



SLOUGHHOUSE

Resource Conservation District

HERALD | SLOUGHHOUSE | WILTON

Special Meeting of the Board Sloughhouse Resource Conservation District Budget Workshop Agenda

When: Monday, May 8, 2023
Where: Rancho Murieta Community Service District
15160 Jackson Hwy.
Rancho Murieta, CA 95683

or

Via Zoom: <https://us02web.zoom.us/j/81749668469>

Meeting ID: 817 4966 8469

Call in Number: +1-669-900-9128

Time: 3:00 pm – 5:00 pm

PUBLIC COMMENT – Any member of the public may address the Board concerning any matter on the agenda before or during its consideration of the matter. Public comment is limited to three (3) minutes per person and no more than fifteen (15) minutes per topic. For good cause, the Board Chairman may waive these limitations.

AGENDA ITEM TIME FRAME – All time allotments are suggested by staff and are an estimate only and subject to change.

ACCESSIBILITY - If you have a disability and require a reasonable accommodation to fully participate in this event, please contact SRCD Staff before the day of the meeting via email [info@SloughhouseRCD.org] or telephone [916-526-5447] to discuss your accessibility needs.

OPENING / CALL TO ORDER

PUBLIC COMMENT FROM THE FLOOR (Non-Agenda Items)

GENERAL BUSINESS ACTION ITEMS: (60 minutes)

1. Budget Considerations and Recommendations Presentation, Rick Wood w/ California Special District Assoc.
2. Presentation of Sloughhouse RCD Draft Fiscal Year 2023-2024 Budget

ADJOURNMENT

Agenda Item #1

Sloughhouse Resource Conservation District Special Board of Directors Meeting

Agenda Date: May 8, 2023

Agenda Item #: #1
Agenda Item Subject: Budget Considerations and Recommendations Presentation
Rick Wood with CSDA

To: SRCD Board of Directors
From: Austin Miller, District Manager

Background

Rick Wood, California Special District Association's Finance and Administration Director, has been assisting Sloughhouse RCD Staff with the utilization of Quickbooks. Mr. Wood will share a budget recommendations and financial management presentation with the Board and provide best practice recommendations.

Attachments

- Budget Considerations Presentation

Budgeting Preparations for Special Districts

Presented by:

Rick Wood Finance & Administration Director, CSDA

2023



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Budgeting

- Goal of the Budget Function:
Manage the balancing act between providing funding for vital services, protecting the fiscal health of the whole agency and ensuring the budget meets the mission and vision of the special district.



Authority

- ▶ **Governmental Fund Types**
 - Budget provides legal authority to spend
 - Must get approval for changes by major object code

- ▶ **Enterprise Fund Types**
 - Authority depends on your agency policies
 - Changes depends on your agency policies



What are Recommended Budget Practices?

- Board approved budget policy
 - *(does your district have one?)*
- Comprehensive processes & procedures –
 - define an accepted budget process.
- “Goal-driven” approach:
 - Planning, development, adoption and execution phases of budgeting.



What is the Purpose of a Budget?

- An **accounting document** (record & control expenditures) – *financial plan*
- A **management document** (determines who can spend how much) – *policy document*
- **Decision-making document** (basis for sound decision-making by Board & staff)
- **Communications document** (informing public of how their money is being spent)
- **Accountability**, compare plan to actual

Financial Planning Policies

- Balanced budget –
 - *what is your definition?*
 - *Is it defined in a policy?*
- Long-Range Planning
 - Condition of assets
 - Changes in technology
 - Changes in community
 - Changes in requirements
 - Develop a long-range capital plan



Budgeting as a plan

- Short-Term
 - Operations
 - Current projects
- Long-Term
 - Capital and infrastructure
- Associate your budget with your district reserve plan



How do you develop your budget

- Medium
 - Budget software
 - Excel worksheet
- Basis
 - Use the accounting software
 - Budget in accordance with the accounts you report on
 - Prior year + adjustments
 - Program budgets
 - Associated with long-term plan
 - Combination



Line-Item Budgets

- Most common format
- Connects & reports information on inputs used to produce government services
- Emphasizes control & oversight
- Downplays trust, communication & flexibility



