

**TEMECULA COMMUNITY SERVICES DISTRICT
AGENDA REPORT**

TO: Board of Directors

FROM: Aaron Adams, Executive Director

DATE: February 14, 2023

SUBJECT: Approve Fiscal Year 2022-23 TCSD Mid-Year Budget Adjustments

PREPARED BY: Jennifer Hennessy, Director of Finance

RECOMMENDATION: That the TCSD Board of Directors adopt the following resolution entitled:

RESOLUTION NO. CSD

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TEMECULA COMMUNITY SERVICES DISTRICT OF THE
CITY OF TEMECULA AMENDING THE FISCAL YEAR 2022-
23 ANNUAL OPERATING BUDGETS

BACKGROUND: In accordance with Budget Policy II.B.- Interim Reporting, City staff conducted a comprehensive Mid-Year review of its Annual Operating Budget and Capital Improvement Program Budget. The purpose of the review is to analyze revenue and expenditure trends to identify variances from the Adopted Budget and ensure that the City maintains a healthy fiscal position. The Mid-Year Budget includes a review of all City funds. The requested adjustments are summarized in the attached exhibits and discussed in further detail below.

TEMECULA COMMUNITY SERVICES DISTRICT

The Temecula Community Services District (TCSD) provides for a comprehensive neighborhood and community park system, as well as a complement of recreational and cultural programs, community and human services and special events. TCSD also provides street lighting, median and slope maintenance, refuse hauling and recycling, emergency dirt road maintenance, and library services.

The TCSD Operations Fund Mid-Year Adjustments reflect the reduction of \$1,121,968 in revenue, primarily from a reduced transfer from Measure S as a result of better than anticipated beginning fund balance. Contract Class revenue is increasing by \$200,000 due to higher activity levels than originally budgeted, plus increased facility rental income of \$120,188 and increased tournament income of \$23,903.

TCSD expenditures are increasing by \$288,961 to reflect the requests outlined in the attached Exhibit 1, and summarized below:

- \$2,956 for volunteer screenings
- \$25,000 for Day Camp activities
- (\$17,406) reduction in Sister City program
- \$5,000 in TCSD Museum Gift Shop supplies (offset by revenue)
- \$113,517 adjustment to aquatic staff pay rates, as Adopted Budget inadvertently reflected the prior year's pay rates
- \$10,000 for two new AEDs for Aquatics program
- \$9,894 for Sports supplies (offset by revenue)
- \$140,000 in Contract Classes (offset by revenue)

The Service Level D – Refuse/Recycling Fund reflects an increase in both revenue and expenditures of \$100,000 to account for additional parcels receiving waste hauling services.

The Library Fund reflects an increase of \$30,829 for furniture purchased for the Library Store, offset by a reduction of \$15,000 in Library Contract services.

FISCAL IMPACT: The Fiscal impact of each fund is noted in the attached Exhibits.

ATTACHMENTS:

1. Summary of FY 2022-23 Mid-Year Appropriation Requests
2. Resolution - Mid-Year Budget Amendments
 - a. Exhibit A – TCSD Funds