

# STAFF REPORT



**Meeting Date:** February 17, 2021  
**To:** Board of Directors  
**From:** Michael J. Aho – District Administrator  
**Subject:** Fiscal Year (FY) 20/21 Mid-Year Budget Update  
**Prepared by:** Jennifer Larkin, Administrative Services Manager

**I. Recommendation**

Receive and file this report which outlines the District’s budget through January 2021.

**II. Background**

The Board of Directors adopted a general operating budget totaling \$3,446,252 for FY 20/21 including a contingency of \$50,000, and a capital budget of \$959,200. The adopted budget provided funding for all permanent positions, continued funding for current year building and facility set-asides and anticipated annual operational expenses.

**III. Problem /Situation/ Request**

The District continues to operate within the adopted budget and conservative year-end projections are included based upon the best financial and programmatic information available when this report was prepared. **Attachment A** provides a comparison of the FY 20/21 Adopted budget to year-to-date data and year-end projections as well as the same comparison for the previous four fiscal years.

**1. Expenditure Recap**

**Salaries and Benefits**

The FY 20/21 Final Adopted Budget contained funding for all permanent positions.

**Estimated Savings in Salaries and Benefits: \$ 0**

There is no savings anticipated in salaries and benefits. One position (PT Rec) was reallocated to a FT Administrative Assistant II position for technology assistance. The Parks Department will have two new full-time staff replacing the Lead Park Worker and one FT Parks Maintenance Worker; it is unknown yet if this will result in savings but there will likely be a small savings due to this change.

During the budget process for 2020-2021, staff recommended and the Board approved a temporary 4% salary reduction for full-time employees with a plan to come back at mid-year to reinstate part or all of that money. A separate report requesting a 2% reinstatement through the end of this fiscal year was prepared and will have been discussed prior to this report. If approved, the additional 2% will cost approximately \$10,000 in salaries and related benefits (for example, CalPERS retirement costs). Staff has identified savings in other areas that will offset this cost.

**Services and Supplies**

**Estimated Savings in Services and Supplies: \$ 80,000**

This is an estimate based on programs which may not or will not run, general operating costs savings, and conference/travel savings. This number may change depending on what programs and events are brought back on line as things are opened up.

**Other Charges**

**Estimated Savings in Other Charges \$ 0**

Expenditures are expected to be at budgeted levels in the Other Charges category which includes only the County Auditor charges for service.

**Buildings and Structures**

The District budgeted close to \$1,000,000 for Capital Projects this year, including funding for a Preschool Renovation, Miller Park Picnic Pavilion, Miller Park parking lot and Streng Park. None of the money has been spent as of mid-year, but some of it will be spent prior to the fiscal year-end. Unfinished projects will be re-allocated for FY 2021-2022.

**Use of Contingency**

To date, the Board has not used the \$50,000 Contingency.

**2. Revenue Recap**

**Property Tax Collections**

Current-year property taxes are anticipated to be close to or slightly above budgeted levels. Assessed valuations have remained strong and another increase is anticipated for 2021-2022.

### **Recreation and Facility Rental Revenues**

Revenues for Facility Rentals will likely not reach budgeted levels due to continued closures from COVID. Monies collected thus far have been almost exclusively from field rentals and tennis court rental fees; the remainder of the year will be busier and may see a pick-up in revenue, but will likely not be at the budgeted amount.

Recreation Revenue was budgeted at a lower level than normal due to the unpredictable guidelines of closures. Preschool and camp have been maintained at a lower capacity, and some outdoor sports programs have been allowed to continue. There is some anticipation that the warmer months will allow for increased program activity opportunities, so the next few months will need to be monitored and revenue expectations adjusted as needed. Although it is unlikely that the original revenue projection will be met, it is possible that the gap will be narrowed somewhat. Additionally, budgeted but non-expended funds for programs and personnel to run the programs will help off-set the revenue deficit.

### **Cell Tower Lease Revenue**

Revenue from the District's cell tower leases is anticipated to be at budgeted amounts.

## **IV. Financial Analysis**

Expenditures and revenues are conservatively estimated for year-end. There is some anticipation of savings in expenditure accounts. Staff continues to research property tax revenue collections and changes in assessed values to validate the assumptions for FY 20/21 property tax revenues to determine the impact on current and future operations, as well as monitoring revenues monthly.

