607	1,572,140

	AMOUNT TO ALLOCATE	FIRE	F&R	PROS	WATER	WASTE WATER	SWF	SWF	TOTAL CHECK
ALLOCATION %	100.0%	25.0%	6.0%	1.5%	26.0%	26.0%	11.6%	3.9%	100.0%
All Other Costs	565,472	141,368	33,928	8,482	147,023	147,023	65,736	21,912	565,472
TOTAL "R" COSTS ALLOCATED	565,472	141,368	33,928	8,482	147,023	147,023	65,736	21,912	565,472

TOTAL ALL COSTS ALLOCATED	2,145,188	409,894	129,519	28,610	629,360	544,465	302,504	100,835	2,145,188
ALLOCATION per PROPOSED BUDGET	2,145,188	409,894	129,519	28,610	1,032,699	544,465	0	0	2,145,188

INCREASE/(DECREASE	-	0	0	0	(403,339)	(0)	302,504	100,835	0
							DIFFERENCE		-

Legend:

"E" Equal Allocation All Departments

"L" % of Administration Effort Allocation to Each Department

"R" % Based on Size of Department



**CAMBRIA COMMUNITY SERVICES DISTRICT
BUDGET POLICY**

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I. PURPOSE

It is the policy of the Cambria Community Services District (CCSD) that an annual Budget be prepared, presented to the Board of Directors for approval, and used as the guide for District spending decisions each year.

The annual budget serves multiple purposes:

- Translate District plans into financial estimates of the impact of those plans.
- Provide a template for resource allocation.
- Establish spending controls consistent with District needs and Board objectives.
- Provide a basis for evaluation of actual spending during the year.
- Provide a guidepost for expectations and a basis for determining when actual events are inconsistent with those expectations.

With its approval, the Board of Directors authorizes the General Manager to plan for and take actions consistent with the Budget and within the limits of other Board policies. Before taking action inconsistent with the Budget or other policies, the General Manager shall raise the issue for discussion and approval at a public meeting.

II. PROCEDURES

A. Plans, Goals, Resources

A budget is a financial manifestation of plans and goals. To be meaningful, the Annual Budget must include a discussion of District goals and objectives, plans to accomplish those objectives (in the case of multi-year objectives, the Annual Budget shall address what is expected to be accomplished in the relevant year), available resources and discussion of trade-offs between competing priorities and available resources.

Plans and goals must be consistent with overall Board policy and direction, as set out in the District's Strategic Plan. They shall be developed in such a way that they are measurable. During the year and following each year, the General Manager shall report on achievements and gaps between what was achieved and initial plans and objectives. These reports shall include the financial implications of these achievements and gaps and plans for remediation if necessary. Interim reports shall be presented on at least a quarterly basis; these shall include a multi-year pro forma.

B. Calendaring

The Annual Budget must be prepared and presented to the Board under the following Fiscal Year schedule, which runs from July-June, according to Government Code section 61110:

- The preliminary budget shall be submitted for review to the Standing Finance Committee at the May meeting.

- The revised preliminary budget, incorporating input from the Standing Finance Committee where appropriate, shall be submitted to the Board at its regular June meeting to meet the required statutory adoption deadline by June 30th.
- Final budget submitted for review to the Finance Standing Committee at the July meeting.
- The Final Budget, incorporating input from the Finance Standing Committee, submitted for approval at the regular August Board meeting to meet the required statutory deadline of August 31st.
- Special meeting(s) of the Finance Standing Committee and/or the Board may be necessary to resolve complex issues before adopting the Preliminary or Final Budgets.

C. Mid-year Budget Update

If an event or events materially impact the assumptions in the Annual Budget, the General Manager shall propose and present a midyear update for approval. Any midyear update shall be prepared on a schedule that leads to approval as soon as practical after the regular December Board meeting but no later than the regular February Board meeting. Changes shall be limited to the impacts of the triggering event on plans, objectives, and financial performance.

The General Manager can also propose and present a quarterly budget update for approval. Any quarterly update shall be prepared on a schedule that includes a review by the Standing Finance Committee before the regular board meetings in November, February, June, and August.

D. Organization Chart and Position Allocation Listing

Budget documents shall include an organization chart, a position allocation listing, and a list of equivalent full-time employees. The list of full-time equivalent employees shall display the number of employees at the end of the current budget year and the planned headcount of the proposed budget year.

The full-time equivalent list shall only include District employees. Contractors, consultants and temporary employees or agencies shall be represented in the organization chart to give a clear picture of the staff required to fulfill the needs of the District. Vacant positions shall also be identified.

Potential open positions that shall not be filled due to budget constraints shall also be noted. New positions require justification, and the General Manager is encouraged to provide a discussion about the relative merits of creating and filling positions.

E. CIP & Other Capital Assets

Capital spending plans are, by their nature, multi-year. Each year, before budget preparation, the General Manager shall evaluate the resources needed to acquire or replace infrastructure, facilities, equipment, and other capital items for a period of five years or more. These plans

shall prioritize the acquisitions and identify funds available to achieve the plans. All plans shall discuss the impact of acquiring assets and/or failing to acquire them due to resource limitations.

