

TUOLUMNE CITY SANITARY DISTRICT

TCSD
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REGULAR MEETING STAFF REPORT

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Agenda Item 4

To: Board of Directors
From: Jeff Cooley, General Manager
Subject: Fiscal Year (FY) 2024-25 Draft Budget
Date: May 1, 2024

Background: Each fiscal year (July 1st through June 30th) the Board adopts a budget for the District. The Budget is a financial plan that provides estimates of the anticipated revenues and expenditures for the coming fiscal year. The Draft Budget was prepared by staff for review by the Board. A review of the proposed budget will be presented at the Board meeting. Staff will review the comments from the Board and public and make appropriate revisions to the Draft Budget. A Public Hearing will be advertised for the next Board meeting on June 5, 2024 for adoption of the final fiscal year Budget.

Discussion: Attached for your review is the “*Draft FY 2024-25 Budget Summary*.” The Budget is structured into four distinct categories: Operating Revenues, Operating Expenses, Non-Operating Revenues and Non-Operating Expenses. The Budget document itself is structured to provide an overview of all revenues and expenses on the first two pages of the document. The succeeding pages provide more detailed information that makes up the summary, as well as, supporting documentation and information. This detailed information will be made part of the final budget package that will be available at the next meeting.

The District is an *Enterprise Organization* meaning that the revenue it receives is based on a fee-for-services in respect to the sewer services provided to the community. As a result, the District’s financial statements are treated similarly to a private enterprise. *Operating Revenues* are based on service charges to our customers and *Operating Expenses* are those costs directly involved in providing sewer services. For the coming fiscal year estimated expenses are proposed at \$ 1,468,945, excluding capital construction grant funding of \$ 3,012,577 for the completion of the WWTP Phase II project. *Non-Operating Revenues* and *Non-Operating Expenses* involve activities not directly related to the District’s core purpose of providing sewer services. Examples include capital project revenues and expenses, property taxes and connection fees.

The largest portion of the proposed budget is dedicated to Capital Construction. The District will be completing the Wastewater Treatment Plant Phase II construction project this winter. In total this project involves \$2,201,010 in state grant funds. In respect to revenues the District anticipates an increase in funding from the Black Oak Casino Resort.

In respect to the *Operating Budget* costs reflect what we anticipate spending for the year based on this fiscal year's costs with increases in areas of volatility such as fuel, electrical costs and other services and supplies. A 6% wage increase is proposed effective January 1, 2024. This proposed increase is based on the April Consumer Price Index (CPI) and trying to remain competitive with wages paid by the Tuolumne Utilities District (TUD) and Jamestown Sanitary District (JSD). Proposed *Capital Outlay* and *Fixed Assets* include, Clarifier Improvements (\$5000), Fence Drainage Improvement (\$7500), Collection System Improvements (\$30,000), Computer (\$1,500), Miscellaneous Tools (\$5000) and a replacement for the Ranger ATV (\$32,000).

Please review these materials and let me know if you have any questions.

Fiscal Impact: Estimated Fiscal Year Total Expenses: \$4,481,522

Attachment(s): Draft Fiscal Year 2024/25 Budget Summary.

Recommendation: Review and comment on the 2024/25 Fiscal Year Budget Summary.

Recommended Motion: I move to hold a public hearing on June 5, 2024 to consider adoption of the 2024-2025 Fiscal Year Budget.

BOARD ACTION:

<input type="checkbox"/> Resolution No _____	Moved by: _____	Second by: _____
_____AYES	_____NOES	_____ABSTAINED
_____ABSENT	<input type="checkbox"/> No Action Taken	