This brief is being provided to inform the board, staff and public of the details of an agenda item that requires no action from the board. The President of the Board will provide board members, staff, and the public the opportunity to ask questions about this topic when this agenda item is announced.

**Date:** June 14, 2021

**Originator:** Rich McLaughlin

**Agenda Topic Title**: Second **Review of the GMCSD FY 2021-2022 Budget**

**Purpose of Brief:** Conduct a second review of the proposed 2021/2022 budget prior to review. Present questions, concerns, or recommendations

**Supporting Documents Included:** Yes - 1 attachments **- FY 2021/2022 District Budget**

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1. **Agenda Topic Brief or Update:**

Second review of the GMCSD FY 2021-2022 balanced budget. Primarily a review of the Water & Sewer (W&S) and Fire Fund operating budgets. Respond to Board concerns regarding the first reading.

1. **Anticipated Impacts to the District -** (*Consider financial impact, change in procedures, customer, and staff communication*):

The proposed budget is a balanced budget to execute all CSD short term requirements in W&S and Fire.

1. **Anticipated Impacts to the Customer –** *Standby, Residential, Commercial***:**

Continue to provide a full range of domestic water, wastewater, and structural Fire Protection services.

**Next Steps for this Topic**:

Review and approved the draft budget, or provide questions, suggestions, or concerns leading to a final review and approval at an upcoming meeting.

Updates include:

GM and Administrative Manager reviewed the inclusion of grant dollars as income to account for Force labor planned on the Power Resilience grant budget. For audit purposes, the Auditor recommended including the entire grant funding as income and adding a new line in the budget to account for grant related equipment purchases.

On the attached 2021-2022 draft budget, tab 1 “Budget Final”, row 15 represents the entire grant amount of $242,714 listed as income.  In row 100, Equipment Purchases - Power Grant, the $205,685 is the estimate for purchasing generators and propane tanks.  The balance of $37,029 represents full loaded labor costs for force labor to manage and execute the project.

The Auditor also recommended adding the last tab, “Water and Sewer Grant” to track actual expenditures against budget in the three categories listed.

With these changes, at the bottom line the Water and Sewer Operating Budget indicates a surplus of $8,251.

On the Fire Operating Budget, the Board expressed concern regarding the lack of escalation of the Fire Protection Contract funding. The apparent lack of escalation was due to a budget amount on the previous year’s budget of $40,000, and a budgeted amount of only $38,000 this year.

The actual cost for last year’s contract was only $36,050. A three percent annual escalation gives us a budgeted cost for FY 2021-22 of $37,131 as indicated in row 15 of the proposed Fire Operating Budget. With this change, at the bottom line the Fire Operating budget indicates a surplus of $884.