

McKINLEYVILLE



COMMUNITY SERVICES DISTRICT



BUDGET

For the Fiscal Year Ending June 30, 2024

Adoption Date: June 7, 2023

MCS D BOARD OF DIRECTORS

Gregory P. Orsini, President
Scott Binder, Vice President
David Couch, Director
Dennis Mayo, Director
James Biteman, Director

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

For the Fiscal Year Ending June 30, 2024

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, 2023 through June 30, 2024. 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, the estimated Full-Time Employee Equivalents for the fiscal year, and the Organization Chart are included beginning at Page 5.
- Budgets and accompanying graphs for the Governmental Funds & the Enterprise Funds are shown beginning at Page 8. Detailed line-item budgets are available for review by the Board and the public, but are not included in this policy-level document.
- Historical Data is presented beginning at Page 15.
- MCSD's Capital Improvement Program Budgets, Exhibit 11, start on Page 19. Narratives are shown in Appendix A, beginning at Page 24.
- A summary of the MCSD's Board current Strategic Plan 2019-2024 is shown in Appendix B, beginning at Page 29
- The Appropriations Limit calculations required by law for the Fiscal Year 2023-24 are included in Appendix C, starting on Page 41.

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 16,262 according to 2020 data from the U. S. Census Bureau. It is the third largest community population area in Humboldt County behind Eureka (26,512) and Arcata (18,857). 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 Cal Poly Humboldt, 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 even-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 state-of-the-art buildings to provide indoor sports and recreation (McKinleyville Activity Center), a community activities center (Azalea Hall), a Teen and Community Center, 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 7,500 water customers.

All sewage for MCSD's 6,600 customers is treated at the Wastewater Management Facility at Hiller Park. MCSD maintains approximately 65 miles of sewer mains. MCSD recycles treated wastewater for agricultural irrigation at the Fischer Irrigation Site, Pialorsi Irrigation Site, and at Hiller Park. With a major upgrade of the Wastewater Management Facility completed in 2019, 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 mcsd@mckinleyvillecsd.com.

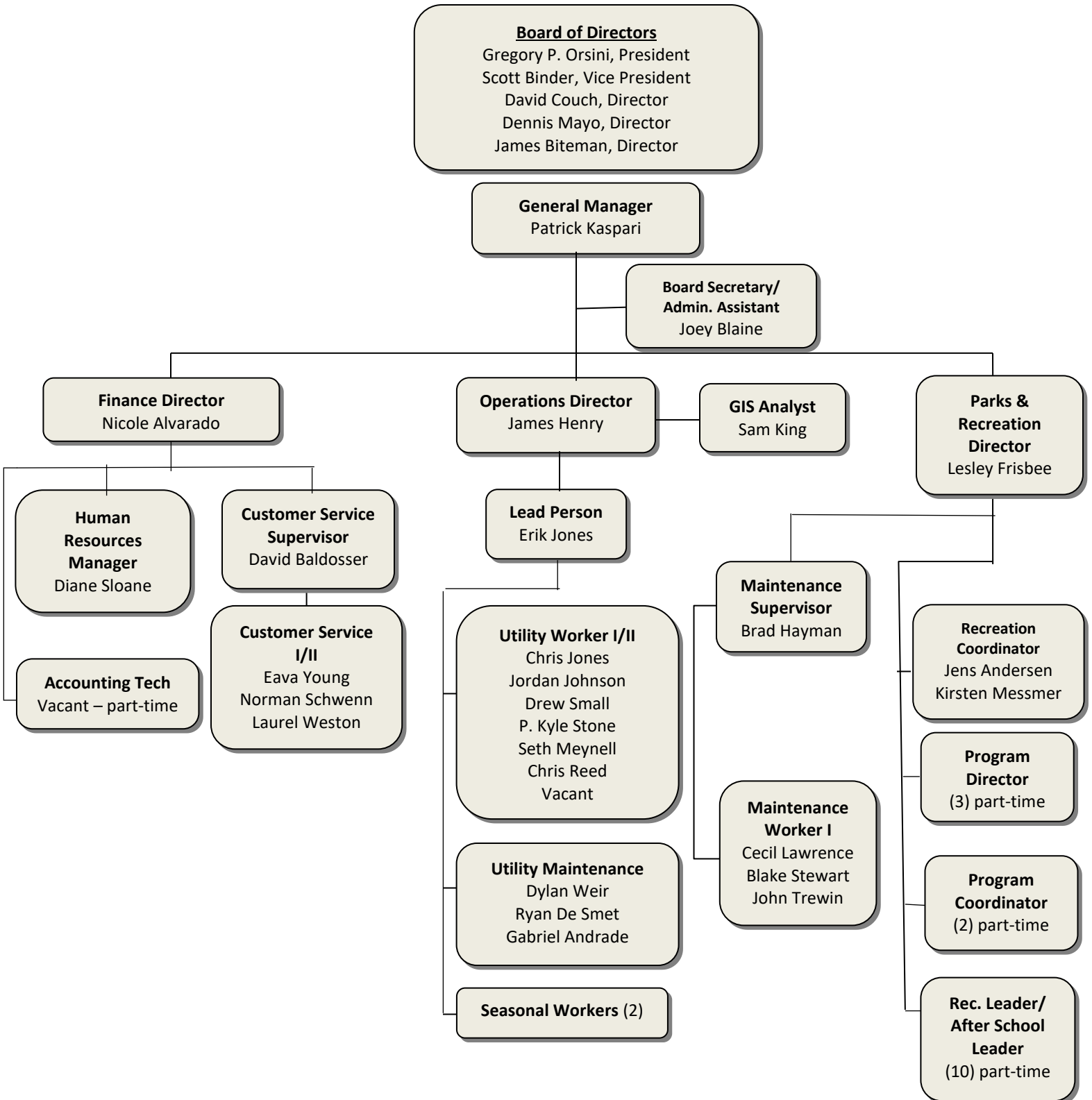
**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
MISSION STATEMENT**

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

**Estimated Employee Full Time Equivalents
For the Fiscal Year ending June 30, 2024**

	Full-Time Benefitted	Part-Time & Seasonal	Total FTEs
General Manager	1	0	1
Finance & Administration	7	1	7.5
Operations	13	2	13
Parks & Recreation	7	15	9
Total	28	18	30.5

McKinleyville Community Services District
Organization Chart: Fiscal Year 2023-24
 Revised May 2023



McKinleyville Community Services District
Exhibits of Financial Information
Budget for the year ending June 30, 2024

Table of Contents

<i>Page 08</i>	<i>Exhibit 1 – Fund Budget Summary and Projected Fund Balance</i>
<i>Page 10</i>	<i>Exhibit 2 – Budget & Graphs, Water Fund</i>
<i>Page 11</i>	<i>Exhibit 3 – Budget & Graphs, Wastewater Fund</i>
<i>Page 12</i>	<i>Exhibit 4 – Budget & Graphs, Streetlights Fund</i>
<i>Page 13</i>	<i>Exhibit 5 – Budget & Graphs, General/Parks Fund</i>
<i>Page 14</i>	<i>Exhibit 6 – Budget & Graphs, Measure B Fund</i>
<i>Page 15</i>	<i>Exhibit 7-10 – Historical Data</i>
<i>Page 19</i>	<i>Exhibit 11 – 10 Year Capital Improvement Plans</i>
<i>Page 24</i>	<i>Appendix A – Capital Expenditures Overview and Narratives</i>
<i>Page 29</i>	<i>Appendix B – Strategic Plan Summary 2019-2024</i>
<i>Page 41</i>	<i>Appendix C – Appropriations Limit Calculations</i>

McKinleyville Community Services District
Budget Summary: Net Position - All Funds
FY2023-24

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the District, total assets and deferred outflows of resources are projected in the budget to exceed liabilities and deferred inflows of resources by \$44,839,092 as of June 30, 2024.

The District's total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

At the end of the Fiscal Year, June 30, 2024, the net position of the District is projected to increase from the FY21-22 total of \$35,522,356. A moderate increase of approximately 5% or \$1,840,716 is projected for the current fiscal year FY22-23. An increase of approximately 20% for the budgeted year will result in a total net position of \$44,839,092.

An increase in total revenues are projected for the end of the current year of 20%, or \$2,213,542 for a total of \$13,174,843 from all revenue sources. This compares to a larger increase projected for the upcoming budget year of 51% or \$6,728,024 for a total of \$19,902,916 in projected revenues for FY23-24.

Total expenditures are projected to decrease at the end of the current year by 1.4% or \$129,100 for a total of \$9,120,167 for all expenditure types. This compares to an overall increase projected for the coming budget year of 27% or \$2,457,819 for a total of \$11,577,986 projected budgeted expenditures for FY23-24.

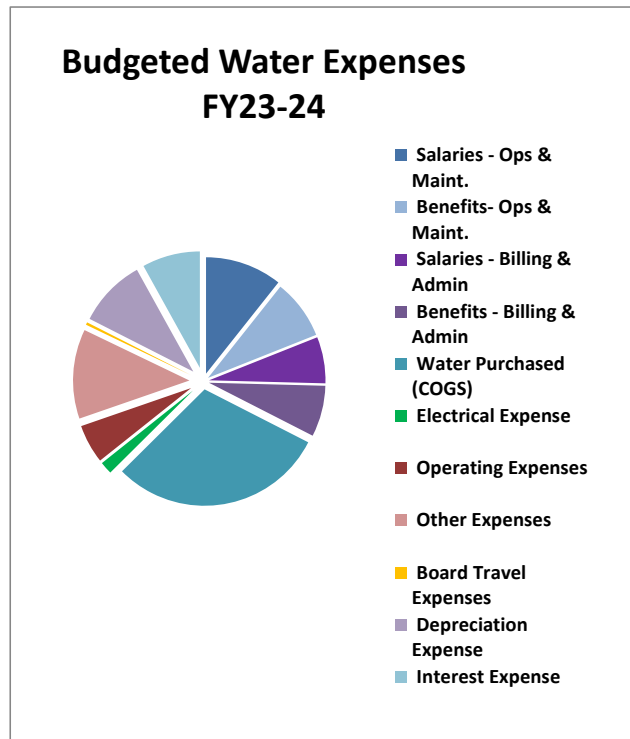
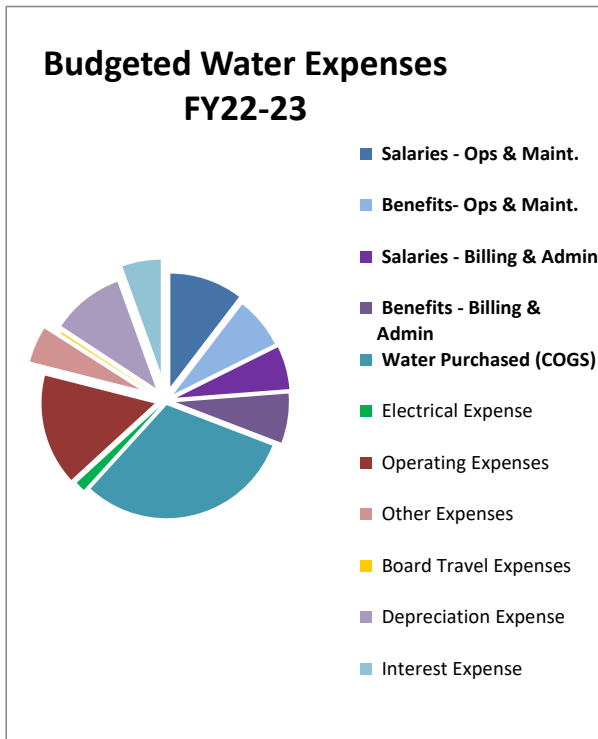
Overall net position is projected to change positively in the current fiscal year. In the coming year, projected net position will increase due to grant revenues and their associated investment in the District's capital assets. In the Enterprise Funds, a larger increase is projected in the Water Fund than the Wastewater Fund due to the construction of a 4.5 MG water tank. In the Governmental Funds, the Parks General Fund will see an increase in revenues due to grants to build a BMX track. These revenues will be offset by associated capital expenditures. In the Streetlight Fund, budgeted expenditures exceed budgeted revenues due to planned pole inspections however this deficit is offset by accumulated surpluses from prior years.

