

MEMORANDUM

Date: May 7, 2019
To: Finance Committee
From: Tom Hennig, Director of Administration
Subject: Budget Review

Finance continues working with FY 2019-20 Budget worksheets balance as published at the Prop 218 annual rate change notice. As of today, we have received four protests from residents.

Staff will be finishing work on the budget worksheets as well as the budget presentation for the first reading of the budget at next Wednesday's Board meeting. Listing below are critical areas we continue to monitor for cost savings and possible increases from the initial proposed budget.

Budgetary items currently underway

- Budget presentation for the May 15, 2019 Board meeting.
- Thorough analysis of the various reserve funds for Capital Improvements and Replacements. This work will assist Board members to make CIP decisions.

Changes to the FY 2019-20 Budget as presented on April 4, 2019.

- Increase Water Treatment chemical budget by \$12,000 based on revised projections from Director of Field Operations
- Increased Water Source of Supply Power budget by \$6,000 based on revised projections
- Increased Sewer Operational expenses by \$10,700 based on revised projections from the Director of Field Operations, for fuel, sludge removal and maintenance & repairs
- Decrease the GSRMA budget by \$18,000 based on a revised quote
- Decrease temp staffing by \$18,700 to balance budget

Ongoing Budget Activities

- Monitoring the details related to our Workers Comp and Liability rates.
- Monitoring the Solid Waste final adjustments.
- Tracking increase or decrease in the health insurance rate increase estimates.
- Developing simplified budget monitoring tools and reporting.
- Training District staff on the use of new reporting tools.
- Changing the budget format being delivered to the public at the start of the new fiscal year.
- Streamlining the monthly closing process to allow for more accurate data presentations at the Finance Committee and Board meetings.

General Finance update

- Hiring a new Controller – three interviews since the last committee meeting. Still no offers of employment.
- Working with The Pun Group to fix financial accounting practices and procedures.
- Continuing to utilize temporary staff from Robert Half / Account Temps to supplement District financial support requirements.
- Preparing to begin work with the UOP Co-Op student intern.