

*Cameron Park
Community Services District*



Agenda Transmittal

DATE: August 21, 2019

FROM: Jill Ritzman, General Manager
Vicky Neibauer, Finance Officer

AGENDA ITEM #8: FISCAL YEAR 2019-20 FINAL BUDGET

RECOMMENDED ACTION: PUBLIC HEARING - APPROVE RESOLUTION 2019-18

INTRODUCTION

The Board of Directors approved a Fiscal Year (FY) 2019-20 Preliminary Budget in June, with an expectation that staff would eliminate the \$20,407 operational deficit and develop a plan to continue Summer Spectacular. This report summarizes the following information:

1. Changes from Preliminary to Final Budget;
2. Near-Term action steps to implement program reductions approved in the Preliminary Budget;
3. Long-Term Budget Action Plans to meet the Board's long term goal to balance the District budget including capital outlay.

At this time, there are no changes to the Conditions, Covenants & Restrictions (CC&R Fund 2) or Landscaping & Lighting Districts (LLAD Funds 30-50) budgets. Transmission repairs for the CC&R vehicle can be absorbed within the existing budget. With this repair, staff recommends keeping the vehicle for another one to two years. LLAD budgets will be vetted with the LLAD Ad Hoc Committee and any changes will be forthcoming to the Board.

for lunches, sick days and vacations will be provided by remaining Administration and Recreation staff.

- Solar Energy Acquisition Expert - Increase Costs \$25,000

An allocation of \$25,000 is included in capital outlay to move ahead with the District's solar energy initiative to save on utility costs in future years. Staff will return to the Board as requested with a contract for services. \$25,000 is an estimated cost.

- Fire Engine Salvage – Increase Revenues \$70,000

An additional \$70,000 is expected from the sale of the surplus fire engine and equipment. This revenue is allocated to offset capital outlay costs for Fire apparatus.

- Weed Abatement Ordinance Program – \$18,416 Property tax allocation increase

Staff identified elements of the Weed Abatement Ordinance Program that overlap with the program elements of the California Climate Investment grant. In addition to lowering costs and adding \$15,000 in grant funding, the property allocation has been increased by \$18,416 to fund a modified Weed Abatement Ordinance Program. This increase brings the total property tax allocation for the Weed Abatement Ordinance Program to \$30,416 or 1% of the total property tax coming to the District.

- HVAC System Maintenance – Increase Costs \$20,000

The Community Center HVAC system received minimal preventative maintenance over the past several years. Historically, calls for service have occurred due to a failure of the system. Routine preventative maintenance will significantly increase the unit's efficiency, lower utility bills, and extend the life of the system. This cost is reflected in capital outlay budget and in future year, and once system is at its most efficient capacity, will move to operations budget.

Near-Term Action Steps

Staff have taken the following steps in response to the approval of the Preliminary Budget.

- Continuation of Summer Spectacular

Staff will develop a plan for Summer Spectacular to continue as a cost neutral event and report back to the Parks and Recreation Committee (October). Plan will include

- Grant Writer (A)

Job announcement for a grant writer is posted. Once selected, staff will establish projects and priorities based upon a prioritized Parks and Fire departments projects list. The prioritized project lists are under review by the Park and Recreation and Fire committees and will be presented to the Board for consideration in September or October.

- Solar Energy Initiative (A)

The Board approved the release of a Request for Proposal (RFP) for a solar energy acquisition expert to assist the District with a competitive process to select a solar energy builder. Expert will also assist the District with selection of financing options. Staff released an RFP in July, with a due date of September 6, 2019. The Solar Energy Ad Hoc Committee will review proposals, interview and recommend to the Board a selected firm.

- Eco Green Solutions & HVAC Improvements (A)

Staff is working with a PG&E contractor to change lightbulbs and other mechanism to meet or exceed current industry standard's energy efficiency. Staff is also assessing the current condition of the Community Center's HVAC system, will make appropriate repairs and schedule routine maintenance to ensure system is operating at its maximum, most efficient capacity to save utility costs.