McKinleyville Community Services District
Summary Budgets - All Funds
FY 2023-24

Description	Water Fund	Wastewater Fund	Streetlights Fund	Gen'l/Parks Fund	Measure B Fund	Total (Memorandum Only)
Revenues						
Water Sales	4,300,000					4,300,000
Sewer Service Charges		4,200,000				4,200,000
Capacity Fees	150,000	200,000				350,000
Streetlight Charges			110,000			110,000
Program Fees				324,980		324,980
Facility Fees				69,350		69,350
Property Taxes				773,676		773,676
Measure B Assessment					224,000	224,000
Open Space Fees				141,000		141,000
Contributions & Other Program				1,500		1,500
Other Revenue & Capital Project Grants	7,087,450	871,592	18,500	33,569		8,011,111
Contributed Construction	75,000	125,000				200,000
Proceeds from Long Term Debt (Gov't only)						-
Quimby Fees/Capital Proj. Grants				1,134,000		1,134,000
Interest Revenue	85,000	130,000	100	40,000	8,200	263,300
Total Revenues	11,697,450	5,526,592	128,600	2,518,075	232,200	20,102,917
Expenditures						
Salaries & Benefits - Operations & Maint.	802,169	865,496	3,630			1,671,295
Salaries & Benefits - Billing & Admin	572,666	573,891	55,243			1,201,800
Salaries & Benefits - Rec Programs				358,334		358,334
Salaries & Benefits- Parks Maintenance				212,364	78,368	290,732
Salaries & Benefits- Parks&Rec Admin				438,481		438,481
Water Purchased (COGS)	1,270,398					1,270,398
Water & Electrical Expense	73,100	186,000	22,000			281,100
Operating Expenses	228,500	402,500				631,000
Other Expenses	525,857	534,155	21,887			1,081,899
Other Expenditures - Rec Programs				19,625		19,625
Other Expenditures - Parks Maintenance				170,300	26,450	196,750
Other Expenditures - Parks&Rec Admin				144,700		144,700
Depreciation Expense	400,000	1,500,000				1,900,000
Board Travel Expense	15,000	5,000	600	1,200		21,800
CalPERS UAL - Gov't Funds only				10,000		10,000
Debt Service - Gov't Funds only					102,304	102,304
Interest Expense	340,351	356,267		33,744	25,149	755,511
Parks/Meas.B Capital Expenditures			73,000	1,129,256		1,202,256
Total Expenditures	4,228,041	4,423,309	176,360	2,518,005	232,271	11,577,986
Excess (Deficit)	7,469,409	1,103,283	(47,760)	70	(71)	8,524,930
Fund Balance - July 1, 2022	12,223,349	22,618,066	118,002	1,174,629	(611,690)	35,522,356
Projected Surplus (Deficit) FY2022-23	1,148,187	2,053,588	38,128	(78,322)	(56,017)	3,105,565
Debt Principal FY2022-23 (Enterprise only)	239,826	595,232				835,058
New Borrowing FY2022-23(Enterprise only)						-
Capital Expenditure FY2022-23(Enterprise)	(1,830,390)	(269,517)				(2,099,907)
Projected Fund Balance June 30, 2023	11,780,972	24,997,369	156,130	1,096,307	(667,707)	37,363,072
Budgeted Excess (Deficit) FY2023-24	7,469,409	1,103,283	(47,760)	70	(71)	8,524,930
Anticipated Borrowing FY2023-24(Enterprise)	-	-				-
Capital Project grant funding (contingent)	7,012,500	785,500				7,798,000
Debt Principal FY2023-24(Enterprise only)	264,037	539,053				803,090
Capital Expenditure FY2023-24(Enterprise)	(9,376,000)	(274,000)				(9,650,000)
Projected Fund Balance June 30, 2024	17,150,918	27,151,205	108,370	1,096,377	(667,777)	44,839,092

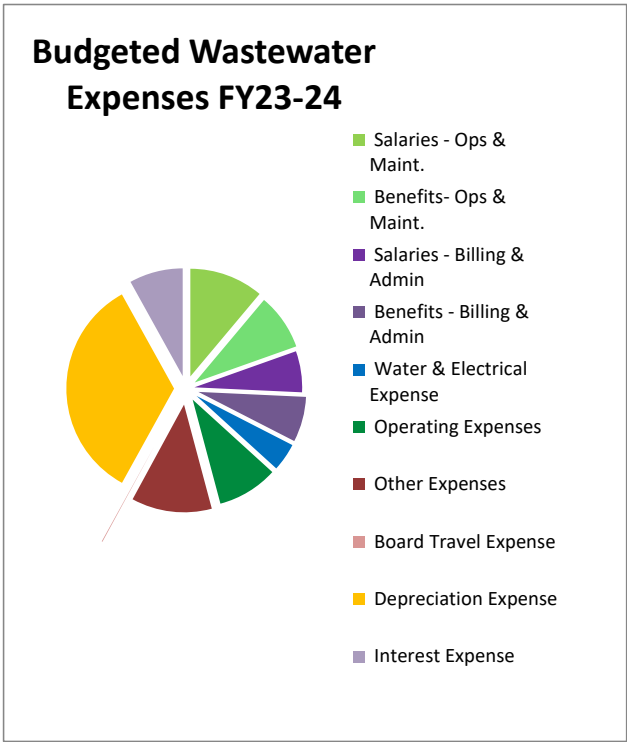
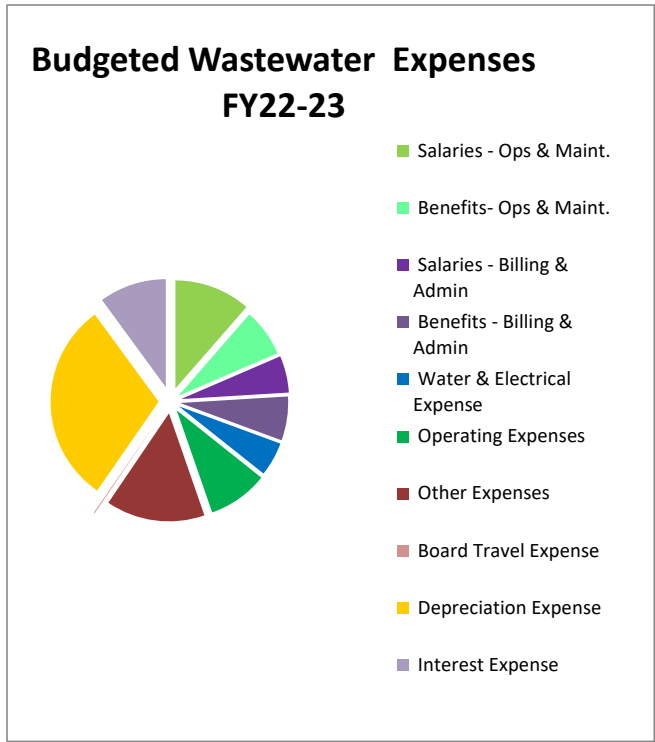
McKinleyville Community Services District
Enterprise Funds: Water Operating Budget
FY 2023-24

Description	Water Fund Approved Budget FY22-23		Water Fund Approved Budget FY23-24		Difference (Memorandum Only)	
Water Revenues						
Water Sales	4,434,226	69%	4,300,000	38%	(134,226)	-3%
Capacity Fees	150,000	2%	150,000	1%	-	0%
Other Revenue	1,735,800	27%	7,087,450	15%	5,351,650	308%
Contributed Construction	25,000	0%	75,000	0%	50,000	200%
Interest Revenue	50,000	1%	85,000	0%	35,000	70%
Total Revenues	6,395,026	100%	11,697,450	55%	5,302,424	83%
Water Expenses						
Salaries - Ops & Maint.	406,914	10%	451,304	11%	44,391	10.9%
Benefits- Ops & Maint.	283,787	7%	350,865	8%	67,077	23.6%
Salaries - Billing & Admin	240,335	6%	272,414	6%	32,079	13.3%
Benefits - Billing & Admin	275,963	7%	300,252	7%	24,289	8.8%
Water Purchased (COGS)	1,210,000	31%	1,270,398	30%	60,398	5.0%
Electrical Expense	56,000	1%	73,100	2%	17,100	30.5%
Operating Expenses	617,487	16%	228,500	5%	(388,987)	-63.0%
Other Expenses	199,709	5%	525,857	12%	326,148	163.3%
Board Travel Expenses	8,000	0.2%	15,000	0%	7,000	87.5%
Depreciation Expense	400,000	10%	400,000	9%	-	0.0%
Interest Expense	215,801	6%	340,351	8%	124,550	57.7%
Total Expenses	3,913,996	100%	4,228,041	100%	314,045	8%
Excess (Deficit)	2,481,030		7,469,409			



