

BUDGET WORKSHOP ROSAMOND COMMUNITY SERVICES DISTRICT

1 p.m. to 3 p.m. - Budget Workshop
Tuesday, August 16, 2016
District Board Room
3179 35th Street West
Rosamond, CA 93560

Minutes

Vice President Landsgaard called the meeting to order at 1:04 p.m.

ROLL CALL

President Alfred Wallis -**absent**
Vice President Olaf Landsgaard
Director Dennis Shingledecker
Director Byron Glennan
Director Ed MacKay

PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA

Motion made by Director MacKay, Seconded by Director Shingledecker to approve the agenda. Motion passed with 4 ayes, 1 absent (Wallis).

BOARD SECRETARY

This portion of the agenda allows an individual the opportunity to address the Board on any item NOT ON THE AGENDA regarding District business. State law prohibits the District from taking any action on any items not on the agenda, unless authorized under §54954.2(b) of the Government Code, and your matter may be referred to the General Manager. An individual may also address the Board on any agenda item at the time the matter is discussed, and prior to Board consideration or action. Speakers will be limited to five (5) minutes. Your time will start when you approach the podium, and you will be given a 30 second warning before your time expires. If you choose to ask a question during this time, any response by the Board will not extend your time. Questions may be referred to the General Manager to be answered at a later time after the meeting. In order to allow for a smooth and orderly meeting, and allow each speaker the ability to address the Board, disruptions from the audience will not be tolerated and you could be asked to leave. We appreciate your cooperation in this democratic process.

PUBLIC COMMENTS

None

NEW BUSINESS

NB 1. Discussion of 2016-2017 Budget. (Ronald Smith, General Manager)

Staff was given direction to prepare a final budget with the proposed reductions.

ADJOURNMENT – Motion made by Director MacKay, Seconded by Director Shingledecker to adjourn at 2:23 p.m. Motion passed with 4 ayes, 1 absent (Wallis).


Requirements Regarding Disabled Access: In accordance with §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the RCSD Board Secretary/Assistant at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. Please contact the Board Secretary/ Assistant by telephone at (661) 256-5808, Email: lguerrero@rosamondcsd.com or in writing at the Rosamond Community Services District, Attn: Board Secretary/Assistant; 3179 35th Street West, Rosamond, CA 93560.

Pursuant to Government Code Section 54957.5, any writing that: (1) is a public record; (2) relates to an agenda item for an open session of a regular meeting of the Board of Directors; and (3) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at the District offices located at [3179 35th Street West, Rosamond, CA 93560](#). In addition, any such writing may also be posted on the District's web site.

Respectfully submitted:



President, Board of Directors
Rosamond Community Services District



Board Secretary

STAFF REPORT

Rosamond Community Services District

DATE: August 16, 2016
TO: Board of Directors
FROM: Ronald D. Smith, General Manager
SUBJECT: Budget Workshop

RECOMMENDATION:

Direct Staff to prepare a final budget which needs to legally be adopted by September 1, 2016.

EXECUTIVE SUMMARY:

The RCSD Board directed that an Ad Hoc committee be formed and meet with staff to propose budget reductions. This was based on the Board's decision not to adopt a new rate study until budget reductions were considered.

Staff has worked diligently looking for additional reductions with minimal negative effects on customer service or operations. After receiving input from all of the Directors, staff is presenting the following for the Board's consideration:

Personnel costs reduced by 9.54%; Direct Operating Expenses reduced by 3.70%; General and Administrative costs reduced by 2.52%. This is a total reduction of \$321,227 from the adopted preliminary 16-17 budget, including a total reduction of \$227,201 from the Water Fund. It does not reduce Director's travel or conferences and only reduces Director's Fees to slightly above consistent actuals. It is estimated that this could reduce the rates as previously present by approximately \$2, but the actual reduction cannot be provided until a final budget is adopted and a new rate study is produced.

