



BOARD MEETING AGENDA SUBMITTAL

TO: GCSB Board of Directors

FROM: Peter Kampa, General Manager

DATE: June 13, 2023

SUBJECT: Agenda Item 6E: Review of the FY 2023-24 Budget Preparation Schedule and Process

RECOMMENDED ACTION:

Staff recommends the following action:

Provide staff direction related to the budget preparation and presentation process.

BACKGROUND:

The district is required to adopt a fiscal year budget prior to July 1st, prepared in accordance with specified accounting and budgeting principles. The budget contains the spending plan for the fiscal year from July 1st through the following June 30th. The district can either adopt a preliminary or final budget prior to the July 1 deadline.

The number of large infrastructure projects in various stages of planning, funding, design and construction, have resulted in cash flow impacts while we wait approximately 2 months for state reimbursement of the project related expenses. The projects have also resulted in a significantly increased workload for staff, resulting in less time available for preparation of the budget. To ensure a comprehensive and well thought out and publicly vetted budget proposal, staff is proposing that we adopt a preliminary budget in June and a final budget in August.

It is planned to establish a public hearing on June 29, 2023 for the purpose of receiving public comment on the budget and considering the adoption of a preliminary budget at that time. Additions, modifications, deletions or other budget adjustments can be made to the preliminary budget following its adoption and prior to the adoption of a final budget, the public hearing for which is currently planned for the board's August 8th regular meeting. This schedule will also allow additional work to be completed on our water and sewer cost of service/rate study, to ensure that to the extent possible the consultant's analysis and any completed financial projections can be considered in our final budget adoption. The statutory deadline for adoption of the final budget is September 1st.

Budget preparation process involves the analysis of expenses expected through the end of this fiscal year on June 30, 2023, consideration of expected increases or decreases in the cost of staffing, materials and supplies, equipment, insurances, contracts, infrastructure replacement and upgrades. Staff also evaluates opportunities for increased efficiencies, cost reductions, modified procedures and other improvements that can reduce budgeted expenses. Revenues are projected based on total expected income for the year for each of the four funds; water, sewer, fire and park. The budget memorandum will fully describe all sources of revenue and expenses, along with discussion of where the district has discretion to cut expenses and those areas that are absolutely mandatory as they are associated with regulatory compliance and in many cases public health and safety.

The preliminary budget will be made publicly available approximately a week before the June 29 public hearing. The board and public will then have the opportunity to provide input on the budget at our July board meeting and during the public hearing on August 8th 2023.