

# McKINLEYVILLE



## COMMUNITY SERVICES DISTRICT



### **BUDGET**

**For the Fiscal Year Ending June 30, 2023**

Adoption Date: June 1, 2022

### MCS D BOARD OF DIRECTORS

David Couch, President  
Joellen Clark-Peterson, Vice President  
Scott Binder, Director  
Dennis Mayo, Director  
Gregory Orsini, Director

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

**For the Fiscal Year Ending June 30, 2023**

**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, 2022 through June 30, 2023. 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 start on Page 19. Narratives begin on Page 24.
- A summary of the MCSD's Board current Strategic Plan 2019-2024 begins on Page 29
- The Appropriations Limit calculations required by law for the Fiscal Year 2022-23 starts 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](http://www.mckinleyvillecsd.com)). District staff and Directors can be reached by e-mail at [mcsd@mckinleyvillecsd.com](mailto:mcsd@mckinleyvillecsd.com).

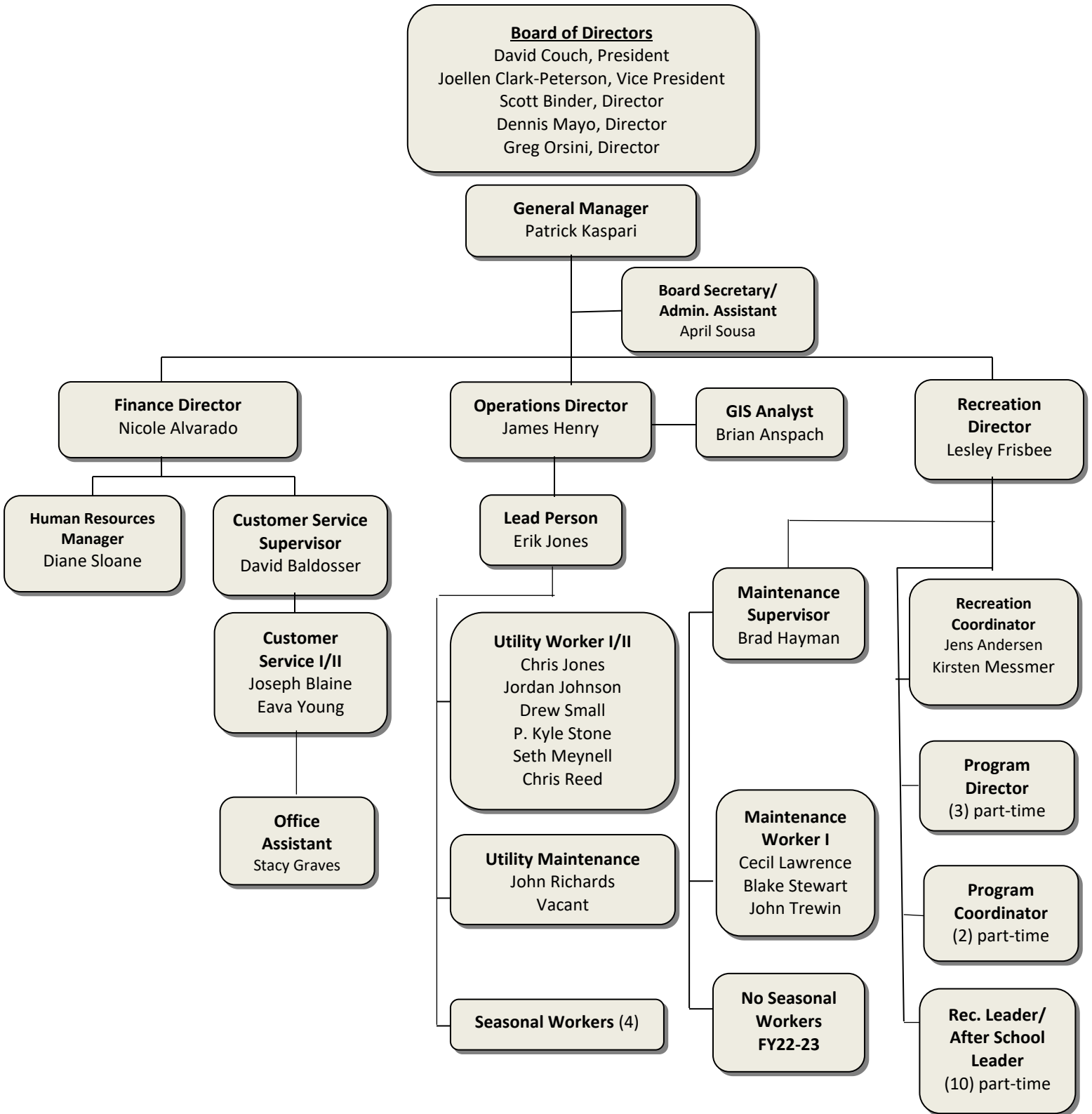
**McKINLEYVILLE COMMUNITY SERVICES DISTRICT  
MISSION STATEMENT**

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.

**Estimated Employee Full Time Equivalents  
For the Fiscal Year ending June 30, 2023**

	<b>Full-Time Benefitted</b>	<b>Part-Time &amp; Seasonal</b>	<b>Total FTEs</b>
<b>General Manager</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>Support Services</b>	<b>6</b>	<b>1</b>	<b>6.5</b>
<b>Operations</b>	<b>11</b>	<b>4</b>	<b>13</b>
<b>Parks &amp; Recreation</b>	<b>7</b>	<b>15</b>	<b>9</b>
<b>Total</b>	<b>25</b>	<b>20</b>	<b>29.5</b>

**McKinleyville Community Services District**  
Organization Chart: Fiscal Year 2022-23  
 Revised May 2022



**McKinleyville Community Services District**  
**Exhibits of Financial Information**  
**Budget for the year ending June 30, 2023**

**Table of Contents**

*Page 08 Fund Budget Summary and Projected Fund Balance*  
*Page 10 Budget & Graphs, Water Fund*  
*Page 11 Budget & Graphs, Wastewater Fund*  
*Page 12 Budget & Graphs, Streetlights Fund*  
*Page 13 Budget & Graphs, Parks/General Fund*  
*Page 14 Budget & Graphs, Measure B Fund*  
*Page 15 Historical Data*  
*Page 19 10-Year Capital Improvement Plans*  
*Page 24 Capital Expenditures Overview and Narratives*  
*Page 29 Strategic Plan Summary 2019-2024*  
*Page 41 Appropriations Limit Calculations*

**McKinleyville Community Services District**  
**Budget Summary: Net Position - All Funds**  
**FY2022-23**

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 \$36,950,942 as of June 30, 2023.

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, 2023, the net position of the District is projected to increase from the FY20-21 total of 33,602,091. A small increase of approximately 2% or \$652,008 is projected for the current fiscal year FY21-22. An increase of approximately 8% for the proposed budgeted year will result in a total net position of \$36,950,942.

An increase in total revenues are projected for the end of the current year of 26%, or \$2,789,884 for a total of \$13,590,821 from all revenue sources. This compares to a smaller increase projected for the upcoming budget year of 19% or \$2,556,642 for a total of \$16,147,463 in projected revenues for FY22-23.

Total expenditures are projected to increase at the end of the current year by 3% or \$253,033 for a total of \$8,727,713 for all expenditure types. This compares to an overall increase projected for the coming budget year of 26% or \$2,312,106 for a total of \$11,039,819 projected budgeted expenditures for FY22-23.

Overall net position is projected to change positively in the current fiscal year. In the coming year, projected net position will increase moderately 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 Wastewater Fund than the Water Fund due to multiple large projects occurring at the same time including the microgrid and undercrossings. In the Governmental Funds, the Parks General Fund will see an increase in revenues due to grants to build a BMX track, skatepark, and improvements to Azalea Hall. 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.

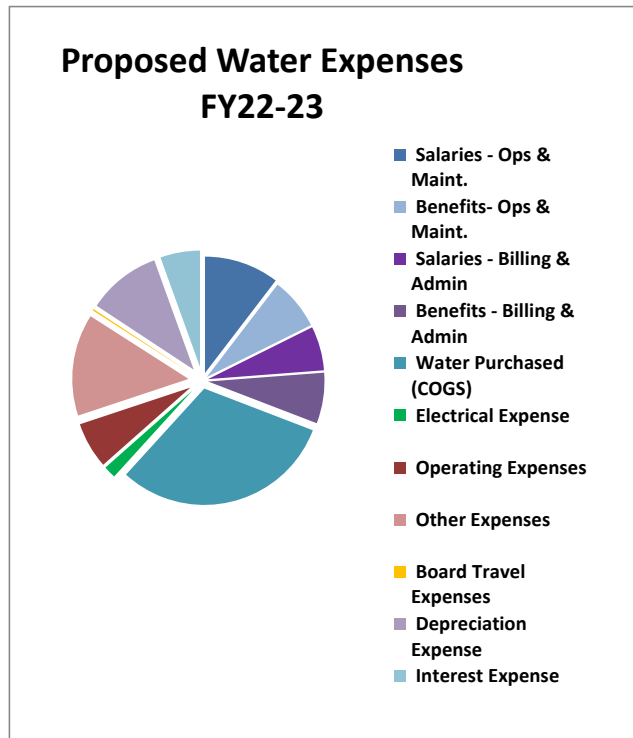
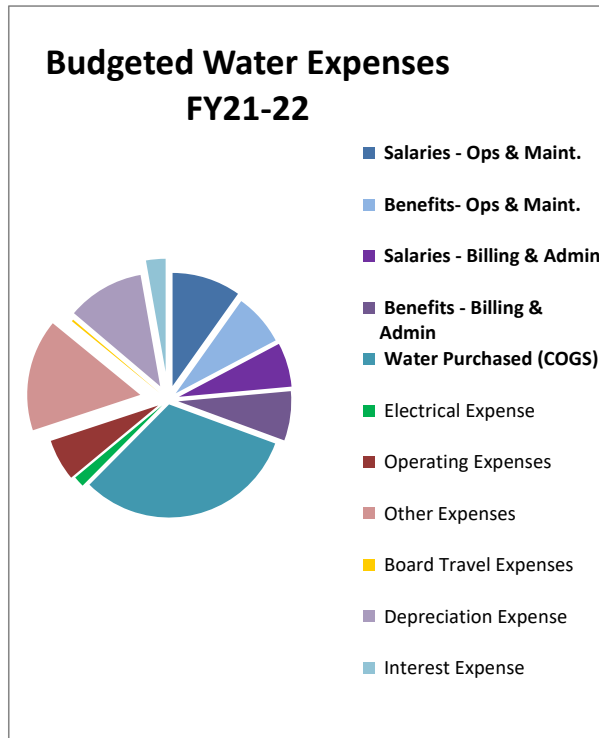