The mid-year budget report was reviewed with members of the Finance and Budget Committee.

Respectfully Submitted,

Michael J. Aho  
District Administrator

Attachment A: Mid-Year Summary of District Expenditures and Revenues

Fiscal Years FY Through FY 20-21  
(YTD Jan Period 7)  
General Fund 341A

Expenditures	FY 16-17 Budget	FY 16-17 YTD Period 7 Actuals	FY 16-17 YTD Period 7 Actuals % of Budget	FY 16-17 Total Year Actual	FY 17-18 Adjusted Final Budget	FY 17-18 YTD Period 7 Actuals	FY 17-18 YTD Period 7 Actuals % of Budget	FY 17-18 Total Year Actual	FY 18-19 Final Budget	FY 18-19 YTD Period 7 Actuals	FY 18-19 YTD Period 7 Actuals % of Budget	FY 18-19 Total Year Actual	FY 19-20 Final Budget	FY 19-20 YTD Period 7 Actuals	FY 19-20 YTD Period 7 Actuals % of Budget	FY 19-20 Total Year Actual	FY 20-21 Budget	FY 20-21 YTD 1-30-21 Actuals Period 7	FY 20-21 YTD Period 7 Actuals % of Budget	Total Year to Date
Salaries and Benefits	\$ 1,540,920	\$ 868,679	56%	\$ 1,462,035	\$ 1,814,266	\$ 1,017,422	56%	\$ 1,788,132	\$ 1,886,659	\$ 1,151,438	61%	\$ 1,864,959	\$ 2,011,825	\$ 1,211,527	60%	\$ 2,018,035	\$ 1,835,569	\$ 1,063,093	58%	\$ 1,063,093
Services and Supplies (Excludes Acct 2898 )	\$ 1,091,943	\$ 617,006	57%	\$ 1,051,605	\$ 1,176,546	\$ 358,221	30%	\$ 800,497	\$ 1,250,561	\$ 703,897	56%	\$ 1,105,775	\$ 1,292,326	\$ 691,656	54%	\$ 1,059,519	\$ 1,172,424	\$ 624,819	53%	\$ 624,819
Acct 2898 Other Operating Expense See Notes	182,200	81,409	45%	100,264	500,808	434,737	87%	825,881	98,560	298,328	303%	61,439	152,593	149,716	98%	140,870	54,866	3,793	7%	3,793
Other Charges-Tax/License & Assessments	\$ 4,500	\$ 2,845	63%	\$ 2,845	\$ 4,500	\$ 2,978	66%	\$ 3,035	\$ 3,100	\$ 3,083	99%	\$ 3,083	\$ 4,000	\$ 3,135	78%	\$ 3,135	\$ 4,000	\$ 3,251	81%	\$ 3,251
Building and Structures	\$ 15,000	\$ 15,000	100%	\$ 15,000	\$ 536,452	\$ 60,680	11%	\$ 270,292	\$ 266,085	\$ 15,000	6%	\$ 265,285	\$ 15,000	\$ 15,000	100%	\$ 14,989	\$ 959,200		0%	\$ -
Equipment	\$ 91,000	\$ -	0%	\$ 91,000	\$ 150,000	\$ 130,606	87%	\$ 149,019	\$ 23,708	\$ 17,755	75%	\$ 17,755				\$ -	\$ 30,757			\$ -
Appropriation for Contingency	\$ 40,000	\$ -	0%	\$ -	\$ 60,500		0%	\$ -	\$ 45,000		0%	\$ -	\$ 48,000		0%	\$ -	\$ 50,000		0%	\$ -
Subtotal	\$ 2,965,563	\$ 1,584,939	53%	\$ 2,722,749	\$ 4,243,072	\$ 2,004,643	47%	\$ 3,836,854	\$ 3,573,673	\$ 2,189,501	61%	\$ 3,318,296	\$ 3,523,744	\$ 2,071,034	59%	\$ 3,236,548	\$ 4,106,816	\$ 1,694,957	41%	\$ 1,694,957
Intrafund Charges																				