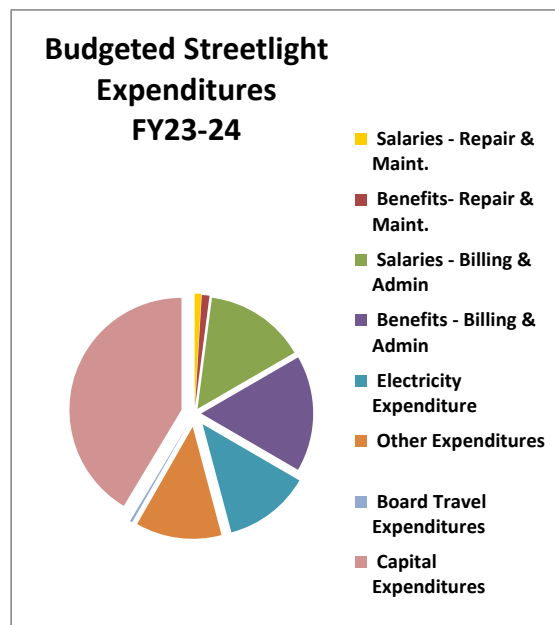
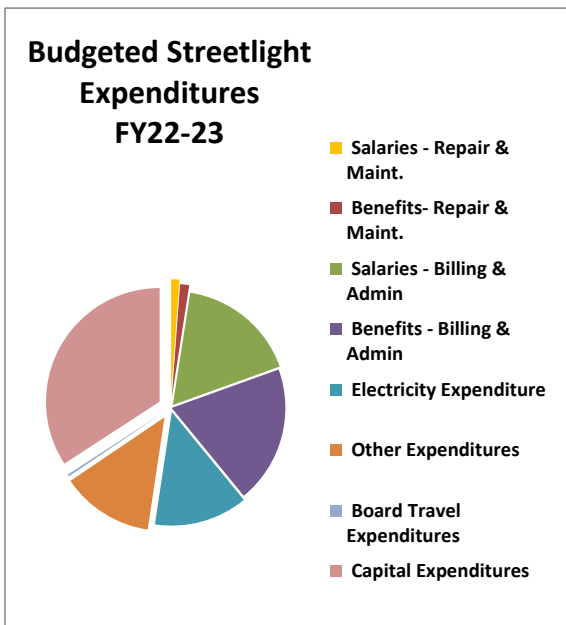
McKinleyville Community Services District
Enterprise Funds: Wastewater Operating Budget
FY 2023-24

Description	Wastewater Fund Approved Budget FY22-23		Wastewater Fund Approved Budget FY23-24		Difference (Memorandum Only)	
Wastewater Revenues						
Sewer Service Charges	4,371,210	65%	4,200,000	76%	(171,210)	-4%
Capacity Fees	200,000	3%	200,000	4%	-	0%
Other Revenue	2,081,692	31%	871,592	16%	(1,210,100)	-58%
Contributed Construction	25,000	0%	125,000	2%	100,000	400%
Interest Revenue	50,000	1%	130,000	2%	80,000	160%
Total Revenues	6,727,902	100%	5,526,592	100%	(1,201,310)	-17.9%
Wastewater Expenses						
Salaries - Ops & Maint.	461,376	11%	491,516	11%	30,140	7%
Benefits- Ops & Maint.	287,193	7%	373,980	8%	86,787	30%
Salaries - Billing & Admin	222,728	6%	273,023	6%	50,295	23%
Benefits - Billing & Admin	265,576	7%	300,868	7%	35,292	13%
Water & Electrical Expense	205,500	5%	186,000	4%	(19,500)	-9%
Operating Expenses	363,000	9%	402,500	9%	39,500	11%
Other Expenses	598,153	15%	534,155	12%	(63,998)	-11%
Board Travel Expense	6,000	0%	5,000	0%	(1,000)	-17%
Depreciation Expense	1,225,000	30%	1,500,000	34%	275,000	22%
Interest Expense	406,318	10%	356,267	8%	(50,051)	-12%
Total Expenditures	4,040,844	100%	4,423,309	100%	382,465	9.5%
Excess (Deficit)	2,687,058		1,103,283			



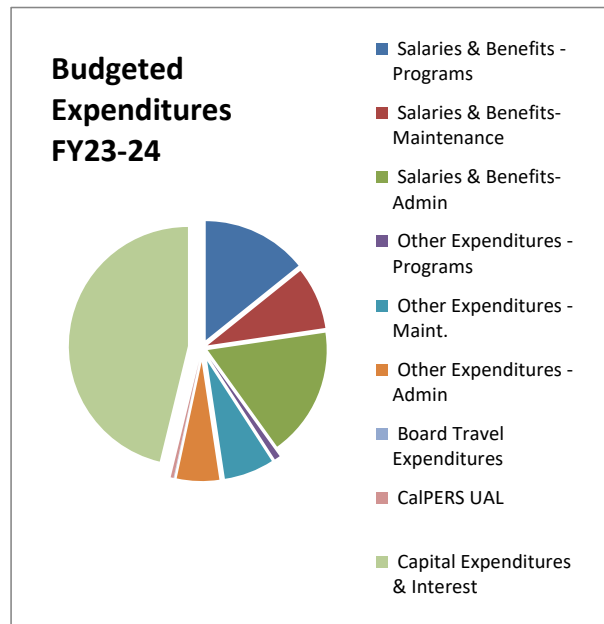
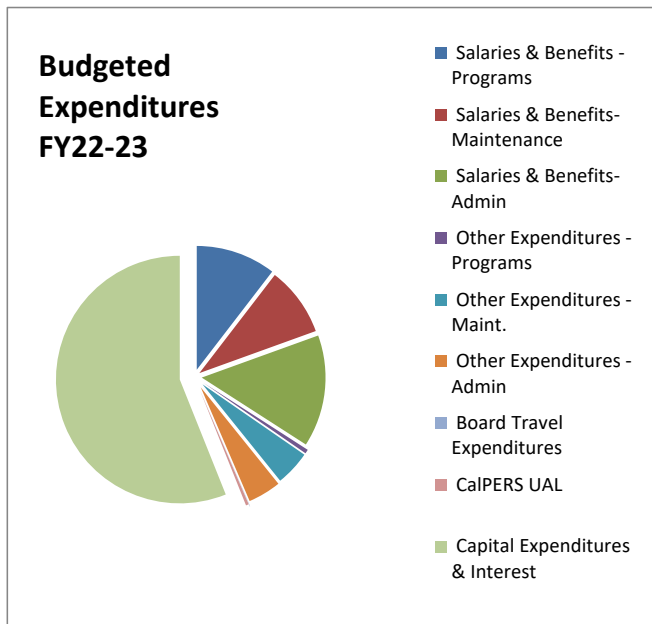
McKinleyville Community Services District
Streetlights Fund Operating Budget
FY 2023-24

Description	Streetlights Fund Approved Budget FY22-23		Streetlights Fund Approved Budget FY23-24		Difference (Memorandum Only)	
Streetlight Revenues						
Streetlight Charges	105,930	85%	110,000	86%	4,070	3.8%
Other Charges	18,500	15%	18,500	14%	-	0.0%
Interest Revenue	50	0%	100	0%	50	100.0%
Total Revenues	124,480	100%	128,600	100%	4,120	3%
Streetlight Expenditures						
Salaries - Repair & Maint.	1,602	1%	1,678	1%	77	4.8%
Benefits- Repair & Maint.	1,778	1%	1,951	1%	173	9.7%
Salaries - Billing & Admin	23,443	17%	25,725	15%	2,282	9.7%
Benefits - Billing & Admin	26,906	20%	29,518	17%	2,612	9.7%
Electricity Expenditure	18,300	13%	22,000	12%	3,700	20.2%
Other Expenditures	18,090	13%	21,887	12%	3,797	21.0%
Board Travel Expenditures	400	0%	600	0%	200	50.0%
Capital Expenditures	47,000	34%	73,000	41%	26,000	55.3%
Total Expenditures	137,519	100%	176,360	100%	38,841	28%
Excess (Deficit)	(13,039)		(47,760)			



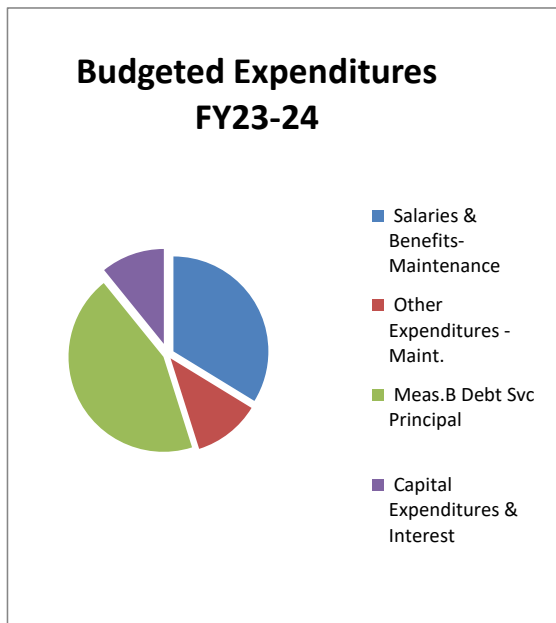
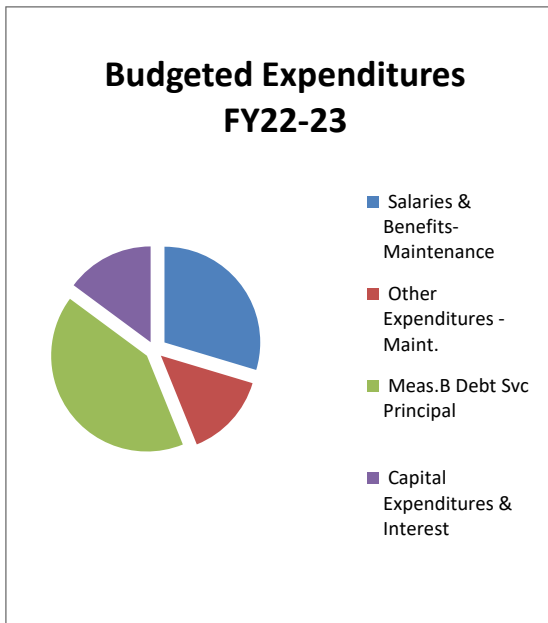
**McKinleyville Community Services District
Parks/General Fund Operating Budget
FY 2023-24**