- Swimming Lagoon Replacement Facility (A)

Staff will investigate options to replace the Swimming Lagoon with a water featured playground and report back to the Park and Recreation Committee. Investigation will include identifying construction and operations costs, location, potential demolition and construction timeline, and possible funding sources.

- Incentive Program - Special District Risk Management Authority (A)

To lower the District's insurance costs, Board members and staff can enroll in free or low cost training. A separate report is included as a consent item in tonight's agenda.

- Lighting and Landscape District (LLAD) Financial Analysis & Response (A)

Staff identified discrepancies with the LLAD fund balances reflected in the Engineer's Report and actual cash balances. Reconciliations of fund balances will occur by researching of actual expenditures for the past five years or more. When reconciliation is complete, an action plan to address any financial deficiencies will be developed and implemented with an LLAD Ad Hoc Committee. The District is recruiting for Committee community members now.

- **Competitively Bidding Contract Services (B)**

The District manages nineteen contracts for services, of which seven contracts are five years old or older. Staff will be competitively bidding these services to bring all of the District's contracts current. Depending upon costs, some contracts will be Board approved and others will be approved by the General Manager.

Year-End Actuals

Fiscal Year 2018-19 has not closed. For most agencies, year-end close occurs in September. Staff will provide a report to the Board regarding budget to actuals once closing is concluded this fall. Items still unresolved include the 4TH Quarter CAL FIRE personnel costs and the final payment of property taxes. At this time, it appears the District will meet or be under budget.

Budget and Administration Committee

The Budget and Administration Committee reviewed Preliminary Year-End Actuals and the Final Budget, and supported moving the Final Budget to the Board of Directors for consideration. Since the Fiscal Year 2018-19 has not closed, the Committee did not support moving the preliminary report forward.

CONCLUSION

FY 2019-20 Final Budget takes significant steps towards balancing the operational budget, but more work needs to be done to secure the District's future financial health. In addition to operational expenditures, investments in capital acquisitions and improvements should also be funded by the District's annual revenues or through a dedicated reserve fund. The Long Term Budget Action steps will greatly assist in balancing the budget in future years, along with reviewing the District's Reserve Policy.

Attachments:

- 8A – FY 2019-20 Budget with Program Areas
- 8B – FY 2019-20 District Fund Balance Summary
- 8C – FY 2019-20 Final Budget
- 8D – Resolution No. 2019-18

*** Fixed Costs	Operating Budget										Capital Improvement	Total Over/Under
	Admin	Fire	Weed Ord	Parks	Comm Cntr	Recr	Subtotal					
-	209,000	1,207,592	46,263	80,913	306,962	404,523	2,255,253				310,271	2,565,524
384,882	412,044	2,841,217	30,416	462,665	3,163	-	4,134,387				-	4,134,387
384,882	621,044	4,048,809	76,679	543,578	310,125	404,523	6,389,640				310,271	6,699,911
384,882	621,044	4,048,809	76,679	543,578	310,125	404,523	6,389,640				534,671	6,924,311
-	-	-	-	-	-	-	-				(224,400)	(224,400)
9%	10%	69%	1%	11%	0%	0%	100%				0%	100%

Revenues - fees & other sources
 Property Tax allocation
 Sub-total Revenues
 Expenditures
 (over) under
 % of Total Property Tax

*** Fixed Costs: Cal PERS retiree health and unfunded liability, insurance, dam monitoring & permitting, LAFCO, audit services

Cameron Park Community Services District
 Summary Final Budget Comparison
 7/1/2019 Through 6/30/2020
 Fiscal Year 2019-20

