

**STAFF REPORT
CHINO BASIN WATER CONSERVATION DISTRICT
FINANCE COMMITTEE**

MEETING DATE: June 10, 2019 **AGENDA ITEM:** NB 10
FROM: Kristen Weger, Acting Executive Director
SUBJECT: Proposed Fiscal Year 2019-2020 Budget
ATTACHMENT: 1) Proposed Fiscal Year 2019-2020 Budget Spreadsheet

RECOMMENDATION

Approve the Proposed Fiscal Year 2019-2020 Budget, as recommended by the Finance Committee.

FISCAL IMPACT

The Proposed Fiscal Year 2019-2020 Budget totals \$3,239,400 and is supported by \$3,239,400 in revenues. District reserves as of April 30, 2019 were \$9,451,763.

BACKGROUND

The Fiscal Year 2019-2020 Proposed Budget is a balanced budget as developed under the context of a Zero-Based Budget policy approach, which aligns the budget of the Chino Basin Water Conservation District (District) with the operations and services planned for the fiscal year to projected costs of providing these services to our service area which includes all or portions of the following cities: Montclair, Chino, Ontario, Upland, Rancho Cucamonga, and Chino Hills.

The Proposed Budget reflects the District’s mission to sustain a regional water supply through public stewardship by engaging the public through demonstration, education, and percolation strategies to ensure our region’s water needs are efficiently met. The budgeting process was a collaborative process, in which all departments contributed to developing and building their budgets for the Conservation Programs Department, Community Programs Department, and Facilities and Operations Department.

Board Clerk/Admin. Coordinator: _____ Approved [] Denied [] Continued [] Tabled []

AYES:	GA []	MG []	HG []	MH []	TK []	ML []	RS []
NOES:	GA []	MG []	HG []	MH []	TK []	ML []	RS []
ABSENT:	GA []	MG []	HG []	MH []	TK []	ML []	RS []
ABSTAIN:	GA []	MG []	HG []	MH []	TK []	ML []	RS []

On April 29, 2019, the Finance Committee reviewed a draft of the Fiscal Year 2019-2020 Proposed Budget. The Finance Committee provided comments and direction to staff, which was incorporated in the proposed budget.

On May 29, 2019, the Finance Committee reviewed the proposed Fiscal Year 2019-2020 Budget and directed staff to present to the Board for consideration on June 10, 2019.

On June 5, 2019, staff received a contract from Inland Empire Regional Compost Authority for a compost/water internship partnership program. The Non-Grant Income, Account 49100 was adjusted by \$10,000 to reflect the partnership income if approved by the Board. Additionally, Educational Grant, Account 56320 has been increased by \$5,000 to reflect the compost internship stipends.

The Proposed Fiscal Year 2019-2020 Budget is balanced and does not utilize reserve funds (**Attachment 1**).

ISSUES/ANALYSIS

The proposed Fiscal Year 2019-2020 Budget reflects certain assumptions, as discussed below.

Fiscal Year 2019-2020 Revenue Assumptions

District revenues are primarily supported by property taxes which are collected by the County of San Bernardino. Revenues anticipated to increase include CalTrust interest Income. Revenues expected to decrease in Fiscal Year 2019-2020 from prior years include the redevelopment agencies (RDAs) pass through funds, homeowner's property tax relief, and supplemental tax revenue.

Fiscal Year 2019-2020 Expense Assumptions

District salary expenses are anticipated to decrease and hourly wages to increase due to a shift from one full-time Program Educator position to two part-time Program Educators, which was approved by the Personnel Committee, April 2019. The District will experience benefit cost savings due to this staffing transition.

The CalPERS unfunded liability has increased based on the actuarial valuation for Fiscal Year 2019-2020, which includes a prepayment discount in addition to Classic CalPERS contributions.

