

**District Mid-Year Budget Review Including
Resolution No. 01272014-1 Increasing
Expenditure Authority and Resolution
01272014-2 for Settlement Agreement with
SBCERA**

Attachment 3

Rim of the World Recreation and Park District



Management's Discussion and Analysis For the 2013/2014 Mid-Year Review Ending December 31, 2013

Revenue Summary:

The District has budgeted \$1,142,976 of revenue for the 2013/14 fiscal year. The District has recognized \$582,580.00. At midyear, the District has recognized 51% of our anticipated revenue for the 2013/14 fiscal year. When compared to prior year budget 2012/13, the District is on track and the result should be that the District would come in at budget of \$1,142,967, by June 2014.

Expense Summary:

The District has budgeted \$1,053,245 in Expense for the 2013/14 fiscal year. The District has spent at this midyear point, \$468,178. At midyear, the District has recognized 45% of our anticipated expense.

Recreation and Outside Help expense was budgeted at \$56,500 for the FY and of that, \$40,976 has been spent to this mid-year period. This shows the popularity of our contract recreation programs and their increase in growth.

District will come in at budget of \$1,053,245 by June 2014.

Revenue Detail:

Special Parcel Tax

The District has budgeted \$750,000 of Special Parcel Tax for the year 2013/14. Of that amount, \$417,152 has been collected and the District is at 56%. The variance of budget v. actual at midyear is over the Districts historical data along with the Auditor-Controller schedule for this time period. The District recognizes that Special Parcel Tax Income for the FY 13/14 will meet projections.

Donation Income

The District has budgeted \$1,000 for donation income and has received 100% of this amount as of midyear.

Fees and Charges

The District has budgeted \$157,500 for the period of July – December 2013. Of that, \$118,043 has been collected. Some of this revenue is seasonal programs; staff expects to see an increase in this amount by the end of the fiscal year. Childcare did not operate during the summer months as budgeted due to low enrollment. This decline is attributable to the decline in enrollment that mirrors the decline in Rim of the World Unified School District. However, staff has initiated a strong marketing plan for both childcare and recreation programs, and has seen an increase in participation/enrollment since December 2013.

The variance is \$39,457 under budget. Staff estimates that it should receive \$295,000 of the \$315,000 budgeted amount.

Other Income

The District has budgeted \$1,750 for the period of July – December 2013 for Other Income. Revenue realized is \$9,883, due to a transfer of funds from the Rim Recreation Foundation 501c (3) to the District. These are dedicated funds earmarked to be returned to the Rim Recreation Foundation once the Foundation is reorganized and a new Foundation Board of Directors is approved.

Rental Income

The District has budgeted \$36,738 for the first six months of the year. Of that, \$36,502 has been collected. It is anticipated that 100% of the budgeted amount for the year will be collected.

Expense Detail

Utilities

The District budgeted \$39,500 for utility expense in the first six months of the FY. Utility expense in the first six months was \$57,319. The District's utility expense is greatest in the first third of the FY due to ball field irrigation, evening ball-field lighting, and air conditioning expense. Water utility invoices were greater than previous years due to record below-average precipitation combined with rate increases. Utility use at parks and ball fields is dramatically reduced in the second half of the FY due to the absence of irrigation during the winter months. It is anticipated that the \$79,000 budgeted for the FY will be met.

All other expense accounts will meet their budgeted amount and at mid-year are supporting this statement.

Over all Summary:

Rim of the World Recreation and Park District is continuing to grow our recreation program revenues with our redesigned website to provide improvements through on-line registration and payment opportunities. The General Manager and the Board of Directors are reviewing all of our programs and events to determine their viability. The District is assessing all program effectiveness (for near and long term) for both cost-benefit analysis and community impact.

Developing new physical facilities to meet the needs of our residents from Crestline to Green Valley Lake will require a community wide needs assessment. We are working with partners, like Rim of the World Unified School District, to improve mutual facilities use and cost effectiveness. Our structure maintenance and repair costs have stabilized since the FY 2012/13 while we continue to invest in timely maintenance for high safety standards and community satisfaction.

