

RECLAMATION DISTRICT NO. 1000
Adopted Budget
FY 2016-2017

RECLAMATION DISTRICT NO. 1000
ANNUAL BUDGET
FY 2016-17

The following is an overview of the 2015-16 year end budget estimates and the proposed 2016-17 budget. Budget detail can be found on pages 4 through 8.

INCOME PROJECTED 2015-16

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 – 2015-16

For the fiscal year ending June 30, 2016 the District expects to collect all but a small portion of the full assessment budgeted of \$ 2,247,575. 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 6/30/16 include \$900,000 from SAFCA per agreement for operation and maintenance; \$21,435 from rent and miscellaneous income and a \$48,214 reimbursement from the CERBT for retiree health premiums. Interest collected on all funds is anticipated to be approximately \$16,992.

Capital Income – 2015-16

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 \$666,219. 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 2016-17, 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 6-30-16 is estimated to be \$8,808,054. The allocation of these funds is as follows:

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

O/M Reserve Fund	-	\$2,331,404
Capital Fund	-	\$3,734,736

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 2015-16

The total operation and maintenance expenses projected for Fiscal Year 2015-16 is \$2,522,964. This includes all non-capital expenditures. Detail of the expenditures is on pages 4 and 5.

Capital Expenditures 2015-16

The total Capital Expenditures projected for Fiscal Year 2015-16 is \$106,698. Detail for the expenditures can be found on page 8.

PROPOSED BUDGET

Fiscal Year 2016-17

The proposed income for Fiscal year 2016-17 is \$3,241,371. This includes Operation and Maintenance income of \$3,221,371; 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 \$3,630,244, 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 \$(89,206) and will be funded from the O/M Reserve Account.

Detail for the Income and Expenditures proposed for 2016-17 can be found on pages 4-5 and page 8.

The projected Fund Balances at June 30, 2017 are projected to be as follows:

Total Funds: \$7,690,848, this is a \$389,206 decrease from Fiscal Year 2015-16 estimates.

Fund Balance estimates for Fiscal Year 2017 are as follows:

- Restricted Funds: \$ 513,914
- Emergency Flood Fight Funds: \$1,500,000
- Capital Funds: \$3,434,736
- O/M Reserves: \$2,245,198

See page 7 for detail.

2016-17 Adopted Budget

	Actual per FS June 30, 2016	Adopted 2015-16	Budget	Variance (unfavorable)	Adopted 2016-17	Budget
Operation & Maintenance Income						
Property Assessments	\$ 2,243,311	\$ 2,247,575		(4,264)	\$ 2,248,065	
Rents	\$ 21,335	\$ 40,335		(19,000)	\$ 21,371	
Service Fees	\$ -	\$ -		-	\$ -	
Interest Income	\$ 28,216	\$ 12,500		15,716	\$ 13,000	
Finance Charges/Penalty	\$ 6,179	\$ 300		5,879	\$ 150	
SAFCA - O/M Assessment	\$ 900,000	\$ 900,000		-	\$ 900,000	
CERBT Reimbursement	\$ -	\$ 48,115		(48,115)	\$ 38,785	
Miscellaneous	\$ 32,041	\$ 10,000		\$ 22,041		
Total	\$ 3,231,082	\$ 3,258,825		(27,743)	\$ 3,221,371	
Restricted Fund						
Metro Airpark Groundwater Pumping	\$ 21,214	\$ 20,000		\$ 1,214	\$ 20,000	
Total	\$ 21,214	\$ 20,000		\$ 1,214	\$ 20,000	
Total Combined Income	\$ 3,252,296	\$ 3,278,825		\$ (26,529)	\$ 3,241,371	

