



**STAFF REPORT
CHINO BASIN WATER CONSERVATION DISTRICT
REGULAR BOARD MEETING**

MEETING DATE: June 14, 2021 **AGENDA ITEM:** PH 4

FROM: Elizabeth Skrzat, Executive Director

SUBJECT: Fiscal Year 2021-22 Budget

ATTACHMENTS: 1) Fiscal Year 2021-22 Proposed Budget and Five -Year Capital Plan

RECOMMENDATION

Review, discuss, and approve the proposed budget for Fiscal Year 2021-22, as recommended by the Finance Committee.

FISCAL IMPACT

The Proposed Fiscal Year 2021-22 Budget totals \$3,699,400 in expenditures and is supported by \$3,699,400 in revenues for a balanced budget.

BACKGROUND

The proposed FY 21-22 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 the managers of each department met with the Executive Director and the District’s accountant from Eide Bailey to set forth priorities and develop programs for each department.

Proposed budgets were heard by the Finance Committee during two budget workshops on April 15, 2021 and May 20, 2021. During the budget workshop on April 15, 2021, the Committee heard staff proposals and provided feedback for changes. On May 20, 2021, the Committee voted to recommend the proposed Fiscal Year 21-22 budget to the Board for approval.

ISSUES/ANALYSIS

Fiscal Year 2021-22 Revenues

District revenues are primarily supported by property taxes which are collected by the County of San Bernardino. FY 2021-22 is budgeted with a 2% increase to projected FY 2020-21 results. This 2% increase excludes the RDA Pass-Thru assessment revenues which are conservatively budgeted at the same amount that the District projects to receive through the end of the 2020-21 fiscal year, with no increase projected for the following fiscal year.

The District is enrolled in the Teeter Program, which enables full collection of property tax revenues allocated to CBWCD each year regardless of delinquency and penalty payments. The county government then collects and keeps the delinquency and penalty payments, but the District is protected against non-payment of property taxes. Interest income is projected conservatively for FY 2021-22, due to the fact that the District moved the majority of funds from Cal Trust into the Local Agency Investment Fund (LAIF).

Fiscal Year 2021-22 Expenditures

Personnel Expenses include:

- District Wages considers full staffing for the full 12 months, as well as medical benefits and retirement expenses.
- Hourly and Salaried Wages - \$1,199,400 (lines 11-12). Hourly wages include the addition of one Part-Time Community Programs Educator I, which had been originally approved for FY 20-21; however, with COVID-19 restrictions in place, staff did not hire for that position during the last fiscal year.
- Staff is proposing significant investments in prefunding CalPERS obligations and has budgeted a total of \$232,120 CalPERS payments (lines 16-18) in addition to \$88,020 for CalPERS Retirement ADPs (line 69) and \$79,260 for contributions toward a CalPERS Pension Reserve Trust (line 70).

General & Administrative expenses include:

- Legal Expenses - \$50,000 (line 22). Legal expenses have been decreased from the FY 20-21 budgeted amount due to a significant decrease in expenses.
- General Consulting - \$116,500 (line 25). Consulting fees have been increased from FY 20-21 expenses to accommodate \$45,000 for redistricting costs.
- Computer/IT Support - \$35,900 (line 32). Funds for computer/IT support have been reduced in the FY 21-22 budget due to an anticipated decrease in need.

Facilities & Operations expenses include:

- Basin Percolation Maintenance - \$146,600 (line 40). Staff have budgeted for dredging the nuisance ponds on Montclair Basins No. 1, No. 2, and No. 3, as well as reconfiguring the floor of Montclair Basin No. 3 and additional funds for any unforeseen expenses.

