

# Memo

Carmichael



**To:** Advisory Board of Directors

**From:** Ingrid S. Penney, Administrative Services Manager

**Date:** February 20, 2025

**Subject:** FY 2024-25 Mid-Year Budget Status

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***Introduction:***

This financial report provides a mid-year review and status of the FY 2024-25 Budget. The CRPD continues to see growth following the COVID-19 Pandemic, programs and services are returning to pre-pandemic levels, best seen in the recovery of revenues from facility rentals and programs. Meanwhile we have been able to keep costs down together, as we cautiously move forward, especially in the area of staffing. CRPD has continued to partner with local agencies, non-profits, and business entities on programs and events; relationships that were fostered during the pandemic.

The update follows trends and helps to address potential revenue opportunities, savings, and/or shortfalls before the end of the fiscal year. Based on the information, Staff determines any adjustments which may be needed and recommends these adjustments to the Advisory Board. This report also provides information to assist with future budget planning. The Assessment Fund 337B was liquidated at the beginning of the fiscal year with the transfer of fund balance to the General Fund 337A.

Attached are spreadsheets of overall revenues and expenditures for the period ending December 31, 2024 (2nd quarter) first allocation of property taxes and December program revenue and expenditures which are recorded in January.

Activities over the past months show that revenue projections will be met and/or exceeded for property taxes. The building rental program and recreation program services are not far behind. We continue to see growth in comparison to the last four years. Based on trends and known factors, aggregate expenditures should not exceed allocations. The adopted Budget was developed with capacity for a full program with related impact of direct costs. In summary, Staff anticipates a balanced budget for the fiscal year. We will continue to monitor operations to meet our actual available funding.

**General Fund 337A – (Exhibit A)**

**Revenues: \$2,983,789 or 41%** budget to actual received (includes fund balance carry over; *key areas are reviewed*) compared to \$2,948,272 received last year and \$3,743,799 the year before that. There are still outstanding reimbursements of insurance proceeds from property loss claims and funds not yet transferred from park fees.

**Property Taxes:** \$1,540,140 or 56% budget to actual compared to \$1,478,230 or 56% for the same period last year and \$1,427,951 or 58% the year before. The current activity reflects an allocation of secured, unsecured taxes, supplemental, augmentation funds (Teeter purchase), delinquency, penalty, and interest income net of refunds. Funds in this area represent 39% of the projected revenue including carry over fund balance from FY2023-24.

The first allocation of property taxes for FY 2024-25 was made in January, providing a strong indicator of whether we will meet projections. Historically, if tax proceeds for Current/Secured are 55% or greater, the District will meet the annual projections made in this area.

Projections for secured taxes were 3.3% based on the County assessed valuation report and staff’s conservative assessment of budget trends. The District’s tax growth is consistent with County-wide growth and current housing market trends.

The Teeter Purchase is the annual financing of the delinquent secured/supplemental property taxes as of June 30. The allocation is reflected under the allocation entitled Augmentation Fund and Property Tax – Supplemental/Delinquent.

The District will continue to receive tax distributions through the end of the fiscal year. The next major allocation of property taxes will be made in May. Staff will be able to provide additional information at that time. Past trends and the tax roll in June will provide the basis for budgetary planning for FY2025-26. Last fiscal year, CRPD experienced a 4.2% aggregate growth in property taxes; 6.5% in the prior fiscal year and 5.5% in FY2021-22.

**Building rentals:** \$796,003 OR 48% budget to actual received net proceeds compared to \$707,982 or 49% – See table below for trends pre/post COVID-19:

BREAKDOWN	FY2024-25		FY2023-24		FY2022-23		FY2021-22		FY2020-21		FY2019-20*	
LS Tenants	655,163	47%	643,930	49%	602,324	48%	584,461	50%	650,883	58%	568,244	49%
LS Rentals	76,421	44%	62,536	38%	53,817	49%	40,974	41%	-379	-0.50%	96,949	64%
DW Rentals	64,419	56%	51,631	47%	51,841	65%	28,383	57%	13,041	29%	37,615	46%
<b>TOTALS</b>	<b>796,003</b>	<b>48%</b>	<b>758,097</b>	<b>48%</b>	<b>707,982</b>	<b>49%</b>	<b>653,818</b>	<b>50%</b>	<b>663,544</b>	<b>53%</b>	<b>702,808</b>	<b>51%</b>

\*Table shows values at Mid-Year (Jul-Dec); therefore, the data for FY2019-20 reflects Pre-COVID19 (prior to March 2020)

Funds in this area represent approximately 23% of the projected revenue for this fiscal year. The projected budget for FY 2024-25 was based on scheduled lease

payments along with two tenants paying escalators effective January 1, both at 3%. Most of the tenants are current on the monthly lease payments. Daily rental income has increased over the past four years.

