

*Mendocino County Russian River Flood Control &
Water Conservation Improvement District*

STAFF REPORT - REVISED

**Agenda Item 6: 2024 Workshop Draft of Fiscal Year 2024-2025 Budget
Monday, May 13, 2024**

The Strategic Plan relevant priority is **Administration** - ensuring sound and sustainable management of District finances.

Background

An annual budget sharpens understanding and provides reflection on the progress of District goals. It encourages effective ways of measuring, reporting, and planning while facilitating discussion of financial strategies and health. The budget helps to avoid surprises and maintain fiscal control of the public resources managed by the District.

Discussion

The following table shows the preliminary Fiscal Year 2024-2025 DRAFT Budget, beginning July 1, 2024. Attached is the more detailed Draft Budget Worksheet. The Board is invited to provide comments and questions.

SUMMARY	FY 2023/24	FY 2023/24	FY 2024/25	Amt Change	% Change
	APPROVED Budget	Actuals Projected to 6/30/24	DRAFT Budget	from previous FY Budget	From previous FY Budget
TOTAL REVENUE	\$ 567,906	\$ 679,281	\$ 589,856	\$ 21,950	4%
less TOTAL EXPENSE	\$ 758,700	\$ 553,930	\$ 491,800	\$ (266,900)	-35%
equals	\$ (190,794)	\$ 125,351	\$ 98,056	\$ 288,850	

Recommended Action:

Direct GM to prepare a Proposed Final Budget for Fiscal Year 2023-2024 for Board approval.

Attachment:

Draft Budget Worksheet

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Prepared and submitted to the Board of Trustees by: *Elizabeth Salomone, General Manager*

Draft Budget Worksheet for May 13, 2024 Board Meeting

	ORDINARY REVENUE	FY 2023/24	FY 2023/24	Difference	Change	FY 2024/25	Amt Change	% Change
		APPROVED Budget	Actuals Projected to 6/30/24	of Actual from Budget	Budget to Actual in %	DRAFT Budget	from previous FY Budget	From previous FY Budget
4001	Water Sales, Contracted	\$ 509,806	\$ 540,513	\$ 30,707	6%	\$ 509,806	\$ -	0%
4050	Property Taxes	\$ 55,000	\$ 83,267	\$ 28,267	51%	\$ 65,000	\$ 10,000	18%
4080	Interest, LAIF	\$ 3,000	\$ 15,100	\$ 12,100	403%	\$ 15,000	\$ 12,000	400%
4081	Interest, Savings	\$ 100	\$ 55	\$ (45)	-45%	\$ 50	\$ (50)	-50%
	TOTAL ORDINARY REVENUE	\$ 567,906	\$ 638,935	\$ 71,029	13%	\$ 589,856	\$ 21,950	4%
	OTHER REVENUE							
4002	Surplus Water Sales		\$ 39,278					
4010	Water Application Fees		\$ 800					
4100	Other income		\$ 268					
	TOTAL OTHER REVENUE		\$ 40,346					
	TOTAL REVENUE	\$ 567,906	\$ 679,281	\$ 111,375	20%	\$ 589,856	\$ 21,950	4%

- 23/24 Actual water sales include payments from previous fiscal years.
- 24/25 Water sales are calculated at \$68 per acre foot, 7,497.15 acre feet under contract.
- Surplus sales to Redwood Valley are not considered in the budget but are expected to be similar to FY 23/24.
- Other income was insurance dividend.

