

Livermore Area Recreation and Park District

Staff Report

TO: Chair Palajac and Board of Directors

FROM: Mat Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Administrative Services Manager
Julie Dreher, Finance Officer

DATE: June 24, 2020

SUBJECT: **Final 2020 – 21 Operating and 2020-2023 CIP Budgets**

Board of Directors: Preliminary Budget Reviewed June 9, 2020
Finance Committee: Reviewed June 15, 2020

RECOMMENDATION: That the Board of Directors adopt Resolution No. _____, approving the District’s Final FY20-21 Operating Budget, and Resolution No. _____, approving the District’s Final Capital Improvement Program (CIP) Budget for FY20-23.

BACKGROUND: The District is required to obtain Board approval of its Preliminary Operating and CIP Budgets prior to receiving Board approval for the Final Budgets by June 30th.

Each year, the District conducts a Budget Workshop that provides the Board with a view of its Preliminary Budgets for the coming fiscal year and obtains the Board’s feedback and guidance. This year, the Workshop was conducted immediately prior to the June 9, 2020 Board meeting, at which time the Board approved staff’s proposed Preliminary Operating and CIP Budgets. Staff also benefited from Board guidance obtained from a detailed financial review of the District’s financial plans through FY20-21 that was held with the Board on April 28, 2020.

OF NOTE: The proposed Final Operating Budget relies upon the use of Reserves to balance, with \$353k required to do so. However, staff recommends that the Board establish an ad-hoc committee to review the District’s organizational structure in search of efficiencies that will help to negate the need to deplete reserves during FY20-21.

A complete view of the District’s Final Operating and CIP Budget recommendations is presented in Attachment A, “Final Operating and Capital Improvement Plan Budgets for FY20-21”.



Livermore Area Recreation and Park District 6/24/20 Board Meeting

Final Operating and Capital Improvement Plan Budgets for FY20-21

Contents / Agenda

1. Final Budget Overview
2. Key Assumptions
 - A. District-wide
 - B. Department-specific
3. Cash Flow Projections
4. Risks and Opportunities
5. Conclusions and Recommendations
6. Board Guidance

Operating Results Trend: FY18-19 – FY20-21

“Reserves are required to balance the budget, as current expense management plans, while significant, are not enough to offset declining Revenue.”

District Totals	FY18-19	FY19-20		FY20-21	Variances B/(P)		
	Actual	Mid-Yr	Current Fcst	Final	FY19-20 vs Mid-Yr	FY20-21 vs Mid-Yr	TOTAL for FY19-21
Revenue	\$22,661,449	\$23,369,751	\$19,724,450	\$19,193,045	(\$3,645,301)	(\$4,176,707)	(\$7,822,008)
Salaries and Benefits	14,733,868	15,855,240	14,806,711	14,405,577	\$1,048,529	\$1,449,663	\$2,498,192
Services and Supplies	6,303,227	6,856,496	6,111,842	5,140,329	\$744,654	\$1,716,166	\$2,460,820
District Contingency		602,422	0	0	\$602,422	\$602,422	\$1,204,843
Capital	318,780	55,594	22,776	0	\$32,818	\$55,594	\$88,412
Net Operating Results	\$1,305,574	\$0	(\$1,216,879)	(\$352,861)	(\$1,216,879)	(\$352,861)	(\$1,569,740)

Key Assumptions

District-wide:

1. Apropos to the uncertain climate in which this year's budget has been developed, the General Manager has guided staff to plan conservatively in terms of revenue projections and related staffing assumptions.
2. Salaries and benefits projections are worst case from an expense perspective: while staff who have been furloughed or had their hours reduced can apply for unemployment, we are assuming they will report their normally scheduled hours by using leave credits.
3. Of the District's 43 Part-time benefited staff, 32 were furloughed as of April 19th, for up to 120 days (through August 17th).
4. Casual staff are largely going unscheduled unless there's no alternative for non-furloughed benefited staff to fill a need; Savings: \$616k in FY20 and \$739k in FY21.
5. No COLA in July, 2020 (\$280k) and no Step increases are assumed in FY20-21 (\$200k).
6. No Increase is assumed for the District's contribution to employee health benefits.
7. No changes are required to meet the State's mandated minimum wage for FY20-21 (which stands at \$14.00 per hour).