- Landscape & Irrigation - \$48,900 (line 41). The allocation requested by Facilities & Operations is lower this year because large projects such as tree trimming at the park have been completed. Upcoming in FY 21-22, staff will install new landscape north of College Heights West along 11th Street, facing the new residential development across the street.
- Fencing - \$5,000 (line 42). Expenses are significantly lower than in FY 20-21 due to the completion of major fencing projects in Montclair Basins No. 1 and No. 3. The Facilities & Operations Department requested funds for routine fencing repairs.
- Signage - \$138,000 (line 43). This line item shows an increase over the previous year as staff propose a site-wide signage replacement at WCC headquarters in the park, garden, and along the edge of Montclair Basin No. 4, a proposal heard by both the Finance Committee and the Education Committee and approved for Board adoption.
- Equipment & Vehicles - \$26,900 (line 47). This line item shows an increase over the previous year because staff propose adding funds for unforeseen vehicle repairs.
- Uniforms - \$8,200 (line 48). This line item shows an increase over the previous year, as many staff new to the District require branded attire. Additionally, as the State allows larger events to continue, staff propose purchasing matching branded shirts for members of the Board as a part of the District's overall outreach efforts.
- Weed Abatement / Pest & Critter Control - \$23,700 (line 49). This line item shows an increase in budget over the previous year partially due to an increase in the cost of herbicides partnered with a more robust weed abatement schedule for the coming fiscal year.

Public Relations/Education expenses include:

- District Events - \$41,500 (line 55). District events includes Earth Day, Outreach Events, the Water Fair, and the Poster Art Contest together. This allocation is higher than the amount allocated for FY 20-21 under the Mid-Year Budget adjustments due to the State of California lifting restrictions on gatherings. Additionally, staff propose cutting small monthly outreach events in favor of investing staff time in larger outreach opportunities, such as tabling at community events, basin tours for public officials and community members, a spring sustainability fair, and a more formal volunteer program to develop community members as ambassadors for the water-wise message.
- School Tours - \$30,000 (line 56). School tours include bus reimbursements for in-person field trips. The District suspended in-person field trips during the Safer-at-Home order, when schools went to remote learning due to COVID-19. The District held virtual field trips for students, which did not require bus reimbursements. The allocation for line 56 includes bus reimbursements to restart the District's popular in-person field trip program.
- Educational Grant - \$36,400 (line 57). The District drastically decreased the number of interns engaged due to COVID-19. This increase in allocation will allow for a return to normal intern staffing levels of two interns for the Community Programs Department and three interns for the Conservation Programs Department. The increase in funding also represents the increase in minimum wage. Additionally, staff budgeted for \$7,828 for an

MOU agreement with the UCCE Master Gardener's program to fund a part-time volunteer coordinator position to assist with community outreach and programming at District headquarters.

Capital Expenses include:

- Final Design, Permitting, and CEQU for the Montclair No. 2 Spillway Replacement Project - \$225,000. This allocation represents the next step in the District's spillway replacement project, with construction scheduled to start in FY 22-23.

