

Rancho Murieta CSD

FISCAL YEAR 2020–21

BUDGET

WORKSHOP PRESENTATION

FEBRUARY 27, 2020

Rancho Murieta
Community Services District



Serving the community for over 30 years.



MEETING OVERVIEW

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



BOARD GOALS

- ❖ 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



Budget Drivers & Assumptions

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



Budget Drivers & Assumptions

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.



Budget Drivers & Assumptions

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



Budget Drivers & Assumptions

- ❖ 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.



BUDGET SUMMARY – ADMINISTRATION

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



BUDGET SUMMARY – ADMINISTRATION

Items of Note

- ❖ 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.



BUDGET SUMMARY – ADMINISTRATION

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

Items of Note

- ❖ 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

Items of Note

- ❖ 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



BUDGET SUMMARY — DRAINAGE FUND

Items of Note

- ❖ 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



BUDGET SUMMARY — — SOLID WASTE FUND

Items of Note

- ❖ 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

Items of Note

- ❖ 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
- ❖ June 17, 2020 Board Meeting - Second Reading - Budget Approval



QUESTIONS & ANSWERS