**McKinleyville Community Services District**  
**Summary Budgets - All Funds**  
**FY 2022-23**

Description	Water Fund	Wastewater Fund	Streetlights Fund	Gen'l/Parks Fund	Measure B Fund	Total (Memorandum Only)
<b>Revenues</b>						
Water Sales	4,434,226					4,434,226
Sewer Service Charges		4,371,210				4,371,210
Capacity Fees	150,000	200,000				350,000
Streetlight Charges			105,930			105,930
Program Fees				257,380		257,380
Facility Fees				59,850		59,850
Property Taxes				712,575		712,575
Measure B Assessment					221,304	221,304
Open Space Fees				132,400		132,400
Contributions & Other Program				1,652		1,652
Other Revenue & Capital Project Grants	1,735,800	2,081,692	18,500	35,940		3,871,932
Contributed Construction	25,000	25,000				50,000
Proceeds from Long Term Debt (Gov't only)						-
Quimby Fees/Capital Proj. Grants				1,487,952		1,487,952
Interest Revenue	50,000	50,000	50	35,002	6,000	141,052
<b>Total Revenues</b>	<b>6,395,026</b>	<b>6,727,902</b>	<b>124,480</b>	<b>2,722,751</b>	<b>227,304</b>	<b>16,197,463</b>
<b>Expenditures</b>						
Salaries & Benefits - Operations & Maint.	690,701	748,569	3,380			1,442,650
Salaries & Benefits - Billing & Admin	516,298	488,304	50,349			1,054,951
Salaries & Benefits - Rec Programs				283,781		283,781
Salaries & Benefits- Parks Maintenance				246,162	67,288	313,450
Salaries & Benefits- Parks&Rec Admin				397,565		397,565
Water Purchased (COGS)	1,210,000					1,210,000
Water & Electrical Expense	67,000	205,500	18,300			290,800
Operating Expenses	251,900	363,000				614,900
Other Expenses	554,296	598,153	18,090			1,170,539
Other Expenditures - Rec Programs				14,325		14,325
Other Expenditures - Parks Maintenance				124,770	32,325	157,095
Other Expenditures - Parks&Rec Admin				117,725		117,725
Depreciation Expense	400,000	1,225,000				1,625,000
Board Travel Expense	8,000	6,000	400	1,100		15,500
CalPERS UAL - Gov't Funds only				10,000		10,000
Debt Service - Gov't Funds only					93,674	93,674
Interest Expense	215,801	406,318		33,744	33,744	689,607
Parks/Meas.B Capital Expenditures			47,000	1,491,256		1,538,256
<b>Total Expenditures</b>	<b>3,913,996</b>	<b>4,040,844</b>	<b>137,519</b>	<b>2,720,429</b>	<b>227,030</b>	<b>11,039,819</b>
<b>Excess (Deficit)</b>	<b>2,481,030</b>	<b>2,687,058</b>	<b>(13,039)</b>	<b>2,323</b>	<b>274</b>	<b>5,157,644</b>
<b>Fund Balance - July 1, 2021</b>						
<b>Fund Balance - July 1, 2021</b>	<b>11,593,015</b>	<b>21,273,675</b>	<b>78,648</b>	<b>1,212,410</b>	<b>(555,657)</b>	<b>33,602,091</b>
Projected Surplus (Deficit) FY2021-22	1,760,091	3,175,649	41,307	(7,797)	(6,142)	4,963,108
Debt Principal FY2021-22 (Enterprise only)	(166,746)	(588,819)				(755,565)
New Borrowing FY2021-22(Enterprise only)						-
Capital Expenditure FY2021-22(Enterprise)	(207,037)	(3,348,498)				(3,555,534)
<b>Projected Fund Balance June 30, 2022</b>	<b>12,979,324</b>	<b>20,512,007</b>	<b>119,955</b>	<b>1,204,613</b>	<b>(561,799)</b>	<b>34,254,099</b>
Budgeted Excess (Deficit) FY2022-23	2,481,030	2,687,058	(13,039)	2,323	274	5,157,644
Anticipated Borrowing FY2022-23(Enterprise)	-	-				-
Capital Project grant funding (contingent)	1,599,000	1,927,750				3,526,750
Debt Principal FY2022-23 (Enterprise only)	(170,730)	(601,721)				(772,451)
Capital Expenditure FY2022-23(Enterprise)	(2,853,000)	(2,362,100)				(5,215,100)
<b>Projected Fund Balance June 30, 2023</b>	<b>14,035,623</b>	<b>22,162,994</b>	<b>106,916</b>	<b>1,206,935</b>	<b>(561,526)</b>	<b>36,950,942</b>

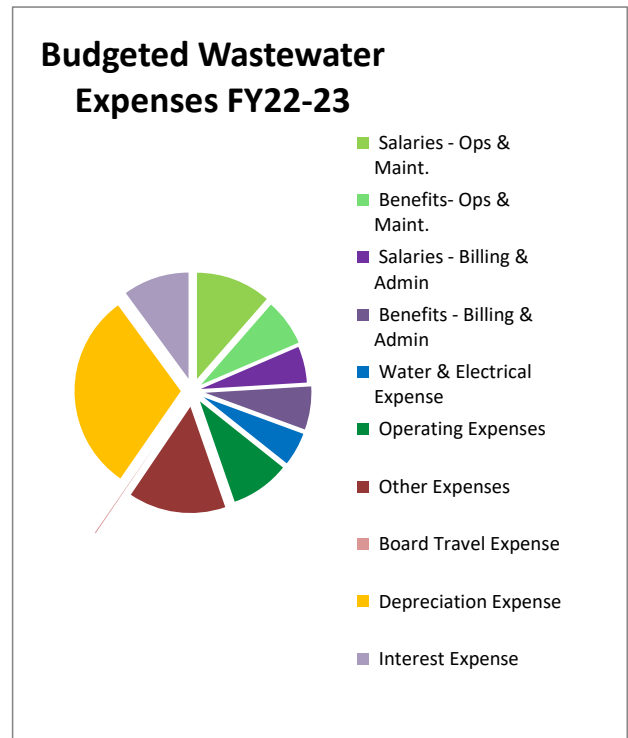
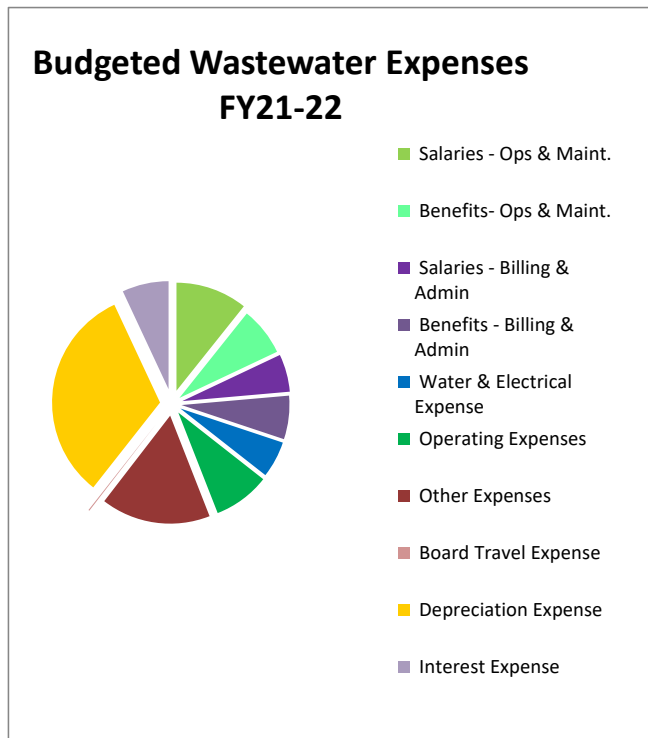
**McKinleyville Community Services District**  
**Enterprise Funds: Water Operating Budget**  
**FY 2022-23**

Description	Water Fund Approved Budget FY21-22		Water Fund Approved Budget FY22-23		Difference (Memorandum Only)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
<b>Water Revenues</b>						
Water Sales	4,190,549	68%	4,434,226	69%	243,677	6%
Capacity Fees	100,000	2%	150,000	2%	50,000	50%
Other Revenue	1,734,719	28%	1,735,800	27%	1,081	0%
Contributed Construction	100,000	2%	25,000	0%	(75,000)	-75%
Interest Revenue	50,000	0.8%	50,000	1%	-	0%
<b>Total Revenues</b>	<b>6,175,268</b>	<b>100%</b>	<b>6,395,026</b>	<b>100%</b>	<b>219,758</b>	<b>4%</b>
<b>Water Expenses</b>						
Salaries - Ops & Maint.	356,558	10%	406,914	10%	50,355	14.1%
Benefits- Ops & Maint.	269,382	7%	283,787	7%	14,406	5.3%
Salaries - Billing & Admin	228,947	6%	240,335	6%	11,388	5.0%
Benefits - Billing & Admin	255,765	7%	275,963	7%	20,198	7.9%
Water Purchased (COGS)	1,154,476	32%	1,210,000	31%	55,524	4.8%
Electrical Expense	56,000	2%	67,000	2%	11,000	19.6%
Operating Expenses	215,900	6%	251,900	6%	36,000	16.7%
Other Expenses	579,796	16%	554,296	14%	(25,500)	-4.4%
Board Travel Expenses	10,000	0.3%	8,000	0%	(2,000)	-20.0%
Depreciation Expense	400,000	11%	400,000	10%	-	0.0%
Interest Expense	101,114	3%	215,801	6%	114,687	113.4%
<b>Total Expenses</b>	<b>3,627,939</b>	<b>100%</b>	<b>3,913,996</b>	<b>100%</b>	<b>286,058</b>	<b>8%</b>
<b>Excess (Deficit)</b>	<b>2,547,329</b>		<b>2,481,030</b>			



