

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

Budget Committee Meeting
May 08, 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 6:06p by Peggy Schwend, Chair.

Committee members in Attendance:

Peggy Schwend – Chair, Bob Bustoz, Walt Michaels and Victor Armendariz.

Others in attendance: Cathy Hacker, Richard Mitten, Kay Lorenzen and Larry Hudson.

Not In attendance: Anthony Chase.

2. OLD BUSINESS:

A. Discuss and Decide on Budget items.

Water Fee – The water fee value was revisited in this meeting. Discussion ensued about the water fee. Walt Michaels said that water fees for 2017-2018 are projected to be a profit of \$1128.14. Discussion related that the committee members wanted to lower the water fee for 2018-2109 a little to compensate for that profit. Instead of the \$25.32 value quoted in previous minutes, the committee decided by unanimous consent to set the value at \$25.20 (this give a 5 minute value of \$2.10).

Line 411 – Depreciation Expense. Value from the Depreciation Expense spread sheet shows the value \$153,675. Victor Armendariz reported on his review of the Depreciation Schedule. Discussion ensued including comparison with Walt Michaels review of the spreadsheet. General consensus is that the Depreciation Schedule contains errors and multiple entries for items like the pumps, lines, generators, etc. The descriptions given of the assets do not give enough information to identify the asset. Walt Michaels had spreadsheet data, old and new assets that he combined to give a new value of \$152,856. That value was accepted by the committee by unanimous consent for the 2018-2019 year. Also the committee recommends that a Depreciation Committee (or Efficiency Committee per Bob Bustoz) be created to dig deeper into the asset list, conduct an inventory of assets and reconcile the list to get a more accurate value for the 2019-2020 budget.

Line 417.1 – Direct Labor (Mntc/Repair) – The Board of Directors addressed the number of Maintenance/Repair employees and reduced the number from three to two starting July 1, 2018. Using the Wage Calculator spreadsheet, the Chair calculated the new value for this item at \$46,728. By unanimous consent, the committee decided to accept the value of \$45,728.

Line 417.4 Payroll Taxes/Fringes (Mntc/Repair) – This item is .0991 times Line 417.1 Direct Labor Maintenance / Repair -.budget item and has a value of \$8,613.

SUNBURST FARMS IRRIGATION DISTRICT

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Line 443 Audit – 2017-2018 budget is \$5,100. Brenda Brown got two quotes for audit. Sealy & Mullins gave a quote of \$10,500 and Colby & Powell gave a quote of \$10,000. The committee set the item value to \$10,000 by unanimous consent.

Member Fee: Discussion ensued about the value to set the Member Fee. The committee members indicated that the value should be as close as possible to the zero point. The cost of Member per acre is \$43.46. However, there is other income that can be used to reduce member fee. Other Expected income is \$1.53 per member acre. The Value \$41.93 would be the value after subtracting the \$1.53 from \$43.46. The committee decided by unanimous consent to set the value at \$42.00 for the Member Fee. This amount does not include the Capital Improvement Fee.

MOTION: Motion made by: Bob Bustoz

Second by: Victor Armendariz

Motion that the Budget Committee recommends to the Board of Directors, to accept the 2018-2019 Budget as presented in the attached spreadsheet, with the Water Fee set to \$25.20 per irrigation hours and the Member Fee per acre per month be set to \$42.00.

Motion Passed Unanimously

(See Attachment A for 2018-2019 Budget Spreadsheet)

3. NEW BUSINESS:

B. Discuss and Decide on Capital Budget items.

The committee discussed the 2017-2018 Budget and Actuals.

(See Attachment B for 2017-2018 Capital Budget Spreadsheet)

The committee discussed the 2018-2109 Capital Budget Spreadsheet. The estimated amount available for Capital is \$314,618. The Committee decided to not set a Capital Improvement Fee for this budget. The \$125,000 is reserved for Pump & Emergency. Line 12 was approved for \$50,000 on 2017-2108 budget but, due to 39th Ave Pump failure, needed to be moved to the 2018-2119 Capital Budget. The trackhoe lease/purchase is over 4 years starting 4/2017. So the Trackhoe is \$11,672.76 for the year. Richard Mitten requested that Line 4 East of 49th Standpipe at 88 and 89 for 3 acres be added at the cost of \$8,000. Richard Mitten also requested that Line 8 from 47th to 49th (10 acres) (171 to 180) be added for \$65, 000. This brings the total Capital Needed to \$259,672.76. The remaining unassigned Capital is \$54,945.24. The committee discussed that even though several items have been identified on the Capital Budget for Capital improvement for the lines, those items may change based on future events or emergencies.

(See Attachment C for the 2018-2019 Capital Budget Spreadsheet)

The committee decided to accept the 2018-2019 Capital Budget by unanimous consent.

SUNBURST FARMS IRRIGATION DISTRICT

EXECUTIVE BOARD

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MOTION: Motion made by: Bob Bustoz

Second by: Victor Armendariz

Motion that the Budget Committee recommends to the Board of Directors, to accept the 2018-2019 Capital Budget as presented in the attached spreadsheet.

Motion Passed Unanimously

Chair – Thank you to all who participated in the decision making process and those who helped collect the information to help this committee be successful.

4. ADJOURNMENT: 7:50PM

Posted this 9 *day of* May , 2018 .

By: Peggy Schwend_____