

2019-2020 - SBFID BUDGET COMMITTEE MEETING MINUTES

April 30, 2019 6PM-8PM

16040 N. 43rd Ave. Glendale, AZ 85306

Members in attendance: Peggy Schwend, Bob Bustoz, Victor Armendariz, Jeremy Mitchel, Kay Lorenzen.

Guests: Richard Mitten, Cathy Hacker, Larry Hudson, Walt Michaels

1. Call to Order : Meeting called to order at 6:04PM

A. Relax Robert's Rules - Unanimous Consent

Committee will be conducted using relaxed rules of procedure due to complex issues and need for freewheeling discussion in a small committee.

1. Make motions or speak without the necessity of formal recognition.
2. Motions do not need a second.
3. Speak politely as often as you like when you obtain the attention of others.
4. Discuss issues without a motion being on the floor.
5. Chair can make motions and participate in discussion and vote.
6. Vote by Unanimous Consent, which means take a vote by assuming a motion even where none has been formally made and, if no objections, the motion will stand due to unanimous consent.

Spreadsheet general information:

- a. Green = Water related information
- b. Yellow = Overhead and Member information
- c. Pink = Capital information
- d. White = Area that the user can change the value.
- e. Gray = Areas with information or formulas that are used to get the needed values.
- f. Orange = Special attention areas
- g. SBFID has 828 acres. 12 months times 828 = 9936
- h. Columns include Budget, Actual 12Mo, Actual 9 Mo, Projected 12 Mo.
- i. Hour/Acre column has the amount that each line item affects either the water fee or the member fee in dollars and cents.
- j. Some values are rounded to zero or 2 decimals. (This may cause a slight variance from actual financial records, but is close enough for evaluating the yearly results.
- k. Line number to far left will be used in this document to identify the line corresponding to the information discussed.
- l. ACCT# column indicates what account the line item represents.

B. Discuss 2016-17 and 2017-18 Financials

- a. Review and discuss 2016-17 Financial Issues (See document Comparing 2016-17 and 2017-18)
- b. Issues in 16-17: WATER - Not many issues: Water/Hour = \$25.92; Member fee incl Cap = \$43,58; Cap=\$2.50; Water Hours Sold = 10,741.50
- c. Cost of Power/ H2O Hr (Line 19) Actual \$16.70 under budget by \$.80
- d. Irrigation Gas (22) was under by \$.36
- e. Irrigation Labor (23) was over by \$.05 and Irrigation Fringes (24) was over by \$.01
- f. Irrigation Health Ins (25) was under by \$.16
- g. Gain in Water fee (29) of \$1.42 per H2O water Hour making Gain on Water (30) of \$15,252.93
- h. Issues in 16-17: MEMBER - Tot Mem Fee Gain (76) was correctly budgeted with only \$1391.04 Gain (\$.14 per acre)

- i. Net Income (98) was \$13,300.32 (after subtracting Cap (83) \$24,840 and adding in Other Income \$13,324.57 (shown on 15 & 85) and adding Miscellaneous Other Income (87-89) \$11041.48 and subtracting Other Expenses (94 & 95) \$2895.26) NET INCOME = \$13,300.26
- j. Issues in 16-17: CAPITAL – Lines 100, 101 & 102 show a “point in time” look at the bank accounts. (Date of statement is to the right of the value)
- k. Lines 104, 105, 106 and 107, show the amount available for the year.
- l. Lines 110 thru 143 list the various capital projects that were in the budget and or completed including service date/ cap date and value.
- m. Line 146 shows the Total Remaining Capital to be applied to Line 106 of the next year.
- n. Note: 2016-17 went over the amount of capital available so there is a -\$29,854.32 for 2017-18