Operations and Maintenance - Expense

	Actual per FS June 30, 2016	Adopted 2015-16	Budget	Variance (unfavorable)	Proposed 2016-17	Budget
Administration						
Trustees Fees	\$ 32,850	\$ 39,000		\$ 6,150	\$ 39,000	
Election Cost	\$ 1,956	\$ 50,000		\$ 48,044	\$ -	
City/County Fees	\$ 15,071	\$ 8,500		\$ (6,571)	\$ 9,969	
Legal	\$ 128,786	\$ 75,000		\$ (53,786)	\$ 85,000	
Liab./Auto Ins.	\$ 100,882	\$ 110,000		\$ 9,118	\$ 110,000	
Office Supplies	\$ 3,133	\$ 6,500		\$ 3,367	\$ 5,000	
Assessment Costs	\$ 28,380	\$ 30,000		\$ 1,620	\$ 30,000	
Computer Costs	\$ 3,123	\$ 5,500		\$ 2,377	\$ 5,500	
Uninsured Losses	\$ 2,655	\$ 1,000		\$ (1,655)	\$ 1,000	
Accounting	\$ 18,010	\$ 22,000		\$ 3,990	\$ 20,000	
Admin. Services	\$ 25,143	\$ 16,500		\$ (8,643)	\$ 20,000	
Utilities (Phone/Water/Sewer)	\$ 15,489	\$ 18,000		\$ 2,511	\$ 20,000	
Admin. Lease/Maint.	\$ 1,841	\$ 1,500		\$ (341)	\$ 2,000	
Payroll Expenses	\$ 2,575	\$ 3,000		\$ 425	\$ 3,100	
Mit. Land Expenses	\$ 2,204	\$ 3,000		\$ 796	\$ 3,000	
Other	\$ 47,065	\$ 10,000		\$ (37,065)	\$ 10,000	
SAFCA (CAD)	\$ 3,411	\$ 3,600		\$ 189	\$ 3,600	
Sub Total	\$ 432,574	\$ 403,100		\$ (29,474)	\$ 367,169	

	Actual per FS June 30, 2016	Adopted 2015-16	Budget	Variance (unfavorable)	Proposed 2016-17	Budget
Personnel/Labor						
Wages	\$ 858,125	\$ 878,828		\$ 20,703	\$ 895,188	
Wages (Overtime)	\$ -	\$ -		\$ -	\$ 48,672	
Group Insurance	\$ 133,918	\$ 122,155		\$ (11,763)	\$ 118,347	
Worker's Compensation Insurance	\$ 43,378	\$ 43,090		\$ (288)	\$ 45,000	
Annuitant Health Care	\$ -	\$ 48,115		\$ 48,115	\$ 50,970	
OPEB - ARC	\$ 37,757	\$ 23,000		\$ (14,757)	\$ 38,785	
Dental /Vision/Life	\$ 21,228	\$ 24,200		\$ 2,972	\$ 26,000	
Payroll Taxes	\$ 67,343	\$ 70,000		\$ 2,657	\$ 71,656	

Pension	\$	130,747	129,138	\$	(1,609)	\$	134,749
Subtotal	\$	1,292,496	\$ 1,338,525	\$	46,029	\$	1,429,367

Operations	Actual per FS June 30, 2016	Adopted 2015-16	Budget	Variance (unfavorable)	Proposed 2016-17	Budget
Power	\$ 338,632	\$ 450,000		\$ 111,368	\$	450,000
Supplies/Materials	\$ 17,334	\$ 25,000		\$ 7,666	\$	20,000
Herbicide	\$ 117,495	\$ 100,000		\$ (17,495)	\$	120,000
Fuel	\$ 35,216	\$ 75,000		\$ 39,784	\$	60,000
Field Services	\$ 54,466	\$ 65,000		\$ 10,534	\$	113,000
Utilities	\$ 4,155	\$ 6,000		\$ 1,845	\$	6,000
Field Operations Consultants	\$ 12,417	\$ 20,000		\$ 7,583	\$	20,000
Eq. Rental	\$ 195	\$ 10,000		\$ 9,805	\$	10,000
Refuse Collection	\$ 6,729	\$ 7,500		\$ 771	\$	7,000
Eq. Repair/Service	\$ 10,591	\$ 15,000		\$ 4,409	\$	15,000
Eq. Parts/Supplies	\$ 51,326	\$ 50,000		\$ (1,326)	\$	50,000
Facility Repairs	\$ 41,063	\$ 130,000		\$ 88,937	\$	125,000
Shop Equipment (not vehicles)	\$ -	\$ 10,000		\$ 10,000	\$	10,000
Field Equipment	\$ -	\$ 20,000		\$ 20,000	\$	20,000
Sub Total	\$ 689,619	\$ 983,500		\$ 293,881	\$	1,026,000

Equipment

Service Truck Replacement					\$	45,000
AEBI Slope Mower					\$	190,000
Subtotal					\$	235,000

Consulting/Contracts/Memberships	Actual per FS June 30, 2016	Adopted 2015-16	Budget	Variance (unfavorable)	Proposed 2016-17	Budget
Public Relations	\$ 23,193	\$ 30,000		\$ 6,807	\$	25,000
Engineering/Admin Consultants	\$ 126,530	\$ 150,000		\$ 23,470	\$	150,000
Memberships	\$ 28,781	\$ 33,000		\$ 4,219	\$	35,000
Security Patrol	\$ 37,500	\$ 45,000		\$ 7,500	\$	45,000
Contingency Levee Patrol (outside staff)	\$ -	\$ 5,000		\$ 5,000	\$	5,000
Subtotal	\$ 216,004	\$ 263,000		\$ 46,996	\$	260,000