Description	Parks/General Fund Approved Budget FY2022-23		Parks/General Fund Approved Budget FY2023-24		Difference (Memorandum Only)	
Revenues						Incr(decr)
Program Fees	257,380	9%	324,980	13%	67,600	26.3%
Facility Fees	59,850	2%	69,350	3%	9,500	15.9%
Property Taxes	712,575	26%	773,676	31%	61,101	8.6%
Open Space Fees	132,400	5%	141,000	6%	8,600	6.5%
Contributions & Other Program	1,652	0%	1,500	0.1%	(152)	-9.2%
Other Revenue	35,940	1%	33,569	1%	(2,371)	-6.6%
Quimby Fees/ Grants/Loans	1,487,952	55%	1,134,000	45%	(353,952)	-23.8%
Interest Revenue	35,002	1.3%	40,000	1.6%	4,998	14.3%
Total Revenues	2,722,751	100%	2,518,075	100%	(204,676)	-7.5%
Expenditures						
Salaries & Benefits - Programs	283,781	10%	358,334	14%	74,553	26.3%
Salaries & Benefits- Maintenance	246,162	9%	212,364	8%	(33,798)	-13.7%
Salaries & Benefits- Admin	397,565	15%	438,481	17%	40,916	10.3%
Other Expenditures - Programs	14,325	1%	19,625	1%	5,300	37.0%
Other Expenditures - Maint.	124,770	5%	170,300	6.8%	45,530	36.5%
Other Expenditures - Admin	117,725	4%	144,700	5.7%	26,975	22.9%
Board Travel Expenditures	1,100	0.0%	1,200	0.0%	100	9.1%
CalPERS UAL	10,000	0%	10,000	0.4%	-	0.0%
Capital Expenditures & Interest	1,525,000	56%	1,163,000	46%	(362,000)	-23.7%
Total Expenditures	2,720,428	100%	2,518,005	100%	(202,423)	-7.4%
Excess (Deficit)	2,323		70			



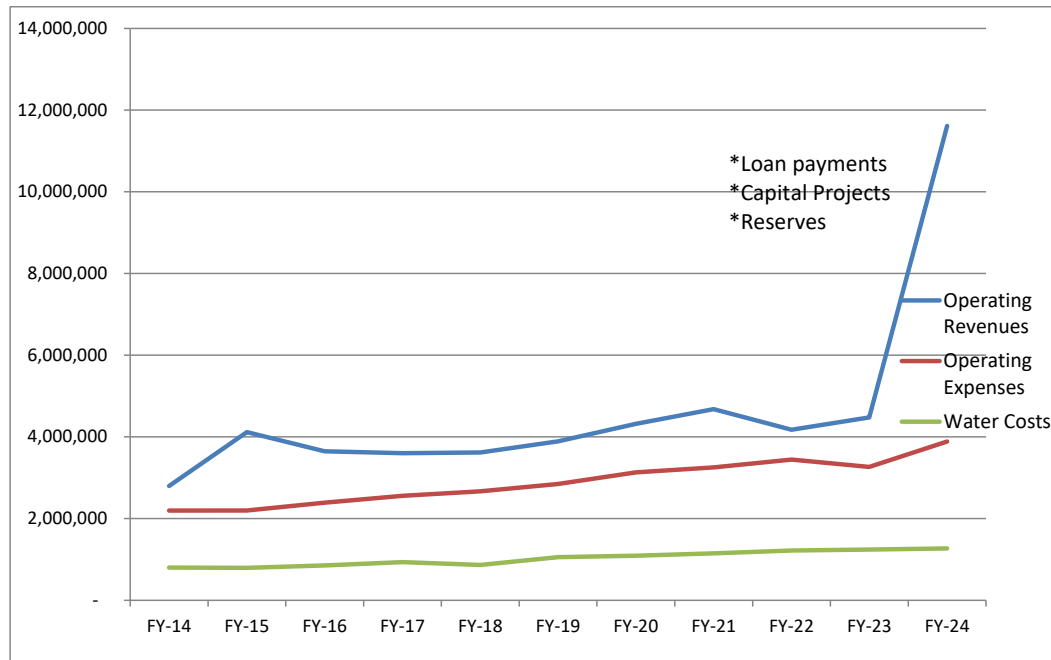
McKinleyville Community Services District
Measure B Fund Operating Budget
FY 2023-24

Description	Measure B Fund Approved Budget FY22-23		Measure B Fund Approved Budget FY23-24		Difference (Memorandum Only)	
						Incr(decr)
Revenues						
Measure B Assessment	221,304	97%	224,000	96%	2,696	-1%
Grants/Contributions	-	0%	-	-	-	-
Other Revenue	-	0%	-	0%	-	0%
Proceeds from Debt	-	-	-	0%	-	0%
Quimby Fees/ ReservesDraw	-	0%	-	0%	-	0%
Interest Revenue	6,000	2.6%	8,200	3.5%	2,200	1%
Total Revenues	227,304	100%	232,200	100%	4,896	2%
Expenditures						
Salaries & Benefits- Maintenance	67,288	30%	78,368	34%	11,080	16%
Other Expenditures - Maint.	32,325	14%	26,450	11%	(5,875)	-18%
Meas.B Debt Svc Principal	93,674	41%	102,304	44%	8,630	9%
Capital Expenditures & Interest	33,744	15%	25,149	11%	(8,595)	-25%
Total Expenditures	227,030	100%	232,271	100%	5,240	2%
Excess (Deficit)	274		(71)		(344)	



McKinleyville Community Services District
Water Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2014-2024

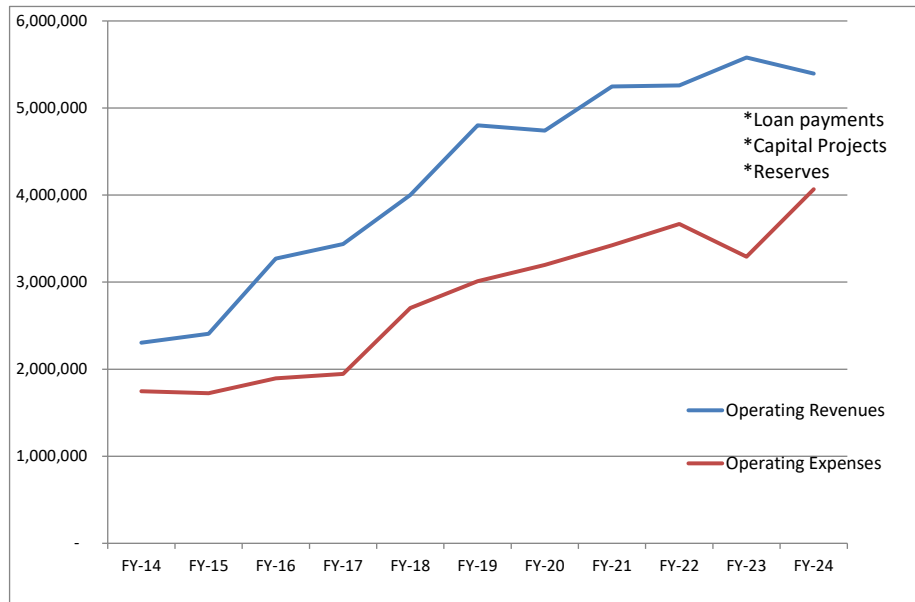
	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	2024 Budget
Operating Revenues											
Water Sales	2,237,058	2,855,251	2,971,172	3,307,872	3,201,667	3,333,250	3,689,722	4,038,710	3,901,039	4,143,812	4,300,000
Other Water Revenues	561,962	1,263,244	677,733	293,149	416,418	560,739	628,746	639,929	273,229	334,329	7,312,450
Total Operating Revenues	2,799,019	4,118,496	3,648,905	3,601,020	3,618,085	3,893,989	4,318,467	4,678,638	4,174,268	4,478,141	11,612,450
Operating Expenses											
Salaries & Benefits	766,832	820,713	901,568	961,086	873,905	793,755	884,086	940,282	902,593	1,114,159	1,374,492
Water Cost	801,270	795,098	855,642	933,907	867,122	1,056,472	1,094,722	1,147,401	1,218,070	1,240,204	1,270,398
Other Expenses	325,537	258,732	290,102	314,758	562,998	610,340	700,340	754,257	935,278	508,649	842,800
Depreciation	303,585	325,895	344,400	346,630	363,985	389,295	455,902	411,197	391,802	399,996	400,000
Total Operating Expenses	2,197,224	2,200,438	2,391,712	2,556,381	2,668,010	2,849,862	3,135,050	3,253,138	3,447,743	3,263,008	3,887,690
Net Operating Income (Loss)	601,796	1,918,057	1,257,193	1,044,639	950,075	1,044,127	1,183,417	1,425,500	726,526	1,215,133	7,724,760
Interest Income	11,079	15,510	19,797	31,579	41,491	79,233	85,414	48,234	47,357	85,827	85,000
Interest Expense	(81,588)	(75,483)	(72,104)	(68,446)	(64,890)	(61,108)	(57,336)	(53,320)	(143,315)	(384,612)	(340,351)
Net Income (Loss)	531,286	1,858,084	1,204,887	1,007,773	926,676	1,062,252	1,211,494	1,420,414	630,568	916,348	7,469,409



MCS D Budget 2023-2024 Approved

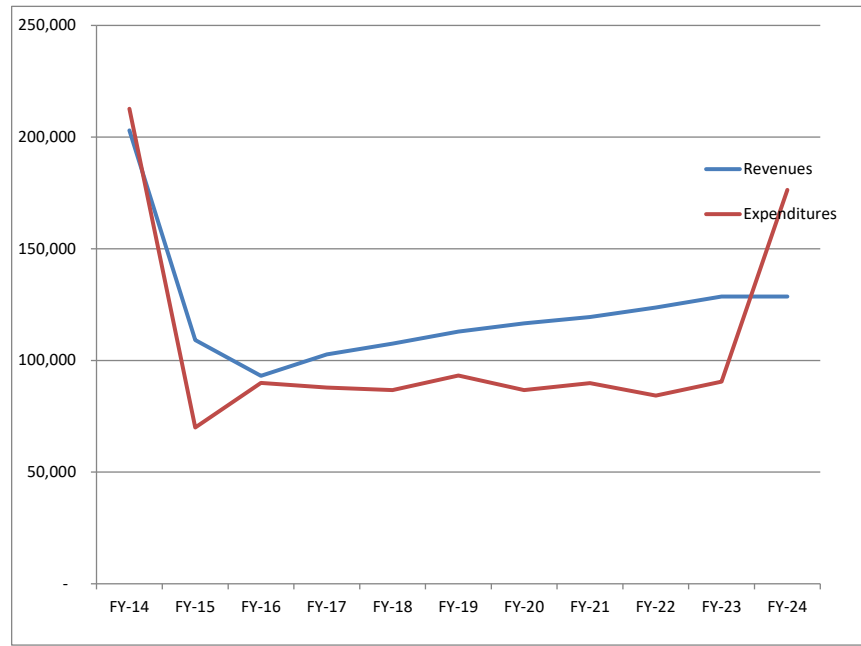
McKinleyville Community Services District
Wastewater Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2014-2024

