

McKINLEYVILLE



COMMUNITY SERVICES DISTRICT



BUDGET

For the Fiscal Year Ending June 30, 2015

Adoption Date: June 4, 2014

MCSD BOARD OF DIRECTORS

David Couch, President
John Corbett, Vice President
Helen Edwards, Director
Dennis Mayo, Director
George Wheeler, Director

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
1656 Sutter Road
McKinleyville, CA 95519
Capital and Operating Budget

For the Fiscal Year Ending June 30, 2015

INTRODUCTION AND BUDGET GUIDE

This budget is intended to serve as a management tool for operation of the McKinleyville Community Services District (MCSD) during fiscal year July 1, 2014 through June 30, 2015. The Budget sets forth goals and priorities for staff to accomplish during the year in the four district operating departments. This budget is dynamic in that it can be amended as the Board adds goals and changes priorities.

- Page 3 includes information about McKinleyville and the McKinleyville Community Services District.
- The Mission Statement, a brief overview of the goals included in MCSD's Strategic Plan, the Organization Chart, and the calculated Full-Time Employee Equivalents for the fiscal year are included beginning at Page 5.
- Budgets and accompanying graphs for the Governmental Funds & the Enterprise Funds are shown beginning at Page 9. Detailed line item budgets are available for review by the Board and the public, but are not included in this policy/strategy level document.
- Historical Data is presented beginning at Page 14.
- MCSD's Capital Improvement Program Budgets and Narratives are shown beginning at Page 18.
- MCSD's Board approved Strategic Plan Matrix is shown in Appendix B, beginning at Page 26
- The Appropriations Limit calculations required by law for the Fiscal Year 2014-15 are included in Appendix C, starting on Page 33.

DESCRIPTION OF THE COMMUNITY

McKinleyville is an unincorporated community of Humboldt County in the north coastal region of California 300 miles north of San Francisco. McKinleyville has an approximate population of 15,177 according to 2010 data from the U. S. Census Bureau. It is the third largest community population area in Humboldt County behind Eureka (27,191) and Arcata (17,231). McKinleyville borders the Pacific Ocean and has a mild climate year round with frequent fog and moderate to heavy precipitation mainly between October and April. Because of the combination of coastal, mountain and valley areas, residents have the opportunity for a wide range of recreational activities. Just minutes from McKinleyville, you can surf, fish for salmon and steelhead, hike underneath the world's tallest trees and bike the Pacific Coast Trail.

The original settlers of McKinleyville were the Wiyot Indians who occupied the area for hundreds of years before the first white settlers arrived. Historian Edie Neilson estimates that there were three thousand Wiyots in the vicinity when the first white settlers arrived in the 1850s; by 1900, there were only 150 Wiyots left. Joseph Dow built his cabin in 1862 on the high prairie area near the future site of the Humboldt County Airport. For many years the area from the Mad River to the Little River was known as Dow's Prairie.

Dow's Prairie was isolated from the rest of the north coast communities by the bridgeless rivers to the north and south and the dense forest to the east. When passable, fording the Mad River to get supplies in Arcata was a two-day trip. In 1897, Arcata businessman Isaac Minor built a general store with a post office, a hotel and a creamery here. The general store quickly became the social center for the community and the people decided to call their town Minor in his honor. When President William McKinley was assassinated in 1901, Isaac Minor and the townspeople agreed to change the name of the community to McKinleyville.

The McKinleyville Union School District was founded in 1948 and includes Dow's Prairie School, McKinleyville Middle School and Morris School. MUSD is McKinleyville's largest employer with a payroll of over \$4 million. Graduates of MUSD attend McKinleyville High School, which was opened for the fall 1961 school year. Mack High is one of two high schools in the Northern Humboldt Union High School District.

Opportunities for higher education are nearby. Arcata's Humboldt State University, a four-year college with a full spectrum of curriculum and graduate programs, is a 10-minute drive from McKinleyville. Eureka, located 20 minutes south of McKinleyville, is the largest city and county seat of Humboldt County. The main branch of College of the Redwoods, a community college system offering comprehensive programs in many academic and technical fields, is located in Eureka.

DESCRIPTION OF THE DISTRICT

McKinleyville Community Services District (MCSD) was created on April 14, 1970 when McKinleyville's residents voted 592 "yes" against 154 "no" to form the District. Initially, the District had authority to serve water and treat sewer wastes. In 1972 the voters added street lighting powers. In 1985 the voters added recreational powers and in 1995 the voters authorized construction of the McKinleyville Library. The District boundaries encompass 12,140 acres ranging from North Bank Road on the south to Patrick Creek on the north. MCSD is an independent governmental unit organized under the Community Services District Law, pursuant to Title 6 Division 3 of the Government Code Section 61000, et seq. A five member Board of Directors elected to four-year rotating terms in odd-numbered years governs the District. The Directors meet on the first Wednesday of each month at Azalea Hall, 1620 Pickett Road to set policy, consider projects and settle disputes. The District office is located at 1656 Sutter Road just east of Central Avenue.

MCSD's principal activities include water, sewer, parks, recreation, street lighting and open space maintenance services. In recent years, the District has dramatically expanded its recreational services by developing approximately 44 acres of community parks (Hiller Park Playground and Picnic Area, Hiller Park Loop Trails, Hiller Sports Complex, Pierson Park and Larissa Park. In addition, the District has constructed three state-of-the-art buildings to provide an indoor sports and recreation facility (McKinleyville Activity Center), a community activities center (Azalea Hall) and a library (a branch of the Humboldt County Library). In 1999, the Mad River Rotary Club completed the fund-raising and construction of a Law Enforcement Facility on District land adjacent to the Library and Azalea Hall. The facility was then donated to the District and is leased to the Humboldt County Sheriff's Department.

MCSD purchases its wholesale water supply from the Humboldt Bay Municipal Water District, which diverts water from its million-gallon tank on Essex Hill under the Mad River to MCSD's Grant A. Ramey Pump Station at North Bank and Azalea Roads. Water is then pumped to storage tanks at McCluski Hill, Cochran Road and Norton Road; MCSD's six storage tanks have a combined capacity of 5.25 million gallons, approximately a 36 hour supply for our 6,300 customers.

All sewage for MCSD's 5,100 customers is treated at the Wastewater Management Facility at Hiller Park. The District recently completed a \$770,000 wetland construction project at Hiller Park to enhance the wastewater treatment process and to prevent stormwater pollution to the Mad River estuary. MCSD maintains approximately 65 miles of sewer mains. MCSD recycles treated wastewater for agricultural irrigation at the Fischer Irrigation Site and at Hiller Park. MCSD is committed to maintaining its sewage collection, treatment and disposal systems as a model for other communities.

Additional information and photographs of MCSD facilities are available on MCSD's website (www.mckinleyvillecsd.com). District staff and Directors can be reached by e-mail at mcscd@mckinleyvillecsd.com.

MISSION STATEMENT

Provide McKinleyville with safe and reliable water, wastewater, lighting, open space, parks and recreation, and library services in an environmentally and fiscally responsible manner.

STRATEGIC PLAN MATRIX

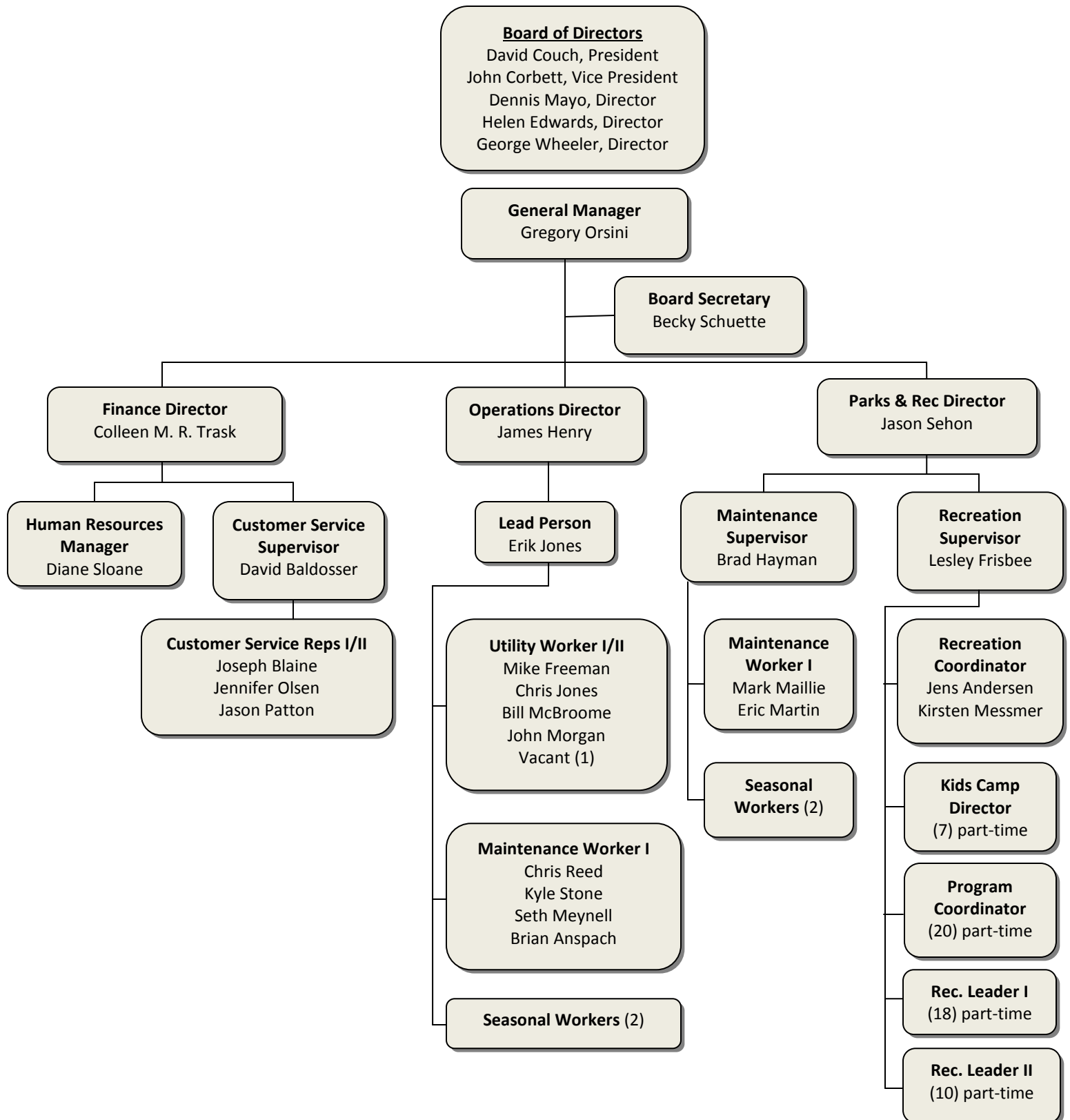
The District's Goals for any given year derive from the Board-approved Strategic Plan, which has a five-year planning horizon that is updated annually by the Board. The updated Strategic Plan is incorporated into the approved Budget by reference (at the pleasure of the Board) upon annual approval of the budget. The Strategic Plan Elements are summarized below and the complete Matrix, listed by Element, is included in Appendix B:

- 1.0 WATER
- 2.0 WASTEWATER
- 3.0 STREETLIGHTS
- 4.0 PARKS & RECREATION
- 5.0 PARTNERSHIPS
- 6.0 PERSONNEL / ORGANIZATION
- 7.0 ADMINISTRATIVE MANAGEMENT
- 8.0 FINANCE