Key Assumptions (Continued)

District-wide:

7. ACERA Rates will increase once again for FY20-21, effective September, 2020:

District Contributions				
ACERA Tier	EE Count	Sept19-Aug20	Sept20-Aug21	% increase
Tier 1	8	33.62%	38.07%	13.24%
Tier 3	20	38.41%	43.82%	14.08%
Tier 4	24	32.14%	36.60%	13.88%
Total	52			

8. No change to the District's 2% contribution to the 457 plan (deferred income) for Regular (full-time but non-pensioned) staff, nor to the District's 457 match, which is up to 4% of employee salaries and available to all Part-Time Benefited and Regular employees.
9. Workers' compensation rates are preliminary, as CAPRI is revisiting its base rates by employee classification once revised salary projections (COVID-19-influenced) are provided to them:

Classification		WC RATES effective 7/1/19			Base Rate assumed change for FY20-21	WC RATES effective 7/1/20		
		% of gross salary				% of gross salary		
		Base Rate	Exper Mod Factor	Full Rate		Base Rate	Exper Mod Factor	Full Rate
8810	Clerical	0.41%	111.00%	0.46%	5.00%	0.43%	110.00%	0.47%
9410	Recreation	2.26%	111.00%	2.51%	5.00%	2.37%	110.00%	2.61%
9420	Manual	9.72%	111.00%	10.80%	5.00%	10.21%	110.00%	11.23%
7720	Park Rangers	4.29%	111.00%	4.76%	5.00%	4.50%	110.00%	4.95%

Key Assumptions (Continued)

District-wide:

10. CIP projects: Only three projects are assumed in FY20-21:
 - A. Sunset Park project is assumed to be completed (\$300k left; AB funding) by August, 2020 and is expected to be completed within the approved \$1.2M budget.
 - B. Rodeo Stadium Improvements – now pushed out to May 2021 (\$340k)
 - C. Michell Buildings – budgeted at \$1.5M, is in progress (Design phase) and is now assumed to be completed in the Spring of 2022.

11. The District's revised CIP planning process, which allows for the critical review of projects as major phases are completed (Concept, Design, Bid, Construction), will support discussion of additional projects as clarity surrounding the District's financial projections improves.

Key Assumptions (continued)

Recreation:

1. Limited program activity through August. Most program areas are projected to return to approximately normal levels by September, with the exception of Facility Rentals, which will not reach normal activity levels until March, 2021.
2. Robert Livermore Aquatic Center programming is being driven by restrictions set forth by the Alameda County Health Department. Program offerings will be minimal until these restrictions ease up.
3. May Nissen Swim Center will remain closed for the foreseeable future as a result of the need to resurface both pools and address other maintenance concerns.
4. Services (janitorial) have been eliminated and replaced by internal staff.

Key Assumptions (continued)

Community Services:

1. ESS, Preschool, and Open Space plans are heavily dependent upon the LVJUSD 20-21 school schedule.
2. ESS enrollment resumed in May at 3 sites, with a total of 4 classrooms supporting ~10 kids per room (37 kids total). Activity is projected to reach approximately 60% of normal levels by August and then 70% of normal levels by January, 2021, remaining there through June 2021.
3. Preschool enrollment resumes in earnest in August, 2020.
4. Middle School enrollment is not expected to reach “normal”, pre-COVID-19 levels, and revenue and expenses have been adjusted accordingly.
5. Senior Trips do not resume until January, 2021

Key Assumptions (continued)

Parks and Facilities Maintenance:

1. Water usage is projected at levels that are 30-50% below previously projected use, some of which is due to favorable weather but also a conscious move to reduce costs while allowing for a modest recovery time once limitations are lifted.
2. Contract work for park maintenance is reduced to 50% of current levels by September, 2020, and remains at that level; Services for four temp staff doing rudimentary tasks eliminated in April, 2020
3. No new leased vehicles for FY20-21.

