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VENTURA REGIONAL SANITATION DISTRICT
FISCAL YEAR 2018 BUDGET SUMMARY
ENTERPRISE FUND

Description	Actual FY 2015 Yearend	Actual FY 2016 Yearend	Adopted FY 2017 Budget	Estimated FY 2017 Yearend	Adopted FY 2018 Budget	FY17 vs. FY18 Budget Inc/(Dec)
Operating revenues:						
Revenue - sales	\$ 21,415,729	\$ 21,149,414	\$ 21,321,289	\$ 20,955,756	\$ 21,623,102	1%
Revenue - other	456,575	346,222	581,526	290,976	307,426	-47%
Reimb from outside agencies	-	-	-	-	-	0%
Total operating revenues	21,872,303	21,495,637	21,902,815	21,246,732	21,930,528	0% [1]
Operating expenses:						
Salaries and employee benefits	8,039,978	7,878,690	9,213,244	8,306,238	9,012,952	-2% [2]
General administrative	495,050	421,978	572,423	1,112,602	603,245	5% [3]
Operating materials and supplies	3,680,851	3,267,255	3,158,713	2,353,146	2,730,758	-14% [4]
Contract services - labor	395,707	566,164	318,000	364,173	374,500	18% [5]
Professional services	1,581,407	2,835,425	2,622,932	1,826,376	2,224,880	-15% [6]
Facility maintenance	1,851,291	1,259,686	1,738,622	879,500	1,178,471	-32% [7]
Permit, fees & other	1,407,009	1,872,692	1,506,813	1,676,243	1,688,492	12% [8]
Total operating expenses	17,451,293	18,101,890	19,130,747	16,518,276	17,813,298	-7%
Operating income(loss) before depreciation	4,421,010	3,393,747	2,772,068	4,728,456	4,117,229	49%
Depreciation and amortization	3,776,744	3,813,051	4,489,216	4,102,857	4,095,296	-9%
Operating income(loss)	644,266	(419,304)	(1,717,148)	625,599	21,933	-101%
Non-operating revenues(expenses):						
Interest and investment earnings	367,628	636,112	306,700	501,236	306,700	0%
Gain(loss) on sales and/or disposals of assets	(12,552)	47,883	-	1,467	-	0%
Debt service interest expense	(922,435)	(1,124,123)	(690,788)	(690,788)	(629,409)	-9%
Grant revenue	-	-	-	-	-	0%
Other, net	94,792	144,738	104,078	39,996	104,078	0%
Total non-operating revenues(expenses) before transfers	(472,568)	(295,389)	(280,010)	(148,090)	(218,631)	-22%
Overhead cost allocation - Central Administration	2,437,387	2,934,156	2,919,268	2,919,276	2,273,864	-22% [9]
ISF fleet use	2,185,256	2,306,178	2,117,204	2,289,662	2,117,704	0%
Intra-department labor transfer	516,864	467,080	166,146	334,868	150,387	-9%
Landfill processing fee transfer	171,776	145,376	150,880	135,972	154,100	2%
Contra-post closure expenses	805,553	1,481,706	952,544	597,682	583,984	-39%
Total transfers in	6,116,836	7,334,495	6,306,042	6,277,460	5,280,039	-16%
Overhead cost allocation - Central Administration	(2,437,387)	(2,934,156)	(2,919,268)	(2,919,276)	(2,273,864)	-22% [9]
ISF fleet use	(2,185,256)	(2,306,178)	(2,117,204)	(2,289,662)	(2,117,704)	0%
Intra-department labor transfer	(516,864)	(467,080)	(166,146)	(334,868)	(150,387)	-9%
Landfill processing fee transfer	(171,776)	(145,376)	(150,880)	(135,972)	(154,100)	2%
Provision for landfill closure/postclosure	(1,407,536)	(1,442,183)	(1,431,392)	(1,447,736)	(1,461,940)	2% [10]
Total transfers out	(6,718,819)	(7,294,973)	(6,784,890)	(7,127,514)	(6,157,995)	-9%
Net transfers	(601,983)	39,522	(478,848)	(850,054)	(877,956)	83%
Total non-operating revenues(expenses), net	(1,074,551)	(255,867)	(758,858)	(998,144)	(1,096,587)	45%
Change in net assets	\$ (430,285)	\$ (675,171)	\$ (2,476,007)	\$ (372,545)	\$ (1,074,654)	-57%

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COMMENTS

- [1] Anticipated operating revenues for FY 2018 are \$27,713, or approximately 0.12%, more than the FY 2017 Adopted Budget.
- [2] Budgeted Salaries & Employee Benefits decreased by approximately \$200.3K, or 2.2%. The FY2018 Budget includes 19.3 FTE in Central Administration, 32.5 FTE in the Water & Wastewater Division, 23 FTE in the Solid Waste Division, and 2 FTE in Vehicles & Heavy Equipment Internal Service Fund.
- [3] General Administrative Expenses are budgeted to increase by approximately \$30.8K. Board Member fees and reimbursement of travel expenses are included within this expense category.
- [4] An approximately \$428K decrease is budgeted within FY2018 Operating Materials and Supplies. Increases and decreases, by segment, are as follows: \$19.1K decrease in Central Administration, \$6.7K decrease in Water/Wastewater, \$44K decrease in Solid Waste, \$5.3K increase in Closed Landfill Maintenance, \$166K decrease in the Biosolids & Microturbines Electrical Generation Facility, and \$197.6K decrease in Vehicles & Heavy Equipment.
- [5] During FY2018, Contract Labor from temporary staffing agencies is anticipated to increase by \$56.5K. Contract Labor is expected to increase by \$50K in Central Administration, increase by \$7.5K in closed landfills, and decrease by \$1K in Solid Waste.
- [6] Professional Services are budgeted with a decrease of \$398.1K. Professional Services are primarily comprised of Attorney Services (\$424K), Engineering Consultants (\$272K), Environmental Consultants (\$261K), Mark Norris (\$258.7K, billable to clients), various IT Services (\$238.6K), The PRD Group (\$150K, billable to clients), and Contractor Construction (\$118.4K).
- [7] Facility Maintenance is budgeted with a \$560.2K decrease. This includes a \$44.5K decrease in Central Administration, \$0.1K increase in Water/Wastewater, \$107.5K decrease in Solid Waste, a \$131.2K decrease in Closed Landfill Maintenance, a \$64.5K decrease in the Biosolids & Microturbines Electrical Generation Facility, and a \$212.5K decrease in Vehicles & Heavy Equipment Internal Service Fund.
- [8] Permits and Fees are budgeted with an increase of approximately \$181.7K, which includes \$125K for another penalty from Southern California Edison (SCE) for not generating enough electricity to comply with VRSD's agreement to supply electricity to SCE's power grid.
- [9] The allocation of Central Administrative overhead costs are primarily reallocated to the Solid Waste Division (63.2%), Water Wastewater Division (25.4%), and the Biosolids & Microturbines Electrical Generation Facility (11.4%), based on percentage of total operating revenue. These reallocations may fluctuate from year to year as the operating revenue between divisions changes.
- [10] The provision for landfill closure/postclosure has increased by approximately \$30.5K to reflect the calculated per ton rate needed to reach the required closure/postclosure reserves needed upon closure of the Toland Road Landfill.

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