

Memo

Carmichael



RECREATION AND
PARK DISTRICT

To: Advisory Board of Directors

From: Mike Blondino, District Administrator
Ingrid S. Penney, Administrative Services Manager

Date: August 6, 2020

Subject: Adopted Budget Proposals for FY2020-21

Introduction:

On March 26, the Advisory Board approved submission of Recommended Budget Proposals for both the District General Fund 337A and Assessment Fund 337B to the County of Sacramento Board of Supervisors. Later the County made a decision to re-budget the FY2019-20 Adopted Budgets as provisional for FY2020-21 and postpone the adoption of new budgets until September. This decision was motivated by the impact of COVID-19.

On July 24, Staff met with the Budget Committee (Directors Conroy and Carroll) to review the actual year end revenues, expenditures and fund balance carry over for FY2019-20 and proposals for FY2020-21 Revenues and Expenditures in the categories of Operations, CIP, and Contingency.

The proposals were greatly affected by COVID-19 as the District has and continues to follow the local, state, and federal government orders and guidelines. The District has cancelled and closed numerous programs and facilities; purchased new products and adapted protocols for cleaning, air filtration, use of personal protective equipment; adopted new operating methods and programming models. The District's top priority continues to be the health and safety of participants, visitors, and staff.

County Schedule for the Adopted Budget FY2020-21

Fri	July 17	FY 2019-20 Period 13 Closed – Actual Ending Fund Balances were Available
Tues	August 11	Revisions Based on Required Changes to <u>General Fund</u> and <u>Non-General Fund</u> Budgets due
Wed - Fri	September 9-11	Budget Adjustment Hearings
Tues	September 22	Budget Adoption

General Fund 337A: (Exhibit A)

Based on current projections and recent trends, Staff is estimating available revenues of \$5,216,657 for FY2020-21, which includes a carry-over fund balance from FY2019-20 of \$741,511 of which \$500,000 is allocated to Contingency. This funding is sufficient to meet current operations, one equipment item and improvements for a balanced budget.

The proposal reflects increases to the property tax-based revenue and reductions to tenant lease and program revenues. Staffs approach to programming is to continue with virtual classes/events and “childcare/camps”; to offer more as restrictions change. Programs fees will need to cover costs. Staff will also offer building rentals once permitted by local and state authorities.

For FY2020-21, the operations budget addresses current staffing levels with a provision to expand seasonal part time recreation positions as programs and rentals increase; estimated services/supplies based on trends, rate changes, and needs. Because revenues are not sufficient to fund, Staff recommends postponing the purchase of equipment and staffing for an enhanced turf management program; postponing implementation of the staffing assessment recommendations. Staff proposes the purchase of a dump trailer.

The CIP budget allocation is based on funds from available through the general fund, park impact fees, grants, and donations. (Additional funds are available from the Assessment covered later in this report.)

Revenues – \$5,216,657

- Actual Carry-Over Fund Balance from FY 2019-20: \$741,511*
 Difference between –
 Actual Year End Revenue: \$5,559,286
 Actual Year End Expenditures: \$4,817,775

*Note: \$500,000 from the fund balance is allocated to Contingency

- Projected Base Revenue for FY2020-21: \$4,475,146
- Property Taxes: Current Secured 3.5% growth based on estimated year end, Assessor’s Roll and trends; remaining taxes based on estimated year end. A chart of Property Tax descriptions can be found on the following page.

Property Tax Accounts	Description/Comments
91910100 PROP TAX CUR SEC	District's share of 1% tax on real property in the tax rate area
91910200 PROP TAX CUR UNSEC	District's share of 1% tax on properties such as office furniture, equipment and boats owned by the assessee
91910300 PROP TAX CUR SUP	District's share of 1% tax on properties that have undergone change of ownership or new construction
91910400 PROP TAX SEC DELINQ	Teeter Plan financing - Distribution of District's share of secured tax levied rather than collected
91910500 PROP TAX SUP DELINQ	Teeter Plan financing - Distribution of District's share of supplemental tax levied rather than tax collected
91910600 PROPERTY TAX UNITARY	District's share of apportionment of Unitary 1% tax - a group of properties that operate as a unit as part of the primary function of the assessee.
91913000 PROP TAX PR UNSEC	District's share of unsecured taxes not due and not pd by 8/31
91914000 PROP TAX PENALTIES	District share of penalties pd by property owners prior to end of the fiscal year