McKinleyville Community Services District

Organization Chart: Fiscal Year 2014-15

Revised May 2014



McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Full Time Equivalents
For the Fiscal Year ending June 30, 2014

	Full-Time Benefitted	Part-Time & Seasonal	Total FTEs
General Manager	1		1
Support Services	7	0	7
Operations	10	2	11
Parks & Recreation	7	65	14
Total	25	67	33

McKinleyville Community Services District

Exhibits of Financial Information

Budget for the year ending June 30, 2014

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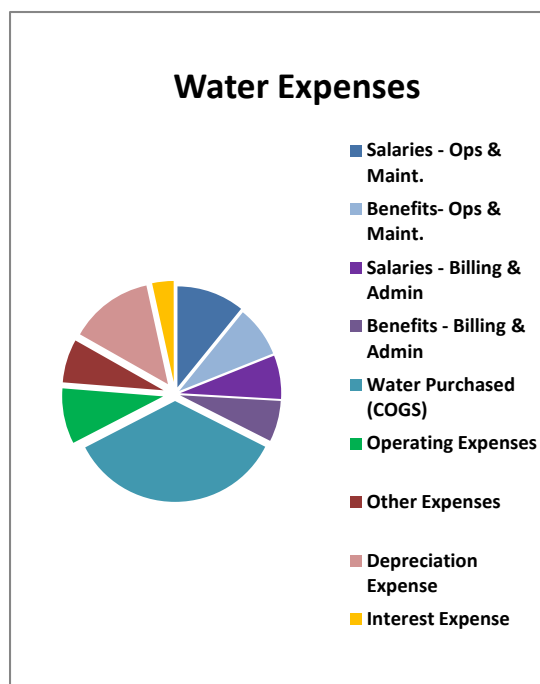
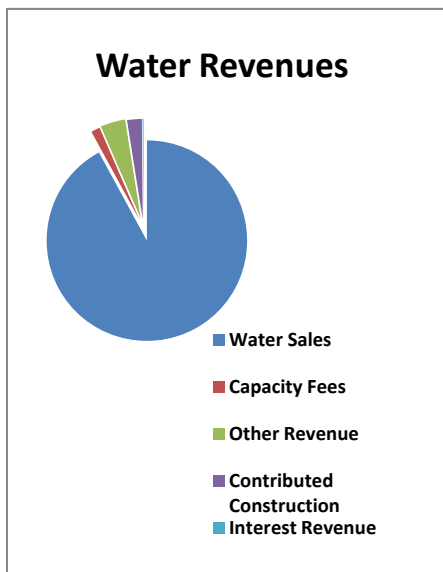
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McKinleyville Community Services District
District Budgets - All Funds
FY 2014-15

Description	Water Fund	Wastewater Fund	Streetlights Fund	Gen'l/Parks & Meas. B Funds	Total (Memorandum Only)
Revenues					
Water Sales	2,933,424				2,933,424
Sewer Service Charges		1,900,000			1,900,000
Capacity Fees	45,592	120,000			165,592
Streetlight Charges			72,958		72,958
Program Fees	-			393,040	393,040
Facility Fees	-			88,200	88,200
Property Taxes	-			510,000	510,000
Measure B Assessment	-			214,024	214,024
Open Space Fees	-			80,200	80,200
Contributions & Other Program	-			1,900	1,900
Other Revenue	127,550	74,970	16,800	14,100	233,420
Contributed Construction	75,000	100,000		-	175,000
Proceeds from Long Term Debt (Gov't only)	-		-	-	-
Quimby Fees/Capital Proj. Grants	-			93,000	93,000
Interest Revenue	4,907	20,000	-	3,000	27,907
Total Revenues	3,186,473	2,214,970	89,758	1,397,464	6,888,665
Expenditures					
Salaries & Benefits - Operations & Maint.	468,166	468,166	10,343		946,675
Salaries & Benefits - Billing & Admin	333,944	336,513	31,230		701,687
Salaries & Benefits - Rec Programs	-			421,325	421,325
Salaries & Benefits- Parks Maintenance	-			316,475	316,475
Salaries & Benefits- Parks&Rec Admin	-			215,114	215,114
Water Purchased (COGS)	863,768				863,768
Water & Electrical Expense		124,000			124,000
Operating Expenses	218,800	227,050	18,000		463,850
Other Expenses	171,751	213,500	18,070		403,321
Other Expenditures - Rec Programs	-			40,989	40,989
Other Expenditures - Parks Maintenance	-			84,510	84,510
Other Expenditures - Parks&Rec Admin	-			96,380	96,380
Depreciation Expense	330,000	480,000			810,000
Debt Service			12,000		
Interest Expense	85,000	41,519			126,519
Parks/Meas.B Capital Expenditures	-		-	220,000	220,000
Total Expenditures	2,471,429	1,890,748	89,643	1,394,793	5,834,613
Excess (Deficit)	715,044	324,222	115	2,671	1,054,052
 Fund Balance - July 1, 2013	 4,799,559	 13,817,012	 (71,111)	 1,381,674	 19,927,134
Projected Excess (Deficit) FY2013-14	299,542	508,039	19,324	(84,780)	742,124
Debt Principal FY2013-14 (Enterprise only)	(141,682)	(170,133)			(311,816)
New Borrowing FY2013-14(Enterprise only)	-	-			-
Capital Expenditure FY2013-14(Enterprise)	62,445	276,728			339,173
Projected Fund Balance June 30, 2014	5,019,864	14,431,646	(51,787)	1,296,894	20,696,616
Budgeted Excess (Deficit) FY2014-15	715,044	324,222	115	2,671	1,042,052
Anticipated Borrowing FY2014-15(Enterprise)	75,000	5,975,000			6,050,000
Capital Project grant funding (contingent)	335,000	1,000,000			1,335,000
Debt Principal FY2014-15 (Enterprise only)	(145,020)	(173,291)			(318,311)
Capital Expenditure FY2014-15(Enterprise)	(1,016,000)	(7,222,000)			(8,238,000)
Projected Fund Balance June 30, 2015	4,983,888	14,335,577	(51,672)	1,299,565	20,567,357

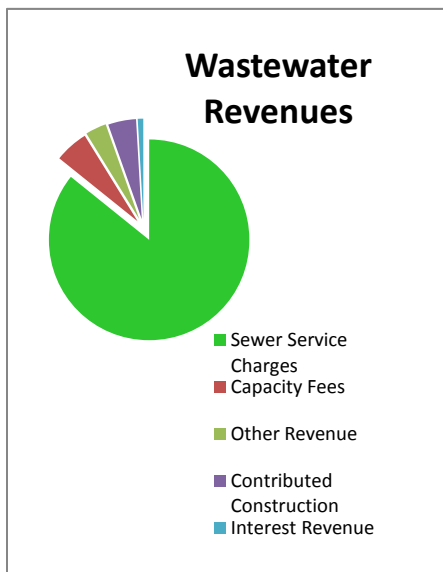
McKinleyville Community Services District
Enterprise Funds: Water Summary Budget
FY 2014-15

Description	Water Fund	
Water Revenues		
Water Sales	2,933,424	92%
Capacity Fees	45,592	1%
Other Revenue	127,550	4%
Contributed Construction	75,000	2%
Interest Revenue	4,907	0%
Total Revenues	3,186,473	100%
Water Expenses		
Salaries - Ops & Maint.	267,522	11%
Benefits- Ops & Maint.	200,644	8%
Salaries - Billing & Admin	171,964	7%
Benefits - Billing & Admin	161,980	7%
Water Purchased (COGS)	863,768	35%
Operating Expenses	218,800	9%
Other Expenses	171,751	7%
Depreciation Expense	330,000	13%
Interest Expense	85,000	3%
Total Expenses	2,471,429	100%
Excess (Deficit)	715,044	



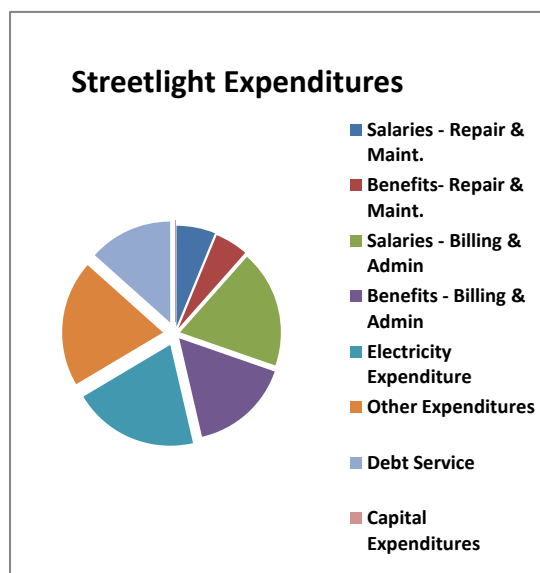
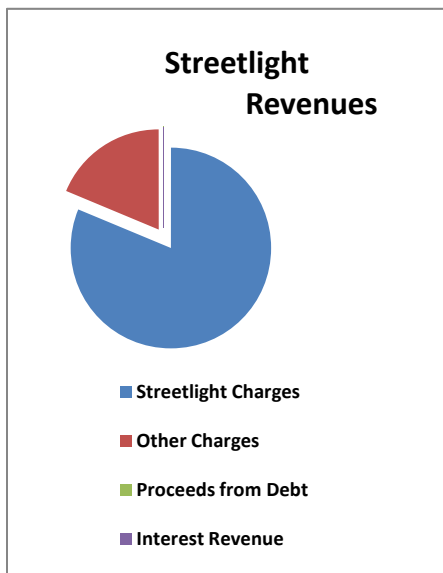
McKinleyville Community Services District
Enterprise Funds: Wastewater Summary Budget
FY 2014-15

Description	Wastewater Fund	
Wastewater Revenues		
Sewer Service Charges	1,900,000	86%
Capacity Fees	120,000	5%
Other Revenue	74,970	3%
Contributed Construction	100,000	5%
Interest Revenue	20,000	1%
Total Revenues	2,214,970	100%
Wastewater Expenses		
Salaries - Ops & Maint.	267,522	14%
Benefits- Ops & Maint.	200,644	11%
Salaries - Billing & Admin	173,367	9%
Benefits - Billing & Admin	163,146	9%
Water & Electrical Expense	124,000	7%
Operating Expenses	227,050	12%
Other Expenses	213,500	11%
Depreciation Expense	480,000	25%
Interest Expense	41,519	2%
Total Expenditures	1,890,748	100%
Excess (Deficit)	324,222	



