



**SANTA YNEZ COMMUNITY SERVICES DISTRICT
FINANCE COMMITTEE MEETING**

Minutes of May 13, 2021

NOTE: This meeting was held via teleconference, pursuant to the Governor's Executive Order N-29-20 (March 17, 2020)

1. 10:00 CALL TO ORDER/ROLL CALL:

David Beard called the meeting to order at 10:07 AM. Staff present: General Manager Jose Acosta, Secretary/Treasurer Wendy Berry, Craig Kapner, Operations Supervisor and Director Beard and Director D'Ambra

2. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

No public was in attendance

3. FY 2021-2022 Draft Budget Review, Discussion and Recommendations

Sewer Revenue. Per the approve rate study, the sewer fees will not be increased the 2021/2022 fiscal year so the sewer fees will be \$76.67 per SFD per month. The District received all its property tax revenue from the County at the end of April and the total sewer fee revenue is \$1,159,000 which includes the 10 accounts that receive a bill from the District every month and tax roll revenue. The District also receives a sewer benefit fee from each parcel of \$49.28 per parcel for approximately \$38,000 per year. To date, the District has received \$37,914 which also includes the 10 accounts that receive a bill from the district every month and the tax roll revenue. This sewer benefit fee is for having sewer available to the property whether the parcel is connected or not. The sewer benefit fee is projected at \$38,000 which is the same as the approved budget for 20/21. This fee is placed on the tax roll and we will collect it when property taxes are paid.

Non-Operating Income. Projected to decrease by \$10,500 or 4% as compared to 20/21 budget from a decrease in interest income. Property tax should be approximately \$185,000 or 91% of the non-operating income. WWTP and Tribe admin fees decreased due to actual expenses for 20/21 decreasing and less staff time being spent at the WWTP.

Contract Agencies. The contract agencies admin fees will decrease by a total of \$1,460.00 from a decrease in expenses from the Tribe and WWTP expenses. Staff time is estimated to decrease, insurance increasing and the overhead contribution fee being included in the line items. The overhead contribution is a fee to the tribe and WWTP based on certain line items in the District's budget such as, office supplies and office machines. The District charges an administration fee of 10% to the Tribe and 5% to the WWTP. The total admin fee is based on the total expense the District pays for operation of the WWTP and Tribe collection system. These costs are estimated by actual expenses from previous years and can vary considerably.

Expense Categories

This draft of the budget has operating expenses (less capital) increase by \$10,950.00 or 1% when compared to the 20/21 approved budget. The increase in expenses comes from an increase in computer operations for the new accounting software, fuel tank at the 246

pumpstation, increase in vehicle repairs and increase in insurance. The expenses are based on budget to actual prior history and what the district's needs are for the upcoming year. There is very little flexibility to reduce expenses such as insurance, chemicals, supplies, equipment maintenance, lab testing, audit, and permits. We must always look for ways to reduce operating costs.

Personnel Cost. Current staff level of six full-time employees remains in the budget. There is no change in the retirement 13.65% for the 457 and 401a account. The total personnel budget will remain the same from the 20/21. However, the District will be negotiating this year. Per the current MOU that expires in June, the cost-of-living increase is based on the September cost of living index and effective January 1 of each year.

Utilities. Projected to stay the same as compared to the 20/21 budget.

Operations Expenses. There are a few increases within this section for the following purposes:

Insurance increase due to adding Golden Inn equipment and facilities to district policy.

R&M Vehicles- The 2004 Chevy truck will need several repairs to ensure the vehicle remains safe for operation, if the Board decides to postpone purchase of a replacement vehicle.

Pump Station- Highway 246 pump station should have a larger fuel tank installed, to ensure adequate supply is available in the event of an emergency or power outage. PG&E has announced several times they may have planned power outages, that can last between 3-5 days. The current fuel tanks do not allow adequate supply, in the event fuel stations or delivery are unavailable.

General and Administrative. Projected to stay the same as the 20/21 budget.

Debt. The District does not hold any debt

Transfer to Reserves. Staff is projecting two sewer connections not including Horizon Drive connections. It is projected to transfer \$380,312.00 from revenue/expense to the reserve account.

Capital Projects

The General Manager, Secretary/Treasurer, Operations Supervisor manage the capital projects.

The capital projects outlined below were taken from the recent Capital Improvement Program (CIP) lists.

A summary of major projects next year are as follows:

\$180,000 for the Solvang WWTP upgrade design consultant, however the District will have to pay the estimated \$780,000 for the first stage of aeration upgrade from the 20/21 fiscal year in 21/22.

\$200,000.00 for the force main bracing project.

\$85,000 is to complete a portion of the sewer line rehabilitation.

\$50,000 for a new camera system.

\$1,000,000.00 for the Stadium line project.

Total Capital Improvement cost in fiscal year 2021/22 is \$1,515,000.

4. ADJOURNMENT. The meeting was adjourned at 11:13 A.M.

APPROVED:

Karen Jones, President Board of Directors

ATTEST:

Wendy Berry, Secretary Board of Directors

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