Key Assumptions (continued)

Administration:

1. Property Tax revenues will not be impacted by COVID-19 in December, 2020, and are projected at current year levels for April, 2021. Parcel Taxes assume a 2% increase vs FY19-20 fees.
2. Marketing's Dogtoberfest, Childrens' Fair, and Applefest events are not in the plan through June, 2021.
3. Program Guides are assumed to be digital as of August 2020 (the Fall guide) because we are not yet sure of what can feasibly be offered (costs drop from \$29k per production to ~\$7-\$8k). When conditions allow, the return to normal production of the guide will be reconsidered.

Operating Results Trend by Dept.

					Variances B/(P)		
	FY18-19	FY19-20		FY20-21	FY19-20 vs	FY20-21 vs	TOTAL for
	Actual	Mid-Yr	Current Fcst	Final	Mid-Yr	Mid-Yr	FY19-21
Adminstration (1)							
Revenue	\$12,247,165	\$13,001,005	\$12,636,618	\$12,843,087	(\$364,387)	(\$157,919)	(\$522,306)
Salaries and Benefits	1,902,768	2,494,540	2,459,731	2,339,544	\$34,809	\$154,996	\$189,806
Services and Supplies	1,418,985	1,699,439	1,653,648	1,697,764	\$45,790	\$1,675	\$47,465
District Contingency	0	602,422		0	\$602,422	\$602,422	\$1,204,843
Capital	318,780	55,594	22,776		\$32,818	\$55,594	\$88,412
Net Operating Results	\$8,606,632	\$8,149,011	\$8,500,463	\$8,805,779	\$351,452	\$656,768	\$1,008,220
Community Services							
Revenue	7,167,012	7,423,794	\$5,238,756	\$4,550,699	(\$2,185,038)	(\$2,873,095)	(\$5,058,133)
Salaries and Benefits	6,771,018	7,060,090	6,517,045	5,952,040	\$543,046	\$1,108,050	\$1,651,096
Services and Supplies	625,347	703,472	560,257	465,568	\$143,215	\$237,904	\$381,119
Net Operating Results	(\$229,353)	(\$339,768)	(\$1,838,546)	(\$1,866,909)	(\$1,498,777)	(\$1,527,141)	(\$3,025,918)
Recreation							
Revenue	\$2,814,308	\$2,556,712	\$1,477,928	\$1,413,411	(\$1,078,784)	(\$1,143,301)	(\$2,222,085)
Salaries and Benefits	2,990,788	2,961,076	2,549,308	2,627,846	\$411,768	\$333,230	\$744,998
Services and Supplies	1,069,443	934,382	740,111	579,225	\$194,271	\$355,157	\$549,428
Net Operating Results	(\$1,245,923)	(\$1,338,746)	(\$1,811,491)	(\$1,793,660)	(\$472,745)	(\$454,914)	(\$927,659)
Parks and Facilities Maintenance							
Revenue	432,964	388,240	\$371,148	\$385,848	(\$17,092)	(\$2,392)	(\$19,484)
Salaries and Benefits	3,069,294	3,339,534	3,280,627	3,486,147	\$58,906	(\$146,613)	(\$87,707)
Services and Supplies	3,189,452	3,519,203	3,157,826	2,397,772	\$361,377	\$1,121,431	\$1,482,808
Net Operating Results	(\$5,825,782)	(\$6,470,496)	(\$6,067,305)	(\$5,498,071)	\$403,191	\$972,426	\$1,375,617

(1) Administration includes GM/AGM, Marketing, Finance, HR, IT, and CIP Admin

Revenue View

“The significant impact of the COVID-19 Pandemic can be quantified using the Mid-Year FY20-21 Budget as a gauge. The importance of our tax income is greater than ever.”