FY2020-21 demonstrates the effect of closures guidelines and gathering restrictions and refunds issued in the amount of \$3,509 for fees held on deposit. (Shutdowns and gathering restrictions began in March 2020.) In FY 2021-22, most of the LS Rentals came from the Gyms. Over the last three years, with an increase in rental support staff, we have been able to offer more. The Advisory Board also approved an updated fee rate schedule, rates reflected fully in this fiscal year. Other factors contributing to growth is the Garfield House, opened in June 2022 it has continued to be a popular destination rental, coupled by the re-opening of the Cypress Room.

HOPTR: \$8,585 or 49% received compared to \$8,811 or 49% received last year—Represents the first allocation of homeowners' tax relief - an amount which offsets what homeowners deduct for owner occupied residences.

Intergovernmental Revenues: (-\$333,264 or -46%)

The allocation represents Quimby/In-lieu and Park Impact fees funding for the current CIP program. Funds for completed projects have not been transferred yet. Most projects funded through park fees will be performed during the second half of this fiscal year. Funds are transferred after the project(s) are completed.

Recreation Services Charges: \$324,303 or 47% net proceeds compared to \$265,537 or 42% last year.

Net proceeds pre/post COVID-19\*:

FY2022-23: \$236,021 or 33%

FY2021-22: \$179,313 or 25%

FY2020-21\*: \$ 58,696 or 12%

FY2019-20: \$425,164 or 42% (included Bridges Program with SJUSD)

Funds in this area normally represent about a third of the Districts revenue. This year it represents about 9%. This reduction is directly related to affect that COVID-19 and AB5 have had on programs over the last four years. Participation in after-school programs and sports contributes to the growth and recovery in this revenue category, especially in light that CRPD no longer participates in the Bridges Program. The revenues reflected from the Bridges Program represented reimbursement for personnel costs borne by CRPD.

Recreation continues to be innovative in its approach to programs and events. Programs are offered in areas where revenue and/or sponsorships cover the direct costs. Some events are offered as community service. Typical receipts include event sponsorships and youth scholarship awards along with recreation program revenue.

Last fiscal year, the Recreation Division introduced an event sponsorship program and are promoting the sponsorship program again this fiscal year. This program offsets the costs of events, securing the resources to offer premium events that are offered gratis to the community.

Donations: \$16,450 or 16% Realized

Child Action - Donations	\$12,268.72
Concerts	2,310.13
Veteran's Memorial Building Flagpole	1,500.00
Founders Day	25.00
Tree Lighting	200.00
PayPal Pass thru Donations	<u>146.53</u>
	\$16,450.38

The Carmichael Parks Foundation has designated reserves set aside for various District park/facility improvements and recreation program enhancements, as well as retained earnings and \$10k in general reserve on December 31, to continue to support youth programs and park beautification projects.

Insurance: (-\$164,391 or -74%) Realized

The County reversed the original year end revenue accrual. Subsequently, we have received \$5,387 return premium from the Workers Compensation program reflected in the balance. In the last few days, CRPD has received property damage claim reimbursements totaling \$109,655.65. Only one property loss remains, the LSCC 800 Wing water damage. We are close to finalizing the remaining reimbursements. Last fiscal year we received \$425,681.48 towards the total costs incurred by CRPD (over \$704k) in addition to the earlier expense borne by CAPRI on our behalf for the initial cleanup work.