Line Item Operating Budget

Parks Department	
Expenses	
Salaries - Full-time	83944.00
Salaries - Part-time	35976.00
Office Supplies	2400.00
Contracted Services	0.00
Computer Maintenance	0.00
Professional Dues	195.00
Travel Expenses	1400.00
Training & Education	650.00
Car Allowance	2800.00
Telephone	2500.00
Heating Fuel	8200.00
Electricity	5800.00
Water	6500.00
Sewer	600.00
Building Supplies	2500.00
Building Maintenance	2500.00
Rent	500.00
Vehicle Repairs	800.00
Gas & Oil	850.00
Water Tests	96.00
Youth Ctr. Equipment	2000.00
Rink Equipment	100.00
Program Equipment	3900.00
Pool Supplies	4200.00
Trophies & Awards	1010.00
Pool Maintenance	1400.00
Health Insurance	7650.00
Property Insurance	1000.00
Total Expenses	179471.00



Budget reality

- Many districts control very little about their revenues
- Expenditures become the focus
 - Effort is; how do we make the best use of available resources.
 - Growth of certain expenses may out-pace growth of revenues.
 - District must focus on efficiencies



Transparency

- Build up the detail to support each major line
- Include departmental managers
- Include notes and assumptions - *Critical for Transparency*
- Enhances understandability of where the numbers came from
- Becomes a good working document during the year.



Sample – Budget Build-up

3	PROFESSIONAL SERVICES	54030					
4							
5	Assumptions						
6	We are anticipating the overall budget for Professional services to go down by 41% due to property appraisal cost being budgeted in						
7	prior year.						
8							
9							
10	Description	Vendor	2017-2018 Per Month	2017-2018 Budget	Projected 2017-2018 Annual	2018-2019 Projection	Var %
11							
12	Dental broker fee		4,122.25	\$ 54,000	\$ 54,000	\$ 54,000	0.00%
13	General Legal Services			18,000	18,000	18,000	0.00%
14	Payroll Services			2,500	2,500	2,531	1.24%
15	Actuarial Study			11,000	11,000	11,000	0.00%
16	Financial Audit			21,630	21,630	21,630	0.00%
17	Property Appraisals			-	-	-	#DIV/0!
18	Other Consulting			5,000	5,000	-	-100.00%
19	Attorney fees to review agreements and prepare memorandum of coverage			-	-	-	#DIV/0!
20	MOC and Bylaw revision			5,000	5,000	5,000	0.00%
21	Accreditation			-	-	-	#DIV/0!
22	GASB 68 Actuary Report			1,500	1,500	1,500	0.00%
23	Rounding						
24							
25	TOTAL			\$ 118,630	\$ 118,630	\$ 113,661	-4.19%
26							
27	Notes:						
28	Actuarial study will include a deductible study.						
29							
30							
31							
32							
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42							
43							
44							
45							
46							
47			Direct expense	Percent	Indirect	Total allocated	
48	WC		0	30%	17,898	17,898	
49	PL		-	45%	26,848	26,848	
50	Dental		54,000	20%	11,932	65,932	
51	Vision		-	5%	2,983	2,983	
52	UI		-	0%	0	0	
53						0	
54	Total		54,000		59,661	113,661	
55							
56							

Understanding long-term affect

- Personnel costs
 - Other Post Employment Benefits
 - Pensions
 - Reduction in PERS discount rate to 6.8%
 - Shorter amortization period for unfunded liabilities
- Operational costs
- Debt
- Not investing in infrastructure
- Investing in infrastructure
- One-time money (example)
 - Grant to build community pool
 - Increases operating costs 5% annually; how are operational costs funded?
 - Someone gives you a free horse; project the costs



Personnel Expenditures

Comprises a very large % of a localities budget

- Position Control
 - Employee is hired for position that has been approved and budgeted; rate of pay approved by legislative body
 - Usually administered by HR
- OT & PT analysis
- Turnover Savings/Costs (Vacancies)



