



Discussion Item 32

Consider Adoption of Proposed
MPWMD Budget for Fiscal Year
2018-2019


June 18, 2018, Regular Board Meeting
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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 showing a river with white water rapids and a small waterfall cascading over rocks. The surrounding area is lush with green trees and vegetation.
- For FY 2018-2019, staff was mindful of Board's 2005 adopted strategy
 - April –Division's made initial requests
 - May 4 – Adjustments made in Team Management budget sessions
 - May 11 – Additional adjustments made in Team Management budget sessions
 - May 21 – MPWMD Board reviewed draft budget

Budget Overview (cont.)

- Prior budgets were balanced using reserves; Last few years due to PWM project
- FY 2018-2019 budget does NOT include use of reserves to maintain current programs & services
- FY 2018-2019 generates surplus reserves
- Total Reserve balance at 74% of operating budget

Budget Overview (cont.)

- Proposed FY 2018-2019 budget \$15,989,300
- Lower than the FY 2017-2018 budget
- Full year of user fee revenues included in this proposed budget
 - Based on estimated Cal-Am collection of water revenues
 - Monitor collection & make adjustments during mid-year budget process

Budget Changes

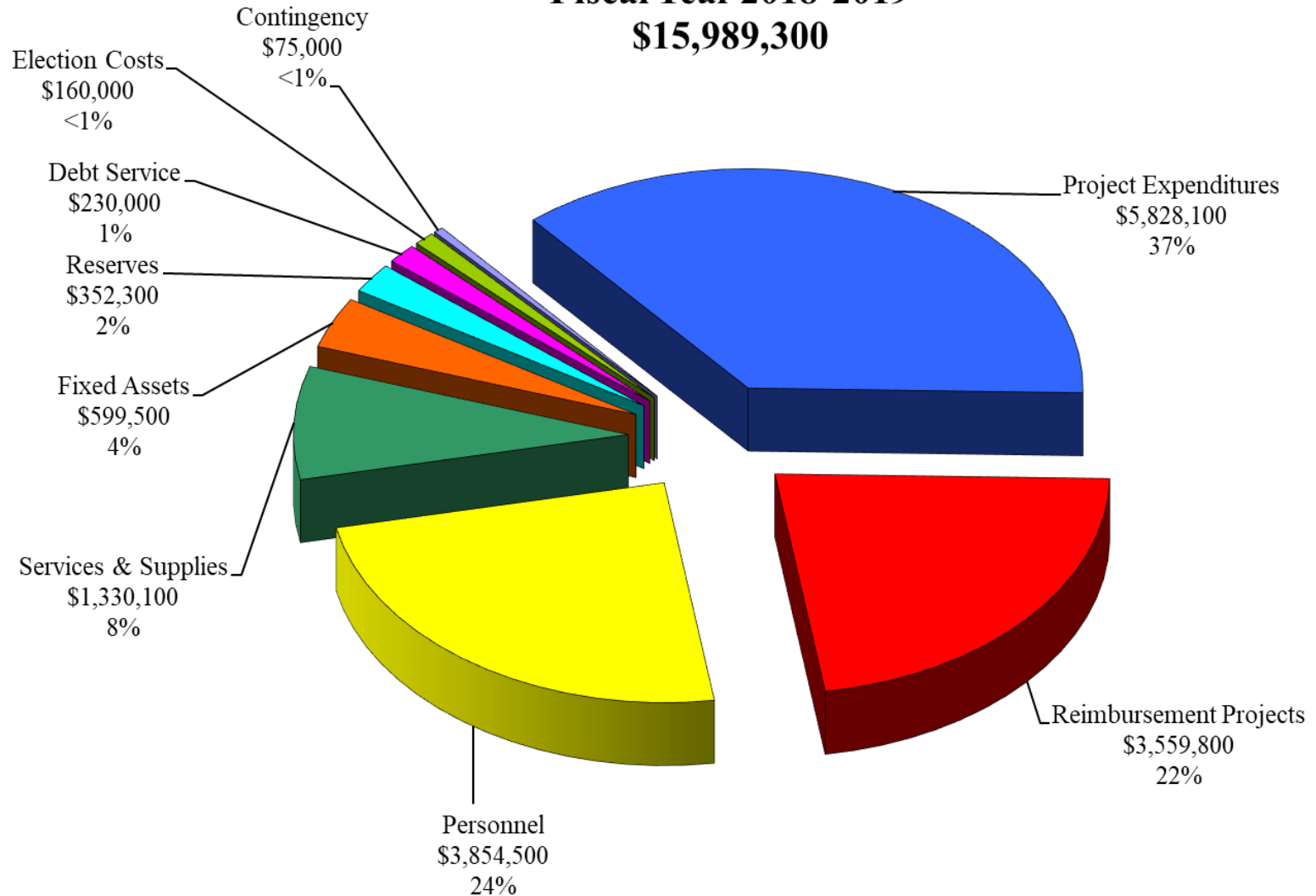
- Following changes:
 - Creation of Pension reserve fund
 - Creation of Other-Post Employment Benefits (OPEB) reserve
 - Minor editorial changes