**Expenditures: \$3,310,462, or 45%** budget to actual spent compared to: \$2,998,514 or 41% last year

Overall Expenditures pre/post COVID-19\*:

FY2022-23: \$2,784,041 or 38%

FY2021-22: \$2,210,308 or 34%

FY2020-21\*: \$2,244,177 or 43%

FY2019-20: \$2,595,919 or 40%

Salaries & EE Benefits: \$1,652,851 or 47% budget to actual spent, compared to \$1,509,558 or 46% spent last year

Salaries & EE Benefits pre/post COVID-19\*:

FY2022-23: \$1,359,281 or 43% (27 pp, normally there are 26)

FY2021-22: \$1,236,468 or 44%

FY2020-21\*: \$1,203,898 or 47%

FY2019-20: \$1,376,620 or 45%

The aggregate percentage is within the run rate. We anticipate continued savings overall due to positions which remain vacant to date. The budget included funding for a new position in November not yet filled. The District has paid the deposit premium for workers' compensation for Quarters 1 – 3; however, this report is showing only two in

order to present the mid-year cost.

Services & Supplies: \$1,349,257 or 57% budget to actual spent compared to \$1,196,162 or 50% last year

FY2022-23: \$913,699 or 41%

FY2021-22: \$966,262 or 44%

FY2020-21\*: \$784,434 or 47%

FY2019-20: \$908,387 or 51%

In general, some overages reflected in the accounts represent the semi-annual and annual costs for the account (i.e., memberships, liability insurance, data processing services, and other operating services services). Staff is monitoring the increased cost of water and other utilities.

Notable or over 50% of budget (one-time, small project/equip, and/or unplanned):

- Liability Insurance #2051 – \$281,913 spent - the annual premium for property/liability coverage through CAPRI, nearly 11% increase from FY2023-24
- Agriculture/Horticulture Services #2103 – \$166,130 spent, representing the costs for:
  - Landscape Contract: \$52,800 (monthly services \$8,300)
  - Tree Maintenance: \$83,500 (scheduled/unplanned)
  - Sheep grazing at Jan, Sutter-Jensen, and Schweitzer Grove: \$29,830
- Land Improvement Services #2141 – \$17,950, represents Sutter/Jensen parking grading/compact project
- Land Improvement Supplies #2142 – \$31,945 includes miscellaneous parts and supplies to support events, parks and amenities; highlights for larger purchases:
  - Playground Equipment Repair/Parts (CP, CO, O'Donnell, Patriots) - \$11,051
  - CP Dog Park pet waste bags – \$970
  - CP Bleacher Repair (BF2) – \$1,483
  - Veteran's Memorial Flagpole Project - \$4,227 (Project materials totaled \$8,390: included direct pmt for down pmt of \$4,163+ additional donations)
  - Patriots Park Lighting bolt down kit – \$2,429
  - Sutter-Jensen Parking Lot/Areas aggregate base – \$6,226
  - Sutter-Jensen Memorial Bench – \$1,970 (paid through donation)
  - Sutter-Jensen shredded mulch – \$857
- Mechanical Systems Mtn Supplies #2152 – \$9,786 spent, includes parts/supplies, and welding gases to maintain HVAC, refrigerators/Ice machines, etc
  - HVAC parts, air filters, fuses, refrigerant, etc – \$6,870
  - LSCC Johnson Gym restroom fans - \$1,251
- Painting Supplies #2162 – \$2,582 spent, includes the paint purchased for the school youth community service project in CP totaling \$1,649
- Plumbing Services #2167 – \$9,786
  - Backflow test/repair (Bird Track & Sutter Jensen) – \$1,406
  - Sewer line clean out (LSCC & CP) – \$6,913
  - Weathermatic Smart link/controller – \$1,744
- Permit Charges #2185 – 2,445 annual permits