XYZ District - General Fund (2510) Budget						
			Fiscal Year:	2023-2024		
						FY 2023 - 2024
			Description	Code		Budget
Operating Budget						
Income						
	4100	· Tax Revenue		4100	0.00%	1,000,000.00
	4200	· Impact Fee revenue		4200	0.00%	-
	4300	· Program Income		4300	0.00%	-
	4350	· Concession & Merchandise sales		4350	0.00%	-
	4400	· Donation & Fundraising Income		4400	0.00%	-
	4500	· Grant Income		4500	0.00%	-
	4600	· Other Revenue		4600	0.00%	-
	4900	· Interest Income		4900	0.00%	-
Total Income					0.00%	1,000,000.00
Expense						
	5000	· Payroll Expenses		5000	0.00%	500,000.00
	5100	· Program Expenses		5100	0.00%	-
	5140	· Fundraising Expense		5140	0.00%	-
	5200	· Advertising & Promotion		5200	0.00%	-
	5220	· Bank & Merchant Fees		5220	0.00%	-
	5230	· Contributions to Others		5230	0.00%	-
	5240	· Copying & Printing		5240	0.00%	-
	5370	· Supplies - Consumable		5370	0.00%	-
	5380	· Taxes, Lic., Notices & Permits		5380	0.00%	-
	5390	· Telephone & Internet		5390	0.00%	-
	5400	· Transportation, Meals & Travel		5400	0.00%	-
	5410	· Utilities		5410	0.00%	-
Total Expense					0.00%	500,000.00
Total Net Operating Income and Expenses					0.00%	500,000.00



Projected Equity				
Beginning Assigned	Beginning Balance	23-24 Budget Allocation	Projected Ending Balance	
Project #100	606,700.00	(20,000.00)	586,700.00	
Project #200	790,446.00	(526,000.00)	264,446.00	
Project #300	134,313.00		134,313.00	
Project #400	1,531,459.00	(546,000.00)	985,459.00	
Reserve Funds & Unassigned	Beginning Balance	23-24 Budget Allocation	Projected Ending Balance	
Beginning Assigned/Unassigned	1,893,319.00	(1,092,000.00)	801,319.00	
Pension Fund Reserve (CalPERS 115 Trust)				
Capital Improvement & Acquisition Reserve				
Current Operations Reserve				
Designated Project/Special Use/Grant Matching Reserve				
Future Operations Reserve				
Technology Reserve				
Vehicle Fleet & Equipment Reserve				
Projected 2021-2022 Operating Profit/Loss	500,000.00		500,000.00	
Ending Reserve Funds & Unassigned	2,393,319.00	(1,092,000.00)	1,301,319.00	



Wait!!! Budget is a Year-Round Process

Budget Creation Vs. Monitoring



Q & A

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Agenda Item #2

**Sloughhouse Resource Conservation District
Board of Directors Meeting**

Agenda Date: May 10, 2023

Agenda Item #: #2
Agenda Item Subject: Presentation of Sloughhouse RCD Draft Fiscal Year 2023 – 2024 Budget

To: SRCD Board of Directors

From: Austin Miller, District Manager

Background

Sloughhouse RCD adopts a budget before the start of each fiscal year (July 1-June 30). Staff has developed a draft budget for the Board to provide feedback and direction on. A final budget will be developed for the June Regular Board Meeting.

Attachments:

- Draft Fiscal Year 2023 – 2024 Sloughhouse RCD Budget

Sloughhouse RCD FY 23/24 Budget Planning

Overview				
Activity Area	FY 21/22 Actual	FY 22/23 Budgeted	FY 22/23 Projected	FY 23/24 Projected
Income (Unrestricted)	\$ 190,971	\$ 199,550	\$ 226,200	\$ 385,000
Income (Restricted)	\$ 149,413	\$ 150,615	\$ 150,615	\$ 150,000
Income Total	\$ 340,384	\$ 350,165	\$ 376,815	\$ 535,000
Expenses (Unrestricted)	\$ 256,278	\$ 214,000	\$ 216,300	\$ 390,750
Expenses (Restricted)	\$ 91,999	\$ 197,403	\$ 197,403	\$ 150,000
Expenses Total	\$ 348,277	\$ 411,403	\$ 413,703	\$ 540,750
Total Gain/Loss	\$ (7,893)	\$ (61,238)	\$ (36,888)	\$ (5,750)
Year End Account Total	\$ 566,257	\$ 505,018	\$ 529,369	\$ 523,619