Intrafund Reimbursements	\$ (541,617)	\$ (295,200)	55%	\$ (510,426)	\$ (566,552)	\$ (351,691)	62%	\$ (552,578)	\$ (609,859)	\$ (340,200)	56%	\$ (607,493)	\$ (628,054)	\$ (352,128)	56%	\$ (607,420)	\$ (660,564)	\$ (358,503)	54%	\$ (358,503)
Total Expenditures	\$ 2,423,946	\$ 1,289,739	53%	\$ 2,212,323	\$ 3,676,520	\$ 1,652,952	45%	\$ 3,284,277	\$ 2,963,814	\$ 1,849,301	62%	\$ 2,710,803	\$ 2,895,690	\$ 1,718,906	59%	\$ 2,629,128	\$ 3,446,252	\$ 1,336,454	39%	\$ 1,336,454
Revenue																				
9101 Current Secured	\$ 1,414,112	\$ 775,898	55%	\$ 1,433,154	\$ 1,495,214	\$ 885,548	59%	\$ 1,534,234	\$ 1,617,083	\$ 874,429	54%	\$ 1,615,368	\$ (1,700,984)	\$ (925,600)	54%	\$ (1,703,265)	\$ (1,772,425)	\$ (978,196)	55%	\$ (978,196)
9102 Unsecured	\$ 54,786	\$ 53,147		\$ 53,643	\$ 53,421	\$ 55,150	103%	\$ 54,141	\$ 56,142	\$ 58,615	104%	\$ 59,107	\$ (59,120)	\$ (61,986)	105%	\$ (63,366)	\$ (61,120)	\$ (65,220)	107%	\$ (65,220)
9103 Supplemental	\$ 7,500	\$ 8,742	117%	\$ 33,294	\$ 24,257	\$ 13,304	55%	\$ 42,985	\$ 34,621	\$ 12,564	36%	\$ 45,231	\$ (45,207)	\$ (16,571)	37%	\$ (46,035)	\$ (46,500)	\$ (14,322)	31%	\$ (14,322)
9104 / 9105 Secured Delinquent	\$ 13,000	\$ 12,059	93%	\$ 12,059	\$ 12,050	\$ 12,583	104%	\$ 12,583	\$ 13,583	\$ 14,381	106%	\$ 14,381	\$ (14,459)	\$ (14,495)	100%	\$ (14,495)	\$ (15,400)	\$ (17,576)	114%	\$ (17,576)
9106 Unitary	\$ 22,651	\$ 12,938	57%	\$ 23,644	\$ 23,350	\$ 12,456	53%	\$ 24,366	\$ 26,350	\$ 12,545	48%	\$ 22,838	\$ (26,350)	\$ (12,470)	47%	\$ (23,277)	\$ (27,350)	\$ (12,130)	44%	\$ (12,130)
9120 / 9130 Prior Unsecured	\$ -	\$ 658		\$ 875	\$ 750	\$ 1,130		\$ 1,680	\$ 1,598	\$ 451	28%	\$ 720	\$ (1,216)	\$ (638)	52%	\$ (927)	\$ (1,250)	\$ (1,152)	92%	\$ (1,152)
9140 Penalties	\$ -	\$ 92		\$ 257	\$ 150	\$ 88		\$ 305	\$ 305	\$ 78	25%	\$ 309	\$ (150)	\$ (120)	80%	\$ (290)	\$ (150)	\$ (275)	183%	\$ (275)
Property Tax All Categories Subtotal	\$ 1,512,049	\$ 863,535	57%	\$ 1,556,927	\$ 1,609,192	\$ 980,260	61%	\$ 1,670,295	\$ 1,749,682	\$ 973,063	56%	\$ 1,757,954	\$ (1,847,486)	\$ (1,031,880)	56%	\$ (1,851,655)	\$ (1,924,195)	\$ (1,088,872)	57%	\$ (1,088,872)
Revenue from Use of Money & Property																				
9410 Interest Income	\$ 2,400	\$ 2,687	112%	\$ 15,879	\$ 3,000	\$ 2,990	100%	\$ 11,610	\$ 6,000	\$ 572	10%	\$ 10,601	\$ (8,000)	\$ (1,194)	15%	\$ (10,848)	\$ (10,000)	\$ (116)	1%	\$ (116)
*9429 Building Rental - Other	\$ 121,500	\$ 41,057	34%	\$ 107,449	\$ 109,525	\$ 43,571	40%	\$ 104,623	\$ 154,400	\$ 36,833	24%	\$ 97,609	\$ (120,950)	\$ (39,502)	33%	\$ (55,162)	\$ (37,000)	\$ (6,135)	17%	\$ (6,135)
