

CAPISTRANO BAY DISTRICT
AGENDA REPORT
July 25th, 2017

Financial Reports

ITEM 8b

Final Budget for FY18

At the previous Board meeting the revenue budget for FY18 was approved to enable the District to continue operating. Pending final approval are expense items to be approved at this meeting:

- Manager's Annual Performance Appraisal
This affects payroll tax, salaries/wages and Workers Comp insurance.

- Shoreline Committee Expenses for FY18

**Possible Revenue Change

With growing expenses associated with the Shoreline Protection Committee efforts, the Board might consider an increase in the annual User Fee rates. The current User Fee Program was approved by voters in 2004 and rates were set and have not increased since then. Included in the formation documents was a built-in annual escalator of 2%. If the Board wanted to exceed the 2% increase then it would have to conduct a voting procedure in strict accordance with Proposition 218 voting guidelines.

Since 2004, the District has been meeting it's increasing expense requirements mostly by the increase each year in property taxes. The following table shows the current User Fee rates and the rates at a 2% increase:

<u>Description</u>	<u>Rate</u>	<u>+ 2%</u>	<u>Increase</u>	
a) Undeveloped Lot	538.18	548.94	+10.76 x 16 units =	172.16
b) Single Living Unit	1076.45	1097.88	+21.53 x 151 units =	3251.03
c) Single Unit w/half lot	1345.44	1372.35	+26.91 x 4 units =	107.64
d) Single Unit w/full lot	1614.53	1646.82	+32.29 x 6 units =	193.74
e) Double Living Unit	2152.70	2195.75	+43.05 x 17 units =	731.85
f) Double Unit w/ half lot	2421.79	2470.23	+48.44 x 1 unit =	48.44
			total	\$4504.86

Suggested language for a motion by the Board:

"I move to increase the annual User Fee by the amount of 2% that was voted on and approved by property owners during the Proposition 218 proceeding held in February 2004."