



Discussion Item 18

Review Proposed MPWMD Budget for Fiscal Year 2016-2017


May 16, 2016, Regular Board Meeting
Staff contact: Suresh Prasad

Budget Overview


2005 Board Adopted Strategy

- Develop annual balanced budgets
- Preserve existing services & enable the District to carry out its legislative mission and the Board's strategic vision
- Maintain a 5% general operating reserve and replenish it to 50% in the future

Budget Overview (cont.)

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- A vertical photograph on the left side of the slide shows a river with white water rapids flowing through a dense, green forest. The water is turbulent as it flows over rocks, creating white foam. The surrounding trees are lush and green, suggesting a healthy, natural environment.
- For FY 2016-2017, staff was mindful of continuing economic conditions as well as current status of the District's funding sources
 - Original Division requests were reviewed and numerous adjustments were made in Team Management budget sessions
 - Layout of the budget same as previous year – no changes to the format

Budget Overview (cont.)

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- A vertical photograph on the left side of the slide shows a river flowing through a lush green forest. The water is clear and flows over rocks, creating a small waterfall in the foreground.
- Despite staff's efforts and the strategy adopted in 2005 to develop balanced budgets each year, the prior budgets were balanced using reserves; Last few years due to GWR project
 - FY 2016-2017 budget does NOT include use of reserves to maintain current programs & services
 - Total Reserve balance at 31% of operating budget

Budget Overview (cont.)


- Proposed FY 2016-2017 budget \$11,810,100
- Decrease of 12% from the FY 2015-2016 budget
- Most decreases attributed to project expenditures portion of the budget
- User fee revenues not included in this proposed budget

FY 2016-17 Expenditures

Large budgeted expenditures include:


■ Additional construction on ASR Phase 1	\$1,025,900
■ Operation of ASR Phase 1	182,400
■ Construction and operation of ASR Phase 2	244,500
■ Expenditures for GWR	1,576,500

2016-17 Expenditures (cont.)




■ Los Padres Dam plan	\$500,000
■ Local water projects	466,900
■ Cal-Am desal project	200,000
■ Drought contingency plan	192,900
■ IFIM feasibility studies	103,000

2016-17 Expenditures (cont.)

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- Sleepy Hollow fish rearing facility and related fish rescue activities \$261,100
 - Riparian and other erosion control activities 113,000
 - Hydrologic monitoring 112,100

2016-17 Expenditures (cont.)




■ Conservation related activities	\$190,500
■ Grant retrofit program & conservation devices	163,700
■ Water conservation rebates	1,000,000
■ Design & permitting of new water intake system at Sleepy Hollow	200,000

2016-17 Expenditures (cont.)



■ Project costs (19% decrease over prior year)	\$6,812,600
■ Personnel costs (0.3% decrease over prior year)	3,431,800
■ Services & Supplies (0.4% increase over prior year)	678,600
■ Legal expenses	400,000

2016-17 Expenditures (cont.)



■ Debt service payment on the Rabobank loan	\$230,000
■ Fixed assets purchase	115,500
■ Contingency (same as prior year)	75,000
■ Flood/Drought reserve	66,000

Fixed Assets Purchase

■ Computer upgrades	\$34,000
■ Air conditioner replacement	10,000
■ Office equipment	1,500
■ Vehicle purchase	70,000