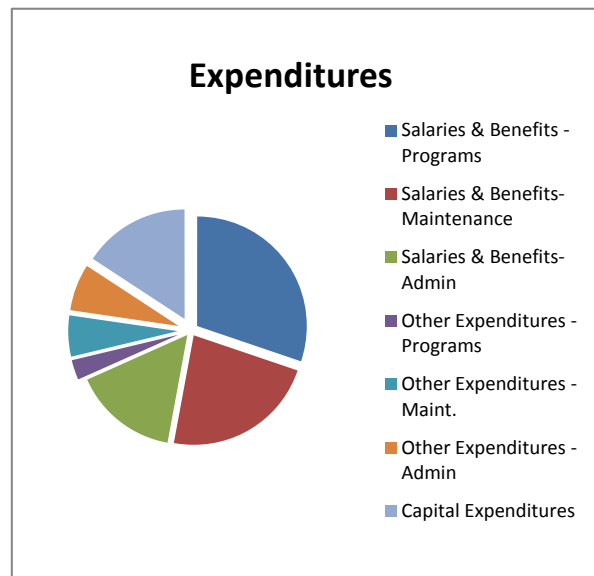
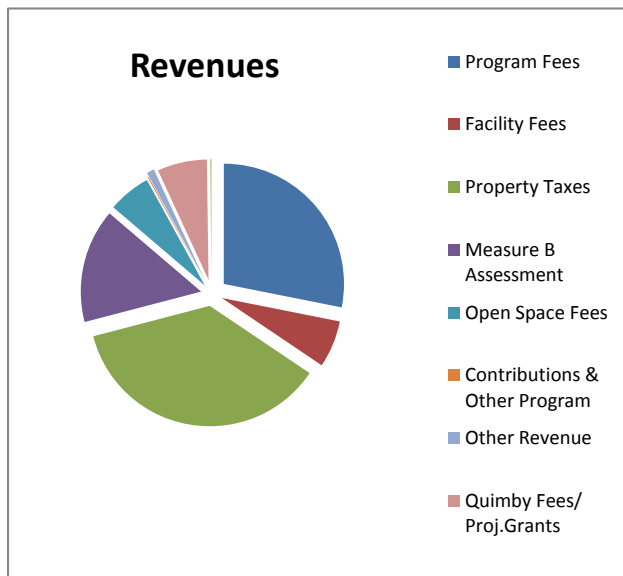
McKinleyville Community Services District
Governmental Funds: Streetlights Summary Budget
FY 2014-15

Description	Streetlights Fund	
Streetlight Revenues		
Streetlight Charges	72,958	81%
Other Charges	16,800	19%
Proceeds from Debt	-	-
Interest Revenue	-	0.0%
Total Revenues	89,758	100%
Streetlight Expenditures		
Salaries - Repair & Maint.	5,571	6%
Benefits- Repair & Maint.	4,772	5%
Salaries - Billing & Admin	16,837	19%
Benefits - Billing & Admin	14,393	16%
Electricity Expenditure	18,000	20%
Other Expenditures	18,070	20%
Debt Service	12,000	13%
Capital Expenditures	-	0%
Total Expenditures	89,642	100%
Excess (Deficit)	116	



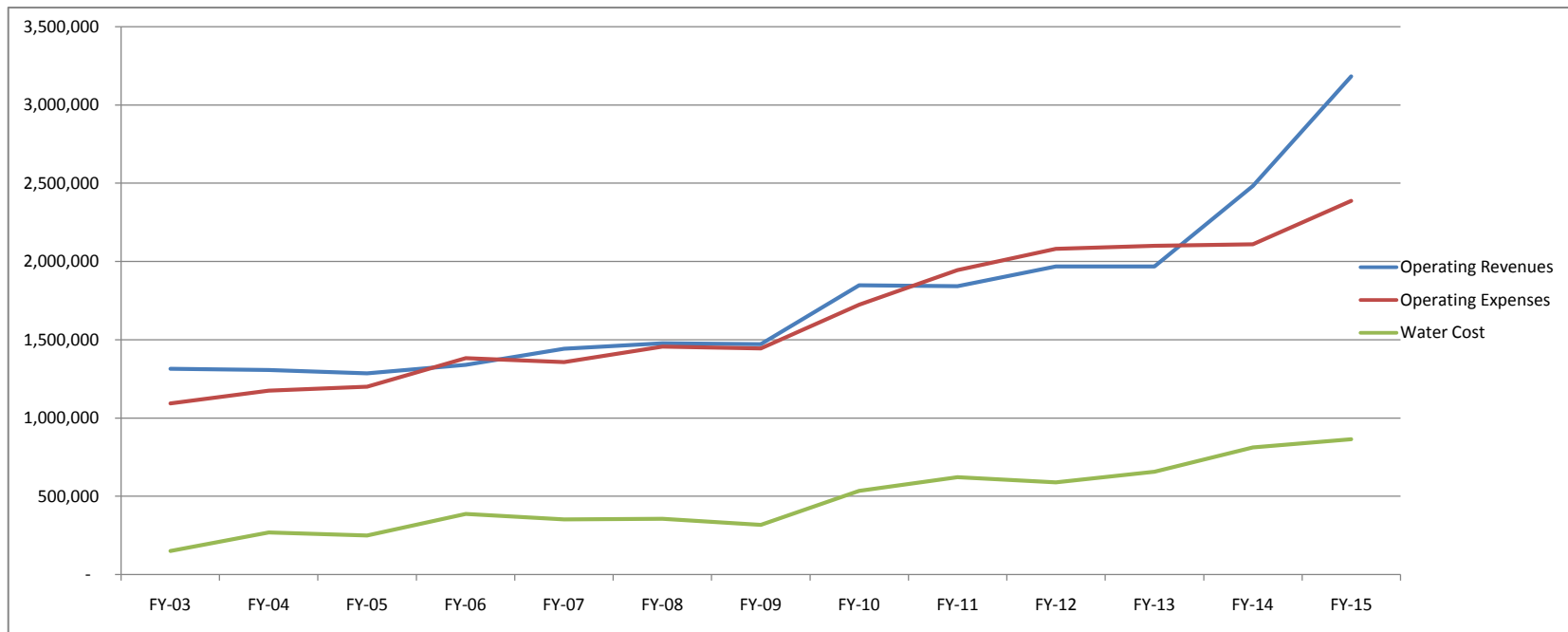
McKinleyville Community Services District
Governmental Funds Summary Budget
FY 2014-15

Description	Parks/General Fund		Measure B		Total (Memorandum Only)	
			Assessment Fund			
Revenues						
Program Fees	393,040	33%	-	-	393,040	28%
Facility Fees	88,200	7%			88,200	6%
Property Taxes	510,000	43%	-	-	510,000	36%
Measure B Assessment	-	-	214,024	100%	214,024	15%
Open Space Fees	80,200	7%	-	-	80,200	6%
Contributions & Other Program	1,900	0%	-	-	1,900	0%
Other Revenue	14,100	1%			14,100	1%
Quimby Fees/ Proj.Grants	93,000	8%	-	-	93,000	7%
Interest Revenue	3,000	0.3%	-	-	3,000	0.2%
Total Revenues	1,183,440	100%	214,024	100%	1,397,464	100%
Expenditures						
Salaries & Benefits - Programs	421,325	36%	-	0%	421,325	30%
Salaries & Benefits- Maintenance	215,416	18%	101,059		316,475	23%
Salaries & Benefits- Admin	215,114	18%	-		215,114	15%
Other Expenditures - Programs	40,989	3%	-	0%	40,989	3%
Other Expenditures - Maint.	78,510	7%	6,000		84,510	6%
Other Expenditures - Admin	96,380	8%	-		96,380	7%
Capital Expenditures	115,000	10%	105,000	50%	220,000	16%
Total Expenditures	1,182,733	100%	212,059	50%	1,394,793	100%
Excess (Deficit)	707		1,965		2,671	



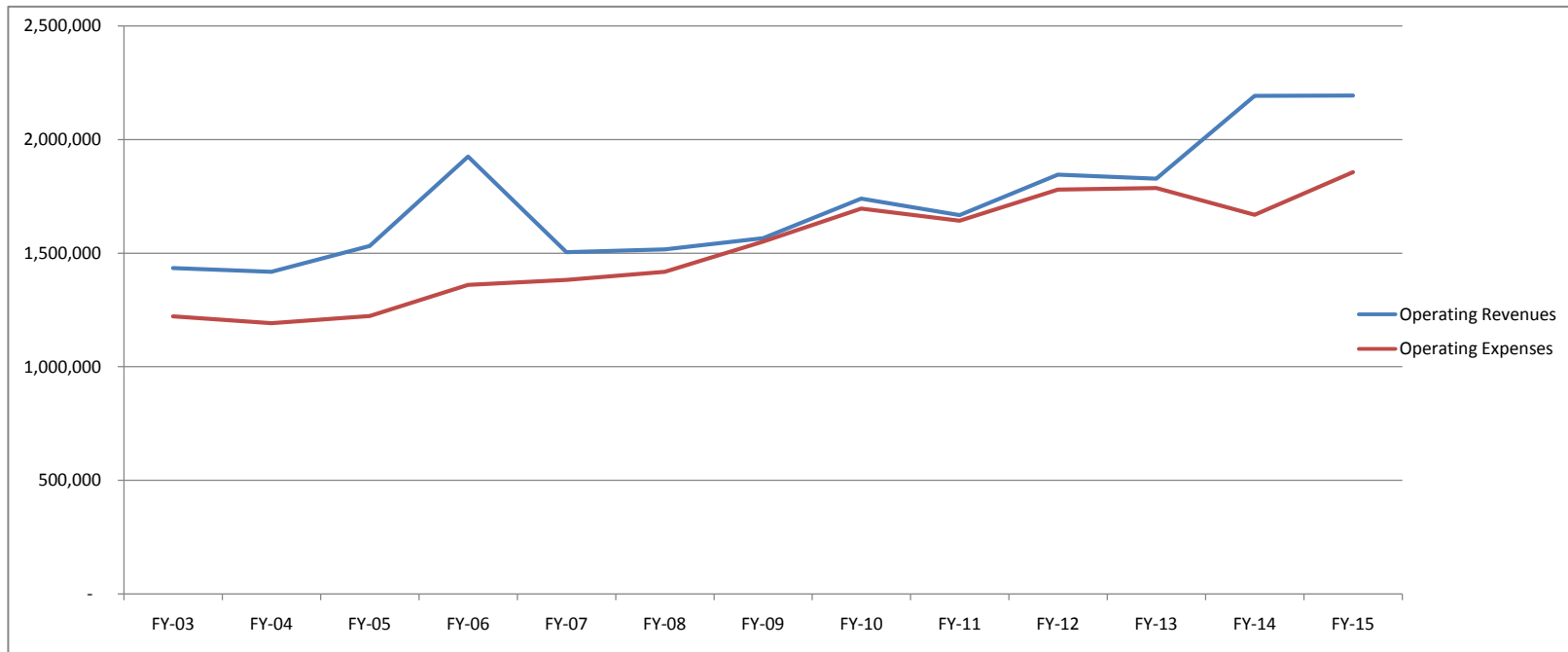
McKinleyville Community Services District
Water Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2003-2015

	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual Est.	2015 Budget
Operating Revenues													
Water Sales	1,085,000	1,121,436	1,152,396	1,224,279	1,305,455	1,337,042	1,360,169	1,566,024	1,559,779	1,545,469	1,665,273	1,999,743	2,933,424
Other Water Revenues	229,237	184,979	132,194	115,568	135,596	139,331	111,300	280,648	281,235	422,166	302,600	481,896	248,142
Total Operating Revenues	1,314,236	1,306,414	1,284,590	1,339,847	1,441,051	1,476,373	1,471,469	1,846,672	1,841,014	1,967,635	1,967,873	2,481,639	3,181,566
Operating Expenses													
Salaries & Benefits	472,929	459,541	499,303	529,427	560,844	594,924	661,031	729,285	737,395	724,139	776,264	669,273	802,110
Water Cost	151,583	269,049	250,212	387,780	352,935	356,842	318,159	533,961	620,952	589,650	657,440	810,700	863,768
Other Expenses	260,953	229,621	235,081	243,424	222,740	282,010	243,853	235,842	322,277	477,803	363,133	328,525	390,551
Depreciation	207,140	215,714	214,546	220,709	219,925	220,727	221,484	224,099	264,365	288,634	302,545	301,275	330,000
Total Operating Expenses	1,092,605	1,173,925	1,199,143	1,381,340	1,356,444	1,454,502	1,444,527	1,723,187	1,944,989	2,080,227	2,099,382	2,109,773	2,386,429
Net Operating Income (Loss)	221,631	132,489	85,447	(41,492)	84,607	21,870	26,942	123,485	(103,975)	(112,592)	(131,509)	371,867	795,137
Interest Income	67,786	42,801	46,501	63,422	97,279	114,973	76,662	39,897	19,437	17,492	10,565	11,383	4,907
Interest Expense	(65,739)	(64,364)	(62,690)	(61,241)	(59,666)	(58,130)	(56,318)	(54,701)	(53,948)	(82,524)	(86,060)	(83,709)	(85,000)
Net Income (Loss)	223,678	110,926	69,258	(39,311)	122,220	78,713	47,286	108,681	(138,487)	(177,624)	(207,005)	299,541	715,044