	AS OF 05/20/2016			AS OF 06/28/2016			
	Sum of 15-16 Budget	Fiscal Year	Variance	Sum of FY 15-16	Fiscal Year 16-17	Variance	
		16-17			Budget		
Operating Revenue	7,221,044	7,389,780	(168,736)	6,172,489	7,221,044	7,017,419	203,625
Customer Service Charges	4,179,000	4,666,000	(487,000)	3,899,498	4,179,000	4,268,000	(89,000)
Customer Usage Charges	2,048,443	1,581,412	467,031	1,505,779	2,048,443	1,647,000	401,443
Internal Service Charges	16,000	15,000	1,000	15,422	16,000	17,000	(1,000)
Internal Usage Charges	29,000	4,000	25,000	4,616	29,000	5,000	24,000
User Fees	-	7,500	(7,500)	8,409	-	7,500	(7,500)
County Service Area	210,439	242,108	(31,669)	75,081	210,439	246,919	(36,480)
Bulk Water Sales/Construction Water	11,000	11,000	-	15,669	11,000	11,000	-
Late Charges/Bank Charges	92,000	96,000	(4,000)	96,702	92,000	96,000	(4,000)
Plan Check/Will Serve/Inspection Fee.	5,000	5,000	-	4,010	5,000	5,000	-
Administration/Reconnection	88,300	85,000	3,300	85,066	88,300	85,000	3,300
Rent	16,200	16,200	-	15,900	16,200	16,200	-
Interest Income	47,659	62,930	(15,271)	44,189	47,659	62,867	(15,208)
Miscellaneous Income	34,000	8,500	25,500	9,310	34,000	8,500	25,500
Property Tax/Assessments	107,403	211,130	(103,727)	64,023	107,403	163,433	(56,030)
Designated Revenue	336,600	378,000	(41,400)	328,815	336,600	378,000	(41,400)
New Service Installation	-	-	-	-	-	-	-
Discretionary Revenue	245,250	250,027	(4,777)	255,450	245,250	252,800	(7,550)
Property Tax/Assessments	245,250	250,027	(4,777)	255,450	245,250	252,800	(7,550)
Restricted Revenue	718,099	773,375	(55,276)	581,202	718,099	339,375	378,724
Conservation Fees	60,000	60,000	-	59,618	60,000	60,000	-
Grants	614,059	664,000	(49,941)	290,757	614,059	230,000	384,059
LAIF Interest	4,040	9,375	(5,335)	6,007	4,040	9,375	(5,335)
Quimby Fees	-	-	-	1,920	-	-	-
System Connection Fees	40,000	40,000	-	222,900	40,000	40,000	-
Personnel Expenses	(2,179,223)	(2,206,352)	27,129	(1,943,197)	(2,179,223)	(2,200,757)	21,534
Salaries	(1,329,779)	(1,327,071)	(2,708)	(1,209,503)	(1,329,779)	(1,327,071)	(2,708)
Overtime Pay	(28,000)	(30,600)	2,600	(29,250)	(28,000)	(30,600)	2,600
Oncall/Pager Pay	(16,000)	(12,210)	(3,790)	(11,184)	(16,000)	(12,210)	(3,790)
Degree/Certification Pay	(21,884)	(22,048)	164	(19,005)	(21,884)	(22,048)	164
Holiday Pay	(58,143)	(79,169)	21,026	(68,392)	(58,143)	(79,169)	21,026
Vacation Pay	(76,486)	(66,200)	(10,286)	(65,139)	(76,486)	(66,200)	(10,286)
Sick Pay	(50,735)	(52,700)	1,965	(49,274)	(50,735)	(52,700)	1,965
Directors Pay	(52,920)	(52,920)	-	(37,485)	(52,920)	(52,920)	-
Payroll Tax Expense	(127,934)	(133,742)	5,808	(121,828)	(127,934)	(133,742)	5,808
Health Insurance	(352,414)	(401,711)	49,297	(298,899)	(352,414)	(401,711)	49,297
Workers Compensation	(62,255)	(40,549)	(21,706)	(44,850)	(62,255)	(34,954)	(27,301)
Other Benefits (Education Reimburse)	-	-	-	-	-	-	-
PERS Contribution	(164,673)	(157,982)	(6,691)	(146,583)	(164,673)	(157,982)	(6,691)
Less Capitalized Labor/Benefits	162,000	170,550	(8,550)	158,197	162,000	170,550	(8,550)
Direct Operating Expenses	(1,189,444)	(1,413,061)	223,617	(952,966)	(1,189,444)	(1,318,167)	128,723
Meters	-	-	-	-	-	-	-
Engineering	(10,900)	(9,000)	(1,900)	(7,491)	(10,900)	(11,530)	630
Electricity Expense	(469,400)	(410,576)	(58,824)	(369,293)	(469,400)	(410,576)	(58,824)
Utilities - Water	(20,000)	(35,633)	15,633	(33,500)	(20,000)	(35,965)	15,965
Utilities - Other Than Water	(20,700)	(19,834)	(866)	(17,734)	(20,700)	(19,834)	(866)
Equipment Leases	(13,000)	(25,844)	12,844	(22,527)	(13,000)	(28,378)	15,378
Operating Expenses	(4,800)	(29,776)	24,976	(25,690)	(4,800)	(29,776)	24,976
Purchased Water	(50,000)	(50,000)	-	(5,202)	(50,000)	(50,000)	-
Billing Expense	(54,411)	(57,679)	3,268	(48,066)	(54,411)	(57,679)	3,268
Operating Supplies	(1,720)	(1,812)	92	(1,510)	(1,720)	(6,886)	5,166
Parks Supplies & Maintenance	(102,115)	(50,000)	(52,115)	(29,351)	(102,115)	(45,000)	(57,115)
Pool Supplies & Maintenance	-	(18,000)	18,000	(16,545)	-	(18,000)	18,000
Security Services	-	-	-	-	-	-	-
Safety Supplies & Training	(10,880)	(13,690)	2,810	(12,882)	(10,880)	(13,690)	2,810
System Repair & Maintenance	(338,257)	(578,000)	239,743	(287,550)	(338,257)	(477,636)	139,379
System Tests	(27,650)	(50,000)	22,350	(27,716)	(27,650)	(50,000)	22,350
Uniforms	(9,000)	(8,955)	(45)	(8,861)	(9,000)	(8,955)	(45)
Auto & Truck Expense	(56,611)	(54,262)	(2,349)	(39,049)	(56,611)	(54,262)	(2,349)
Banked Water Expense	-	-	-	-	-	-	-
General and administrative	(3,516,375)	(2,843,857)	(672,518)	(2,869,522)	(3,516,375)	(2,372,465)	(1,143,910)
Accounting Consultants	(274,200)	(274,200)	-	(210,744)	(274,200)	(274,200)	-
Public Affairs	(14,497)	(3,578)	(10,919)	(4,682)	(14,497)	(3,578)	(10,919)
Legal Fees	(168,632)	(241,437)	72,805	(222,918)	(168,632)	(226,305)	57,673
Adjudication	(121,500)	(26,158)	(95,342)	(23,608)	(121,500)	(25,000)	(96,500)
Outside Services	(836,269)	(716,996)	(119,273)	(611,580)	(836,269)	(231,904)	(604,365)
Conservation Program	(17,354)	(23,913)	6,559	(19,927)	(17,354)	(17,500)	146