- Building Rentals, GL #9429: \$1,246,227 - Based on current trends and known factors.
 - Breakdown –
 - LS Tenants: \$1,123,727 includes loss of a tenant; rental forgiveness/deferrals
 - LS Daily Rentals: \$75,000 based on projections should the District be allowed to re-open rental venues.
 - District wide Rentals: \$45,000 based on two factors: \$23,200 for CAPRA and Jensen leases; \$21,800 based on projections should the District be allowed to re-open rental venues.
- Homeowner Property Tax Relief, GL #9522: \$19,000 – Based on trends; represents the District's share of \$7,000 of cash value lost on owner occupied homes.
- Aid from Other Local Gov GL #9531: \$270,086 – See CIP List
 - Park Impact Fees (\$210,086)
 - Quimby Fees (\$60,000)

Available for Restricted Uses, Uncommitted Balances:

 - Parkland Dedication Trust (In Lieu) Fees: \$2,523
 - Park Impact Fees: \$0
- State Aid (Grants) GL # 9569: \$50,000 – Represents the allocation towards the Bocce Court Project from the Prop 68, Per Capita Program.
- Recreation Service Charges, GL #9646: \$450,000 – projection based on current limited programming and allows for growth should the District be allowed to expand its programming.
- Law Enforcement Services, GL #9697: \$500 – Represents District's share of citation receipts.

- Donations & Contributions, GL #9730: \$170,318 – Denotes funds received from the Carmichael Parks Foundation, Kiwanis, Rotary for planned park projects, and/or supplies/equipment. Planned projects include:
 - CP Bocce Ball Courts
 - CP Field 1 & 2 Fence line/Backstop Renovation – joint project with Carmichael Girls Softball
 - Sutter Jensen – New Community Garden fence
- Insurance Proceeds, GL #9740: \$7,000 –Reflects pass through funds received for Special Event Liability Insurance.

Expenditures –\$5,216,657

- Salaries and Benefits, GL # 1000 Series: \$2,539,542 –

of Regular FT/PT EE eligible for step increases: 10

Minimum Wage Increase – \$1; current rate: \$13/hr.; \$14/hr. eff. 1/1/21; will continue to increase by \$1 each year until it reaches \$15/hr in 2022. Thereafter it will increase based on the CPI index. (***Exhibit D and E***)

Includes incremental increase to \$1 over Minimum Wage by 1/1/2021 on the Salary Schedule to the base starting rate for the Part time Maintenance Worker positions, effective 7/1/2020 and 1/1/2021. (***Exhibit D and E***)

Includes additional hours for the following regular part-time positions:

- Recreation Coordinator – Sports: 5 hours/week; 260/year; Total 35 hours/week
- Maintenance Workers: 2 hours/week; 104/year for a total of 36 hours/week (consistent with current need)

COLA recommendation – 3.1% based on CPI for 12 months @ December 2019 was 3.1%. Salary and Benefit cost: \$57,379. This increase is needed to address compaction and the minimum salary for exempt employees. (***Exhibit F***)

Benefit allocations are based on current and known rates. SCERS rates for FY2020-21 have been disseminated. Health rates are estimated with a 5% increase; WCOMP rates are based on a 78% experience modification factor and classifications; SUI is based on current rates. SUI rates change in January - will not be known until later.

- Services & Supplies: \$1,658,361 – Based on current trends, known costs, and new requests. Highlights follow:
 - Advertising & Legal Notices, GL #2005: reduced printing costs for one activity guide and postponed the marketing plan enhancement
 - Blueprint/Copying Services, GL #2015: re-budget digitizing blueprints