CBWCD
Fiscal Year 2021/22
Proposed Budget

	A	B	C
	FY 2020/21 Projected Ending	FY 2020/21 Adopted Budget	FY 2021/22 Proposed Budget
1 Uses / (Additions) of Reserves	\$ (943,600)	\$ -	\$ 193,800
2 Revenues			
3 Property Tax & Assessment Revenue	2,275,100	2,142,600	2,320,700
4 RDA ABX 126	1,093,100	1,152,600	1,093,100
5 Interest Income	61,000	170,900	45,800
6 Miscellaneous Income	39,900	34,800	46,000
7 Total Revenues	3,469,100	3,500,900	3,505,600
8 Revenues & Uses / (Additions) of Reserves	2,525,500	3,500,900	3,699,400
9 Expenses			
10 Salaries & Benefits			
11 Employee Wages - Salaried	479,000	521,500	518,400
12 Employee Wages - Hourly	586,400	687,900	681,000
13 Salary Adjustment Pool	22,000	22,100	-
14 Health Benefits	213,300	222,600	271,300
15 Payroll Taxes	91,700	104,000	100,800
16 CalPERS Retirement - Classic	25,900	25,300	26,800
17 CalPERS Retirement - PEPR	65,800	72,400	72,600
18 CalPERS Retirement - UAL (Required)	38,600	38,600	132,720
19 Education, Training & Travel	22,500	23,000	38,700
20 Total Salaries & Benefits	1,545,200	1,717,400	1,842,320
21 General & Administrative			
22 Legal	33,800	100,000	50,000
23 Engineering	25,000	80,000	30,000
24 Audit & Accounting	54,500	54,500	55,000
25 General Consulting	36,100	68,200	116,500
26 Administrative Support	21,600	20,000	-
27 Insurance	72,300	75,500	76,400
28 Board of Directors	70,200	79,200	80,800
29 Election Expenses	25,000	25,000	-
30 Dues & Subscriptions	40,300	40,300	41,200
31 Office Utilities	25,400	29,800	30,100
32 Computer/IT Support	25,100	43,200	35,900
33 Office Equipment & Supplies	20,900	26,600	32,300
34 Telecommunications	15,500	16,600	16,900
35 Maintenance/Janitorial	8,600	13,600	15,200
36 Banking, Payroll & Collection Fees	14,500	14,500	14,800
37 Recruitment	1,400	1,500	1,500
38 Total General & Administrative	490,200	688,500	596,600
39 Facilities & Operations			
40 Basin Percolation Maintenance	92,900	119,100	146,600
41 Landscape & Irrigation	38,100	60,600	48,900
42 Fencing	24,000	24,000	5,000
43 Structural Maintenance	28,000	28,000	29,100
44 Signage	4,000	4,000	138,000
45 Hardscape	10,400	10,400	6,500
46 Facilities	13,600	13,600	10,000
47 Equipment & Vehicles	14,600	14,600	26,900
48 Uniforms	6,000	6,500	8,200
49 Weed Abatement & Pest/Critter Control	15,400	14,900	23,700
50 Trash Cleanup & Disposal	8,000	11,000	8,000
51 Operating Utilities	8,600	8,500	9,000
52 Permits, Fees & Miscellaneous Operating	2,800	2,800	3,000
53 Total Facilities & Operations	266,400	318,000	462,900
54 Public Relations/Education			
55 District Events	4,300	16,000	41,500
56 School Tours	-	-	30,000
57 Educational Grant	5,000	5,000	36,400
58 Advertising	16,300	16,320	29,000
59 Web Design/Maintenance	20,800	20,800	14,400
60 Public Education/Workshops	1,000	1,000	1,300
61 Community Sponsorships	5,000	5,000	3,000
62 Youth Education	3,000	3,000	12,000
63 Youth Program Supplies	1,500	1,500	3,000
64 Informational Materials	1,600	1,600	5,900
65 Supplies/Give Aways	1,900	7,500	7,500
66 Total Public Relations/Education	60,400	77,720	184,000
67 Total Expense before Capital, ADPs & Pension Reserve	2,362,200	2,801,620	3,085,820
68 Capital Expenses	163,300	699,280	446,300
69 CalPERS Retirement - ADPs	-	-	88,020
70 CalPERS Pension Reserve Trust Contributions	-	-	79,260
71 Total Expenses	2,525,500	3,500,900	3,699,400
72 Net Budget	\$ -	\$ -	\$ -
73 Projected Unassigned Cash, July 1st			\$ 5,289,000
74 Projected Unassigned Cash, June 30th			\$ 5,095,200



CBWCD

Fiscal Year 2021/22

5-Year Capital Plan

Schedule B

	FY 2021/22 Proposed Budget	FY 2022/23 Projected	FY 2023/24 Projected	FY 2024/25 Projected	FY 2025/26 Projected
1 District Capital Projects					
2 Montclair Basin No.2 Spillway	\$ 225,000	\$ 750,000	\$ -	\$ -	\$ -
3 Tractor & Attachments / Implements	-	-	-	-	-
4 Valve (Gate) Repairs at State Street Channel	-	-	-	-	-
5 Brooks Basin Fence	-	-	200,000	200,000	-
6 Basin Improvements	100,000	120,000	140,000	160,000	180,000
7 Major Structural Failures	100,000	120,000	140,000	160,000	180,000
8 WCC Lobby Remodel	-	-	250,000	-	-
9 Contingency Funding (5% of Capital Projects)	21,300	49,500	36,500	26,000	18,000
10 Total District Capital Projects	\$ 446,300	\$ 1,039,500	\$ 766,500	\$ 546,000	\$ 378,000