	AS OF 05/20/2016			AS OF 06/28/2016			
Advertising/Promotion	(736)	(260)	(476)	(217)	(736)	(260)	(476)
Bad Debt Expense	(5,000)	(1,633)	(3,367)	(1,451)	(5,000)	(1,633)	(3,367)
Building & Grounds Maintenance	(32,474)	(34,375)	1,901	(30,948)	(32,474)	(31,048)	(1,426)
Security Services	(7,680)	(3,797)	(3,883)	(3,578)	(7,680)	(3,797)	(3,883)
Computer Hardware	(8,270)	(9,755)	1,485	(8,244)	(8,270)	(8,531)	261
Computer Software	(7,455)	(10,082)	2,627	(8,992)	(7,455)	(8,366)	911
Computer Services/Consulting	(144,290)	(63,706)	(80,584)	(57,232)	(144,290)	(51,033)	(93,257)
Computer Licenses & Software	(4,200)	(26,334)	22,134	(22,275)	(4,200)	(23,528)	19,328
Election Expense	(35,000)		(35,000)	-	(35,000)		(35,000)
Dues & Subscriptions	(36,033)	(42,255)	6,222	(37,353)	(36,033)	(42,255)	6,222
Recruitment	-	(898)	898	(749)	-	(898)	898
Employment Costs	(3,775)	(2,672)	(1,103)	(3,551)	(3,775)	(2,672)	(1,103)
Employee Retention	(510)	(1,352)	842	(1,186)	(510)	(1,352)	842
Education - Conferences & Seminars	(9,522)	(13,563)	4,041	(12,810)	(9,522)	(12,459)	2,937
Training/Certification	(7,310)	(576)	(6,734)	(910)	(7,310)	(6,719)	(591)
Resource Material	(740)		(740)	(167)	(740)		(740)
Director Training/Seminars	(10,590)	(20,670)	10,080	(20,743)	(10,590)	(20,670)	10,080
Insurance - Liability	(161,500)	(88,980)	(72,520)	(74,151)	(161,500)	(106,420)	(55,080)
Office Expense	(41,577)	(38,224)	(3,353)	(36,514)	(41,577)	(44,224)	2,647
Office Supplies	(5,075)	(6,266)	1,191	(5,771)	(5,075)	(6,266)	1,191
Business Expense	(65,022)	(28,175)	(36,847)	(24,784)	(65,022)	(34,157)	(30,865)
Office Furniture & Equipment	(3,060)		(3,060)	269	(3,060)		(3,060)
Emergency Preparedness	(500)	(420)	(80)	(350)	(500)	(420)	(80)
Utilities	(30,074)	(24,320)	(5,754)	(20,422)	(30,074)	(24,320)	(5,754)
Principal Expense	(1,178,197)	(936,544)	(241,653)	(1,202,462)	(1,178,197)	(960,295)	(217,902)
Interest Expense	(285,333)	(202,718)	(82,615)	(201,490)	(285,333)	(202,655)	(82,678)
Discounts	-		-	17	-		-
Depreciation Expense - Noncash	(2,154,449)	(2,165,462)	11,013	(1,995,255)	(2,154,449)	(2,165,462)	11,013
Depreciation Expense - Noncash	(2,154,449)	(2,165,462)	11,013	(1,995,255)	(2,154,449)	(2,165,462)	11,013
CIP Write-Off	-		-	-	-		-
CIP Write-Off	-		-	-	-		-
Net Operating Surplus (Deficit)	(855,098)	(447,257)	(407,841)	(751,799)	(855,098)	(447,257)	(407,841)