



Agenda Date: 9/5/2018
Agenda Placement: 7C

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Jeff Tucker - Director of Administrative Services/CFO
NS-Administration

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

SUBJECT: Approve Amendment to the FY 2018/19 Operating and Capital Budget to Include Carry Forwards from FY 2017/18 and Additional Appropriation for the FY 2018/19 Capital Budget

RECOMMENDATION

Adopt the accompanying resolution authorizing staff:

- | To carry forward unspent FY 2017/18 Operating budget appropriations in the amount of \$157,850, according to the attached detailed sheet; and
- | To carry forward unspent FY 2017/18 Capital budget appropriations in the amount of \$4,549,850 and to amend the FY 18/19 Capital budget with additional appropriation of \$1,474,550, according to the attached detailed sheet.

EXECUTIVE SUMMARY

This amendment includes adjustments to both the Operating and Capital Budget. There are appropriations from FY 2017/18 that need to be carried forward. There is also a recommendation for additional appropriation for the FY 2018/19 Capital Budget.

Operating Budget

- | Carry Forwards - There were a few operating items in the budget for FY 2017/18 that were started but not completed by the end of the fiscal year. The attached document called "Operating Budget: FY 2017/18 Carry Forwards; FY 2018/19 Amendment" lists these items and the budget requested to be carried forward. The total amount is \$157,850.

The approved Operating Expenditures Budget for FY 2018/19 is \$29,487,400. The proposed amended FY 2018/19 Operating Expenditures Budget is \$29,645,250.

Capital Budget

- | **Carry Forwards** - The attached document called the "Capital Project Budget: FY 2017/18 Carry Forwards; FY 2018/19 Amendment" lists the capital projects that were not completed in FY 2017/18, and therefore need to be carried forward to FY 2018/19. The total budget for capital projects from FY 2017/18 requested to be carried forward is \$4,549,850.
- | **Additional Appropriation** - The FY 2017/18 Capital Budget had savings of approximately \$1,474,550 from unspent funds due to some capital projects costing less than anticipated. Staff would like to appropriate the savings to four (4) projects in the FY 2018/19 Capital Budget.
 - | Sewer System Inflow/Infiltration 2019 (CIP 18706) - Adding the remaining savings of \$335,850 will allow NapaSan to increase its effort in reducing I&I in various high priority areas as part of the summer 2019 project.
 - | Rotork Actuator Replacement (CIP 18716) - Additional actuators are being replaced than originally anticipated. The cost is \$18,600.
 - | Chemical Storage Building Piping Repair (CIP 18740) - The original budget included the cost for design and construction of the initial assessment. During the construction of the plant improvement project, significant deteriorated infrastructure was identified that will need to be replaced in 2019. It is anticipated that it will cost an additional \$1,000,000.
 - | Development Technical Support (CIP 13729) - The increase of \$120,100 in this budget is due to the increased effort in plan reviews for new developments. Staff has also been more diligent in keeping track of these efforts. In FY 2018, the cost was about \$340,000.

The approved FY 2018/19 Capital Budget is \$26,385,700. The proposed amended FY 2018/19 Capital Budget is \$32,410,100.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Revenue sources for this action are the savings from the unspent Operating and Capital Project appropriations from FY 2017/18.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Adoption of this resolution would authorize staff to expend in FY 2018/19 remaining operating and capital project monies on corresponding projects authorized in FY 2017/18.
Is the general fund affected?	Yes
Future fiscal impact:	Non-specified maintenance and operating costs associated with each capital project.
Consequences if not approved:	If not approved, work on FY 2017/18 projects would stop and work on FY 2018/19 projects would have to be adjusted to meet available resources.

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

Government fund accounting practices require a new budget authorization with each fiscal year. However, oftentimes there are budgetary items that span more than one fiscal year, thus leaving individual projects without the budget authorization necessary to complete an otherwise approved expense in the new fiscal year. At some point shortly after the adoption of the new budget, and after the closing of the prior fiscal year, it is customary to bring back to the governing body a carry forward list of unexpended operating and capital appropriations to be "carried forward" into the new fiscal year in support of those same previously approved items.

SUPPORTING DOCUMENTS

- A . Carry Forward List - Operating
- B . Carry Forward List - Capital
- C . Resolution

Napa Sanitation District: Approve

Reviewed By: Jeff Tucker