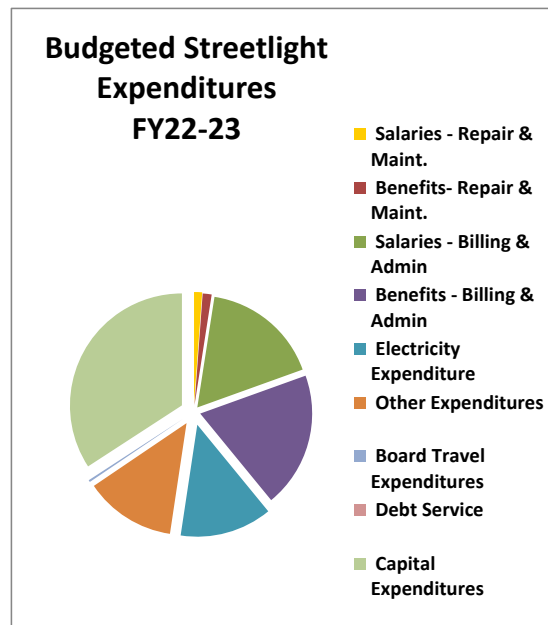
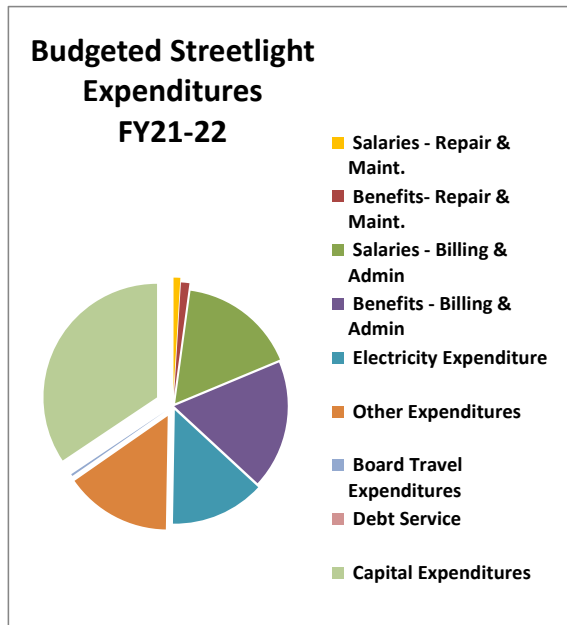
**McKinleyville Community Services District**  
**Enterprise Funds: Wastewater Operating Budget**  
**FY 2022-23**

Description	Wastewater Fund Approved Budget FY21-22		Wastewater Fund Approved Budget FY22-23		Difference (Memorandum Only)	
<b>Wastewater Revenues</b>						
Sewer Service Charges	4,181,750	64%	4,371,210	65%	189,460	5%
Capacity Fees	125,000	2%	200,000	3%	75,000	60%
Other Revenue	2,030,119	31%	2,081,692	31%	51,573	3%
Contributed Construction	75,000	1%	25,000	0%	(50,000)	-67%
Interest Revenue	75,000	1%	50,000	1%	(25,000)	-33%
<b>Total Revenues</b>	<b>6,486,869</b>	<b>100%</b>	<b>6,727,902</b>	<b>100%</b>	<b>241,033</b>	<b>3.7%</b>
<b>Wastewater Expenses</b>						
Salaries - Ops & Maint.	405,042	11%	461,376	11%	56,335	14%
Benefits- Ops & Maint.	274,035	7%	287,193	7%	13,157	5%
Salaries - Billing & Admin	212,836	6%	222,728	6%	9,892	5%
Benefits - Billing & Admin	245,896	7%	265,576	7%	19,680	8%
Water & Electrical Expense	206,500	5%	205,500	5%	(1,000)	0%
Operating Expenses	320,000	8%	363,000	9%	43,000	13%
Other Expenses	619,650	16%	598,153	15%	(21,497)	-3%
Board Travel Expense	6,000	0%	6,000	0%	-	0%
Depreciation Expense	1,225,000	32%	1,225,000	30%	-	0%
Interest Expense	263,008	7%	406,318	10%	143,310	54%
<b>Total Expenditures</b>	<b>3,777,966</b>	<b>100%</b>	<b>4,040,844</b>	<b>100%</b>	<b>262,878</b>	<b>7.0%</b>
<b>Excess (Deficit)</b>	<b>2,708,903</b>		<b>2,687,058</b>			



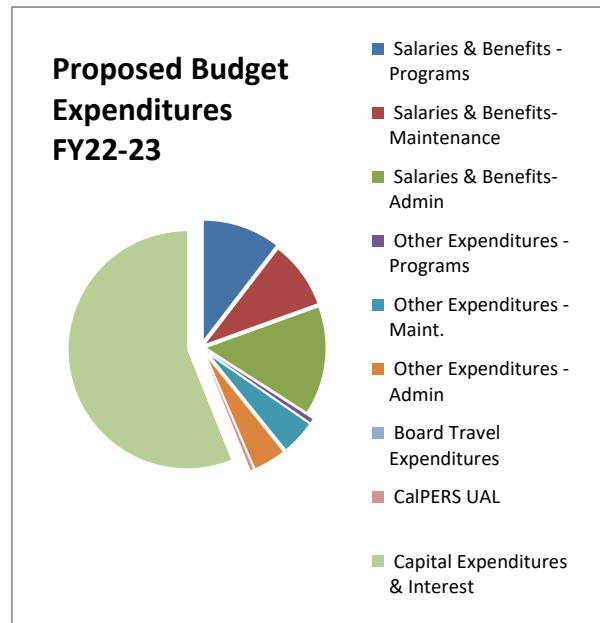
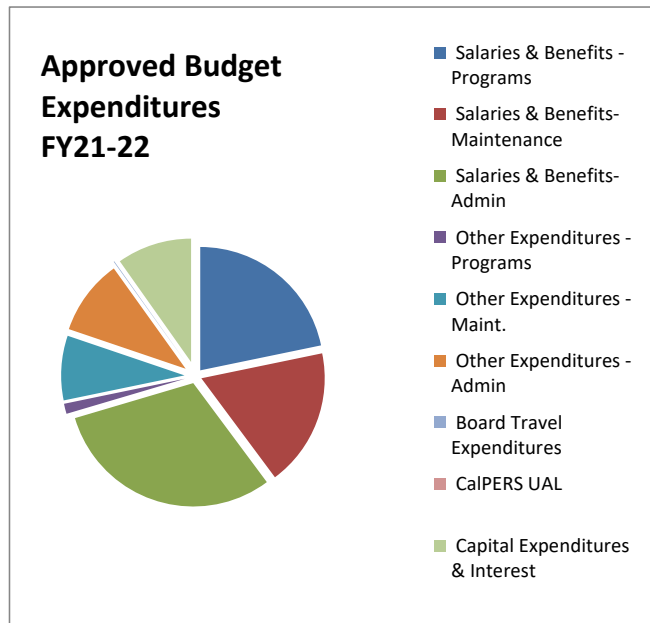
**McKinleyville Community Services District**  
**Streetlights Fund Operating Budget**  
**FY 2022-23**

Description	Streetlights Fund Approved Budget FY21-22		Streetlights Fund Approved Budget FY22-23		Difference (Memorandum Only)	
<b>Streetlight Revenues</b>						
Streetlight Charges	100,885	84%	105,930	85%	5,044	5.0%
Other Charges	18,500	15%	18,500	15%	-	0.0%
Proceeds from Debt	-	0%	-	0%	-	0.0%
Interest Revenue	50	0%	50	0%	-	0.0%
<b>Total Revenues</b>	<b>119,435</b>	<b>100%</b>	<b>124,480</b>	<b>100%</b>	<b>5,044</b>	<b>4%</b>
<b>Streetlight Expenditures</b>						
Salaries - Repair & Maint.	1,314	1%	1,602	1%	288	21.9%
Benefits- Repair & Maint.	1,643	1%	1,778	1%	135	8.2%
Salaries - Billing & Admin	22,617	17%	23,443	17%	826	3.7%
Benefits - Billing & Admin	24,829	18%	26,906	20%	2,077	8.4%
Electricity Expenditure	18,300	13%	18,300	13%	-	0.0%
Other Expenditures	20,573	15%	18,090	13%	(2,483)	-12.1%
Board Travel Expenditures	400	0%	400	0%	-	0.0%
Debt Service	-	0%	-	0%	-	0.0%
Capital Expenditures	47,000	34%	47,000	34%	-	0.0%
<b>Total Expenditures</b>	<b>136,676</b>	<b>100%</b>	<b>137,519</b>	<b>100%</b>	<b>843</b>	<b>1%</b>
<b>Excess (Deficit)</b>	<b>(17,241)</b>		<b>(13,039)</b>			