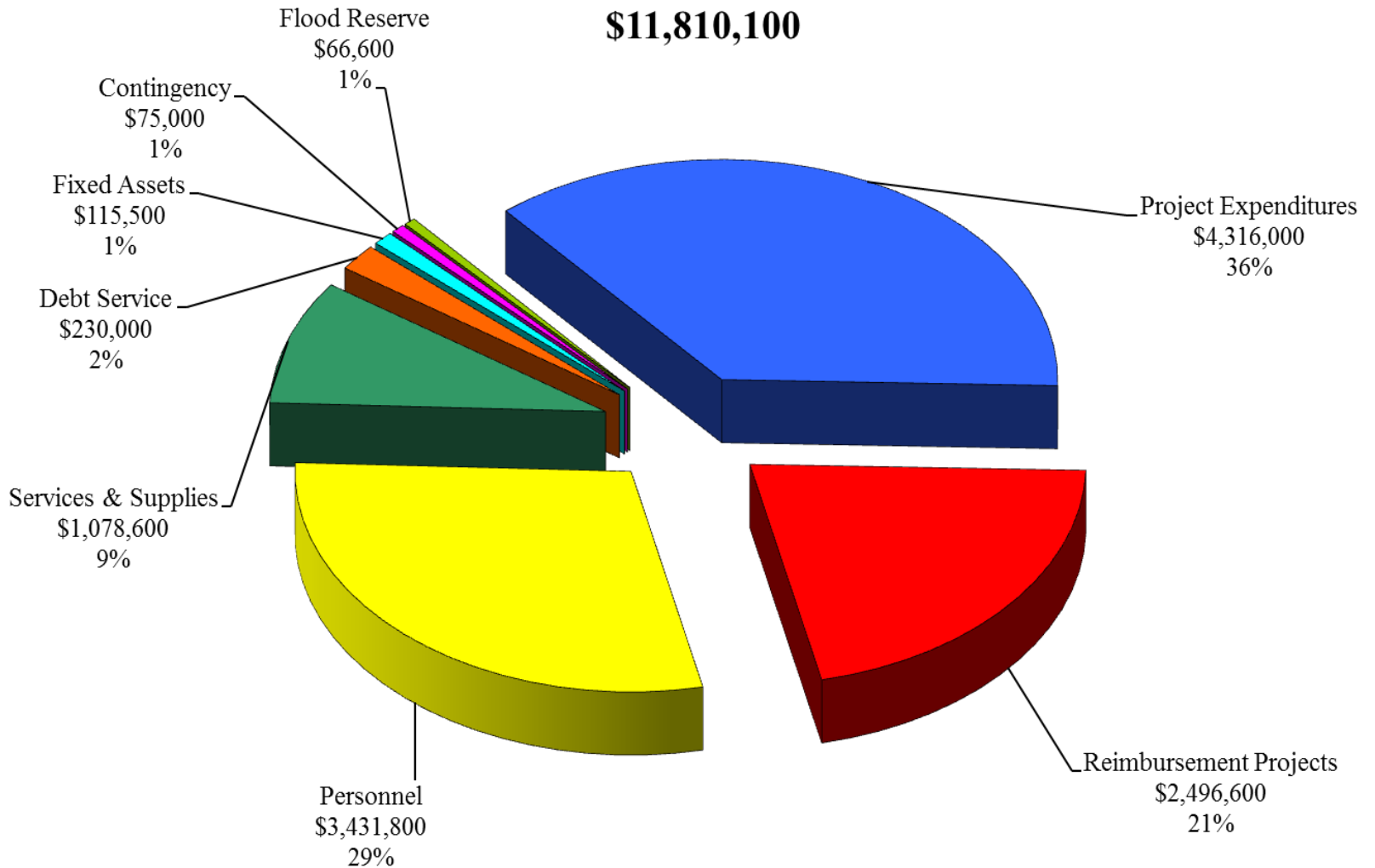
Total fixed assets	\$115,500
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Expenditure Summary


EXPENDITURE SUMMARY

Fiscal Year 2016-2017

\$11,810,100




FY 2016-17 Revenues




■ Carmel River Mitigation Program Revenue (amount received from Cal-Am ratepayers)	\$2,518,500
■ Water Supply Charge	3,400,000
■ Property Tax	1,600,000
■ Connection Charge	175,000

2016-17 Revenues (cont.)




■ Permit Fees	\$231,000
■ User Fees (collected from Seaside Muni & Reclamation Project)	95,000
■ Miscellaneous Revenues (recording, interest and other)	48,000
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Total District Generated Revenue	\$8,067,500

2016-17 Revenues (cont.)