Account Code	Account Title	FY 2018-19 Total Budget - Final	FY 2019-20 Total Budget - Final
4110	Property Taxes	3,994,388.00	4,134,387.00
4113	Franchise Fees	176,000.00	200,000.00
4115	Park Impact Fees	52,000.00	52,000.00
4120	Quimby Fees	31,000.00	28,554.00
4125	Fire Development	0.00	10,000.00
4132	Fire Marshall Plan Review	22,000.00	18,000.00
4135	Special Assessments	0.00	0.00
4140	Arc Review Fees	0.00	0.00
4142	Tuition Fees	26,160.00	0.00
4145	Youth Classes	35,000.00	38,000.00
4146	Adult Classes	25,000.00	36,727.00
4147	Youth Sports	100,000.00	100,000.00
4148	Adult Sports	10,000.00	18,800.00
4149	Camp Revenues	12,800.00	12,800.00
4152	Senior Nutrition Program	0.00	0.00
4153	Senior Programs	12,000.00	12,000.00
4154	Recreation Program Revenue	0.00	0.00
4165	Transfer In	0.00	0.00
4170	Special Events	40,000.00	25,000.00
4180	Park Lake Kiosk Revenues	40,800.00	21,012.00
4181	Lake Season Pass	37,680.00	21,666.00
4182	Picnic Site Rentals	9,960.00	27,436.00
4183	Summer Kids Camp	40,800.00	42,000.00
4184	Cameron Park Lake Concessions	10,000.00	3,250.00
4185	CC Facility Rentals	10,000.00	129,114.00
4186	Gym Rentals	35,000.00	33,650.00
4187	Pool Use Fees	160,000.00	195,882.00
4190	Parks Facility Revenue	65,000.00	27,061.00
4209	Brochure Ads	0.00	0.00
4220	Summer Spectacular	30,800.00	0.00
4250	Donations	1,000.00	1,000.00
4255	Sponsorships	22,067.00	30,000.00
4260	JPA Reimbursable	1,150,000.00	1,150,000.00
4262	Fire Apparatus Equip Replcmt	136,244.00	100,000.00
4400	Reimbursement	0.00	64,717.00
4410	Weed Abatement	94,260.00	23,263.00
4505	Interest Income	10,000.00	9,000.00
4600	Other Income	39,295.00	111,592.00
4605	Grant - CI	<u>0.00</u>	<u>23,000.00</u>
		<u>6,429,254.00</u>	<u>6,699,911.00</u>
5000	Salaries - Permanent	505,000.00	668,113.00
5010	Salaries - Part-time	182,350.00	103,175.00
5020	Overtime	8,000.00	5,000.00
5130	Health Benefit	170,000.00	111,542.00

