



# Public Hearing Item 32

Consider Adoption of Proposed  
Fiscal Year 2020-2021 MPWMD  
Budget and Resolution 2020-06

June 15, 2020, Regular Board Meeting  
Staff contact: Suresh Prasad

# Budget Overview


- April – Division's made initial requests
- May 7 – Reviewed by Team Management during budget sessions
- May 13 – MPWMD Board reviewed draft budget during Budget Workshop
- June 15 – MPWMD Board review and adopt final budget

# Budget Overview

## January 19, 2004 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% over 5 years

# Budget Overview (cont.)

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- Despite staff's efforts and the strategy adopted in 2004 to develop balanced budgets, the prior budgets were balanced using reserves; Last few years due to PWM project
  - FY 2020-2021 budget does include use of reserves to maintain current programs & services
  - Total Reserve balance at 44% of operating budget

# Budget Overview (cont.)

- For FY 2020-2021, staff was mindful of current status of the District's funding sources
- Original Division requests were reviewed and adjustments were made in Team Management budget sessions
- Format of the budget same as presented in previous year
- COVID19 impact has been evaluated and included

# Budget Overview (cont.)

- Proposed FY 2020-2021 budget \$24,421,800
- Higher than the FY 2019-2020 budget (12%)
- Full year of user fee revenues included in this proposed budget
  - Based on estimated Cal-Am collection of water revenues (COVID19 impact included)
  - Monitor collection & make adjustments during mid-year budget process

# Budget Overview (cont.)

- Full year of Water Supply Charge included in this proposed budget
- Full year of Property Tax Revenue
- COVID19 impact included
- Monitor and make adjustments during mid-year budget process

# Budget Overview (cont.)

- Personnel cost savings
- HR, IT & GIS continue outsourcing, annual savings approx. \$250K
- Vacant/new position hiring suspended until Jan. 1 (4 positions)



# Budget Overview (cont.)



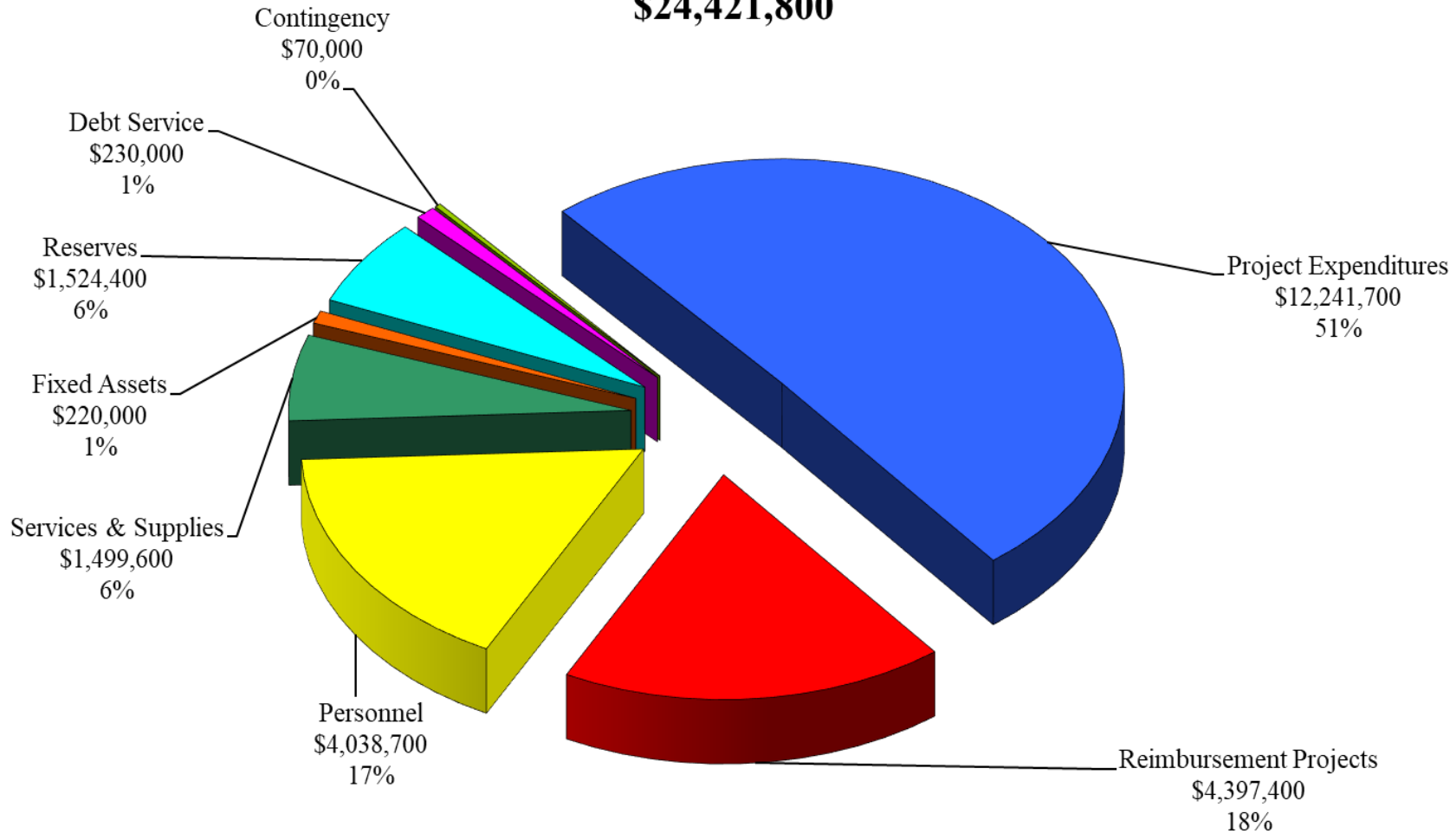
■ General Reserve	\$500,000
■ Pension/OPEB Reserve	200,000
■ Mechanics Bank Reserve	500,000
■ Capital Reserve (includes renewal & replacement for District facilities)	324,400

