

Hornbrook Community Services District

Regular Meeting of December 20th, 2016

AGENDA SUPPORTING DATA

5. DISCUSSION AND ACTION ITEMS

- c. Adoption of a Resolution approving a preliminary 2017 budget and calling a public hearing to be held for final budget adoption at the next Regular Board meeting.

Recommended Motion

I move to approve the Resolution adopting the Preliminary 2017 fiscal year budget effective January 1, 2017.

Background

California law and accounting standards require that the district adopt its budget in a specified manner and conduct a public hearing before final adoption of the budget. A copy of the CSD law regarding budgets is attached to this item. A notice of the budget public hearing must be published in a paper of local circulation once, two weeks before the hearing. The law also recognizes the CSDs may adopt a preliminary budget, which is required before the start of the budget year; in our case January 1. A (preliminary) budget is required to be adopted before January 1 for the county to allow warrants to be paid after that date.

In the case of this year, we need a preliminary budget adopted before the first of the year, and December 20, 2016 is our last scheduled meeting. A preliminary, or “recommended” budget as termed by the county, is attached based on our 2016 budget. Because the county monthly finance report does not, according to the county auditor, accurately show the district expenses or revenue to date, it is difficult to estimate final revenue and expenses through the end of 2016. The county reports are not an accurate picture of our finances since their software cannot function on a calendar year budget; which is our current budget cycle.

The draft 2017 budget assumes:

- Revenue consistent with the amount budgeted in 2016
- Operating expenses consistent with 2016 plus \$5000 for increased maintenance on wells
- A budget line item of 9% of payroll for workers compensation insurance
- \$2500 for equipment such as well water level monitoring tools
- \$20,000 for capital improvement planning and design, to complete the required feasibility and preliminary engineering required to get projects funded with grants
- A \$5000 general contingency to be used for projects or operations

The Board should also schedule the required public hearing so that a public hearing notice can be published two weeks in advance.