

RECLAMATION DISTRICT NO. 1000
Adopted Budget
FY 2017-2018

RECLAMATION DISTRICT NO. 1000
ANNUAL BUDGET
FY 2017-18

The following is an overview of the 2015-16 year end budget estimates and the proposed 2017-18 budget. Budget detail can be found on pages 4 through 8.

INCOME PROJECTED 2016-17

The primary source of District funding is the annual Operations and Maintenance assessment. The current assessment rate is .75 per \$100 of assessed value, with a minimum \$25 assessment. The minimum assessment applies to most single family residential properties. This rate was set in 1997. The assessment is land use based, so when property changes use from agricultural use to residential or commercial use the assessment increases without a change in the assessment rate. Until several years ago growth in the District has provided a continued increase in assessments without the need to increase the assessment rate. Since the revised floodplain designation was implemented in Natomas the total annual assessment stagnated with only minor changes in assessments. However, with the need A99 Flood zone designation, development in the basin will be allowed, though the rate of development will likely not be sufficient to keep up with operation expenses in the near future. It is currently sufficient to fund the District when combined with the O/M funds the District receives from SAFCA each year. Once the Natomas Levee Improvement Project is completed and development increase, the District's maintenance costs will increase due to the new facilities and an increase in urbanization of the District. At some point, likely within the next five years the District will have to consider an increase in the annual operation and maintenance assessment rate which will require an election pursuant to Proposition 218.

Operation and Maintenance Income – 2016-17

For the fiscal year ending June 30, 2017 the District expects to collect all but a small portion of the full assessment budgeted of \$ 2,248,421. The amount not collected prior to June 30, 2016 is anticipated to be collected through the Sacramento County Teeter plan whereby the County of Sacramento buys the District's delinquent assessment and the County in turn collects all penalties and interests when those assessments are collected. Other sources of income estimated to be collected for the year ended 6/30/17 include \$1,300,000 from SAFCA per agreement for operation and maintenance; \$19,871 from rent and miscellaneous income and a \$42,393 reimbursement from the CERBT for retiree health premiums. Interest collected on all funds is anticipated to be approximately \$35,859.

Capital Income – 2016-17

The primary source of income for the District's Capital fund is internal funding from the surplus in the District Operation and Maintenance fund. The estimated surplus of O/M funds this year is \$257,143. The O/M Reserve fund is set by policy adopted by the Board of Trustees and is 70% of the adopted Budget. The Capital Fund has increased by the estimated surplus in current year O/M income and the adjustment to the O/M Reserve fund to meet the 70% O/M Reserve.

As of Fiscal Year 2017-18, the Finance Committee has determined that the surplus in O/M Revenue over Expenses, if any shall be transferred to the O/M Reserve Fund and not to the Capital Fund.

The total fund balance at 6-30-17 is estimated to be \$7,703,822. The allocation of these funds is as follows:

Restricted FEMA Fund	-	\$ 513,914
Emergency Flood Fight Fund	-	\$1,500,000

O/M Reserve Fund	-	\$2,639,053
Capital Fund	-	\$3,050,855

The restricted FEMA fund is the balance remaining that the District received for SAFCA soft costs but has not yet been expended. The Emergency Flood Fight Fund is the amount determined by the General Manager, per policy and the Operation & Maintenance Funds is at least 70% of the annual budget, per policy. The Capital Fund is all other funds not specifically designated per policy or legal restrictions.

Operation and Maintenance Expenditures 2016-17

The total operation and maintenance expenses projected for Fiscal Year 2016-17 is \$3,172,139. This includes all non-capital expenditures. Detail of the expenditures is on pages 4 and 5.

Capital Expenditures 2016-17

The total Capital Expenditures projected for Fiscal Year 2016-17 is \$346,849. Detail for the expenditures can be found on page 8.

PROPOSED BUDGET

Fiscal Year 2017-18

The proposed income for Fiscal year 2017-18 is \$3,606,621. This includes Operation and Maintenance income of \$3,586,621; and Restricted Metro Airpark Income of \$20,000. Detail for this income can be found on page 4.

The proposed expenditures for Fiscal year 2016-17 are \$3,621,502 this includes \$300,000 budgeted capital expenditures which will be funded from the Capital Reserve Fund. The projected surplus/ (deficit) of Operation and Maintenance Income over Expenses is \$(14,881) and will be funded from the O/M Reserve Account.

Detail for the Income and Expenditures proposed for 2017-18 can be found on pages 4-5 and page 8.

The projected Fund Balances at June 30, 2018 are projected to be as follows:

Total Funds: \$7,388,942, this is a \$314,881 decrease from Fiscal Year 2016-17 estimates.

Fund Balance estimates for Fiscal Year 2017 are as follows:

- Restricted Funds: \$ 513,914
- Emergency Flood Fight Funds: \$1,500,000
- Capital Funds: \$2,750,855
- O/M Reserves: \$2,624,172

See page 7 for detail.