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Budget
Operating Revenues											
Wastewater Service Charges	1,768,170	2,062,271	2,519,832	3,062,739	3,333,752	3,705,348	3,716,614	3,969,885	4,027,668	4,093,666	4,200,000
Other Wastewater Revenues	536,218	345,588	750,463	373,867	667,985	1,095,942	1,024,698	1,276,414	1,232,972	1,486,651	1,196,592
Total Operating Revenues	2,304,387	2,407,859	3,270,295	3,436,606	4,001,736	4,801,290	4,741,313	5,246,299	5,260,640	5,580,317	5,396,592
Operating Expenses											
Salaries & Benefits	843,382	865,751	966,967	990,442	1,040,516	991,199	1,040,090	1,172,658	1,154,077	1,339,451	1,456,742
Other Expenses	441,704	388,878	462,582	502,182	832,570	819,105	946,210	973,100	1,073,865	728,080	1,110,300
Depreciation	462,621	469,397	464,200	453,677	829,508	1,201,128	1,211,865	1,276,998	1,439,445	1,224,996	1,500,000
Total Operating Expenses	1,747,706	1,724,026	1,893,749	1,946,301	2,702,594	3,011,431	3,198,164	3,422,757	3,667,387	3,292,527	4,067,042
Net Operating Income (Loss)	556,681	683,833	1,376,547	1,490,305	1,299,142	1,789,858	1,543,149	1,823,542	1,593,253	2,287,790	1,329,550
Interest Income	18,989	20,496	21,382	30,154	48,208	120,116	135,107	85,047	68,616	134,706	130,000
Interest Expense	(37,521)	(31,558)	(27,900)	(23,803)	(198,112)	(225,072)	(313,825)	(225,790)	(317,477)	(368,908)	(356,267)
Net Income (Loss)	538,149	672,771	1,370,029	1,496,656	1,149,238	1,684,902	1,364,431	1,682,799	1,344,392	2,053,588	1,103,283



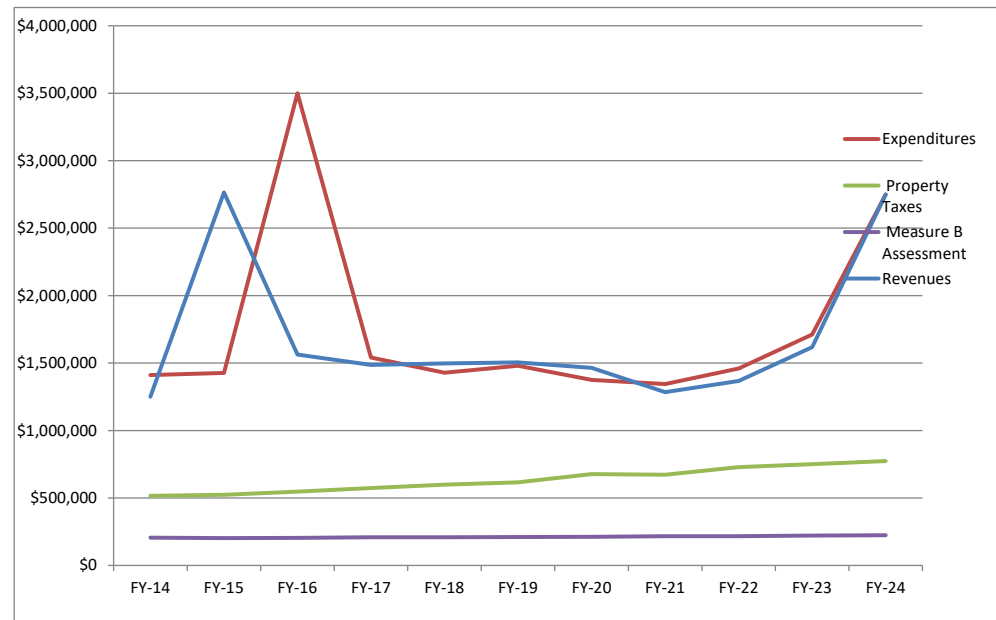
McKinleyville Community Services District
Streetlight Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2014-2024

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Budget
Revenues	203,009	109,123	93,109	102,744	107,557	112,870	116,620	119,403	123,692	128,661	128,600
Expenditures											
Salaries & Benefits	45,591	35,942	40,767	37,296	36,852	38,155	39,693	51,443	39,805	46,429	53,024
Other Expenditures	43,141	31,804	29,261	30,719	30,022	35,272	37,198	38,409	40,226	42,380	50,336
Debt Service	-	-	19,865	19,865	19,865	19,865	9,863	-	-	-	-
Capital Expenditures	123,950	2,229	-	-	-	-	-	-	4,273	1,725	73,000
Total Expenditures	212,681	69,975	89,893	87,880	86,739	93,293	86,753	89,853	84,304	90,534	176,360
Excess (Deficit)	(9,672)	39,148	3,216	14,864	20,817	19,578	29,868	29,551	39,388	38,127	(47,760)



McKinleyville Community Services District
Parks & Recreation, Measure B Assessment, & General Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2014-2024

	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Estimate	2024 Budget
Combined Revenues											
Programs	324,140	320,470	360,399	384,959	374,327	285,629	198,879	153,616	219,800	310,220	306,530
Rentals	66,980	67,407	85,536	89,029	96,868	87,948	69,903	11,947	64,170	81,722	69,350
Property Taxes	516,221	523,970	547,214	574,220	598,430	615,380	677,798	671,671	729,263	751,141	773,676
Measure B Assessment	206,270	202,749	204,177	208,775	209,573	210,254	212,622	217,031	216,405	221,304	224,000
State Bonds & Grants	10,000	25,000	48,876	-	-	7,215	10,128	1,920	5,000	33,633	1,124,000
Other Revenue	120,119	1,612,221	296,868	212,637	198,827	244,785	243,124	191,965	87,634	177,707	212,719
Interest Revenue	6,755	12,773	19,661	16,287	18,799	53,839	51,911	35,578	44,339	41,849	40,000
Total Revenues	1,250,484	2,764,590	1,562,731	1,485,907	1,496,824	1,505,049	1,464,365	1,283,728	1,366,611	1,617,576	2,750,275
Combined Expenditures											
Salaries & Benefits	846,593	909,802	859,611	920,016	975,993	1,017,783	961,057	914,368	1,028,720	1,192,785	1,067,197
Other Expenditures	386,777	348,872	2,401,700	458,267	323,053	308,048	288,697	276,857	298,469	359,957	417,776
Debt Service	-	36,228	79,968	82,831	84,288	85,798	88,872	92,054	95,351	93,674	102,304
Capital Expenditures	177,463	132,323	158,519	80,568	45,473	69,128	36,025	61,264	37,368	65,634	1,163,000
Total Expenditures	1,410,834	1,427,225	3,499,798	1,541,682	1,428,807	1,480,757	1,374,652	1,344,542	1,459,908	1,712,050	2,750,277
Combined Excess (Deficit)	(160,349)	1,337,365	(1,937,067)	(55,775)	68,017	24,292	89,714	(60,815)	(93,298)	(94,474)	(2)



**McKinleyville Community Services District
Enterprise Funds Capital Improvement Project Budget
For the Fiscal Years Ending June 30, 2024 - 2033**

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033
Heavy Equipment										
Totals:	308	42	155	335	190	500	0	0	20	70
Utility Vehicles										
Totals:	50	90	90	50	78	78	83	55	85	55
Water System										
Totals:	11,183	12,077	3,817	2,026	1,042	1,062	1,290	1,020	1,580	1,131
Sewer System										
Totals:	2,740	3,927	8,024	1,364	1,288	7,335	1,480	3,310	4,745	1,441
Office, Corporation Yard & Shops										
Totals:	643	1,520	1,530	0	14	0	10	0	10	0
Computers, Software & Equipment										
Totals:	219	46	17	12	12	17	12	12	17	12
Reclamation (Fischer & Pialorsi Ranches)										
Totals:	80	15	15	15	25	15	15	15	15	15

**McKinleyville Community Services District
Enterprise Funds Capital Improvement Project Budget
For the Fiscal Years Ending June 30, 2024 - 2033**

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033
Small Equipment & Other										
Totals:	20	20	35	42	20	15	20	20	15	40
Capital Planned Expenditures	15,243	17,737	13,683	3,844	2,669	9,022	2,910	4,432	6,487	2,764
Departmental Allocations:										
Water Fund	11,803	12,936	4,731	2,246	1,199	1,117	1,353	1,064	1,654	1,275
Wastewater Fund	3,440	4,801	8,952	1,599	1,470	7,905	1,558	3,369	4,834	1,545
Total	15,243	17,737	13,683	3,844	2,669	9,022	2,910	4,432	6,487	2,819
Internal Funds/Reserves/Debt - District Share	8,156	9,038	7,375	3,094	2,669	9,022	2,910	4,432	6,487	2,819
Potential Grant Funding Expected	7,088	8,699	6,308	750						

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Project Budget
For the Fiscal Years Ending June 30, 2024 - 2033

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033
1. Hiller Park & Sports Complex Projects										
Totals:	0	80	0	25	12	19	0	0	0	0
2. Pierson Park Projects										
Totals:	0	110	12	8	83	6	15	0	0	0
3. Azalea Hall Projects										
Totals:	28	44	26	15	12	27	119	0	6	0
4. McKinleyville Activity Center Projects										
Totals:	7	57	111	75	0	0	100	0	0	0
5. Other Park Projects & Equipment										
Totals:	16	11	11	6	12	0	12	18	17	0

McKinleyville Community Services District
 General Fund (Parks & Recreation) Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2024 - 2033

(All numbers in \$000s)

1 2 3 4 5 6 7 8 9 10

	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033
6. Law Enforcement Facility Projects										
Totals:	0	26	10	0	21	0	0	0	0	0
7. McKinleyville Library Projects										
Totals:	23	8	28	29	8	8	8	0	0	0
8. Teen & Community Center										
Totals:	8	0	48	8	13	8	8	48	8	8
9. Projects Contingent Upon Grant Funding										
Totals:	80	30	50	50	0	0	0	0	0	0
10. Projects Funded by Quimby & Other Funds										
Skate Park/ Washington property proj Totals:	1,029	1,152	25	0	0	0	0	0	0	0
Total Planned Capital Expenditures	1,191	1,518	321	216	161	68	262	66	31	8
Grant-Funded Capital Projects	1,057	1,184								

McKinleyville Community Services District
 Streetlights Fund Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2024 - 2033

	1	2	3	4	5	6	7	8	9	10
	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033
1. Heavy Equipment										
Totals:	0	83	0	0	0	0	0	0	0	0
2. Poles and Lights										
Totals:	73	0	0	0	0	0	0	0	0	0
Total Planned Expenditures	73	83	0	0	0	0	0	0	0	0

**Capital Improvement Plan
Water, Sewer and Streetlights Funds
Fiscal Year 2023-24**

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, or 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, the Operations Director, 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 ensure that MCSD's fleet of heavy equipment and utility vehicles would be replaced in an approximately ten-year cycle. At present, the Water and Wastewater Funds plan to replace one of the District's trucks. Funds have also been set aside for the replacement of a backhoe and a towable generator. The District will also purchase a new 3-foot tractor mounted roller for paving trenches.