*9439 Ground Leases - Other	\$ 64,219	\$ 38,037	59%	\$ 72,194	\$ 94,346	\$ 43,703	46%	\$ 85,534	\$ 100,000	\$ 65,479	65%	\$ 115,626	\$ (97,983)	\$ (45,884)	47%	\$ (84,881)	\$ (85,000)	\$ (53,329)	63%	\$ (53,329)
Subtotal	\$ 188,119	\$ 81,781	43%	\$ 195,522	\$ 206,871	\$ 90,264	44%	\$ 201,767	\$ 260,400	\$ 102,884	40%	\$ 223,836	\$ (226,933)	\$ (86,580)	38%	\$ (150,891)	\$ (132,000)	\$ (59,580)	45%	\$ (59,580)
Intragovernmental Revenue																				
9522 Homeowners Prop. Tax Exempt.	\$ 17,800	\$ 8,478	48%	\$ 16,956	\$ 17,800	\$ 8,495	48%	\$ 16,990	\$ 17,800	\$ 8,260	46%	\$ 16,520	\$ (16,500)	\$ (8,108)	49%	\$ (16,215)	\$ (16,500)	\$ (8,002)	48%	\$ (8,002)
9529 In Lieu Taxes-Other	\$ -	\$ -		\$ -	\$ 294,608	\$ 112,640	38%	\$ 112,640	\$ 231,969	\$ 50,001	22%	\$ 255,678	\$ (13,500)	\$ -	0%	\$ (13,500)	\$ (175,000)	\$ -		\$ -
Subtotal	\$ 17,800	\$ 8,478	48%	\$ 16,956	\$ 312,408	\$ 121,135	39%	\$ 129,630	\$ 249,769	\$ 58,261	23%	\$ 272,198	\$ (30,000)	\$ (8,108)	27%	\$ (29,715)	\$ (191,500)	\$ (8,002)	4%	\$ (8,002)
Charges for Services																				
*9646 Rec. Service Charges	\$ 559,644	\$ 197,540	35%	\$ 441,625	\$ 551,435	\$ 181,420	33%	\$ 436,974	\$ 528,597	\$ 181,629	34%	\$ 432,772	\$ (505,249)	\$ (209,964)	42%	\$ (285,844)	\$ (344,857)	\$ (103,553)	30%	\$ (103,553)
Subtotal	\$ 559,644	\$ 197,540	35%	\$ 441,625	\$ 551,435	\$ 181,420	33%	\$ 436,974	\$ 528,597	\$ 181,629	34%	\$ 432,772	\$ (505,249)	\$ (209,964)	42%	\$ (285,844)	\$ (344,857)	\$ (103,553)	30%	\$ (103,553)
Miscellaneous Revenues																				
9730 Donations/Contributions	\$ -	\$ 1,320		\$ 8,625	\$ -	\$ -		\$ -				\$ -				\$ -				\$ -
*9790 Miscellaneous/Other	\$ 105,000	\$ 4,161	4%	\$ 17,524	\$ 447,162	\$ 49,079	11%	\$ 127,826	\$ 28,500	\$ 5,181	18%	\$ 37,554	\$ (165,793)	\$ (135,190)	82%	\$ (143,001)	\$ (853,700)	\$ (14,279)	2%	\$ (14,279)
7901 Contingency Funding	\$ 40,000			\$ -				\$ -				\$ -				\$ -				\$ -
Subtotal	\$ 145,000	\$ 5,481	4%	\$ 26,149	\$ 447,162	\$ 49,079	11%	\$ 127,826	\$ 28,500	\$ 5,181	18%	\$ 37,554	\$ (165,793)	\$ (135,190)	82%	\$ (143,001)	\$ (853,700)	\$ (14,279)	2%	\$ (14,279)
Total Revenue	\$ 2,422,612	\$ 1,156,815	48%	\$ 2,237,179	\$ 3,127,068	\$ 1,422,157	45%	\$ 2,566,491	\$ 2,816,948	\$ 1,321,017	47%	\$ 2,724,314	\$ (2,775,461)	\$ (1,471,721)	53%	\$ (2,461,106)	\$ (3,446,252)	\$ (1,274,286.28)	37%	
Notes: Account 2898 is used for Capital Items In Progress and awaiting Transfer to Fixed Asset Accounts. It is also used to capture normal "Other Operating Expenses"																				