- o. Review and discuss 2017-18 Financial Issues (See document Comparing 2016-17 and 2017-18)**
- p. Issues in 17-18: WATER - Not many issues: Water/Hour = \$25.44; Member fee Including Cap = \$45.35; Cap=\$2.50; Water Hours Sold = 11,804.30
- q. Cost of Power/ H2O Hour (Line 19) Actual \$16.48 under budget by \$.19
- r. Pump Supplies(21) under by \$.08
- s. Irrigation labor was up but due to more hours sold, cost per hour was lower.
- t. Irrigation Health Ins (25) was \$3609.76 vs budget of \$9500 with cost per hour down \$.59 (Reduction in Irrigators taking insurance)
- u. Water Income of (29) \$1.22 per hour and total Gain in Water(30) \$14,401.25
- v. Issues in 17-18: MEMBER – major problems
- w. Mints Labor (43) \$94,909.92 vs budget of \$66,025 causing over of \$2.90 per acre
- x. Vehicles (49) over \$.20 & Tractor(50) over \$.56
- y. Legal Fees (58) was budgeted at \$2000 but was \$23,240.21 over \$2.14,
- z. Lines 74-76, shows Member lost \$4.19 per acre for a total of -\$41,631.84
- aa. Net LOSS (98) was \$34,109.99 (after subtracting Cap (83) \$24,840 and adding in Other Income \$13,807.60 (shown on 15 & 85) and adding Miscellaneous Other Income (87-89) \$4,232.67 and subtracting Other Expenses (94 & 95) \$80.00) NET LOSS = \$34,109.99
- bb. NOTE: Also had a loss on the 39th Ave Pump writing off \$45,078.67 (This was not included in the spreadsheet values).
- cc. Note: CASH FLOW: Operating Fund (Line 100) reduced from \$60,231.56 (2016-17) to \$30,116.31 – (Compass Checking) (downward trend?)
- dd. Issues in 17-18: CAPITAL – Lines 100, 101 & 102 show a “point in time” look at the bank accounts. (Date of statement is to the right of the value)
- ee. Lines 104-107 show amount available for Capital Projects. Note start with -\$29,854.32 due to 2016-17 capital projects. Reduced value available is \$141,985.68
- ff. See Projects listed (Lines 110-143): 2016-17 went over available capital by \$29,854.32
- gg. Capital 2017-18 went over available capital by \$33,366.92 (due to 39th Ave pump, bowl and pipe assembly being lost and replaced \$61,578.00)
- hh. Result: 2018-19 starts available capital at -\$33,366.92 (106)
- ii. NOTE: Need to keep better records on Capital Projects. (see SBFID Capital Projects List)

- C. Discuss 2018-19 Financials (See document Comparing Budget, 9MO Actual and 12 MO Projected 2018-19 and Column for 2018-19 Budget))**
- a. NOTE: 2018-19 has three columns: Budget; 9mo Actual and Projected 12 Mo Actual
- b. Issues in 18-19: WATER - Water/Hour = \$25.20; Member fee including Cap = \$43.00; Cap=\$1.00; Water Hours Sold = 10,000 (below budget of 10,500)
- c. Water Hours Sold - Projected – Actual thru March 2019 = 6320.24 then Est Hours (8) Apr – 1100, May-1200, June-1300= 3600 (total = 9920.24, rounded up to 10,000(line 8)

- d. (Line 14) Finance Charges for 9 months is \$14,048.72. Is this correct? 18% per annum which is 1.5% per month. (16-17 = \$10,124.57; 17-18=\$11,315.10) NOTE: set projected value to \$12,500 more in line with last 2 years.
- e. Cost of Power/ H2O Hour (Line 19) Budget is \$16.82 but Actual of \$17.10 over budget by \$.28.
- f. Power for Irrigation (18) - 9month actual Power \$115,471.37 with Water Hour sold (8) actual 6320.24 = \$18.27 (startup power divided over fewer hours of irrigation, increases cost, also APS rate increase in 2017 ended up higher cost).
- g. Power For Irrigation (18) - Projected – Actual for 9 months \$115,471,37 and adding – Apr = \$17500, May = \$18,500, June=\$19500 + \$115,471.37 = \$170,971.37=\$171,000
- h. Irrigation Labor \$64,000, although this is not much higher than budget amount of \$63,690, because we pumped 500 hours less than budgeted, caused loss of \$.33 per hour. Most of the line items were a little higher due to less hours. Not listing them all)
- i. Water income Loss (Line 27-30) of \$.76 for each hour of water sold (29) Shows projected loss on water delivery for 18-19 as \$7,600 (line 30)
- j. Issues in 18-19 for Member/Overhead:
- k. Office Manager – resignation in October 2018 causes Line34 to be under budget; however Other Contract Services (62) is over budget due to hiring a temp to fill position. (34)\$43,024 - \$27,500 = - \$16,391 or \$1.56 less than budget per acre, (62) \$15500-\$5700=\$9800 more or \$.99 (Values offset with \$.57 still under budget for these 2 line items.)
- l. Health Insurance Management (37) is under by \$5,000 or \$.55 per acre.

2 ADJOURNMENT: Meeting adjourned at: 8:05PM