

Rancho Murieta CSD

FISCAL YEAR 2019 – 2020

PROPOSED BUDGET PRESENTATION

MARCH 28, 2019

Rancho Murieta
Community Services District



Serving the community for over 30 years.



Order of Discussion

- Review of 2019 – 2020 Budget
 - Budget Process
 - Sample Bill – Average Monthly Bill
 - Budget Drivers & Assumptions
 - Proposed Rates
 - Request for Motion to mail rate notice



Budget Process

- ❖ A budget workshop was held on February 27, 2019 to discuss preliminary budget assumptions and gather input from the public and District Directors
- ❖ Following the budget workshop, the first draft budget was developed and is being presented here today. It identifies the maximum cost basis for the required Proposition 218 Notice which must be provided to property owners no less than 45 days prior to the public hearing
- ❖ The public hearing for the proposed rate increases will take place at the regular Board meeting on May 15, 2019
- ❖ Formal rate increase and budget adoption will take place at the June 19, 2019 Board meeting



Budget Process

- ❖ This Public Hearing is conducted where the public is invited to address the Board regarding budget ideas, questions or concerns on the draft FY 19-20 Budget
- ❖ Upon completion of this meeting we will ask the Board to approve the mailing of the Prop 218 rate notice to the residents and businesses of Rancho Murieta
- ❖ The final budget and associated rates, which can be lower but not higher than the rates identified in the Proposition 218 notice, are presented to the Board for approval and adoption at the regular June Board meeting for a July 1st effective date



Budget Process

- ❖ During the interim period between today and the May Board meeting, staff will continue to monitor potential areas of cost savings.
- ❖ This will be an effort to minimize the potential rate increase while still providing the quality of service expected by the residents of Rancho Murieta.



SAMPLE BILL

Rancho Murieta Community Services District

Average Monthly Customer Bill		Current Monthly Rates	Proposed Monthly Rates	\$ Change	% Change
Residential Metered Lot		July 1, 2018	July 1, 2019		
Water	<i>Average Usage in CF</i>	1,426	1,426		
	Residential Base (excluding reserves)	\$ 34.52	\$ 37.97	\$ 3.45	10.0%
	Reserve Contribution	7.75	7.75	-	0.0%
	Total Residential Base	\$ 42.27	\$ 45.72	\$ 3.45	8.2%
old rate	Water Usage \$0.0175 per cubic foot	24.96			
new rate	Water Usage \$0.0191 per cubic foot		27.24	2.28	9.1%
	Total Water	\$ 67.23	\$ 72.96	\$ 5.73	8.5%
	WTP Debt Service Charge (interfund borrowing)	6.00	6.00	-	0.0%
	Sewer				
	Residential Base (excluding reserves)	40.41	42.77	2.36	5.8%
	Reserve Contribution	6.76	6.76	-	0.0%
	Total Residential Base	\$ 47.17	\$ 49.53	\$ 2.36	5.0%
	Solid Waste (avg. 64 Gallon Container)	21.67	22.44	0.77	3.6%
	Security Tax (Maximum Tax Ceiling \$29.73)	29.15	29.73	0.58	2.0%
	Drainage Tax (Maximum Tax Ceiling \$5.22)	5.12	5.22	0.10	2.0%
	Total RMCSD Bill	\$ 176.34	\$ 185.88	\$ 9.54	5.41%



SAMPLE BILL

Rancho Murieta Community Services District

Average Monthly Customer Bill		Current Monthly Rates	Proposed Monthly Rates	\$ Change	% Change
Murieta Village Lot		July 1, 2018	July 1, 2019		
Water	<i>Average Usage in CF</i>	418	418		
Residential Base		\$ 34.52	\$ 37.97	\$ 3.45	10.0%
Reserve Contribution		7.75	7.75	-	0.0%
Total Residential Base		\$ 42.27	\$ 45.72	\$ 3.45	8.2%
old rate Water Usage \$0.0175 per cubic foot		7.32			
new rate Water Usage \$0.0191 per cubic foot			7.98	0.66	9.0%
Total Water		\$ 49.59	\$ 53.70	\$ 4.11	8.3%
WTP Debt Service Charge (interfund borrowing)		6.00	6.00	-	0.0%
Sewer					
Residential Base (excluding reserves)		40.41	42.77	2.36	5.8%
Reserve Contribution		6.76	6.76	-	0.0%
Total Residential Base		\$ 47.17	\$ 49.53	\$ 2.36	5.0%
Solid Waste (avg. 64 Gallon Container)		21.67	22.44	0.77	3.6%
Security Tax (Maximum Tax Ceiling \$7.31)		7.03	7.17	0.14	2.0%
Drainage Tax (Maximum Tax Ceiling \$3.56)		3.42	3.49	0.07	2.0%
Total RMCS D Bill		\$ 134.88	\$ 142.33	\$ 7.45	5.52%
Vacant or Unmetered Lot					
Security Tax (Maximum Tax Ceiling \$23.32)		\$ 23.32	\$ 23.79		2.0%
* Water Standby \$10.00 PER YEAR		\$ 0.83	\$ 0.83		0.0%
* Sewer Standby \$10.00 PER YEAR		\$ 0.83	\$ 0.83		0.0%
Drainage Tax (Maximum Tax Ceiling \$5.12)		\$ 5.12	\$ 5.22		2.0%
		\$ 30.10	\$ 30.67		
% Change over prior year			1.89%		

* This fee is billed annually at \$10.00 and is shown as a monthly rate for comparison purposes only.



