



Sacramento Groundwater Authority Fiscal Year 2023-2024 Budget

**SGA Board Meeting
February 9, 2023**



SACRAMENTO GROUNDWATER AUTHORITY

Overview

- Budget Policies
- Budget Assumptions
- Budget Outlook
- Budget Schedule

Budget Policies

- 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.

- Budget Policy 400.2 – Reserve Policy – goal is to have a minimum of 4 months and a maximum of 6 months. This fund will reflect excess funds resulting from additional unanticipated revenues or operating expense savings.
- Budget Policy 400.3 – approve a budget within 90 days of July 1
- Defined Benefit Pension Plan Funding Policy 400.4 – accelerated funding of unfunded pension plan over four years - SGA Unfunded Liability for FY2024 is \$0
 - SGA has their own PERS account
 - Employees pays their full share of employee PERS obligation

Budget Assumptions

When FY23 Budget was approved, we assumed:

- Approximately 8% and 10% increase in FY24 and FY25 respectively
- No remaining SGMA designation/end of grant funds
- Set aside for FY2025 GSP update/GSP Implementation
- Set aside for potential Office Relocation
- Interest income would increase
- Continued payment of unfunded pension liabilities
- Continued SGA common cost sharing with RWA

Budget Outlook

- FY2023 budget was a planned deficit of \$103k covered by unrestricted SGA cash balance
- SGA unrestricted cash balance is a build up of savings from operations resulting from the pandemic, delay of hiring new Associate PM until FY23, and low technical support costs
- FY2023 had a 0% fee increase
- Mid-year budget status is on target with budget plan
- Any savings from FY2023 Budget will roll over to FY2024 but none is expected
- FY2024 projected fee increase may still hold despite PERS savings due to CPI, salary adjustments, OPEB increase, and consultant/professional fee increases
- Actual budget results may not be achieved



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



SACRAMENTO GROUNDWATER AUTHORITY