Sloughhouse RCD FY 23/24 Budget Planning

Income				
Activity Area	FY 21/22 Actual	FY 22/23 Budgeted (adopted June 2022)	FY 22/23 Projected	FY 23/24 Projected
Tax Base Sub-Total	\$ 138,286	\$ 123,050	\$ 147,200	\$ 150,000
Misc. Income	\$ 17,360	\$ 1,500	\$ 4,000	\$ -
SoAm Outreach	\$ -	\$ -	\$ -	\$ 10,000
CGA Administration Contract	\$ 35,325	\$ 75,000	\$ 75,000	\$ 125,000
CDFA CAPGP (grant)		\$ -	\$ -	\$ 50,000
Other Grants		\$ -	\$ -	\$ 50,000
Other Unrestricted Sub-Total	\$ 52,685	\$ 76,500	\$ 79,000	\$ 235,000
Total Unrestricted Sub-Total	\$ 190,971	\$ 199,550	\$ 226,200	\$ 385,000
Cosumnes Groundwater Fee	\$ 149,413	\$ 150,615	\$ 150,615	\$ 150,000
	\$ -	\$ -	\$ -	\$ -
Restricted Sub-Total	\$ 149,413	\$ 150,615	\$ 150,615	\$ 150,000
Grand Total	\$ 340,384	\$ 350,165	\$ 376,815	\$ 535,000

Sloughouse RCD FY 23/24 Budget Planning

Expenses

Activity Area	FY 21/22 Actual	FY 22/23 Budgetted	FY 22/23 Projected	FY 23/24 Projected
<u>GENERAL</u>				
Conference and Training	\$ 1,454	\$ 6,000	\$ 5,000	\$ 8,000
Insurance	\$ 2,254	\$ 2,500	\$ 2,500	\$ 2,500
Office Supplies	\$ 20,554	\$ 5,000	\$ 5,000	\$ 5,000
Accounting	\$ 5,950	\$ 3,000	\$ 3,500	\$ 8,000
Assessment Collection	\$ 1,493	\$ 1,500	\$ 1,750	\$ 1,750
Other Op. - Prof. Supplies	\$ 21,801	\$ -	\$ -	\$ -
Other Op. - Prof. Serv.	\$ 11,124	\$ 10,000	\$ 5,000	\$ 10,000
Legal Services (General)	\$ 89,478	\$ 15,000	\$ 10,000	\$ 15,000
Personnel Services (District Manag	\$ 83,768	\$ 107,000	\$ 107,000	\$ 115,000
Personnel Services (Support Staff)	\$ -	\$ 35,000	\$ 47,000	\$ 95,000
Personnel Services (Outreach Coord	\$ -	\$ -	\$ -	\$ 40,000
Miscellaneous	\$ 1,520	\$ 3,000	\$ 3,000	\$ 5,000
Mail/Postage	\$ 16,882	\$ 1,000	\$ 1,000	\$ 5,000
Professional Memberships	\$ 946	\$ 1,000	\$ 1,550	\$ 4,000
Youth Education	\$ -	\$ -	\$ -	\$ 7,500
CDFA CAPGP Grant Expenses	\$ -	\$ -	\$ -	\$ 45,000
General Sub-Total	\$ 256,278	\$ 189,000	\$ 192,300	\$ 366,750
<u>GSA</u>				
Legal Services - Groundwater	n/a	\$ 15,000	\$ 15,000	\$ 15,000
South American Subbasin	n/a	\$ 10,000	\$ 9,000	\$ 9,000
Cosumnes Subbasin	n/a	\$ -	\$ -	\$ -
GSA Sub-Total	\$ -	\$ 25,000	\$ 24,000	\$ 24,000
<u>RESTRICTED EXPENSES</u>				
Cosumnes Groundwater Authority	\$ 91,999	\$ 197,403	\$ 197,403	\$ 150,000
		\$ -	\$ -	\$ -
Restricted Expenses Sub-Total	\$ 91,999	\$ 197,403	\$ 197,403	\$ 150,000
Grand Total	\$ 348,277	\$ 411,403	\$ 413,703	\$ 540,750

Sloughhouse RCD FY 23/24 Budget Planning

Reserves and Unassigned							
Reserve Funds & Unassigned	Beginning Year Balance	Max	Accumulation Rate (/yr)	FY 23/24 Allocation	Projected Ending Balance		
Unassigned (year end - reserve funds total)					\$	418,619	
Technology Reserve	\$ -	\$ 25,000	\$ 5,000	\$ 5,000	\$	5,000	
Special Projects Reserve	\$ -	\$ 300,000	\$ 50,000	\$ 50,000	\$	50,000	
Operations Sustainability Reserve	\$ -	\$ 300,000	\$ 50,000	\$ 50,000	\$	50,000	
Reserve Fund Totals	\$ -	\$ 625,000	\$ 105,000	\$ 105,000	\$	105,000	