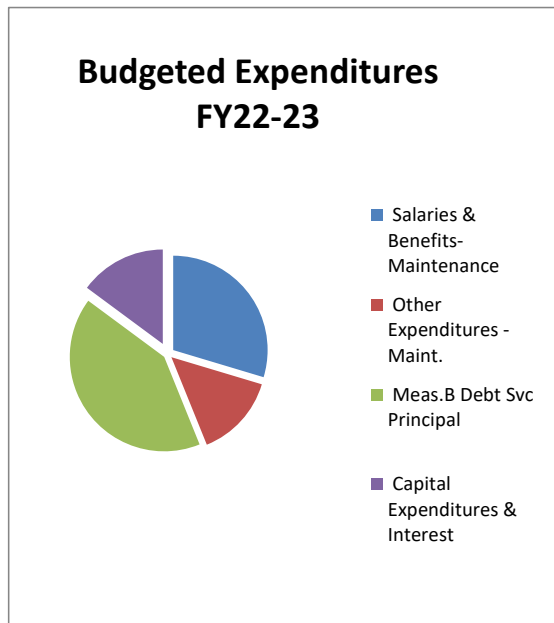
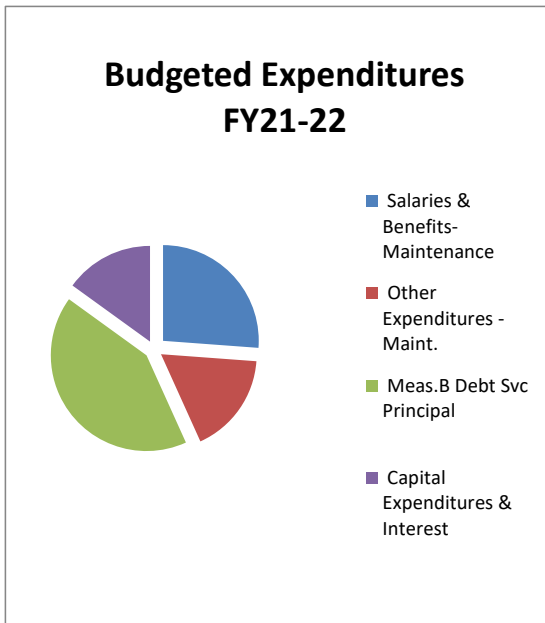
**McKinleyville Community Services District  
Parks/General Fund Operating Budget  
FY 2022-23**

Description	Parks/General Fund Approved Budget FY2021-22		Parks/General Fund Approved Budget FY2022-23		Difference (Memorandum Only)	
<b>Revenues</b>						Incr(decr)
Program Fees	242,280	19%	257,380	9%	15,100	6.2%
Facility Fees	49,150	4%	59,850	2%	10,700	21.8%
Property Taxes	664,824	53%	712,575	26%	47,752	7.2%
Open Space Fees	126,600	10%	132,400	5%	5,800	4.6%
Contributions & Other Program	1,650	0%	1,652	0.1%	2	0.1%
Other Revenue	25,712	2%	35,940	1%	10,228	39.8%
Quimby Fees/ Grants/Loans	105,000	8%	1,487,952	55%	1,382,952	1317.1%
Interest Revenue	35,000	2.8%	35,002	1.3%	2	0.0%
<b>Total Revenues</b>	<b>1,250,216</b>	<b>100%</b>	<b>2,722,751</b>	<b>100%</b>	<b>1,472,536</b>	117.8%
<b>Expenditures</b>						
Salaries & Benefits - Programs	270,708	22%	283,781	10%	13,073	4.8%
Salaries & Benefits- Maintenance	224,907	18%	246,162	9%	21,255	9.5%
Salaries & Benefits- Admin	380,740	31%	397,565	15%	16,825	4.4%
Other Expenditures - Programs	16,550	1%	14,325	1%	(2,225)	-13.4%
Other Expenditures - Maint.	105,245	8%	124,770	4.6%	19,525	18.6%
Other Expenditures - Admin	123,225	10%	117,725	4.3%	(5,500)	-4.5%
Board Travel Expenditures	1,100	0.1%	1,100	0.0%	-	0.0%
CalPERS UAL	-	0%	10,000	0.4%	10,000	0.4%
Capital Expenditures & Interest	122,000	10%	1,525,000	56%	1,403,000	1150.0%
<b>Total Expenditures</b>	<b>1,244,475</b>	<b>100%</b>	<b>2,720,429</b>	<b>100%</b>	<b>1,475,954</b>	118.6%
<b>Excess (Deficit)</b>	<b>5,741</b>		<b>2,323</b>			



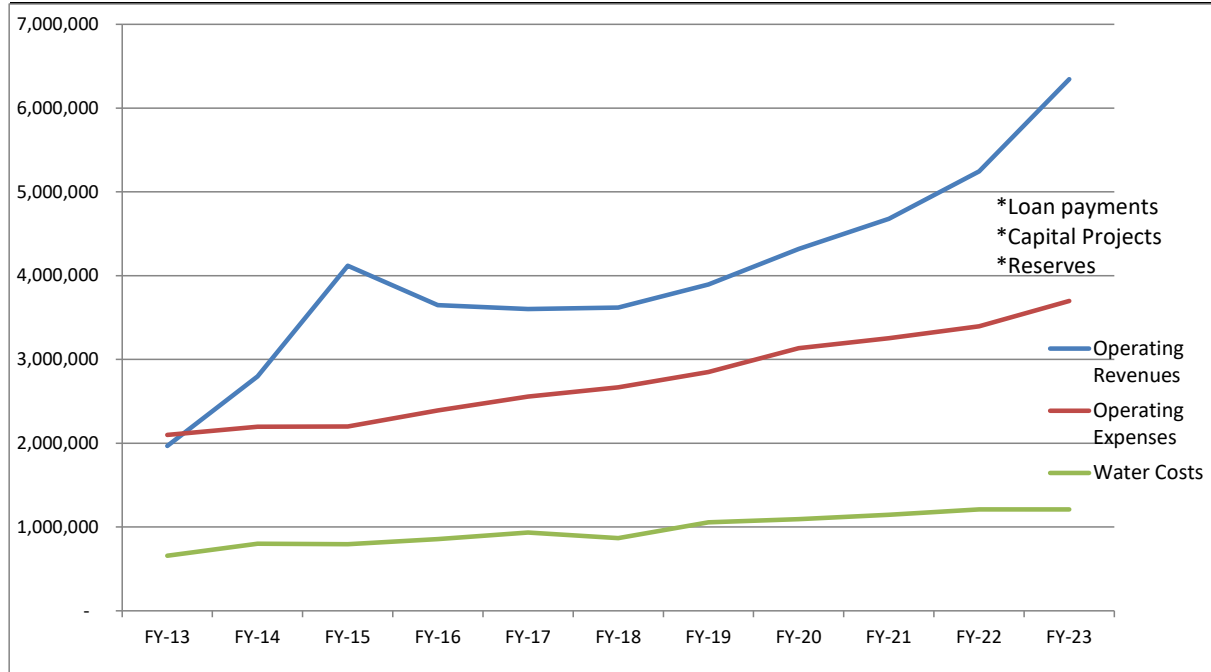
**McKinleyville Community Services District**  
**Measure B Fund Operating Budget**  
**FY 2022-23**

Description	Measure B Fund Approved Budget FY21-22		Measure B Fund Approved Budget FY22-23		Difference (Memorandum Only)	
						Incr(decr)
<b>Revenues</b>						
Measure B Assessment	221,304	98%	221,304	97%	-	-1%
Grants/Contributions	-	0%	-	-	-	-
Other Revenue	-	0%	-	0%	-	0%
Proceeds from Debt	-	-	-	0%	-	0%
Quimby Fees/ ReservesDraw	-	0%	-	0%	-	0%
Interest Revenue	3,700	1.6%	6,000	2.6%	2,300	1%
<b>Total Revenues</b>	<b>225,004</b>	<b>100%</b>	<b>227,304</b>	<b>100%</b>	<b>2,300</b>	<b>1%</b>
<b>Expenditures</b>						
Salaries & Benefits- Maintenance	58,756	26%	67,288	30%	8,532	15%
Other Expenditures - Maint.	38,325	17%	32,325	14%	(6,000)	-16%
Meas.B Debt Svc Principal	93,674	42%	93,674	41%	-	0%
Capital Expenditures & Interest	33,744	15%	33,744	15%	-	0%
<b>Total Expenditures</b>	<b>224,499</b>	<b>100%</b>	<b>227,030</b>	<b>100%</b>	<b>2,532</b>	<b>1%</b>
<b>Excess (Deficit)</b>	<b>505</b>		<b>274</b>		<b>(232)</b>	