		A	B	C	D
Chino Basin Water Conservation District Draft FY 19/20 Budget		FY 18/19 PROJECTION	FY 18/19 Final Amended Budget	FY 19/20 PROPOSED BUDGET	FY 19/20 Budget Notes
1	REVENUES				
2	Property Tax & Assessment Revenue				
3	Current Yr Tax Revenue	\$ 1,897,600	\$ 1,931,600	\$ 1,935,600	
4	Current Yr Supplemental Tax Revenue	12,800	20,500	13,100	
5	Prior Year Tax Revenue	19,500	12,800	19,900	
6	Homeowner's Prop Tax Relief	17,500	20,500	17,900	
7	RDA Pass-Thru from Cities	1,018,200	941,200	941,200	
8	Property Tax & Assmt. Revenue Total	2,965,600	2,926,600	2,927,700	
9	Interest Income	80,600	60,200	80,600	
10	Grant Income	600	-	-	
11	CalTrust Interest Income	164,000	-	169,800	
12	Miscellaneous Income				
13	Agreement Income	33,500	33,500	43,500	Increased \$10K for IERCA compost partnership reimbursements.
14	Cal Card Incentive	1,300	1,300	1,300	
15	QWEL	1,500	1,500	1,500	
16	Lease Revenue	12,000	12,000	12,000	Rental property income.
17	Miscellaneous Income	5,000	3,000	3,000	
18	Miscellaneous Income Total	53,300	51,300	61,300	
19	TOTAL REVENUES	3,264,100	3,038,100	3,239,400	
20	EXPENSES				
21	Payroll Expenses				
22	Wages				
23	Directors Wages	35,000	35,000	48,300	
24	Salary Employee Wages	712,600	705,500	554,600	Full-time salaries decrease due to increased hourly positions.
25	Hourly Employee Wages	512,100	592,100	670,200	Hourly wages increase due to increased staffing to support Community Programs Department education activities.
26	Salary Adjustment Pool	-	-	35,500	3% of total budgeted salaries (excluding auto and cell allowances).
27	Wages Total	1,259,700	1,332,600	1,308,600	
28	Payroll taxes	96,600	105,900	99,200	
29	Med/Dentl/Vision/Life/Dis. Ins	238,200	265,600	214,000	Benefit savings due to increased part-time employees.
30	Employee Medical Premium	(8,400)	(10,000)	(9,000)	
31	Employee Benefits - Healthy Living	600	600	600	
32	Retirement				
33	PERS Unfunded	22,600	21,700	31,500	Based on actuarial valuation for 19/20 UAL w/ prepayment discount.
34	Classic-ER Paid Member Contr.	26,400	27,900	30,400	
35	Classic-Employer Contribution	31,100	32,200	37,200	
36	PEPRA-Employer Contribution	45,600	61,416	51,200	
37	Retirement Total	125,700	143,216	150,300	
38	Payroll processing fees	6,200	5,000	6,300	
39	Payroll Expenses Total	1,718,600	1,842,916	1,770,000	
40	Administration Expenses				
41	Accounting, Audit & Bank Fees	49,000	49,000	55,000	
42	Board of Director's Expenses Total	25,000	32,964	31,500	
43	Election Expenses	5,400	5,400	-	No anticipated election costs in FY 19/20.
44	Consulting Fees	8,100	9,000	24,000	
45	Dues, Fees, Memberships, Subs.	39,700	39,725	44,900	
46	Engineering Fees	298,600	297,400	122,500	
47	Legal Fees	97,600	99,600	100,000	
48	Office Expenses				
49	Equipment, Equipment Repair	13,000	13,000	13,000	
50	Computer/Printer Supplies	3,400	3,500	3,800	
51	Maintenance/Janitorial	12,800	13,000	13,300	
52	Miscellaneous	100	500	500	
53	Postage	800	1,200	1,200	
54	Supplies	2,700	3,000	3,200	
55	Computer/Technical Support	24,700	15,500	21,900	
56	Telecommunications	16,400	16,200	16,500	
57	Utilities	23,900	29,600	23,900	
58	Office Expenses Total	97,800	95,500	97,300	
59	Meeting Refreshments	3,000	3,000	3,000	
60	Staff Expenses				
61	Education	15,000	15,000	14,500	

