



Agenda Date: 5/20/2020

Agenda Placement: 8A

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Timothy Healy - General Manager
NS-Administration

REPORT BY: Cyndi Bolden, Senior Accountant - 258-6001

SUBJECT: Receive a Presentation and Provide Direction on the Proposed FY 2020/21 Operating Budget with Revised Budget Assumptions

RECOMMENDATION

Receive a presentation on the proposed FY 2020/21 Operating Budget with revised budget assumptions, and provide direction to staff. Consideration for adoption scheduled for June 3, 2020.

EXECUTIVE SUMMARY

At the Board meeting on May 6th, staff presented the proposed operating budget for Fiscal Year 2020/21. The Board provided direction to revise the budget assumptions that were used in the proposed operating budget.

The following are the revised budget assumptions for FY 2020/21 in the operating budget:

-) No sewer service charge rate increase
-) Reduce capacity charge revenue (fewer new development projects)
-) Hold hiring four (4) vacant positions
-) No additional PERS pension contribution payment
-) Reduce Services/Supplies budget

The revised budget assumptions results in a decrease of revenues of \$1,665,000 for FY 2020/21. Operating expenses are reduced by \$1,634,500 to make up for the reduction in revenues.

The presentation by staff will be based on potential financial impacts to fiscal years FY 2020/21 and 2021/22 and revisions made to anticipate these impacts. The 10-Year Capital Improvement Plan and 10-Year Financial Forecast will be presented to and discussed with the Board following this presentation. The combined operating budget and capital improvement plan will be presented to the Board for consideration and adoption on June 3, 2020.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Operating revenues are primarily from sewer service charges, charges for recycled water, wastehauler discharge fees, property leases, and interest earnings.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	The budget establishes the expenditure authorization for FY 2020/21.
Consequences if not approved:	The Board of Directors is required to adopt an annual appropriation NapaSan prior to any expenditures being authorized.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

None.

SUPPORTING DOCUMENTS

- A . Operating Budget Presentation
- B . Rate Communication Presentation
- C . Revenue & Expense Tables

Napa Sanitation District: Approve

Reviewed By: Timothy Healy