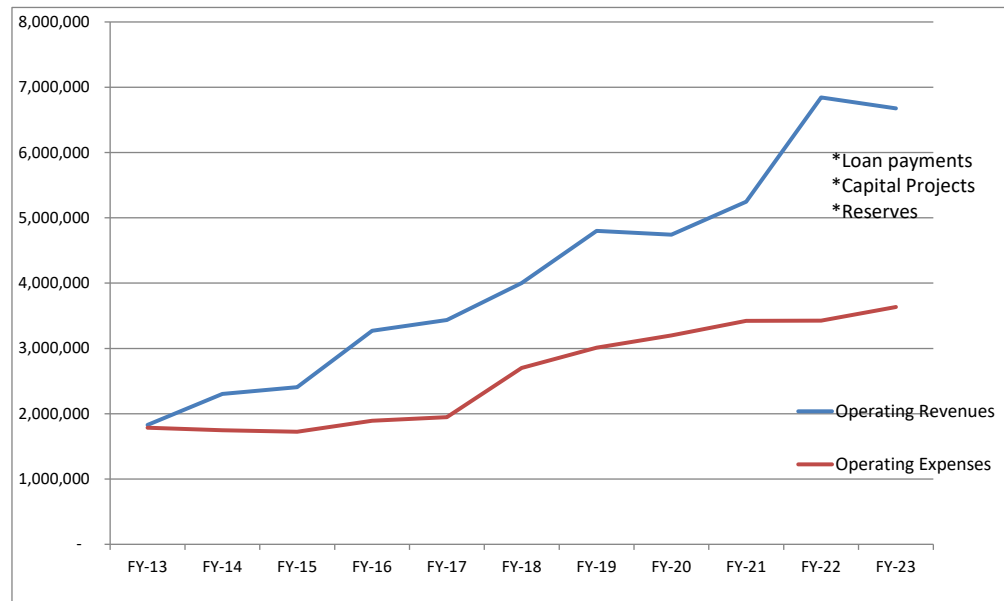
**McKinleyville Community Services District**  
**Water Enterprise Fund**  
**Historical Analysis**  
**Fiscal Years Ended (Ending) June 30, 2013-2023**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est.	Budget
<b>Operating Revenues</b>											
Water Sales	1,665,273	2,237,058	2,855,251	2,971,172	3,307,872	3,201,667	3,333,250	3,689,722	4,038,710	4,078,993	4,434,226
Other Water Revenues	302,600	561,962	1,263,244	677,733	293,149	416,418	560,739	628,746	639,929	1,167,185	1,910,800
<b>Total Operating Revenues</b>	<b>1,967,873</b>	<b>2,799,019</b>	<b>4,118,496</b>	<b>3,648,905</b>	<b>3,601,020</b>	<b>3,618,085</b>	<b>3,893,989</b>	<b>4,318,467</b>	<b>4,678,638</b>	<b>5,246,177</b>	<b>6,345,026</b>
<b>Operating Expenses</b>											
Salaries & Benefits	776,264	766,832	820,713	901,568	961,086	873,905	793,755	884,086	940,282	972,936	1,203,497
Water Cost	657,440	801,270	795,098	855,642	933,907	867,122	1,056,472	1,094,722	1,147,401	1,210,400	1,210,000
Other Expenses	363,133	325,537	258,732	290,102	314,758	562,998	610,340	700,340	754,257	816,594	884,696
Depreciation	302,545	303,585	325,895	344,400	346,630	363,985	389,295	455,902	411,197	395,372	400,000
<b>Total Operating Expenses</b>	<b>2,099,382</b>	<b>2,197,224</b>	<b>2,200,438</b>	<b>2,391,712</b>	<b>2,556,381</b>	<b>2,668,010</b>	<b>2,849,862</b>	<b>3,135,050</b>	<b>3,253,138</b>	<b>3,395,302</b>	<b>3,698,193</b>
<b>Net Operating Income (Loss)</b>	<b>(131,509)</b>	<b>601,796</b>	<b>1,918,057</b>	<b>1,257,193</b>	<b>1,044,639</b>	<b>950,075</b>	<b>1,044,127</b>	<b>1,183,417</b>	<b>1,425,500</b>	<b>1,850,876</b>	<b>2,646,833</b>
Interest Income	10,565	11,079	15,510	19,797	31,579	41,491	79,233	85,414	48,234	26,598	50,000
Interest Expense	(86,060)	(81,588)	(75,483)	(72,104)	(68,446)	(64,890)	(61,108)	(57,336)	(53,320)	(117,383)	(215,801)
<b>Net Income (Loss)</b>	<b>(207,005)</b>	<b>531,286</b>	<b>1,858,084</b>	<b>1,204,887</b>	<b>1,007,773</b>	<b>926,676</b>	<b>1,062,252</b>	<b>1,211,494</b>	<b>1,420,414</b>	<b>1,760,091</b>	<b>2,481,031</b>



**McKinleyville Community Services District**  
**Wastewater Enterprise Fund**  
**Historical Analysis**  
**Fiscal Years Ended (Ending) June 30, 2013-2023**

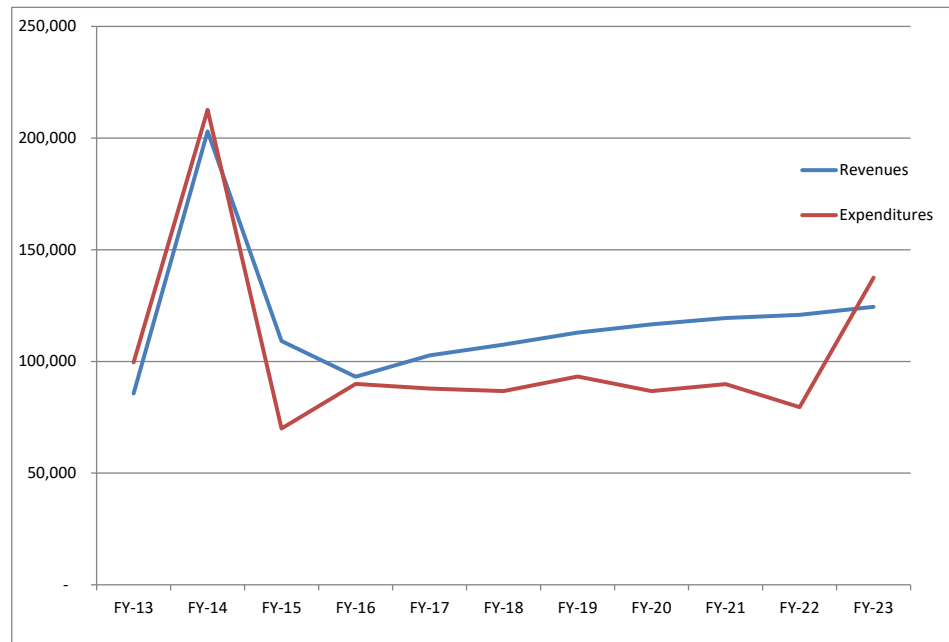
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est.	Budget
<b>Operating Revenues</b>											
Wastewater Service Charges	1,502,097	1,768,170	2,062,271	2,519,832	3,062,739	3,333,752	3,705,348	3,716,614	3,969,885	4,047,562	4,371,210
Other Wastewater Revenues	326,569	536,218	345,588	750,463	373,867	667,985	1,095,942	1,024,698	1,276,414	2,796,369	2,306,692
<b>Total Operating Revenues</b>	<b>1,828,665</b>	<b>2,304,387</b>	<b>2,407,859</b>	<b>3,270,295</b>	<b>3,436,606</b>	<b>4,001,736</b>	<b>4,801,290</b>	<b>4,741,313</b>	<b>5,246,299</b>	<b>6,843,931</b>	<b>6,677,902</b>
<b>Operating Expenses</b>											
Salaries & Benefits	798,884	843,382	865,751	966,967	990,442	1,040,516	991,199	1,040,090	1,172,658	1,216,779	1,246,020
Other Expenses	525,512	441,704	388,878	462,582	502,182	832,570	819,105	946,210	973,100	992,264	1,163,506
Depreciation	462,065	462,621	469,397	464,200	453,677	829,508	1,201,128	1,211,865	1,276,998	1,216,872	1,225,000
<b>Total Operating Expenses</b>	<b>1,786,461</b>	<b>1,747,706</b>	<b>1,724,026</b>	<b>1,893,749</b>	<b>1,946,301</b>	<b>2,702,594</b>	<b>3,011,431</b>	<b>3,198,164</b>	<b>3,422,757</b>	<b>3,425,915</b>	<b>3,634,526</b>
<b>Net Operating Income (Loss)</b>	<b>42,204</b>	<b>556,681</b>	<b>683,833</b>	<b>1,376,547</b>	<b>1,490,305</b>	<b>1,299,142</b>	<b>1,789,858</b>	<b>1,543,149</b>	<b>1,823,542</b>	<b>3,418,015</b>	<b>3,043,376</b>
Interest Income	20,701	18,989	20,496	21,382	30,154	48,208	120,116	135,107	85,047	48,473	50,000
Interest Expense	(37,857)	(37,521)	(31,558)	(27,900)	(23,803)	(198,112)	(225,072)	(313,825)	(225,790)	(290,839)	(406,318)
<b>Net Income (Loss)</b>	<b>25,048</b>	<b>538,149</b>	<b>672,771</b>	<b>1,370,029</b>	<b>1,496,656</b>	<b>1,149,238</b>	<b>1,684,902</b>	<b>1,364,431</b>	<b>1,682,799</b>	<b>3,175,649</b>	<b>2,687,058</b>





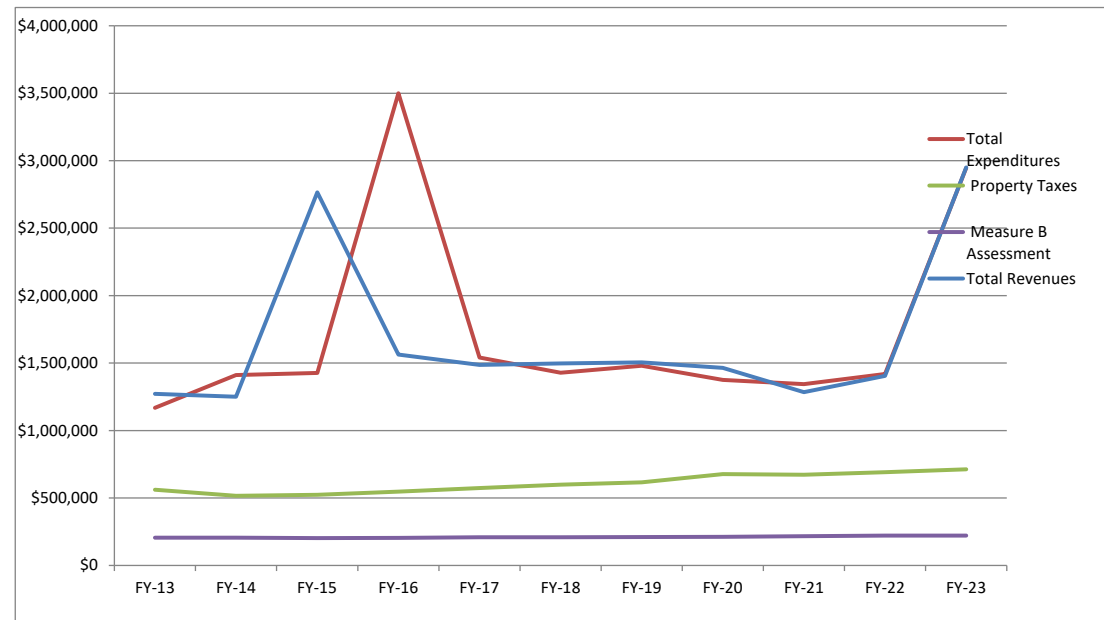
**McKinleyville Community Services District**  
**Streetlight Fund**  
**Historical Analysis**  
**Fiscal Years Ended (Ending) June 30, 2013-2023**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est.	Budget
<b>Revenues</b>	<b>85,658</b>	<b>203,009</b>	<b>109,123</b>	<b>93,109</b>	<b>102,744</b>	<b>107,557</b>	<b>112,870</b>	<b>116,620</b>	<b>119,403</b>	<b>120,844</b>	<b>124,480</b>
<b>Expenditures</b>											
Salaries & Benefits	35,260	45,591	35,942	40,767	37,296	36,852	38,155	39,693	51,443	40,856	48,744
Other Expenditures	47,119	43,141	31,804	29,261	30,719	30,022	35,272	37,198	38,409	38,646	41,775
Debt Service	-	-	-	19,865	19,865	19,865	19,865	9,863	-	-	-
Capital Expenditures	17,250	123,950	2,229	-	-	-	-	-	-	-	47,000
<b>Total Expenditures</b>	<b>99,629</b>	<b>212,681</b>	<b>69,975</b>	<b>89,893</b>	<b>87,880</b>	<b>86,739</b>	<b>93,293</b>	<b>86,753</b>	<b>89,853</b>	<b>79,502</b>	<b>137,519</b>
<b>Excess (Deficit)</b>	<b>(13,971)</b>	<b>(9,672)</b>	<b>39,148</b>	<b>3,216</b>	<b>14,864</b>	<b>20,817</b>	<b>19,578</b>	<b>29,868</b>	<b>29,551</b>	<b>41,342</b>	<b>(13,039)</b>