# Expenditure Summary

## EXPENDITURE SUMMARY

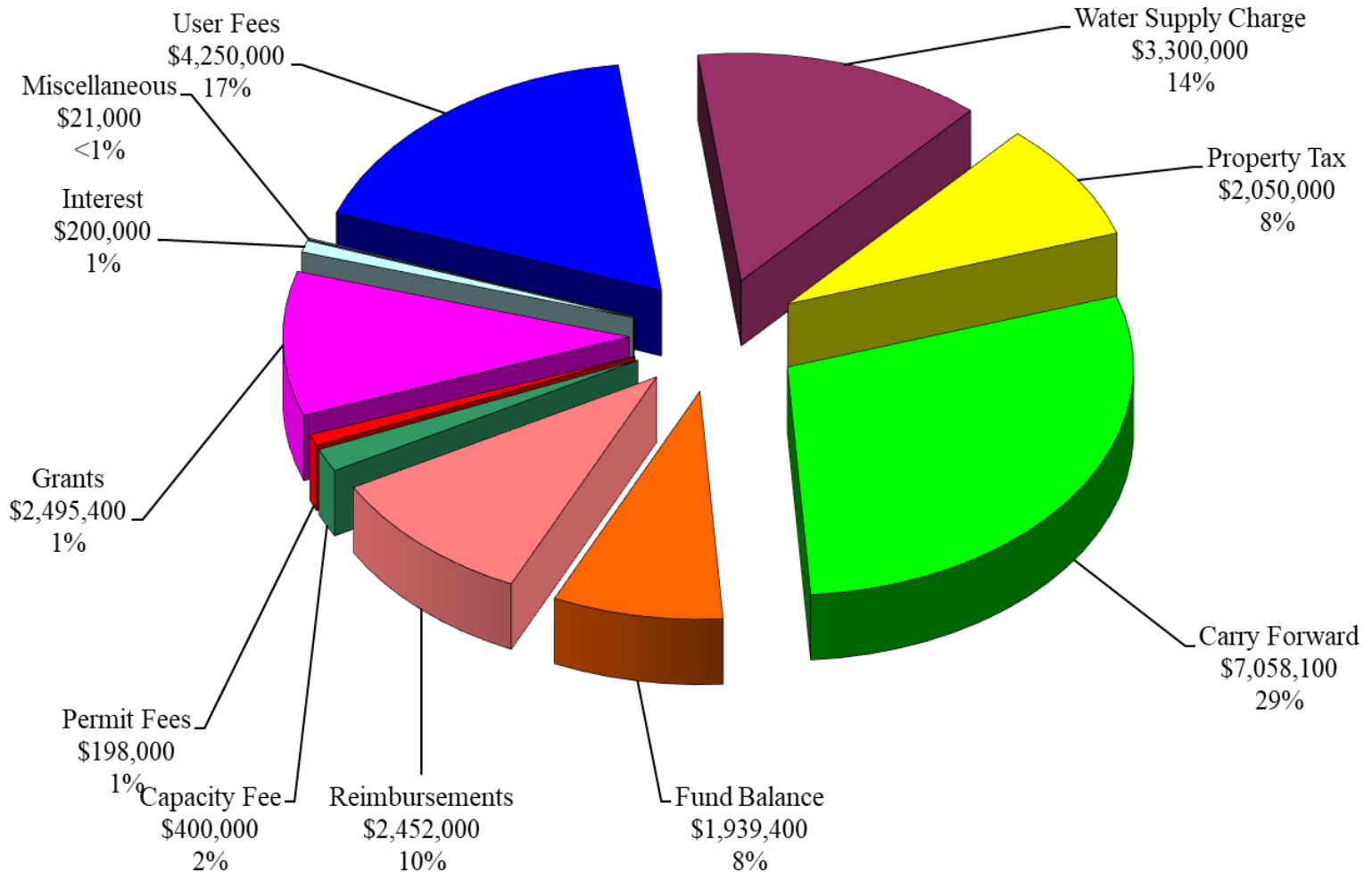
Fiscal Year 2020-2021

\$24,421,800



# Revenue Summary

## REVENUE SUMMARY Fiscal Year 2020-2021 Budget \$24,421,800



# Sources and Uses

Total expenditures \$22,897,400

Reserves 1,524,400

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Total uses **\$24,421,800**

District revenues \$10,413,000

Reimbursements 4,953,400

Carry Forward & Reserves 9,055,400

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Total sources **\$24,421,800**

