

Staff Report



To: Board of Directors

Re: Item X.B – Consider adopting the Proposed Expense Budget of \$1,611,470 for Fiscal Year 2020-2021

Date: April 21, 2020

Summary / Discussion

The Proposed Expense Budget is adopted annually by the Board of Directors as the financial guide for District expenses; including all annually-recurring income and expenses. At this Board meeting the Proposed Capital Budget will be presented also.

The Proposed Expense Budget worksheet includes the adopted revenues and expenses for Fiscal Year (FY) 2018-19, the approved FY 2019-20 Budget, as well as the current actual expenses for the first nine months of FY 2019-20.

The total revenue projection is estimated to be \$1,611,470; which includes water revenue, three (estimated) new connection charges, property taxes and miscellaneous interest and grants. The water use is projected to be comparable to the current year, so assuming the same water use, the increase in budgeted revenue is coming from the 6% increase documented in the most recent Rate Study (approved and adopted May 2019).

Changes to the expenses from the FY 2019-20 Budget are estimated for each line item; and presented in the column to the right of the budget table. Also included in the budget table is the depreciation reserve, which reserves monies for system repairs and replacement. This Proposed Expense Budget builds this reserve by \$54,283 more than previous fiscal year. The proposed personnel salaries are increased by 3%, (based on the CPI of 2.9%). Something to note: the last six months have been the first continuous six-month period where the District has been fully staffed since September 2017.

Staff Recommendation

Adopt the Proposed Expense Budget of \$1,611,470 for Fiscal Year 2020-2021.

Submitted by:

Robert Johnson
General Manager