■ Cal-Am reimbursement	\$2,250,600
■ Watermaster reimbursement	74,600
■ Reclamation project	20,000
■ Other reimbursement	36,000
■ Legal reimbursement	10,000
■ Grants	330,400
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Total reimbursement revenue	\$2,721,600

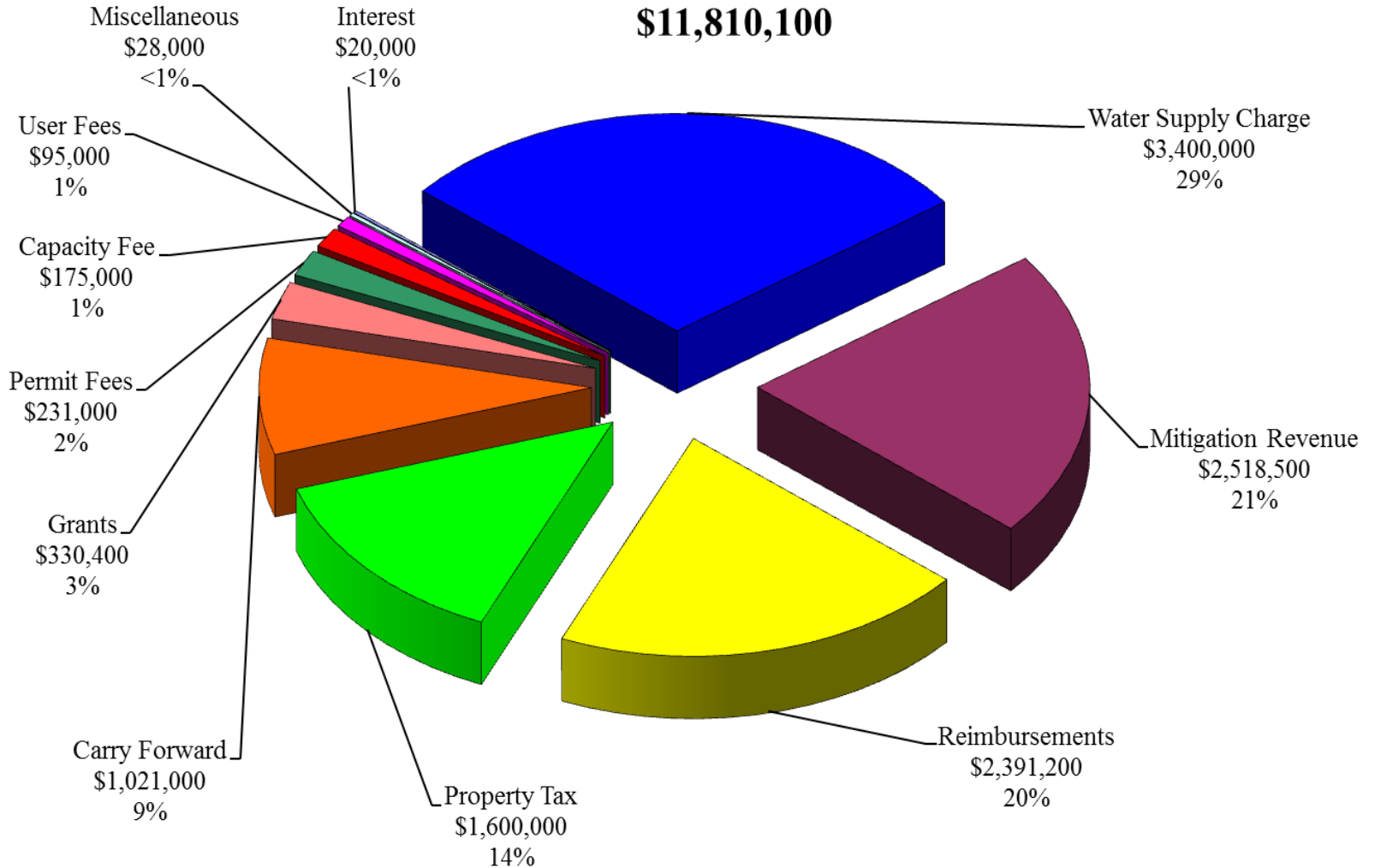
2016-17 Revenues (cont.)




District revenues	\$8,067,500
Reimbursements	2,721,600
Carry forward from prior year	1,021,000
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Total sources	\$11,810,100

Revenue Summary

REVENUE SUMMARY Fiscal Year 2016-2017 Budget \$11,810,100



Sources and Uses



Total expenditures	\$11,743,500
Flood/Drought reserve	66,600
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Total uses	\$11,810,100
District revenues	\$8,067,500
Reimbursements	2,721,600
Carry forward	1,021,000
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Total sources	\$11,810,100