TOTAL O & M EXPENSES	\$ 2,630,693	\$ 2,988,125		\$ 357,432	\$	3,317,537
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Surplus/(Deficit O/M)					\$	(76,166)
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CAPITAL EXPENSES	Actual per FS June 30, 2016	Adopted 2015-16	Budget	Variance (unfavorable)	Proposed 2016-17	Budget
Capital - Facilities	\$ 77,877	\$ 235,000		\$ 157,123	\$	300,000
Capital - Large Equipment	\$ -	\$ 100,000		\$ 100,000	\$	-
Superintendent's Truck	\$ 46,498	\$ 38,000		\$ (8,498)	\$	
Total Capital	\$ 124,375	\$ 373,000		\$ 248,625	\$	300,000

Surplus/(Deficit Capital)					\$	(300,000)
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Total All Expenditures	\$ 2,755,068	\$ 3,361,125		\$ 606,057	\$	3,617,537
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Capital Reserve Funding					\$	300,000
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O/M Reserve Funding					\$	76,166
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Income (expenses)	\$ 497,228	\$ (82,300)			\$	0
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**Projected Year End
Fund Balances**
2015-2016

	Restricted	Restricted	Assigned	Assigned	Assigned	Unassigned	Total
	FEMA Funds	Metro Airpark Groundwater Pumping	Emergency Flood Fight Fund	Capital Fund	O/M Reserve	O/M Fund	2015-16
Revenues:							
Property Assessments						2,243,311	2,243,311
Finance charges and penalties						6,179	6,179
Rents, easements, and service fees						21,335	21,335
Interest Income						28,216	28,216
SAFCA O/M						900,000	900,000
MAP Groundwater Pumping						-	-
Miscellaneous						32,041.00	32,041
CERBT - CY OPEB						-	-
Capital Reserve Funding						-	-
Total revenues	=	=	=	=	=	<u>3,231,082</u>	<u>3,231,082</u>
Expenditures:							
Operations		21,214				668,405	689,619
Administration						432,574	432,574
Personnel						1,292,496	1,292,496
Consulting, Contracts, etc.						216,004	216,004
Capital outlay				124,375			124,375
Plant #2 Reconstruction							-
Total Expenditures	=	<u>21,214</u>	=	<u>124,375</u>	=	<u>2,609,479</u>	<u>2,755,068</u>
Excess of revenues (under) over expenditures	-	(21,214)	-	(124,375)		621,603	476,014
Allocation of Excess Funds				-	621,603	(621,603)	
Fund balances, beg of year (7/1/15)	<u>513,914</u>	=	<u>1,500,000</u>	<u>3,087,023</u>	<u>2,384,014</u>	=	<u>7,484,951</u>
Fund balances, end of year (6/30/16)	<u>513,914</u>	<u>(21,214)</u>	<u>1,500,000</u>	<u>2,962,648</u>	<u>3,005,617</u>	<u>(0)</u>	<u>7,960,965</u>

Projected Fund Balances

2016-17

	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>	Total <u>2016-17</u>
Revenues:							
Property Assessments						2,248,065	2,248,065
Finance charges and penalties						150	150
Rents, easements, and service fees						21,371	21,371
Interest Income						13,000	13,000
SAFCA O/M MAP Groundwater Pumping		20,000				900,000	900,000
							20,000
Miscellaneous						-	-
CERBT - CY OPEB						38,785	38,785
Total revenues	=	<u>20,000</u>	=	=	=	<u>3,221,371</u>	<u>3,241,371</u>
Expenditures:							
Operations		20,000				1,006,000	1,026,000
Administration						367,169	367,169
Personnel						1,429,367	1,429,367
Equipment						235,000	235,000
Discretionary						260,000	260,000
Capital outlay				300,000			300,000
Plant #2 Reconstruction							-
Total Expenditures	=	<u>20,000</u>	=	<u>300,000</u>	=	<u>3,297,537</u>	<u>3,617,537</u>
Excess of revenues (under) over expenditures	-	-	-	(300,000)		(76,166)	(376,166)
Allocation of Excess Funds					(76,166)	76,166	
Fund balances, beg of year (7/1/16)	<u>513,914</u>	=	<u>1,500,000</u>	<u>2,962,648</u>	<u>3,005,617</u>	<u>(0)</u>	<u>7,982,179</u>
Fund balances, end of year (6/30/17)	<u>513,914</u>	=	<u>1,500,000</u>	<u>2,662,648</u>	<u>2,929,451</u>	<u>0</u>	<u>7,606,013</u>