2017-2018 Adopted Budget

Operation & Maintenance Income	Estimate @ 6/30/17	Amended Adopted Budget 2016-2017	Variance (UnFavorable)	Proposed Budget 2017-18
Property Assessments	\$ 2,248,421	\$ 2,248,065	\$ 356	\$ 2,248,421
Rents	\$ 19,871	\$ 21,371	\$ (1,500)	\$ 20,000
Interest Income	\$ 35,859	\$ 13,000	\$ 22,859	\$ 13,000
Finance Charges/Penalty	\$ 100	\$ 150	\$ (50)	\$ 200
CERBT Reimbursement	\$ 42,393	\$ 38,785	\$ 3,608	\$ -
SAFCA - O/M Assessment	\$ 900,000	\$ 900,000	\$ -	\$ 1,300,000
Miscellaneous	\$ 14,451	\$ 5,000	\$ 9,451	\$ 5,000
Total	\$ 3,261,095	\$ 3,226,371	\$ 34,724	\$ 3,586,621
Restricted Fund				
	Estimate @ 6/30/17	Amended Adopted Budget 2016-2017	Variance (UnFavorable)	Proposed Budget 2017-18
Metro Airpark Groundwater Pumping	\$ 27,452	\$ 20,000	\$ 7,452	\$ 20,000
Total	\$ 27,452	\$ 20,000	\$ 7,452	\$ 20,000
Total Combined Income	\$ 3,288,547	\$ 3,246,371	\$ 42,176	\$ 3,606,621

Operations and Maintenance - Expense

Administration	Estimate @ 6/30/17	Amended Adopted Budget 2016-2017	Variance (UnFavorable)	Proposed Budget 2017-18
Election Cost	\$ -	\$ -	\$ -	\$ 50,000
City/County Fees	\$ 8,245	\$ 9,969	\$ 1,724	\$ 10,000
Legal	\$ 63,750	\$ 85,000	\$ 21,250	\$ 85,000
Liab./Auto Ins.	\$ 101,445	\$ 110,000	\$ 8,555	\$ 110,000
Office Supplies	\$ 5,200	\$ 5,000	\$ (200)	\$ 5,500
Assessment Costs	\$ 29,371	\$ 30,000	\$ 629	\$ 30,000
Computer Costs	\$ 9,000	\$ 9,000	\$ -	\$ 10,000
Uninsured Losses	\$ 1,718	\$ 1,000	\$ (718)	\$ 1,000
Accounting /Payroll Services	\$ 17,725	\$ 20,000	\$ 2,275	\$ 36,000
Admin. Services	\$ 22,879	\$ 20,000	\$ (2,879)	\$ 26,000
Utilities (Phone/Water/Sewer)	\$ 18,194	\$ 20,000	\$ 1,806	\$ 23,500
Mit. Land Expenses	\$ 2,074	\$ 3,000	\$ 926	\$ 3,000

Other	\$		\$	\$
	13,557	\$ 10,000	(3,557)	10,000
SAFCA (CAD)	\$		\$	\$
	3,372	\$ 3,600	228	3,600
Sub Total	\$	\$	\$	\$
	296,529	326,569	30,040	403,600

Personnel/Labor	Estimate @ 6/30/17	Amended Adopted Budget 2016-2017	Variance (UnFavorable)	Proposed Budget 2017-18
Wages	\$	\$	\$	\$
	866,788	895,188	28,400	941,548
Wages (Overtime)	\$	\$	\$	\$
	53,191	48,672	(4,519)	46,140
Group Insurance	\$	\$	\$	\$
	115,147	118,347	3,200	118,305
Worker's Compensation Insurance	\$	\$	\$	\$
	44,250	45,000	750	46,000
Annuitant Health Care	\$	\$	\$	\$
	42,393	50,970	8,577	-
OPEB - ARC	\$	\$	\$	\$
	38,785	38,785	-	38,785
Dental /Vision/Life	\$	\$	\$	\$
	20,275	26,000	5,725	26,000
Payroll Taxes	\$	\$	\$	\$
	67,652	71,656	4,004	76,580
Pension	\$	\$	\$	\$
	144,274	134,749	(9,525)	156,044
Trustees Fees	\$	\$	\$	\$
	30,825	39,000	8,175	39,000
Subtotal	\$	\$	\$	\$
	1,423,581	1,468,367	44,786	1,488,402

Operations	Estimate @ 6/30/17	Amended Adopted Budget 2016-2017	Variance (UnFavorable)	Proposed Budget 2017-18
Power	\$	\$	\$	\$
	550,000	450,000	(100,000)	500,000
Supplies/Materials	\$	\$	\$	\$
	21,594	20,000	(1,594)	22,000
Herbicide	\$	\$	\$	\$
	116,237	120,000	3,763	135,000
Fuel	\$	\$	\$	\$
	45,237	60,000	14,763	55,000
Field Services	\$	\$	\$	\$
	68,495	113,000	44,505	96,500
Field Operations Consultants	\$	\$	\$	\$
	15,390	20,000	4,610	20,000
Eq. Rental	\$	\$	\$	\$
	108	10,000	9,892	10,000
Refuse Collection	\$	\$	\$	\$
	8,556	7,000	(1,556)	10,000
Eq. Repair/Service	\$	\$	\$	\$
	20,623	20,000	(623)	22,000
Eq. Parts/Supplies	\$	\$	\$	\$
	46,086	50,000	3,914	55,000
Facility Repairs	\$	\$	\$	\$
	35,648	143,000	107,352	250,500
Shop Equipment (not vehicles)	\$	\$	\$	\$
	9,146	10,000	854	13,000
Field Equipment	\$	\$	\$	\$
	5,308	20,000	14,692	11,000