	Mid-Year FY19-20 Budget	% of Total	FY19-20		Var B/(P) vs Mid-Yr		FY20-21		Incr/Decr vs FY19-20 Forecast	
			Current Forecast (*)	% of Total	\$	%	Final Budget	% of Total	\$	%
Property Taxes	\$11,333,233	48%	\$11,006,144	56%	(\$327,089)	(3%)	\$11,191,762	58%	\$185,618	2%
Parcel Taxes (97-1)	\$1,641,000	7%	\$1,609,223	8%	(\$31,777)	(2%)	\$1,641,000	9%	\$31,777	2%
Marketing	\$26,772	0%	\$21,251	0%	(\$5,521)	(21%)	\$10,325	0%	(\$10,926)	(51%)
ESS	\$5,365,708	23%	\$4,142,066	21%	(\$1,223,642)	(23%)	\$3,417,800	18%	(\$724,266)	(17%)
Preschool	\$464,860	2%	\$284,693	1%	(\$180,167)	(39%)	\$484,750	3%	\$200,057	70%
Middle School	\$612,682	3%	\$506,441	3%	(\$106,241)	(17%)	\$301,521	2%	(\$204,920)	(40%)
Believes	\$149,340	1%	\$150,529	1%	\$1,189	1%	\$149,194	1%	(\$1,335)	(1%)
Senior Svcs	\$221,211	1%	\$133,867	1%	(\$87,344)	(39%)	\$132,434	1%	(\$1,433)	(1%)
Open Space/Shelly	\$609,993	3%	\$21,160	0%	(\$588,833)	(97%)	\$65,000	0%	\$43,840	207%
Rec - Facility Use	\$746,886	3%	\$465,010	2%	(\$281,876)	(38%)	\$257,288	1%	(\$207,722)	(45%)
Rec - Field/Gym Rentals	\$524,087	2%	\$390,277	2%	(\$133,810)	(26%)	\$403,301	2%	\$13,024	3%
Rec - Aquatics/Concessions	\$538,760	2%	\$294,628	1%	(\$244,132)	(45%)	\$266,780	1%	(\$27,848)	(9%)
Rec - Youth and Adult Sports	\$538,008	2%	\$231,579	1%	(\$306,429)	(57%)	\$381,260	2%	\$149,681	65%
Rec - Recreation Classes	\$188,358	1%	\$78,679	0%	(\$109,679)	(58%)	\$84,000	0%	\$5,321	7%
Rec - Other (refunds, admin fees)	\$20,613	0%	\$17,755	0%	(\$2,858)	(14%)	\$20,782	0%	\$3,027	17%
Parks	\$388,240	2%	\$371,148	2%	(\$17,092)	(4%)	\$385,848	2%	\$14,700	4%
TOTAL	\$23,369,751	100%	\$19,724,450	100%	(\$3,645,301)	(16%)	\$19,193,045	100%	(\$531,406)	(3%)
	\$0		\$0				\$0			
Taxes	\$12,974,233	56%	\$12,615,367	64%	(\$358,866)	(3%)	\$12,832,762	67%	\$217,395	2%
Marketing	\$26,772	0%	\$21,251	0%	(\$5,521)	(21%)	\$10,325	0%	(\$10,926)	(51%)
Community Services	\$7,423,794	32%	\$5,238,756	27%	(\$2,185,038)	(29%)	\$4,550,699	24%	(\$688,057)	(13%)
Recreation	\$2,556,712	11%	\$1,477,928	7%	(\$1,078,784)	(42%)	\$1,413,411	7%	(\$64,517)	(4%)
Parks and Facilities	\$388,240	2%	\$371,148	2%	(\$17,092)	(4%)	\$385,848	2%	\$14,700	4%
TOTAL	\$23,369,751	100%	\$19,724,450	100%	(\$3,645,301)	(16%)	\$19,193,045	100%	(\$531,406)	(2%)

(*) Actual results through April, 2020, plus updated forecast for May-June 2020

Personnel Expense View

“Staff levels have been dramatically reduced due to limitations on program offerings.”