Water System

The District will embark on several water projects in FY2023-24. The largest Water project for FY2023-24 is the construction phase of the 4.5 million gallon storage tank. In FY2022-2023 the District purchased the property where the tank will be built. In FY2023-24 approximately half of the construction funds will be expended (\$6.35 million). Of that, 75% (\$4.7 million) will be grant funded. The District has issued Certificates of Participation (COPs), a debt instrument, to fund the balance of the project.

Another large project that grant funding and design is expected to begin in FY2023-24 is the Mad River Crossing Emergency Water Supply this is a multi-year \$4.2 million project that will provide a redundant water main under the Mad River. In FY2023-24 \$250,000 has been budgeted for design and planning, of that 75% will be granted funded. The District is also expecting grant funding and design for the replacement of McCluski Tank 3, this project will span FY2024-25 and conclude in FY2025-26. In FY2023-24, \$100,000 has been budgeted for the design and planning, 75% of this project will also be grant funded.

\$750,000 is budgeted for a recoating project. Each tank recoating cycle is approximately 20 to 30 years for preventative maintenance to avoid corrosion and maintain structural integrity. Other projects for the Water Fund include \$8,000 for the replacement of the water tank cathodic protection system; \$8,000 to upgrade the

computer used for reading meters; and \$10,000 to upgrade the digital control and radio telemetry system. The fire hydrant system is still scheduled to be upgraded. The District will use this \$7,000 budget item to upgrade dry barrel hydrants in commercial areas to wet barrel hydrants.

\$1,800,000 is scheduled for the ongoing Water Main Rehabilitation/ Replacement Project. \$1 million of that is a set-aside, per the last Board approved Rate Study. The other \$800,000 is for the water main replacement on Central Avenue, and is debt-funded (COPs).

Wastewater System

The \$240,000 set aside annually to pay for the next bio-solids project has been reduced to \$200,000 annually, as the cost of the bio-solids removal in FY2021-22 was lower than expected. These should occur on a four-to-six year cycle. \$25,000 has been set aside to fund the new National Pollutant Discharge Elimination System (NPDES) permit studies that will be part of the new permit requirements. \$70,000 is allocated for an engineering study on the upgrade of the WWMF's disinfection system. \$1,500,000 is budgeted for the Wastewater Mainline Rehabilitation/ Replacement Project. As with the Water side of this project, \$1 million is a set-aside of rates to build up reserves, as approved by the Board in the 2018 rate study. The other \$500,000 is to start work on the Central Avenue portion of the project.

The Undercrossing project budget portion for the current fiscal year is \$100,000, with the remaining balance budgeted in FY2024-25 (\$1,049,000) and FY2025-26 (\$5,611,000). Other significant Wastewater projects include a set aside of \$40,000 for lift station pump and generator replacements. This number may change once we find out that our grant funding was accepted, a sewer-main camera unit (\$30,000), and \$60,000 to armor the WWMF ponds.

The remaining projects are for smaller dollar amounts. \$5,000 for an underground pipe locator and camera, \$6,000 for a self-contained breathing apparatus (SCBA), \$6,000 for repairs, and \$8,000 for replacement of smaller pumps and motors. Funding for these smaller projects will come from pay-go funding according to the approved Reserves policy for the maintenance and replacement of capital infrastructure.

Office, Corporation Yard, Computers and Software

\$163,000 has been budgeted to finish the architectural design of the District's operations and administrative office, with renovations to be completed in the following years. \$390,000 has been budgeted for purchase of the property behind the District offices. We are actively discussing the purchase of this property with the property owner. If the sale goes through this fiscal year it will come out of this fiscal year's budget. \$20,000 has been set aside for major repairs to the existing offices, \$11,000 has been set aside for the regular upgrade and replacement of office equipment and printers, \$10,000 for miscellaneous facility upgrades and sealcoat and an additional \$8,000 has been added for AutoCAD software.

The District will also replace its existing accounting software with a new enterprise resource planning (ERP) system, \$200,000 has been budgeted in FY2023-24 and \$35,000 has been budgeted in FY2024-25 for software, installation and training.

Reclamation (Fischer & Pialorsi Ranch)

\$35,000 has been budgeted to for reclamation projects. A total of \$45,000 is available for replacement and maintenance of underground valves and piping, irrigation pipes and fittings, improvements on the Pialorsi house and the Fischer house.

Streetlights

\$65,000 for a safety and longevity inspection of all the District's streetlight poles. Replacement of some failing photocells is scheduled, with a \$5,000 budget, along with \$3,000 for pole replacement if needed.

Note on Water & Sewer Funds Capital Improvement Program

The Water and Sewer Funds Capital Improvement Program's planned capital expenditures are shown 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.

**Capital Improvement Plan
Parks and General Fund
Fiscal Year 2023-24**

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 ensure that MCSD's aging fleet of service vehicles would be replaced in an approximately ten-year cycle. Where possible, the District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in capital and operating costs. One mower is scheduled to be replaced in fiscal year 2023-24.

Facility Projects

Replacement of the Hewitt Room floor, renovation of the walls in the Hewitt room, and window covering replacements were covered by Prop 68 funding in fiscal year 2022-23. \$8,000 has been budgeted from these grant funds for replacement of the furnace in Azalea Hall. If funds are remaining in fiscal year 2023-2024 the front entry door will be replaced or fixed with a panic bar system for exit while the door is locked. The dish sanitizer may also be replaced if Prop 68 funds allow.

\$8,000 is budgeted from regular funds for the replacement of the furnace at the McKinleyville Library. A \$15,000 grant is being sought for the replacement of the Library carpet. Quimby funds might also be considered to support the completion of this project. Replacement of the HVAC system at the McKinleyville Activity Center has also been budgeted for \$7,000 from regular funds, if needed.

Parks and Trails Projects

In 2021, the District was awarded a \$2.3 Million grant to construct a BMX Track & Park. Design began in fiscal year 2022-2023 and construction is scheduled to begin in fiscal year 2023-2024, \$1.3 million has been budgeted for construction.

It is anticipated that Green Diamond will donate a portion of forest land to the District in fiscal year 2022-2023. \$80,000 has been budgeted for the development of the Murray Road Access Point.

Small Equipment, Contingency and Other

Nothing has been set aside in the upcoming fiscal year for unanticipated capital emergency equipment repair or replacement of greater than \$5,000. 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 are included in the repairs/maintenance/supplies line of the Parks & General Fund Operating Budget.

Note on Parks & General Fund Capital Improvement Plan

The Parks and General Fund Capital Improvement Program's planned capital expenditures are shown 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.

Strategic Plan

2019-2024

McKinleyville Community
Services District



Table of Contents

Introduction 1

 Purpose 1

 History 1

 Services 1

Mission, Vision & Values 2

 Mission 2

 Vision 2

 Values 3

Goals & Objectives 5

Plan Review, Revisions & Reporting 6

APPENDIX A: Progress Reports A-1

Plan Revisions

Date	Description of Change

Introduction

Purpose

This Strategic Plan (Plan) exists to empower the McKinleyville Community Services District (District) to accomplish its mission by providing vision and specific objectives for the next five years.

The Plan was updated in July 2019 by the District's Board of Directors and staff with the understanding that it is a living document that will be reviewed regularly and revised as needed to better serve the District and the McKinleyville community. The Plan was purposefully fashioned as a succinct, workable document so that it can be easily used to:

- Measure District success
- Generate focused work plans
- Adopt comprehensive, goal-oriented budgets
- Communicate District values and direction to the community

History

The McKinleyville Community Services District created on April 7, 1970 when McKinleyville's voters voted 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.

Services

The District boundary encompasses 12,140 acres ranging from North Bank Road on the south to Patrick's Creek on the north and has over 5,300 active water services and 4,470 active sewer connections. The District is an independent, special district governed by a five member Board of Directors. The District provides the following services:

- Water
- Wastewater
- Street Lights
- Open Space
- Parks & Recreation
- Library Services

Mission, Vision & Values

Mission

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

Vision

The District is an engaged, collaborative and responsible public agency that is committed to enhancing and preserving McKinleyville's quality of life through the implementation of clear and forward thinking policies and plans for service provision within its scope of power.

The District has established the following visionary goals for the next five years:

- 1 The Parks & Recreation Department has developed and implemented an effective strategy that will close the gap between revenues and expenses, allowing for the long term sustainability of the department.
- 2 The District is prepared for a major natural disaster and the public is educated and aware of MCSD's role in response to a major natural disaster.
- 3 The District will know the number of building permits allocated by the county within the District AND will know the impact accommodating allocated permits will have on District capacity.
- 4 The District will have an effective strategic partnership plan in place.
- 5 The District will have acquired the property for a community forest and will have a plan for sustainable management of said property.

Mission, Vision & Values

Values

The Board of Directors has collectively established the following core values, along with the defining traits, culture and actions.

INTEGRITY

- Definition - Truthfulness; Saying what you mean and doing what you say.
- Culture - Trustworthy performance; Incorruptible.
- Actions - Communicate using non-discriminatory language; Provide clear and factually accurate information to public, staff and fellow board members; Make decisions transparently; Form opinions/make judgments based on facts, not assumptions.

RESPONSIBILITY

- Definition - Dependable and accountable; Doing what is necessary in the best possible way and with the best possible intentions.
- Culture - Accepting all consequences, both good and bad; Adaptive Management.
- Actions - Follow through with commitments and follow up to evaluate results and outcomes; Give full attention to listening to public, staff and/or fellow board members during discussion and comment periods; Accept ownership of decisions and all results/outcomes/consequences of decisions; do not engage in blaming or making excuses; Focus decision making to that which serves the best interest of McKinleyville residents within the powers of the MCSD (water, sewer, streetlights, parks & rec and library powers).

FAMILY

- Definition - Group/Unit that is not always chosen, connected by commonalities and shared experience with defined roles.
- Culture - Efficiency, lightheartedness, respect, listening (open eared), care for members, forgiveness, and understanding with respected leadership.
- Actions - Listen to HEAR, not to REPLY; focus listening until person stops talking and THEN formulate your reply; Do not engage in gossip; Remain mindful and considerate of commonalities between self and others when engaging in challenging dialogue; Volunteer in the community; Express gratitude, regularly and often; Develop a shared vision and goal that we work to achieve together.