Sub Total	\$	\$	\$	\$
	942,427	1,043,000	100,573	1,200,000
Equipment	Estimate @ 6/30/17	Amended Adopted Budget 2016-2017	Variance (UnFavorable)	Proposed Budget 2017-18
Small Equipment/Software	\$ -	\$ -	\$ -	\$ 12,500
Service Truck Replacement	\$ 45,000	\$ 45,000	\$ -	\$ -
Large Equipment	\$ 220,187	\$ 200,000	\$ (20,187)	\$ 209,000
Subtotal	\$ 265,187	\$ 245,000	\$ (20,187)	\$ 221,500
Consulting/Contracts/Memberships	Estimate @ 6/30/17	Amended Adopted Budget 2016-2017	Variance (UnFavorable)	Proposed Budget 2017-18
Public Relations	\$ 33,885	\$ 25,000	\$ (8,885)	\$ 35,000
Engineering/Admin Consultants	\$ 149,473	\$ 150,000	\$ 527	\$ 150,000
Memberships	\$ 30,309	\$ 35,000	\$ 4,691	\$ 35,000
Security Patrol	\$ 43,200	\$ 45,000	\$ 1,800	\$ 83,000
Contingency Levee Patrol (outside staff)	\$ 15,000	\$ 5,000	\$ (10,000)	\$ 5,000
Subtotal	\$ 271,867	\$ 260,000	\$ (11,867)	\$ 308,000
TOTAL O & M EXPENSES	\$ 3,199,591	\$ 3,342,936	\$ 143,345	\$ 3,621,502
Surplus/(Deficit O/M)	\$ 88,957	\$ (96,565)		\$ (14,881)
CAPITAL EXPENSES	Estimate @ 6/30/17	Adopted Budget 2016- 2017	Variance (UnFavorable)	Proposed Budget 2017-18
Capital - Facilities	\$ 346,099	\$ 430,000	\$ 83,901	\$ 300,000
Total Capital	\$ 346,099	\$ 430,000	\$ 83,901	\$ 300,000
Surplus/(Deficit Capital)		\$ (430,000)		\$ (300,000)
Total All Expenditures	\$ 3,545,690	\$ 3,772,936	\$ 227,246	\$ 3,921,502
Income (expenses)	\$ (257,142)	\$ (526,565)		\$ (314,881)
Funding from Reserves	\$ 346,099	\$ 430,000		\$ 300,000
O/M Reserve Funds Surplus/(deficit)	\$ 88,957	\$ (96,565)		\$ (14,881)

**Projected Fund Balances
17/18**

	Restricted FEMA Funds	Restricted <u>Metro Airpark Groundwater Pumping</u>	Assigned <u>Emergency Flood Fight Fund</u>	Assigned <u>Capital Fund</u>	Assigned <u>O/M Reserve</u>	Unassigned <u>O/M Fund</u>	Estimate Total <u>2017-18</u>
Revenues:							
Property Assessments						2,248,421	2,248,421
Finance charges and penalties						200	200
Rents, easements, and service fees						20,000	20,000
Interest Income						13,000	13,000
SAFCA O/M						1,300,000	1,300,000
MAP Groundwater Pumping		20,000				-	20,000
Miscellaneous						5,000	5,000
Total revenues	≡	<u>20,000</u>	≡	≡	≡	<u>3,586,621</u>	<u>3,606,621</u>
Expenditures:							
Operations		20,000				1,180,000	1,200,000
Administration						403,600	403,600
Personnel						1,488,402	1,488,402
Equipment						221,500	221,500
Discretionary						308,000	308,000
Capital outlay				300,000		-	300,000
Total Expenditures	≡	<u>20,000</u>	≡	<u>300,000</u>	≡	<u>3,601,502</u>	<u>3,921,502</u>
Excess of revenues (under) over expenditures	-	-	-	(300,000)	-	(14,881)	(314,881)
					(14,881)	14,881	
Esstimated Fund balances, beg of year (7/1/17)	<u>513,914</u>	≡	<u>1,500,000</u>	<u>3,050,855</u>	<u>2,639,053</u>	<u>0</u>	<u>7,703,822</u>
Estimated Fund balances, end of year (6/30/18)	<u>513,914</u>	≡	<u>1,500,000</u>	<u>2,750,855</u>	<u>2,624,172</u>	<u>1</u>	<u>7,388,942</u>