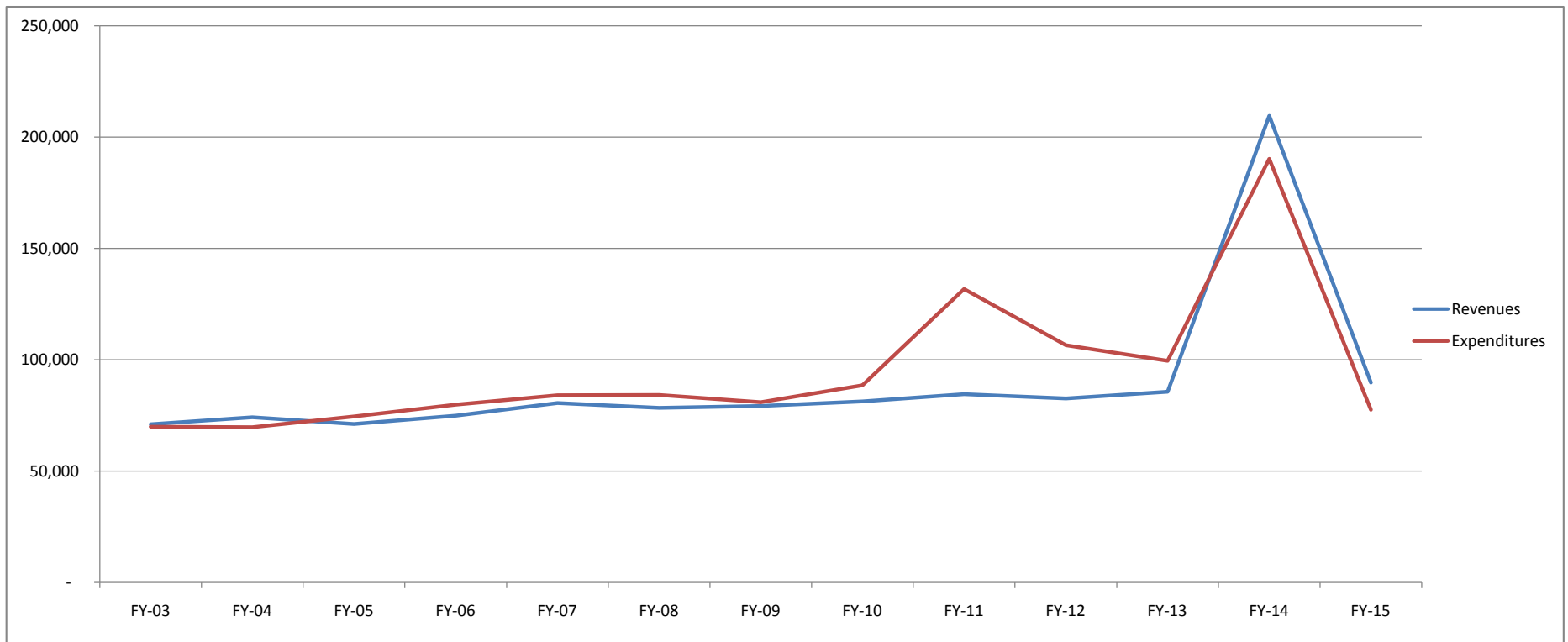
McKinleyville Community Services District
Sewer Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2003-2015

	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual Est	2015 Budget
Operating Revenues													
Sewer Service Charges	1,038,351	1,053,676	1,074,665	1,134,167	1,161,794	1,216,130	1,298,515	1,404,897	1,424,263	1,401,100	1,502,097	1,772,422	1,900,000
Other Sewer Revenues	397,380	365,082	458,496	791,360	343,314	301,106	267,940	336,252	243,841	445,849	326,569	420,900	294,970
Total Operating Revenues	1,435,732	1,418,758	1,533,161	1,925,527	1,505,108	1,517,235	1,566,455	1,741,149	1,668,104	1,846,949	1,828,665	2,193,322	2,194,970
Operating Expenses													
Salaries & Benefits	471,740	456,552	505,750	565,167	605,798	628,773	702,632	755,611	748,348	764,920	798,884	788,524	799,679
Other Expenses	391,751	368,226	351,055	397,018	376,114	390,676	441,707	529,281	447,098	555,245	527,474	418,747	578,097
Depreciation	359,592	367,808	367,795	399,033	401,102	400,055	407,597	412,230	448,174	460,549	462,065	462,375	480,000
Total Operating Expenses	1,223,083	1,192,586	1,224,600	1,361,218	1,383,014	1,419,504	1,551,936	1,697,122	1,643,620	1,780,714	1,788,423	1,669,646	1,857,776
Net Operating Income (Loss)	212,649	226,171	308,561	564,309	122,093	97,732	14,519	44,027	24,484	66,235	40,243	523,676	337,194
Interest Income	42,050	32,903	55,004	58,701	112,998	138,349	89,781	46,165	27,485	28,519	20,701	19,973	20,000
Interest Expense	(46,221)	(46,682)	(46,855)	(46,855)	(46,855)	(56,232)	(49,915)	-	(64,670)	(50,190)	(37,857)	(35,609)	(32,972)
Net Income (Loss)	208,478	212,392	316,709	576,154	188,236	179,848	54,386	90,192	(12,701)	44,564	23,087	508,039	324,222



McKinleyville Community Services District
Streetlight Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2003-2015

	Fiscal Year Ended (Ending) June 30,												
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est	Budget
Revenues	71,040	74,138	71,173	74,911	80,560	78,413	79,207	81,317	84,510	82,665	85,658	209,567	89,758
Expenditures													
Salaries & Benefits	19,381	21,422	23,080	24,651	26,088	29,860	28,060	29,290	39,195	32,501	35,260	46,526	41,572
Other Expenditures	31,641	29,276	32,471	36,234	34,937	37,101	36,219	38,663	67,679	53,501	47,119	42,605	36,010
Debt Service	18,984	19,055	19,055	19,055	19,055	17,305	16,746	17,305	23,056	-	-	-	-
Capital Expenditures	-	-	-	-	4,000	-	-	3,271	1,857	20,520	17,250	101,112	-
Total Expenditures	70,006	69,754	74,607	79,940	84,080	84,266	81,025	88,529	131,786	106,523	99,629	190,243	77,582
Excess (Deficit)	1,035	4,385	(3,433)	(5,029)	(3,520)	(5,853)	(1,818)	(7,212)	(47,276)	(23,858)	(13,971)	19,324	12,176



McKinleyville Community Services District
Parks & Recreation, Measure B Assessment, & General Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2003-2015

	Fiscal Year Ended (Ending) June 30,												
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est.	Budget
Revenues													
Programs	241,011	234,189	244,304	267,216	266,947	301,191	283,861	265,596	263,409	262,680	309,625	311,610	374,915
Rentals	53,694	59,710	64,572	68,961	76,128	68,175	57,921	56,953	60,974	57,321	58,779	159,198	88,200
Property Taxes	281,973	291,306	217,475	281,141	403,353	508,445	486,297	460,625	489,313	506,315	560,445	489,106	510,000
Measure B Assessment	175,350	182,969	183,832	185,245	190,263	194,044	193,724	201,114	209,068	203,432	205,420	209,595	214,024
State Bonds & Grants	104,477	131,265	55,312	154,722	126,913	67,983	47,097	-	12,000	-	-	10,000	25,000
Other Revenue	120,879	72,416	158,510	88,180	97,129	103,849	87,824	98,611	189,883	120,948	134,120	108,193	182,325
Interest Revenue	21,330	10,351	13,184	13,617	21,698	34,943	30,308	18,992	5,889	3,047	2,883	4,577	3,000
Total Revenues	998,714	982,206	937,189	1,059,083	1,182,430	1,278,630	1,187,032	1,101,891	1,230,536	1,153,743	1,271,272	1,292,279	1,397,464
Expenditures													
Salaries & Benefits	380,587	463,148	492,992	481,106	510,737	554,654	624,909	612,125	738,710	764,022	786,004	843,334	940,543
Other Expenditures	164,285	168,953	127,539	126,480	148,624	187,830	165,891	180,202	311,230	273,307	309,326	357,896	339,249
Debt Service	222,172	210,213	210,992	210,992	210,992	210,992	191,609	191,609	255,320	-	-	-	-
Capital Expenditures	206,460	257,755	256,000	219,503	62,614	79,115	19,138	186,355	27,559	21,902	73,024	175,793	115,000
Total Expenditures	973,504	1,100,070	1,087,524	1,038,082	932,968	1,032,591	1,001,547	1,170,291	1,332,819	1,059,230	1,168,355	1,377,024	1,394,793
Excess (Deficit)	25,210	(117,864)	(150,336)	21,001	249,462	246,039	185,485	(68,400)	(102,283)	94,513	102,917	(84,744)	2,671

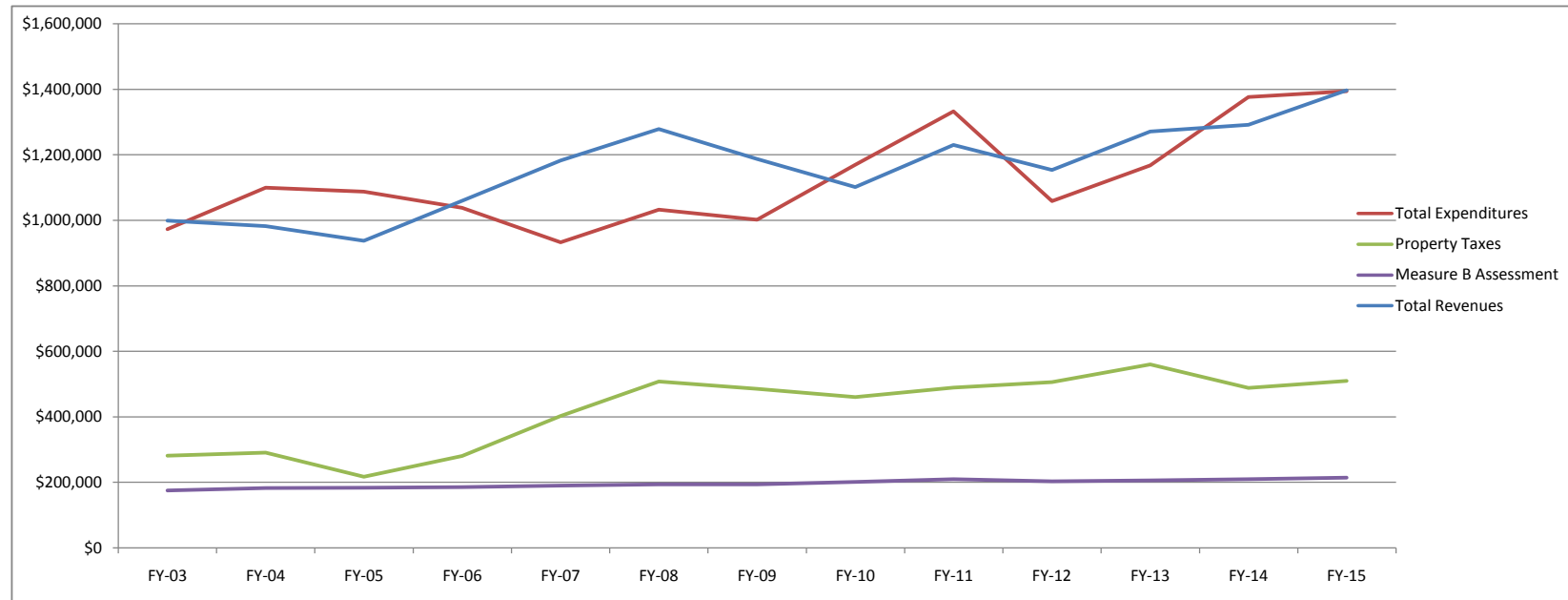


Exhibit 10

McKinleyville Community Services District
Enterprise Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2015 - 2024