	Mid-Year FY19-20 Budget		FY19-20		Var B/(P) vs Mid-Yr \$ %		FY20-21		Incr/Decr vs FY19-20	
			Current Forecast (*)	% of Total			Final Budget	% of Total	Forecast	
		% of Total							\$	%
Full-Time Salaries	\$7,288,335	46%	\$7,135,538	48%	\$152,797	2%	\$6,951,726	48%	(\$183,812)	(3%)
Part Time Benefitted Wages	\$1,590,010	10%	\$1,568,666	11%	\$21,344	1%	\$973,140	7%	(\$595,525)	(38%)
Part Time Wages	\$2,454,424	15%	\$1,838,438	12%	\$615,987	25%	\$1,715,265	12%	(\$123,172)	(7%)
Board of Directors Stipends	\$30,000	0%	\$31,350	0%	(\$1,350)	(5%)	\$36,000	0%	\$4,650	15%
Retirement Expense	\$1,533,731	10%	\$1,389,297	9%	\$144,434	9%	\$1,834,203	13%	\$444,906	32%
Employee Group Insurance	\$1,915,142	12%	\$1,889,544	13%	\$25,598	1%	\$1,985,808	14%	\$96,264	5%
Workers Compensation	\$462,649	3%	\$423,491	3%	\$39,158	8%	\$434,713	3%	\$11,222	3%
Unemployment Claims	\$0	0%	\$7,340	0%	(\$7,340)	-	\$0	0%	(\$7,340)	(100%)
Medicare FICA Expense	\$580,948	4%	\$523,048	4%	\$57,900	10%	\$474,720	3%	(\$48,328)	(9%)
TOTAL	\$15,855,240	100%	\$14,806,711	100%	\$1,048,529	7%	\$14,405,577	100%	(\$401,134)	(3%)
			\$0				\$0			
Administrative Services (**)	\$2,494,540	16%	\$2,459,731	17%	\$34,809	1%	\$2,339,544	16%	(\$120,187)	(5%)
Community Services	\$7,060,090	45%	\$6,517,045	44%	\$543,046	8%	\$5,952,040	41%	(\$565,004)	(9%)
Recreation	\$2,961,076	19%	\$2,549,308	17%	\$411,768	14%	\$2,627,846	18%	\$78,538	3%
Parks and Facilities	\$3,339,534	21%	\$3,280,627	22%	\$58,906	2%	\$3,486,147	24%	\$205,519	6%
TOTAL	\$15,855,240	100%	\$14,806,711	100%	\$1,048,529	7%	\$14,405,577	100%	(\$401,134)	(3%)
			\$0							

(*) Actual results through April, 2020, plus updated forecast for May-June 2020

(**) Administrative Services includes Finance, HR, IT, Marketing, and GM/AGM

Services and Supplies View

“Significant reductions are envisioned in all areas, with an aim to avoid long-term impact on the quality of our services, parks, and facilities .”