**McKinleyville Community Services District**  
**Parks & Recreation, Measure B Assessment, & General Fund**  
**Historical Analysis**  
**Fiscal Years Ended (Ending) June 30, 2013-2023**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est.	Budget
<b>Combined Revenues</b>											
Programs	309,625	324,140	320,470	360,399	384,959	374,327	285,629	198,879	153,616	223,348	237,880
Rentals	58,779	66,980	67,407	85,536	89,029	96,868	87,948	69,903	11,947	59,670	59,850
Property Taxes	560,445	516,221	523,970	547,214	574,220	598,430	615,380	677,798	671,671	691,821	712,575
Measure B Assessment	205,420	206,270	202,749	204,177	208,775	209,573	210,254	212,622	217,031	221,304	221,304
State Bonds & Grants	-	10,000	25,000	48,876	-	-	7,215	10,128	1,920	5,000	1,477,952
Other Revenue	134,120	120,119	1,612,221	296,868	212,637	198,827	244,785	243,124	191,965	169,102	205,492
Interest Revenue	3,216	6,755	12,773	19,661	16,287	18,799	53,839	51,911	35,578	34,554	35,002
<b>Total Revenues</b>	<b>1,271,604</b>	<b>1,250,484</b>	<b>2,764,590</b>	<b>1,562,731</b>	<b>1,485,907</b>	<b>1,496,824</b>	<b>1,505,049</b>	<b>1,464,365</b>	<b>1,283,728</b>	<b>1,404,799</b>	<b>2,950,055</b>
<b>Combined Expenditures</b>											
Salaries & Benefits	786,004	846,593	909,802	859,611	920,016	975,993	1,017,783	961,057	914,368	986,477	975,993
Other Expenditures	309,326	386,777	348,872	2,401,700	458,267	323,053	308,048	288,697	276,857	306,672	352,793
Debt Service	-	-	36,228	79,968	82,831	84,288	85,798	88,872	92,054	93,674	93,674
Capital Expenditures	73,024	177,463	132,323	158,519	80,568	45,473	69,128	36,025	61,264	32,000	1,525,000
<b>Total Expenditures</b>	<b>1,168,355</b>	<b>1,410,834</b>	<b>1,427,225</b>	<b>3,499,798</b>	<b>1,541,682</b>	<b>1,428,807</b>	<b>1,480,757</b>	<b>1,374,652</b>	<b>1,344,542</b>	<b>1,418,823</b>	<b>2,947,459</b>
<b>Combined Excess (Deficit)</b>	<b>103,249</b>	<b>(160,349)</b>	<b>1,337,365</b>	<b>(1,937,067)</b>	<b>(55,775)</b>	<b>68,017</b>	<b>24,292</b>	<b>89,714</b>	<b>(60,815)</b>	<b>(14,024)</b>	<b>2,596</b>



McKinleyville Community Services District  
 Enterprise Funds Capital Improvement Project Budget  
 For the Fiscal Years Ending June 30, 2023 - 2032

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2023	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
<b>1. Heavy Equipment</b>										
<b>Totals:</b>	130	350	20	177	10	190	500	0	0	20
<b>2. Utility Vehicles</b>										
<b>Totals:</b>	40	45	90	45	45	73	73	75	47	79
<b>3. Water System</b>										
<b>Totals:</b>	5,217	10,215	3,527	2,017	1,026	1,042	1,062	1,290	1,020	1,580
<b>4. Sewer System</b>										
<b>Totals:</b>	4,085	8,073	2,262	1,257	1,368	1,292	7,347	1,492	3,322	4,745
<b>5. Office, Corporation Yard &amp; Shops</b>										
<b>Totals:</b>	770	1,510	1,500	10	0	14	0	10	0	10
<b>6. Computers, Software &amp; Equipment</b>										
<b>Totals:</b>	18	46	161	17	12	12	17	12	12	17
<b>7. Reclamation (Fischer &amp; Pialorsi Ranches)</b>										
<b>Totals:</b>	150	25	5	5	5	15	5	5	5	5

McKinleyville Community Services District  
 Enterprise Funds Capital Improvement Project Budget  
 For the Fiscal Years Ending June 30, 2023 - 2032

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2023	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
<b>8. Small Equipment &amp; Other</b>										
<b>Totals:</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>35</b>	<b>42</b>	<b>20</b>	<b>15</b>	<b>20</b>	<b>20</b>	<b>15</b>
<b>Total Planned Expenditures</b>	<b>10,430</b>	<b>20,284</b>	<b>7,585</b>	<b>3,563</b>	<b>2,508</b>	<b>2,658</b>	<b>9,019</b>	<b>2,904</b>	<b>4,426</b>	<b>6,471</b>
<b>Departmental Allocations:</b>										
Water Fund	5,706	11,201	4,423	2,159	1,081	1,197	1,115	1,349	1,060	1,651
Wastewater Fund	4,724	9,083	3,163	1,404	1,428	1,462	7,905	1,556	3,367	4,821
<b>Total</b>	<b>10,430</b>	<b>20,284</b>	<b>7,585</b>	<b>3,563</b>	<b>2,508</b>	<b>2,658</b>	<b>9,019</b>	<b>2,904</b>	<b>4,426</b>	<b>6,471</b>
<b>Internal Funds/Reserves/Debt - District Share</b>	7,439	10,127	7,585	3,563	2,508	2,658	9,019	2,904	4,426	6,471
<b>Potential Grant Funding Expected</b>	2,991	10,157								

**McKinleyville Community Services District  
 General Fund (Parks & Recreation) Capital Improvement Project Budget  
 For the Fiscal Years Ending June 30, 2023 - 2032**

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2023	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
<b>1. Hiller Park &amp; Sports Complex Projects</b>										
<b>Totals:</b>	0	50	30	25	0	8	19	0	0	0
<b>2. Pierson Park Projects</b>										
<b>Totals:</b>	98	0	12	0	75	0	0	0	0	0
<b>3. Azalea Hall Projects</b>										
<b>Totals:</b>	187	38	31	6	11	6	21	111	0	6
<b>4. McKinleyville Activity Center Projects</b>										
<b>Totals:</b>	0	20	117	111	0	0	0	100	0	0
<b>5. Other Park Projects &amp; Equipment</b>										
<b>Totals:</b>	24	11	0	11	0	12	0	12	18	17

**McKinleyville Community Services District  
 General Fund (Parks & Recreation) Capital Improvement Project Budget  
 For the Fiscal Years Ending June 30, 2023 - 2032**

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2023	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
<b>6. Law Enforcement Facility Projects</b>										
<b>Totals:</b>	0	0	11	10	0	21	0	0	0	0
<b>7. McKinleyville Library Projects</b>										
<b>Totals:</b>	16	0	6	20	21	0	0	0	0	0
<b>8. Teen &amp; Community Center</b>										
<b>Totals:</b>	0	5	0	20	0	5	0	0	40	0
<b>9. Projects Contingent Upon Grant Funding</b>										
<b>Totals:</b>	0	20	30	50	50	0	0	0	0	0
<b>10. Projects Funded by Quimby &amp; Other Funds</b>										
<b>Skate Park/ Washington property proj Totals:</b>	1,200	2,032	0	25	0	0	0	0	0	0
<b>Total Planned Capital Expenditures</b>	<b>1,525</b>	<b>2,176</b>	<b>237</b>	<b>278</b>	<b>157</b>	<b>52</b>	<b>40</b>	<b>223</b>	<b>58</b>	<b>23</b>

McKinleyville Community Services District  
 Streetlights Fund Capital Improvement Project Budget  
 For the Fiscal Years Ending June 30, 2023 - 2032

	1	2	3	4	5	6	7	8	9	10
	June 30, 2023	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
1. Heavy Equipment										
<b>Totals:</b>	0	0	83	0	0	0	0	0	0	0
2. Poles and Lights										
<b>Totals:</b>	47	0	0	0	0	0	0	0	0	0
<b>Total Planned Expenditures</b>	<b>47</b>	<b>0</b>	<b>83</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Capital Improvement Plan  
Water, Sewer and Streetlights Funds  
Fiscal Year 2022-23**

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 cars. Funds have also been set aside for the replacement of the oldest of the District's backhoes, which has been serving the District since 1979.

