

TUOLUMNE CITY SANITARY DISTRICT

TCS
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TUOLUMNE, CA 95379

REGULAR MEETING STAFF REPORT JUNE 7, 2023

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Agenda Item No. 5

To: Board of Directors

From: Dave Andres, General Manager

Subject: Final FY 2023-24 Budget and Wage Schedule

Date: May 18, 2023

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 fiscal year. The Draft Budget was presented at your last meeting and a Public Hearing has been scheduled at this meeting for consideration of adopting the 2023-24 Fiscal Year Budget.

I would recommend that we open the Public Hearing after which staff will provide an overview of the proposed 2023-24 Fiscal Year Budget. Any member of the public can then ask questions or make comments on the budget and the proposed expenditures contained therein. After all the public comments have been addressed, the Board can then close the Public Hearing and discuss any issues you may have with the proposed budget. If appropriate after discussions by your Board, a motion to adopt Resolution 2023-03 is recommended.

Discussion: The 2023-24 Fiscal Year (FY) Budget is a “*Status Quo*” budget. District staff continues to anticipate depressed revenues from our largest single customer – the Black Oak Casino, though not as severe as in previous years. *Total Revenue* for the coming Fiscal Year is estimated to be \$2,893,083 of which \$1,451,896 is anticipated from State Revolving Fund (SRF) grants. \$1,000,000 is proposed for new funding, while \$451,896 has already been approved for the Wastewater Collection System Project due to be completed in September, 2023. The proposed operating revenues for the 2023-24 FY are estimated to be down approximately \$12,165 from actual revenues received in the 2021-22 FY. Overall Operating Expenses are up by approximately \$61,929 over 2021-22 FY actual expenses, but approximately \$176,618 below last year’s budgeted amounts. Salary & Benefits are down due to an experienced employee leaving the District, but a proposed 5% Cost of Living Adjustment (COLA) is also included for employees. The only new items proposed are delineated as *Capital Outlay* or *Fixed Assets* on page 20 of the

Final Budget. These items include the replacement of an All-Terrain Vehicle (ATV), Computer Replacements, and Miscellaneous Equipment and Projects. These items in total are estimated to cost \$49,500.

Please review the Final FY2023-24 Budget. Staff will be prepared to answer your questions, as well as any public comments, regarding what is being proposed for the coming year.

In addition, I have attached Resolution 2023-04 - *Employee Wage Schedule Effective January 1, 2024*. This resolution is provided separately in the event a director wishes to recuse himself from voting on this item due to a potential conflict of interest. The resolution raises all employees' wages by five percent (5%).

Fiscal Impact: Final budget of \$2,893,083 that includes an operating budget of \$1,061,687 and grant funds estimated at \$1,451,896. The total estimated cost of a wage increase of 5% is \$20,000 annually.

Attachment(s): Final 2023-24 Fiscal Year Budget; Resolution 2023-03 Adopting the 2023-24 FY Budget and Financial Policies; Resolution 2023-04 Employee Wage Schedule effective January 1, 2024.

Recommendation: Open Public Hearing, review budget, take public comment, close Public Hearing, entertain Board discussion, and adopt the 2023-04 Budget and Financial Policies and separately the Employee Wage Schedule effective January 1, 2024.

Recommended Motion: I move to approve Resolution 2023-03 adopting the Fiscal Year 2023-24 Budget and Financial Policies.

I move to approve Resolution 2023-04 approving the Employee Wage Schedule effective January 1, 2024.

BOARD ACTION:

<input type="checkbox"/> Resolution No _____	Moved by: _____	Second by: _____
_____ AYES	_____ NOES	_____ ABSTAINED
_____ ABSENT	<input type="checkbox"/> No Action Taken	