Budget Drivers & Assumptions

Revenues

- 26 new residential connections phased over the year
- Water consumption projected to remain steady over calendar year 2018 demands
- Sacramento County property tax projected to increase \$24,370
- Security Reserves are funded by transfer of \$245,000 of Sacramento County property tax revenues which results in a contribution of \$49,000 for Security Reserves - Same as FY 18-19



Budget Drivers & Assumptions

Revenues

- Drainage Reserves are funded by transfer of \$100,000 of Sacramento County property tax revenues which results a contribution of \$33,000 for Drainage Reserves Same as FY 18-19
- Proposed rate increases of 2% on the residential monthly bill for Drainage and Security.



Budget Drivers & Assumptions

Expenses - Staffing

- ❖ General Wages and Employer Costs
 - 2.75% wage increase for represented employees – overall increase
 - \$45,000 Pay for Performance pool (unrepresented)
 - No change in funding level of Other Post Employment Benefits, \$150K - Annual Required Contribution (OPEB ARC)
 - Projected 10% increase in medical premium – Jan. 2020
 - Staffing costs reflects new retirees and new hires



Budget Drivers & Assumptions

Expenses

❖ Wages and Employer Costs

❖ CalPERS Retirement & Unfunded Liability Increases

- Classic PERS Members – Hired before 1/1/13
- 2% at 55 Plan
- 10.221% plus \$18,272/month PERS Employer flat Contribution Rate
- New PERS Members – Hired after 1/1/13
- 2% at 62 Plan
- 6.985% plus \$931/month PERS Employer flat Contribution Rate



Budget Drivers & Assumptions

Expenses

- 4.75% increase in SMUD fixed rates effective Jan 1, 2020
- \$20K related to Security and Patrol technology for improved Gate Access and Patrol operations
- \$15K towards improvements to the financial systems, operations and reporting
- \$6.5K towards purchase of plotter/scanner at District office to support escrow file and map document imaging
- \$88K GSRMA Liability and Workers Comp increase
- \$20K funding for University of the Pacific, Co-Op intern
- \$75K legal and consult support towards Water Rights



Budget Drivers & Assumptions

Expenses

- Includes \$4,000 additional for Midge Fly chemical; bringing total budget to \$7,500 for Bactimos
- Liability insurance premium increase estimated at 4.5%
- Workers Comp increased from 4.5% to 6.9%
- Solid Waste contract cost and related Sacramento County Admin fee estimated to increase 4.21% and 2.25%, respectively
- Chemical cost expected to remain static due to purchases under BACC contracts and estimated production demands
- 11.8% estimated reduction in overall power cost for WWTP and WTP related to Solar Power arrays



Budget Drivers & Assumptions

Approved Positions by Department

	Approved 2016-17	Approved 2017-18	Approved 2018-19	Proposed 2019-20
Administration	6.0	6.0	7.0	7.5
Water/Sewer	12.5	12.5	12.5	12.5
Security	17.0	17.0	17.0	17.0
Total	35.5	35.5	36.5	37.0



Proposed RMA Rate Increase

Residential metered lot	Current Rate 2018-19	Proposed Rate 2019-20	Percent Increase
Security	\$29.15	\$29.73	2.0%
Water			
Base Charge	\$42.27	\$45.72	8.2%
Consumption/cubic foot	\$.0175	\$.0191	9.1%
WTP Debt Service Charge	\$6.00	\$6.00	0.0%
Sewer	\$47.17	\$49.53	5.0%
Drainage	\$5.12	\$5.22	2.0%
Solid Waste			
64 gallon container	\$21.67	\$22.44	3.6%



Proposed Village Rate Increase

Residential metered lot	Current Rate 2018-19	Proposed Rate 2019-20	Percent Increase
Security	\$7.03	\$7.17	2.0%
Water			
Base Charge	\$42.27	\$45.72	8.2%
Consumption/cubic foot	\$.0175	\$.0191	9.1%
WTP Debt Service Charge	\$6.00	\$6.00	0.0%
Sewer	\$47.17	\$49.53	5.0%
Drainage	\$3.42	\$3.49	2.0%
Solid Waste			
64 gallon container	\$21.67	\$22.44	3.6%



QUESTIONS & ANSWERS