- Business/Conference Expenses GL #2029: Component of the training budget, used for annual conferences and workshops. Reduction reflects most of the workshops and conferences are offered virtually.
- Education/Training Services GL #2035: EEOC, Pesticide Application, PSMMS, etc.
- Agricultural/Horticultural Services, GL #2103: addition of goats grazing at park site TBD and fibar (playground fall material) at District parks
- Agricultural/Horticultural Supplies GL #2104: additional \$40k for new turf management program (seed, soil, etc.) was deferred to a future budget.
- Building/Carpentry Services, GL # 2111: projections based on trends/estimates; \$15k needed for a set of door replacements at LSCC
- Mechanical Sys Mtn Services, GL # 2151: includes \$30k for HVAC system replacements and \$15k for services
- Utilities, GL #s 2191 - 2195: Projections based on actual year end, trends, and anticipated rate increases.
- Office Equip Services, GL #2291: reflects service agreement on three copiers and IT services
- Office Equip Supplies, GL #2292: reflects cost to replace District Server; purchase of laptops and peripherals
- Rent/Lease Equip, GL #2275: includes the copier rentals, and equipment rentals for recreation and parks divisions; provision made within office equipment and rent/lease equipment to purchase/rent phone equipment
- Clothing/Personal Supplies, GL #2314: includes additional \$50 for boot replacement (from \$150 to \$200/year) and \$40 for jackets (from \$80 to \$120)
- Custodial Services, GL #2321: includes Janitorial Services Contract – CP and Outdoor RR - reduced to reflect current scope
- Personnel Services, GL #2541 – DOJ Background Checks
- Accounting/Financial Services, GL #2505 – includes cost of FY2018-19 and 2019-20 audit and DOF accounting and audit services
- Other Professional Services, GL #2591 – provision for consulting services, i.e. compensation study
- Computer/Software Licensing, GL #2812 – Reflects additional users/staff across all software applications.
- Recreation Services & Supplies, GL #s 2851 & 2852 – Reflects a reduction based on projected programming and costs, includes new requests (chart on next page).

Kids Hangout Table Replacement	LS	\$2,500
Pee Wee Basketball Hoop Replacement	LS	\$1,500
Youth Development Programs - Speaker System	LS	\$350
Youth Development Programs - Video Game Area (Includes console, controllers, 4 games, modern smart TV)	LS	\$1,500
Gym Chair Replacement	LS	\$500
Facility Rentals, Table Replacement Plan	DW	\$1,000
Facility Rentals, Chair Replacement Plan	DW	\$500
Garfield House Tables & Chairs	GH	\$12,000
Promotional Items for Events	DW	\$3,000
New Blinds for Recreation Front Office (estimate)	LS	\$1,000
Additional Supplies for Tree Lighting	DW	\$750
	<i>Total:</i>	\$24,600

- Capital Improvement Projects: \$507,554, GL #s 4201 & 4202 –Reflects re-budgeted and new CIP funded through the general fund, park impact fees, grants, and donations.

STRUCTURES & IMPROVEMENTS #4201	BUDGET	FUNDING SOURCE
CP Vet's Hall - \$60k	20,000	Shine Grant (+Assessment)
Garfield House Renovation	34,185	Quimby/Park Impact Fees
LSCC John Smith Hallway	45,000	Quimby Fees
Miscellaneous -Prospective Donations	25,000	Donations
<i>Total Structures & Improvements</i>	124,185	

OTHER IMPROVEMENTS - #4202	BUDGET	FUNDING SOURCE
CP Bocce Ball Courts \$184,790	164,790	Park Impact Fees, Grant, & Donations (+Assessment)
CP Field 1 & 2 Fence line/Backstop Reno \$30k	15,000	Donations (+Assessment funds)
LSCC - Playground (CMP)	17,150	General Fund
O'Donnell Heritage Park - Trail Fund	100,000	Park Impact Fees
SJ - Community Garden Fence \$30k	15,000	Donations (+Assessment funds)
SJ - Garfield Access Fund	46,429	Park Impact Fees
Miscellaneous - Prospective Donations	25,000	Donations
<i>Total Other Improvements:</i>	383,369	

*Note: Several of these projects use multiple funding sources, including the Assessment Fund, but not reflected in the totals for GL #s 4201 and 4202. See **Exhibit C** for complete CIP Program.