- Sac County Haz Materials (paint, pesticides/herbicides, fertilizers, cleaners, gasoline/fuels, propane, solvents, oils, welding gases, etc.) – \$1,410
- Sac Metro Air Quality (wood chipper) – \$1,035
- Water #2198 – \$212,217, leaving \$49,083 remaining; highest cost experienced
- Automotive/Equip Supplies #2206 – \$9,075, representing repair parts and supplies for mowers, turf carts, and electric hand tools
- Fuel/Lubricants #2236 – \$13,280:
  - Parks – Gasoline: \$7,822; Diesel: \$3,764
  - Recreation – \$2,216
- Office Equip Mtn Supplies & Service #s 2291 & 2292 - \$16,441:
  - Desktops/Laptops – Administration & Parks – \$6,723
  - IT installation/service/repair: \$5,090
  - Copy Machines maintenance contract: \$3,093
  - Office chair - \$1,126
  - Ethernet cables, keyboard, monitor, webcam, mouse – \$636
  - RISO contract renewal 6/8/24-6/8/25 – \$504
- Clothing/Personal Supplies # 2314 – \$5,728
  - Adm/AB – \$1,259
  - Parks – \$2,287
  - Recreation – \$2,183
- Accounting/Financial Services #2505 - \$14,415 includes:
  - Fechter & Co (FY2023-24 Audit) - \$13,000
  - DOF – Bond Services – \$1,415 (A-1 & A-2 April – June cost FY2023-24)
- Assessor’s Collection Services #2507 - \$21,051 includes:
  - 1<sup>st</sup> Installment - \$15,046
  - 1<sup>st</sup> Installment; cost for new software used by the department - \$6,005
- Security Svc #2571 - \$36,074 includes:
  - FEC Patrol - \$16,482 (thru Oct)
  - FEC (Events/Concerts) - \$3,168
  - Guardian Force, security guards (Rentals/Events) - \$4,853
  - SE Tech, alarms - \$2,925 (thru Dec)
  - Guardian Force, gate closures– \$5,840 (Sept – Oct [amendment with Guardian])
- Other Professional Services #2591 – \$18,989:
  - SCI Consulting, Park Impact Fee 5 YR Finding Report – \$5,250 (reimbursable through Park Impact Fees, Fund 337I)
  - Bob Murray & Assoc, District Administrator Recruitment – \$13,739
- Data Processing Services #2811 – \$7,806, includes:
  - Annual Meraki cloud Wi-Fi, routing & security – \$1,990
  - Annual Solarwinds/N-Able Mail Assure 10yr 12/24-11/30/25 – \$1,088
  - Annual Productive Parks (inventory, work orders, etc.): – \$4,728 (will need to move to #2812)
- Data Processing Sup #2812 - \$44,126, includes:
  - Annual BambooHR Time Tracking and Pro Upgrade: \$9,151
  - Annual ReCPro Software (registration): \$3,950
  - CivicRec Recreation Management Software(set up/training/license): \$24,935
  - Monthly Office 365 & Annual hosted email: \$7,537
  - Monday.com (project/task management): \$1,440

- When to work software: \$715
- Zoom: \$160
- Canva: \$150
- Other Operating Exp Svc #2899 – \$24,464, includes:
  - Property Taxes (lighting) - \$653 (1<sup>st</sup> & 2<sup>nd</sup> Installment)
  - Property Taxes (CID) - \$15,891 (1<sup>st</sup> Installment)
  - Monthly Bank fees and credit card processing - \$6,498
  - Jensen Botanical Garden plants and bark - \$1,422 (reimbursable by Foundation)

Capital Budget (Equip & CIP): General Fund 337A totals spent through 12/31:

- Structures/Improvements (Acct # 4201) – \$18,253 or 21% spent
- Other Improvements (Acct #4202) – \$189,863 or 25% spent
- Equipment (Acct #4301) – \$100,238 or 95%

*[See Exhibit B - CIP for a complete list/update of activity for Fund 337A]*

Contingency (Acct #7901): \$500,000 available – not committed or spent

***Conclusion – General Fund:***

Activities over the past months show that most revenue projections will be met and/or exceeded. Based on trends and known factors, aggregate expenditures should not exceed allocations. There are pre-paid, annual, and semi-annual expenditures reflected in this period that will smooth by year end.

In summary, Staff anticipates a balanced budget for the fiscal year. We will continue to monitor operations to meet our actual available funding. Staff will continue to recognize new issues, opportunities and trends which could affect our year-end balance. At the Regular Meeting in March, staff will provide projected year end estimates and the recommended budget for FY 2025-26.

**OTHER FUNDING SOURCES through 12/31/2024:**

Additional receipts collected for Quimby/Parkland Dedication (in-lieu) towards uncommitted balance: \$455

Additional receipts collected for Park Impact Fees towards uncommitted balance: \$223,380.

Planned expenditure for uncommitted funds include: Schweitzer Grove Nature Area for a project totaling approximately \$319,000.

**BOND FUNDS 52L0, 52M0, 337L, 337M, 337N**

*Spreadsheets attached as Exhibit C*

***Recommendation:*** Receive and file the report.