

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. 4.A.

FROM: Jerry Gruber, General Manager
Rudy Hernandez, Finance Manager

Meeting Date: June 21, 2018 Subject: PUBLIC HEARING TO DISCUSS AND CONSIDER ADOPTION OF RESOLUTION 17-2018 APPROVING THE PRELIMINARY CCSD BUDGET FOR FISCAL YEAR 2018/2019

RECOMMENDATIONS:

- Receive a staff presentation on the Preliminary Budget for Fiscal Year 2018/19.
- Receive public input.
- Discuss and consider the Preliminary Budget for Fiscal Year 2018/19 and provide direction to staff.

FISCAL IMPACT:

The attached Fiscal Year (FY) 2018/19 Preliminary Budget would authorize total Revenue Projections, Expenditure Authorities, and changes to the Water, Wastewater, and General Fund balances as shown.

DISCUSSION:

Adoption of a budget is one of the most important actions taken by the Board of Directors. It establishes the District's direction for the near term, and to some extent these decisions also have long term implications. The budget is the District's financial work plan, translated in expenditures, supported by revenues. The budget establishes the priorities of the District for the fiscal year.

Developing and monitoring the budget is an ongoing process. The estimates that are developed in this process are modified throughout the fiscal year in response to unanticipated events. Monthly reports are provided as a method for ongoing review at both the operating and the capital improvement project (CIP) levels.

FY 2018/19 BUDGET HIGHLIGHTS

The preliminary budget is \$11,681,498 which is broken down into 5 sections which are Personnel Services, Services and Supplies, Capital Outlay, Debt Service & Administrative Cost.

Personnel Services in the amount of \$4,826,154 represents an increase of \$15,685 or less than 1% over the prior year 2017/18 adopted budget.

- The three (3) Fire Fighter positions (Safer Grant) projected to cost \$378,025 are not included in the preliminary budget.

- The budget does not include a cost of living adjustment.
- There is one part-time maintenance position added in the Facility and Resources Department.
- Health Insurance Premium costs are projected to remain the same.
- PERS Retirement Unfunded Actuarial Liability (UAL) Costs are projected to increase from \$239,721 to \$303,232 (an increase of \$63,511 or 26%).

Services and Supplies are projected to go down by (\$160,524) or (-5%) over the prior year (2017/18) adopted budget. It should be noted by fund:

- General Fund are decreasing by **(\$40,727)**.
- WasteWater Operating Fund by **(\$114,076)**
Water Operating Fund by \$940.
- Water Sustainability Facility Operating Fund is being increased by **(\$6,661)**

Capital Outlay are projected to decrease by **(\$33,600)** or **(-5%)** over the prior year (2017/18) adopted budget (See Capital Outlay in each department's budget).

Debt Service budget is Projected to be \$991,742. Most of this increase is due to the purchase of a Fire Truck for the Fire Department.

Administrative Costs are projected to be \$1,843,961. The Finance Committee will be reviewing the current methodology and may make a recommendation to the Board of Directors change the current practice in how Administrative Costs are allocated.

Budget Summary

District-wide revenues are projected to be \$11,768,286. District-wide expenditures are projected to be \$11,681,498. Overall, District-wide revenues are projected to exceed projected expenditures by (\$11,768,286 - \$11,681,498) \$86,788.

Finance Committee Review & Discussion of FY 2018-19 Preliminary Budget

On June 12, 2018, the Finance Committee discussed and reviewed the budget and made some recommendations which are reflected in the budget transmittal letter.

FUND ANALYSIS:

General Fund:

FIRE DEPARTMENT

Revenues – Fire Department Revenues are projected to be \$2,330,630, which represents 46% of the General Fund Revenue Budget of \$5,055,746. Property Taxes which are projected to be \$1,707,910 represents the biggest funding source for the fire department. Assessment Tax revenues which are projected to be \$464,610 represents the second biggest funding source for the fire department.

Expenditures – Expenditures are projected to be \$2,270,505, which represents 46% of the General Fund Expenditure Budget of \$4,915,232. Supplies and Services are projected to be \$296,790. Allocated cost is projected to be \$321,704 and Debt Service Cost are projected to be \$135,855. Listed below are the requested capital asset expenditures for \$86,400.

- USAR Equipment (Urban & Rescue) \$3,400
- Image Trend Elite Project management \$12,000
- Zoll X Series \$40,000
- Command Vehicle Buildup \$31,000

FACILITIES & RESOURCES DEPARTMENT

Revenues – Facilities & Resources Department Revenues are projected to be \$724,576, which represents 14% of the General Fund Revenue Budget of \$5,055,746 Property Taxes which are projected to be \$695,726 represents the biggest funding source for the facilities & resources department. Veteran's Hall Rental Fees which are projected to be \$25,000 represents the second biggest funding source for the facilities and resources department.

