

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO.

5.A.

FROM: Jerry Gruber, General Manager
Alleyne LaBossiere, Interim Finance Manager

Meeting Date: August 23, 2018 Subject: PUBLIC HEARING TO DISCUSS AND
ADOPT RESOLUTION 26-2018
APPROVING THE FINAL CCSD
BUDGET FOR FISCAL YEAR
2018/2019

RECOMMENDATIONS:

- Receive a staff presentation on the Final Budget for Fiscal Year 2018/2019.
- Receive public input.
- Discuss and adopt the Final Budget for Fiscal Year 2018/2019 and provide direction to staff.

FISCAL IMPACT:

The attached Fiscal Year (FY) 2018/19 Final Budget would authorize total Revenue and Other Sources of Funds, Expenditures and Other Uses of Funds, and changes to the General Fund, Water Fund, Wastewater Fund, Sustainable Water Facility Operating Fund and Sustainable Water Facility Capital Fund balances as shown.

DISCUSSION:

Attached for the Board's review and consideration is the Fiscal Year 2018/2019 Final Budget. The General Manager and Interim Finance Manager have spent a great deal of time carefully going over the Budget for accuracy and several of the questions that were raised when the Fiscal Year 2018/2019 Preliminary Budget was presented to the Board of Directors have been addressed and resolved. The Administrative Cost Allocation methodology was reviewed, addressed and resolved with assistance from the Finance Committee. 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 and other uses of funds, supported by revenues and other sources of funds. 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 program (CIP) levels.

The Interim Finance Manager would like to thank the community, the CCSD Board of Directors, the Finance Committee, and the CCSD staff for their hard work regarding the CCSD Fiscal Year 2018/2019 Budget.

BUDGET SUMMARY

District-wide revenues are projected to be \$8,959,643. District-wide expenditures are projected to be \$9,216,813. Overall, District-wide expenditures are projected to exceed projected revenues by \$257,170.

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

On August 9, 2018, the Finance Committee discussed and reviewed the Allocated Administrative Overhead methodology and made recommendations which are reflected in the Final Budget.

FUND/DEPARTMENT ANALYSIS:

GENERAL FUND:

FIRE DEPARTMENT

Sources of Funds—The Fire Department Revenues are projected to be \$2,224,459, which represents 72.8% of the General Fund Revenue Budget of \$3,055,265. Property Taxes, which are projected to be \$1,734,349 net of the County Administrative Fee, represents the biggest funding source for the Fire Department and is 71.3% of the projected total CCSD general property tax amount. Fire Benefit Assessment Tax revenues, which are projected to be \$457,000, represents the second biggest funding source for the Fire Department. The Fire Department's budget is balanced via a \$62,023 transfer from General Fund Reserves.

Uses of Funds—Expenditures (which include Personnel Services, Services & Supplies, Capital Outlay and Debt Service, but not Administrative Cost Allocation), are projected to be \$1,935,188, which represents 44.2% of the General Fund Expenditure Budget of \$4,383,205. Personnel Services are projected to be \$1,445,624. Supplies and Services are projected to be \$269,790, Capital Outlay is projected to be \$86,400. Debt Service costs are projected to be \$133,374. Allocated Overhead cost is projected to be \$351,294. 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

Sources of Funds—Facilities & Resources Department Revenues are projected to be \$680,180, which represents 22.3% of the General Fund Revenue Budget of \$3,055,265. Property Taxes, which are projected to be \$651,330 net of the County Administrative Fee, represents the biggest funding source for the Facilities & Resources Department and is 26.8% of the projected total CCSD general property tax amount. Veterans Hall Rental Fees, which are projected to be

\$25,000, represent the second biggest funding source for the Facilities and Resources Department. The Facilities & Resources Department's budget is balanced without a transfer from General Fund Reserves.

Uses of Funds—Expenditures (which include Personnel Services, Services & Supplies, Capital Outlay and Debt Service, but not Administrative Cost Allocation), are projected to be \$567,658, which represents 13.0% of the General Fund Expenditure Budget of \$4,383,205. Personnel Services are projected to be \$372,484. Supplies and Services are projected to be \$180,989. Debt Service costs are projected to be \$14,185. Allocated Overhead cost is projected to be \$112,522. No Capital Outlay costs are budgeted.

ADMINISTRATION DEPARTMENT

Sources of Funds—The Administration Department is mainly supported by Administrative Cost Allocation, which is projected to be \$1,859,359 in Fiscal Year 2018/2019. This source of funds represents 94.7% of the Administration Department's total sources of funds. The Administration Department Revenues are projected to be \$104,600, which represent 3.4% of the General Fund Revenue Budget of \$3,055,265. Projected Franchise Fees of \$85,000 represent the biggest funding revenue source for the Administration Department. The Administration Department's budget is balanced without a transfer from General Fund Reserves and has a projected surplus of \$104,600.