		1	2	3	4	5	6	7	8	9	10
(All numbers in \$000s)											
		June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
1.	Heavy Equipment										
	Totals:	100	0	300	60	0	20	50	80	0	0
2.	Utility Vehicles										
	Totals:	60	117	32	56	56	22	36	36	36	63
3.	Water System										
	Totals:	904	1,863	4,129	72	27	1,018	400	50	3,600	0
4.	Sewer System										
	Totals:	6,110	8,571	537	180	116	331	356	1,300	300	67
5.	Office, Corporation Yard & Shops										
	Totals:	20	0	10	150	160	10	0	400	0	0
6.	Computers, Software & Equipment										
	Totals:	29	13	134	13	9	15	0	0	0	0
7.	Fischer Ranch										
	Totals:	1,000	3	1,500	0	0	0	0	0	0	0
8.	Small Equipment & Other										
	Totals:	15	15	15	35	15	37	0	0	0	0
Total Planned Expenditures		8,238	10,582	6,657	566	383	1,453	842	1,866	3,936	130
Departmental Allocations:											
Water Fund		1,016	1,936	4,225	229	147	1,070	443	308	3,618	32
Sewer Fund		7,222	8,647	2,433	337	236	383	399	1,558	318	99
Total		8,238	10,582	6,657	566	383	1,453	842	1,866	3,936	130
		0	0	0	0	0	0	0	0	0	0

Exhibit 10

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Projects
For the Fiscal Years Ending June 30, 2015 - 2024

(All numbers in \$000s)

		1	2	3	4	5	6	7	8	9	10
		June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
1.	Hiller Park & Sports Complex Projects										
	Totals:	0	5	5	5	5	6	6	6	6	6
2.	Pierson Park Projects										
	Totals:	0	0	0	0	0	0	0	0	0	0
3.	Azalea Hall Projects										
	Totals:	0	6	0	0	0	0	0	5	5	5
4.	McKinleyville Activity Center Projects										
	Totals:	0	5	5	5	15	10	6	6	6	6
5.	Other Park Projects & Equipment										
	Totals:	22	0	8	36	128	36	28	8	14	42
6.	Law Enforcement Facility Projects										
	Totals:	0	0	5	0	0	0	0	0	5	0
7.	McKinleyville Library Projects										
	Totals:	0	13	0	0	0	0	0	0	0	0
8.	Projects Funded With Measure B Renewal										
	Totals:	105	100	100	0	0	0	0	0	0	0
9.	Projects Contingent Upon Grant Funding										
	Totals:	25	0	0	0	0	0	0	0	0	0
10.	Projects Funded by Quimby & Other Funds										
	Totals:	68	0	0	0	0	0	0	0	0	0
Total Planned Capital Expenditures		220	129	123	46	148	52	40	25	36	59

Appendix A

The Capital Improvement Program Overview Fiscal Year 2014-15

MCSD's Capital Improvement Program (CIP) is a multi-year plan that identifies capital assets to be purchased or constructed during a 10-year planning horizon. Additionally, the CIP identifies the year in which the capital asset purchase or construction is anticipated as well as the amount of funds expected to be spent.

Capital assets include tangible and intangible assets used in the operations of the District and that have an initial useful life extending beyond one year (i.e. land, improvements to land, easements, buildings, vehicles, machinery, equipment, infrastructure, etc.).

The CIP is updated annually with the first year representing the capital budget for the next fiscal year. A primary goal of the CIP is to provide MCSD with an orderly process of planning and budgeting for capital needs.

Another primary consideration in developing the CIP is to prioritize current and future needs to fit within the anticipated level of financial resources. In this way, the CIP will also assist MCSD in reviewing and evaluating facility rentals and program fees so that MCSD can maintain cash reserves and debt capacity to insure the long-term preservation of District assets.

In FY 2011-12, the Board approved a designated funds policy which included a capital asset repair and replacement reserve. The repair and replacement reserve is designed to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the repair and replacement reserve will only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance, conventional financing or grant funding. This fund will also help normalize the impact of the capital asset replacements on future rates.

Appendix A

The Capital Improvement Program Water and Sewer Funds Fiscal Year 2014-2015

Water and Sewer Fund capital asset purchases and projects depend largely on grants, loans, and the strategic use of District Reserves. The Board has made a commitment to not defer scheduled maintenance, repair, and replacement of current service delivery systems. This must be balanced against the Board's equal commitment to fiscal responsibility. Under the leadership of the General Manager and Finance Director, staff has taken steps to honor both of these commitments in the budget process by ensuring that the potential financing sources of each project are discussed at the time of project proposal and included with each project's detail notes.

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Heavy Equipment and Utility Vehicles

In 1998, the Board adopted a Fleet Replacement Plan to insure that MCSD's fleet of heavy equipment and utility vehicles would be replaced in an approximately ten-year cycle. At present, the Operations Funds are planning to replace one utility truck, the five yard dump truck and the unit 13 car this next fiscal year, with others being replaced later in sequence. The District will consider leasing these assets rather than purchasing outright but will maintain the pay-go policy when reserves are sufficient. The District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in both capital and operating costs.

Water System

The largest proposed Water project for FY2014-15 is recoating the Cochran Tank 1B, which will cost approximately \$350,000. This project will mirror the Norton Tank 2B that was completed in 2012. Each tank recoating will cycle around every 10 years as preventative maintenance to avoid corrosion and structural integrity.

Other projects currently proposed for the Water Fund include purchasing the property for the new water tank (\$200,000). The overall project cost of the new 5 million gallon storage tank is estimated to be a little over \$4 million, with a timeline extending through 2018. The continuation of work on the changeover to Radio-read meters for our customers (up to \$131,000 this fiscal year). The fire hydrant system is scheduled to be upgraded at a cost of \$18,000; however, the Arcata Fire Protection District is covering half of this cost, so the cost to the District will total only \$9,000. Funding for these projects will come from the Reserves created by the Board for maintenance and replacement of capital infrastructure.

An alternative water source study for the Dow's Prairie area (\$100,000), along with engineering for water main replacement (\$20,000) is scheduled for this year. The SCADA computer and software will need to be updated this year (\$10,000).

Sewer System

The Waste Water Management Facility (WWMF) Improvement Project design and construction takes the greatest share of the Sewer Fund CIP budget for FY2014-15 through FY16-17. Design scope of work was approved by the Board in January 2013 with the design phase ending and construction beginning in calendar 2015. Various methods of financing the \$13 million total project cost are being pursued, with the main focus on grants or possibly low-interest loans through the State Revolving Fund.

An ongoing issue that will require consideration will be the removal of accumulated sludge from the WWMF lagoons and plans for a solids handling program, both of which will be capital intensive projects, with \$900,000 being budgeted for this year.

Other projects totaling about \$251,000 include regularly scheduled repair and replacement of sewer mains, pumps, radio telemetry and generator engineering. Funding for these projects will come from the Reserves created by the Board for maintenance and replacement of capital infrastructure.

Office, Corporation Yard, Computers and Software

One item is currently budgeted for the Main Office in FY2014-15 which includes seal-coating the parking lot and facility upgrades. There are also funds budgeted for regularly scheduled upgrades of computers and printers.

Fischer Ranch

A disposal site upgrade at Fischer Ranch is proposed as part of the Waste Water Management Facility project, along with some expansion of underground valving and piping.

An alternative to the upgrade might include procurement of more property as a reclamation site. As regulations change, methods for land application will undoubtedly become more stringent and land procurement will be considered if it is feasible and an economically sound alternative.

Small Equipment and Other

The main capital expense in this category is the planned acquisition of a collapsible discharge hose for the sewer lift station pump around as part of the Overflow Emergency Response Plan.

Note on Exhibit 10 – Water & Sewer Funds Capital Improvement Program

Exhibit 10 contains the summaries of the Water and Sewer Funds Capital Improvement Program's planned capital expenditures (in thousands: 10 = \$10,000). The planning horizon for the Program is 10 years. It should be noted that all estimated replacement costs are in current year dollars, as future inflation is unknown. Since the CIP is a dynamic plan that is updated annually, future costs will be regularly evaluated.

***The Capital Improvement Program
Parks and General Fund
Fiscal Year 2014-15***

General Fund capital asset purchases and projects are significantly dependent upon property tax revenues and assessments. The Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities was renewed in FY2012-13 for 20 years.

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Utility Vehicles and Equipment

In 1998, the Board adopted a Fleet Replacement Plan to insure that MCSD's aging fleet of service vehicles would be replaced in an approximately ten-year cycle. At present, the Parks Fund is not planning to replace a utility truck this next fiscal year, but will be replacing it, and others, the following year as funds become available. The District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in capital and operating costs.

The Parks & Recreation Department purchased a Utility Vehicle from the Operations Department in FY 2013-14. Funds in the amount of \$8,000 will be transferred for the purchase in FY 2014-15.

Staff is proposing to replace the large Toro mower used for mowing Hiller Sports Complex. This has been a good mower, but it has required substantial repairs in the last year. Staff has budgeted \$17,000 for a replacement mower.

Building Projects

With the successful passing of Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities, staff has begun the design for construction of a **Teen & Community Center** attached to the McKinleyville Activity Center. The facility will include two (2) classrooms, storage, an office, multi-purpose activity room, restrooms, lounge and a commercial kitchen. \$104,000 is the planned budget for the portion of this project expected to be completed in the coming fiscal year.

The Pierson Park Covered Picnic Area has begun, but much of the expense will be shown in FY 2014-15. The estimated cost for this project is \$75,000. \$25,000 will come from a Land and Water Conservation Fund Grant we received and \$50,000 will come from Quimby Inland Parkland Dedication Funds.

Parks and Trails Projects

Staff is planning on purchasing miscellaneous equipment for Hiller Sports Complex, Pierson Park, Azalea Hall and the McKinleyville Activity Center. The cost for this equipment is estimated to be less than \$5,000 each, and therefore is reflected in the operating budget.

Staff proposes to improve parking and river access on the acquired property that was purchased from Granite Construction along North Bank Road.

Staff has committed to greater use of MCSD's Quimby Funds, which are held in trust by the County, and is planning to spend \$18,000 in new park improvements with these funds.

The Board of Directors has encumbered \$25,000 in Quimby Funds for Hewitt Ranch improvements, contingent upon matching grant funding.

The District will continue to pursue additional grant funding for new projects, which may be included in the budget in future years, but are contingent upon successfully receiving grants. If McKinleyville continues to grow as anticipated, other regular acquisitions of new parkland are planned throughout the 10-20 year planning horizon.