Expenditures – Expenditures are projected to be \$644,999, which represents 13% of the General Fund Expenditure Budget of \$4,915,232. Supplies and Services are projected to be \$180,989. Allocated cost is projected to be \$102,298. There are no capital asset expenditures requested.

ADMINISTRATION DEPARTMENT

Revenues – Administration Department Revenues are projected to be \$1,929,940, which represents 38% of the General Fund Revenue Budget of \$5,055,746. Administrative Revenues which are projected to be \$1,880,840 represents the biggest funding source for the administration department. Property Taxes which are projected to be \$36,000 represents the second biggest funding source for the administration department.

Expenditures – Expenditures are projected to be \$1,929,215, which represents 39% of the General Fund Expenditure Budget of \$4,915,232. Supplies and Services are projected to be \$597,211. Listed below is the requested capital asset expenditure.

- Purchase of New Accounting Software Program (2nd Payment) \$51,350

PARKS AND RECREATION (PROS)

Revenues – Parks & Recreation Department Revenues are projected to be \$70,600, which represents 1% of the General Fund Revenue Budget of \$5,055,746. Franchise Fees projected to be \$70,600 represents the only source of income for the parks and recreation department.

Expenditures – Expenditures are projected to be \$70,513, which represents 1% of the General Fund Expenditure Budget of \$4,915,232. Supplies and Services are projected to be \$21,000. Allocated cost is projected to be \$49,513. There are no capital asset expenditures requested.

WASTEWATER OPERATING FUND

Revenues – Wastewater Operating Fund Revenues are projected to be \$2,215,351. WasteWater Service Sales which are projected to be \$2,093,851 represents the biggest funding source for the wastewater operating fund. Standby Availability Charges which are projected to be \$119,000 represents the second biggest funding source for the wastewater operating fund.

Expenditures – Wastewater Operating Fund Expenditures are projected to be \$2,239,927. Supplies and Services are projected to be \$641,250. Allocated cost is projected to be \$461,098 and Debt Service Cost are projected to be \$159,496. Listed below are the requested capital asset expenditures for \$195,000.

- WWTP Influent Screen Installation \$150,000
- Hand Rails on Digesters \$45,000

WATER OPERATING FUND

Revenues - Water Operating Fund Revenues are projected to be \$2,859,147. Water Service Sales which are projected to be \$2,381,597 represents the biggest funding source for the water operating fund. Standby Availability Charges which are projected to be \$179,000 represents the second biggest funding source for the water operating fund.

Expenditures – Water Operating Fund Expenditures are projected to be \$2,771,104. Supplies and Services are projected to be \$728,178. Allocated cost is projected to be \$909,348 and Debt Service Cost are projected to be \$22,782. Listed below are the requested capital asset expenditures for \$321,700.

- Trailer-Mounted Vacuum Exactor \$48,000
- Air Compressor & Jack Hammer \$22,700
- Dump Truck Replacement (Ford F-650) \$76,000
- Zone 2 to 7 Trans Main SR Crk Ped.Bridge \$50,000
- Replacement of Leimert Service Lines \$40,000
- Water Meter Replacement/Upgrade \$50,000
- GIS Update \$10,000
- Value Replacements \$10,000
- Rodeo Grounds Pump Station Replacement \$15,000

WATER FUND – SWF OPERATING FUND

Revenues – Revenues are projected to be \$904,094. Utility billing charges make up all this revenue source.

Expenditures – Expenditures are projected to be \$1,021,787. Supplies and Services are projected to be \$165,825 and Debt Service Cost are projected to be \$659,424. There are no capital asset expenditures requested.

WATER FUND – SWF CAPITAL PROJECTS FUND

Revenues – Revenues (Loan Proceeds) are projected to be \$733,948.

Expenditures – Expenditures are projected to be \$733,948. Supplies and Services are projected to be \$733,948. There are no capital asset expenditures requested.

Attachment: Resolution 17-2018
CCSD Preliminary Budget for Fiscal Year 2018/19
D, Pierson's Finance Standing Committee Notes June 14, 2018

BOARD ACTION: Date _____ Approved: _____ Denied: _____

UNANIMOUS: ___ RICE ___ BAHRINGER ___ FARMER ___ WHARTON ___ PIERSON ___