Uses of Funds—Expenditures (which include Personnel Services, Services & Supplies, Capital Outlay and Debt Service), are projected to be \$1,859,359, which represents 42.4% of the General Fund Expenditure Budget of \$4,383,205. Personnel Services are projected to be \$1,199,829. Supplies and Services are projected to be \$615,172, Capital Outlay is projected to be \$44,358. No Debt Service costs are budgeted. Listed below are the requested capital asset expenditures for \$44,358.

- Purchase Administrative Software-\$32,742
- Remodel Administrative Office-\$11,616 (Reduces Annual Rent Costs)

PARKS, RECREATION & OPEN SPACE

Sources of Funds—Parks, Recreation and Open Space Department Revenues are projected to be \$46,026, which represents 1.5% of the General Fund Revenue Budget of \$3,055,265. Property Taxes, which are projected to be \$45,521 net of the County Administrative Fee, represent the biggest funding source for the Parks, Recreation and Open Space Department and are 1.9% of the projected total ad valorem property tax amount. The Parks, Recreation and Open Space Department's budget is balanced without a transfer from General Fund Reserves.

Uses of Funds—Expenditures (which include Personnel Services, Services & Supplies, Capital Outlay and Debt Service, but not Administrative Cost Allocation), are projected to be \$21,000, which represent 0.5% of the General Fund Expenditure Budget of \$4,383,205. Supplies and Services are projected to be \$21,000. No Personnel Services, Debt Service, or Capital Outlay costs are budgeted. Allocated Overhead cost is projected to be \$25,026.

WASTEWATER FUND

Sources of Funds-Wastewater Fund Revenues are projected to be \$2,208,401. Wastewater Service Sales, which are projected to be \$2,101,901, represent the biggest funding source for the Wastewater Fund. Standby Availability Charges, which are projected to be \$106,300 net of the County Administrative Fee, represent the second biggest funding source for the Wastewater Fund. The Wastewater Fund's budget is balanced via a \$27,722 transfer from General Fund Reserves.

Uses of Funds-Expenditures (which include Personnel Services, Services & Supplies, Capital Outlay and Debt Service, but not Administrative Cost Allocation), are projected to be \$1,764,809. Personnel Services are projected to be \$750,151. Supplies and Services are projected to be \$641,250. Capital Outlay costs are projected to be \$209,509. Debt Service costs are projected to be \$163,899. Allocated Overhead cost is projected to be \$471,314. Listed below are the requested capital asset expenditures for \$209,509.

- WWTP Influent Screen Installation \$164,509
- Hand Rails on Digesters \$45,000

WATER FUND

Sources of Funds-Water Fund Revenues are projected to be \$2,781,977. Water Service Sales, which are projected to be \$2,425,377, represent the biggest funding source for the Water Fund. Standby Availability Charges, which are projected to be \$167,700 net of the County Administrative Fee, represent the second biggest funding source for the Water Fund. The Water Fund's budget is balanced and shows a projected surplus of \$484,483.

Uses of Funds-Expenditures (which include Personnel Services, Services & Supplies, Capital Outlay and Debt Service, but not Administrative Cost Allocation), are projected to be \$1,828,863. Personnel Services are projected to be \$798,374. Supplies and Services are projected to be \$699,178. Capital Outlay costs are projected to be \$321,700. Debt Service costs are projected to be \$9,611. Allocated Overhead cost is projected to be \$544,631. 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 Upgrades \$15,000

WATER SUSTAINABILITY FACILITY OPERATING FUND

Sources of Funds-Water Sustainability Facility Operating Fund Revenues are projected to be \$914,000. Service Sales, which are projected to be \$906,000, represent the biggest funding source for the Water Sustainability Facility Operating Fund. The Water Sustainability Facility Operating Fund's budget is balanced via a transfer from reserves of \$414,751.

Uses of Funds-Expenditures (which include Personnel Services, Services & Supplies, Capital Outlay and Debt Service, but not Administrative Cost Allocation), are projected to be \$1,064,936. Personnel Services are projected to be \$239,687. Supplies and Services are projected to be \$130,825. Capital Outlay costs are projected to be \$35,000. Debt Service costs are projected to be \$659,424. Allocated Overhead cost is projected to be \$263,815. Listed below is the requested capital asset expenditures for \$35,000.

- Impoundment Basin \$35,000

WATER SUSTAINABILITY FACILITY CAPITAL FUND

Sources of Funds-Water Sustainability Facility Capital Fund has no projected revenue. The Water Sustainability Facility Capital Fund's budget is balanced via a transfer from reserves of \$262,938.

Uses of Funds-The Water Sustainability Facility Capital Fund's only projected expenditures are Capital Outlay costs projected in the amount of \$175,000. Allocated Overhead cost is projected to be \$87,938. Listed below are the requested capital asset expenditures for \$175,000.

- Interim SWF AWTP Off-Hauling Facilities \$50,000
- Section 7 ESA Consultation \$125,000

Attachment: Resolution 26-2018
CCSD Final Budget for Fiscal Year 2018/19
CCSD Organizational Chart for Fiscal Year 2018-2019

BOARD ACTION: Date _____ Approved: _____ Denied: _____

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