

**GARDEN GROVE SANITARY DISTRICT
A SUBSIDIARY DISTRICT OF THE
CITY OF GARDEN GROVE**

**BUDGET AMENDMENT
FISCAL YEAR 2018/19**

Presented By:

**CITY OF GARDEN GROVE
DEPARTMENT OF PUBLIC WORKS**

GARDEN GROVE SANITARY DISTRICT

BUSINESS PRINCIPLES

1. Enterprise fund should break even, not operate in a deficit.
2. In order to operate efficiently, a two month cash flow is required, as well as maintenance of \$500,000 in reserves for contingencies.
3. Establish uniform service throughout the district.
4. Develop a replacement sinking fund. Ideal amount of fund should approach 5% of system replacement value.
5. Improve system and facilities up to industry standards by adequately funding new Capital Improvement Programs.
6. Satisfy Debt Covenant conditions under which outstanding Sanitary District debt was issued.
7. Implement the 10-year financial plan.

GARDEN GROVE SANITARY DISTRICT
SEWER BUDGET
FY 2017-18 - FY 2018-19
(\$000)

<u>FUNDS AVAILABLE</u>	FY 17-18 Adopted Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	FY 18-19 Amended Budget
BEGINNING BALANCE	\$ 25,305.1	\$ 25,245.4	\$ 20,918.0	\$ 22,501.9
BOND PROCEEDS	0.0	0.0	0.0	0.0
REVENUES	9,498.4	10,466.0	10,448.0	10,448.0
ADJUSTMENT	0.0	0.0	0.0	0.0
FUNDS AVAILABLE	\$ 34,803.5	\$ 35,711.4	\$ 31,366.0	\$ 32,949.9
 <u>OPERATIONS EXPENDITURES</u>				
OPERATIONS				
LABOR	\$ 3,240.2	\$ 2,564.2	\$ 3,323.7	\$ 3,336.9
CONTRACTUAL SERVICES	1,326.1	1,326.1	1,381.9	1,381.9
COMMODITIES	344.0	344.0	354.3	354.3
VEHICLE/EQUIPMENT RENTALS	334.8	334.8	341.5	458.6
INSURANCE	41.7	41.7	41.7	41.7
ADMIN SUPPORT	678.6	678.6	678.6	745.1
BOND ISSUANCE COSTS	0.0	0.0	0.0	0.0
DEBT SERVICE	1,196.6	1,196.6	1,201.0	1,201.0
CAPITAL EQUIPMENT	18.0	18.0	0.0	190.0
ENTERPRISE RESOURCE PLANNING	300.0	300.0	300.0	300.0
LATERAL LOAN PROGRAM	0.0	0.0	0.0	0.0
OPERATING RESERVE	0.0	0.0	0.0	0.0
SEWER SYSTEM CONTINGENCY RESERVE	0.0	0.0	0.0	0.0
TOTAL OPERATIONS EXPENDITURES	\$ 7,480.0	\$ 6,804.0	\$ 7,622.7	\$ 8,009.5
 <u>SEWER CAPITAL</u>				
CAPITAL REPLACEMENT	\$ 1,905.5	\$ 1,905.5	\$ 1,962.7	\$ 1,962.7
NEW CAPITAL IMPROVEMENTS	4,500.0	4,500.0	4,500.0	4,500.0
CAPITAL EXPENDITURES	\$ 6,405.5	\$ 6,405.5	\$ 6,462.7	\$ 6,462.7
 TOTAL EXPENDITURES	 \$ 13,885.5	 \$ 13,209.5	 \$ 14,085.4	 \$ 14,472.2
 FUNDS AVAILABLE	 \$ 34,803.5	 \$ 35,711.4	 \$ 31,366.0	 \$ 32,949.9
EXPENDITURES	13,885.5	13,209.5	14,085.4	14,472.2
ENDING BALANCE	\$ 20,918.0	\$ 22,501.9	\$ 17,280.6	\$ 18,477.7

GARDEN GROVE SANITARY DISTRICT
REFUSE SERVICES BUDGET
FY 2017-18 - FY 2018-19
(\$000)

<u>FUNDS AVAILABLE</u>	<u>FY 17-18 Adopted Budget</u>	<u>FY 17-18 Projected Year End</u>	<u>FY 18-19 Adopted Budget</u>	<u>FY 18-19 Amended Budget</u>
BEGINNING BALANCE	\$ 5,105.9	\$ 4,783.5	\$ 5,574.3	\$ 4,783.5
REVENUES *	2,815.9	2,347.5	3,041.4	2,901.0
FUNDS AVAILABLE	\$ 7,921.8	\$ 7,131.0	\$ 8,615.7	\$ 7,684.5
<u>OPERATIONS EXPENDITURES</u>				
OPERATIONS (REFUSE)				
LABOR	\$ 510.0	\$ 510.0	\$ 523.8	\$ 520.4
CONTRACTUAL SERVICES	515.0	515.0	525.1	675.1
COMMODITIES	27.1	27.1	26.9	26.9
INSURANCE	13.9	13.9	13.9	13.9
STREET REPAIR CHARGE	500.0	500.0	500.0	512.50
ADMIN SUPPORT	81.5	81.5	81.5	90.0
ENTERPRISE RESOURCE PLANNING	200.0	200.0	200.0	200.0
OPERATING RESERVE	0.0	0.0	0.0	0.0
LANDFILL RESERVE	500.0	500.0	500.0	500.0
TOTAL OPERATIONS EXPENDITURES	\$ 2,347.5	\$ 2,347.5	\$ 2,371.2	\$ 2,538.8
FUNDS AVAILABLE	\$ 7,921.8	\$ 7,131.0	\$ 8,615.7	\$ 7,684.5
EXPENDITURES	2,347.5	2,347.5	2,371.2	2,538.8
ENDING BALANCE	\$ 5,574.3	\$ 4,783.5	\$ 6,244.5	\$ 5,145.7

* Annual Rate Increase is 3.51%. In addition to the Annual Rate Increase, revenue was received as part of County of Orange's Waste Disposal Agreement to address bankruptcy related obligations that has resulted in the county and cities agreeing on sharing Net Import Revenues until 2025. Net Import Revenues will be based on actual waste deliveries received from the City. In FY 16-17, initial funds were disbursed to the City in the amount of \$387,100. In FY 17-18, no funds were disbursed to the City. Annual import revenue sharing will begin in FY 18-19.