Rancho Murieta CSD

FISCAL YEAR 2020–21 BUDGET WORKSHOP PRESENTATION FEBRUARY 27, 2020



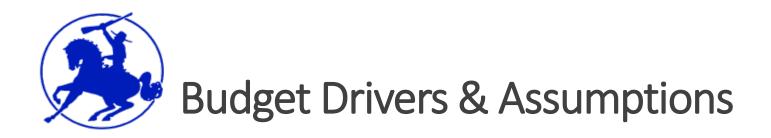


MEETING OVERVIEW

- General Budget Overview
- General Budget Assumptions
- Payroll Assumptions
- Notable Items
- New Requests
- Revenue Estimate Process
- Prop 218 Notice
- Next Steps / Schedule

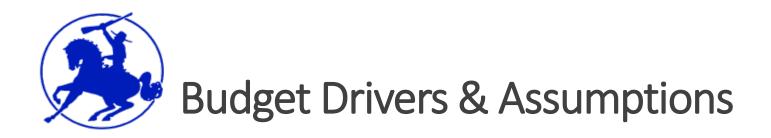


- Management Reserves Study Review Existing Status and Develop 5-10 Year Plans
- Effectively Manage District Finances
 Assess Long-Term Financial System Options
 Enhance Rate Setting Analysis & Procedures
- Security Services
 Collaborative Joint Enforcement
 Review Measure J Bond for Options
- Water Services
 Permit Extension
 20/20 Water Conservation Plan Update
- Facilitate enhanced Community Education and Outreach Develop a Metric to Measure Improvement Enhance Transparency in the Community



General Budget Assumptions

- 5 Estimated New Residential Connections Inside Gates
- 52 Estimated New Residential Customers MGII
- 2 Estimated New Commercial Customers
- Budget Priorities Focused on Board Goals
- Improvements for Management of District Finances
- Enhance Security Service
- Water Conservation and Storage Capacity Options



General Budget Assumptions (cont..)

- CalPERS rate increases and Workers Comp. adjustments will increase overall rates.
- Staffing MOU negotiations will affect OE3 wages. Mid-Year Negotiations with January 1, 2021 Wage Increase.
- Sacramento County property tax projected at \$735,000. This is an increase \$60,000 over FY2019-20 Budgeted amount – Final estimate is pending. The estimate includes 52 new residences and increases due to regular tax increases and home sale tax base increase.



General Budget Assumptions (cont.)

- Purchased power from SMUD is reported to increase across all funds more than 9% between January 2020 and January 2021.
- Capital Replacement Reserve contributions across all funds will be adjusted once the Board determines a comprehensive strategy.
- Information Systems Maintenance and expenses will be updated across all funds to reflect the District's move to stay current with technology and financial management.
- Election Expense Estimate of \$10,000
- Add Expense of \$540 to Yellow Bridge Lease



- Health insurance rates are budgeted at a 10.0% increase CalPERS notifies the District in October 2020. Estimate for 2020 was 10% actual increase is 6%.
- OPEB contributions will be \$187,000 in 19/20, to be determined for 20/21 based on new actuarial evaluation.
- Negotiations with OE3 wage and salary increases will be factored into the budget.
- Unrepresented tentative salary increase totaling \$50,000 have been factored into the budget.
- PERS Classic & PEPRA Increase Estimated at \$60,000 Based on current Actuarial Valuation Requirements.



Financial Reporting Changes

- Utilize Systems to Generate Reports
- Clearly Communicate District Finances
- Mid-year Budget Adjustment with Projections
- Improved Rate Justification
- Address Long Term CIP and CRP Projects
- Evaluation of Financial System Replacement



- Focus on Financial Health.
- Contract/Temporary/Co-Op student, staffing is budgeted \$25,000 for Operations and Administrative support.
- New Initiatives (Director Initiatives) is budgeted at \$35,000 for initiatives that may arise.



Items of Note (cont.)

- Worker's Comp. Insurance rate is budgeted for a 25% increase and General liability insurance rates are budgeted 5% increase based on GSRMA's early estimate.
- Total Administration Expenses proposed to increase in FY-2020/21, predominantly due to technology and upgrades to financials and operations.



BUDGET SUMMARY – WATER FUND

- 5 Estimated New Residential Connections Inside Gates
- 52 Estimated New Residential Customers MGII
- 2 Estimated New Commercial Customers
- Water consumption projected to increase 5% over Fiscal Year 2019-22 budget.
- Replace Six Water Treatment Plant Filtration Modules
 \$7,000
- Dam Permit Costs Increased 8% to \$68,000.



BUDGET SUMMARY – WATER FUND

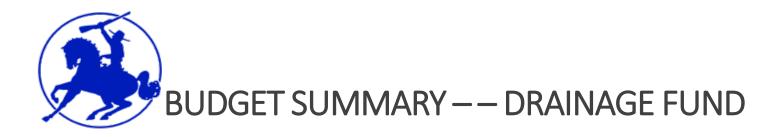
Items of Note (cont.)

- Study District Service Fees for Cost Recovery of Staff Time
- Evaluate Fines for Misuse of District Infrastructure
- Evaluate Chemical and Chemical Testing Costs
- Increase Budget \$15,000 for Accelerated Water Meter Replacements and Meter Cost Increase
- Non-Routine Maintenance & Repair Proposed Increase \$50,000

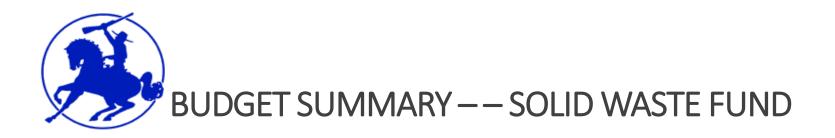


BUDGET SUMMARY -- SEWER FUND

- Add \$4,200 Per Year for Compressor Maintenance
- Non-Routine Maintenance & Repair Proposed Increase \$50,000
- Evaluate Use of Rate of Flow Controllers and Automated Telemetry Valves for Drying Beds
- Evaluate Fines for Misuse of District Infrastructure



- Increase Special Tax Rate 2%
- Consulting Needed to Support MS4
 Implementation for Low Impact Development
 (LID) and Hydromodification Standards
- Added Costs Associated with Pyrethroid Monitoring Requirements \$7,500



- Jack Fiori with Cal Waste (CWRS) is estimating between a 1.64% to 1.88% increase in the structured pricing of our solid waste contract for FY-2020-21.
- Estimate a 2.5% increase in both the CWRS contract rate and in Sacramento County's landfill surcharge.
- Consider Household Hazardous Waste event.



BUDGET SUMMARY -- SECURITY FUND

- Security Patrol Wages & Employer Costs are budgeted fully-staffed.
- Security Information Systems requests, \$5,000 Increase for South Gate Video Upgrade
- Increase Special Tax Rate 2%
- Focus on Optimizing Gate Access and Patrol Software



NEXT STEPS / SCHEDULE

- March 3, 2020 Finance Meeting review & update as needed
- March 18, 2020 Board Meeting Present Proposed Draft Budget
- March 25, 2020 Mail Prop 218 Notice
- March 26, 2020 Budget Meeting with Staff
- April 3, 2020 Finance Meeting Draft CIP Documents
- April 17, 2020 Budget Meeting with Staff Final Staff Input
- May 20, 2020 Board Meeting Budget Presentation First Reading
- Sune 17, 2020 Board Meeting Second Reading Budget Approval



QUESTIONS & ANSWERS