	FY19-20 Budget		FY19-20 Forecast (*)		FY19-20 Var B/(P) vs Mid-Yr		FY20-21 Final Budget		FY20-21 % of Total		Incr/Decr vs FY19-20 Forecast	
	Mid-Year	% of Total	Current	% of Total	\$	%	Final	% of Total	Forecast		\$	%
Unit 01 - Administration	\$1,112,422	16%	\$1,068,042	17%	\$44,380	4%	\$1,160,531	22%	\$92,489	9%		
Unit 17 - Marketing & Public Information	\$196,222	3%	\$146,970	2%	\$49,252	25%	\$88,414	2%	(\$58,556)	(40%)		
Unit 18 - Technology & Communication	\$386,912	6%	\$436,253	7%	(\$49,341)	(13%)	\$444,929	9%	\$8,676	2%		
Unit 45 - Capital Equipment	\$55,594	1%	\$39,128	1%	\$16,466	30%	\$55,000	1%	\$15,872	41%		
Unit 60 - CIP Administration	\$3,883	0%	\$2,383	0%	\$1,500	39%	\$3,890	0%	\$1,507	63%		
Subtotal, Administrative Services	\$1,755,033	25%	\$1,692,776	28%	\$62,256	4%	\$1,752,764	34%	\$59,988	4%		
Unit 05 - Building Maintenance	\$770,091	11%	\$639,215	10%	\$130,876	17%	\$404,230	8%	(\$234,985)	(37%)		
Unit 07 - Park Operations	\$2,749,112	40%	\$2,518,611	41%	\$230,501	8%	\$1,993,542	38%	(\$525,069)	(21%)		
Subtotal, Parks and Facilities	\$3,519,203	51%	\$3,157,826	51%	\$361,377	10%	\$2,397,772	46%	(\$760,054)	(24%)		
Unit 02 - Recreation Classes	\$100,912	1%	\$88,305	1%	\$12,607	12%	\$60,000	1%	(\$28,305)	(32%)		
Unit 03 - Adult Sports & Fitness	\$67,660	1%	\$46,543	1%	\$21,117	31%	\$36,150	1%	(\$10,393)	(22%)		
Unit 04 - MN POOL	\$19,000	0%	\$12,000	0%	\$7,000	37%	\$12,000	0%	\$0	0%		
Unit 20 - Customer & Business Services	\$193,956	3%	\$161,499	3%	\$32,457	17%	\$169,870	3%	\$8,371	5%		
Unit 25 - Facility Use & Rentals	\$101,789	1%	\$70,958	1%	\$30,831	30%	\$16,350	0%	(\$54,608)	(77%)		
Unit 26 - Youth Sports & Fitness	\$97,556	1%	\$88,241	1%	\$9,315	10%	\$75,750	1%	(\$12,491)	(14%)		
Unit 27 - Field & Gym Rentals	\$73,057	1%	\$49,844	1%	\$23,213	32%	\$70,300	1%	\$20,456	41%		
Unit 31 - Recreation Administration	\$6,668	0%	\$4,283	0%	\$2,385	36%	\$13,845	0%	\$9,562	223%		
Unit 42 - Building Operations	\$117,431	2%	\$95,771	2%	\$21,660	18%	\$45,730	1%	(\$50,041)	(52%)		
Unit 54 - Aquatics	\$134,618	2%	\$113,531	2%	\$21,087	16%	\$65,130	1%	(\$48,401)	(43%)		
Unit 57 - Concessions	\$21,735	0%	\$9,136	0%	\$12,599	58%	\$14,100	0%	\$4,964	54%		
Subtotal, Recreation	\$934,382	14%	\$740,111	12%	\$194,271	21%	\$579,225	11%	(\$160,886)	(22%)		
Unit 06 - Camp Shelly	\$26,544	0%	\$20,279	0%	\$6,265	24%	\$14,030	0%	(\$6,249)	(31%)		
Unit 09 - Extended Student Services	\$387,492	6%	\$311,430	5%	\$76,062	20%	\$208,926	4%	(\$102,504)	(33%)		
Unit 10 - Senior Services	\$141,169	2%	\$99,041	2%	\$42,128	30%	\$88,172	2%	(\$10,869)	(11%)		
Unit 11 - PRESCHOOL	\$12,996	0%	\$10,304	0%	\$2,692	21%	\$14,000	0%	\$3,696	36%		
Unit 16 - Open Space	\$104,158	2%	\$89,605	1%	\$14,553	14%	\$124,390	2%	\$34,785	39%		
Unit 32 - Community Outreach	\$4,437	0%	\$4,437	0%	\$0	0%	\$8,050	0%	\$3,613	81%		
Unit 40 - Believes	\$0	0%	\$0	0%	\$0	-	\$0	0%	\$0	-		
Unit 41 - Middle School Program	\$26,676	0%	\$25,161	0%	\$1,515	6%	\$8,000	0%	(\$17,161)	(68%)		
Subtotal, Community Services	\$703,472	10%	\$560,257	9%	\$143,215	20%	\$465,568	9%	(\$94,689)	(17%)		
District Totals	\$6,912,090	100%	\$6,150,970	100%	\$761,120	11%	\$5,195,329	100%	(\$955,641)	(16%)		