Mission, Vision & Values

Values Cont.

FAIRNESS

- Definition - Decisions based on rules, facts and circumstances.
- Culture - Consideration given to all facets in a consistent manner.
- Actions - Clearly communicate criteria for fairness in decisions; Judge according to facts; leave out emotion, 'shoulds', judgements and assumptions; Listen and give due consideration to all sides of an issue with an open mind before forming opinions or making judgements and decisions; Give equitable and consistent consideration to issues and options when making decisions.

Goals & Objectives

GOAL 1

The Parks & Recreation Department has developed and implemented an effective strategy that will close the gap between revenues and expenses, allowing for the long term sustainability of the department.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Plan and Implement an annual "Spirits & Appetizers" Event as a fundraiser in Coordination with a local non-profit	Rec. Director	7/1/2019	2/28/2020	Willing & interested non-profit; Volunteers; Vendors; Activity & Teen Ctrs	No interested and willing non-profit; competing events;	Raise minimum of \$10,000 in first year
Add 2-3 revenue generating classes/programs to annual offerings	Rec. Coordinators	7/1/2019	6/30/2023	Facility space; available staff/instructors; supplies and/or technology depending on program	No interest in classes; will not generate revenue exceeding the cost of offering;	Increase dept. revenue by \$5k-\$10k
Implement a comprehensive marketing plan	Rec. Director	6/15/2019	6/30/2020	Staff time; money to invest in marketing strategies	Lack of resources to invest in marketing; possibility of not getting return on investment of marketing.	Increase facility revenue by \$8k-\$15k
Survey community to determine feasibility of increasing Measure B Assessment amount	GM & Rec. Director	7/1/2021	12/31/2021	Consultant/contractor to implement survey and write report	Lack of resources to hire consultants; community does not support increase.	Increase is feasible; know amount of feasible increase based on community support
Implement process for re-assessment of Measure B at higher rate	GM & Rec. Director	1/1/2022	11/10/2022	Consultant/contractor to implement process for reassessing measure B	Community does not support increase	Community supports reassessment and votes to increase in measure tax

Goals & Objectives

GOAL 2

The District is prepared for a major natural disaster and the public is educated and aware of MCSD's role in response to a major natural disaster.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Plan and implement Public Education materials related to Disaster Preparedness and the District	EOP Team	8/1/2019	12/31/2019	Staff time; materials	Public does not participate; method of distributing materials does not reach whole community;	Disaster preparedness Education materials related the District's role and the roles of community members are available and distributed widely
Host 2-3 public workshops or trainings related to disaster preparedness specific to McKinleyville	EOP Team	1/2/2020	6/30/2022	Staff time; facility space; materials/resources	Public does not participate; Outreach/invitation methods not effective; lack of staff time	Workshops hosted and community feedback regarding increased knowledge evaluated
Create process for updating public. Outline all methods of putting information out to public.	EOP Team & Admin Staff	5/1/2020	12/31/2020	Staff Time	Lack of staff time; methods are not effective	Information campaign is ready to launch and surveys of public indicate an increase in awareness and knowledge

Goals & Objectives

GOAL 3

The District will know the number of building permits allocated by the county within the District AND will know the impact accommodating allocated permits will have on District capacity.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Create process by which county permit allocation information is shared with the District	GM	7/29/2019	12/31/2019	Staff time; County Staff time/participation	County does not cooperate	Process is effective and efficient for collecting the necessary data
Integrate County information into District's Hydraulic Flow Analysis	GIS Tech	1/1/2020	6/30/2020	Staff time; County zoning and building permit data; hydraulic analysis software; GIS software;	Inadequate data or format of data;	Integrated data allows analysis of zoning, planning and hydraulic capacity.
Determine or set annual date for providing this information to the MCSD Board of Directors	GM, GIS Tech and BOD	7/1/2020	8/31/2020	Staff time; Modeling analysis; coordination w/county	Lack of agreement between county and MCSD related to the outcome of the analysis.	An annual date is set and agreed upon by both county and MCSD

Goals & Objectives

GOAL 4

The District will have an effective strategic partnership plan in place.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Create a comprehensive list of existing partnerships including projects in progress or completed through the partnership	GM & Dept. Heads	6/1/2021	6/30/2021	Staff time	Lack of staff time; lack of participating/willing partners	List serves as a resource for current and future work of the District
Create a comprehensive list of potential partnerships that have not yet been developed	GM & Dept. Heads, BOD	2/1/2022	3/32/2022	Staff time	Lack of staff time; lack of participating/willing partners	List serves as a resource for current and future work of the District
Create a rubric for determining when to partner, with whom and for what	GM & Dept. Heads, BOD	7/1/2021	12/31/2021	Staff time	Lack of staff time	Rubric exists to guide partnership decisions
Outline the required steps and considerations for developing and implementing partnership agreements	GM & Dept. Heads	1/1/2022	6/30/2022	Staff time	Lack of staff time	Clear guidelines and expectations for staff to follow when developing partnerships and engaging in work with existing partners.
Create a rubric of criteria for measuring the effectiveness of a partnership	GM & Dept. Heads, BOD	7/1/2022	12/31/2022	Staff time	Lack of staff time	Rubric exists to measure effectiveness of partnership

Goals & Objectives

GOAL 5

The District will have acquired the property for a community forest and will have a plan for sustainable management of said property.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Define amenities of Community Forest as desired by the community residents	GM, Rec. Dir & BOD	1/1/2019	12/31/2021	Staff time; public input; resources/materials	Lack of public participation	Parameters are defined for a Community Forest
Identify potential properties	GM & BOD	1/1/2022	12/31/2023	Staff time	Lack of available property	Potential properties are identified and available
Identify funding for acquisition of property	GM, Rec. Dir & BOD	7/1/2022	6/30/2024	Staff time	Lack of funding options; lack of public support for new taxes	Funding for acquisition obtained.
Identify Forest management strategies for identified properties	Forest Consultant	1/1/2023	12/31/2024	Resources to fund consultant; staff time	Lack of resources for consultant; lack of resources to support management strategies	Management strategies identified are feasible and funded.

Plan Review, Revisions & Reporting

The District will review this Plan at least once annually to ensure that the Plan continues to be accurate and best serve the needs of the District. Plan revisions may be made at any time. All revisions must be approved by the Board of Directors. A record of revisions will be kept on the Table of Contents page.

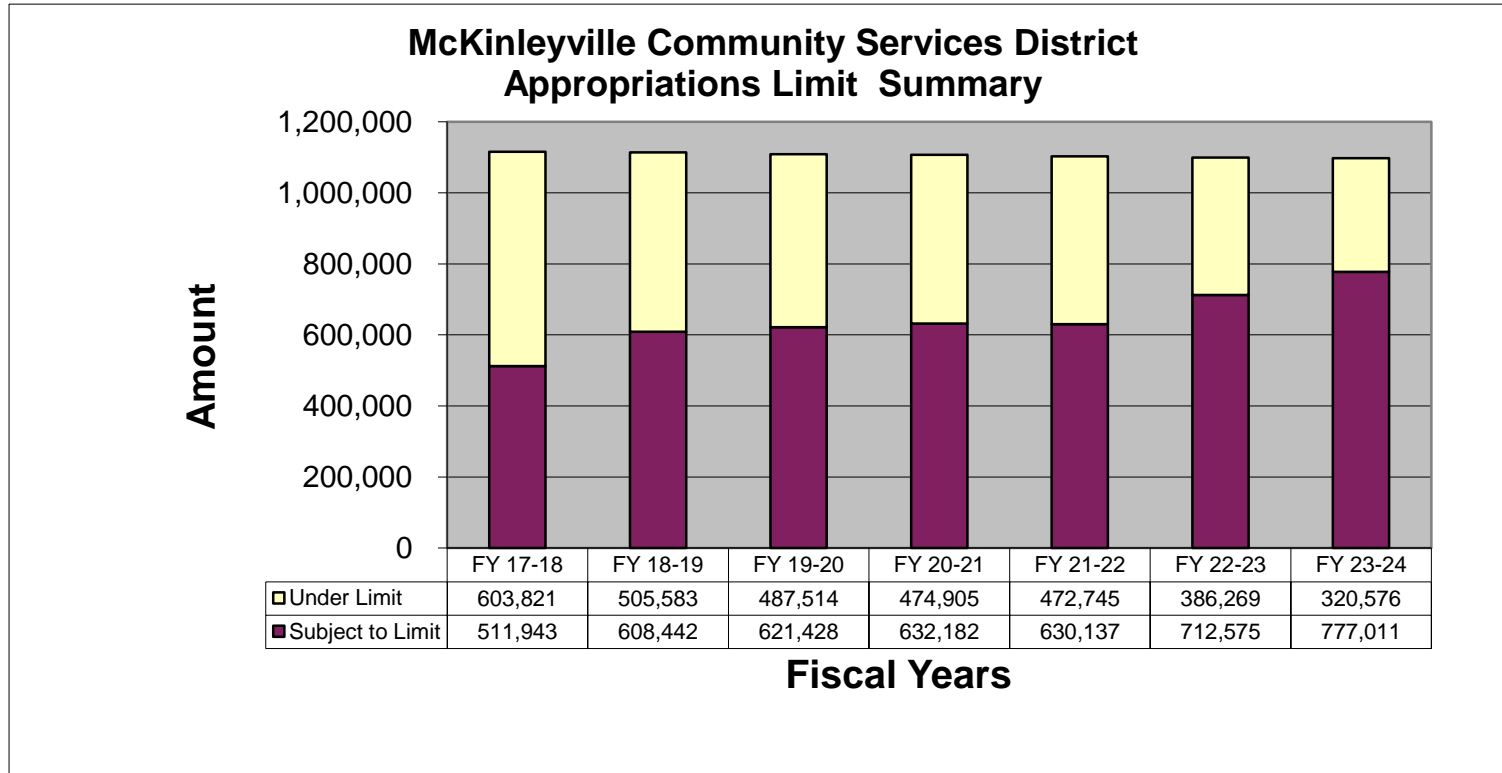
At the end of each fiscal year, the General Manager will prepare a brief report for the Board of Directors summarizing the progress that has been made toward attaining the District's goals and objectives. Reports will be included in the Appendix of this Plan.

