



BUSINESS ACTION ITEM STAFF REPORT

ITEM 8.C. Discuss, Review and Adopt a Preliminary Budget for Fiscal Year 2026-2027

Recommendations:

1. Review and Adopt a Preliminary Budget for Fiscal Year 2026-2027.
2. Direct Staff to publish a hearing notice prior to adoption of the final budget.

Discussion:

Government Code section 61110 requires that special districts must publish a notice by July 1 each year, stating all of the following:

1. Either the district's board of directors has adopted a preliminary budget or that the general manager has prepared a proposed final budget which is available for inspection at a time and place within the district specified in the notice.
2. The date, time, and place when the board of directors will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

The preliminary budget has been prepared based on estimated revenue and expenses for the coming year. The preliminary budget includes a revenue shortfall of \$83,046, resulting in a corresponding use of reserves.

Due to limited availability of revenue and reserves, the preliminary budget does not recommend any capital or deferred maintenance projects. There is a budget item for required maintenance of water and wastewater systems to maintain these services.

Staff requests the board discuss the item and approve the recommended actions.

Attachments:

1. FY26-27 Preliminary Budget

San Simeon Community Services District
Preliminary Budget
Fiscal Year 2026-2027

Fund Accounts		Wastewater Fund	Water Fund	Roads, Lighting, Weed Abatement	Total Preliminary Budget	FY25-26 Adj	Variance
Allocations		65%	30%	5%	100%	100%	
4000	Operating Revenues						
4005	Utility fees-waste Anticipated revenue- wastewater	\$ 665,900	\$0	\$0	\$ 665,900	\$ 575,914	\$ 89,986
4010	Utility fees-water Anticipated revenue- water	\$0	\$587,400	\$0	\$ 587,400	\$ 524,862	\$ 62,538
4012	Meter/Service fees Anticipated revenue- other	\$0	\$132,500	\$0	\$ 132,500	\$ 127,491	\$ 5,009
4050	State Parks-wastewater	\$67,100	\$0	\$0	\$ 67,100	\$ 60,500	\$ 6,600
	Total Operating Revenue	\$733,000	\$719,900	\$0	\$1,452,900	\$1,288,767	\$164,133
Property Taxes							
4100	Prop Tax Income	\$0	\$0	\$121,400.00	\$ 121,400	\$ 119,029	\$ 2,371
	Total Property Taxes	\$0	\$0	\$121,400.00	\$121,400	\$119,029	\$2,371
Other Income							
8010	Interest Income - CLASS	\$26,000	\$12,000	\$2,000	\$40,000	\$ 50,000	\$ (10,000)
8020	Interest- money market	\$20	\$9	\$2	\$30	\$ 28	\$ 2
8044	Grant Funds	\$0	\$0	\$0	\$0	\$ -	\$ -
4013	Late fees & adjustments	\$0	\$0	\$0	\$0	\$2,332	\$ (2,332)
	Total other Income	\$26,020	\$12,009	\$2,002	\$40,030	\$52,360	(\$12,330)
	Total Income	\$759,020	\$731,909	\$123,402	\$1,614,330	\$1,460,156	\$154,174
Expense							
6000	Accounting	\$12,903	\$5,955	\$993	\$ 19,850	\$ 19,850	\$ -
6020	Bank Fees	\$1,098	\$507	\$84	\$ 1,689	\$ 1,689	\$ -
6025	Bookkeeping	\$29,368	\$13,554	\$2,259	\$ 45,181	\$ 45,181	\$ -
6030	Director Fees	\$2,340	\$1,080	\$180	\$ 3,600	\$ 3,600	\$ -
6031	Payroll Expense	\$179	\$83	\$14	\$ 275	\$ 275	\$ -
6035	Dues and Subscriptions	\$3,276	\$1,512	\$252	\$ 5,040	\$ 5,040	\$ -
6045	Electrical Power	\$59,632	\$25,557	\$0	\$125,000	\$ 125,000	\$ -
6050	Election Expenses	\$263	\$122	\$20	\$ 405	\$ 405	\$ -
6055	Road Maintenance	\$0	\$0	\$0	\$0	\$ 15,000	\$ (15,000)
6060	RipRap Engineering	\$0	\$0	\$0	\$0	\$ -	\$ -
6065	Equipment Rental	\$0	\$0	\$0	\$0	\$ -	\$ -
6075	Insurance-PERS Health	\$0	\$0	\$0	\$0	\$ -	\$ -
6076	Pension Plan - PERS Retirement	\$11,478	\$5,297	\$883	\$17,658	\$ 17,658	\$ -
6080	Insurance - Liability	\$8,427	\$3,890	\$648	\$12,965	\$ 12,965	\$ -
6095	LAFCO Costs Apportionment	\$2,265	\$1,045	\$174	\$3,484	\$ 3,484	\$ -
6100	Legal Fees	\$54,600	\$25,200	\$4,200	\$84,000	\$ 108,515	\$ (24,515)
6105	Licenses and permits	\$11,493	\$5,305	\$884	\$17,682	\$ 17,682	\$ -
6110	Memberships and seminars	\$0	\$0	\$0	\$0	\$ -	\$ -
6115	Miscellaneous expenses	\$0	\$0	\$0	\$0	\$ 2,330	\$ (2,330)
6120	Office Expenses	\$29,246	\$13,498	\$2,250	\$ 44,994	\$ 66,994	\$ (22,000)
6125	O & M operations	\$467,147	\$251,540	\$0	\$ 718,687	\$ 718,687	\$ -
6130	Operating Repairs & Supplies	\$0	\$0	\$0	\$0	\$ -	\$ -
6135	Weed Abatement	\$0	\$0	\$6,000	\$6,000	\$ 6,252	\$ (252)
6145	Professional Fees	\$26,000	\$12,000	\$2,000	\$40,000	\$ 34,000	\$ 6,000
6191	Emergency Water Standby	\$0	\$15,202	\$0	\$15,202	\$ 15,202	\$ -
6192	Excess Repairs	\$65,000	\$30,000	\$5,000	\$100,000	\$ 100,000	\$ -