Cash Flow Forecast – Highlights

1. Focus is on the District's General Fund (excludes AB1600 funds)
2. As of the end of May, 2020, our Cash Balances in the General Fund (excluding AB1600) amounted to \$9.2 million
3. The General Fund Balance will reach its nadir in November, 2020, at \$2.0 million
4. The vast majority of Property and Parcel taxes are received in April and December each year (tax adjustments are seen in other months)

Cash Flow Forecast – model illustration

Beginning Balance - General Fund (as of 5/31/20)	\$5,755,070			9,210,292			FY20-21													
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21					
Revenue, net of refunds	\$5,151,536	\$332,297	\$678,578	\$165,748	\$369,093	\$693,865	\$434,118	\$447,115	\$6,738,903	\$621,893	\$1,143,436	\$545,780	\$5,948,848	\$861,069	\$1,223,178					
Salaries and Benefits	(\$1,042,669)	(\$1,563,659)	(\$1,146,650)	(\$941,626)	(\$1,050,985)	(\$1,080,442)	(\$1,645,570)	(\$1,090,871)	(\$1,054,453)	(\$1,103,647)	(\$1,125,688)	(\$1,124,296)	(\$1,113,509)	(\$1,748,485)	(\$1,326,006)					
WC quarterly Payment	(\$123,128)			(\$134,922)			(\$134,922)		(\$134,922)		(\$134,922)		(\$134,922)							
WC expense (from Sal/Ben) - add back - in Sal/Ben bur	\$34,258	\$57,000	\$40,932	\$35,348	\$39,215	\$40,634	\$61,604	\$40,935	\$39,730	\$41,230	\$41,836	\$41,796	\$41,555	\$65,372	\$50,434					
A/P - For pre-April items	(\$462,000)		(\$188,000)																	
Services and Supplies	(\$311,959)	(\$391,816)	(\$449,226)	(\$442,452)	(\$438,779)	(\$372,609)	(\$394,349)	(\$360,969)	(\$541,114)	(\$365,088)	(\$332,294)	(\$396,474)	(\$440,809)	(\$471,889)	(\$583,504)					
Operating IN/(OUT) Flows	\$3,246,037	(\$1,566,177)	(\$1,064,366)	(\$1,317,904)	(\$1,081,456)	(\$718,552)	(\$1,679,119)	(\$963,790)	\$5,183,066	(\$940,534)	(\$272,710)	(\$933,194)	\$4,301,162	(\$1,293,933)	(\$635,897)					
Cash Balance before Project Spend and Loan Pmt	\$9,001,107	\$8,111,807	\$8,145,926	\$6,552,636	\$5,606,180	\$4,567,628	\$3,188,509	\$2,224,719	\$7,207,784	\$6,267,251	\$5,981,405	\$4,835,075	\$9,123,101	\$7,671,032	\$6,851,999					
PG&E On-Bill Financing - Loan Pmt (balance sheet)	(\$13,136)	(\$13,136)	(\$13,136)	\$0	\$0	\$0	\$0	\$0	\$0	(\$13,136)	(\$13,136)	(\$13,136)	(\$13,136)	(\$13,136)	(\$13,136)					
Project Spend - AB 1600 (OUT)/IN																				
RLCC BaseBall Fields		\$0	\$0																	
RLCC BaseBall Fields			\$0	\$0																
Miscellaneous Projects - invoices outstanding	\$839,014	\$14,000																		
446 ADA - SG Extension-Arroyo Del Valle Trail Bridge Connection (p	\$51,000																			
Sunset		\$0		\$135,000		\$300,000														
Sub-total, AB1600 IN/(OUT) Flows	\$839,014	\$65,000	\$0	\$135,000	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0					
Project Spend - General Fund:																				
Joe Michell Building Repl (\$1.5M over 2 years)			(\$80,250)	\$0	(\$20,000)			(\$200,000)		\$0	(\$200,000)		(\$200,000)							
Four Playgrounds - payout of remaining retention (already pd t		\$0	(\$164,301)																	
Miscellaneous Projects - invoices outstanding	(\$14,000)		(\$17,699)																	
Sunset Park invoices o/s	(\$135,000)				(\$300,000)															
446 ADA - SG Extension-Arroyo Del Valle Trail Bridge Connection (pd in Mar)																				
Rodeo Stadium Infrastructure Improvements				\$0	\$0									(\$170,000)	(\$170,000)					
May Nissen Pool Renovation (all paid in March)	\$0	\$0																		
Shade Structures at Various Parks			\$0		\$0		\$0				\$0			\$0						
538 Bill Clark Park - Design (No more work beyond i	\$0	\$0																		
Bill Clark Park, Construction/soft costs				\$0	\$0	\$0														
Demo Stands at May Nissen Pool		\$0																		
Equestrian Arena Renovation (Covered and Upper)					\$0															
Ida Holm Park - use of \$30k contribution			\$0																	
Placeholder for Deferred Maintenance Projects																				
Sub-total, Project Spending - General Fund	(\$149,000)	\$0	(\$262,250)	\$0	(\$320,000)	\$0	\$0	(\$200,000)	\$0	\$0	(\$200,000)	\$0	(\$200,000)	(\$170,000)	(\$170,000)					
Capital Equipment (non-CIP)																				
RLCC Aquatics scoreboard		\$0												\$55,000						
IT - Firewalls		(\$21,305)																		
Miscellaneous Items - to be documented				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0					
Sub-total, Capital Equipment	\$0	(\$21,305)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,000	\$0	\$0					
Ending General Fund Balances	\$9,677,985	\$8,142,366	\$7,870,540	\$6,687,636	\$5,286,180	\$4,867,628	\$3,188,509	\$2,024,719	\$7,207,784	\$6,254,115	\$5,768,269	\$4,821,939	\$8,964,965	\$7,487,896	\$6,668,863					