McKinleyville Community Services District

Appropriations Limit Calculation Summary

FY 23-24 Budget

Prior Year Final Appropriation Limit	\$ 1,098,844
Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾	
Non-Residential Assessed Valuation Percent Change	0.287%
MCSD Unincorporated County Population Percent Change	-0.400%
Compounded Percentage as an Adjustment Factor	-0.114%
Annual Adjustment Amount to Appropriation Limit	(1,256)
Current Year Appropriation Limit	1,097,588
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾	
Proceeds of Taxes From Adopted Budget ⁽³⁾	792,048
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	(14,961)
Current Year Appropriations Subject to Appropriation Limit	777,087
Current Year Appropriations Under the Appropriation Limit ⁽³⁾	\$ (320,501)
Percentage Under the Limit	-29%



(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		1,958,227	2,750,275
Street Lighting Fund		128,600	128,600
Water Fund	11,697,450	-	11,697,450
Wastewater Fund	5,526,592	-	5,526,592
Total Proceeds and Non Proceeds of Taxes	19,310,869	792,048	20,102,917

Summary of Exclusions	
Court Order Costs	-
Federal Mandates	14,961
Qualified Capital Equipment	-
Qualified Debt Service	-
Total Exclusions to Appropriations Subject to Limit	14,961

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 23-24 Budget

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

	Estimated User Fees Revenues & Expenditures	Allocation By Activity		
		Parks	Street Lighting	Wastewater Operations
GENERAL FUND - Parks				
Charges for Services	376,730	376,730		
Miscellaneous Fees & Reimbursements	33,869	33,869		
Total General Fund	410,599	410,599	-	-
Street Lighting Fund	128,600		128,600	
Water Operations Fund	11,697,450			
Wastewater Operations Fund	5,526,592			5,526,592
Total Estimate of User Fees	17,763,241	410,599	128,600	5,526,592
Current Year Adopted Budget				
Operations & Equipment	10,341,986	1,587,276	103,360	4,423,309
Allocations for Improvements	-			
User Fees (Under) or in Excess of Costs	7,421,255	(1,176,677)	25,240	1,103,283

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 23-24 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	773,676				773,676	-	773,676
Special Assessment	224,000				224,000	224,000	-
Charges for Services	376,730				376,730	376,730	-
Grants	1,142,800				1,142,800	1,142,800	-
Development Fees	151,000				151,000	151,000	-
Interest (4)	48,200				48,200	29,828	-
Miscellaneous Fees & Reimbursements	33,869				33,869	33,869	18,372
Other Financing Sources	-				-	-	-
Other Sources	-				-	-	-
TOTAL GENERAL FUND REVENUES	2,750,275	0	0	0	2,750,275	1,958,227	792,048
Street Lighting Fund	128,600	47,760				128,600	
Water Fund	11,697,450	(7,694,409)				11,697,450	
Wastewater Fund	5,526,592	(1,103,283)				5,526,592	
Debt Service Fund	-					-	
Total All Funds	20,102,917	(8,749,932)	-	-	2,750,275	19,310,869	792,048

(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 23-24 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	5,400	5,400		Reimbursement for Services
42020	PROC. FEES	1,200	1,200		User Fees for Services
42030	BAD CHECK FEES	40	40		Miscellaneous Fees and Reimbursements
43002	REFUNDS/REBATES	50	50		Miscellaneous Fees and Reimbursements
43195	OTHER OP. REV.	60	60		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	16,819	16,819		Use of Property fees
44000	OPEN SPACE FEES	122,100	122,100		Development Fees
45000	OPEN SPACE FEES	18,900	18,900		Development Fees
47050	MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	25,300	25,300		User Fees for Services
48000	COMM. EVENTS	-	-		User Fees for Services
48001	VENDOR CONTRACT	39,000	39,000		User Fees for Services
48002	EVENT SERVICES	4,700	4,700		User Fees for Services
48010	INSURANCE FEES	-	-		User Fees for Services
48020	AD INCOME	350	350		User Fees for Services
48040	COMMISSIONS VND	-	-		User Fees for Services
48050	REC. PROGRAMS	306,530	306,530		User Fees for Services
48051	FRF DISCOUNT	(350)	(350)		User Fees for Services
48055	PROGRAM GRANTS	18,800	18,800		Related to Restricted Grants
48070	SALE OF SCRAP	-	-		Use of Property fees
50001	INT. REVENUE	48,200	29,828	18,372	Allocated
51001	SECURED TAXES	773,676		773,676	
51060	MEASURE B ASSMT	224,000	224,000		Special Assessment Restricted Specific Use
52000	OTHER INCOME	-	-		Miscellaneous Fees and Reimbursements
53001	CONTRIBUTIONS	1,500	1,500		Donations
53002	QUIMBY FEES	10,000	10,000		Development fees
54001	STATE GRANTS	1,124,000	1,124,000		Related to Restricted Grants
57000	GAIN ON DISPOSAL	10,000	10,000		Miscellaneous Fees and Reimbursements
Total General Fund		2,750,275	1,958,227	792,048	

Street Lighting

41050	ADMIN FEE	15,000	15,000		
42020	PROC. FEES	3,500	3,500		
43195	OTHER OP. REV.	50	50		
47001	ST. LIGHT CHGS	103,000	103,000		
47001	ST. LIGHT CHGS	7,000	7,000		
50001	INT. REVENUE	50	50		
Total Street Lighting		128,600	128,600	-	User Fees for Services

Water Fund

40000	WATER BASE CHG	1,800,000	1,800,000		
40001	MTR. WATER SALE	2,500,000	2,500,000		
41001	NEW SVC. FEES	25,000	25,000		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	-	-		
42001	PERMIT FEES	-	-		
42010	CONN. FEES	150,000	150,000		
42020	PROC. FEES	18,000	18,000		
42030	BAD CHECK FEES	500	500		
42040	RECONN. FEES	6,000	6,000		
42050	DCV INSPECTION	22,000	22,000		
43010	REC. BAD DEBTS	900	900		
43190	CELL TOWER REV.	18,000	18,000		
43195	OTHER OP. REV.	15,000	15,000		
43197	LEASE REVENUE	3,600	3,600		
43198	PAVING FEES	3,000	3,000		

**McKinleyville Community Services District
Revenue Estimates Detail
FY 23-24 Budget**

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43199	SERVICE UPGRADE	-	-	-	
46000	AFTER HRS CHGS	-	-	-	
48060	EQUIP USAGE FEE	450	450	-	
48070	SALE OF SCRAP	-	-	-	
50001	INT. REVENUE	85,000	85,000	-	
50005	LATE CHARGES	12,500.00	12,500.00	-	
51011	CONTRIB CONST	75,000.00	75,000.00	-	
52000	OTHER INCOME	-	-	-	
54001-2	GRANTS	7,012,500.00	7,012,500.00	-	
56000	GAIN ON DISPOSAL	-	-	-	
57000	UNREALIZED GAIN/LO	(50,000.00)	(50,000.00)	-	
Total Water		11,697,450	11,697,450	0	User Fees for Services

Wastewater Fund

40002	SWR SVC CHGS.	4,200,000	4,200,000	-	
40010	STORM WATER FEE	-	-	-	
41001	NEW SVC. FEES	30,000	30,000	-	
41002	INSTALLATION FEES	-	-	-	
41020	PL. CK. FEE DEP	-	-	-	
41040	SWR CONST PRMT	2,000	2,000	-	
42001	INSPECTION FEES	-	-	-	
42010	CONN. FEES	200,000	200,000	-	
42020	PROC. FEES	-	-	-	
42030	BAD CHECK FEES	300	300	-	
42040	RECONN. FEES	-	-	-	
42050	DCV INSPECTION	-	-	-	
43010	REC. BAD DEBTS	900	900	-	
43190	CELL TOWER REV.	18,000	18,000	-	
43195	OTHER OP. REV.	6,500	6,500	-	
43197	LEASE REVENUE	64,392	64,392	-	
43198	PAVING FEES	1,000	1,000	-	
46000	AFTER HRS CHGS	-	-	-	
48060	EQUIP USAGE FEE	-	-	-	
48070	SALE OF SCRAP	-	-	-	
50001	INT. REVENUE	130,000	130,000	-	
50005	LATE CHARGES	13,000	13,000	-	
51011	CONTRIB CONST	125,000	125,000	-	
52000	OTHER INCOME	-	-	-	
54001-2	GRANTS	785,500	785,500	-	
56000	GAIN ON DISPOSAL	-	-	-	
57000	UNREALIZED GAIN/LO	(50,000)	(50,000)	-	
Total Wastewater		5,526,592	5,526,592	0	User Fees for Services

Debt Service

Total Debt Service		-	-	-	Debt Related
---------------------------	--	---	---	---	--------------

Total All Funds		20,102,917	19,310,869	792,048	
------------------------	--	-------------------	-------------------	----------------	--

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 23-24 Budget

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

	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 792,048
Less Allowed Exclusions (From Worksheet #7)	(14,961)
Current Year Appropriations Subject to Limit	<u>\$ 777,087</u>
Current Year Appropriations Limit (From Worksheet #6)	1,097,588
Current Year Appropriations Over or (Under) Limit	<u>\$ (320,501)</u>
Percentage Over or (Under) Limit	<u><u>-29%</u></u>

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 23-24 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]	MCS D (Unincorporated County)	Humboldt County Total		
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	-0.03	100.43433%	1,109,476
FY 15-16	3.82	-0.08	-0.5	-0.30	99.42169%	1,103,060
FY 16-17	5.37	-0.30	0.1	0.00	99.80269%	1,100,883
FY 17-18	3.69	0.25	1.1	1.00	101.35177%	1,115,765
FY 18-19	3.67	0.25	-0.4	-0.30	99.84407%	1,114,025
FY 19-20	3.85	0.14	-0.6	-0.54	99.54377%	1,108,942
FY 20-21	3.73	0.23	-0.4	-0.50	99.83264%	1,107,086
FY 21-22	5.73	0.22	-0.6	-1.50	99.62020%	1,102,882
FY 22-23	7.55	0.03	-0.4	-0.30	99.63388%	1,098,844
FY 23-24	4.44	0.29	-0.4	-0.90	99.88570%	1,097,588

[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 MCS D 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 23-24 Budget

Appropriations Limit Calculation (Worksheet #6 of Guidelines)
--

Prior Year Appropriations Limit (From Worksheet #5)	\$ 1,098,844
Current Year Growth Factors (From Worksheet #5)	
Non-Residential Assessed Valuation Percent Change	0.29%
MCSD Unincorporated County Population Percent Change	-0.40%
Compounded Total Percentage Adjustment Factor	-0.114%
Current Year Annual Adjustment Amount	\$ (1,256)
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	\$ -
Current Year Appropriations Limit	\$ 1,097,588

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 23-24 Budget

Exclusions to Appropriations Limit (Worksheet #7 of Guidelines)
--

	Exclusions
Court Orders	-
Federal Mandates	
Fair Labor Standards Act Payments	-
FICA and Medicare Payments	12,538
Unemployment Payments	2,422
Total Federal Mandates	14,961
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	14,961