

Kay Lorenzen,	President
Renee Breeden,	Secretary
Larry Hudson,	Treasurer

Budget Committee Meeting
April 17, 2018 – 6:00 P.M. to 8 P.M.
16040 N. 43rd Avenue
Glendale, AZ 85306

MINUTES

1. CALL TO ORDER: Meeting was called to order at 6:05p by Peggy Schwend, Chair.

Committee members in Attendance:

Peggy Schwend – Chair, Bob Bustoz, Anthony Chase, Victor Armendariz and Walt Michaels.
 Others in attendance: Richard Mitten, Kay Lorenzen, Larry Hudson.
 Not In attendance: Cathy Hacker (Due to tax season).

2. NEW BUSINESS:

A. . Discuss and Decide on Budget items.

Spreadsheets and documents were passed out to be used in the budgeting process. Committee discussed the number of hours to be used for the 2018-2019 budget. After a discussion of prior year data, weather predictions and current data, the committee set 10,500 hours as the potential value.

Discussion around the Income items: Other Services, Escrow Transfer Fees and Finance Charges resulted in need for further research in past data and current trends in home sales in SFID. Bob Bustoz is planning to look at these items.

Line 311 - The biggest contributor to the cost of water is the cost of power needed to pump each hour. 2017-2018 used \$16.17 as the value, Walt Michaels calculated that the rate for the new budget would be \$16.82. The committee decided that since this line item is so important to the cost of water, that more research was required. Bob Bustoz volunteered to call APS representative for SFID and get information from them. He will evaluate the data and report back to the committee at the next meeting.

Line 331 - The committee discussed the State Water Fee rates. The rates have increased from 3.00 per acre foot to \$3.25 per acre foot (last year value = .5714). The committee discussed how the new rate was calculated. The last year total hours billed for water was 10,287.89 hours. The State water fee bill received in January 2018 was \$7142.56. Dividing the water fee by the total hours gives a new rate of .694269. The new line 331 budget is \$7,290. (10,500 x .694269).

Line 351 –Pump Supplies (mineral oil). – (Last year value - \$1600). Discussion yielded the information that about 6 barrels are needed each year. Mineral oil is used to eliminate environmental contamination. Cost of barrel has reduced this year to \$233. (6 x \$233 = \$1398) Committee agreed on \$1400 but will probably round up to \$1404 to divide by 12 for Monthly Budgets which would be \$117 per month.

SUNBURST FARMS IRRIGATION DISTRICT

EXECUTIVE BOARD

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Line 352 – Irrigation Transportation Gas & Oil - Current budget is \$6500. Discussion ensued about predicted gas rate increases, newer vehicle in fleet 2016 Chevy replaced irrigation truck so potential for better gas mileage, and where SFID gets gas. SFID has a credit card with Chevron so the employees have to drive out of the area to get gas. Committee discussed get a card that could be used at Fry’s or QT gas stations which are closer and probably has better gas prices. Victor Armendariz volunteered to research this and provide the information the committee at the next meeting.

Line 361 Irrigation Labor (last year budget - \$63,690). Long discussion on this issue. Peggy Schwend described the data on the Employee Wage Calculator Work Sheet. The committee made some changes in the values for the 3 Irrigators after learning from Richard Mitten the current wage, requested raises, differential on 1 irrigator, adjusting the number of hours worked and the percent of time each irrigator was irrigating. (Part of their time is Maintenance and Capital.) Tentative value is \$63,690 but further research is needed.

Line 371 Payroll Taxes/ Fringes for Water Delivery – (Social Security/Medicare) Discussion on the Fringes included current rate 0.09075 and budget value was \$5400. The rate is going up to .0991. (This was provided by Cathy Hacker). The rate is multiplied by the value of Irrigation labor to get the budget amount. Tentative value is \$63,690 times .0991 = \$6312.

Line 372 Health Insurance (Water Delivery) – Brenda Brown is communicating with SFID Insurance Agent. Peggy Schwend will work with Brenda to determine tentative values of Line 372, 417.5 and 366 all pertaining to Employee Health Insurance.

NEXT MEETING – April 24, 2018 @ 6PM – 8PM at the District Office.

3. OLD BUSINESS:

4. ADJOURNMENT: 8:15PM

Posted this 20 day of April, 2018.

by: Peggy Schwend