The General Manager shall work with the Resources and Infrastructure Standing Committee to establish, change, and maintain the District's Capital Improvement Plan. The Capital Improvement Plan shall be adopted along with the Preliminary and Final Budgets and be amended as needed during the mid-year or quarterly budget updates.

F. Overhead Allocation

Overhead allocation is a tool to match the costs of administrative functions to the operating activities of the CCSD. Administrative functions shall be charged to the Administration Department in the General Fund. Allocation to the Fire Department, Facilities & Resources Department, and Enterprise Funds (Water, including the WRF, and Wastewater) is necessary to ensure that rates shall be set adequately to reimburse the General Fund for expenses necessary to the delivery of services.

Overhead allocation shall consider three criteria:

- Recovery based on equal distribution to all departments. (E Costs)
- Recovery based on the percentage of administrative labor applied to departments as determined by interviewing administrative personnel. (L Costs)
- Recovery based on the relative size of the department's full-time equivalent employees, per the Position Allocation. The term "relative size" is a subjective determination based on estimates of each department's use of resources and impact on the district's overall mission. (R Costs)

As part of the budget process, the charges to each operating department shall be the percentage of the total overhead budget derived from aggregating the recoveries applied to each spending line item. The percentage of overhead spending allocated to each operating department shall be set at the beginning of the year. It shall not be changed unless there is a material change in actual or anticipated overhead spending or a change in one or more operating departments that would cause a material change in the recovery methodologies.

G. Income Allocation – Property Tax and Other

Property taxes are the primary source of funds for the General Fund departments. Since administrative overhead is fully allocated to the departments, no property tax receipts shall be allocated to the Administration Department. The departments receiving property tax allocations are the Fire Department and the Facilities and Resources Department.

Ultimately, the allocation is the responsibility of the CCSD Board of Directors. The General Manager shall budget expenses for each of the General Fund departments with an understanding of the likely level of property tax receipts. Once expenses are projected, the General Manager shall recommend the appropriate allocation of property tax receipts to the Board. The recommendation shall include discussing the choices made in the spending projections and potential competition between departments for limited funds. The Board shall review the property tax allocations recommended by the General Manager and may modify those allocations as appropriate based on District priorities. If necessary, the Budget shall be revised to account for the Board's allocation decision.

Minor sources of income, such as fees and grants, are generally specified to certain funds. When the purpose is unspecified, the Board shall allocate funds based on recommendations by the General Manager.

H. Structure

Working with the General Manager, the Board sets operating and financial objectives. From a structural standpoint, the budget's financial documents must reflect the financial impact of these objectives. More specifically, budget documents must contain at least the following information:

- Beginning Fund Balance
- Receipts of funds
- Loan proceeds (external and interfund)
- Expenses
- Capital expenditures
- Loan repayments (external and interfund)
- Allocation to reserves for:
 - Emergency
 - Replacement
 - Unfunded liabilities such as employee benefits
 - Other
- Other receipts or expenses
- Ending Fund Balance

To the extent necessary, the budget shall contain appropriate documents with detail supporting the above line items.

I. Consolidation Entries

The budget shall include at least two consolidation levels: General Fund and District. In consolidation, internal transfers shall be eliminated to avoid overstating income and expenses. Internal transfers include, but are not limited to, overhead allocation and interfund loans.

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Finance Committee

AGENDA NO. **4.B.**

FROM: Matthew McElhenie, General Manager
Denise Fritz, Administrative Department Manager

Meeting Date: December 10, 2024

Subject: Discussion Regarding the Cambria Vet's
Hall CIP List

RECOMMENDATIONS:

Staff recommend that the Finance Committee discuss the Cambria Vet's Hall CIP List.

DISCUSSION:

The items on the CIP list related to Vet's Hall renovations are outdated. The committee is tasked with discussing how to update and proceed with the deferred maintenance on the Vet's Hall and providing recommendations to the Board of Directors for further direction.

Attachment: Vet's Hall CIP List

	A	B	C	D	E	F	G	H	I	J	K
	General Fund CIP (FY 24/25 Revised 9/30/2024)										
				Current Year Activity				Activity to Date			
	Ranking	Project Estimate	Additional Budget Request	Current FY Budget	FY Expenditures	FY Budget amount remaining	Project to Date Budget	Project to Date Expenditures			
2	<i>Facilities & Resources/PROS Projects</i>										
4	B	\$ 1,200,000	\$ -	\$ 197,414	\$ 4,765	\$ 192,649	\$ 1,200,000	\$ 104,176			
5	B	\$ 549,432	\$ -	\$ 307,612	\$ 1,142	\$ 306,470	\$ 549,432	\$ 242,962			
6	B	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ -			
7	2	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
8	2	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
9	2	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
10	Vets Hall Renovation										
11	3	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
12	3	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
13	3	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
14	3	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
15	3	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
16	3	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
17	3	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
18	Subtotal		\$ -	\$ 555,026	\$ 5,907	\$ 499,119	\$ 1,799,432	\$ 347,138			