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Account Code	Account Title	FY 2018-19 Total Budget - Final	FY 2019-20 Total Budget - Final
5135	Retiree Health Benefit	88,547.00	63,420.00
5140	Dental Insurance	3,500.00	10,716.00
5150	Vision Insurance	1,600.00	1,503.00
5160	CalPERS Employer Retirement	186,000.00	223,586.00
5170	Worker's Compensation	16,000.00	53,501.00
5180	FICA/Medicare Employer	24,050.00	12,835.00
5190	UI/TT Contribution	21,700.00	37,513.00
5209	Advertising/Marketing	20,000.00	27,245.00
5210	Agency Administration Fee	96,668.00	0.00
5215	Agriculture	2,200.00	18,485.00
5220	Audit/Accounting	90,000.00	47,500.00
5221	Bank Charge	16,000.00	14,141.00
5230	Clothing/Uniforms	6,000.00	9,525.00
5231	Computer Software	30,000.00	24,380.00
5232	Computer Hardware	10,000.00	47,750.00
5235	Contractual Services	28,200.00	20,000.00
5236	Contractual - Provider Services	3,594,170.00	3,710,059.00
5240	Contract Services - Other	173,800.00	96,627.00
5250	Director Compensation	13,000.00	13,700.00
5260	EDC Department Agency	7,200.00	4,268.00
5265	Educational Materials	16,360.00	6,845.00
5270	Elections	18,000.00	0.00
5275	Equipment-Minor/Small Tools	8,000.00	9,500.00
5285	Fire & Safety Supplies	10,500.00	4,750.00
5290	Fire Prevention & Inspection	900.00	1,800.00
5295	Fire Turnout Gear	31,000.00	31,000.00
5296	Fire- Volunteer/Resident	42,000.00	29,200.00
5300	Food	5,000.00	4,600.00
5305	Fuel	75,700.00	71,000.00
5310	Government Fees/Permits	23,500.00	29,934.00
5315	Household Supplies	38,000.00	26,695.00
5316	Instructors	73,700.00	66,500.00
5320	Insurance	85,500.00	103,500.00
5335	Legal Services	21,500.00	14,250.00
5340	Maint. - Vehicle Supplies	1,900.00	4,000.00
5345	Maint. - Buildings	48,500.00	50,495.00
5350	Maint. - Equipment	55,293.00	47,540.00
5355	Maint. - Grounds	61,350.00	86,488.00
5360	Maint. - Radio/Phones	1,500.00	2,000.00
5365	Maint. - Tires & Tubes	14,000.00	16,100.00
5370	Maint. - Vehicle	21,000.00	21,000.00
5375	Medical Supplies	0.00	1,650.00
5380	Memberships/Subscriptions	10,900.00	9,445.00
5385	Mileage Reimbursement	3,200.00	1,475.00
5395	Miscellaneous	(2,000.00)	0.00

Cameron Park Community Services District
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 Fiscal Year 2019-20

Account Code	Account Title	FY 2018-19 Total Budget - Final	FY 2019-20 Total Budget - Final
5400	Office Supplies/Expense	10,500.00	10,848.00
5405	Pool Chemicals	37,400.00	21,500.00
5410	Postage	2,900.00	4,400.00
5415	Printing	1,000.00	595.00
5420	Professional Services	110,000.00	135,800.00
5421	Program Supplies	15,000.00	15,000.00
5425	Publications & Legal Notices	600.00	595.00
5430	Radios	700.00	2,500.00
5431	Refund-Activity Pass	4,300.00	1,500.00
5435	Rent/Lease - Bldgs, Fields, etc.	700.00	8,300.00
5440	Rent/Lease - Equipment	2,000.00	4,180.00
5455	Staff Development	12,000.00	26,600.00
5465	Special Events	6,000.00	6,000.00
5466	Summer Spectacular	50,000.00	0.00
5470	Phones/internet	40,000.00	44,675.00
5480	Travel/Lodging	700.00	0.00
5486	Tuition	0.00	0.00
5490	Utilities - Water	60,000.00	42,500.00
5492	Utilities - Electric/Gas	160,000.00	168,350.00
5493	Utilities - Garbage	800.00	0.00
5495	Utilites - Water/Irrigation	0.00	0.00
5500	Vandalism	1,000.00	2,000.00
5501	Cal Fire In Kind Purchases	16,000.00	13,500.00
5625	Capital Equipment Expense	<u>266,271.00</u>	<u>451,117.00</u>
		<u>6,757,159.00</u>	<u>6,924,311.00</u>
		<u>(327,905.00)</u>	<u>(224,400.00)</u>

Cameron Park Community Services Center
 Fund Balances - General Fund
 Fiscal Year 2019-2020

	Audited Fund Balances				Budgeted	
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20
Fund Balance - Beginning	3,348,221	3,853,790	3,796,661	3,788,263	3,684,477	3,356,572
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>505,569</u>	<u>(57,129)</u>	<u>(8,398)</u>	<u>(103,786)</u>	<u>(327,905)</u>	<u>(224,400)</u>
Fund Balance - Ending	<u>3,853,790</u>	<u>3,796,661</u>	<u>3,788,263</u>	<u>3,684,477</u>	<u>3,356,572</u>	<u>3,132,172</u>