**Water System**

The largest Water project for FY2022-23 is the construction phase of the proposed 4.5 million gallon new storage tank. The purchase of the property where the tank will be located is included in the project funding. The project is expected to be between 20% to 40% complete in FY22-23, with a maximum of \$6.198 million expended. Of that, 75% (\$4.65 million) will be grant funded. The District has issued Certificates of Participation (COPs), a debt instrument, to fund the balance of the project.

\$500,000 is budgeted for a recoating project scheduled this year. Each tank recoating cycle is approximately 20 to 30 years for preventative maintenance to avoid corrosion and maintain structural integrity. Other projects currently proposed for the Water Fund include upgrading the emergency generator (\$50,000); \$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.

\$2,500,000 is scheduled for the Water Main Rehabilitation/ Replacement Project. Half of that is a set-aside, per the last Board approved Rate Study. The other half is for the start of water main replacement on Central Avenue, and is debt-funded (COPs). Other projects that may need to accumulate Repair & Replacement reserves for future execution include the Mad River crossing and the upgrade of the Digital control and radio telemetry system.



## **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 FY21-22 was lower than expected. These should occur on a five-to-seven 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, half is a set-aside of rates to build up reserves, as approved by the Board in the 2018 rate study. The other half is to start work on the Central Avenue portion of the project.

The Undercrossing project budget portion for the current fiscal year is \$1,149,000, with the balance being budgeted for the next fiscal year. Of that, the District is responsible for 25% with the rest being grant funded. The Micro-grid Solar Project at the Wastewater Management Facility should be completed, with \$12,000 budgeted as an ongoing Repair & Replacement reserve, which is designated for continuing as-needed replacement for pumps and generators. Other significant Wastewater projects include lift station pump and generator replacements (\$40,000), a sewer-main camera unit (\$30,000), and \$75,000 to start armoring 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), and \$6,000 for repairs & 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**

\$150,000 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. \$600,000 has been budgeted for purchase of the property behind the District offices if it ever comes up for sale. \$20,000 has been set aside for major repairs to the existing offices. \$10,000 has been set aside for the regular upgrade and replacement of office equipment and printers. An additional \$8,000 has been added for AutoCAD software.

## **Reclamation (Fischer & Pjalorsi Ranch)**

\$100,000 has been budgeted to populate a portion of the ranch with trees for the Biofiltration (Tree Farm) project and continue restoration the perc ponds into suitable off-stream habitat for salmon and other aquatic species. This is a grant-funded project, with the grant administered by CalTrout. A total of \$50,000 is available for replacement and maintenance of underground valves and piping, irrigation pipes and fittings, improvements on the Pjalorsi house and the Fischer house.

### **Small Equipment and Other**

\$20,000 in total has been set aside in this line item for the replacement of various types of emergency or miscellaneous equipment.

### **Streetlights**

\$40,000 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 \$2,000 for pole replacement if needed.

### **Note on Appendix A – 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 2022-23**

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 light duty truck is scheduled to be replaced in fiscal year 2022-23. One mower will also be replaced.

**Facility Projects**

\$6,000 has been budgeted from regular funds for replacement of the furnace in Azalea Hall. Replacement of the Hewitt Room floor, installation of a French-drain system around the building, replacement of the range-hood exhaust and fire suppression system, along with window coverings, the range-oven, and the PA system are all dependent on receiving \$177,952 in Prop 68 Grant funding. The fire suppression system in the McKinleyville Activity Center is also part of the Prop 68 grant funding.

\$6,000 is budgeted from regular funds for the replacement of the furnace at the McKinleyville Library. A \$10,000 grant is being sought for the replacement of the Library flooring. Quimby funds might also be considered to support the completion of this project.

**Parks and Trails Projects**

\$8,000 has been budgeted for the removal of a Monterey pine and the repair of that section of the retaining wall forming the roundabout in Pierson Park. A \$90,000 grant is being sought to bring the Pierson Park restrooms up to current ADA compliance. The Skate Park and the BMX Track & Park projects have grant budgets of \$400,000 and \$800,000 respectively. These projects are 100% grant-dependent and will not be undertaken unless the grant funding is received.

## **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 Attachment 2 – Parks & General Fund DRAFT 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

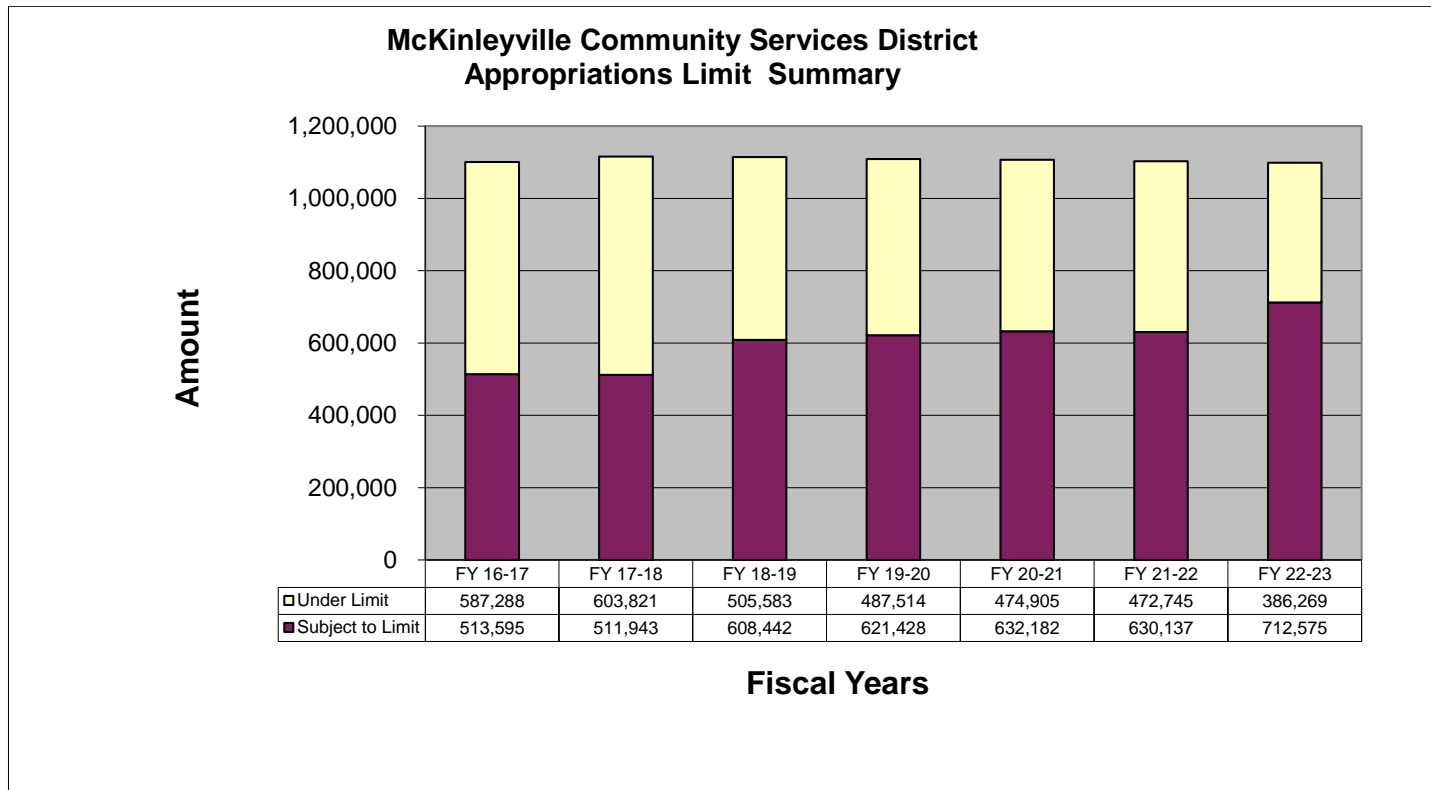
The District will review this Plan at least once annually to ensure that the Plan continues to be accurate and best serve the needs of the District. Plan revisions may be made at any time. All revisions must be approved by the Board of Directors. A record of revisions will be kept on the Table of Contents 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 22-23 Budget

<b>Prior Year Final Appropriation Limit</b>		<b>\$ 1,102,882</b>
<b>Allowed Compounded Percentage Increase from Prior Year <sup>(1)</sup></b>		
Non-Residential Assessed Valuation Percent Change	0.222%	
MCSD Unincorporated County Population Percent Change	-0.600%	
Compounded Percentage as an Adjustment Factor	-0.380%	
Annual Adjustment Amount to Appropriation Limit		(4,189)
<b>Current Year Appropriation Limit</b>		<b>1,098,693</b>
<b>Current Year Adopted Budget Appropriations From Proceeds of Taxes <sup>(2)</sup></b>		
Proceeds of Taxes From Adopted Budget <sup>(3)</sup>	728,204	
Less Allowable Exclusion of Certain Appropriations <sup>(3)</sup>	(11,583)	
<b>Current Year Appropriations Subject to Appropriation Limit</b>		<b>716,621</b>
<b>Current Year Appropriations Under the Appropriation Limit <sup>(3)</sup></b>		<b>\$ (382,072)</b>
<b>Percentage Under the Limit</b>		<b>-35%</b>



(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	2,221,852	728,204	2,950,055
Street Lighting Fund	124,480	-	124,480
Water Fund	6,395,026	-	6,395,026
Wastewater Fund	6,727,902	-	6,727,902
<b>Total Proceeds and Non Proceeds of Taxes</b>	<b>15,469,259</b>	<b>728,204</b>	<b>16,197,463</b>

Summary of Exclusions	
Court Order Costs	-
Federal Mandates	11,583
Qualified Capital Equipment	-
Qualified Debt Service	-
<b>Total Exclusions to Appropriations Subject to Limit</b>	<b>11,583</b>