	PAYROLL EXPENSES	FY 2023/24	FY 2023/24	Difference	Change	FY 2024/25	Amt Change	% Change
		APPROVED Budget	Actuals Projected to 6/30/24	of Actual from Budget	Budget to Actual in %	DRAFT Budget	from previous FY Budget	From previous FY Budget
5001	Gross Wages	\$ 193,000	\$ 120,000	\$ (73,000)	-38%	\$ 144,000	\$ (49,000)	-25%
5002	CalPERS Employer Expense	\$ 14,000	\$ 8,500	\$ (5,500)	-39%	\$ 12,000	\$ (2,000)	-14%
5003	CalPERS 457 Expense	\$ 4,500	\$ 3,600	\$ (900)	-20%	\$ 4,500	\$ -	0%
5004	Health Insurance	\$ 25,000	\$ 15,000	\$ (10,000)	-40%	\$ 20,000	\$ (5,000)	-20%
5005	Medicare	\$ 3,000	\$ 2,000	\$ (1,000)	-33%	\$ 2,000	\$ (1,000)	-33%
5006	FICA (Federal Taxes)	\$ 15,000	\$ 8,300	\$ (6,700)	-45%	\$ 10,000	\$ (5,000)	-33%
5007	CalPERS 1959 Survivor Billing	\$ 300	\$ 60	\$ (240)	-80%	\$ 100	\$ (200)	-67%
5008	CalPERS GASB-68 Fees	\$ 800	\$ 700	\$ (100)	-13%	\$ 800	\$ -	0%
5009	Unfunded Pension Liability	\$ 9,500	\$ 5,500	\$ (4,000)	-42%	\$ 6,000	\$ (3,500)	-37%
5011	Employee Bonus	\$ 7,000	\$ -	\$ (7,000)	-100%			-100%
	Payroll Expenses - Other		\$ 15,000	\$ 15,000		\$ -	\$ (15,000)	
	TOTAL PAYROLL EXPENSES	\$ 272,100	\$ 178,660	\$ (93,440)	-34%	\$ 199,400	\$ (72,700)	-27%

- Payroll expenses do not include hiring any additional staff, which is not planned at this time.
- Gross wages includes a potential 6% cost of living increase for Jan-June 2025.
- CalPERS line and tax items are calculated from gross wages.
- Unfunded pension liability is difficult to predict – set by CalPERS after start of fiscal year.
- Board can suggest employee bonus budget amount or can rely on reserves if the option is exercised.
- FY 23/24 Payroll other includes possible retroactive pay increase being discussed.

Continued...Draft Budget Worksheet for May 13, 2024 Board Meeting

		FY 2023/24	FY 2023/24	Difference	Change	FY 2024/25	Amt Change	% Change
	WATER SUPPLY EXPENSES	APPROVED	Actuals	of Actual	Budget	DRAFT	from	From
		Budget	Projected to	from	to Actual	Budget	previous FY	previous
			6/30/24	Budget	in %		Budget	FY Budget
5020	Water Rights - Compliance TOTAL:	\$ 25,000	\$ 34,350	\$ 9,350	37%	\$ 31,500	\$ 6,500	26%
5021	Annual Fees		\$ 15,150			\$ 16,000		
5022	Legal Counsel		\$ 2,200			\$ 1,500		
5023	Engineering		\$ 2,000			\$ 2,000		
5024	Meter Maintenance		\$ -			\$ 2,000		
5025	Meter & Data Mgmt Program		\$ 15,000			\$ 10,000		
5030	Projects TOTAL:	\$ 250,000	\$ 79,420	\$ (170,580)	-68%	\$ 162,000	\$ (88,000)	-35%
5031	Grants & Funding Analysis-general		\$ 7,000			\$ 5,000		
5034	Addtl Water Rights		\$ 70			\$ -		
5035	RR Water Forum		\$ 2,100			\$ -		
5036	License Change Petition		\$ 14,000			\$ 40,000		
5037	LAFCo Applications		\$ 250			\$ 15,000		
5038	Demand Management thru Pricing		\$ 19,000			\$ 2,000		
5039	Trans Basin Diversion		\$ 37,000			\$ 100,000		
5040	USGS Streamflow Gage	\$ 16,000	\$ 14,500	\$ (1,500)	-9%	\$ 15,000	\$ (1,000)	-6%
5051	Inland Water & Power Commission JPA	\$ 3,300	\$ 3,300	\$ -		\$ 3,500	\$ 200	6%
5051	Groundwater Sustainability Agency JPA	\$ 100,000	\$ 100,000	\$ -	0%	\$ -	\$ (100,000)	-100%
	TOTAL WATER SUPPLY EXPENSES	\$ 394,300	\$ 231,570	\$ (162,730)	-41%	\$ 212,000	\$ (182,300)	-46%

- Grey cells are a breakdown of the total above.
- Uncertain at this time if Meter & Data Mgmt Program will continue to be contracted out or managed internally.
- Water Forum is being discontinued.
- License Change Petition and LAFCo Application line items are estimates; more refined budgets are underway but will not be completed in time for budget finalization.
- Trans Basin Diversion line item includes \$50,000 contribution to IWPC, \$50,000 for District legal counsel, engineering, etc.
- Groundwater Sustainability Agency is scheduled to implement fees and no longer require member contribution.

