

Sacramento Groundwater Authority Fiscal Year 2022-2023 Budget

**SGA Board Meeting
February 10, 2022**



SACRAMENTO GROUNDWATER AUTHORITY

Overview

- Fiscal Year 2022 Mid-Year Budget Status and Outlook
- Budget Policies
- Budget Assumptions
- Budget Schedule

Fiscal Year 2022 Mid-Year Budget Status and Outlook

- FY2021 audit showed a \$66k total deficit - improved ending fund balance of \$185k higher than projected mostly due to budget savings in operational areas (consulting, legal, benefit costs, office expense, etc.).
- FY2022 budget is balanced: revenues = expenses
Mid-year budget status is under in revenues & expenses
- New Project Manager position recruitment begins this spring.
- SGMA funding (incl. contingency and retention) is projected to cover all/slightly over related expenses
- GSP 2022 Implementation begins
- Any savings from FY2022 Budget will roll over to FY2023 Budget

Budget Policies

- Budget Policy 400.3 – approve a budget within 90 days of July 1
- Administrative and Management Service Agreement Policy 100.2 – SGA shares 50% of the administrative costs incurred by RWA to run both organizations
 - 3.3 FTEs for SGA:
 - 50% - Executive Director, Manager of Technical Services, FASM, & Exec. Assistant (2 FTE)
 - 20% - Project Research Assistant (.2 FTE)
 - 10% - Legislative & Reg. Affairs Manager (.1 FTE)
 - 100% - Associate Project Manager (1 FTE)
- Compensation Policy 100.3 salaries within range plus potential for COLA and merit for eligible staff

Budget Policies – cont'd.

PERS

- SGA has their own PERS account
- Employees pays their full share of employee PERS obligation
- SGA Unfunded Liability Statement
- Defined Benefit Pension Plan Funding Policy 400.4 – accelerated funding of unfunded pension plan over four years
 - Additional payments beyond required
 - Quicker pace than CalPERS
 - Greater fluctuations – positive and negative

Budget Policies – cont'd.

PERS Unfunded Actuarial Liability (Classic)

Current Projected Balance as of 6/30/2022:	\$116,009
Minus 2021-2022 Payment:	<u>\$(26,700)</u>
Revised Projected Balance:	\$ 89,309

Balance \$89,309/4 years = Annual Payment \$22,327.25

The UAL balance is subject to change based on market, fluctuation, number of staff, and PERS status of staff members (PEPRA or Classic).

SGA PERS Unfunded Actuarial Liability (PEPRA) is \$187 (one employee).



Budget Assumptions

When FY22 Budget was approved, FY23 assumed:

- Approximately 15% and 8% increase in FY22 and FY23 respectively to fund proposed additional staffing
- No remaining SGMA designation/end of grant funds
- Set aside for FY2025 GSP update
- Set aside for potential Office Relocation
- Interest income would decrease
- Continued payment of unfunded pension liabilities
- Continued SGA common cost sharing with RWA
- Unknown merger impacts

Budget Schedule

- Chair typically appoints a Budget Subcommittee in February
- Subcommittee meets one or two times
- Budget approval at SGA's April Board Meeting
- If Budget is not approved, Budget Subcommittee meets again to revise for SGA's June Board Meeting

Questions and Discussion



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