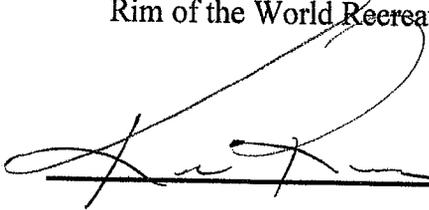
The District has an anticipated fund balance of \$281,888, and feels we are on target to meet this projection.

Other items:

In December 2013, the Board of Directors of the District finalized and approved an agreement with the San Bernardino County Employee's Retirement Association accepting its unfunded liability of \$669,204 resulting with the District's termination of its membership in the association. Moreover, the District has agreed with the association to pay this liability over a period of 20 years by paying monthly installments of \$2,788.35 commencing January 30, 2014.

No significant changes in operations are planned. Working capital is adequate to finance operations and the district is in discussions with various lenders to refinance the building loan on which the District headquarters in Rim Forest for which the District currently pays \$4036.67 monthly. The outstanding balance for October 25, 2015, is estimated to be \$473,658. This amount is due and payable at that time. The current loan bears interest at an annual rate of 6.35%. Now, the District believes that it will be able to refinance this loan at a much lower annual interest rate.

By: Karen Reams, General Manager
Rim of the World Recreation and Park District



Dated: February 13, 2014



RESOLUTION No. 01272014-1

A RESOLUTION OF THE GOVERNING BOARD OF
THE RIM OF THE WORLD RECREATION AND PARK DISTRICT,
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ADOPTING THE
AMENDED 2013/2014 FINAL BUDGET & INCREASING THE APPROPRIATIONS
LIMIT FOR SUBMITTAL TO THE COUNTY AUDITOR/CONTROLLER'S OFFICE.

WHEREAS, on December 2, 2013, the District approved and adopted a resolution to terminate their participation in SBCERA effective December 2, 2013; and;

WHEREAS, as a result of District's termination, SBCERA notified District by letter that SBCERA's actuary had determined that, as of May 31, 2013, the last day of the last month in which District employees participated in SBCERA, the District owed SBCERA \$669,204 for the unfunded liability for the termination of its membership from SBCERA; and

WHEREAS, Rim has requested to pay the \$669,204 for the unfunded liability over a period of 20 years; and

WHEREAS, Rim will pay to SBCERA \$2,788.35 per month commencing on or before January 30, 2014, and subsequent payments due on or before the last day of each month thereafter, for a period of twenty (20) years, until the total amount of \$669,204, is paid to SBCERA in full.

WHEREAS, the Amended Final Budget categories are as follows in the amounts reflected; and

Expenditures

Compensation and Benefits	\$ 522,715.00
Service and Supplies	\$ 513,800.00
Six installments to SBCERA	\$ <u>16,730.00</u>
Total	<u>\$1,053,245.00</u>

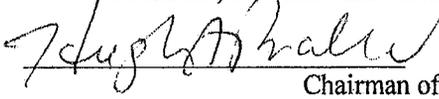
Revenue

Special Parcel Tax (\$22.00 per parcel)	\$ 750,000.00
Fees & Charges (Programs / Facilities)	\$ 315,000.00
Donations	\$ 1,000.00
Rental Income	\$ 73,476.00
Other Income	\$ <u>3,500.00</u>
Total	<u>\$1,142,976.00</u>

WHEREAS, the Board of Directors has determined to increase the Appropriations Limit to Expenditures by \$16,730.00 from \$1,036,515.00 to 1,053,245.00

NOW, THEREFORE, the Board of Directors of the Rim of the World Recreation & Park District does hereby submit the Amended 2013/2014 Final Budget to the San Bernardino County, Auditor/Controller's Office.

PASSED, APPROVED AND ADOPTED this 27th day of January 2014


Hugh A. Bialecki, DMD, Acting
Chairman of the Board of Directors

Attest:


Richard Lavin, Acting
Secretary to the Board of Directors