- Capital Equipment: \$11,200 Dump Trailer
- Contingency: GL #7901 – \$500,000

*Summary of Proposed Recommended Budget for FY 2020-21 General Fund 337A-
Balanced Budget:*

REVENUE TOTAL:	5,216,657	EXPENDITURES TOTAL:		5,216,657
Carry-over Fund Balance:	741,511	Operations:		4,197,903
Taxes:	2,236,915	Salaries/Benefits:	2,539,542	
Use of Money/Property:	1,246,227	Services & Supplies:	1,658,361	
Aid-Gov't Agencies/Grants:	339,086			
Charges for Service:	475,500	Capital Equip & C-I-P:		518,754
Other Revenue:	177,418	Contingency:		500,000
Total:	5,216,657	Total:		5,216,657

Carmichael RPD Assessment Fund 337B: Total budget of \$445,198 (Exhibit B)

Since the District lost the legal challenge to the Assessment, no additional levies are being collected. The adopted budget proposal for FY 2020-21 was based on the remaining funds available from levies paid in FY2014-15 and FY2015-16 after allowable reimbursements, expenditures, and refunds. These funds are available for allocation to cover administration costs, repair and maintenance, and capital equipment and projects. Staff recommends transferring \$200,672 into Undesignated/Unrestricted Reserves to maintain Contingency within 15% of the budget.

Revenues – \$445,198

Carry Over Fund Balance:	\$635,870*
Transfer to Undesignated Reserves:	-200,672
Projected Interest Earnings:	<u>10,000</u>
	\$445,198

ACTIVITY	AMOUNT
Levies Paid in FY2014-15:	653,718
Levies Paid in FY2015-16:	662,149
County adjustments:	-2,332
Total Levies Paid:	1,313,535
Total Interest Earnings to 6/30/20:	55,153
	1,368,688
Total Expense through FY2019-20:	-732,818
*Fund Balance FY2019-20:	635,870

Expenditures – \$445,198

Other Professional Services GL #2591: \$ 83,773
(Master Plan Update – Re-budget balance)

CIP GL #s 4201 & 4202: \$ 264,545

STRUCTURES & IMPROVEMENTS #4201	BUDGET	ADDT'L FUNDING SOURCE
CP Vet's Hall - (scaled down)	40,000	w/Shine Grant \$20k (GF) for \$60k T
LSCC Gas Main Replacement - Phase I	53,611	
LSCC Gas Main Replacement - Phase II	45,000	
<i>Total Structures & Improvements:</i>	\$138,611	

OTHER IMPROVEMENTS - #4202	BUDGET	ADDT'L FUNDING SOURCE(s)
CP Bocce Ball Courts	20,000	337i/Prop68/CPF Donation \$184,790
CP Field 3 Fence & Gate	12,320	
CP Field 1 & 2 Fence line/Backstop Reno	15,000	Donations CGS (GF) for \$30k T
LSCC - Asphalt Repair	43,614	
SJ - Community Garden Fence	15,000	Donations CPF/Community Gardeners(GF) - \$30k T
SJ - Jensen Parking Lot Fund	20,000	
<i>Total Other Improvements:</i>	\$125,934	

Expenditures Since Inception:

Total amount expended to date:	\$732,817.15		
Breakdown:			
Plaintiff's Attorney's Fees		200,000.00	
County Counsel Fees		60,803.40	
Reim CRPD (eligible related election costs)		93,216.00	
Net Reimbursement to tax payers*		163,658.25	
CP Playground Project		112,218.00	
Master Plan		8,177.50	
LSCC Gym Roof		59,621.00	
CP Vets Hall Roof		<u>35,123.00</u>	
		732,817.15	

Next Steps: Staff will monitor revenue and expenditures throughout the year to remain dynamic and flexible to ensure that baseline operational needs are met. Staff continues to work on several programming models to be ready to respond to changing COVID-19 guidelines and restrictions.

Recommendation:

Staff and Budget Committee recommends approval of the FY2020-21 Adopted Budget Proposals by the Advisory Board for submission to Sacramento County Board of Supervisors for final approval and adoption, as presented:

General Fund 337A – a total of \$5,216,657, a balanced budget

Assessment Fund 337B – a total of \$445,198, a balanced budget

Staff and the Budget Committee approves the District's Capital Improvement Program (CIP) for FY2020-21 as outlined in **Exhibit C**, authorizing the District Administrator to initiate Request for Proposals (RFP's) as required or necessary.