Small Equipment, Contingency and Other

Smaller and less expensive (more than \$500 but less than \$5,000) new equipment and emergency replacement of existing equipment cannot generally be anticipated. These are considered expenditures, rather than capital assets, and will be included in the repairs/maintenance/supplies line of the Parks & General Fund Operating Budget.

Note on Exhibit 10 – Parks & General Fund Capital Improvement Program

Exhibit 10 contains the summaries of the Parks and General Fund Capital Improvement Program's planned capital expenditures (in thousands: 10 = \$10,000). The planning horizon for the Program is 10 years. It should be noted that all estimated replacement costs are in current year dollars, since future inflation is unknown. Since the CIP is a dynamic plan that is updated annually, future costs will be regularly evaluated.

Appendix B

The Strategic Plan Matrix Overview Fiscal Year 2014-15

MCSD's Strategic Plan Project Matrix provides a summary of the goals and objectives incorporated in each Strategic Plan Element of the Board approved Strategic Plan over a 3-5 year horizon. The Matrix includes information on estimated total costs, percent complete, current status, and expected activities over the next several Fiscal Years. Items highlighted within the table indicate a goal or objective specifically listed in the Strategic Plan Narrative as being of particular concern to the Board.

The full Strategic Plan is available on MCSD's website, in the Document Library under Plans.

McKinleyville CSD Strategic Plan 2014/15 - 2019/20

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURR.FY2014-15	NEXT FY2015-16	NEXT FY2016-17	NEXT FY2017-18	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
1.0 Water										
1.1	Maintenance Programs	JH	\$ 350,000.00	Tank 1B recoating/create SOP's/ Removing pumps & motors 1 thru 4 at N.Bank	Change copper tubing in PRV stations/ create SOP's	Tank recoating/ create SOP's	Valve exercising/Fire Hydrant insp. And exercise			
1.2	Water Tank Storage Proj	JH	\$ 185,000.00	purchase property	design	pursue grant funding	build	2018	5%	Geotech complete and complete negotiations
1.3	Emergency Water Crossing	JH	n/a	Construction complete	Finalize SOPs with City of Arcata	Completed		2014	95%	SOP's will be written by MCSD and Arcata.
1.4	Emergency Water Supply	JH	\$ 100,000.00	Pursuing grant funding	Pursuing grant funding	Groundwater Mgmt Plan	Groundwater Mgmt Plan			
1.5	Radio Telemetry Upgrade	JH	n/a	Completed/Funded				2013	100%	
1.6	Water Main Rehab/Repl	JH	\$ 20,000.00	Technical Memorandum for rehab/replacement strategies	Build up reserves	Build up reserves, prioritize areas of concern	Start rehab/replace ment		0%	Reserves will be built up to replace water mains when needed.
1.7	Radio Read Meters	JH	90,000.00	Phase 1 ctd.	Phase2	Phase 3	Annual replacements	2016	5%	Success of this project is contingent upon a source of financing

McKinleyville CSD Strategic Plan 2014/15 - 2019/20

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURR.FY2014-15	NEXT FY2015-16	NEXT FY2016-17	NEXT FY2017-18	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
2.0 Wastewater										
2.1	20-yr Facility Plan	GM & Board	n/a	Annual Review	Annual Review	Annual Review	Annual Review		100%	
2.2	WWMF Improvement Proj/Biosolids Maint.	GM & JH	5,000,000.00	100% design, Pond 1A dredged/draind and CEQA completed	Construction	Construction completed	Biosolids Mgmt Plan	2016	5%	Grant funding and financing are being pursued
2.3	Collection Sys Upgrades	JH		Technical Memorandum for proposed upgrades of Thiel crossing	Monitor capacity of all 3 basin crossings	Monitor capacity of all 3 basin crossings	Design for Thiel crossing		5%	This will be scheduled and completed when build-out requires upgrade.
2.4	Sewer Main Rehab/Repl	JH	50,000.00	Repair I&I when found	Repair I&I when found/ Memorandum for pipe replacement plan	Repair I&I when found contingency for pipe replacement plan	Repair I&I when found, prioritize pipe replacement plan			There is no completion date to this maintenance. I&I will be repaired when found and a plan for replacing pipe will be developed
2.5	Radio Telemetry Upgrade	JH	45,000.00	sewer stations will be upgraded.				2016		Sewer stations will be completed in 2015. WWMF radio will be upgraded during upgrade.
2.6	Sewer Lift Stn Gen. Upgrades	JH	20,000.00	engineering and design	Replace Letz Gen.	Replace Fischer Gen.	Replace Fischer Gen.	2017		
2.7	Pre-Treatment Prog	EJ	n/a	Issue grease trap permits.	Administering Pre-treatment program/ Annual testing	Administering Pre-treatment program/ Annual testing	Administering Pre-treatment program/ Annual testing			
2.8	I&I Prevention	JH	n/a	annually insp. and flow testing during wet weather flows	annually insp. and flow testing during wet weather flows	annually insp. and flow testing during wet weather flows	annually insp. and flow testing during wet weather flows			Inspected and repaired annually

McKinleyville CSD Strategic Plan 2014/15 - 2019/20

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURR.FY2014-15	NEXT FY2015-16	NEXT FY2016-17	NEXT FY2017-18	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
3.0 Streetlights										
3.1	Converting to LED	JH	n/a	Completed/Funded				2014	67%	
3.2	Maintenance Programs	JH	n/a	Pole inspections on 10-year rotation, due: FY2022						Poles will be inspected for rot every 10 years. Completed 6/11
4.0 Parks & Recreation										
4.1	Teen & Community Center	JS	104,000.00	Construction	Doors open			2014/15	15%	
4.2	Hewitt Ranch Park	JS	\$ -	Funding Options brought to Board	Pursue Funding	Pursue Funding	Planning for Parking Area			
4.3	Washington Ave. Property	JS	68,000.00	Work with local BMX group to pursue funding	Pursue Funding	Possible Park Developmt (depending on funding)	Possible Park Developmt (depending on funding)			
4.4	Community Forest	JS	\$ -	Continue discussions with local stakeholders	Continue discussions with local stakeholders	Pursue Property Acquisition	Pursue Property Acquisition			
4.5	Mad River Property	JS	\$ -	Create Access/Pursue Funding get RAC recommendations	Pursue Funding	Upgrade access	Develop existing trails			
4.6	Standards & Specs for OSMZ/Parks	JS	n/a	Bring to MCSD Board of Directors for approval	Standards and Sepcifications being used for all parks, facilities and open space maintenance zones	Standards and Sepcifications being used for all parks, facilities and open space maintenance zones	Standards and Sepcifications being used for all parks, facilities and open space maintenance zones	2014/15	30%	
4.7	Maintenance Standards	JS	n/a	Staff Training	Staff Training	Staff Training	Staff Training			
4.8	Covered Picnic Area	JS	n/a	Construction Completed	Promote covered picnic area rentals	Promote covered picnic area rentals	Promote covered picnic area rentals	31-Dec-14	10%	A majority of the construction is being completed inhouse in order to cut costs. Therefore, it is difficult to estimate a completion date.

McKinleyville CSD Strategic Plan 2014/15 - 2019/20

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURR.FY2014-15	NEXT FY2015-16	NEXT FY2016-17	NEXT FY2017-18	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
5.0 Partnerships										
5.1	Foster Regional Cooperation	GM & Board	n/a	Quarterly meetings with 5th District Supervisor	Met with all five Humboldt County Supervisors	Quarterly meetings with 5th District Supervisor	Met with all five Humboldt County Supervisors		Ongoing	Continue efforts to gain a seat on the TAC
5.2	Improve Political Ties	GM & Board	n/a	Schedule bi-annual meetings with State Representatives; meet w/new State Senator		Bi-annual meetings with State Representatives			Ongoing	Monitor the elections and make contact with newly elected representatives
5.3	Participate in Community Groups	GM & JS	n/a						Ongoing	Continue to participate with local groups representing various constituents
6.0 Personnel/Organization										
6.1	Employee Retention	Dept. Heads	n/a						Ongoing	Next scheduled salary survey due in FY 2017/18
6.2	Training & Development	Dept. Heads	n/a	formalize succession plan	Annual Review & Revision	Annual Review & Revision	Annual Review & Revision, Reassess Succession Plan		Ongoing	
6.3	Employee Communication	Dept. Heads	n/a	next scheduled reviews of Supervisors Manual	next scheduled reviews of Personnel Policy Manual and Employee Handbook		next scheduled reviews of Supervisors Manual & Employee Handbook		Ongoing	
6.4	Employee Safety Prog	Dept. Heads	n/a	SDRMA annual safety audit	SDRMA annual safety audit	SDRMA annual safety audit	SDRMA annual safety audit		Ongoing	
6.5	Eval & Performance Mgmt	Dept. Heads	n/a	Annual Evaluations scheduled per hire dates	Annual Evaluations scheduled per hire dates	Annual Evaluations scheduled per hire dates	Annual Evaluations scheduled per hire dates		Ongoing	