**McKinleyville Community Services District**  
**APPROPRIATIONS LIMIT CALCULATION**  
**FY 22-23 Budget**

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

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
<b>GENERAL FUND - Parks</b>					
Charges for Services	298,830	298,830			
Miscellaneous Fees & Reimbursements	35,792	35,792			
<b>Total General Fund</b>	<b>334,622</b>	<b>334,622</b>	-	-	-
<b>Street Lighting Fund</b>	124,480		124,480		
<b>Water Operations Fund</b>	6,395,026			6,395,026	
<b>Wastewater Operations Fund</b>	6,727,902				6,727,902
<b>Total Estimate of User Fees</b>	<b>13,582,030</b>	<b>334,622</b>	<b>124,480</b>	<b>6,395,026</b>	<b>6,727,902</b>
<b>Current Year Adopted Budget</b>					
Operations & Equipment	9,535,887	1,415,758	90,519	3,995,966	4,033,644
Allocations for Improvements	-				
<b>User Fees (Under) or in Excess of Costs</b>	<b>4,046,143</b>	<b>(1,081,136)</b>	<b>33,961</b>	<b>2,399,060</b>	<b>2,694,258</b>

**McKinleyville Community Services District**  
**APPROPRIATIONS LIMIT CALCULATION**  
**FY 22-23 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
<b>General Fund</b>							
Property Tax	712,575				712,575	-	712,575
Special Assessment	221,304				221,304	221,304	-
Charges for Services	298,830				298,830	298,830	-
Grants	1,498,152				1,498,152	1,498,152	-
Development Fees	142,400				142,400	142,400	-
Interest (4)	41,002				41,002	25,374	-
Miscellaneous Fees & Reimbursements	35,792				35,792	35,792	15,628
Other Financing Sources	-				-	-	-
Other Sources	-				-	-	-
<b>TOTAL GENERAL FUND REVENUES</b>	<b>2,950,055</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,950,055</b>	<b>2,221,852</b>	<b>728,204</b>
<b>Street Lighting Fund</b>	124,480	13,039				124,480	
<b>Water Fund</b>	6,395,026	(3,148,030)				6,395,026	
<b>Wastewater Fund</b>	6,727,902	(3,512,110)				6,727,902	
<b>Debt Service Fund</b>	-					-	
<b>Total All Funds</b>	<b>16,197,463</b>	<b>(6,647,101)</b>	<b>-</b>	<b>-</b>	<b>2,950,055</b>	<b>15,469,259</b>	<b>728,204</b>

(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 22-23 Budget**

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

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
<b>General Fund - Parks</b>					
41050	ADMIN FEE	5,200	5,200		Reimbursement for Services
42020	PROC. FEES	1,800	1,800		User Fees for Services
42030	BAD CHECK FEES	40	40		Miscellaneous Fees and Reimbursements
43002	REFUNDS/REBATES	100	100		Miscellaneous Fees and Reimbursements
43195	OTHER OP. REV.	2,000	2,000		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	16,800	16,800		Use of Property fees
44000	OPEN SPACE FEES	113,600	113,600		Development Fees
45000	OPEN SPACE FEES	18,800	18,800		Development Fees
47050	MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	22,600	22,600		User Fees for Services
48000	COMM. EVENTS	-	-		User Fees for Services
48001	VENDOR CONTRACT	27,800	27,800		User Fees for Services
48002	EVENT SERVICES	1,300	1,300		User Fees for Services
48010	INSURANCE FEES	150	150		User Fees for Services
48020	AD INCOME	8,000	8,000		User Fees for Services
48040	COMMISSIONS VND	-	-		User Fees for Services
48050	REC. PROGRAMS	237,880	237,880		User Fees for Services
48051	FRF DISCOUNT	(700)	(700)		User Fees for Services
48055	PROGRAM GRANTS	20,200	20,200		Related to Restricted Grants
48070	SALE OF SCRAP	-	-		Use of Property fees
50001	INT. REVENUE	41,002	25,374	15,628	Allocated
51001	SECURED TAXES	712,575		712,575	
51060	MEASURE B ASSMT	221,304	221,304		Special Assessment Restricted Specific Use
52000	OTHER INCOME	-	-		Miscellaneous Fees and Reimbursements
53001	CONTRIBUTIONS	1,652	1,652		Donations
53002	QUIMBY FEES	10,000	10,000		Development fees
54001	STATE GRANTS	1,477,952	1,477,952		Related to Restricted Grants
57000	GAIN ON DISPOSAL	10,000	10,000		Miscellaneous Fees and Reimbursements
<b>Total General Fund</b>		<b>2,950,055</b>	<b>2,221,852</b>	<b>728,204</b>	
<b>Street Lighting</b>					
41050	ADMIN FEE	15,000	15,000		
42020	PROC. FEES	3,500	3,500		
43195	OTHER OP. REV.	-	-		
47001	ST. LIGHT CHGS	98,819	98,819		
47001	ST. LIGHT CHGS	7,111	7,111		
50001	INT. REVENUE	50	50		
<b>Total Street Lighting</b>		<b>124,480</b>	<b>124,480</b>	<b>-</b>	User Fees for Services
<b>Water Fund</b>					
40000	WATER BASE CHG	1,868,000	1,868,000		
40001	MTR. WATER SALE	2,566,226	2,566,226		
41001	NEW SVC. FEES	25,000	25,000		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	1,000	1,000		
42001	PERMIT FEES	1,000	1,000		
42010	CONN. FEES	150,000	150,000		
42020	PROC. FEES	15,000	15,000		
42030	BAD CHECK FEES	500	500		
42040	RECONN. FEES	3,000	3,000		
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		
43199	SERVICE UPGRADE	-	-		

**McKinleyville Community Services District  
Revenue Estimates Detail  
FY 22-23 Budget**

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

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
46000	AFTER HRS CHGS	500	500		
48060	EQUIP USAGE FEE	450	450		
48070	SALE OF SCRAP	350	350		
50001	INT. REVENUE	50,000	50,000		
50005	LATE CHARGES	12,500	12,500		
51011	CONTRIB CONST	25,000	25,000		
52000	OTHER INCOME	1,000	1,000		
54001-2	GRANTS	1,599,000	1,599,000		
56000	GAIN ON DISPOSAL	4,000	4,000		
57000	UNREALIZED GAIN/LOSS	10,000	10,000		
<b>Total Water</b>		<b>6,395,026</b>	<b>6,395,026</b>	<b>0</b>	User Fees for Services
<b>Wastewater Fund</b>					
40002	SWR SVC CHGS.	4,371,210	4,371,210		
40010	STORM WATER FEE	350	350		
41001	NEW SVC. FEES	30,000	30,000		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	1,000	1,000		
41040	SWR CONST PRMT	2,500	2,500		
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	50,000	50,000		
50005	LATE CHARGES	13,000	13,000		
51011	CONTRIB CONST	25,000	25,000		
52000	OTHER INCOME	2,000	2,000		
54001-2	GRANTS	1,927,750	1,927,750		
56000	GAIN ON DISPOSAL	4,000	4,000		
57000	UNREALIZED GAIN/LOSS	10,000	10,000		
<b>Total Wastewater</b>		<b>6,727,902</b>	<b>6,727,902</b>	<b>0</b>	User Fees for Services
<b>Debt Service</b>					
<b>Total Debt Service</b>		<b>-</b>	<b>-</b>	<b>-</b>	Debt Related
<b>Total All Funds</b>		<b>16,197,463</b>	<b>15,469,259</b>	<b>728,204</b>	

**McKinleyville Community Services District**  
**APPROPRIATIONS LIMIT CALCULATION**  
**FY 22-23 Budget**

<b>Calculation of Appropriations Subject to  Limit (Worksheet #4 of Guidelines)</b>
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	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 728,204
Less Allowed Exclusions (From Worksheet #7)	(11,583)
Current Year Appropriations Subject to Limit	<u>\$ 716,621</u>
Current Year Appropriations Limit (From Worksheet #6)	1,098,693
Current Year Appropriations Over or (Under) Limit	<u>\$ (382,072)</u>
Percentage Over or (Under) Limit	<u><u>-35%</u></u>

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 22-23 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)	Humbolt 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

[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 22-23 Budget**

<b>Appropriations Limit Calculation (Worksheet #6 of Guidelines)</b>
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<b>Prior Year Appropriations Limit (From Worksheet #5)</b>	<b>\$ 1,102,882</b>
<b>Current Year Growth Factors (From Worksheet #5)</b>	
Non-Residential Assessed Valuation Percent Change	0.22%
MCSD Unicorporated County Population Percent Change	-0.60%
<b>Compounded Total Percentage Adjustment Factor</b>	<b>-0.380%</b>
<b>Current Year Annual Adjustment Amount</b>	<b>\$ (4,189)</b>
<b>Other Adjustments to Limit (see detail worksheets)</b>	
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
<b>Total Adjustments to Limit</b>	<b>\$ -</b>
<b>Current Year Appropriations Limit</b>	<b>\$ 1,098,693</b>

**McKinleyville Community Services District**  
**APPROPRIATIONS LIMIT CALCULATION**  
**FY 22-23 Budget**

<b>Exclusions to Appropriations Limit (Worksheet #7 of Guidelines)</b>
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	<b>Exclusions</b>
<b>Court Orders</b>	-
<b>Federal Mandates</b>	
Fair Labor Standards Act Payments	-
FICA and Medicare Payments	9,549
Unemployment Payments	2,033
<b>Total Federal Mandates</b>	<b>11,583</b>
<b>Qualified Capital Outlays (Assets of over \$100,000 )</b>	-
<b>Total Qualified Capital Outlays Paid From Proceeds of Taxes</b>	-
<b>Qualified Debt Service</b>	
<b>Total Qualified Debt Service Paid From Proceeds of Taxes</b>	-
<b>Total Exclusions</b>	<b>11,583</b>