Cash Flow Forecast – condensed view

Beginning Balance - General Fund (as of 5/31/20)	9,210,292	FY20-21					
		Jun-20	Sep-20	Nov-20	Dec-20	Mar-21	Jun-21
Operating IN/(OUT) Flows	(\$1,064,366)	(\$718,552)	(\$963,790)	\$5,183,066	(\$933,194)	(\$635,897)	
Cash Balance before Project Spend and Loan Pmt	\$8,145,926	\$4,567,628	\$2,224,719	\$7,207,784	\$4,835,075	\$6,851,999	
PG&E On-Bill Financing - Loan Pmt (balance sheet)	(\$13,136)	\$0	\$0	\$0	(\$13,136)	(\$13,136)	
Sub-total, AB1600 IN/(OUT) Flows	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0
Sub-total, Project Spending - General Fund	(\$262,250)	\$0	(\$200,000)	\$0	\$0	(\$170,000)	
Sub-total, Capital Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending General Fund Balances	\$7,870,540	\$4,867,628	\$2,024,719	\$7,207,784	\$4,821,939	\$6,668,863	

Risks

1. The COVID-19 virus returns at or beyond recent levels in the Fall and the District's programs are once again shut down completely.
2. Changes in the behavior of our community members, particularly in relation to traditional recreation programs, drives changes to the demand for these offerings.
3. We are unable to meet the projections for ramped up activity in Community Services (ESS), due to unforeseen, mandated restrictions.
4. We are able to open our recreation programs in a more limited fashion than is currently envisioned.
5. We are unable to retain key staff and/or bring them back from furlough when the demand for their safe return to work is evident again.

Conclusions/Recommendations

1. We recommend that the Board approve this Final Budget. However, because the use of Reserves (\$353k) is required to balance this Budget, staff recommends that the Board establish an ad-hoc committee to review the District's organizational structure in search of efficiencies that will help to negate the need to deplete reserves during FY20-21.
2. Given the lack of certainty that pervades our planning effort, we propose to implement a Quarterly Update to periodically establish a new Plan of Record (replacing the approved Budget at the end of Qtr 1, with updates each quarter throughout the year).
3. The results of our work , based upon our most informed and conservative assumptions, suggest we will be able to endure the current shutdown and not risk a dip below \$2.0million in cash (the equivalent of 4+ pay periods).



Thank You