McKinleyville CSD Strategic Plan 2014/15 - 2019/20

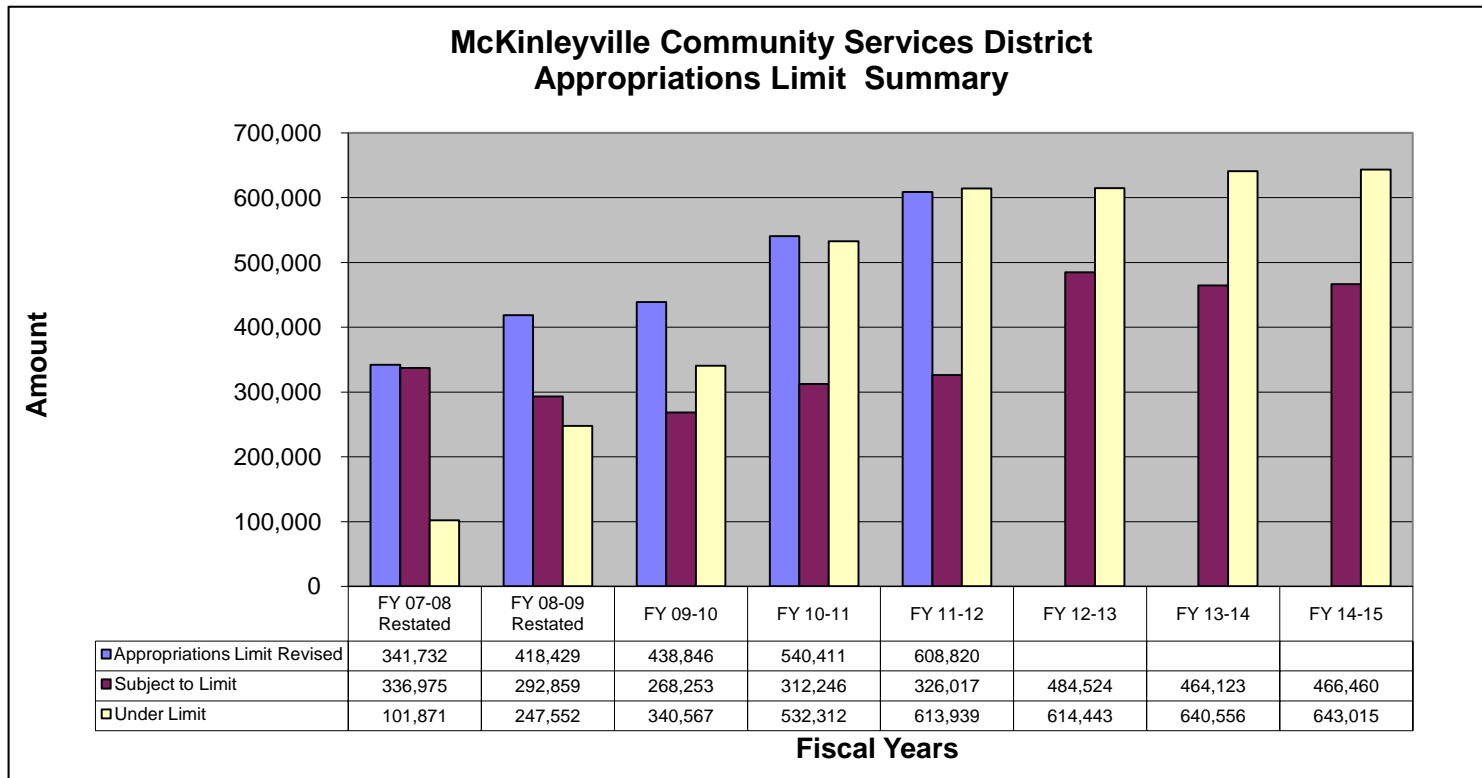
STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURR.FY2014-15	NEXT FY2015-16	NEXT FY2016-17	NEXT FY2017-18	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
7.0 Administrative Management										
7.1	District Policies & Procedures	GM & Board	n/a	Annual review	Annual review	Annual review	Annual review		Ongoing	Annual reviews are done for Conflict of Interest.
7.2	Records Retention	CMRT	n/a	DocStar fully implemented	Records backlog started	Review Records Retention	Records backlog completed	2017	25%	Purchase agreement signed, hardware & software installed, training begun
7.3	Customer Service	Dept. Heads	n/a	ongoing monitoring & training	ongoing monitoring & training	ongoing monitoring & training	ongoing monitoring & training		Ongoing	
7.4	Build Public Information Program	JS	n/a	Website, newsletter, PSAs, social networking	Website, newsletter, PSAs, social networking	Website, newsletter, PSAs, social networking	Website, newsletter, PSAs, social networking			
7.5	Board Development Policy	GM & Board	n/a	Ongoing annual AB 1234 Ethics training	Ongoing annual AB 1234 Ethics training & update orientation	Ongoing annual AB 1234 Ethics	Ongoing annual AB 1234 Ethics		Ongoing	Additional continuing education courses encouraged to promote ethical and transparent
7.6	Review/Update Strategic Plan	GM & Board	n/a	Annual Review & Revision	Annual Review & Revision	Annual Review & Revision	Annual Review & Revision		Ongoing	When do we think the Board will approve this?
7.7	Emergency Preparedness and Response	GM & Dept. Heads	n/a	Conduct full scale table top exercise; Review and update EOP	Conduct full scale table top exercise; Review and update EOP	Conduct full scale table top exercise; Review and update EOP	Conduct full scale table top exercise; Review and update EOP		25%	Still working on information flow
7.8	Achieve Best Practices Awards	GM & Board & Board Secretary	n/a	Achieve 6 hours of governance training for Board members, GM and executive staff	Apply for the SDLF "Districts of Distinction" accreditation program				10%	Transparency Cert. Awarded in FY 14.
7.9	Explore Alternative Energy Options	GM & Board	n/a	Board review of report & consider prioritization of projects				2014	20%	Review and report to Board by end of FY 14
7.10	Planning and Latent Powers	GM & Board	n/a	Define entire process and associated estimated costs	Propose phasing work to allow Board to consider the value of each step related to cost				Ongoing	Review and report to Board by end of FY 14
7.11	Integrated Pest Mgmt Plan	JH & JS	n/a	Develop an MCSD team to work on plan. Hold public workshops. Seek Board approval	Continue working on developing an IPM	Seek Board approval of IPM	Monitoring		Ongoing	

McKinleyville CSD Strategic Plan 2014/15 - 2019/20

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURR.FY2014-15	NEXT FY2015-16	NEXT FY2016-17	NEXT FY2017-18	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
8.0 Finance										
8.1	Reserve Policy Implementation	CT & GM	n/a	review & monitor	review & monitor	review & monitor	review & monitor		Ongoing	
8.2	Budget Development	CT	n/a	information collection started	information collection started	not yet started	not yet started	FY2014-15 @ 5%	Ongoing	
8.3	Capital Budget Mgmt	CT	n/a	information collection started	information collection started	not yet started	not yet started	FY2014-15 @ 5%	Ongoing	
8.4	Development of Financial Mgmt System	CT	n/a	RFP, choose vendor, lay out implementation plan	begin implementation	complete implementation	complete implementation	2017	3%	
8.5	Financial Audit	CT	n/a	not yet started - new RFP	not yet started	not yet started	not yet started	Dec-13	95%	
8.6	Monitor Reserves Recovery	CT	n/a	Monitor	Monitor	Complete		Dec-13	2%	
8.7	Rate Studies	GM & Board	n/a	Sewer Rate Analysis			Water & Sewer Rate Analysis	Dec-13	Ongoing	

McKinleyville Community Services District Appropriations Limit Calculation Summary FY 14-15 Budget

Prior Year Final Appropriation Limit		\$ 1,104,678
Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾		
Non-Residential Assessed Valuation Percent Change	0.020%	
MCSD Unincorporated County Population Percent Change	-0.061%	
Compounded Percentage as an Adjustment Factor	<u>0.434%</u>	
Annual Adjustment Amount to Appropriation Limit		<u>4,798</u>
Current Year Appropriation Limit		<u>1,109,476</u>
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾		
Proceeds of Taxes From Adopted Budget ⁽³⁾	511,143	
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	<u>(44,683)</u>	
Current Year Appropriations Subject to Appropriation Limit		<u>466,460</u>
Current Year Appropriations Under the Appropriation Limit ⁽³⁾		<u>\$ (643,015)</u>
Percentage Under the Limit		<u><u>-58%</u></u>



(1) From State Department of Finance, as required by State Law

(2) Proceeds of Taxes are certain revenues as defined by State Law and League of California Cities Article XIII B Appropriations Limit Uniform Guidelines - March 1991. See Worksheets for details.

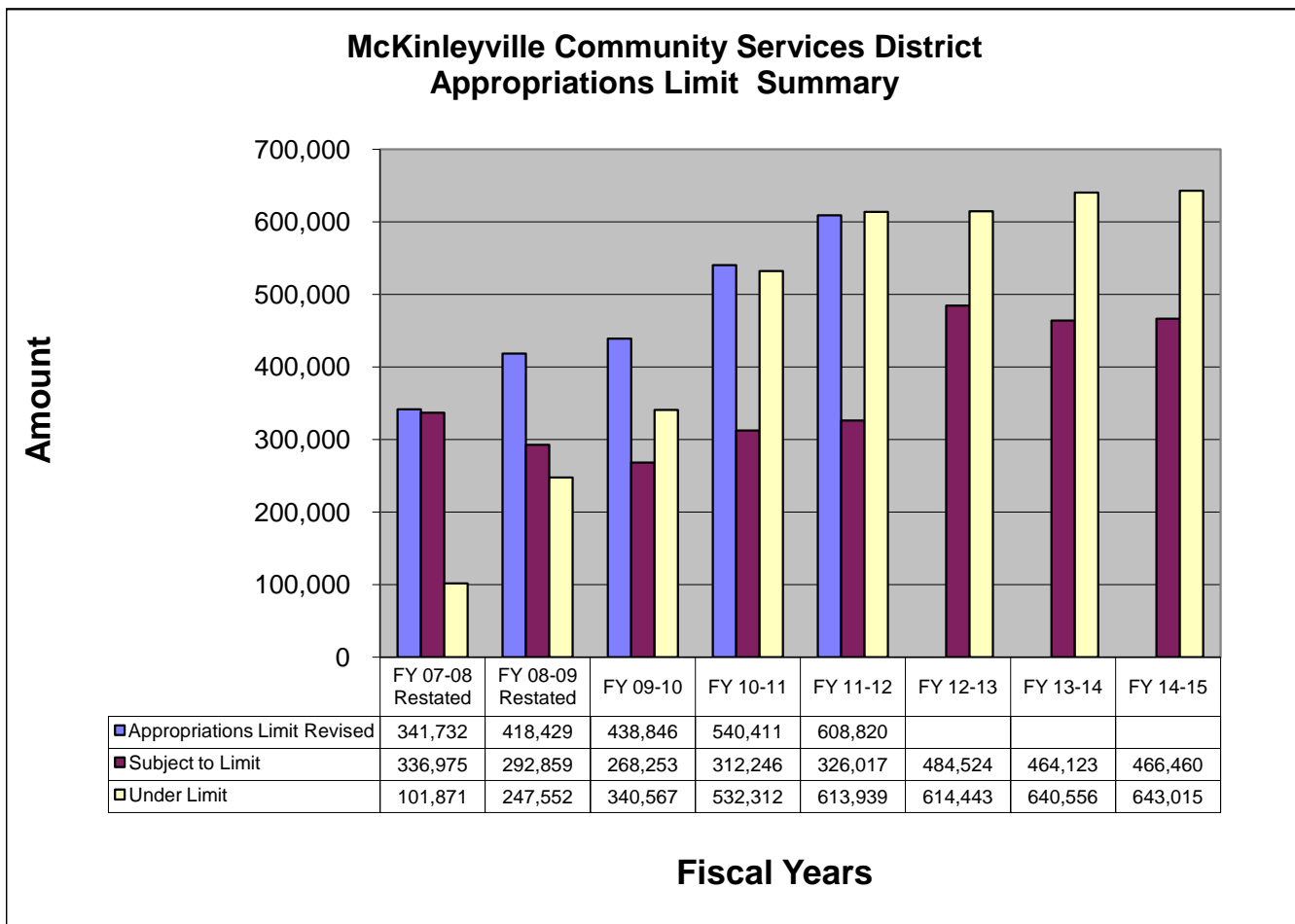
(3) Summary of worksheets for above calculations of Appropriations Limit and Appropriations Subject to Limit.

