

## **2022/23 Proposed Draft Budget – Highlights**

Incomplete Draft, needs Budget Transmittal Letter, Wage Schedule and Departmental Summaries – but does include line item detail for each fund

If there is consensus by the Board to revise the draft, those revisions will be incorporated into the Proposed Budget for the June 21st Public Hearing, along with the remaining items – All replacement pages can simply be inserted into your binder

### **Overall (see revised page 9)**

Asset Replacement and Cash Reserves from Strategic Financial Policies are fully incorporated in all funds

Retiree Health Insurance budgeted in the Administration Fund for all retirees, with revenues shown as transfer out of OPEB Trust (OPEB Funds proposed to be transferred to Admin Fund OPEB)

Property Tax forecast was obtained by San Luis Obispo County – Page 14 – estimates are conservative, about 4.1% increase from 2021/22

Internal Property Tax split recommended to remain the same as past several years

Historical Data to be maintained and included going forward – page 16

GANN Calculation shown on page 17

Engineering Costs shown in Supporting Information – Non Appropriated – pages 18/19

Funds for SDRMA Employee Assistance Program addition available – will require subsequent Board action

Uniform Supplies budget added to Water, Wastewater and Parks, Recreation and Solid Waste – proposed to go from \$250/year uniform/boot allowance to \$200/year boot allowance, with uniform service for field staff

Vehicle O&M costs higher in all funds due to increase in fuel costs – likely will require further budget amendments if fuel prices stay above \$6 a gallon throughout the year

Electricity cost up significantly in all Funds due to expected PG&E rate increases

## **Water – page 20**

2022/23 Revenue forecast includes 5th rate increase is implemented as scheduled

Santa Lucia School Grant included in Revenue forecast for \$77,632

Funding remains for water portion of Permit/Compliance Specialist – intermittently filled with part-time employee over past year

Legal Services line item recommended at \$75,000 - due to existing litigation with remaining phases of trial

Funding for water system mapping updates (Atlas) included at \$4,500

Funding for Rebate Program – water efficient landscape retrofit/water softeners - \$30,000

Funding for a Master Plan Update is included at \$75,000 – but not expected to begin until late in the FY at the earliest

\$45,000 is programmed for the Urban Water Management Plan – required once we have 3,000 connections, which is expected to occur during this FY

\$58,932 is programmed for the Santa Lucia School connection

Replacement of 2008 pickup is programmed (split water/sewer) – new truck will have auxiliary fuel tank for filling generators/equipment in field - \$23,370

Pre-Construction Activities for Nacimiento Recharge/Recovery project programmed at \$500,000

Ongoing Revenue/Transfers exceed Ongoing Expenditures/Transfers by \$828k

**Wastewater – page 30 (see revised pages 37/38)**

No more scheduled rate adjustments for Wastewater

Gasses and Chemical include funding for use of Bioxide to reduce odors and corrosion in collection system

SRF and Internal Loan Debt Service for USCUP included - total between the two equals prior annual debt service payments to City of Paso Robles

I&I Study recommended at \$35,000 (from Master Plan/Significant issues during major 2021 storm)

Wastewater system mapping update – Atlas, recommended at \$4,500

Funding for sludge removal recommended at \$200,000 – may not be needed until next couple years...

Funding for Industrial Discharge Permitting/Inspections – Source Control included

Funding for a Master Plan Update is included at \$75,000 – but if combined with Water Master Plan, not expected to begin until late in the FY at the earliest

WWTP Sand Filter Pilot Study programmed at \$35,000

Tank/Dosing Equipment for Bioxide programmed at \$109,000

Replacement of Composite Samplers programmed at \$11,000

Replacement of 2008 pickup is programmed (split water/sewer) – new truck will have auxiliary fuel tank for filling generators/equipment in field - \$17,630

Ongoing Revenue/Transfers exceed Ongoing Expenditures/Transfers by \$732k

### **Drainage – page 39**

Revenues steady, limited

Include 2% of Engineering Office in Expenses

Include ½ cost of annual MS4 Permit

Fund currently operating at deficit - \$11,660

Monitor new legislation/court review permitting Storm Drainage to be treated as utility under Prop 218

### **Administration – Page 43**

Revenues are primarily transfers in from other funds

Rental income expected to remain low – Church that used to rent Board Room has not returned

Transfer in from OPEB Trust Fund for current year Retiree Health Insurance costs shown under Revenue

Retiree Health Insurance now own line item programmed at \$157,822

Liability Insurance costs up about 15%

Travel/Education expenses programmed at pre-COVID levels to fund CSDA/Tyler Technologies conferences

\$15,000 is programmed for a Cost Allocation Plan – postponed from past years due to COVID

\$5,500 for Storage Container lighting/shelves

\$9,000 programmed for 2022 Board Election

### **Fire – page 52**

Measure A Parcel Tax shown with CPI adjustment

Minor adjustment to Reserve Firefighters line item since Committee reviewed, due to announced January 1, 2023 minimum wage increase

Development Impact Fee Update (following Master Plan completion) is programmed at \$15,000

PPE – 5 Sets of Turnouts is programmed at \$13,000 (may be grant funded)

Battery operated positive pressure fan (replaces gas powered fan) is programmed at \$5,000

Phase of Training Facility is proposed to be funded at \$17,000

\$62,000 is programmed for new Fire Chief response vehicle, current vehicle to remain with fleet for training, travel, etc.

Additional \$32,532 recommended to be contributed to Asset Replacement, beyond what Strategic Financial Policy recommends

Ongoing Revenue/Transfers exceed Ongoing Expenditures/Transfers by \$66k

\$32,532 recommended to be transferred to Fire – Future Operating to help offset expected shortfalls in out years

### **Community Facilities District – page 58**

Anticipates limited consulting and legal expenses

Limited overall proceeds (increase of \$12,000 in revenue over 2021/22), recommend leaving within CFD Fund until next budget cycle, then determine appropriate uses

### **Street Lights – page 62**

Fund remains essentially balanced, no changes proposed

### **Parks, Recreation and Solid Waste – page 66**

All traditionally offered programs expected to occur in FY 2022/23 – on normal schedule

Participation is expected to be back to pre-COVID levels

Livin' the Dream Fundraiser planned for fall 2022

Recycling grant program at \$15,000

\$5,000 is programmed for Recreation Counter point of sale computer

\$3,000 is programmed for window coverings in Community Center

\$2,000 is programmed for replacement portable PA system

\$5,500 is programmed for replacement copy machine/printer

Combined fund has \$90,509 revenues over expenses