San Simeon Community Services District
Preliminary Budget
Fiscal Year 2026-2027

Fund Accounts	Wastewater Fund	Water Fund	Roads, Lighting, Weed Abatement	Total Preliminary Budget	FY25-26 Adj	Variance
6195 Website Support	\$4,290	\$1,980	\$330	\$6,600	\$ 6,600	\$ -
6200 Violations					\$ 3,000	\$ (3,000)
	<u>\$789,003</u>	<u>\$413,327</u>	<u>\$26,171</u>	<u>\$1,268,312</u>	<u>\$1,329,409</u>	<u>(\$61,097)</u>
Other Expenses						
9010 Depreciation Expense	\$56,793	\$26,212	\$4,369	\$ 87,374	\$ 87,374	\$ -
9030 Capital Projects/Improvements	\$0	\$0	\$0	\$0	\$ -	\$ -
9020a Water Well Loan Interest	\$0	\$10,525	\$0	\$10,525	\$ 11,025	\$ (500)
9020b Water Well Loan Repayment	\$0	\$10,165	\$0	\$10,165	\$ 9,665	\$ 500
Capital Project - Pipe Bridge Painting	\$0	\$0	\$0	\$0	\$ 10,000	\$ (10,000)
Capital Proj- Outfall Line Repair	\$0	\$0	\$0	\$0	\$ -	\$ -
Reorg Study	\$74,100	\$34,200	\$5,700	\$114,000	\$ 121,000	\$ (7,000)
Reorg County & LAFCO Labor	\$9,750	\$4,500	\$750	\$15,000	\$ 20,000	\$ (5,000)
County CalWARN Response	\$124,800	\$57,600	\$9,600	\$192,000	\$ 160,000	\$ 32,000
Total Other Expenses	265,443	\$143,202	\$20,419	\$429,064	\$419,064	\$ 10,000
Total Expense	\$1,054,446	\$556,529	\$46,590	\$1,697,376	\$1,748,473	(\$51,097)
Net Operating Income(Loss)	(\$295,427)	\$175,380	\$76,812	(\$83,046)	(\$288,317)	\$205,271
Use of Reserves				\$83,046		