Summary of Appropriations From Proceeds of Taxes	From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund	883,321	511,143	1,394,464
Street Lighting Fund	89,758	-	89,758
Water Fund	3,186,473	-	3,186,473
Wastewater Fund	2,214,970	-	2,214,970
Total Proceeds and Non Proceeds of Taxes	6,374,521	511,143	6,885,665
Summary of Exclusions			
Court Order Costs	-		
Federal Mandates	44,683		
Qualified Capital Equipment	-		
Qualified Debt Service	-		
Total Exclusions to Appropriations Subject to Limit	44,683		

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION

Summary Charts

Fiscal Year	Appropriations Limit Revised	Subject to Limit	Under Limit
FY 01-02	284,654	272,089	12,565
FY 02-03	282,163	281,973	190
FY 03-04	308,121	291,306	16,815
FY 04-05	321,919	217,475	104,444
FY 05-06	341,732	281,141	60,591
FY 06-07	418,429	403,353	15,076
FY 07-08 Restated	438,846	336,975	101,871
FY 08-09 Restated	540,411	292,859	247,552
FY 09-10	608,820	268,253	340,567
FY 10-11	844,558	312,246	532,312
FY 11-12	939,956	326,017	613,939
FY 12-13	1,098,967	484,524	614,443
FY 13-14	1,104,678	464,123	640,556
FY 14-15	1,109,476	466,460	643,015



McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 14-15 Budget

User Fees in Excess of Costs Analysis
(Worksheet #1 of Guidelines)

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	454,615	454,615			
Miscellaneous Fees & Reimbursements	14,500	14,500			
Total General Fund	469,115	469,115	-	-	-
Street Lighting Fund	89,758		89,758		
Water Operations Fund	3,186,473			3,186,473	
Wastewater Operations Fund	2,214,970				2,214,970
Total Estimate of User Fees	5,960,316	469,115	89,758	3,186,473	2,214,970
Current Year Adopted Budget					
Operations & Equipment	5,846,613	1,394,793	89,642	2,471,429	1,890,748
Allocations for Improvements	-				
User Fees (Under) or in Excess of Costs	113,703	(925,678)	116	715,044	324,222

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 14-15 Budget

**Calculation of Proceeds of Taxes and Interest
Allocation (Worksheets #2 & #3 of Guidelines)**

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	510,000				510,000	-	510,000
Special Assessment	214,024				214,024	214,024	-
Charges for Services	454,615				454,615	454,615	-
Grants	50,125				50,125	50,125	-
Development Fees	148,200				148,200	148,200	-
Interest (4)	3,000				3,000	1,857	-
Miscellaneous Fees & Reimbursements	14,500				14,500	14,500	1,143
Other Financing Sources					-	-	-
Other Sources					-	-	-
TOTAL GENERAL FUND REVENUES	1,394,464	0	0	0	1,394,464	883,321	511,143
Street Lighting Fund	89,758	(625)				89,758	
Water Fund	3,186,473	(698,248)				3,186,473	
Wastewater Fund	2,214,970	(329,427)				2,214,970	
Debt Service Fund	-					-	
Total All Funds	6,885,665	(1,028,300)	-	-	1,394,464	6,374,521	511,143

(1) See Worksheet 2.1 for Detail to all Funds

(2) Use of reserves or fund balances are considered non-proceeds of taxes due to prior year appropriation of all fund balances to reserves. A (negative) amount reflects a budgetary increase to reserves or ending fund balance which will be reflected in the final budget appropriations.

(3) Includes all appropriations from all funds to reconcile to adopted budget resolutions.

(4) Interest is allocated between Proceeds and Non-Proceeds on a proportional basis.

McKinleyville Community Services District
Revenue Estimates Detail
FY 14-15 Budget

**Proceeds Detail (Worksheet 2.1
of Guidelines)**

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks					
41050	ADMIN FEE	4,500	4,500		Reimbursement for Services
42020	PROC. FEES	1,500	1,500		User Fees for Services
42030	BAD CHECK FEES	100	100		Miscellaneous Fees and Reimbursements
43002	REFUNDS/REBATES	100	100		Miscellaneous Fees and Reimbursements
43195	OTHER OP. REV.	4,000	4,000		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	2,400	2,400		Use of Property fees
44000	OPEN SPACE FEES	72,700	72,700		Development Fees
45000	OPEN SPACE FEES	7,500	7,500		Development Fees
47050	MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	44,700	44,700		User Fees for Services
48000	COMM. EVENTS	-	-		User Fees for Services
48001	VENDOR CONTRACT	31,400	31,400		User Fees for Services
48002	EVENT SERVICES	5,000	5,000		User Fees for Services
48010	INSURANCE FEES	1,100	1,100		User Fees for Services
48020	AD INCOME	3,000	3,000		User Fees for Services
48040	COMMISSIONS VND	-	-		User Fees for Services
48050	REC. PROGRAMS	374,915	374,915		User Fees for Services
48051	FRF DISCOUNT	(7,000)	(7,000)		User Fees for Services
48055	PROGRAM GRANTS	25,125	25,125		Related to Restricted Grants
48070	SALE OF SCRAP	-	-		Use of Property fees
50001	INT. REVENUE	3,000	1,857	1,143	Allocated
51001	SECURED TAXES	510,000		510,000	
51060	MEASURE B ASSMT	214,024	214,024		Special Assessment Restricted Specific Use
52000	OTHER INCOME	1,500	1,500		Miscellaneous Fees and Reimbursements
53001	CONTRIBUTIONS	1,900	1,900		Donations
53002	QUIMBY FEES	68,000	68,000		Development fees
54001	STATE GRANTS	25,000	25,000		Related to Restricted Grants
56000	GAIN ON DISPOSAL	-	-		Miscellaneous Fees and Reimbursements
Total General Fund		1,394,464	883,321	511,143	

Street Lighting

41050	ADMIN FEE	13,000	13,000		
42020	PROC. FEES	3,700	3,700		
47001	ST. LIGHT CHGS	67,658	67,658		
47001	ST. LIGHT CHGS	5,300	5,300		
50001	INT. REVENUE	100	100		
Total Street Lighting		89,758	89,758	-	User Fees for Services

Water Fund

40000	WATER BASE CHG	1,005,194	1,005,194		
40001	MTR. WATER SALE	1,928,230	1,928,230		
41001	NEW SVC. FEES	20,000	20,000		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	500	500		
42001	PERMIT FEES	-	-		
42010	CONN. FEES	45,592	45,592		
42020	PROC. FEES	20,000	20,000		
42030	BAD CHECK FEES	500	500		
42040	RECONN. FEES	21,000	21,000		
42050	DCV INSPECTION	20,000	20,000		
43010	REC. BAD DEBTS	500	500		
43190	CELL TOWER REV.	15,500	15,500		
43195	OTHER OP. REV.	7,500	7,500		
43197	LEASE REVENUE	3,600	3,600		

McKinleyville Community Services District

Revenue Estimates Detail

FY 14-15 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43198	PAVING FEES	1,200	1,200		
43199	SERVICE UPGRADE	-	-		
46000	AFTER HRS CHGS	500	500		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	1,000	1,000		
50001	INT. REVENUE	4,907	4,907		
50005	LATE CHARGES	15,000	15,000		
51011	CONTRIB CONST	75,000	75,000		
56000	GAIN ON DISPOSAL	750	750		
Total Water		3,186,473	3,186,473	0	User Fees for Services

Wastewater Fund

40002	SWR SVC CHGS.	1,900,000	1,900,000		
40010	STORM WATER FEE	300	300		
41001	NEW SVC. FEES	15,000	15,000		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	500	500		
41040	SWR CONST PRMT	1,000	1,000		
42001	INSPECTION FEES	-	-		
42010	CONN. FEES	120,000	120,000		
42020	PROC. FEES	-	-		
42030	BAD CHECK FEES	400	400		
42040	RECONN. FEES	-	-		
42050	DCV INSPECTION	-	-		
43010	REC. BAD DEBTS	500	500		
43190	CELL TOWER REV.	15,500	15,500		
43195	OTHER OP. REV.	5,000	5,000		
43197	LEASE REVENUE	21,420	21,420		
43198	PAVING FEES	250	250		
46000	AFTER HRS CHGS	-	-		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	100			
50001	INT. REVENUE	20,000	20,000		
50005	LATE CHARGES	14,500	14,500		
51011	CONTRIB CONST	100,000	100,000		
56000	GAIN ON DISPOSAL	500	500		
Total Wastewater		2,214,970	2,214,870	0	User Fees for Services

Debt Service

Total Debt Service	-	-	-	Debt Related
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Total All Funds	6,885,665	6,374,421	511,143
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McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 14-15 Budget

Calculation of Appropriations Subject to Limit (Worksheet #4 of Guidelines)

	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 511,143
Less Allowed Exclusions (From Worksheet #7)	(44,683)
Current Year Appropriations Subject to Limit	<u>\$ 466,460</u>
Current Year Appropriations Limit (From Worksheet #6)	1,109,476
Current Year Appropriations Over or (Under) Limit	<u>\$ (643,015)</u>
Percentage Over or (Under) Limit	<u><u>-58%</u></u>

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 14-15 Budget

Population and Growth Factors (Worksheet #5 of Guidelines)

	Percent Change Indices		Percent Change in Population [1]		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit [2]
	Percent Change in Per Capita Personal Income [3]	Percent Change in Annual Non-Residential Assessed Valuation growth to Total Growth [4]	MCSD (Unincorporated County)	Humboldt County Total		
FY 00-01	4.91	N/A	1.64	1.35	106.63052%	262,852
FY 01-02	7.82	N/A	0.44	0.34	108.29441%	284,654
FY 02-03	-1.27	N/A	0.40	0.33	99.12492%	282,163
FY 03-04	2.31	8.14	0.98	0.77	109.19977%	308,121
FY 04-05	3.28	-0.10	1.16	0.94	104.47805%	321,919
FY 05-06	5.26	-42.46	0.85	0.70	106.15471%	341,732
FY 06-07	3.96	21.98	0.10	0.38	122.44352%	418,429
FY 07-08	4.42	-14.41	0.17	0.44	104.87945%	438,846
FY 08-09	4.29	22.13	0.83	0.64	123.14368%	540,411
FY 09-10	0.62	12.02	0.57	0.45	112.65851%	608,820
FY 10-11	-2.54	37.77	0.69	0.53	138.72061%	844,558
FY 11-12	2.51	10.50	0.72	0.66	111.29560%	939,956
FY 12-13	3.77	16.80	0.10	0.00	116.91680%	1,098,967
FY 13-14	3.10	0.02	0.50	0.40	100.51970%	1,104,678
FY 14-15	-0.23	0.50	-0.1	0.0	100.43433%	1,109,476

[1] From State Department of Finance per Article XIII B of the California Constitution every May 1st for following Fiscal Year Appropriations Calculation. A 1991 amendment to Article XIII-B dropped use of the CPI and allowed for revising limit with PCI or Growth in non-residential assessed valuation and City or County population growth factors back to FY 87-88. The MCSD may selection by resolution the growth factors to be used to calculate the annual Appropriations Limit. The **Bold type** indicate Factor used in calculation for the individual Fiscal Year.

[2] Appropriations Limit calculation have been revised to correct factors and mathematical calculations. Previous Appropriations limits and combined percentage growth from June 20, 2007 Board Agenda report.

[3] PCI = Per Capita Personal Income - California 4th Quarter - Calculated by State Department of Finance. See Price-Population Letter, Annual

[4] Percent of annual growth in non-residential assessed valuation is from information provided by the Humboldt County Assessor's office on values and property classifications and is calculated as the percent of change in non-residential property valuation to the change in total valuation. Application of the percent change in non-residential valuation is from the prior fiscal year change. For example, the percent change in FY 03-04 of 8.14% was the change in non-residential assessed valuation in FY 02-03 from FY 01-02.

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 14-15 Budget

Appropriations Limit Calculation (Worksheet #6 of Guidelines)
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Prior Year Appropriations Limit (From Worksheet #5)	\$	1,104,678
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Current Year Growth Factors (From Worksheet #5)

Non-Residential Assessed Valuation Percent Change	0.02%
MCSD Unincorporated County Population Percent Change	-0.06%

Compounded Total Percentage Adjustment Factor	0.434%
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Current Year Annual Adjustment Amount	\$	4,798
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Other Adjustments to Limit (see detail worksheets)

Reduction In Limit	
Loss of Responsibility	0
Transfer of Services to Private Sector	0
Transfer of Services to Fees	0
Increase in Limit	
Assumed Responsibility of Services	0

Total Adjustments to Limit	\$	-
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Current Year Appropriations Limit	\$	1,109,476
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McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 14-15 Budget

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)

	Exclusions
Court Orders	
	-
Federal Mandates	
Fair Labor Standards Act Payments	-
FICA and Medicare Payments	41,765
Unemployment Payments	2,919
Total Federal Mandates	44,683
Qualified Capital Outlays (Assets of over \$100,000)	-
Total Qualified Capital Outlays Paid From Proceeds of Taxes	-
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	-
Total Exclusions	44,683