Expenditure Summary

EXPENDITURE SUMMARY

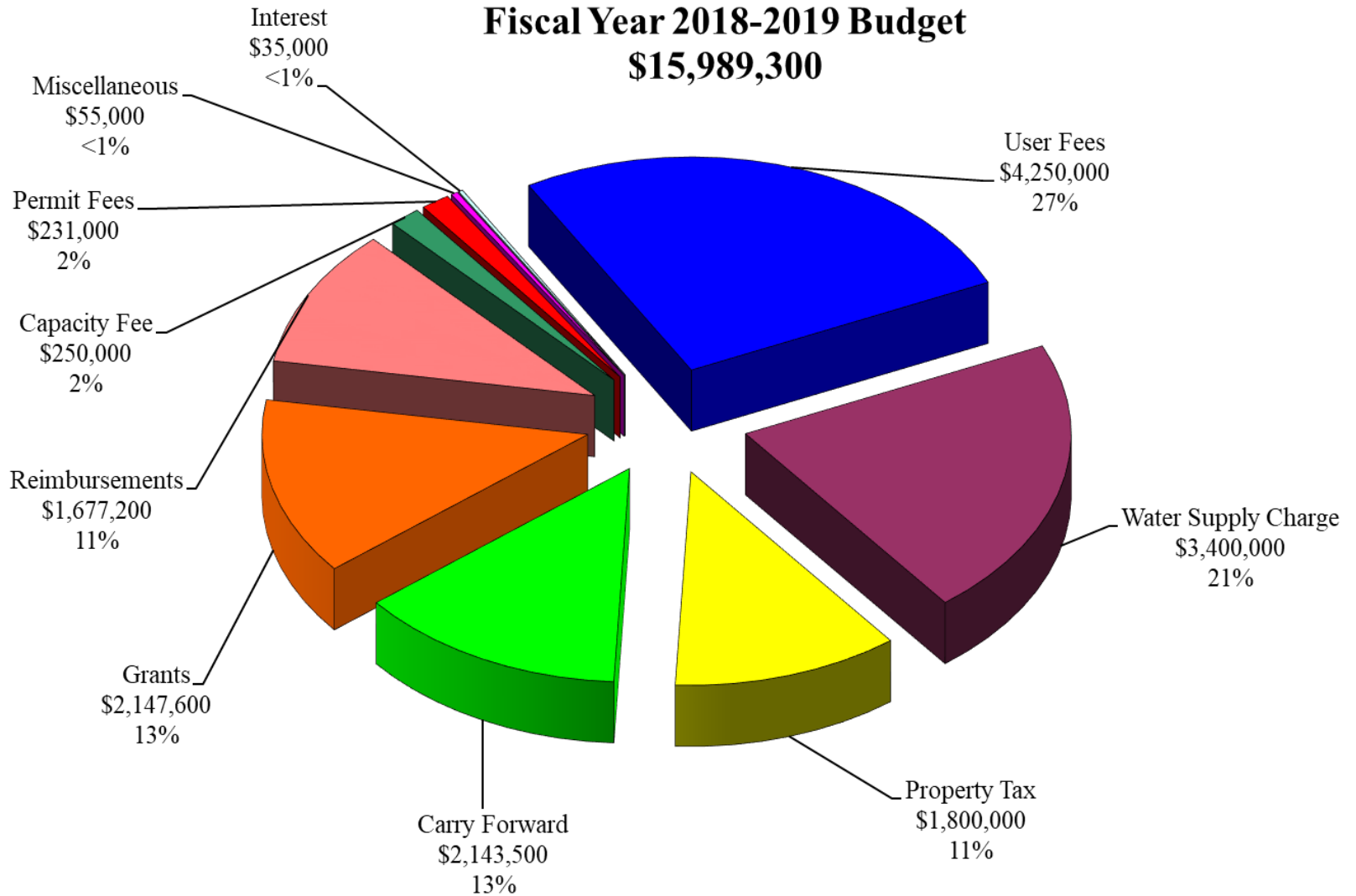
Fiscal Year 2018-2019

\$15,989,300



Revenue Summary

REVENUE SUMMARY Fiscal Year 2018-2019 Budget \$15,989,300



Sources and Uses

Total expenditures	\$15,637,000
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Reserves	352,300
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Total uses	\$15,989,300
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District revenues	\$9,981,000
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Reimbursements	3,864,800
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Carry forward	2,143,500
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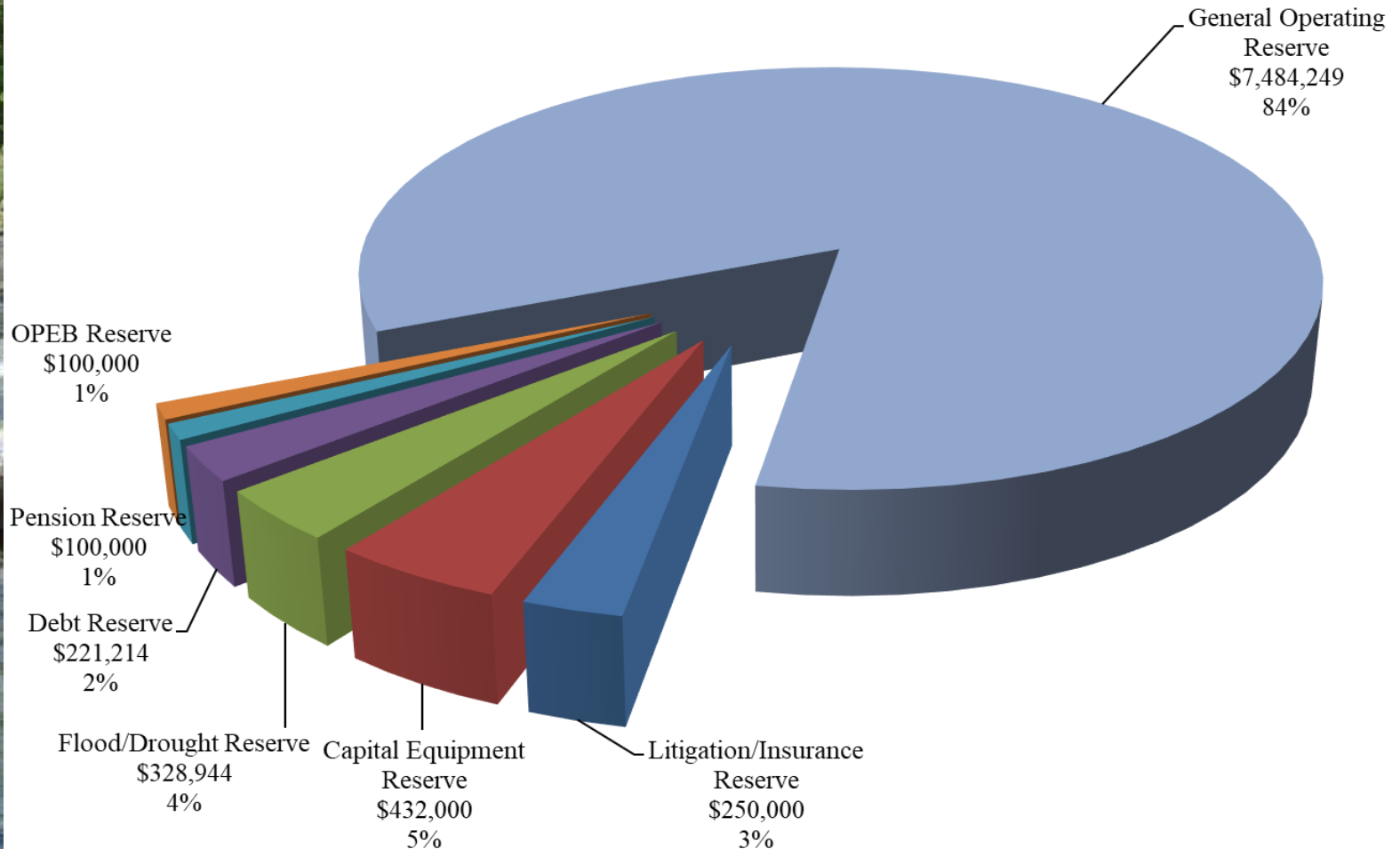
Total sources	\$15,989,300
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Analysis of Reserves

	<u>Fiscal Year Ending</u>		
	<u>06/30/2018</u> (budgeted)	<u>06/30/2018</u> (estimated)	<u>06/30/2019</u> (proposed)
Reserves:			
Litigation/Insurance	\$250,000	\$250,000	\$250,000
Capital Equipment	332,000	332,000	432,000
Flood/Drought	328,944	328,944	328,944
Debt Reserve	221,214	221,214	221,214
Pension Reserve	0	0	100,000
OPEB Reserve	0	0	100,000
Operating Reserve	7,431,949	9,575,449	7,484,249
Total	\$8,564,107	\$10,707,607	\$8,916,407

Analysis of Reserves

RESERVE ANALYSIS Fiscal Year 2018-2019 Budget \$8,916,407



Obligations/Commitments

■ District's future obligations/commitments:

Potential PWM Expansion	\$1.9 million
Water Allocation Process	\$1.3 million
Rabobank Debt (06/2023)	\$3.1 million
PWM Water Reserve	\$3.1 million
Pension Obligation	\$4.9 million
OPEB Obligation	\$3.2 million
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Total	\$17.5 million

Recommendation

- Staff recommends that the Board discuss the proposed FY 2018-2019 Budget and give general direction to staff
- The Board adopt Resolution No. 2018-10, A Resolution of the Board of Directors Adopting the Budget for Fiscal Year 2018-2019

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.