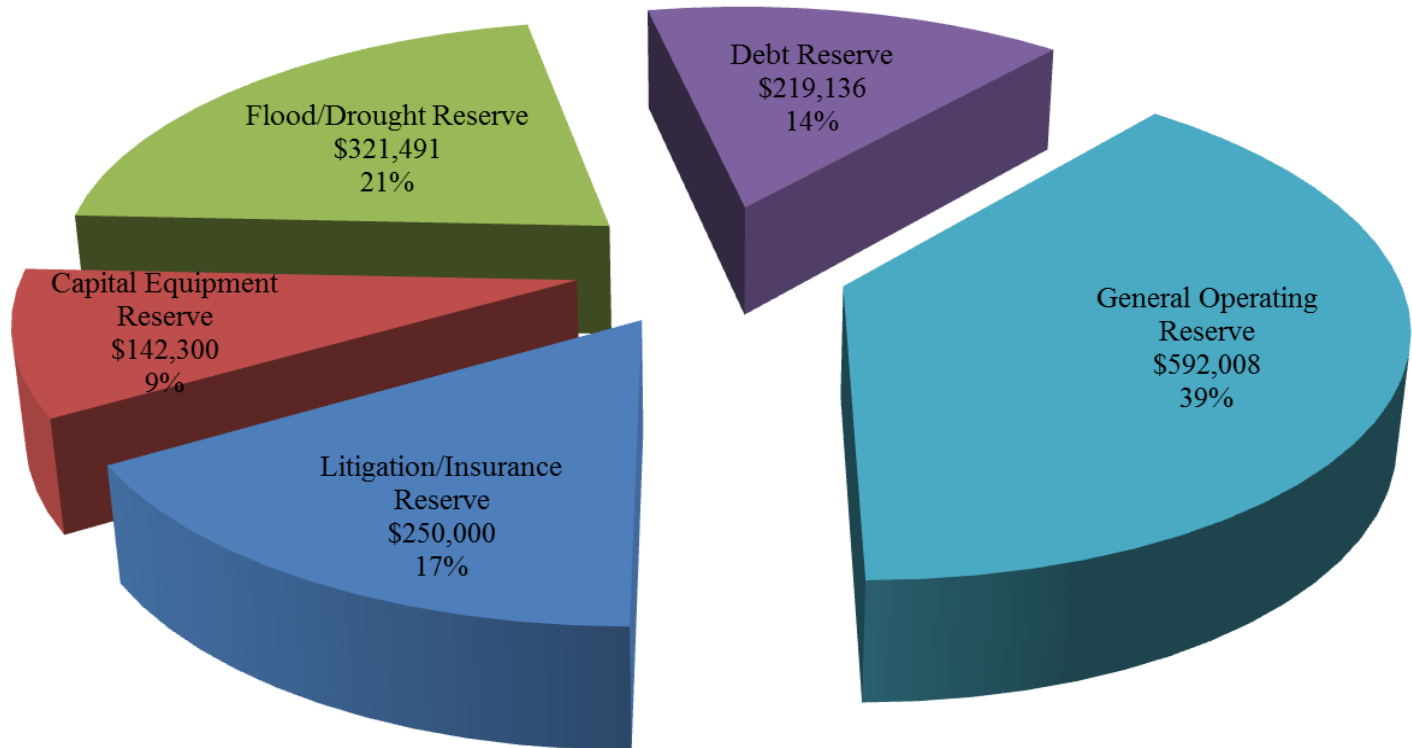
Analysis of Reserves

	<u>Fiscal Year Ending</u>	
	<u>06/30/2016</u>	<u>06/30/2017</u>
Reserves	(estimated)	(proposed)
Litigation/Insurance	250,000	250,000
Capital Equipment	142,300	142,300
Flood/Drought	254,891	321,491
Debt Reserve	219,136	219,136
Operating Reserve	<u>592,008</u>	<u>592,008</u>
Total	\$1,458,335	\$1,524,935
Change in reserve		\$66,600

Operating Reserve ending balance is projected to be 31% of operating budget

Analysis of Reserves

RESERVE ANALYSIS Fiscal Year 2016-2017 Budget \$1,524,935



Recommendation

- Staff recommends that the Board discuss the proposed FY 2016-2017 Budget and give general direction to staff
- No formal action is required at this meeting

For More Information

- Staff reports and presentation materials can be found on the District's website at:

www.mpwmd.net

- PowerPoint presentations will be posted on the website the day after the meeting.