		A	B	C	D
Chino Basin Water Conservation District Draft FY 19/20 Budget		FY 18/19 PROJECTION	FY 18/19 Final Amended Budget	FY 19/20 PROPOSED BUDGET	FY 19/20 Budget Notes
62	Conference & Tour Fees	4,500	4,500	7,000	
63	Meals	1,000	1,000	1,000	
64	Mileage	3,000	3,000	3,000	
65	Miscellaneous	1,200	800	800	
66	Recruitment	8,800	2,500	3,500	
67	Travel & Lodging	100	2,500	2,500	
68	Uniform Expense	3,100	5,000	5,000	
69	Staff Expenses Total	36,700	34,300	37,300	
70	Tax Collections Fees	4,400	4,400	4,500	
71	Total Administration Expenses	665,300	670,289	520,000	
72	Non-Operating General Expenses				
73	Facilities	5,300	4,000	4,000	
74	Furniture & Equipment	50,700	50,000	20,100	
75	Non-Operating General Expenses	56,000	54,000	24,100	
76	Insurance Expenses				
77	Bonding	1,700	2,000	2,000	
78	Liability	36,000	30,200	36,700	
79	Property	5,200	5,200	5,300	
80	Workers' Comp	35,900	35,900	41,300	
81	Insurance Expenses Total	78,800	73,300	85,300	
82	Operation Expenses				
83	Equipment & Vehicles	17,500	23,900	18,200	
84	Fence Expenses	87,500	87,500	57,200	Brooks Basin ornamental iron fence.
85	Hardscape Expenses	10,000	10,000	10,200	
86	Irrigation Expenses	4,000	4,000	17,100	
87	Landscape Maint & Supplies	36,200	40,300	47,100	
88	Miscellaneous	5,100	1,200	1,200	
89	Basin Percolation Maintenance	652,600	652,600	129,200	Ely Infiltration Restoration Project.
90	Pest Control	400	4,000	4,000	
91	Signage	57,000	57,000	37,500	Additional Waterwise Community Center educational signage.
92	Small Tools & Supplies	4,500	6,000	6,000	
93	Structural Maintenance	14,300	16,000	34,500	
94	Trash Cleanup & Disposal	6,900	5,100	5,200	
95	Utilities	3,700	7,700	7,900	
96	Weed Abatement	7,300	7,500	7,500	
97	Permits & Fees	1,000	1,000	1,000	
98	Operation Expenses Total	908,000	923,800	383,800	
99	Public Education/Relations				
100	Advertising	27,000	27,000	27,000	
101	Critter Expenses	800	800	2,300	
102	District Events				
103	Earth Day	8,000	8,000	8,000	
104	Educational Grant	21,000	21,000	26,000	Community Program fellowships and facilities mentorship.
105	Outreach Events	9,500	9,500	9,500	
106	Water Fair	4,900	3,700	5,000	
107	Poster Art Contest	10,000	10,000	10,000	
108	Miscellaneous	3,000	3,000	3,000	
109	School Tours	25,000	25,000	25,000	
110	Public Ed/Workshops	11,175	11,175	12,900	QWEL Manuals.
111	Youth Education	10,000	10,000	11,000	Santa Ana Field Study Program.
112	70 Year Anniversary	-	-	9,000	One-time expense for 70th anniversary celebration.
113	District Events Total	102,575	101,375	119,400	
114	Community Events/Sponsorships	12,000	12,000	10,000	
115	Informational Materials	9,000	9,000	12,300	
116	Supplies - Give Aways	4,000	4,000	7,500	
117	Web Design/Maintenance	17,400	17,400	34,600	Development of new website consistent with branding.
118	Public Education/Relations Total	172,775	171,575	213,100	
119	Grant Related Expenses	-	5,000	5,000	For teacher mini-grants.
120	FY 20 Basin Expenses	-	-	213,100	
121	Capital Expenditures	6,600	6,600	25,000	
122	Miscellaneous Expenses	20,400	20,400	-	
123	TOTAL EXPENSES	3,626,475	3,767,880	3,239,400	
124	NET INCOME / (EXPENSE)	\$ (362,375)	\$ (729,780)	\$ -	