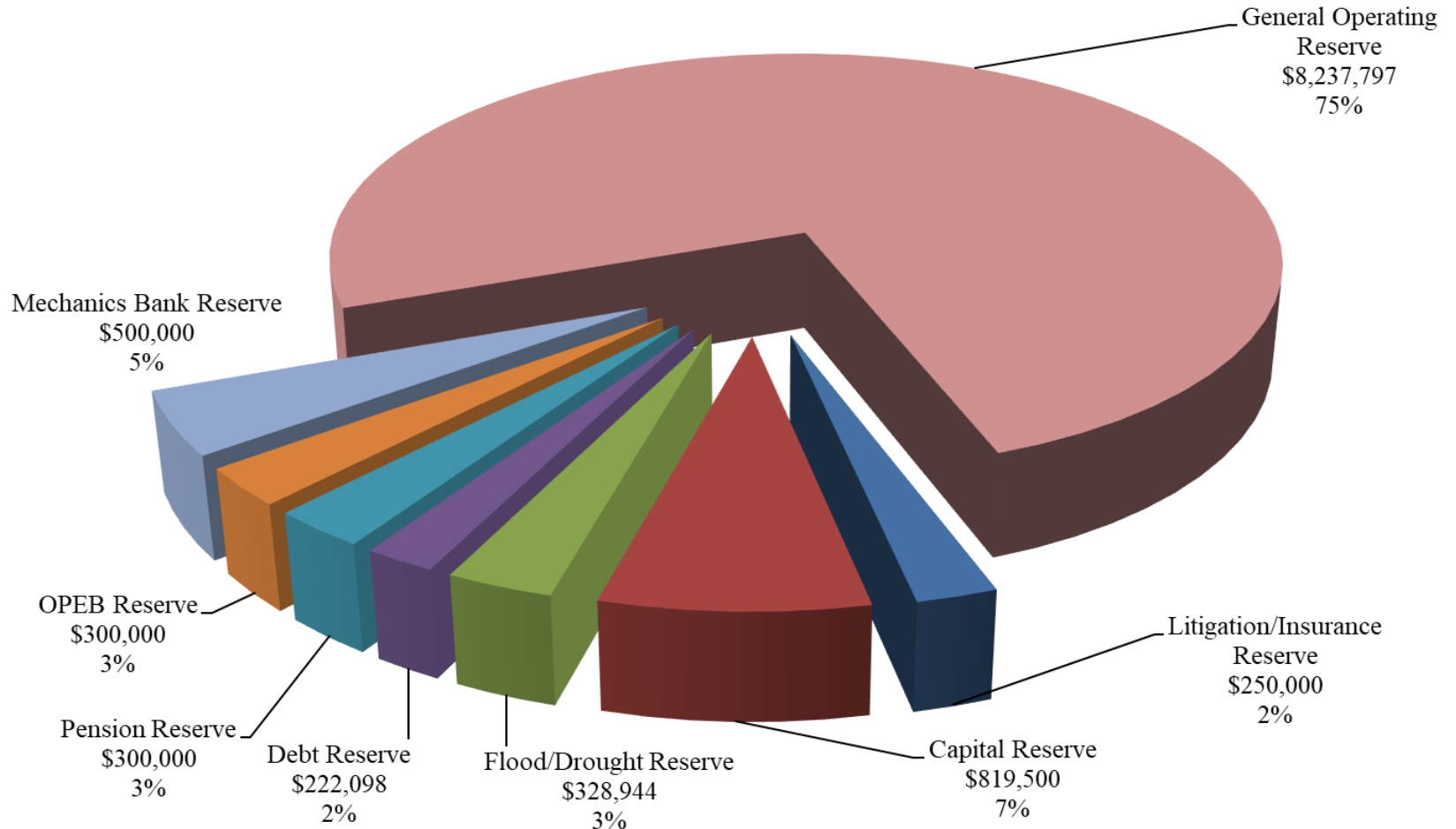
# Analysis of Reserves

	<u>Fiscal Year Ending</u>		
	<u>06/30/2020</u> (original)	<u>06/30/2020</u> (mid-year)	<u>06/30/2021</u> (proposed)
Reserves:			
Litigation/Insurance	\$250,000	\$250,000	\$250,000
Capital Reserve	553,000	553,000	819,500
Flood/Drought	328,944	328,944	328,944
Debt Reserve	221,656	222,098	222,098
Pension/OPEB	200,000	400,000	600,000
Mechanics Bank	0	0	500,000
Operating Reserve	12,324,065	9,677,197	8,237,797
<b>Total</b>	<b>\$14,077,665</b>	<b>\$11,431,239</b>	<b>\$10,958,339</b>

Operating Reserve ending balance is projected to be 44% of operating budget

# Analysis of Reserves

## RESERVE ANALYSIS Fiscal Year 2020-2021 Budget \$10,958,339



# Obligations/Commitments

■ District's future obligations/commitments:

Water Allocation Process	\$0.4 million
Rabobank Debt (06/2023)	\$3.1 million
PWM Water Reserve	\$2.5 million
Pension Obligation	\$5.1 million
OPEB Obligation	\$4.5 million
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Total	\$15.6 million

# Recommendation

- Staff recommends that the Board receive the proposed FY 2020-2021 Budget
- The Board adopt Resolution No. 2020-06, A Resolution of the Board of Directors Adopting the Budget for Fiscal Year 2020-2021



# For More Information

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

[www.mpwmd.net](http://www.mpwmd.net)

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