Continued...Draft Budget Worksheet for May 13, 2024 Board Meeting

GENERAL & ADMINISTRATIVE EXPENSES		FY 2023/24	FY 2023/24	Difference	Change	FY 2024/25	Amt Change	% Change
		APPROVED Budget	Actuals Projected to 6/30/24	of Actual from Budget	Budget to Actual in %	DRAFT Budget	from previous FY Budget	From previous FY Budget
5100	Consulting - General	\$ 42,000	\$ 27,000	\$ (15,000)	-36%	\$ 36,000	\$ (6,000)	-14%
5101	Accounting	\$ 6,000	\$ 8,000	\$ 2,000	33%	\$ 8,000	\$ 2,000	33%
5102	Audit	\$ 10,000	\$ 8,000	\$ (2,000)	-20%	\$ 9,000	\$ (1,000)	-10%
5104	Administrative Support	\$ -	\$ -	\$ -		\$ 5,000	\$ 5,000	
5105	Legal-general	\$ 20,000	\$ 8,000	\$ (12,000)	-60%	\$ 10,000	\$ (10,000)	-50%
5109	Human Resources	\$ 3,000	\$ 3,000	\$ -	0%	\$ 2,000	\$ (1,000)	-33%
5110	Strategic Planning	\$ 3,000	\$ -	\$ (3,000)	-100%	\$ 2,000	\$ (1,000)	-33%
5120	Vehicle: Fuel, Repairs, Maintenance	\$ 2,000	\$ 3,200	\$ 1,200	60%	\$ 2,000	\$ -	0%
5130	Insurance	\$ 7,800	\$ 6,500	\$ (1,300)	-17%	\$ 7,000	\$ (800)	-10%
5140	Local Agency Formation Commission	\$ 2,000	\$ 1,100	\$ (900)	-45%	\$ 1,100	\$ (900)	-45%
5150	Memberships, ACWA & CSDA	\$ 6,000	\$ 6,000	\$ -	0%	\$ 6,000	\$ -	0%
5160	Office Operating Expenses	\$ 7,000	\$ 5,200	\$ (1,800)	-26%	\$ 3,000	\$ (4,000)	-57%
5161	Rent & Utilities	\$ 5,000	\$ 5,000	\$ -	0%	\$ 5,000	\$ -	0%
5170	Training & Conferences	\$ 6,000	\$ 6,000	\$ -	0%	\$ 6,000	\$ -	0%
5180	Stipends, meetings	\$ 13,500	\$ 6,000	\$ (7,500)	-56%	\$ 13,000	\$ (500)	-4%
5190	Property Tax Admin Fees	\$ 1,000	\$ 1,000	\$ -	0%	\$ 1,000	\$ -	0%
5200	Election	\$ -	\$ -	\$ -		\$ 300	\$ 300	0%
TOTAL GENERAL & ADMINISTRATIVE EXPENSES		\$ 92,300	\$ 67,000	\$ (25,300)	-27%	\$ 80,400	\$ (11,900)	-13%
OTHER EXPENSES								
5700.1	IWPC Contribution fr Wtr Reliability Reserve		\$ 46,700					
5700.2	GSA Contribution fr Wtr Reliability Reserve		\$ 30,000					
TOTAL OTHER EXPENSES			\$ 76,700					

- General consulting in FY 23/24 included meter reading. In FY 24/25, that has been moved to Water Rights compliance under Meter & Data Mgmt Program.
- Administrative support budget would include use of Temp Agency, if needed.
- Vehicle expenses in FY 23/24 included normal maintenance, replacement of taillights, and new rear brakes.
- Workers Compensation insurance is being reviewed for accuracy.
- If an election is required, the cost is based on unpredictable determinations and reserves could be used. If no election required, the minimum cost is \$300.
- Other Expenses: IWPC contribution is being budgeted this year and no further GSA contributions are expected.

Continued...Draft Budget Worksheet for May 13, 2024 Board Meeting

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TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 92,300	\$ 67,000	\$ (25,300)	-27%	\$ 80,400	\$ (11,900)	-13%
TOTAL OTHER EXPENSES	\$ -	\$ 76,700	\$ 76,700		\$ -	\$ -	
TOTAL EXPENSES	\$ 758,700	\$ 553,930	\$ (204,770)	-27%	\$ 491,800	\$ (266,900)	-35%
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The summary shows \$38,000 that would be used to cover any budget adjustments throughout the fiscal year or be deposited into the reserves.